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Key Data Releases in Agricultural Markets:

- SAGIS producer deliveries data: 14/03/2018
- SAGIS weekly grain trade data: 20/03/2018
- SAGIS monthly data: 27/03/2018
- National Crop Estimates Committee's second summer crop production estimates: 28/03/2018
- USDA's prospective plantings data: 29/03/2018

ECONOMIC INDICATORS	13/03/2018*	14/03/2018*	d-o-d (%Δ)
Rand/US Dollar	11,83	11,78	+0,42%
Rand/Euro	14,59	14,62	-0,21%
Euro/US Dollar	1,2327	1,2406	+0,64%
Gold Spot	1 318,47	1 327,78	+0,71%
Brent Crude Oil	65,15	64,74	-0,63%
Platinum Spot	962,53	969,02	+0,67%
Dow Jones Industrial Average	25 178,61	25 007,03	-0,68%
JSE All Share	58 950,57	59 084,51	+0,23%
SA repo rate	6.75	6.75	0,00%
SA CPI (y/y %)	4,40	4,40	0,00%
SA CPI – food (y/y %)	4,60	4,60	0,00%

**Previous day's prices are from midday (12h00) and today's ones were captured before 08h00*

- This morning the Rand strengthened by 0.42% against the US Dollar from levels seen at midday yesterday. This was in line with a US Dollar depreciation against major currencies. The positive local manufacturing data for January 2018, as well as higher global commodity prices also added a positive sentiment to the local market. At the time of writing, the Rand/US Dollar exchange traded around R11.78. From a data front, the BER will release the business confidence data for the first quarter of 2018.

- The Brent crude oil market remains under pressure after reports from the Energy Information Administration indicated that the US shale output could increase by 131 000 barrel a day in April 2018 to 6.95 million barrel a day. At the time of writing, oil price traded around US$64.74 per barrel, down by 0.63% from midday yesterday.

MAIZE/CORN	13/03/2018*	14/03/2018*	d-o-d (%Δ)
White maize Spot (R/t)	1 953	1 955	+0,10%
White maize Jul 18 (R/t)	2 056	2 059	+0,15%
Yellow maize Spot (R/t)	2 048	2 048	0,00%
Yellow maize Jul 18 (R/t)	2 133	2 130	-0,14%
CME corn Spot (US cents/bushel)	383	385	+0,52%

***** *Previous day's prices are from midday (12h00) and today's ones were captured before 08h00*

- The domestic maize market ended yesterday's trade session on a mixed footing. White maize prices maintained the previous day's gains and settled in positive territory. Meanwhile, yellow maize prices lost ground, in line with movements in the Chicago maize market.

- A large part of the South African maize belt started this week with dry and cool weather conditions, with light and scattered showers only in a couple of regions within Mpumalanga province. The areas that are somewhat moisture-stressed following dryness in the past few days could soon see some relief, as the weather forecasts for the next two weeks show a possibility of rainfall of over 30 millimetres.

- Last week's maize exports were again disappointing. South Africa exported 14 010 tonnes, down by 5 percent from the volume exported in the week of 02 March 2018. About 68 percent of these exports were white maize, with 32 percent being yellow maize. This placed South Africa's 2017/18 maize marketing year exports at 2.0 million tonnes, which equates to 83 percent of the season's export forecast of 2.4 million tonnes.

- Within the region, the 2017/18 maize production season started on a bad footing in Zimbabwe with limited soil moisture in the latter part of December 2017 into the start of 2018. But, at the beginning of last month, the maize producing regions received good showers which improved soil moisture and benefited the crop.

- The reports we are getting from analysts on the ground in the country point to a possibility of average yields in most areas, which is well below the 2016/17 production season's bumper harvest of 2.2 million tonnes. We will closely monitor the developments in the coming weeks as this could have implications on regional maize demand. In the case of South Africa, these developments will have implication on export activity for the 2018/19 marketing year which starts in May 2018.

- On the global front – This morning the Chicago maize price was up by 0.52 percent from the levels seen at midday yesterday owing to a slightly weaker US Dollar against major currencies.

Bottom line – Today the domestic maize market could experience sideways movements if the ZAR/USD exchange and Chicago maize prices maintain the current trend.

WHEAT	13/03/2018*	14/03/2018*	d-o-d (%Δ)
SAFEX Wheat Spot (R/t)	3 640	3 656	+0,44%
SAFEX Wheat May 18 (R/t)	3 697	3 718	+0,57%
CME Wheat spot (US cents/bushel)	494	485	-1,82%

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

- The South African wheat market had a good run in yesterday's trade session, in line with the uptick in Chicago wheat prices, which were underpinned by fears of dryness in the US southern Plains.

- As highlighted in yesterday's note, South Africa's wheat market is currently off-season, and therefore, most activity is in import trading. However, the recent developments in the major wheat production province, Western Cape, are worth mentioning. The weather charts for the next two weeks show a possibility of light showers of between 16 and 20 millimetres across the coastal areas of the province.

- While a welcome development, this will nonetheless not make a meaningful improvement on dam levels which are critically low, estimated at 20 percent in the week of 05 March 2018, down by 10 percentage points from the corresponding period last year.

- There are no new developments on the wheat import tariff. The newly calculated trigger rate is R394.84 per tonne, down by 45 percent from the current active level. This new rate will only be applicable after its publication on the government gazette. The timeframe for this process is unclear, but previous adjustments took more than three weeks.

- With that said, the import activity has slowed. South Africa imported 55 958 tonnes in the week ending 09 March 2018, down by 46 percent from the previous week. About 51 percent came from Romania, 31 percent from Latvia and 18 percent from Argentina. This placed 2017/18 marketing year's wheat imports at 1.14 tonnes, which equates to 62 percent of the seasonal import forecast of 1.85 million tonnes.

- Although a net importer of wheat, South Africa continues to export wheat to regional markets. The 21st batch of exports this season was recorded at 67 tonnes, well below the previous week's exports of 802 tonnes. This was destined to Botswana and Lesotho. Overall, this placed South Africa's 2017/18 wheat exports at 16 858 tonnes.

- On the global front - This morning the Chicago wheat price was down by 1.82 percent from levels seen at midday yesterday owing to large global supplies.

Bottom line – Today the domestic wheat market could experience marginal losses owing to the stronger ZAR/USD exchange and lower Chicago wheat prices.

SOYBEAN	13/03/2018*	14/03/2018*	d-o-d (%Δ)
SAFEX Soybean Spot (R/t)	4 541	4 575	+0,75%
SAFEX Soybean May 18 (R/t)	4 631	4 654	+0,50%
CME Soybean Spot (US cents/bushel)	1 033	1 040	+0,68%

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

- The South African soybean market had a good run in yesterday's trade session, underpinned by commercial buying interest, as well as higher Chicago soybean prices.
- In the fields, the soybean crop is generally in good condition with expectations of above-average yields in some areas. This supports the National Crop Estimates Committee's view of a new record level of 1.4 million tonnes this season, up by 5 percent from the 2016/17 production season.
- Although soil moisture is in good condition, the crop could still benefit from additional rainfall, especially the late planted areas. The expected showers have not yet materialised in most areas. It is only areas around Graskop, Middelburg, Morgenzon, Witbank and Wonderfontein that received light showers on Monday night.
- The next two weeks, however, promise the possibility of rainfall of over 50 millimetres in soybean growing regions of the country[1]. This should further improve soil moisture and benefit the crop.
- In global markets – This morning the Chicago soybean price was up by 0.68 percent from levels seen at midday yesterday, benefiting from a slightly weaker US Dollar against major currencies, as well as strong global demand.
- From a demand front, the 2017/18 soybean imports are estimated at 151 million tonnes, up by 5 percent from the previous season. China, the EU, Japan and Mexico are set to be the key buys. China alone accounts for two-thirds of global soybean imports. This is driven by growing demand from the animal feed industry.
- There is optimism about Brazil's soybean crop. Safras & Mercado recently revised its 2017/18 soybean production estimate up by 1.6 million tonnes from last month to 117 million tonnes. This is well above the USDA's estimate and three percent higher than the previous season's harvest.

Bottom line – Today the domestic soybean market could experience sideways movement if the ZAR/USD exchange and Chicago soybean prices maintain the current movement

[1] Although unusual at this time of the season, hail remains a concern for the eastern parts of the country, especially when there are expectations of heavy rainfall. The past few weeks brought a bit of it in regions of Mpumalanga and KwaZulu Natal province, but the crop damage was somewhat limited.

SUNFLOWER SEED	13/03/2018*	14/03/2018*	d-o-d (%Δ)
SAFEX Sunflower seed Spot (R/t)	4 800	4 840	+0,83%
SAFEX Sunflower seed May 18 (R/t)	4 716	4 788	+1,53%
EU (France) sunflower seed (US$/t)	402	402	0,00%

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

- Yesterday the sunflower seed market managed to claw back some of its recent losses with support emanating from what appeared to be strong commercial buying interest.

- The weather remains a primary focus in the sunflower seed market as the crop is still at its early stages of development. The expected rainfall has not yet materialised in most areas of the country. However, the crop that is slightly moisture-stressed following dryness in the past few days should soon recover as weather conditions promise rainfall within the next two weeks.

- As highlighted in our previous notes, the medium-term weather forecast promises a possibility of above normal rainfall in summer crop growing areas of South Africa between this month and May 2018. This should provide sufficient moisture for crop development throughout the season[2].

- In the global market – Yesterday there was not much happening in the EU's sunflower seed market. The price remained flat from the previous day, closing at US$402 per tonne due to thinly traded volumes.

- From a production point of view, the 2017/18 sunflower seed harvest process is not yet complete in Russia. According to SUNSEEDMAN, about 7 percent of the area planting is yet to be harvested. The USDA placed Russia's 2017/18 sunflower seed production at 10.4 million tonnes, down by 5 percent from the previous day.

- In Argentina, the sunflower seed harvest process is underway but could slow within the next few days due to expected rainfall. On 13 March 2018, about 45% of this season's crop had already been harvested. The USDA forecasts the country's 2017/18 sunflower seed crop at 3.6 million tonnes, up by 6 percent year-on-year.

- Overall, USDA forecasts 2017/18 global sunflower seed production at 46 million tonnes, down by three percent from the previous season. This is due to lower yields in parts of Russia and Ukraine, which overshadowed the uptick in production in Argentina, Turkey and the European Union.

Bottom line – Today, the domestic sunflower seed market could experience extended losses owing to the relatively stronger ZAR/USD exchange, as well as favourable weather prospects.

[2] The key risk for late planted crops is frost later in the season, which could potentially lower the yields.

POTATO	13/03/2018*	14/03/2018*	d-o-d (%Δ)
RSA Potato (R/10kg)	33,02	35,51	+7,54%

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

- The potatoes market had a good run in yesterday's trade session underpinned by lower stocks of 644 269 pockets (10kg bag) at the start of the session. The price was up by 7 percent from the previous day, closing at R35.51 per pocket (10kg).

- However, in yesterday's trading session, the market saw an uptick in deliveries as harvest activity picked up after a quiet period in the weekend. This led to a 21 percent increase in daily stocks to 780 197 pockets (10kg bag).

Bottom line – Today the potatoes price could experience marginal losses due to expectations of an increase in producer deliveries, as well as large stock of 780 197 pockets (10kg bag).

FRUIT (South Africa)	13/03/2018*	14/03/2018*	d-o-d (%Δ)
Apples (R/kg)	7,27	8,12	+11,69%
Bananas (R/kg)	7,19	8,06	+12,10%
Oranges (R/kg)	7,69	5,47	-28,87%

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

- The fruit market ended yesterday's session on a mixed footing. The apples and bananas market managed to claw back the recent losses with the prices up by 11 percent and 12 percent from the previous day, closing at R8.12 and R8.06 per kilogram, respectively. These gains followed a respective decline in daily stocks of apples and bananas to 183 000 tonnes and 237 000 tonnes.

- Meanwhile, the price of oranges experienced extended losses of 29 percent from the previous day and settled at R5.47 per kilogram. We maintain that this will be short-lived because of fairly lower stock of 55 000 tonnes, compared to levels of over 70 000 tonnes in the past few days.

Bottom line – This week the changes in traded volumes and buying interest are likely to be amongst the key factors underpinning the South African fruit market.

BEEF CARCASS	13/03/2018*	14/03/2018*	d-o-d (%Δ)
SAFEX Beef Mar 18 (R/kg)	44,50	44,50	0,00

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

- Yesterday there was not much happening in the SAFEX beef carcass market. The price remained unchanged from the previous day, settling at R44.50 per kilogram. Worth noting is that these prices might not be a true reflection of the physical market, which continues to show solid activity

- South African farmers slaughtered 188 737 head of cattle in January 2018, down by 21 percent from the previous month and 10 percent from the corresponding period last year. This was largely on the back of a cattle herd rebuilding process after a reduction during the 2015-16 drought. Lower maize prices and a good recovery in pastures have provided a conducive environment for the cattle stock rebuilding process.

Bottom line – With traded volumes at the stock exchange still disappointing, the SAFEX beef carcass prices will again most likely remain flat throughout the week.

WEATHER FORECAST: South Africa

- The weather forecast hasn't changed much from what we highlighted yesterday. Most parts of the country could receive rainfall of between 20 and 70 millimetres this week. This should further improve soil moisture and benefit the crops. The western and northern sections of the Northern and Western Cape provinces will, however, remain dry and warm over the observed period (figure 1).

- The long-term weather forecasts present a similar outlook of continuous rainfall across the summer crop growing areas of South Africa, with the areas around Port Elizabeth, George and all the way up to De Aar remaining dry and warm (figure 2).

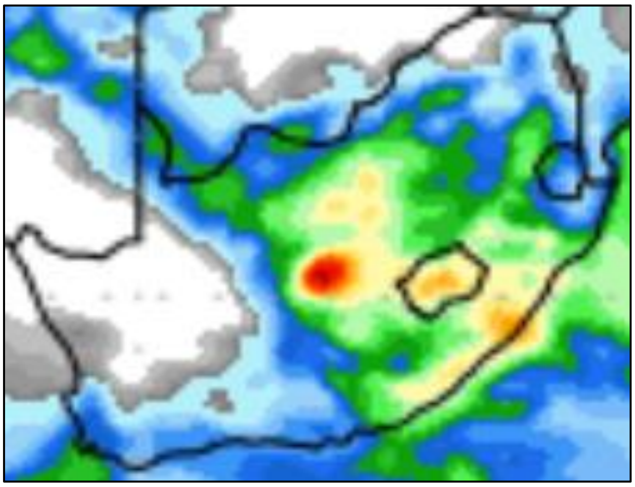

Figure 1: Next 8-days precipitation forecast
Source: wxmaps

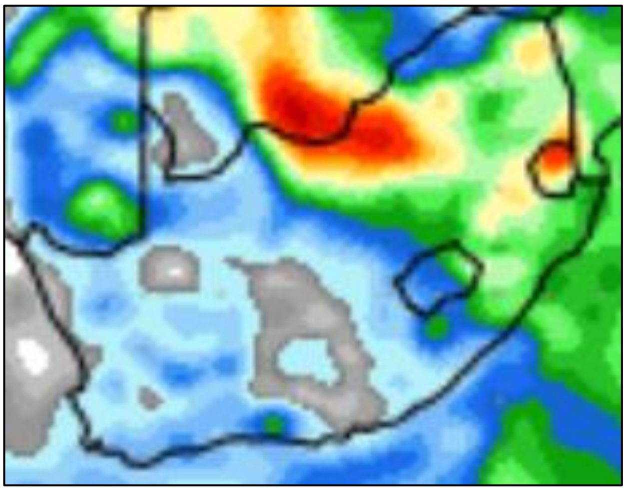

Figure 2: Next 16-days precipitation forecast
Source: wxmaps

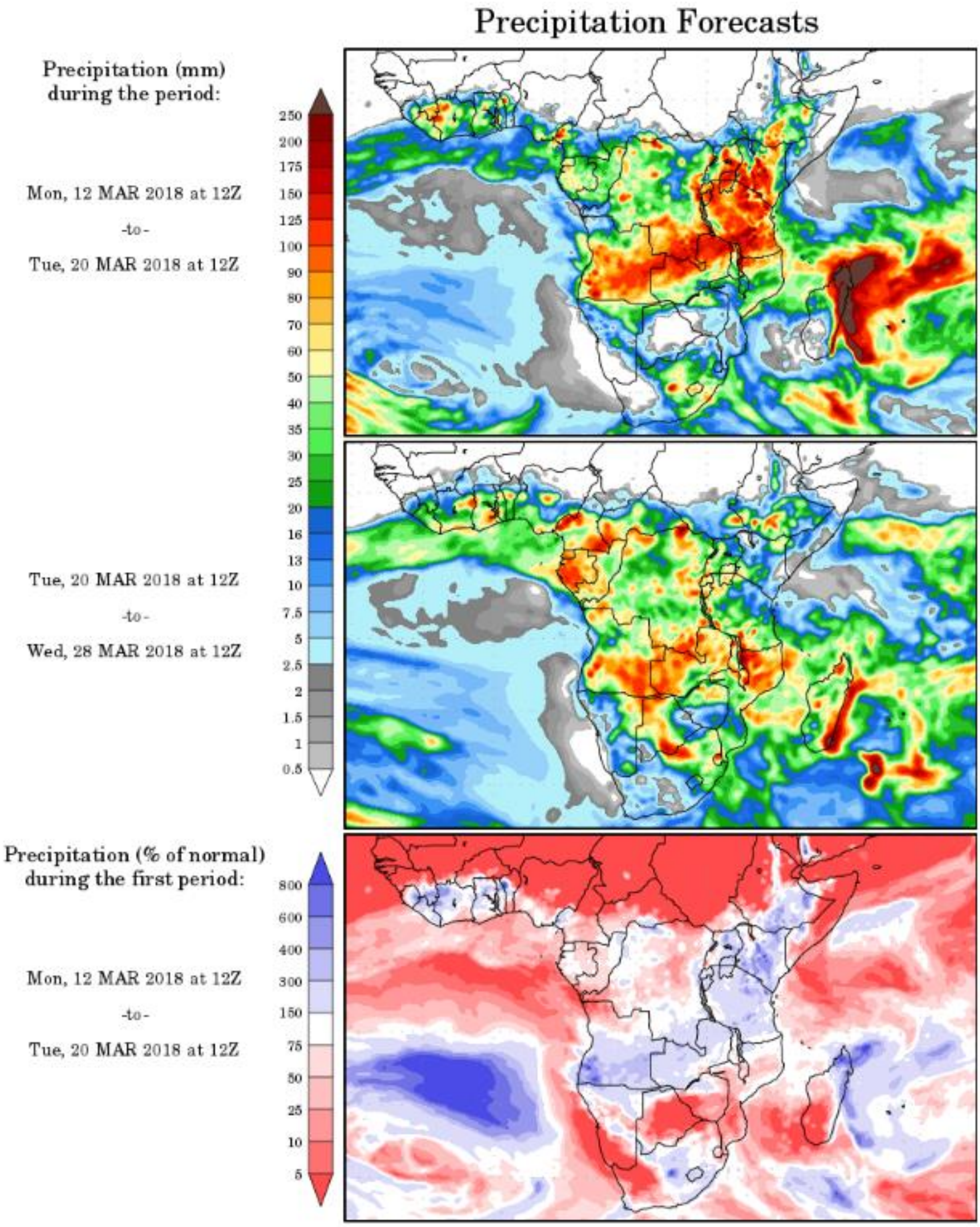

Figure 3: Precipitation forecast

Source: wxmaps

Data Sources: *JSE, CME, Potatoes SA, Johannesburg Fresh Produce Market, Red Meat Levy, Reuters, SAGIS, USDA, International Grains Council, National Crop Estimate Committee, South African Weather Services, Sunseedman and wxmaps.*

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