

FIELD CROP BIWEEKLY 2023

Report No. 16 2023



15 September 2023

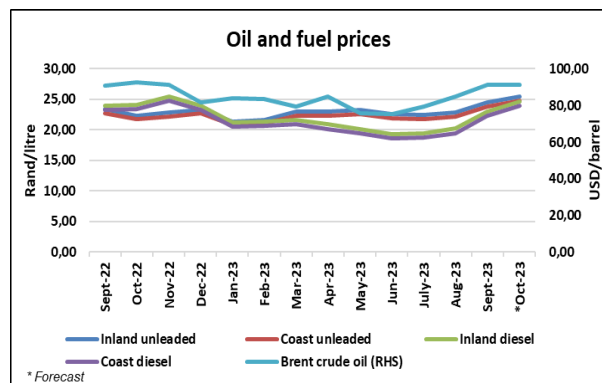
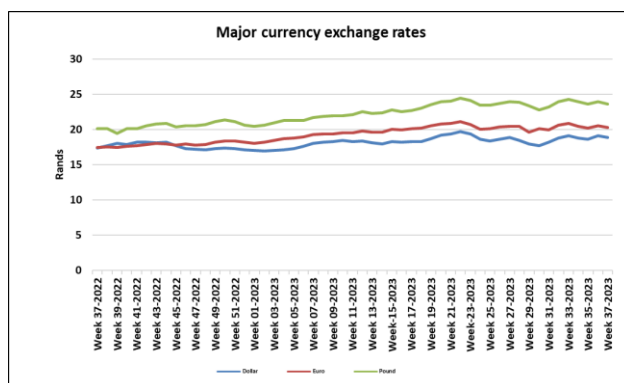
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Summary

The 2023/24 domestic summer crop production season is fast approaching, and maize planting should kick off on 01 October in the eastern early-planting regions. With El Niño anticipated to continue through the Southern Hemisphere mid-summer to early-autumn (January to March 2024) at greater than 95% chance, the attention of the summer crop market has now shifted to the climatic endowment of the new season. In the second quarter of 2023 (Q2-2023), agricultural exports firmed by 0.3% year-on-year (y/y) and by 17% quarter-on-quarter (q/q) to US\$3.374 billion. The main drivers of the quarterly expansion (exports that increased in value q/q) were citrus, pome, grains and products, avocados, wine, oilseeds and products, macadamia nuts, sugar, stone fruit, tobacco, cut flowers, and fruit jams. In absolute terms, the major exports in descending order were grains and products, pome fruit, citrus, avocados, wine, wool, oilseeds and products, avocados, sugar, grapes, macadamia nuts, stone fruit, beer, fruit jams and juices, and vegetables. In Q2-2023, the African continent continued to be the largest market for South Africa's agricultural exports, absorbing 35.6% of total exports, followed by Asia (30%), Europe (27.4%), and America (6.2%).

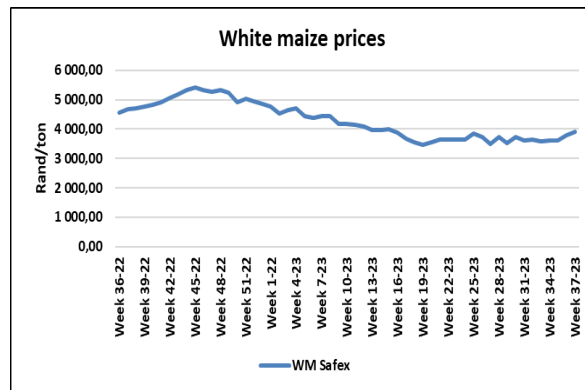
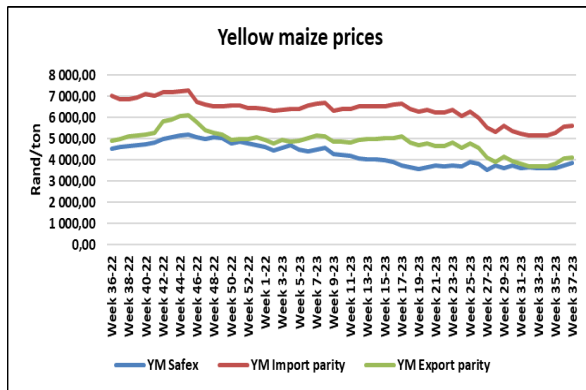
Exchange Rates and Oil Prices



- This week, the rand averaged R18.92 against the US\$, stronger by 0.8% w/w but weaker by 8.9% y/y. The rand recovered as encouraging lending data and fresh stimulus measures from China supported emerging market currencies.
- The Brent crude oil price averaged US\$91.24 per barrel, up by 1.5% w/w but down by 1.7% y/y. This week, oil prices firmed to their highest in 2023 as expectations of tighter supply outweighed worries about weaker economic growth and rising US oil inventories.
- This month the price of crude oil has increased on Saudi Arabia and Russia cutting production for the rest of 2023. Higher oil prices and rand weakness are forecast to support domestic fuel prices on 04 October 2023 as follows: petrol 95 unleaded could increase by 98c/l; and diesel 500ppm and 50ppm could increase by 164c/l and 152c/l, respectively.

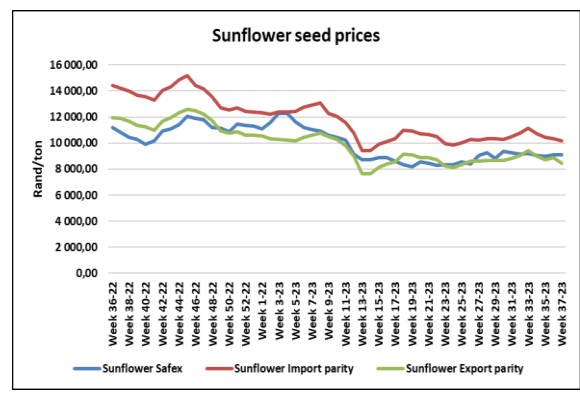
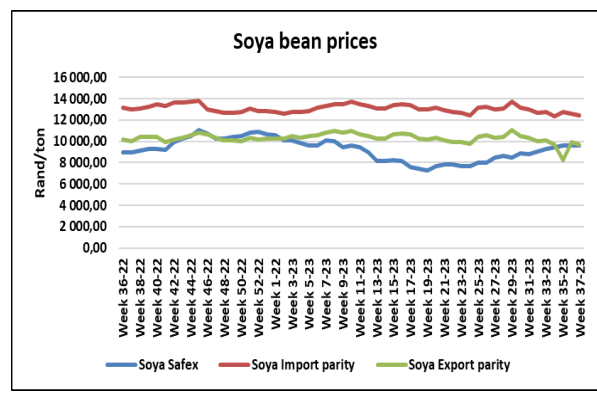
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Yellow and White Maize



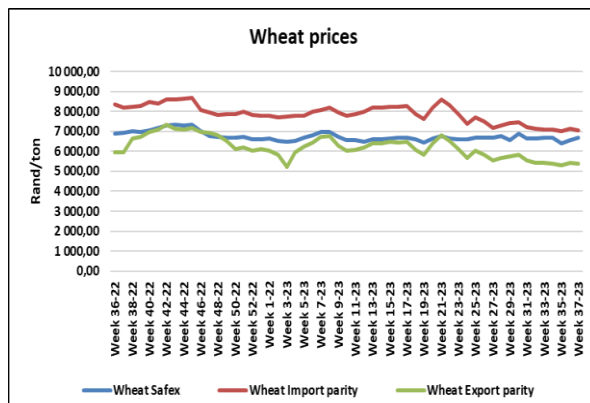
- This week the **yellow maize** price averaged R3 865/ton, higher by 2.7% w/w but down by 16.3% y/y. The **white maize** price averaged R3 913/ton, up by 3.2% w/w but down by 16.1% y/y. Local maize prices gained from green trading days despite the rand's recovery.
- Chicago maize futures traded lower yesterday on technical trading, sluggish export demand, and harvesting pressure of a large US maize crop.
- In week-19 of the domestic 2023/24 maize marketing year (MY), 14 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 1.74 million tons.
- The top three export destinations for white maize were Guatemala (19 443 tons), Namibia (4 292 tons), and Botswana (3 753 tons). Yellow maize's top three destinations were Taiwan (20 385 tons), Japan (6 801 tons), and Eswatini (2 085 tons).

Soya Bean and Sunflower Seed



- This week the **soya bean** price averaged R9 571/ton, down slightly by 0.6% w/w but up by 7% y/y. The **sunflower seed** price averaged R9 079/ton, down marginally by 0.1% w/w and by 15% y/y. Domestic oilseed contracts traded lower on the rand recovery.
- Chicago soya bean prices posted gains on North American oilseed supply concerns. Canadian farmers are forecast to harvest less canola than expected. An estimated 17.4 million tons of canola could be harvested in Canada, which is down 7% y/y and the second-smallest crop in nine years. Tighter canola supplies could drive up soya bean demand.
- Cumulative domestic oilseed deliveries by week-28 of the domestic 2023/24 oilseed MY reached 2.65 million tons of soya bean and 715 874 tons of sunflower seed.

Wheat



- The **wheat** price averaged R6 670/ton, up by 1.7% w/w but down by 3.4% y/y. Local wheat prices were supported by higher Chicago prices driven by a higher y/y pace of exports.
- In week 36-2023, 2.05 million tons of domestic wheat had cumulatively been delivered for the 2022/23 MY which ends this month.
- In week 36-2023, cumulative wheat imports stood at 1.606 million tons, with 455 419 tons coming from Poland, 260 436 tons from Australia, and 242 391 tons from Russia, amongst others.

Sources

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