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Key Data Releases in Agricultural Markets:

- SAGIS weekly grain trade data: 19/04/2017
- SAGIS weekly producer deliveries data: 20/04/2017
- USDA weekly export sales data: 20/04/2017
- National Crop Estimates Committee's monthly data: 25/04/2017
- SAGIS monthly data: 26/04/2017

ECONOMIC INDICATORS	13/04/2017*	18/04/2017*	d-o-d (%Δ)
Rand/US Dollar	13,56	13,32	+1,80%
Rand/Euro	14,43	14,17	+1,83%
Euro/US Dollar	1,0643	1,0645	+0,02%
Gold Spot	1 286,85	1 290,01	+0,25%
Brent Crude Oil	55,86	55,37	-0,88%
Platinum Spot	974,00	978,00	+0,41%
Dow Jones Industrial Average	20 591,86	20 636,92	+0,22%
JSE All Share	53 478,34	53 510,22	+0,06%
SA repo rate	7,00	7,00	0,00%
SA CPI (%)	6,30	6,30	0,00%
SA CPI – food (%)	9,90	9,90	0,00%

*Previous day's prices are from midday (12h00) and today's ones were captured before 8h00am

- The South African Rand started the week on firm footing, largely supported by higher commodity prices, as well as recent Chinese GDP data, which came out at 6.9%, better than market expectations. The Rand strengthened by 1.80% against the US Dollar from the level seen at midday Thursday. At the time of writing, the Rand/US Dollar exchange traded around R13.32.
- The Brent crude oil market lost ground this morning, with the price down by 0.88% from the level seen at midday Thursday. At the time of writing, oil price traded around US\$55.37 per barrel. These losses were mainly on the back of an expected uptick in US oil production. Recent data from Baker Hughes showed that the number of active US rigs drilling for oil increased by 11 to 683 for the week ending 13 April 2017.



MAIZE/CORN	13/04/2017*	18/04/2017*	d-o-d (%Δ)
White maize Spot (R/t)	2 102	2 069	-1,57%
White maize Jul 17 (R/t)	2 005	1 982	-1,15%
Yellow maize Spot (R/t)	2 131	2 135	+0,19%
Yellow maize Jul 17 (R/t)	2 117	2 100	-0,80%
CME corn May 17 (US cents/bushel)	370	367	-0,81%

*Previous day's prices are from midday (12h00) and today's ones were captured before 8h00am

- The **South African** maize market saw widespread losses during Thursday's trade session due to selling pressure, as well as expected large supplies this season. This was with the exception of yellow maize spot price, which remained in positive territory with support coming from higher Chicago maize prices.
- Maize harvest process is underway in some parts of South Africa, particularly the irrigation and the areas that planted early in the season. So far, the yields are reportedly above average, which supports the National Crop Estimate Committee's view of a possible bumper crop of 14.3 million tonnes. Moreover, the weather forecast for the next eight days remains favourable for harvest activity. It shows possibilities of dry and warm weather across the eastern parts of the country.
- Regionally, **Malawi's** 2016/17 maize production is estimated at 3.2 million tonnes, which is 36% higher than the previous season. Malawi is the third largest maize producer in Southern Africa, therefore an increase in its domestic production could present competition for South Africa's maize exports in the region.
- **On the global front**, this morning Chicago maize price were down by 0.81% from the level seen at midday Thursday due to expected large global supplies.
- Wet weather conditions across the US Midwest are causing delays in plantings. In the week ending 16 April 2017, plantings were at 6% complete, which is 6% behind the corresponding period last year. The US 2017/18 maize plantings are estimated at 36.4 million hectares, which is 4% lower than the previous season.
- Elsewhere, Reuters poll of analysts suggests that the **Chinese** 2017/18 maize plantings could decline by 6% from the previous season to 35.2 million hectares. In addition, the output is likely to decline to 207.5 million tonnes, also 6% lower than the previous season. This is well below the International Grains Council estimate of 215.8 million tonnes for China's 2017/18 maize production.
- In **Brazil**, wet weather conditions could be beneficial for *safrinha* maize crop (second season maize crop), which is still at early growing stages. Brazil's 2016/17 total maize production is estimated at 89 million tonnes, which is 33% higher than the previous season.

Bottom line – the domestic maize market could see losses in today's trade session due to a relatively stronger Rand against the US Dollar, as well as lower Chicago maize prices.



WHEAT	13/04/2017*	18/04/2017*	d-o-d (%Δ)
SAFEX Wheat Spot (R/t)	4 387	4 390	+0,07%
SAFEX Wheat Dec 17 (R/t)	4 166	4 166	0,00%
CME Wheat May 17 (US cents/bushel)	435	422	-2,99%

*Previous day's CME prices are from midday (12h00) and today's ones were captured before 8h00am

- The **South African** wheat market saw marginal gains during Thursday's trade session, with support coming from the relatively weaker Rand against the US dollar, as well as higher Chicago wheat prices.
- Local market's attention is shifting to the planting of the 2017 winter wheat, which should commence in the beginning of May 2017. However, weather forecast shows a possibility of dry and warm conditions until the end of the month, which does not bode with planting processes.
- The irrigation areas are no exception, the dam levels are critically low, which could possibly delay planting activity. Data from the Department of Water and Sanitation shows that in the week ending 10 April 2016, the Western Cape average dam levels were at 23% full, which is 7% lower than the corresponding period last year.
- **On the global front** - this morning **Chicago wheat** price was down by 2.99% from the level seen at midday Thursday, owing to large global supplies. Moreover, recent USDA's data shows that 54% of the winter wheat was rated good/excellent, which is a 1% improvement from the previous week.
- Elsewhere, **Russia's** Agricultural Ministry forecasts the 2017/18 grain production at 110 million tonnes, which is 9% lower than the previous season - with expected declines mainly on wheat production.
- In **Germany**, there are positive prospects for the 2017/18 wheat production. *Deutscher Raiffeisenverband* forecasts the country's wheat production at 25.3 million tonnes, which is 3% higher than the previous season. This is mainly on the back of expected higher yields due to favourable weather prospects for this season.
- In **Australia**, weather conditions have generally been favourable, which could be beneficial for winter wheat planting period over the coming months. In the **EU**, *Strategie Grains* forecasts 2017/18 wheat production at 143.8m tonnes, a 6% annual uptick.
- Overall, the International Grains Council forecasts the 2017/18 **global** wheat production could reach 735 million tonnes, which is 3% lower than the 2016/17 season. Notable declines will be in **Russia, US, Australia, Canada, Argentina** and **Kazakhstan**.

Bottom line – the domestic wheat market could see losses in today's trade session due to a stronger Rand against the US Dollar, as well as lower Chicago wheat prices.



SOYBEAN	13/04/2017*	18/04/2017*	d-o-d (%Δ)
SAFEX Soybean Spot (R/t)	4 911	4 992	+1,65%
SAFEX Soybean May 17 (R/t)	4 930	5 001	+1,44%
CME Soybean May 17 (US cents/bushel)	957	950	-0,73%

*Previous day's CME prices are from midday (12h00) and today's ones were captured before 8h00am

- The **South African** soybean market gained ground during Thursday's trade session, with support coming from a relatively weaker Rand against the US Dollar, as well as higher Chicago soybean prices.
- Besides the aforementioned, there was no major news in the South African soybean market. Harvesting is underway in the eastern parts of the country, but not yet in full swing. So far, the yields are reportedly average to above average, which supports the National Crop Estimate Committee's view of a possible record crop – 1.2 million tonnes.
- Weather forecasts show a possibility of fairly drier conditions across the eastern parts of the country within the next eight days, which is supportive of harvest activity.
- **In global markets** - this morning **Chicago** soybean price was down by 0.73% from the level seen at midday Thursday, due to favourable weather conditions in Argentina, as well as expected large global supplies.
- Wet weather conditions could slow planting activity in parts of the **US** Midwest. The US 2017/18 soybean planting at 36.2 million hectares, which is 7% higher than the previous season. This increase is set to come at the expense of maize acreage, due to profitability levels.
- Elsewhere, soybean harvest is underway in **Brazil**. However, forecast rainfall within the next eight days could possibly cause harvest delays. On the 17th of April 2017, Brazilian farmers had harvested 90% of the soybean crop, ahead of the corresponding period last year. The country's 2016/17 soybean production is estimated at 108 million tonnes, which is 12% higher than the previous season.
- In **Argentina**, weather conditions remain favourable after heavy showers last week. The *Buenos Aires Grain Exchange* forecasts the country's 2016/17 soybean production at 56.5 million tonnes, which is slightly below the previous season's crop of 58.8 million tonnes. The decline is largely on the back of a slight shift in the area plantings to sunflower seed due to better profitability after the removal of export taxes.
- From the demand perspective, **China** is set to remain a key buyer of soybeans in the global market, accounting for a share of over 60% in 2016/17 global soybean demand. The country's 2016/17 soybean import are estimated at 88 million tonnes, a 6% annual uptick.

Bottom line – The domestic soybeans market could see losses today due to the stronger ZAR/USD exchange, as well as lower Chicago soybean prices.



SUNFLOWER SEED	13/04/2017*	18/04/2017*	d-o-d (%Δ)
SAFEX Sunflower seed Spot (R/t)	4 545	4 554	+0,20%
SAFEX Sunflower seed May 17 (R/t)	4 597	4 599	+0,04%
EU (France) sunflower seed (US\$/t)	393	393	0,00%

*Previous day's CME prices are from midday (12h00) and today's ones were captured before 8h00am

- On Thursday, the **South African** sunflower market gained ground on the back of relatively weaker Rand against the US Dollar, as well as strong buying interest.
- The North West province has benefited from the recent rainfall, as a result, crops are in good condition across the province. The key concern for most farmers in the region is whether this season will finish off without frost damage. For now, weather forecasts for the next two weeks show a positive outlook and if conditions remain this way for the rest of the month and the greater part of May, then the season should finish off well.
- **In global markets** – on Thursday the **EU's** sunflower seed market saw a quiet session, with prices unchanged from the previous day, closing at US\$393 per tonne. With that said, there is a bearish sentiment in the **EU's** sunflower seed market which emanates from large supplies and positive prospects for the new season.
- The **EU's** 2016/17 sunflower seed production is estimated at 8.6 million tonnes, which is 4% higher than the previous season. Looking ahead, the 2017/18 sunflower seed production estimated at 9.1 million tonnes, which is 7% higher than the 2016/17 season.
- The **Black Sea** sunflower oil market also saw a quiet day, with the price unchanged from the previous day's level, closing at US\$719 per tonne. The Black Sea region is well supplied this season, with combined 2016/17 sunflower seed production of **Russia** and **Ukraine** estimated at 25 million tonnes, which is 14% higher than the previous season.
- Moreover, planting is underway for the 2017/18 season in both Russia and Ukraine. Data from **Russia's** Agricultural Ministry shows that on the 10th April 2017, sunflower seed plantings were at 257 300 hectares, which is 4% of the intended area. In addition, data from **Ukraine's** Agricultural Ministry shows that on the 11th April 2017, sunflower seed plantings were at 607 000 hectares, which is 11% of the intended area.
- In South America, weather forecast shows a possibility of warm and dry conditions across **Argentina** within the next eight days, which is supportive of harvest activity. On the 17th of April 2017, the country had harvested 98% of its crop, ahead of the corresponding period last year. The country's 2016/17 sunflower seed production is estimated at 3.75 million tonnes, a 29% annual increase.

Bottom line – the domestic sunflower seed market could see marginal losses in today's trade session, owing to the stronger ZAR/USD exchange.



FRUIT (South Africa)	13/04/2017	18/04/2017*	d-o-d (%Δ)
Apples (R/kg)	6,95	7,03	+1,15%
Bananas (R/kg)	8,92	8,05	-9,75%
Oranges (R/kg)	4,05	3,34	-17,53%

*Previous trading day's price survey in Johannesburg fresh produce market

- The *Johannesburg Fresh Produce Market* ended the day mixed during Thursday's trade session. The **apple** market gained ground on the back of lower stock levels of 192 348 tonnes (compared to 288 009 tonnes the previous day).
- Meanwhile, the **bananas** market lost 10% from the previous day, closing at R8.05 per kilogramme, due to higher stock levels of 175 752 tonnes.
- Lastly, the **oranges** market also closed in negative territory, with the price down by 18% from the previous day, closing at R3.34 per kilogramme. This was on the back of higher stock levels of 484 320 tonnes, which is double the volume seen the previous day.

Bottom line – The volumes (to be delivered) and buying interest are likely to be the key drivers/determinants of the price movements in the South African fruit market this week.

BEEF CARCASS	13/04/2017*	18/04/2017*	d-o-d (%Δ)
SAFEX Beef June 2017 (R/kg)	46,00	46,00	0,00%

*Previous day's CME prices are from midday (12h00) and today's ones were captured before 8h00am

- The SAFEX beef market saw another quiet session, with prices unchanged during Thursday's session, closing at R46.00 per kilogramme. This was largely on the back of reduced activity at the stock exchange.
- With that said, the market sentiment remains bullish due to easing slaughter activity as farmers continue to restock their herds (after a drought spell). The most recent data from the *Red Meat Levy Admin* shows that in February 2017, South African farmers slaughtered 192 186 head of cattle, which is 7% lower than the previous month and 17% lower than the same period last year.

Bottom line – The movements of the SAFEX beef price will mostly depend on the volumes traded at the stock exchange. Therefore, it is worth noting that these prices could differ from the physical market due to limited participation (in the stock exchange).



POTATOES	13/04/2017	18/04/2017*	d-o-d (%Δ)
RSA Potatoes (R/10kg)	24,95	25,17	+0,88%

*Previous day's price survey across RSA fresh produce markets

- On Thursday, the **South African** potatoes market gained ground due to strong buying interest, as well as relatively lower stock levels. At the start of the session, the stocks were at 995 529 kg (10 kg bags), which is 0.3% lower than the previous day's levels.
- During the session, the market saw continuous buying interest, which led to a 21% decline in stock levels to 785 926 kg (10 kg bags).

Bottom line – With stocks still at relatively higher level of 785 926 bags (10 kg bags), the market could see notable gains in today's trade session.

WEATHER FORECAST: South Africa

- The weather forecast for the next eight days shows a possibility of light showers across the central and north-western parts of the country (**figure 1**). This is essential for the areas that planted late, as they can still benefit from moisture, particularly the western parts of the North West province. With that said, the Western Cape province, which critically needs rainfall ahead of winter wheat season is set to remain dry and warm over the observed period.
- The long-term weather forecast shows signs of possible rainfall across the country. This is with the exception of the western parts of the Northern Cape and the Western Cape provinces, which are set to remain dry and warm. This could cause harvest delays in the eastern parts of the country (**figure 2**).

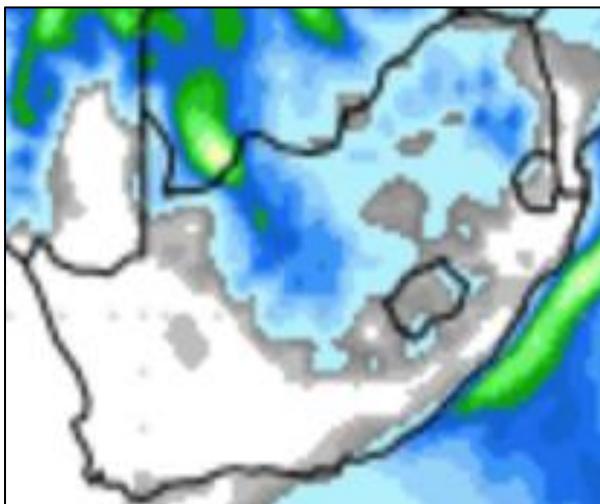


Figure 1: Next 8-days precipitation forecast
Source: wxmaps

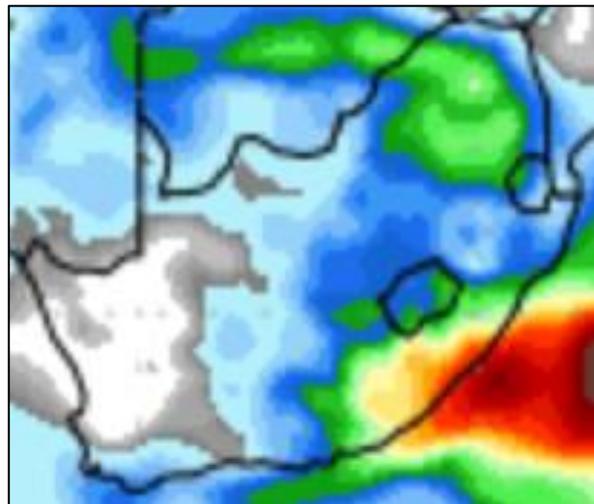


Figure 2: Next 16-days precipitation forecast
Source: wxmaps

Precipitation Forecasts

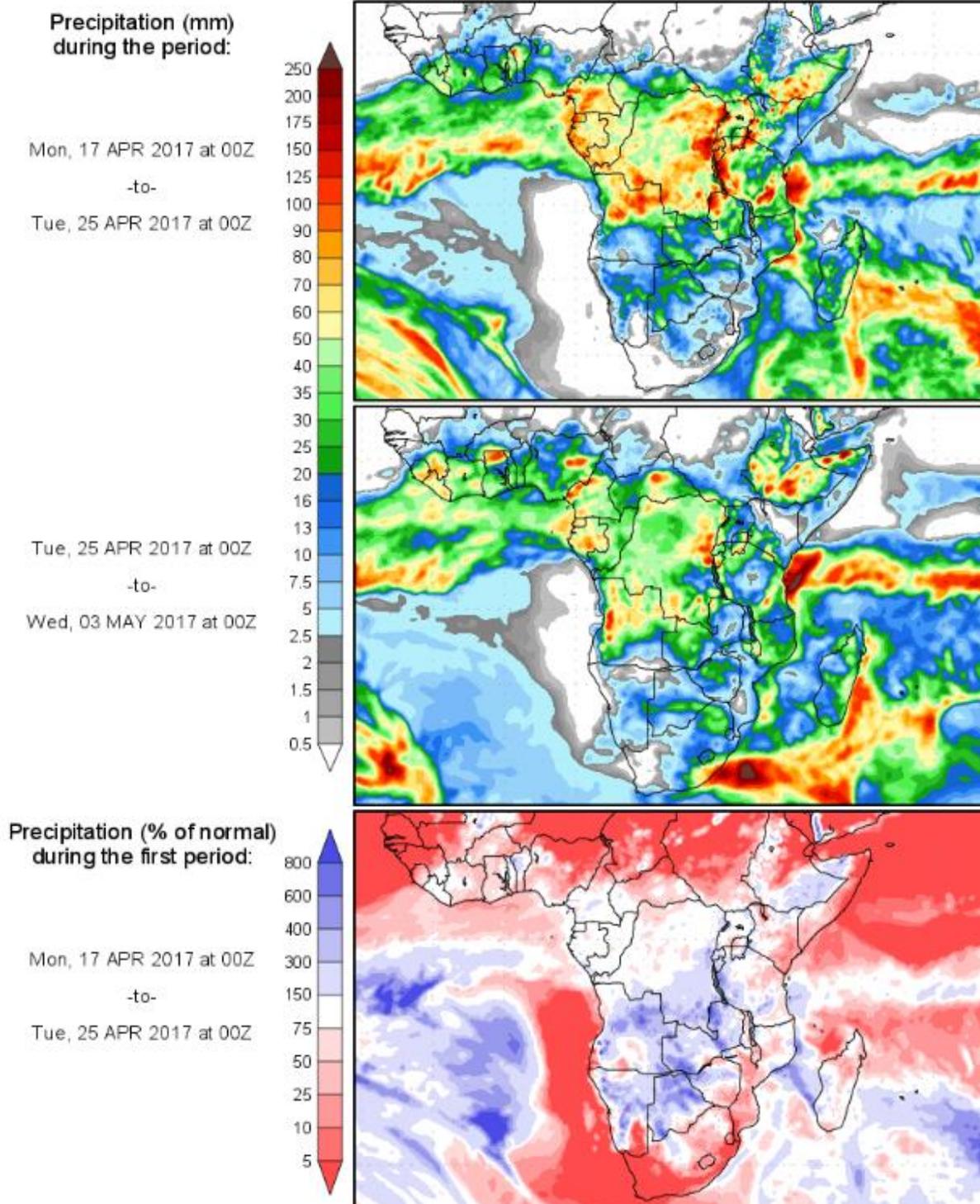


Figure 3: Precipitation forecast
Source: wxmaps

- **Key Data Sources:** JSE, CME, Potatoes SA, Johannesburg Fresh Produce Market, Red Meat Abattoir Association, Reuters, SAGIS, USDA, International Grains Council, National Crop Estimate Committee, Earth Institute: Columbia University, South African Weather Services, Sunseedman, and wxmaps.

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