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Key Data Releases in Agricultural Markets:

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

ECONOMIC INDICATORS	20/03/2018*	22/03/2018*	d-o-d (%Δ)
Rand/US Dollar	11,94	11,86	+0,67%
Rand/Euro	14,66	14,65	+0,07%
Euro/US Dollar	1,2273	1,2362	+0,73%
Gold Spot	1 311,25	1 330,19	+1,44%
Brent Crude Oil	67,40	69,59	+3,25%
Platinum Spot	946,95	959,75	+1,35%
Dow Jones Industrial Average	24 610,91	24 682,31	+0,29%
JSE All Share	58 282,52	58 288,87	+0,01%
SA repo rate	6.75	6.75	0,00%
SA CPI (y/y %)	4,00	4,00	0,00%
SA CPI – food (y/y %)	4,00	4,00	0,00%

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

- This morning the Rand strengthened by 0.67 percent against the US Dollar from levels seen at midday Tuesday, with support partly on the back of higher global commodity prices. This occurred despite the fact that the US Dollar also strengthened against major currencies after the US Federal Reserve's decision to raise interest rates by a quarter percentage point to a target range of 1.50 - 1.75 percent. At the time of writing, the Rand/US Dollar exchange traded around R11.86.
- The Brent crude market had a good run this morning with the price up by 3.25 percent from levels seen at midday Tuesday, trading around US\$69.59 per barrels. This comes after the Energy Information Administration reported that US oil inventories fell by 2.6 million barrels in the week of 16 March 2018.



MAIZE/CORN	20/03/2018*	22/03/2018*	d-o-d (%Δ)
White maize Spot (R/t)	1 936	1 925	-0,57%
White maize Jul 18 (R/t)	2 025	2 014	-0,54%
Yellow maize Spot (R/t)	2 006	2 009	+0,15%
Yellow maize Jul 18 (R/t)	2 090	2 079	-0,53%
CME corn Spot (US cents/bushel)	375	376	+0,27%

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

- The South African maize market was again mixed on Tuesday's trade session. All white maize contract month prices, and yellow maize July 2018 contract month price were under pressure owing to favourable weather conditions, a stronger domestic currency, as well as lower Chicago maize prices. Meanwhile, the yellow maize spot price gained ground due to commercial buying interest.
- The past two days saw a fair amount of rainfall in some sections of the South African maize belt. This should help ease the heat stress concerns that were starting to emerge due to dryness in parts of the country's maize crop growing areas, particularly in the western sections of the Free State and North West provinces¹.
- From a trade perspective, South Africa exported 28 117 tonnes of maize in the week of 16 March 2018, well above the previous week's volume of 14 010 tonnes. About 87 percent of these exports were white maize, with 13 percent being yellow maize.
- The leading buyer was Venezuela with a share of 52 percent. Also worth noting is that this was the first consignment to this country since 2011. Trailing Venezuela was Namibia and Swaziland with shares of 11 percent and 8 percent, respectively. Overall, 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.
- On the global front – This morning the Chicago maize price was up by 0.27 percent from the levels seen at midday Tuesday owing to a spillover support from the soybean market.
- Of lesser significance to South African maize market, but worth highlighting is a recent sale of 110 000 tonnes of US maize to Peru. The country is generally a net importer of maize with an average annual volume of 2.4 million tonnes. The leading suppliers are typically the US, Argentina and Bolivia.

Bottom line – Today the domestic maize market could experience a sideways movement if the ZAR/USD exchange and Chicago maize market maintain the current trends.

¹ The National Crop Estimates Committee forecasts South Africa's maize production at 12.2 million tonnes (down by 27 percent from last year), well above annual consumption of 10.5 million tonnes.



WHEAT	20/03/2018*	22/03/2018*	d-o-d (%Δ)
SAFEX Wheat Spot (R/t)	3 795	3 820	+0,66%
SAFEX Wheat May 18 (R/t)	3 834	3 840	+0,16%
CME Wheat spot (US cents/bushel)	453	451	-0,44%

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

- The South African wheat market started Tuesday's trading session in positive territory and maintained the gains throughout the day. This was mainly due to support from commercial buying interest, as well as higher Chicago wheat prices.
- South Africa's wheat market is currently off-season, but the recent weather developments in the major winter wheat production province, Western Cape, are worth mentioning. The weather charts for the next two weeks show a possibility of light showers of about 16 millimetres along coastal and western sections of the province.
- While a welcome development, this will nonetheless not make a meaningful improvement on dam levels which are critically low, estimated at 19 percent in the week of 19 March 2018, down by a percentage point from the previous week and 8 percentage points from the corresponding period last year.
- There have not been any new developments on the wheat import tariff since the calculations of the new rate on 13 February 2018. 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 in a government gazette. The timeframe for this process is unclear, but previous adjustments took more than three weeks.
- The import activity has slowed. South Africa imported 30 635 tonnes of wheat in the week ending 16 March 2018, down by 45 percent from the previous week. All of this originated from Latvia. This placed 2017/18 marketing year's wheat imports at 1.17 million tonnes, which equates to 63 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 22nd batch of exports this season was recorded at 663 tonnes, well above the previous week's exports of 67 tonnes. This was destined to Lesotho, Namibia and Swaziland. Overall, this placed South Africa's 2017/18 wheat exports at 17 521 tonnes.
- On the global front - This morning the Chicago wheat price was down by 0.44 percent from levels seen at midday Tuesday owing to large global supplies and improvement in weather conditions in the US.

Bottom line – Today the domestic wheat market could experience losses due to lower Chicago wheat prices, as well as a slightly stronger ZAR/USD exchange.



SOYBEAN	20/03/2018*	22/03/2018*	d-o-d (%Δ)
SAFEX Soybean Spot (R/t)	4 615	4 575	-40,00
SAFEX Soybean May 18 (R/t)	4 682	4 630	-52,00
CME Soybean Spot (US cents/bushel)	1 024	1 033	+0,88%

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

- The South African soybean market lost ground on Tuesday's trade session owing to a combination of factors which include the slightly stronger Rand against the US Dollar, as well as lower Chicago soybean prices. Moreover, the favourable weather outlook for the country's soybean growing areas also added a bearish sentiment to the market.
- Following light and scattered rainfall in parts of the eastern Free State and Mpumalanga province, last night and Tuesday evening, parts of these provinces received additional rainfall which bodes well for the crops. This seems to be the story of this period as the weather forecasts for the next two weeks shows a possibility of continuous rainfall.
- While these are welcome developments, the week of 29 March 2018 promises rainfall of between 70 and 100 millimetres, which could cause crop damage if accompanied by hail and wind. The past few weeks brought a bit of hail in some regions of Mpumalanga and KwaZulu Natal province, but the crop damage was limited.
- Apart from the potential heavy rain concerns, the soybean crop is in good condition across South Africa following the past few month's rainfall. This supports the National Crop Estimates Committee's view of a new record harvest of 1.4 million tonnes. The Committee will provide further crop assessment on 28 March 2018.
- In global markets – This morning the Chicago soybean price was up by 0.88 percent from levels seen at midday Tuesday owing to unfavourable weather conditions in Argentina.
- There is optimism regarding Brazil's 2017/18 soybean harvest. After a number of analysts and the USDA lifted their crop estimates, Soybean & Corn Advisor Inc. joined the pack by lifting its 2017/18 soybean production estimate up by one million tonnes from last month to 115 million tonnes due to higher yields in most areas. This is a percentage point higher than the previous season's harvest.
- Meanwhile, Argentina experienced a million tonnes downward revision to 42 million tonnes of soybean for the 2017/18 production season. This is 24 percent lower than the previous season.

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



SUNFLOWER SEED	20/03/2018*	22/03/2018*	d-o-d (%Δ)
SAFEX Sunflower seed Spot (R/t)	5 250	4 993	-4,90%
SAFEX Sunflower seed May 18 (R/t)	4 905	4 780	-2,55%
EU (France) sunflower seed (US\$/t)	405	403	-0,49%

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

- After recording good gains at the start of the week, the South African sunflower seed market was under pressure on Tuesday and settled in negative territory owing to improved weather prospects, as well as commercial selling.
- Most areas of the North West and Free State provinces received rainfall of over 15 millimetres yesterday which is a welcome relief following a week of dryness. This should improve crop condition as it was already moisture-stressed in the western sections of the aforementioned provinces.
- Also worth highlighting is that the next eight days could bring more showers as the forecast show a possibility of over 40 millimetres of rainfall across the sunflower seed growing areas. The week of 06 April 2018 also shows a favourable outlook of rainfall. The bottom line is that the weather forecasts present a constructive picture for a late planted crop which will require moisture in the coming months as its still at early stages of development².
- The National Crop Estimates Committee estimated South Africa's sunflower seed production at 731 505 tonnes, down by 16 percent from the 2016/17 production season owing to a decline in area planted. However, favourable weather forecasts increase a possibility for higher yields, which could potentially lead to an upward revision of this estimate. The Committee will release an update on 28 March 2018.
- In the global market – Yesterday the EU's sunflower seed market lost ground owing to spillover pressure from the vegetable oil market. The price was down by 0.49 percent from the previous day, closing at US\$403 per tonne.
- Elsewhere, the harvest process is underway in Argentina. The most recent data from SUNSEEDMAN shows that on 21 March 2018, about 60 percent of the Argentinian sunflower seed crop had 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.

Bottom line – Today, the domestic sunflower seed market could experience marginal losses owing to the relatively stronger ZAR/USD exchange.

² It is also worth noting that 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, which bodes well for 2017/18 sunflower seed production.



POTATO	20/03/2018*	22/03/2018*	d-o-d (%Δ)
RSA Potato (R/10kg)	28,16	33,93	+20,49%

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

- On Tuesday the potatoes market managed to claw back some of its recent losses owing to lower stock levels of 808 418 pockets (10kg bag) at the start of the session. The price was up by 20 percent from the previous day, closing at R33.93 per pocket (10kg).
- Towards the end of the session, the market experienced strong commercial buying interest, coupled with relatively lower deliveries on the back of slow harvest activity in some areas of the country. This subsequently led to a two percent decline in daily stocks to 789 935 pockets (10kg bag). This will potentially support the market today.

Bottom line – Today the potatoes price could receive additional support due to a lower stock of 789 935 pockets (10kg bag) and potentially lower deliveries after a holiday.

FRUIT (South Africa)	20/03/2018*	22/03/2018*	d-o-d (%Δ)
Apples (R/kg)	7,24	7,09	-2,07%
Bananas (R/kg)	6,09	7,31	+20,03%
Oranges (R/kg)	3,97	3,95	-0,50%

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

- The fruit market ended Tuesday's trade session on a mixed footing. The prices of apples and oranges were down by 2 percent and a percentage point from the previous day, closing at R7.09 and R3.95 per kilogram, respectively. This was due to fairly large stocks of 250 000 tonnes of apples and 76 000 tonne of oranges, which was supported by increased producer deliveries.
- Meanwhile, the price of bananas was up by 20 percent from the previous day, settled at R7.31 per kilogram due to commercial buying interest. These gains could, however, be short-lived because of a large stock of 349 000 tonnes, up by 7 percent from the previous day.

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

BEEF CARCASS	20/03/2018*	22/03/2018*	d-o-d (%Δ)
SAFEX Beef Mar 18 (R/kg)	39,50	39,50	0,00

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

- The SAFEX beef carcass market started the week on a quiet footing with the price unchanged from the previous day, closing at R39.50 per kilogram due to thinly traded volumes. As indicated previously, the SAFEX beef carcass price might not be a true reflection of the physical market, which continues to show solid activity
- In terms of the meat supply, South African farmers slaughtered 188 737 head of cattle in January 2018, down by 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 next eight days could bring widespread rainfall across the country, which should improve soil moisture and benefit the summer crops. The western parts of the Northern Cape provinces will, however, remain dry and warm over the observed period (figure 1).
- The long-term weather forecasts show a possibility of continuous rainfall across the summer crop growing areas of the country, with the northern parts of the Northern Cape, as well as Western Cape provinces remaining dry and warm (figure 2).

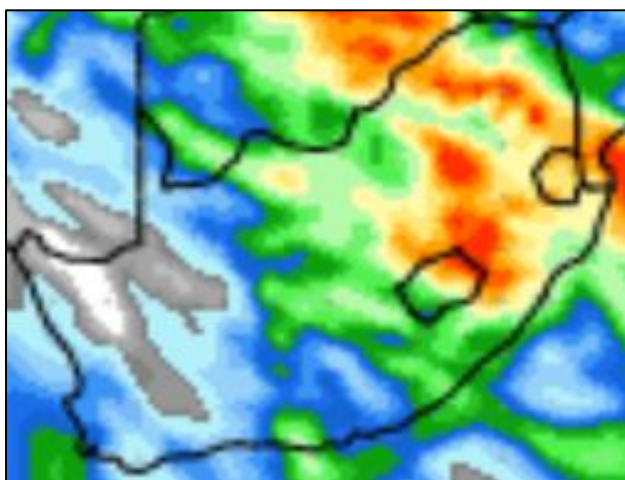


Figure 1: Next 8-days precipitation forecast
Source: wxmaps

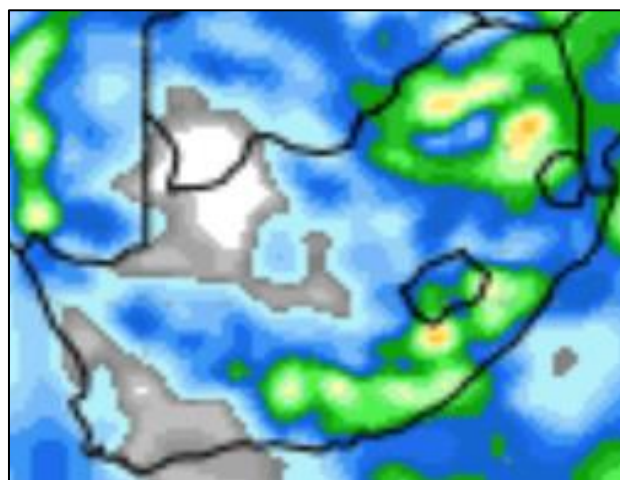


Figure 2: Next 16-days precipitation forecast
Source: wxmaps



Precipitation Forecasts

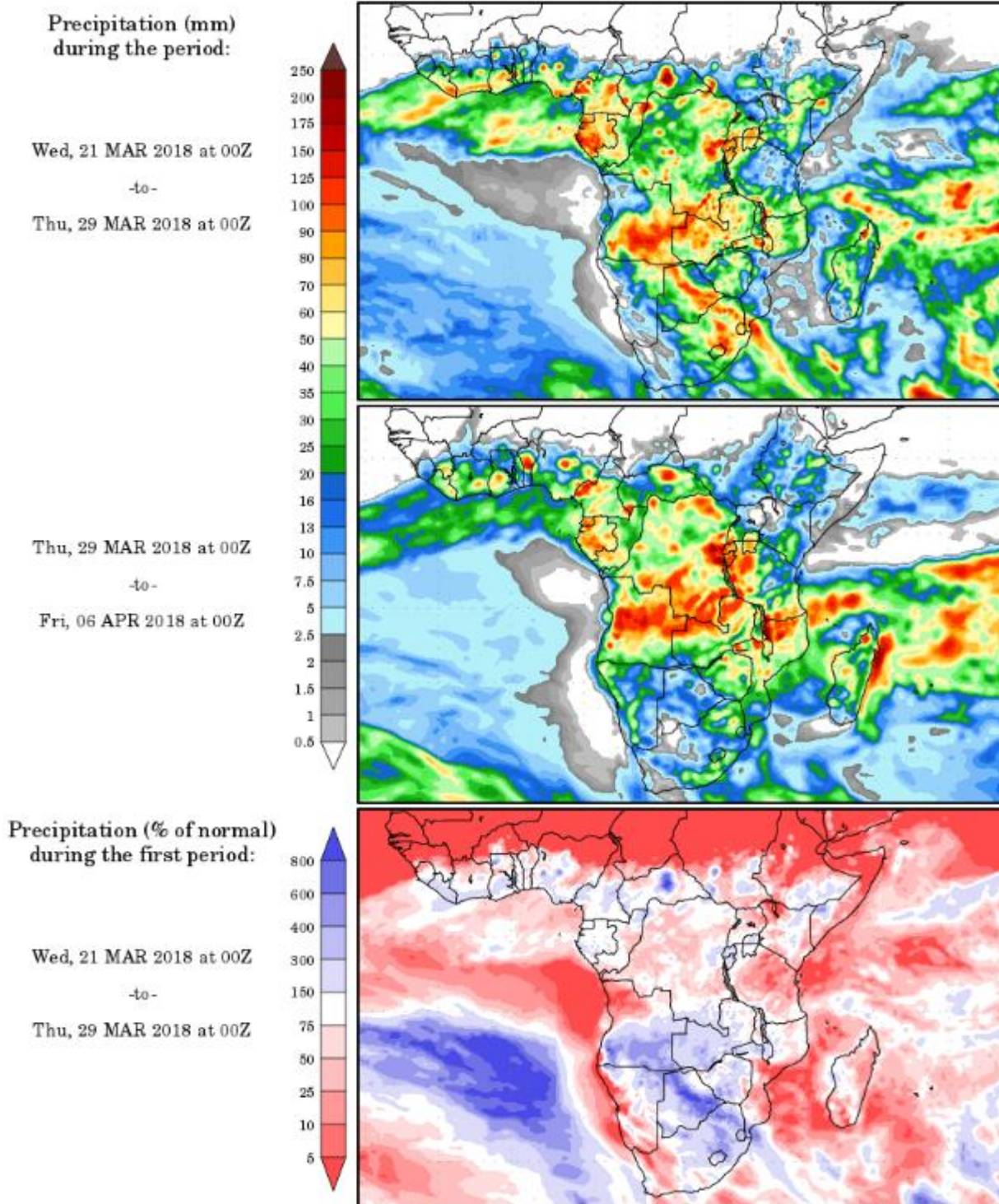


Figure 3: Precipitation forecast

Source: wxmaps

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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