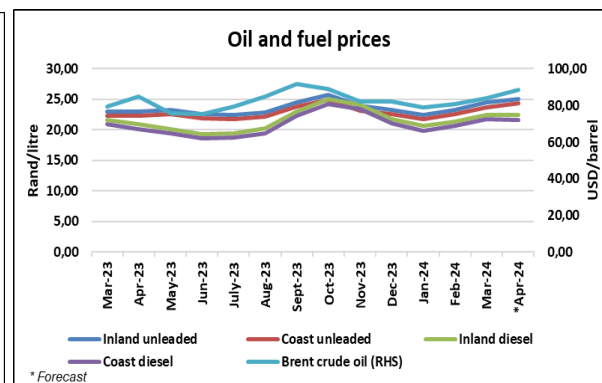
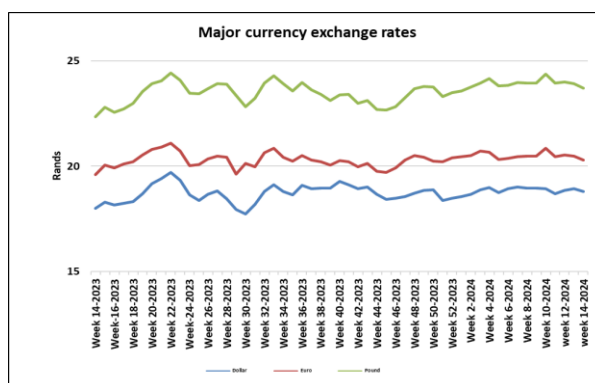




## Summary

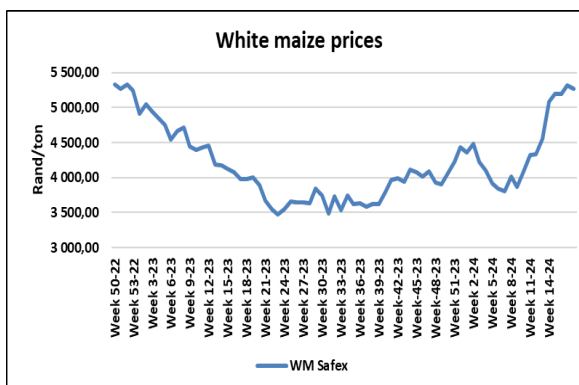
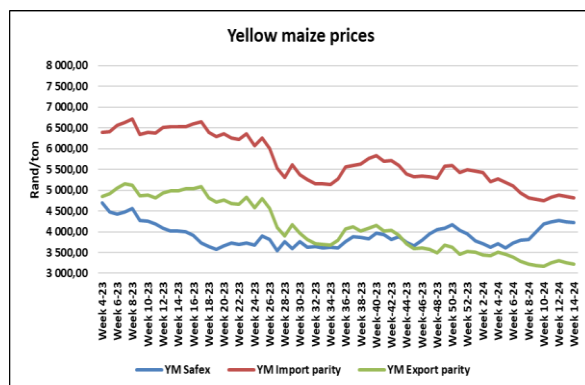
The Crop Estimate Committee (CEC) released the area planted and second production forecasts for the 2024/25 marketing year's (MY's) summer crop. Total summer grain and oilseed production was revised to 15.86 million tons, down by 8.9% from the previous month's estimate and by 21% year-on-year (y/y). Total maize was forecast at 13.26 million tons, down by 19% y/y, making it the lowest maize harvest in five years. Soya bean production was forecast at 1.81 million tons, down by 34.5% y/y. Sunflower seed production was projected at 589 000 tons, down by 18.2% y/y. Groundnut production was forecast at 57 610 tons, bucking the trend to increase by nearly 9% y/y. Sorghum production is expected to reach 89 630 tons, down by 5% y/y. The summer crop for the 2024/25 MY began on a cautiously optimistic footing with above-average production generally expected. Initially, a relatively weaker El Niño was anticipated, however, the dial turned in January 2024 to see many production zones taking strain from excessive heat and limited rainfall. South Africa's food price inflation receded in February 2024 to 6.1% (7.2% in January 2024). This is attributed to slower price inflation in most food products except for sugar and related products, which remained unchanged. Over the next couple of months, food price inflation is expected to inch upwards, largely due to slightly higher grain and oilseed prices (which should peak towards the end of this year) and a rising Brent crude oil price.

## Exchange Rates and Oil Prices



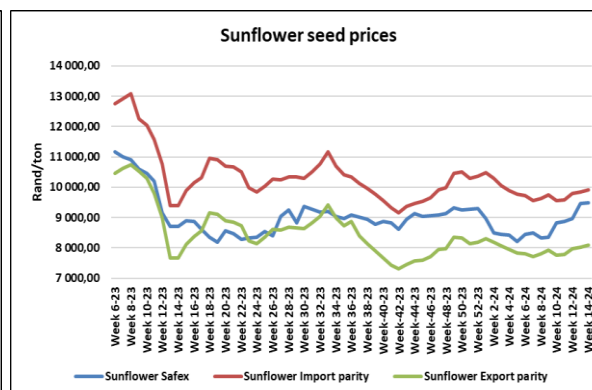
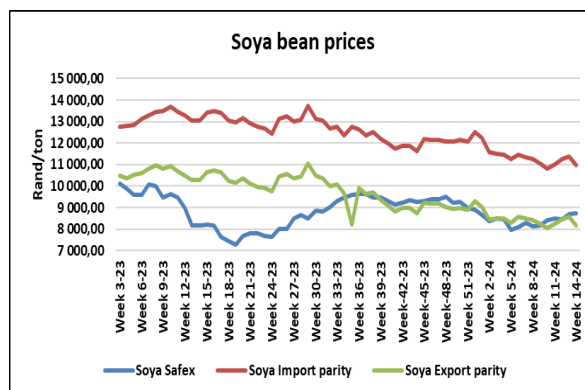
- This week, the **rand** averaged R18.81/US\$, stronger by 0.7% w/w but weaker by 4.6% y/y. The local currency posted gains from US\$ weakness and higher gold prices, which more than offset survey data which showed that private sector activity in the country declined last month.
- This week's **Brent crude oil** price averaged US\$88.56/barrel, up by 3.1% w/w and by 5.1% y/y. Oil prices traded higher, getting support from geopolitical tensions and OPEC+ commitments to maintain output cuts.
- Brent crude oil prices have increased substantially in recent weeks on commitments to maintain oil export cuts by OPEC+. Unless the rand recovers to more than offset this trend, higher domestic fuel prices could be expected next month (holding other variables constant).

# Yellow and White Maize



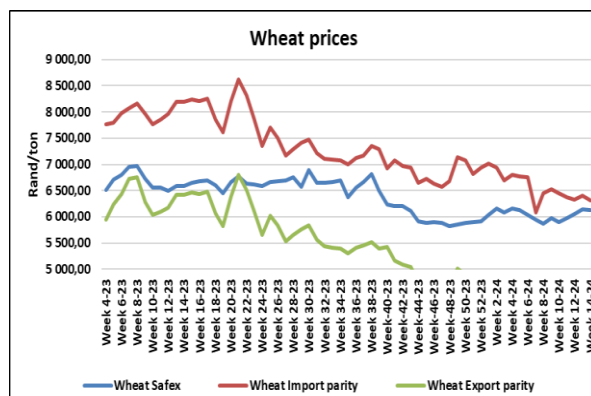
- This week, the **yellow maize** price averaged R4 216/ton, fractionally down by 0.4% w/w but up by 4.8% y/y. The **white maize** price averaged R5 271/ton, slightly lower by 1% w/w but up by 32% y/y. South African maize prices were pressured by the rand's recovery.
- Chicago maize prices traded higher yesterday on solid export sales, however, the ample supplies coupled with a favourable weather outlook capped these gains.
- In week-48 of the domestic 2023/24 maize MY, 15.443 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 3.208 million tons.
- The top three export destinations of white maize were Zimbabwe (362 175 tons), Botswana (233 352 tons), and Namibia (149 581 tons). The top three destinations of yellow maize were South Korea (492 252 tons), Japan (468 303 tons), and Taiwan (463 086 tons).

# Soya Bean and Sunflower Seed



- This week, the **soya bean** price averaged R8 749/ton, up slightly by 0.7% w/w and by 7% y/y. The **sunflower seed** price averaged R9 484/ton, up marginally by 0.2% w/w and by 9% y/y.
- Local oilseed prices were somewhat supported by a tighter domestic oilseed outlook for the new season and mixed trading from the international oilseed complex.
- Cumulative domestic oilseed deliveries by week-05 of the 2024/25 MY stood at 201 797 tons of soya bean and 61 028 tons of sunflower seed.

# Wheat



- The **wheat** price averaged R6 128/ton, down fractionally by 0.1% w/w and by 7% y/y.
- Domestic wheat prices were somewhat affected by rand recovery.
- Chicago wheat futures ended mixed yesterday on the weaker US\$, while gains were capped by limited US export demand and easing concerns about Russian shipping disruptions.
- In week-26 of the local 2023/24 MY, cumulative deliveries were at 1.919 million tons.
- In the same week, cumulative wheat imports stood at 943 570 tons, with 317 271 tons coming from Poland, 229 140 tons from Lithuania, and 129 053 tons from Latvia, amongst others.

## Sources

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