Standard Bank

FIELD CROP BIWEEKLY 2024

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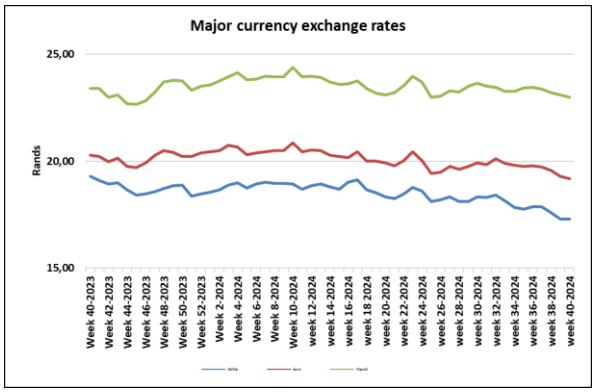
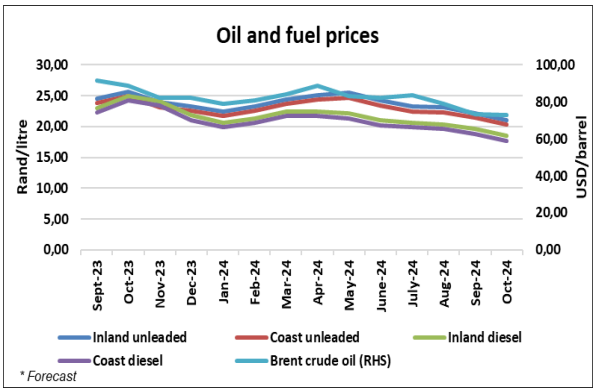
Summary

Two more summer crop production estimates are left for the 2024/25 marketing year (MY) and the season is approaching its tail end. On 26 September 2024, the Crop Estimates Committee (CEC) revised the 2024/25 MY's maize harvest downwards by 2% from the previous month to 12.8 million tons, lower by 22% year-on-year (y/y). As mentioned in previous reports, this decline demonstrates the adverse impact of the mid-summer drought in February and March 2024. Fortunately, the expected harvest coupled with carryover stocks will be sufficient to meet the domestic annual maize consumption of about 12 million tons, leaving a modest volume for exports. Although the 2024/25 MY winter crop production season started on challenging agricultural conditions, the CEC revised its aggregate domestic winter crop production estimate upwards by 1.8% from the previous month to 2.72 million tons. Early indications point to good growing conditions of the winter crop in certain regions of South Africa, with the Western Cape accounting for the lion's share of 73% of winter crop plantings. Notably, oat production is estimated to increase by 67% y/y to 68 000 tons, with this increase attributed to a notable increase in the area planted as well as better yield projections.

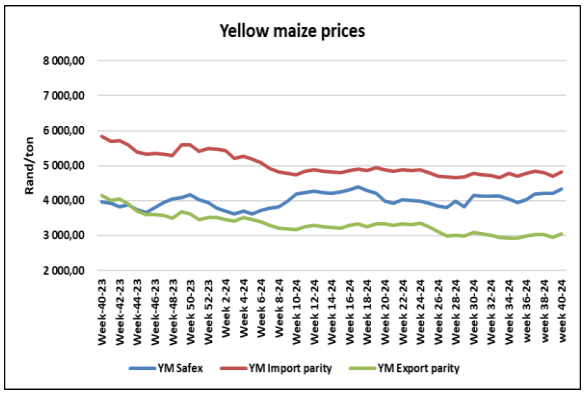
Exchange Rates and Oil Prices

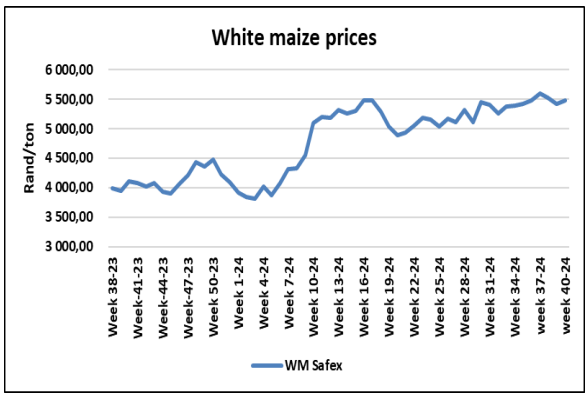




- This week, the **rand** averaged R17.31/US$, weakening marginally by 0.1% w/w but firming by 10.2% y/y. The rand's momentum slowed down on the back of the rising Middle East tensions. The local currency was also pressured by the release of strong United States (US) labour data.
- This week's **Brent crude oil** price averaged US$73.97/barrel, up by 0.2% w/w but down by 15% y/y. Oil prices increased from escalating Middle East tensions that spiked supply concerns.
- The oil markets are concerned about possible crude oil shortages following Iran's recent missile attack on Israel. Iran is a key member of OPEC+, holding substantial influence in terms of global oil supplies. Higher Brent crude oil prices will have a bullish effect on domestic fuel prices if they are not more than offset by a stronger rand.

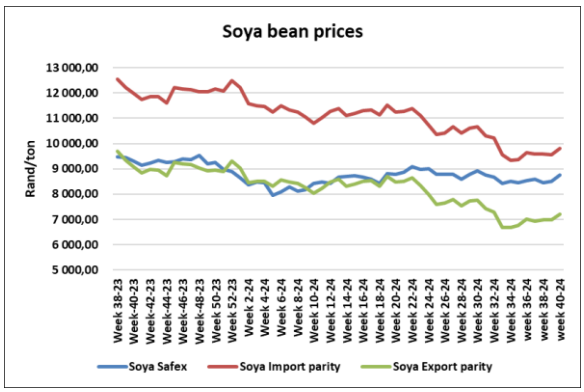
Yellow and White Maize

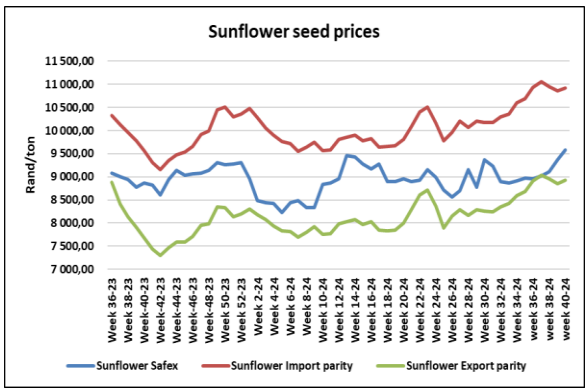




- This week, the **yellow maize** price averaged R4 333/ton, up by 3% w/w and by 9.4% y/y. The **white maize** price averaged R5 482/ton, up by 1.1% w/w and by 33.2% y/y.
- Maize prices got supported by the slightly weaker rand as well as the downward revision in domestic maize production for the 2024/25 MY.
- In week-22 of the domestic 2024/25 MY, 10 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 929 321 tons.
- The top three export destinations of white maize were Zimbabwe (333 253 tons), Botswana (90 761 tons), and Namibia (84 536 tons). The top three destinations of yellow maize were Zimbabwe (177 539 tons), Botswana (44 508 tons), and Eswatini (37 279 tons).

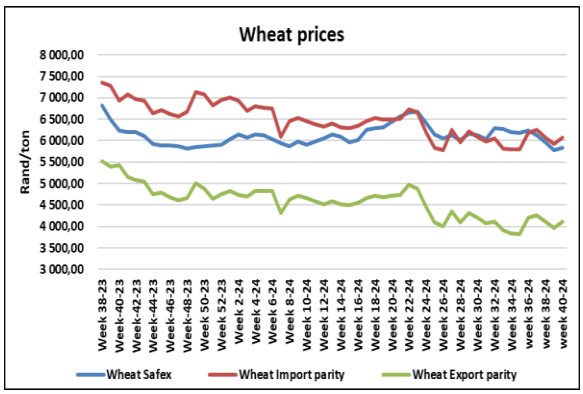
Soya Bean and Sunflower Seed





- This week, the **soya bean** price averaged R8 767/ton, up by 3% w/w but down by 5.7% y/y. The **sunflower seed** price averaged R9 583/ton, up by 2.3% w/w and by 8% y/y.
- The oilseed prices were largely supported by the weaker rand.
- However, local oilseed prices could be pressured by lower Chicago soya bean prices due to a favourable weather outlook in Northern Brazil's soya bean belt and possible delays on anti-deforestation rules in Europe.
- Cumulative domestic oilseed deliveries by week-31 of the 2024/25 MY stood at 1.73 million tons of soya bean and 622 228 tons of sunflower seed.

Wheat



- This week, the **wheat** price averaged R5 839/ton, up by 0.8% w/w but down by 6.4% y/y.
- The wheat prices were supported by the weaker rand.
- In week-52 (final week) of the local 2023/24 MY, cumulative wheat deliveries were at 1.994 million tons.
- In the same week, cumulative wheat imports stood at 1.896 million tons, with 542 734 tons coming from Russia, 392 936 tons from Australia, and 384 475 tons from Lithuania, amongst others.

Sources

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United States Department of Agriculture.

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