

# FIELD CROP BIWEEKLY 2023

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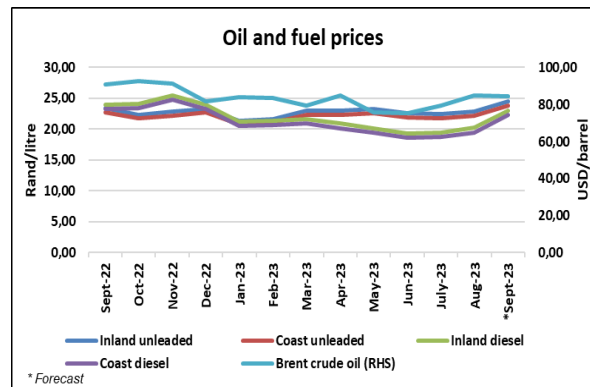
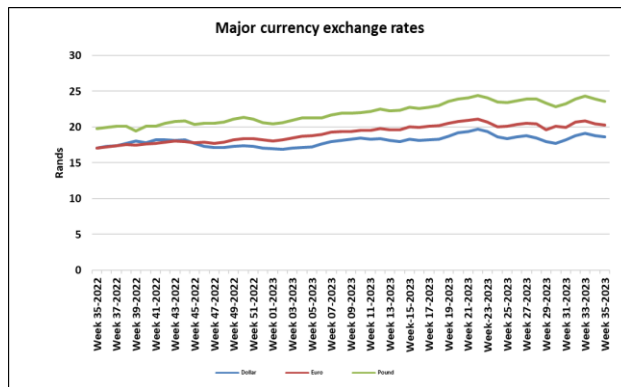
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## Summary

The Crop Estimates Committee (CEC) released the seventh summer crop and first winter crop estimates for the 2023/24 marketing year (MY). Maize production was revised upwards by 0.3% from the previous estimate to 16.41 million tons (second-largest and up by 6% y/y). Soya bean production was unchanged at its record of 2.755 million tons (up by nearly 24% y/y). Sunflower seed production was revised downwards by 2% to 743 610 tons (down by 12% y/y). Groundnuts were unchanged at 51 910 tons (up by 7% y/y). Sorghum was revised downwards by 2.8% to 97 740 tons (down by 5% y/y). Wheat production is estimated at 2.14 million tons, up by 1.5% y/y from higher average yields. South Africa could require wheat imports of about 1.5 million tons to meet domestic demand (1.6 million tons in MY 2022/23). Barley production is estimated at 380 020 tons, up by nearly 26% y/y; canola is estimated at 243 950 tons, up by 16% y/y; and a big increase of 119% y/y is forecast for oats to 60 200 tons, due to average yields that are expected to double. Overall, the winter crop is in good condition.

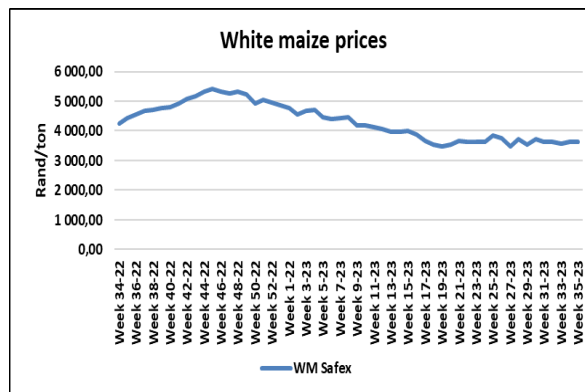
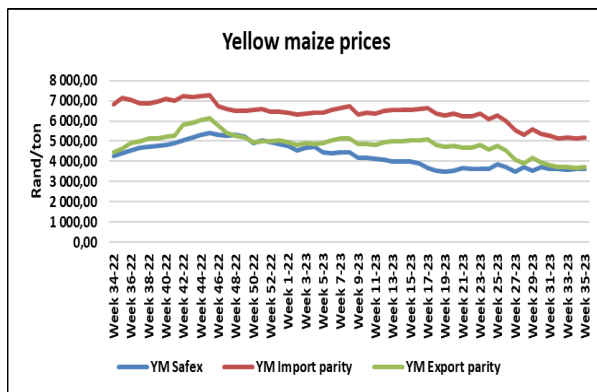
## Exchange Rates and Oil Prices



- This week, the rand averaged R18.65 against the US\$, largely flat w/w but weaker by 9.5% y/y.
- South Africa's rand was largely flat as investors were cautious before several local and international economic data releases. These included South Africa's July 2023 producer inflation, the US personal consumption data, and the Fed's preferred inflation gauge.
- The Brent crude oil price averaged US\$84.36 per barrel, up by 0.3% w/w but down by 13.4% y/y. Oil prices posted gains of more than \$2.00 per barrel yesterday. Prices have increased for the third straight month on expectations that cuts by OPEC+ would continue through the end of 2023.
- From the start of August 2023, the price of Brent crude oil has increased substantially on Saudi Arabia and Russia cutting production. Rand weakness and higher oil prices then persisted for the rest of August 2023. Therefore, on 06 September 2023, domestic fuel price movements are likely to be upwards. Petrol 95 unleaded could increase by 165c/l; and diesel 500ppm and 50ppm could increase by 285c/l and 277c/l, respectively.

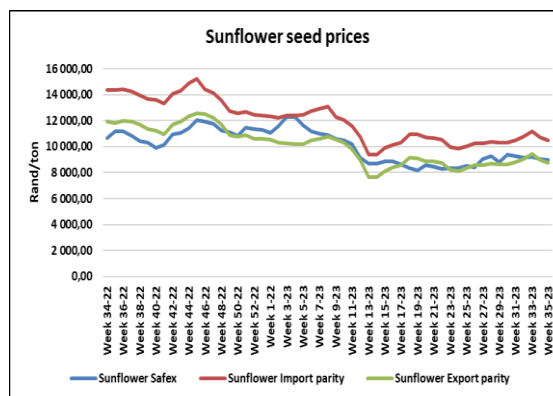
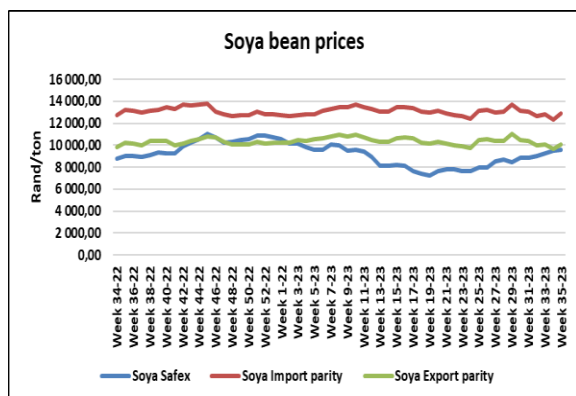
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# Yellow and White Maize



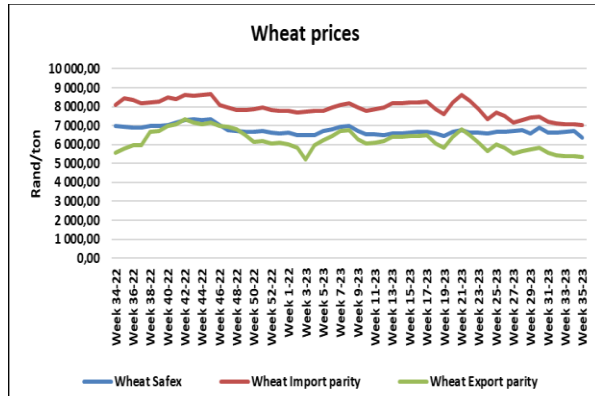
- This week the **yellow maize** price averaged R3 609/ton, slightly down by 0.6% w/w and by 18% y/y. The **white maize** price averaged R3 618/ton, down marginally by 0.1% w/w and by 18% y/y. Local maize prices were just slightly down this week due to the stable rand and lower Chicago prices.
- Chicago maize futures ended lower, as the US maize crop approaches harvest with minimal signs of crop stress. The South Korean Feed Association purchased an estimated 68 000 tons of animal feed maize in an international tender, which is expected to come from either South America or South Africa.
- In week-17 of the domestic 2023/24 maize MY, 13.8 million tons of white and yellow maize had cumulatively been delivered. In the same week, cumulative exports of white and yellow maize reached a combined 1.61 million tons.

# Soya Bean and Sunflower Seed



- This week the **soya bean** price averaged R9 591/ton, up by 1.1% w/w and by 6% y/y. The **sunflower seed** price averaged R8 963/ton, down slightly by 0.9% w/w and by 20% y/y. Domestic oilseed contracts traded mixed on mixed international price movements and a stable rand.
- Chicago soya bean prices traded lower from the approaching harvest and a slightly slower annual pace of exports. The soya bean complex traded mixed with soya meal prices recovering but soya oil decreasing. Private exporters announced a sale of 133 355 tons to China to the USDA and that the shipments will start in the 2023/24 MY which begins today.
- Cumulative domestic oilseed deliveries by week-26 of the 2023/24 MY reached 2.632 million tons of soya bean and 712 529 tons of sunflower seed.

# Wheat



- The **wheat** price averaged R6 369/ton, down by 5% w/w and by 8% y/y. Local wheat prices were pressured by the stable rand and the CEC data release.
- In week 34-2023, 2.05 million tons of domestic wheat had cumulatively been delivered for the 2022/23 MY.
- In week 34-2023, cumulative wheat imports stood at 1.455 million tons, with 426 763 tons coming from Poland, 221 047 tons from Australia, and 212 114 tons from Lithuania, amongst others.

## Sources

*Agri-Market Trends.*

*Agricultural Business Chamber.*

*Automobile Association of South Africa.*

*Department of Agriculture Land Reform and Rural Development.*

*Grain South Africa.*

*OPEC.*

*South African Grain Information Service.*

*Standard Bank Group Economic Insights.*

*Standard Bank Group Knowledge Centre.*

*Unigrain.*

*United States Department of Agriculture.*

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