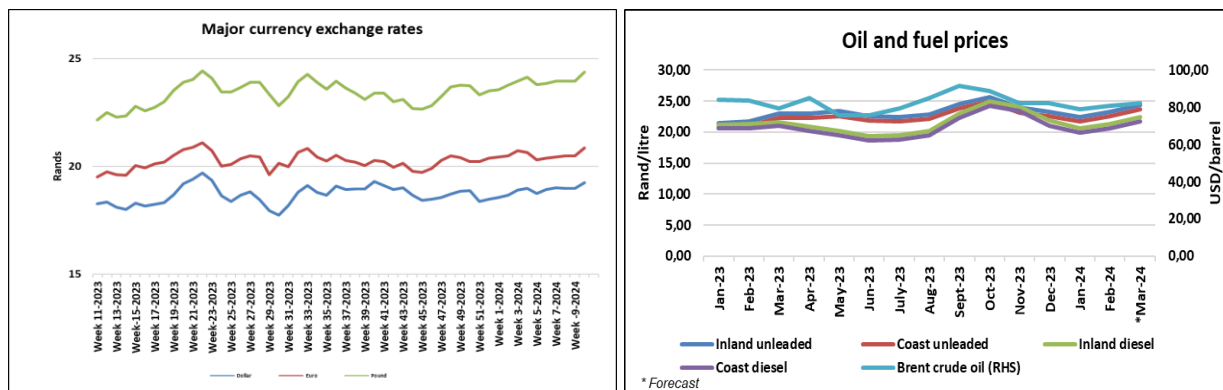




## Summary

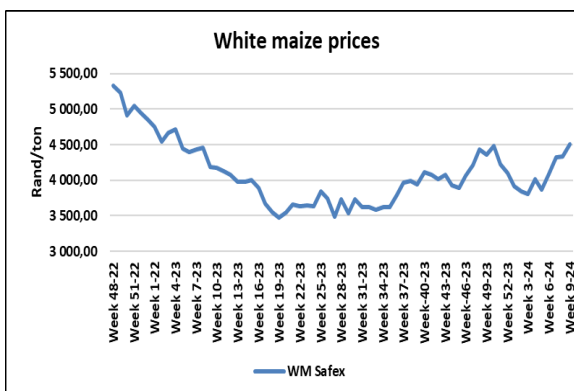
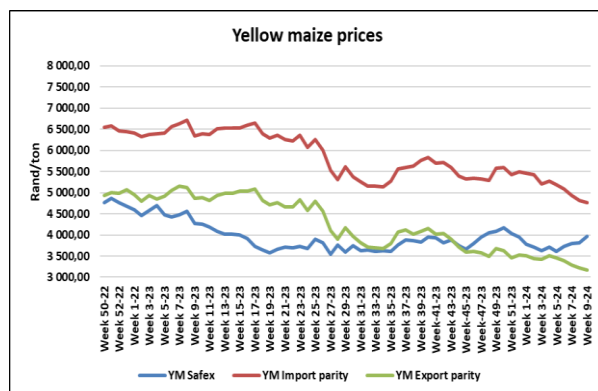
South Africa's agricultural sector remains resilient in the midst of a tough operating environment. This has once again been evidenced by the sector's recently released trade performance data. In spite of all the logistical headwinds, South Africa's agricultural exports managed to reach a new record high of US\$13.2 billion in value terms, an increase of 3% year-on-year (y/y). The commodities that dominated the export list were citrus, maize, apples and pears, tree nuts, and soya beans, amongst others. The expansion in agricultural exports can be attributed to increased production of quality produce and generally supportive export prices. Summer crops for the 2024/25 marketing year (MY) are beginning to show moisture stress in some parts of the country due to the current heatwave and scant rainfall. This week, the Crop Estimates Committee (CEC) released the first production estimates for the 2024/25 MY. Maize is estimated at 14.36 million tons, down by 12.6% y/y; soya bean is at 2.14 million tons, lower by nearly 23% y/y; and sunflower seed is at 671 100 tons, down by 6.8% y/y. Sorghum, groundnuts, and dry beans are all forecast to increase on an annual basis. Despite the contraction in maize and soya bean, production remains above the 10-year averages and South Africa should maintain its net exporter status for these crops.

## Exchange Rates and Oil Prices



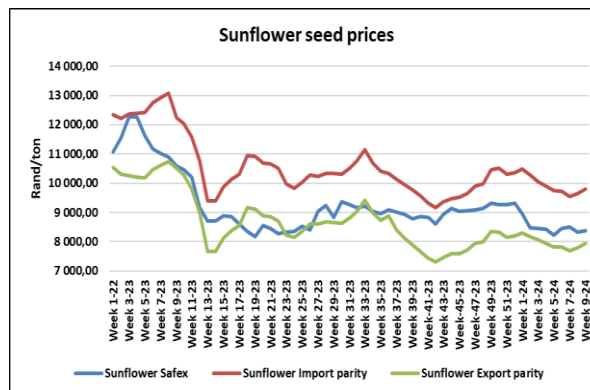
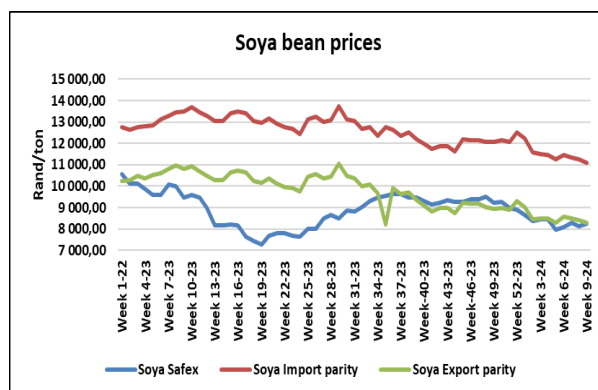
- This week, the **rand** averaged R19.02/US\$, weaker by 0.5% w/w and by 5.7% y/y. The local currency was pressured by bitter investor sentiment after the national budget speech. Despite this, the rand posted some gains yesterday and early today ahead of a local purchasing managers' index survey which could provide clues on the health of the economy.
- This week **Brent crude oil** averaged US\$82.27/barrel, down by 1.04% w/w and by 0.3% y/y. Oil prices were pressured by higher US crude oil inventories. However, OPEC+ plans to extend production cuts into the second quarter are a bullish factor.
- In February 2024, the rand depreciated while crude oil prices remained relatively stable. As a result, the following **local fuel price** increases are predicted for 06 March 2024: petrol (95 unleaded) by 121c/l; diesel 500 ppm and 50ppm by 110c/l and 121c/l, respectively.

# Yellow and White Maize



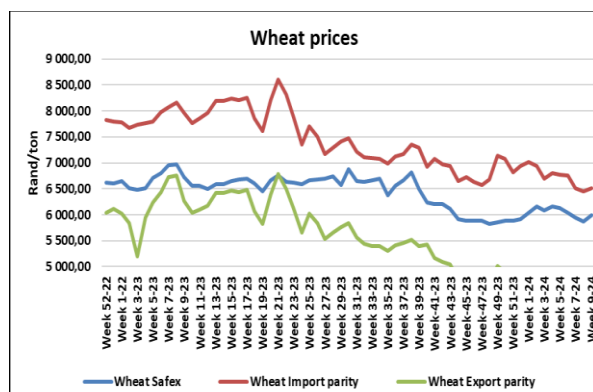
- This week, the **yellow maize** price averaged R3 975/ton, up by 4.2% w/w but down by 7% y/y. The **white maize** price averaged R4 508/ton, up by 4% w/w and by 8% y/y. Domestic maize prices got support from the weaker rand and higher Chicago maize prices.
- Chicago maize prices got support following the release of favourable export sales data by the US Department of Agriculture (USDA) yesterday.
- In week-43 of the domestic 2023/24 maize MY, 15.041 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 3.01 million tons.
- The top three export destinations of white maize were Zimbabwe (280 116 tons), Botswana (213 298 tons), and Namibia (126 439 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 238/ton, up by 1.4% w/w but down by 13% y/y. The **sunflower seed** price averaged R8 368/ton, up marginally by 0.4% w/w but down by 21% y/y.
- Local oilseed prices got support from the weaker rand and concerns about dryness in the new crop.
- Chicago soya bean futures decreased to a new three-year low on yesterday, pressured by improving South American weather, tepid US export sales, coupled with heavier than expected contract deliveries. The US continues to face stiff competition from South American suppliers for soya bean export sales, therefore limiting gains.
- Cumulative domestic oilseed deliveries by week-52 of the 2023/24 MY stood at 2.72 million tons of soya bean and 720 519 tons of sunflower seed.

# Wheat



- The **wheat** price averaged R5 999/ton, up by 2.2% w/w but down by 11% y/y.
- Domestic wheat prices got support from the weaker rand and higher Chicago prices.
- In week-21 of the 2023/24 MY, cumulative wheat deliveries stood at 1.874 million tons.
- In the same week, cumulative wheat imports stood at 758 804 tons, with 262 696 tons coming from Poland, 187 845 tons from Lithuania, and 128 922 tons from Latvia, amongst others.

## Sources

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