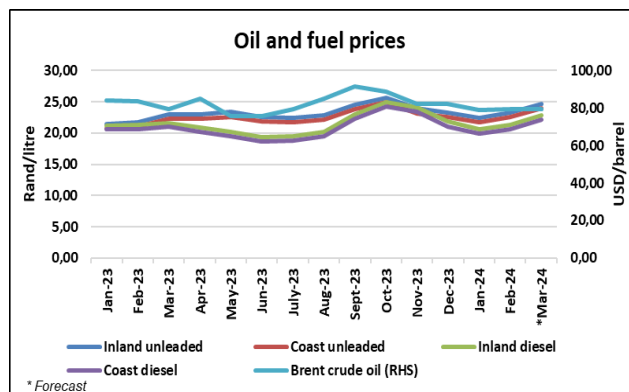
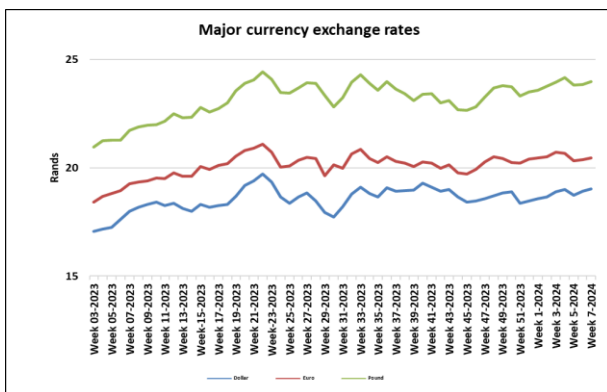




Summary

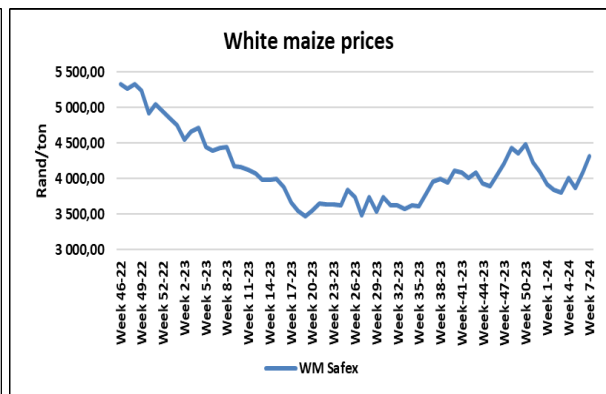
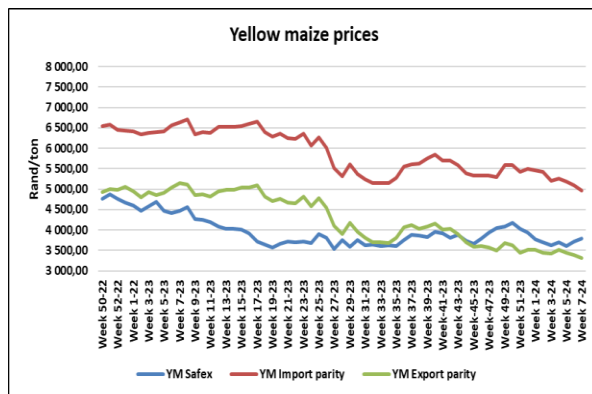
The recent European Union (EU) farm protests around declining agricultural subsidies, environmental policy to reduce chemical and fertiliser use, and protection against imports are of relevance to South Africa's agricultural context. There are domestic concerns around what the implications of such changes present for South Africa's agricultural production methods and how the EU market's requirements might change. South Africa's agricultural exports to the EU account for 27% of the total in value terms according to Trade Map. This makes the EU a critical market for South African agriculture. Domestic agricultural machinery sales started on a low note with tractor sales declining by 26% year-on-year (y/y) in January 2024, with 352 units sold. Combine harvesters sales were down by 50% y/y, with 8 units sold. Although this data appears to be concerning, it essentially shows a normalisation of the market following years of robust sales. Data released by the Crop Estimates Committee (CEC) last week maintains a largely positive picture for the 2023/24 marketing year's (MY's) summer crops. The commercial maize crop is finalised at 16.43 million tons, up by 6.2% y/y, soya bean is at 2.77 million tons (+24.2% y/y), and sunflower seed is at 720 000 tons (-14.8% y/y).

Exchange Rates and Oil Prices



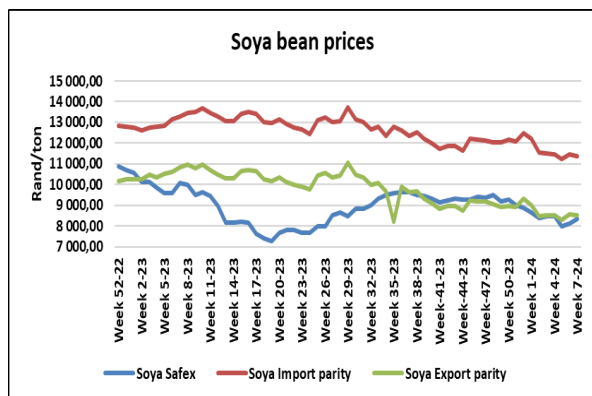
- This week, the **rand** averaged R19.02/US\$, weaker marginally by 0.5% w/w and by 5.7% y/y. The rand weakened as higher-than-expected US inflation is expected to defer the chances of a US interest rate cut. However, the local currency posted some gains from yesterday following the release of positive December 2023 retail sales data by Statistics South Africa.
- This week **Brent crude oil** averaged US\$79.29/barrel, up by 0.4% w/w but down by 6.6% y/y. Oil prices firmed as poor US retail sales data weighed on the US dollar.
- Since the beginning of this month, the price of Brent crude oil has increased substantially. This came as large global purchasers built up oil inventories from concerns of shipping disruptions due to the Red Sea Conflict. As a result, the following **local fuel price** increases are predicted for 06 March 2024: petrol (95 unleaded) by 139c/l; diesel 500 ppm and 50ppm by 146c/l and 162c/l, respectively.

Yellow and White Maize

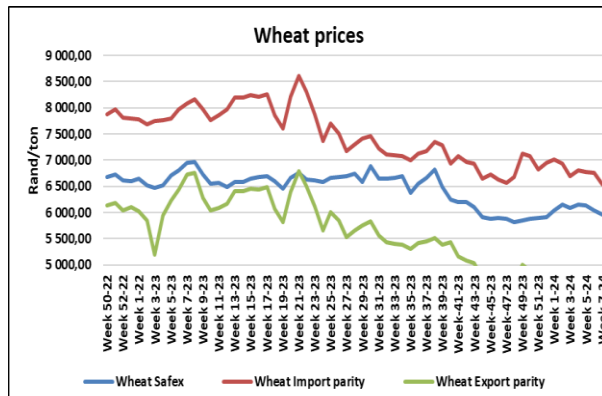


- This week, the **yellow maize** price averaged R3 792/ton, up by 2.2% w/w but down by 21% y/y. The **white maize** price averaged R4 317/ton, up by 5.3% w/w but down by 15% y/y. Domestic maize prices got support from the weaker rand seen in the previous sessions.
- However, Chicago maize prices have been bearish from a record US maize production outlook.
- In week-41 of the domestic 2023/24 maize MY, 14.927 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 2.911 million tons.
- The top three export destinations of white maize were Zimbabwe (243 253 tons), Botswana (200 936 tons), and Mozambique (119 590 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



Wheat



- The **wheat** price averaged R5 968/ton, up by 1% w/w but down by 6% y/y.
- Domestic wheat prices got support from the weaker rand.
- In week-19 of the 2023/24 MY, cumulative wheat deliveries stood at 1.845 million tons.
- In the same week, cumulative wheat imports stood at 730 542 tons, with 262 928 tons coming from Poland, 159 385 tons from Lithuania, and 128 888 tons from Latvia, amongst others.

Sources

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