

**FOR ANY QUERIES, PLEASE CONTACT:**

 Wandile Sihlobo: [wandile@agbiz.co.za](mailto:wandile@agbiz.co.za)
**Key Data Releases in Agricultural Markets:**

- SAGIS producer deliveries data: 18/04/2018
- USDA's crop progress report: 23/04/2018
- SAGIS weekly grain trade data: 24/04/2018
- SAGIS monthly data: 25/04/2018
- National Crop Estimates Committee's second summer crop production estimates: 25/04/2018

<b>ECONOMIC INDICATORS</b>	17/04/2018*	18/04/2018*	d-o-d (%Δ)
Rand/US Dollar	12,04	11,99	+0,42%
Rand/Euro	14,89	14,85	+0,27%
Euro/US Dollar	1,2347	1,2377	+0,24%
Gold Spot	1 342,93	1 344,33	+0,10%
Brent Crude Oil	71,35	72,19	+1,18%
Platinum Spot	925,03	938,61	+1,47%
Dow Jones Industrial Average	24 573,04	24 786,63	+0,87%
JSE All Share	56 504,48	56 826,74	+0,57%
SA repo rate	6.50	6.50	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

- The domestic currency has slightly recovered from yesterday's levels, with gains partly in line with the US Dollar depreciation against major currencies. Moreover, the higher global commodity prices also added support to the market. The Rand/US Dollar is currently 0.42 percent stronger compared to midday yesterday, trading around R11.99. From a data front, Stats SA will release the CPI data for March 2018.
- After experiencing losses at the start of the week, the Brent crude oil market recovered this morning, with the price up by 1.47 percent from levels seen at midday yesterday, trading around US\$72.19 per barrel. This was mainly supported by reports of a decline in US oil inventories. Data from the American Petroleum Institute shows that the US oil inventories declined by a million barrels to 428 million barrels in the week of 13 April 2018.



MAIZE/CORN	17/04/2018*	18/04/2018*	d-o-d (%Δ)
White maize Spot (R/t)	1 967	1 978	+0,56%
White maize Jul 18 (R/t)	1 990	2 046	+2,81%
Yellow maize Spot (R/t)	2 069	2 071	+0,10%
Yellow maize Jul 18 (R/t)	2 093	2 134	+1,96%
CME corn Spot (US cents/bushel)	383	381	-0,52%

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

- Yesterday the SAFEX maize market managed to claw back some of its recent losses with support emanating from a relatively weaker Rand against the US Dollar, as well as commercial buying interest. The higher Chicago maize prices also added support to the domestic market.
- The next two weeks could be mostly dry and cool over the maize-belt, with a chance of light showers in the central and eastern regions. This bodes well for crops in fields that have already matured and approaching the harvest period, particularly in the eastern parts of the maize belt (areas that planted during the optimal window).
- The western regions, which planted late in the season, might not be negatively affected by expected drier and cool weather conditions, thanks to improved soil moisture levels following the recent rainfall. Aside from that, there is optimism in the market that South Africa could receive a fairly good harvest of about 12.42 million tonnes of commercial maize in the 2017/18 season. The National Crop Estimates Committee will release an update of this estimate on Wednesday next week.
- In terms of trade, South Africa's maize exports were disappointing last week, amounted to 19 008 tonnes, down by 66 percent from the volume imported in the week of 06 April 2018. About 81 percent of the exported volume was white maize, with the remainder being yellow maize.
- The leading buyer was Spain with a share of 31 percent of all exports. Trailing Spain was Botswana and Namibia with shares of 26 percent and 15 percent, respectively. The rest went to other regional markets. Overall, this placed South Africa's 2017/18 maize marketing year exports at 2.2 million tonnes, which equates to 88 percent of the season's export forecast of 2.5 million tonnes.
- Also worth noting is that South Africa could remain a net exporter of maize in the 2018/19 marketing year which starts on 01 May 2018. The exports could reach 2.2 million tonnes. About 73 percent of this will most likely be yellow maize, with 27 percent being white maize.

Bottom line – Today the domestic maize market could remain under pressure owing to lower Chicago maize prices, as well as a relatively stronger ZAR/USD exchange.



WHEAT	17/04/2018*	18/04/2018*	d-o-d (%Δ)
SAFEX Wheat Spot (R/t)	3 845	3 831	-0,36%
SAFEX Wheat May 18 (R/t)	3 863	3 852	-0,28%
CME Wheat spot (US cents/bushel)	466	468	+0,43%

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

- The SAFEX wheat market was under pressure in yesterday's trade owing to increased commercial selling, as well as spillover pressure from lower Chicago wheat prices.
- It seems that the winter rainfall, which typically starts at the end April in the Western Cape province, could be slightly delayed. The weather charts have cleared across most parts of the province, with light showers expected within the next eight days to be mainly concentrated towards the coastal areas.
- With that said, the weather forecasts for the week ending 03 May 2018 show a bit of improvement, with chances of between 16 and 20 millimetres of rainfall across the province. While a welcome development, this might not make a meaningful improvement in soil moisture. The province needs intense and continuous rainfall following the months of dryness.
- Moreover, this means the provincial dam levels could remain at fairly lower levels for some time. In the week of 16 April 2018, the dams averaged 17 percent, fairly unchanged from the previous week, but 6 percentage points lower than the corresponding period last year.
- Above all, the 2018 winter wheat production season could be better than last year. While rainfall could be delayed, there is a bit of optimism following the South African Weather Service view that parts of the south-western cape regions of the country could receive above-normal rainfall between the end of April and June 2018.
- As set out last week, this rainfall will be critical for improving soil moisture content ahead of planting, which starts next month. Already, the USDA forecast South Africa's 2018/19 wheat production at 1.65 million tonnes, up by 8 percent from the previous season.
- From a trade front, there were no imports last week, and the last imports were in the week of 16 March 2018, recorded at 25 135 tonnes. This placed 2017/18 marketing year's wheat imports at 1.2 million tonnes, which equates to 63 percent of the seasonal import forecast of 1.9 million tonnes.

Bottom line – Today the local wheat prices could experience sideways movements if the ZAR/USD exchange and Chicago wheat prices maintain the current trends.



SOYBEAN	17/04/2018*	18/04/2018*	d-o-d (%Δ)
SAFEX Soybean Spot (R/t)	4 670	4 626	-0,94%
SAFEX Soybean May 18 (R/t)	4 699	4 656	-0,92%
CME Soybean Spot (US cents/bushel)	1 044	1 045	+0,10%

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

- The SAFEX soybean started yesterday's trading session on the negative footing and remained under pressure throughout the day, owing to the lower Chicago soybean prices. In addition, the favourable domestic weather conditions added a bearish sentiment to the market.
- The weather is still one of the key factors in the domestic soybean market but could influence crops differently this time around as some of the fields are already matured and approaching the harvest period. Fortunately, the weather has provided a bit of a breather with cool and dry conditions over the soybean growing areas in the past couple of days.
- The forecast for the next two weeks promises more of the same, with a possibility of light showers, varying between 16 and 20 millimetres. While this might possibly slow the start of the harvest process in some areas, we don't foresee crop damages as showers are expected to be fairly light.
- Above all, the soybean crop is in good condition which supports the National Crop Estimates Committee's view of a record harvest of 1.4 million tonnes in the 2017/18 production season. An update for this estimate will be released on 25 April 2018. We do not foresee any major changes as the weather conditions have been quite favourable since the last assessment.
- Elsewhere, a number of analysts including the USDA have lifted their estimates of Brazil's 2017/18 soybean production owing to expectations of higher yields in some parts of the country. The latest adjustments made this week were from *Safras & Mercado*, which increased its estimate by 2.0 million tonnes from last month to 119.0 million tonnes. This is a 4 percent uptick from the 2016/17 production season. Moreover, this is well above the USDA's estimate of 115.0 million tonnes.
- Brazil is already active in the soybean export market. The country's Foreign Trade Secretariat forecasts soybean exports for the first 14 days of this month at 4.0 million tonnes. This follows robust export volume of about 8.8 million tonnes in March 2018.

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



SUNFLOWER SEED	17/04/2018*	18/04/2018*	d-o-d (%Δ)
SAFEX Sunflower seed Spot (R/t)	4 627	4 700	+1,58%
SAFEX Sunflower seed May 18 (R/t)	4 611	4 638	+0,59%
EU (France) sunflower seed (US\$/t)	411	412	+0,24%

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

- The SAFEX sunflower seed market managed to claw back some of its recent losses in yesterday's trade session with support emanating from the weaker Rand against the US Dollar, as well as commercial buying interest.
- In the absence of major news in the domestic sunflower seed market, the weather remains a centre of attention, as it could still influence the crop production outlook. The week started on a dry note across the sunflower seed growing areas. In addition, the weather forecasts paint a possibility of cool and dry conditions for the week, which bodes well for crops in areas that planted on time (optimal planting period) and currently approaching the harvest period.
- Meanwhile, the crops in the late-planted areas could somewhat be negatively affected, as some areas are still at a pollination stage of development which requires moisture, particularly in the western parts of the Free State and North West provinces.
- We will monitor the weather developments over the coming weeks and the impact thereafter on crops. The current crop estimate still points to a possible harvest of 749 205 tonnes of sunflower seed in the 2017/18 season, down by 14 percent from the previous season<sup>1</sup>. An update of this estimate will be released on 25 April 2018.
- In the global market – The EU's sunflower seed market had a good run in yesterday's trade session with the price up by 0.24 percent from the previous day, closing at US\$412 per tonne. The gains were mainly driven by spillover support from the vegetable oil market.
- Moreover, there is generally a bullish sentiment in the global market, as 2017/18 global sunflower seed production is estimated at 46 million tonnes, down by 4 percent from 2016/17. This is mainly on the back of a relatively lower harvest in the Black Sea region. Looking ahead, the plantings for the 2018/19 sunflower seed crops have commenced in Bulgaria, Romania and Hungary should gain moment in the next couple of weeks.

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

<sup>1</sup> This is due to a reduction in area planted, as well as expected lower yields in some areas. This was in turn, driven by unfavourable weather conditions at the beginning of the season, particularly in the western regions of the country.



<b>POTATO</b>	17/04/2018*	18/04/2018*	d-o-d (%Δ)
RSA Potato (R/10kg)	36,32	36,67	+0,96%

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

- After experiencing losses in the past few days, the South African potatoes market gained ground in yesterday's trade session with the price up by a percentage point from the previous day, closing at R36.67 per pocket (10kg). This was boosted by lower stocks of 763 593 pockets (10kg bag) at the start of the session.
- However, in the session, the market saw an increase in deliveries as harvest activity picks up after the weekend. This led to a 29 percent increase in daily stocks to 988 238 pockets (10kg bag).

Bottom line – Today the potatoes price could experience marginal losses owing to relatively large stock of 988 238 pockets (10kg bag), compared to levels seen in the past few days.

<b>FRUIT (South Africa)</b>	17/04/2018*	18/04/2018*	d-o-d (%Δ)
Apples (R/kg)	6,46	6,77	+4,80%
Bananas (R/kg)	7,31	7,53	+3,01%
Oranges (R/kg)	2,93	2,75	-6,14%

\*Previous trading day's price survey in South African fresh produce markets

- The South African fruit prices have been quite volatile in the past couple of days owing to fairly lower stocks. Yesterday the prices of apples and bananas were up by 5 and 3 percent from the previous day, closing at R6.77 and R7.53 per kilogram, respectively, due to a decline in daily stocks.
- Meanwhile, the price of oranges was down by 6 percent from the previous day, closing at R2.75 per kilogram. These losses were mainly on the back of large stocks of 567 708 tonnes following an increase in producer deliveries, from levels of 184 906 tonnes the previous day.

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



<b>BEEF CARCASS</b>	17/04/2018*	18/04/2018*	d-o-d (%Δ)
SAFEX Beef June 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 has been fairly quiet for some time owing to thinly traded volume. Yesterday's trading session was no different, prices remained unchanged from the previous day, closing at R39.50 per kilogram. The SAFEX beef carcass price might not be a true reflection of the physical market, which continues to show solid activity. From a meat supply point of view, South African farmers slaughtered 185 262 head of cattle in February 2018, down by 11 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 charts have changed overnight. The latest updates show clear skies over parts of the Northern Cape, Western Cape, North West and Limpopo provinces, with other provinces expected to receive light showers. The expected rainfall in the Western Cape province might not make a meaningful improvement on soil moisture as it is expected to be light, varying between 16 and 20 millimetres, and will be concentrated along the coastal areas. The province needs intense and continuous rainfall after months of dryness (figure 1).
- The long-term weather forecasts show prospects of light showers varying between 16 and 25 millimetres over most parts of the country in the week of 03 May 2018, with parts of Limpopo, North West and Gauteng provinces set to remain cool and dry over the observed period (figure 2).

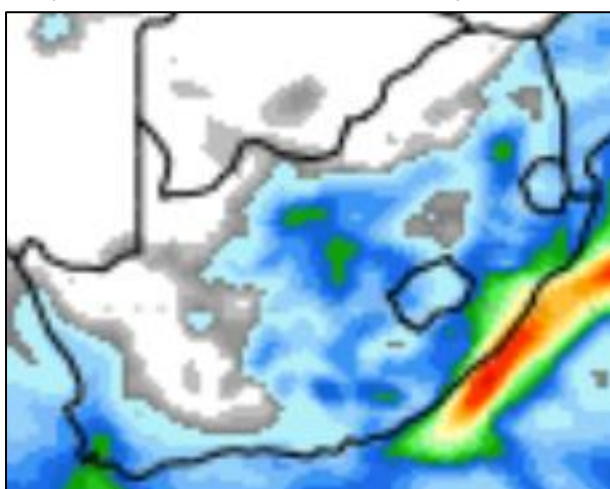


Figure 1: Next 8-days precipitation forecast  
Source: wxmaps

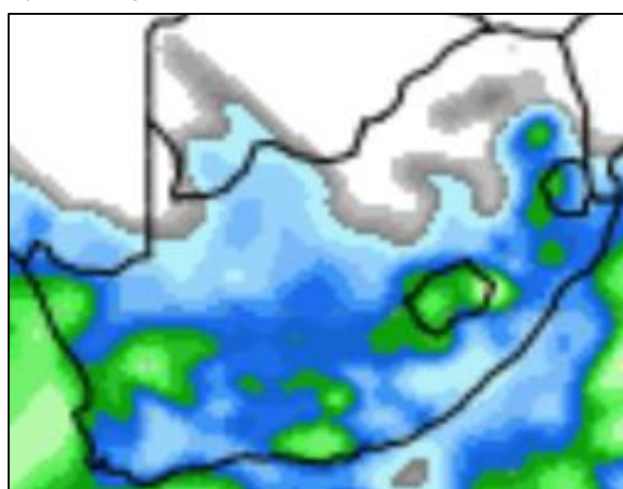


Figure 2: Next 16-days precipitation forecast  
Source: wxmaps



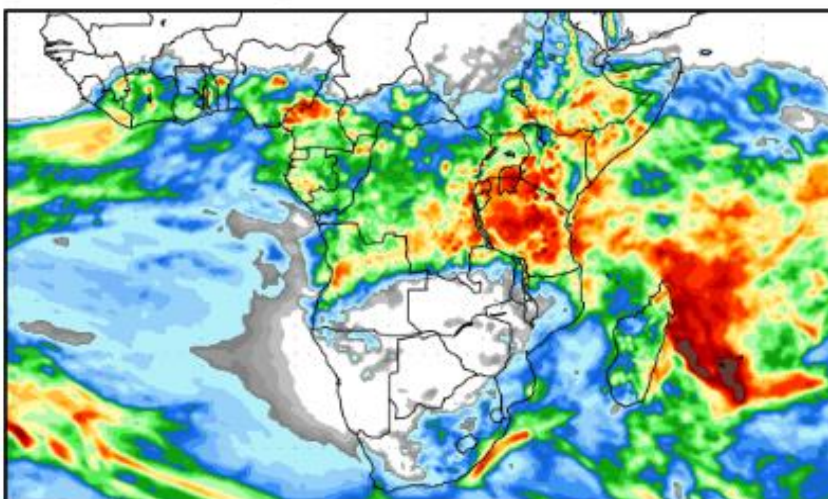
### Precipitation Forecasts

Precipitation (mm)  
during the period:

Tue, 17 APR 2018 at 00Z

-to-

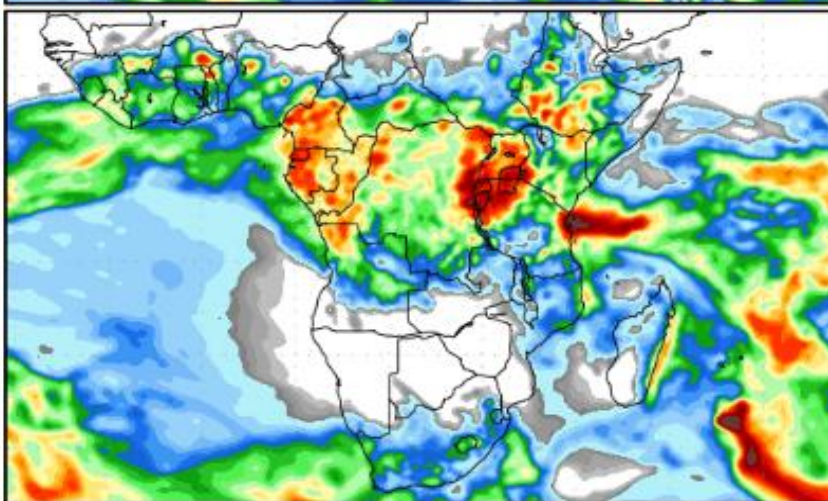
Wed, 25 APR 2018 at 00Z



Wed, 25 APR 2018 at 00Z

-to-

Thu, 03 MAY 2018 at 00Z



Precipitation (% of normal)  
during the first period:

Tue, 17 APR 2018 at 00Z

-to-

Wed, 25 APR 2018 at 00Z

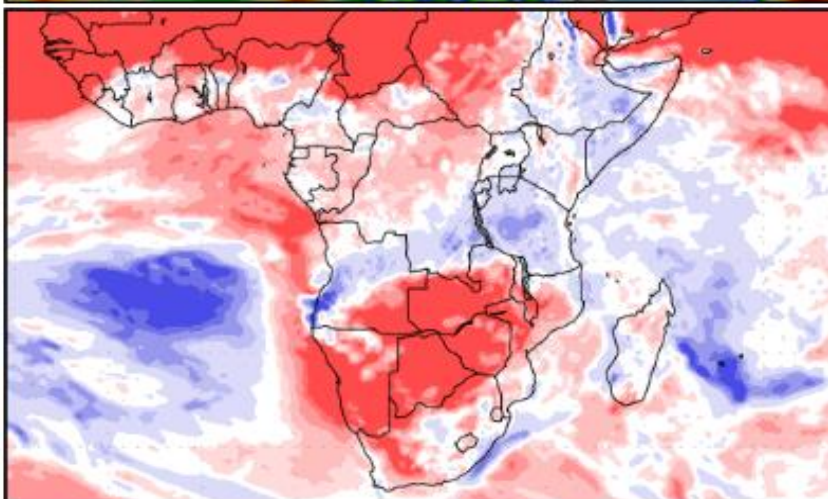
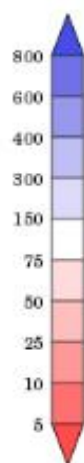


Figure 3: Precipitation forecast

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.

 [@WandileSihlobo](#) [@AgriChamber](#)

**Disclaimer:** Everything has been done to ensure the accuracy of this information, however, Agbiz takes no responsibility for any losses or damage incurred due to the usage of this information.