



15 March 2024

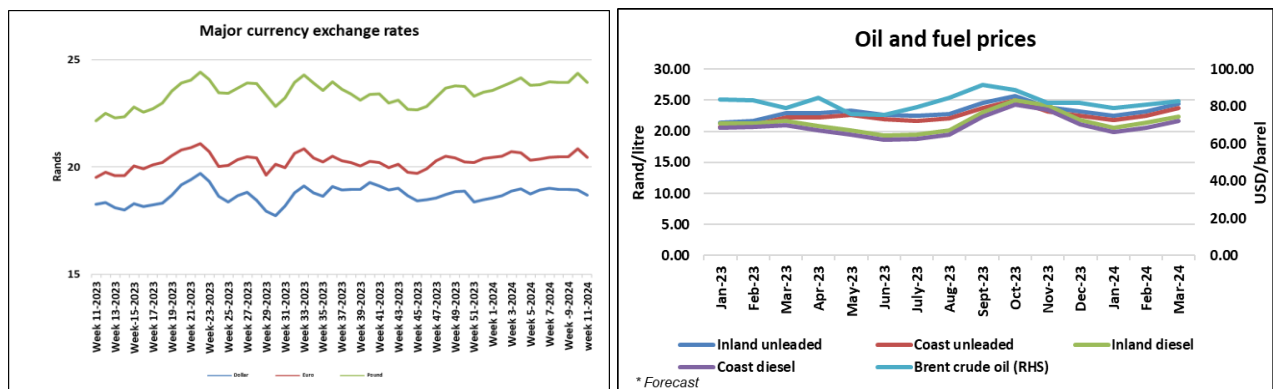
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Report No. 04 2024

Summary

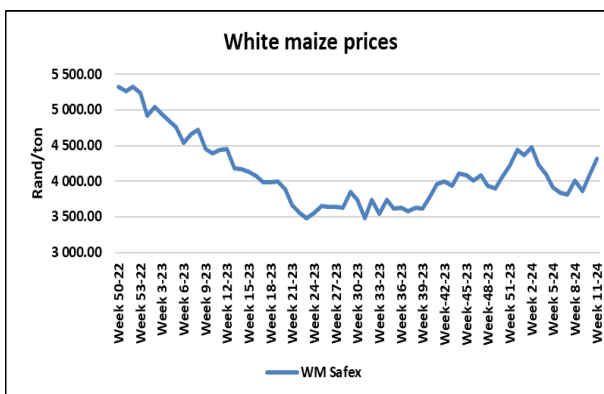
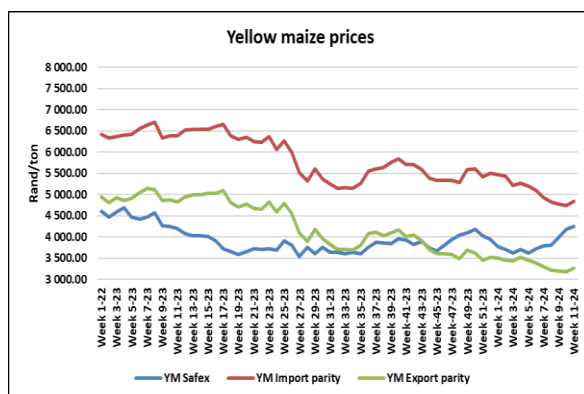
Since the year 2020, South African food price inflation has increased on a yearly basis. Domestic food price inflation averaged 11% in 2023, which was an increase from 9.5% in 2022. Unfavourable weather conditions for local agriculture, including persistent dryness and heatwaves, have consumers concerned about the inflation outlook for 2024. However, according to the Agricultural Business Chamber (Agbiz), the increases in food inflation over the past two years were largely driven by international market factors and to a much lesser extent, domestic market dynamics. As such, we can still expect international market developments to still be the dominant driver of domestic soft commodity prices, and in turn, food price inflation. The United States Department of Agriculture (USDA) is expecting a large volume of global grain and oilseed production for the 2023/24 marketing year (MY). Global maize production is forecast to increase by 6.3% year-on-year (y/y) to a record 1.23 billion tons, wheat is expected to dip marginally by 0.3% y/y to 786.7 million tons, soya bean is estimated to firm by 5% y/y to a record 396.85 million tons, and sunflower seed should increase by 4.8% y/y to 54.91 million tons. The 2023/24 MY's production of each of these field crops is forecast to be higher than its respective five-year average.

Exchange Rates and Oil Prices



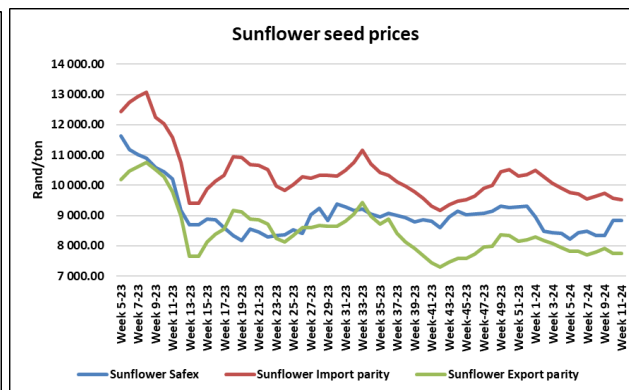
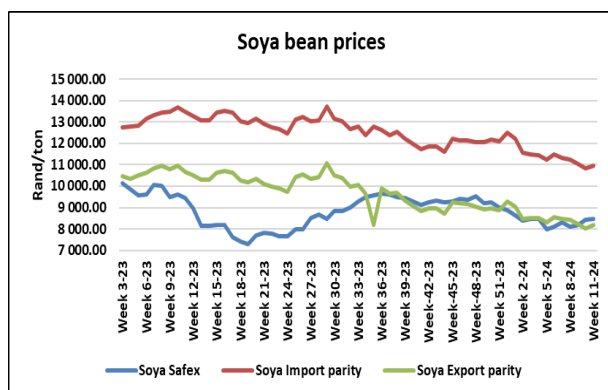
- This week, the **rand** averaged R18.70/US\$, stronger by 1.2% w/w and by 2.4% y/y. The rand posted these weekly gains despite falling off yesterday following the release of a mixed batch of local mining and manufacturing data.
- This week's **Brent crude oil** price averaged US\$82.98/barrel, fractionally up by 0.01% w/w and by 6.2% y/y. Oil prices were supported by stronger demand and tighter market supply.
- In March 2024, the rand has somewhat firmed and crude oil prices remained relatively stable. As a result, the following **local fuel price** decreases are predicted for 03 April 2024: petrol (95 unleaded) by 12c/l; diesel 500 ppm and 50ppm by 63c/l and 68c/l, respectively.

Yellow and White Maize

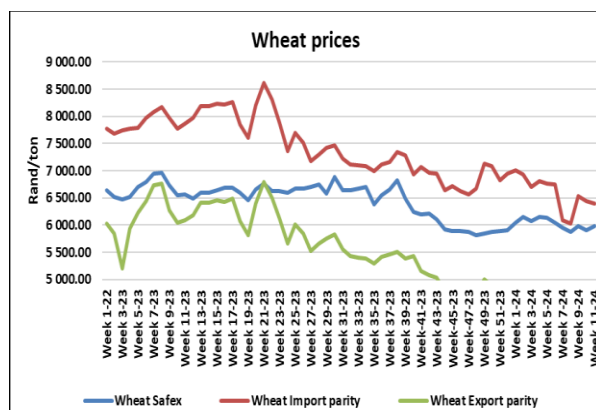


- This week, the **yellow maize** price averaged R4 244/ton, up by 2% w/w and by 7% y/y. The **white maize** price averaged R5 194/ton, up by 2% w/w and by 26% y/y. South African maize prices were supported by US maize prices that improved due to a weekly increase in the pace of exports.
- In week-45 of the domestic 2023/24 maize MY, 15.14 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 3.1 million tons.
- The top three export destinations of white maize were Zimbabwe (319 437 tons), Botswana (223 301 tons), and Namibia (125 750 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 471/ton, up by 1% w/w but down by 10% y/y. The **sunflower seed** price averaged R8 8847/ton, up marginally by 0.2% w/w but down by 13% y/y.
- Local oilseed prices got support from harvesting delays in Argentina and concerns about dryness in the new domestic crops.
- Cumulative domestic oilseed deliveries by week-02 of the 2024/25 MY stood at 15 758 tons of soya bean and 10 332 tons of sunflower seed.



- The **wheat** price averaged R5 984/ton, up by 1% w/w but down by 9% y/y.
- Domestic wheat prices got support from an improving pace of international shipments.
- In week-23 of the local 2023/24 MY, cumulative deliveries were at 1.91 million tons.
- In the same week, cumulative wheat imports stood at 808 755 tons, with 274 643 tons coming from Poland, 210 848 tons from Lithuania, and 128 922 tons from Latvia, amongst others.

Sources

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