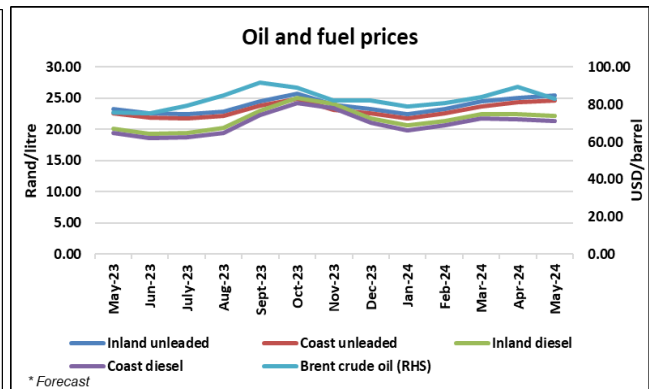
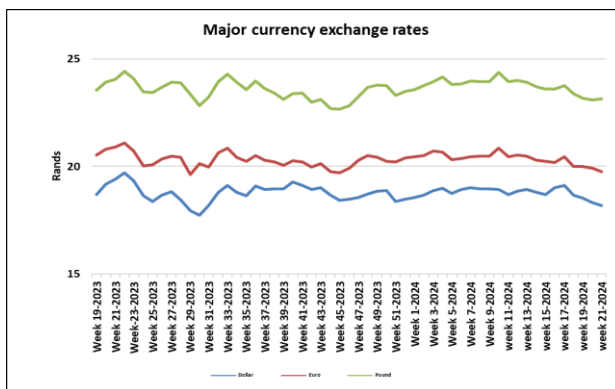




Summary

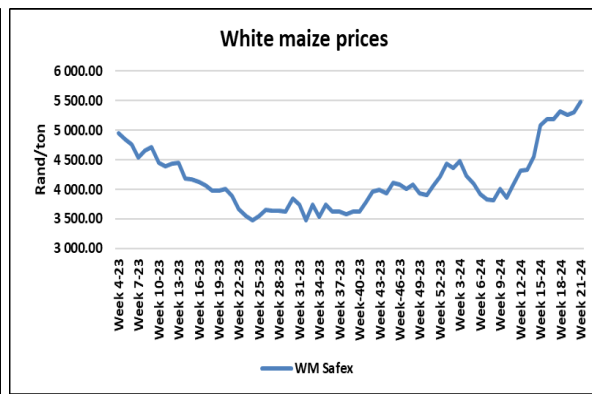
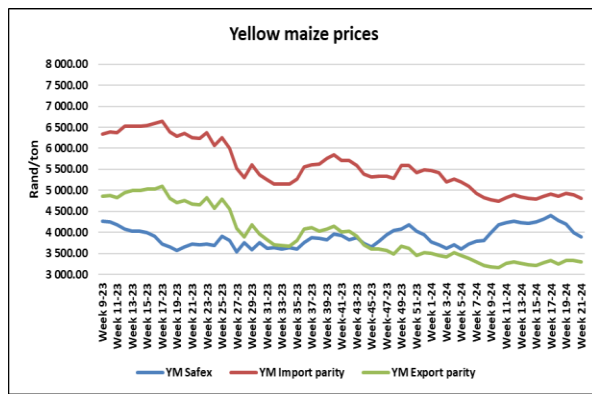
Despite the economic challenges confronting the country, the agricultural sector continues to show resilience. The sector managed to employ more people in the first quarter of 2024, in the face of key challenges like drought, loadshedding, and deteriorating infrastructure. According to Statistics South Africa, employment in primary agriculture firmed by 6% in the first quarter of 2024 to 941 000 jobs compared to the same time last year. The main contributing provinces were the Eastern Cape, Northern Cape, North West, Gauteng, and Mpumalanga, while the Western Cape, KwaZulu-Natal, and Limpopo recorded mild declines. Agricultural machinery sales are an indicator of the sentiment of the farming sector. According to the South African Agricultural Machinery Association (SAAMA), in April 2024, 500 tractors were sold, down by 8% y/y, along with 26 combined harvesters, a strong decline of 75% y/y. Farmers are exercising caution in their buying decisions as they harvest their drought-affected summer crops. However, the outlook of the sector remains positive as farmers look forward to seeing the back of El Niño and the arrival of La Niña weather in time for the 2024/25 production season later this year. In the interim, the mood remains less upbeat for winter crops in the Western Cape, as there has been very little rainfall to date. This is another factor that needs to be monitored and it is also pressuring agricultural machinery sales.

Exchange Rates and Oil Prices



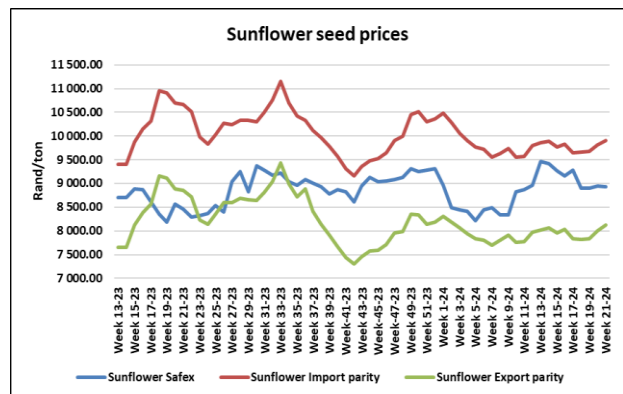
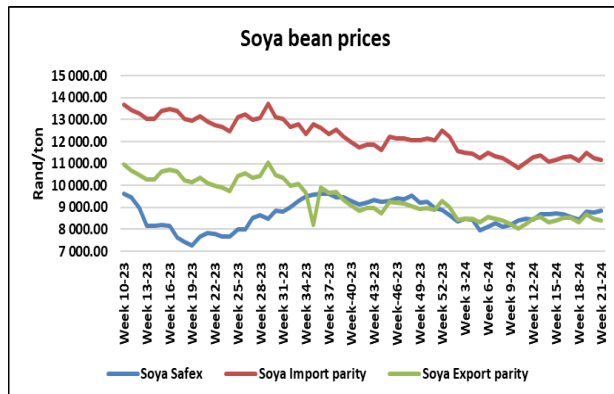
- This week, the **rand** averaged R18.19/US\$, stronger by 0.8% w/w and by 6.2% y/y. Despite the rand's strength on a weekly basis, it weakened yesterday following the Federal Reserve's meeting minutes which suggested a hawkish stance for longer.
- This week's **Brent crude oil** price averaged US\$83.13/barrel, marginally up by 0.3% w/w and by 6.7% y/y. The rising concerns over global demand have limited gains for the crude benchmarks.
- Brent crude oil remained relatively stable following a sharp decline towards the end of April 2024, however, the rand/US\$ exchange rate has appreciated. As a result, on 05 June 2024, the local price of petrol (95 unleaded) could decrease by 85c/l; while diesel 500ppm and 50ppm could decrease by 82c/l and 81c/l, respectively.

Yellow and White Maize



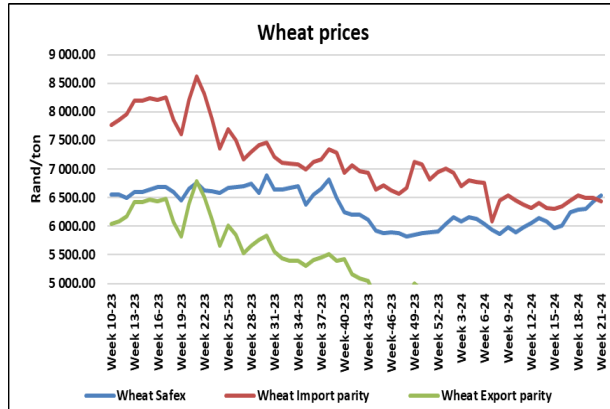
- This week, the **yellow maize** price averaged R3 895/ton, down by 2.4% w/w but up by 4.7% y/y. The **white maize** price averaged R4 809.6/ton, down by 1.6% w/w but up by 29% y/y. Local maize prices came under pressure due to the recovery of the local currency.
- Chicago maize prices firmed moderately this week on a continuous round of technical buying, in the midst of ongoing questions regarding Brazil's true production potential this season.
- In week-52 of the domestic 2023/24 maize MY, 16.22 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 3.42 million tons.
- The top three export destinations of white maize were Zimbabwe (439 610 tons), Namibia (176 127 tons), and Mozambique (137 456 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 830/ton, slightly up by 0.6% w/w and 13.7% y/y. The **sunflower seed** price averaged R8 928/ton, slightly down by 0.3% w/w but up by 5.5% y/y.
- The soya bean prices were supported by good domestic buying demand which more than offset the effects of a recovering rand and lower international prices.
- Chicago soya beans traded lower on a slower annual pace of US exports.
- Cumulative domestic oilseed deliveries by week-12 of the 2024/25 MY stood at 1.47 million tons of soya bean and 325 051 tons of sunflower seed.

Wheat



- The **wheat** price averaged R6 542/ton, up by 1.5% w/w but down by 3.3% y/y.
- Despite the recovery of the local currency, wheat prices benefited from a round of technical buying that supported Chicago prices by more than 2% on yesterday.
- In week-33 of the local 2023/24 MY, cumulative deliveries were at 1.966 million tons.
- In the same week, cumulative wheat imports stood at 1.15 million tons, with 334 293 tons coming from Poland, 295 127 tons from Lithuania, and 129 053 tons from Latvia, amongst others.

Sources

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