



SAGIS

WHEAT FORUM

31 October 2018

Nico Hawkins
General Manager

20 Years
service to the industry
November
(1997 - 2017)

Wheat Supply & Demand

(National & International) – Marketing season

	SAGIS	NAMC	International (GMR)	
Marketing year	Oct - Sep		Jul - Jun	
	Final 2017/18 '000t	Projection 2018/19 '000t	Estimate 2017/18 'Mil ton	Projection 2018/19 'Mil ton
Opening stocks	341.4	724.6	243.9	266.9
Production	1 547.5	1 827.4	758.1	716.7
Imports	2 175.1	1 400.0	176.0	173.1
Total use	3 232.1 ^(a)	3 235.1 ^(a)	735.1	733.8
Exports	109.6	115.0	176.0	173.1
Closing stocks	724.6 ^(b)	607.9 ^(b)	266.9	249.8

(a) All stocks, regardless ownership thereof, in commercial structures

(b) Including producer withdrawals, seed and end users (SAGIS: 21 352 t, NAMC: 22 100 t)

Source: SAGIS - 25 Oct 2018, NAMC: S&DEC - 30 Oct 2018, GMR - 29 Sep 2018

Wheat Production, Retention & Deliveries

Crop Estimate vs. Producer Deliveries

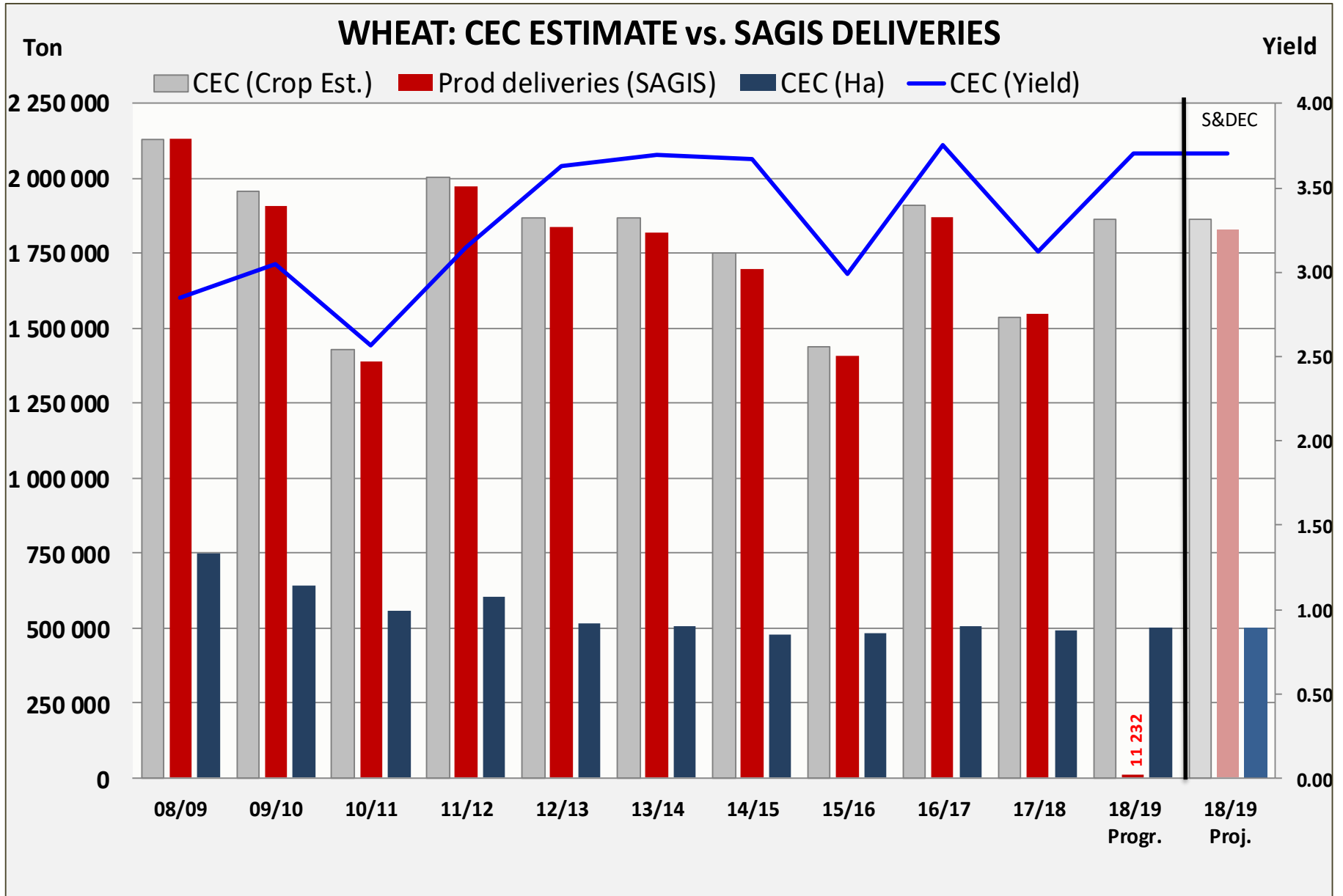
	2018/19 *	2017/18	2016/17
	Ton	Ton	Ton
CEC Production	1 862 400	1 535 000	1 910 000
Less Retentions		30 000	35 000
Total available	1 862 400	1 505 000	1 875 000
SAGIS Deliveries	11 232	1 547 486	1 870 525
Difference	1 851 168	-42 486	4 475

* 2018/19: 1 Oct - 19 Sep '18

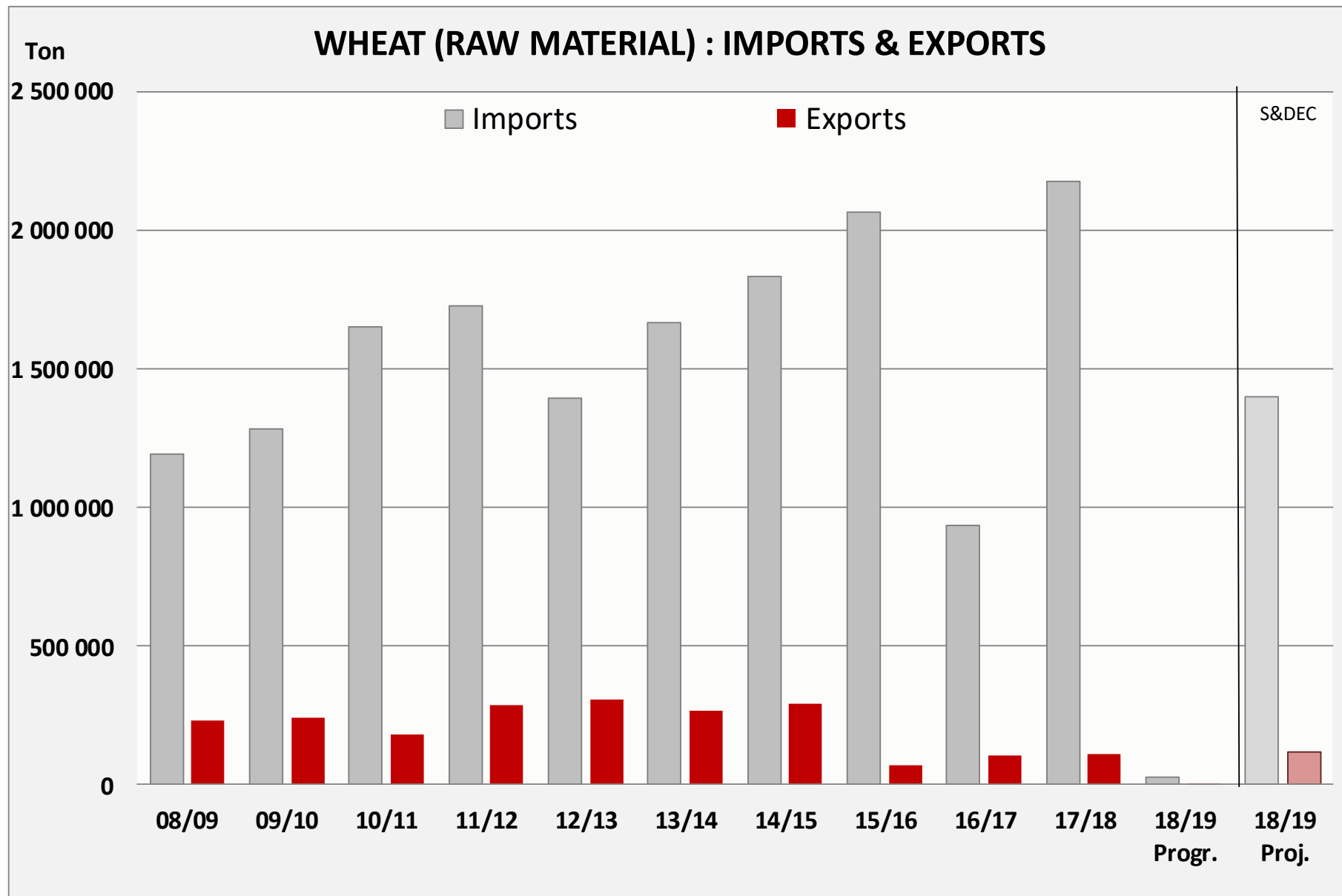
Source: Sagis and CEC



Wheat: CEC Estimate, Yield, Ha & SAGIS Deliveries

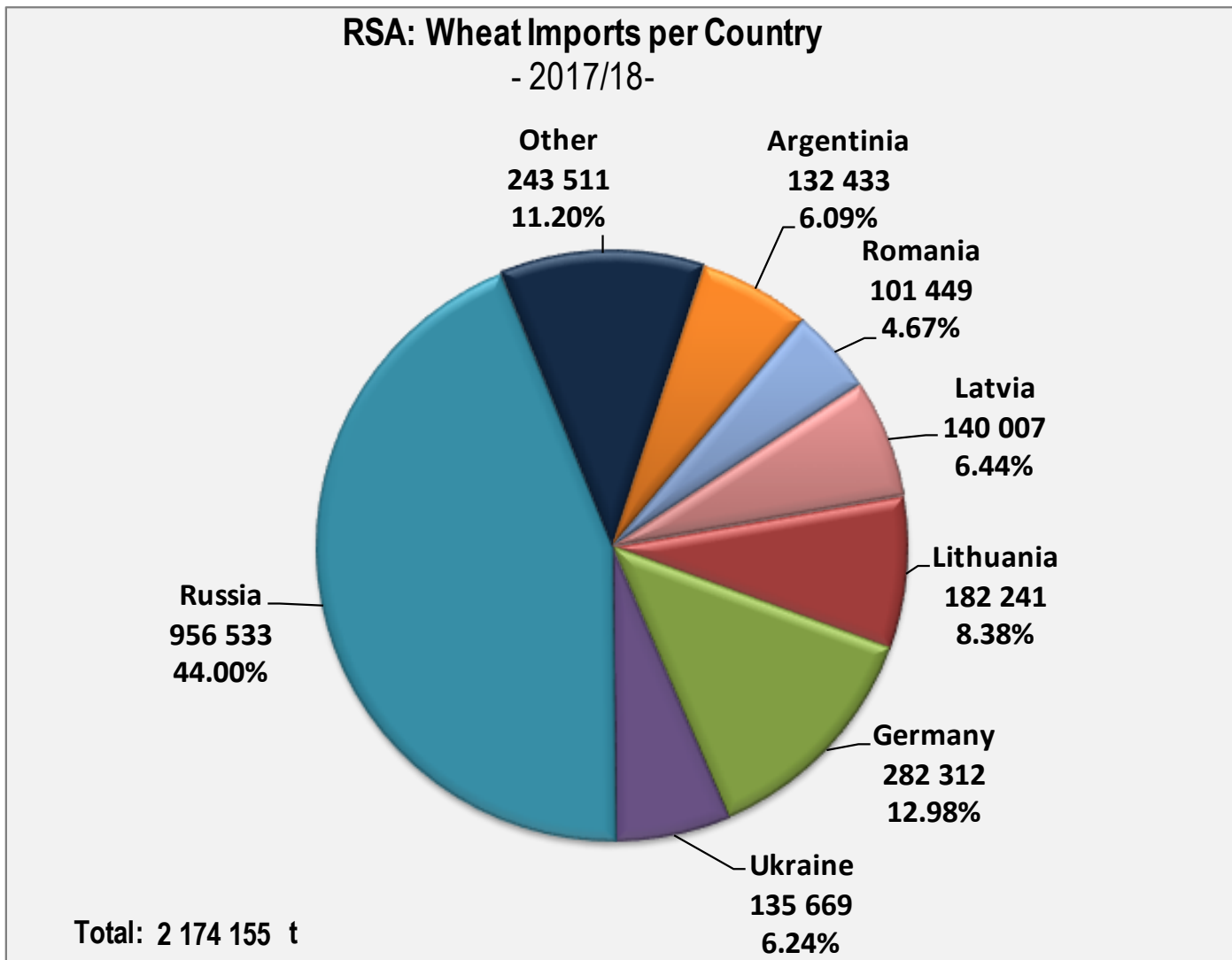


Wheat Imports & Exports (Raw material)



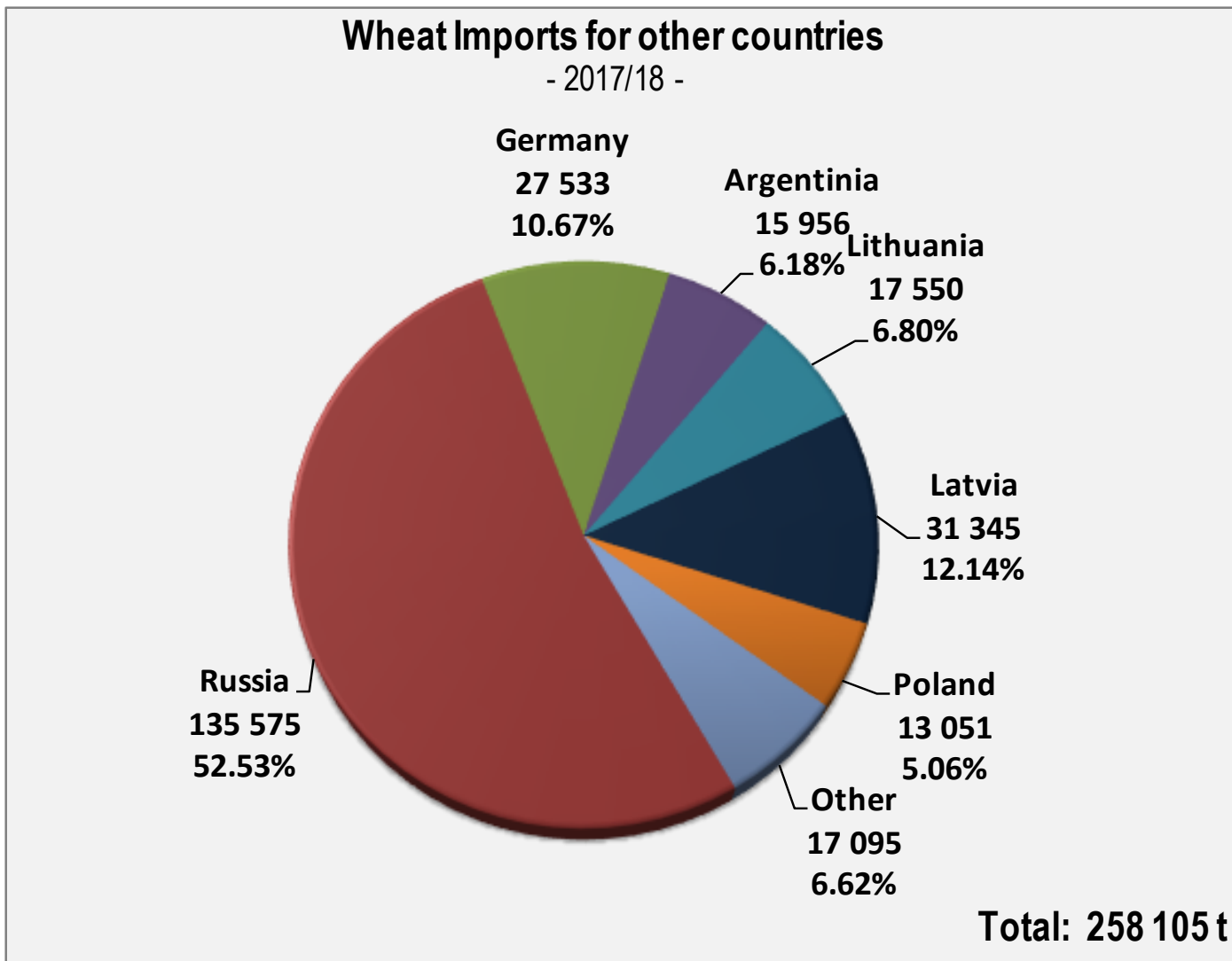
Wheat Imports: Major origin of imports for RSA

(2017/18: 1 Oct '17 – 30 Sep '18)



Wheat Imports for Other Countries

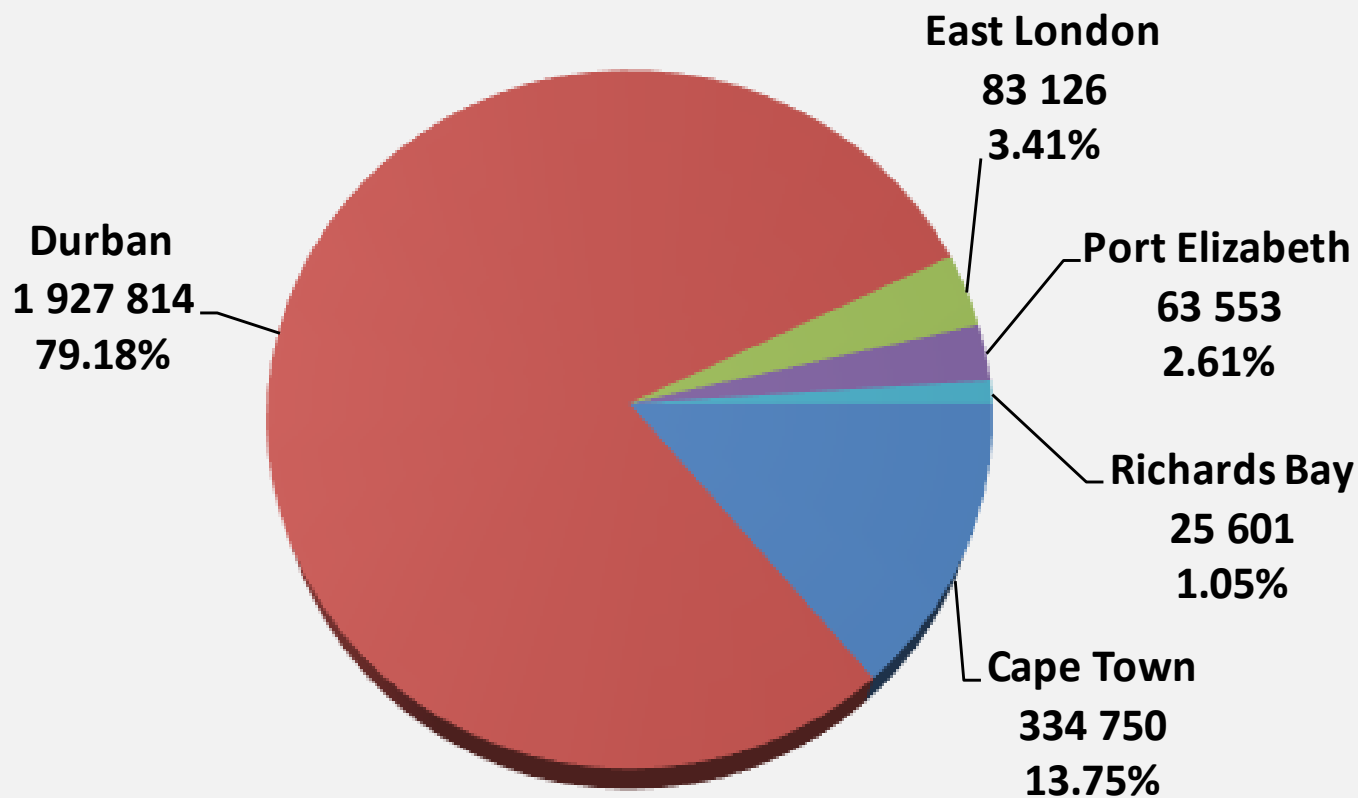
(2017/18: 1 Oct '17 – 30 Sep '18)



Wheat Imports per Harbour

(2017/18: 1 Oct '17 – 30 Sep '18)

Wheat Weekly Imports per Harbour



Total Imports per Harbour: 2 434 844 t

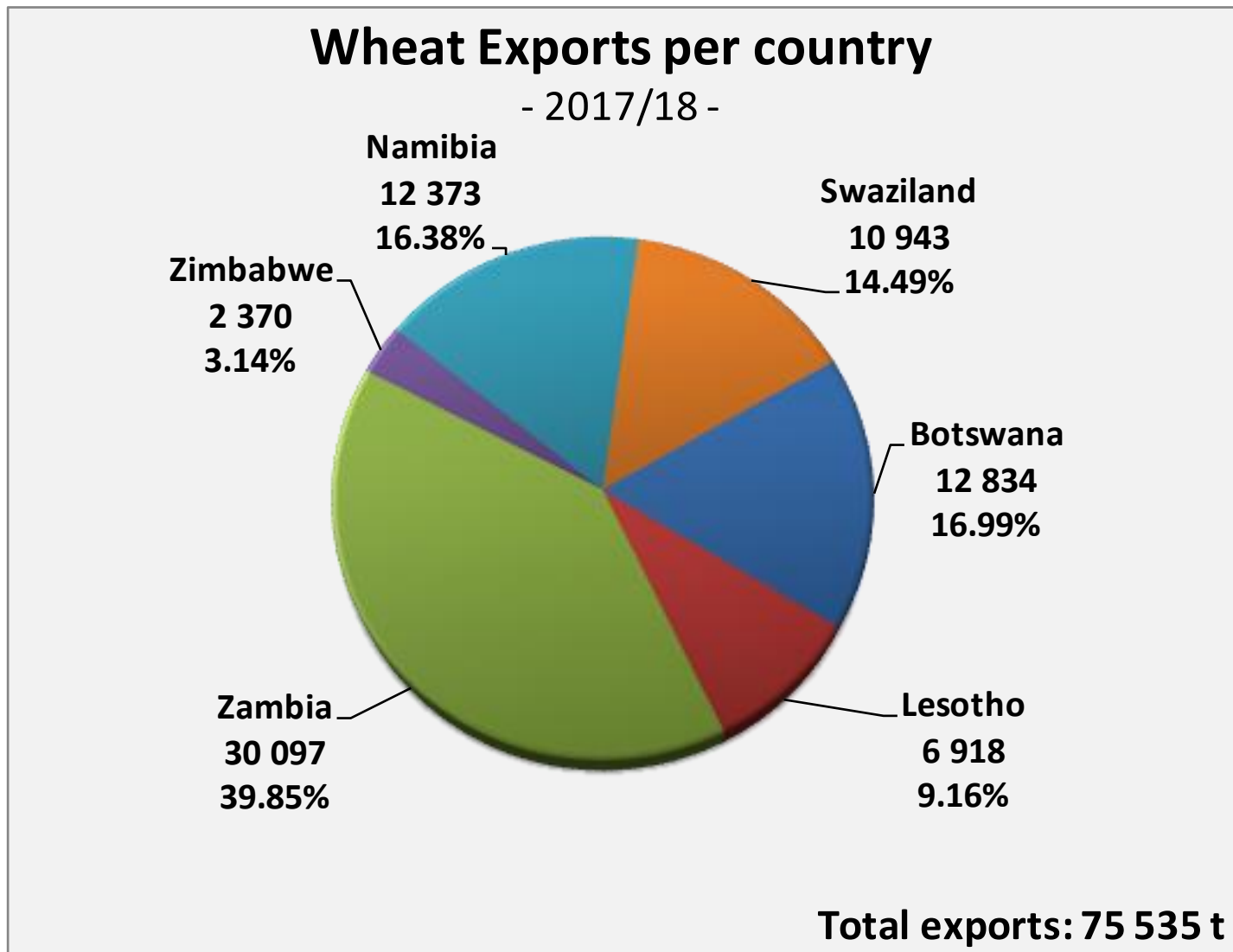
Wheat Imports & Exports

(2017/18: 1 Oct '17 – 30 Sep '18)

Wheat	Oct '17 - Sep '18	Oct '16 - Sep '17
Total Imports (RSA + Other)	2 434 651 t	1 153 218 t
Number of Ships	60	40
Number of Countries	11	11
Number of Ports offloaded	5	4
Harbour facilities visited	121	126
Average per ship	40 578 t	28 851 t
Largest ship	Liberty Island - Russia 53 885 t	Flag Gangos - Romania 52 997 t
Smallest ship	Marsk Vilnius - USA 296 t	Kingsrest - USA 2 000 t
Bussiest month	October '17 24	February '17 20

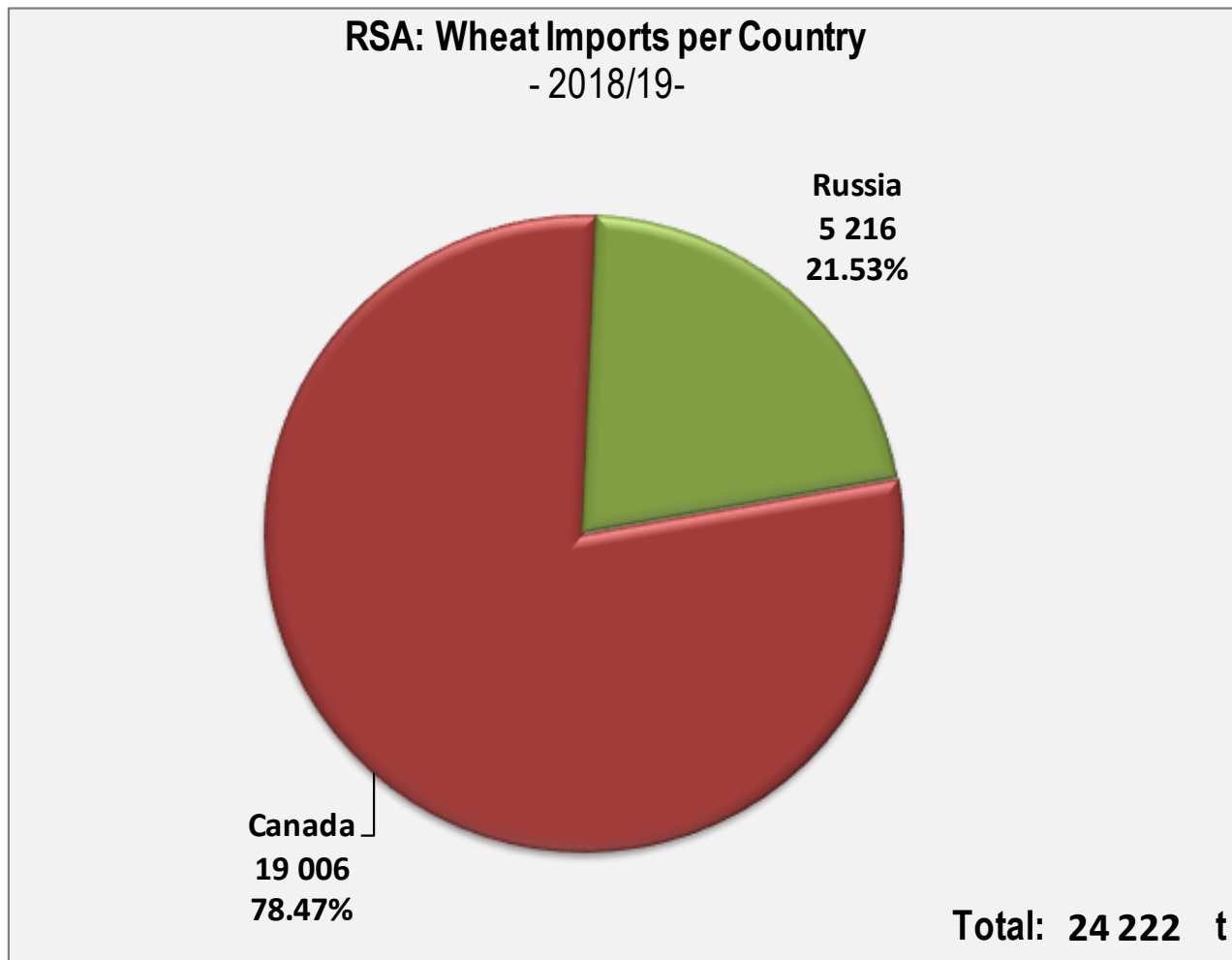
Wheat Exports: Major export destinations

(2017/18: 1 Oct '17 – 30 Sep '18)



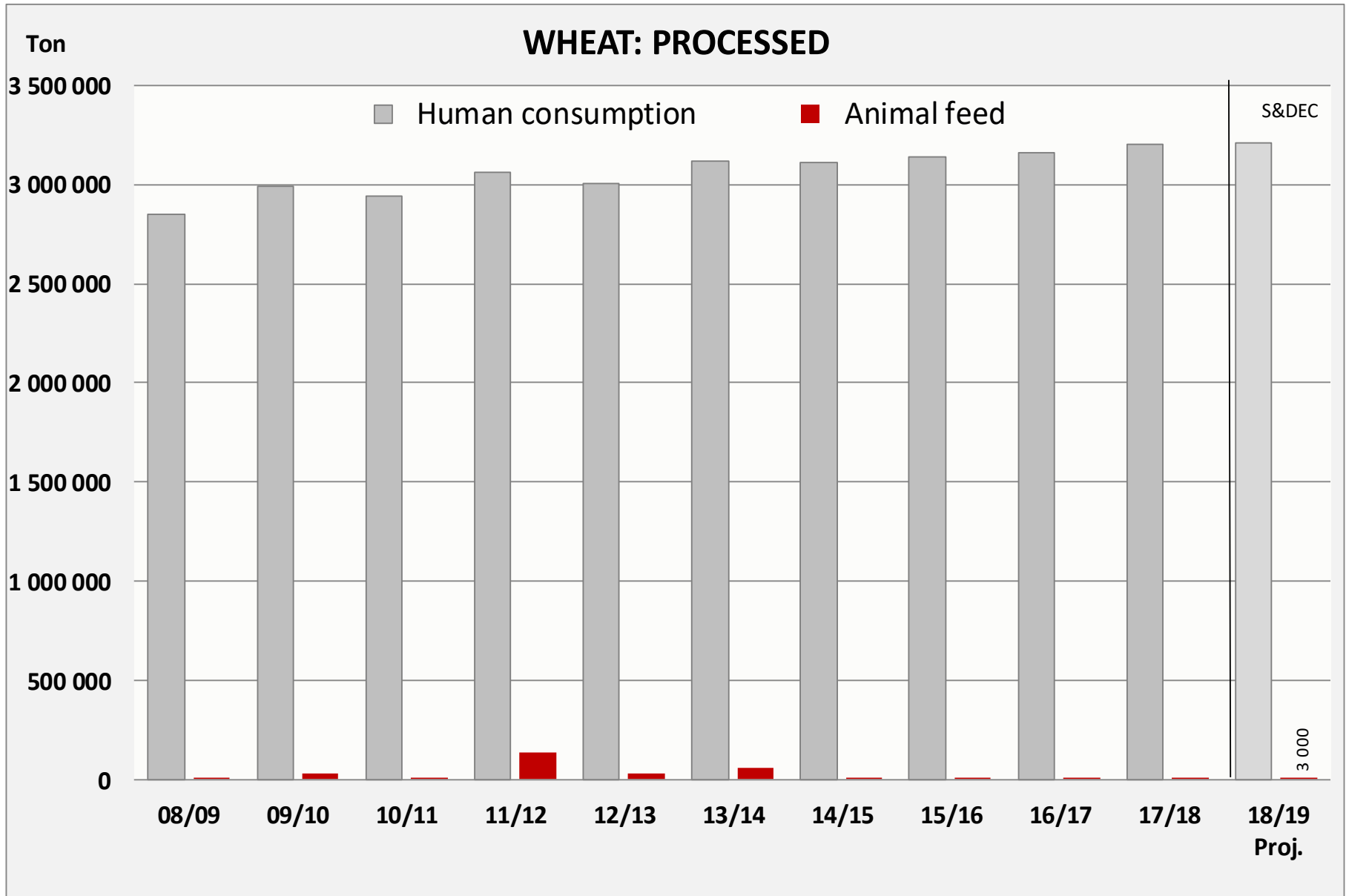
Wheat Imports & Exports: Weekly Current season

(2018/19: Progr. 1 Oct '18 – 19 Oct '18)



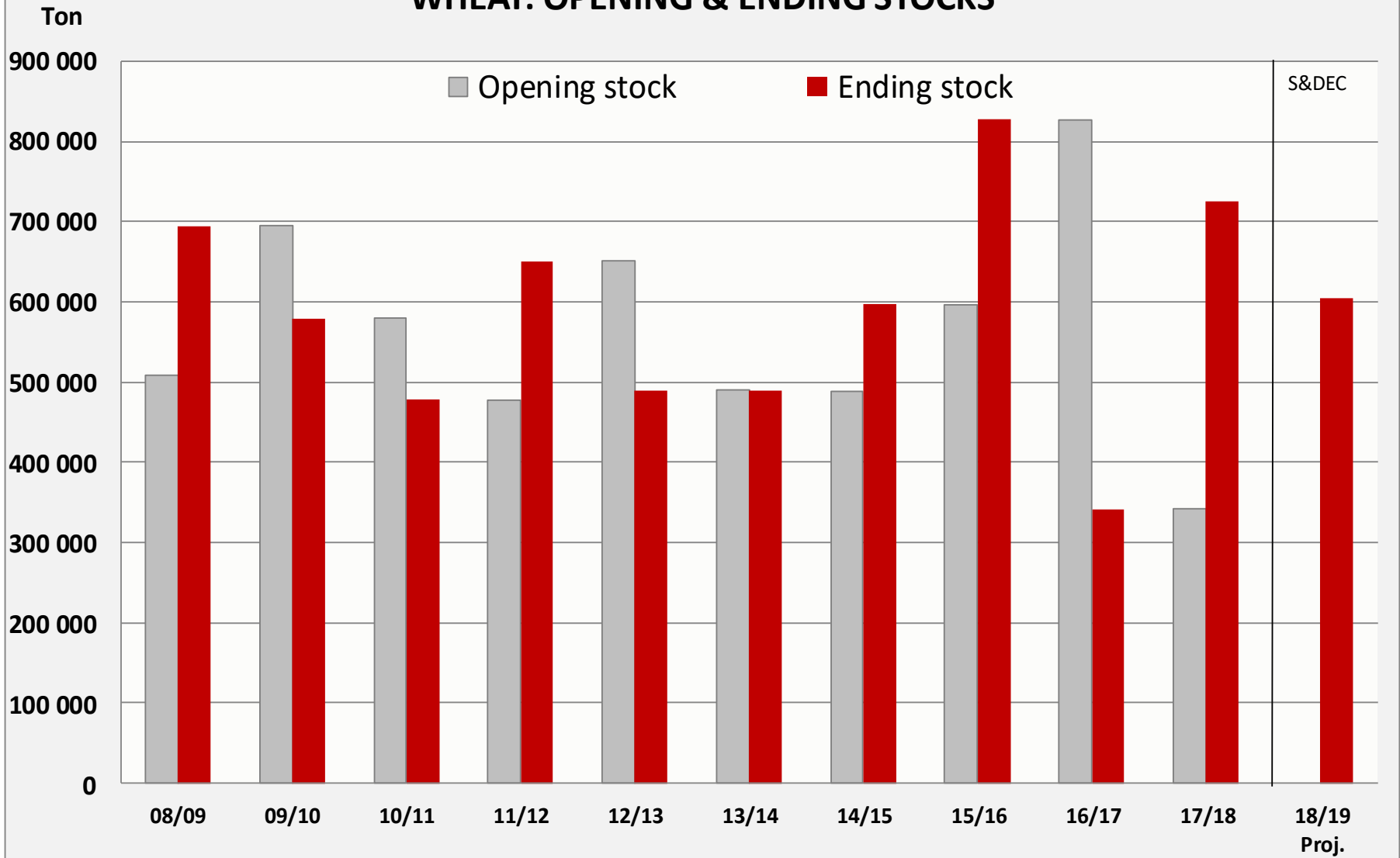
2018/19	Exports
1 Oct - 19 Oct '17	2 202

Wheat: Consumption



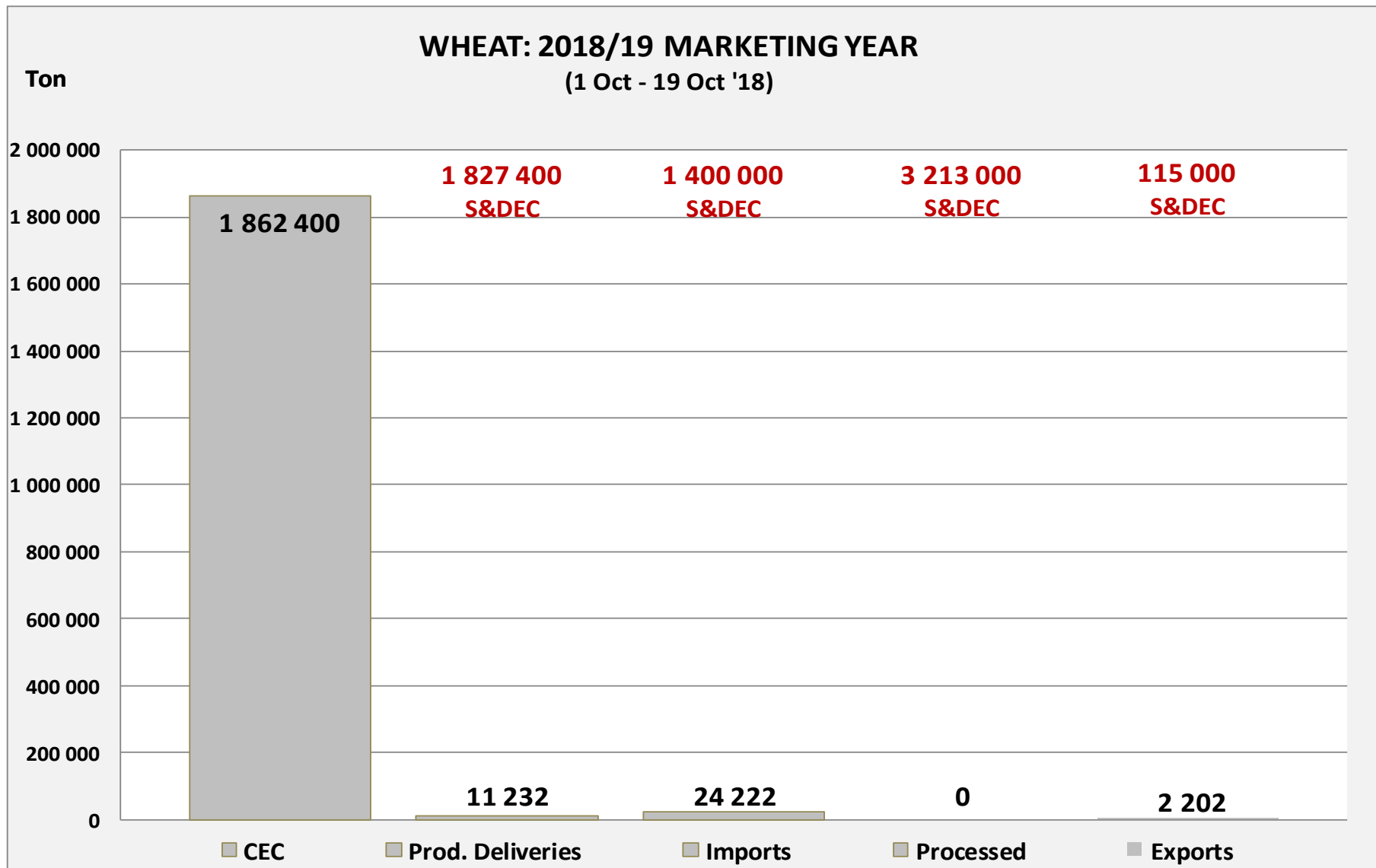
Wheat: Stocks

WHEAT: OPENING & ENDING STOCKS



Wheat: 2018/19 Marketing year

(Progr. 1 Oct – 19 Oct '17)

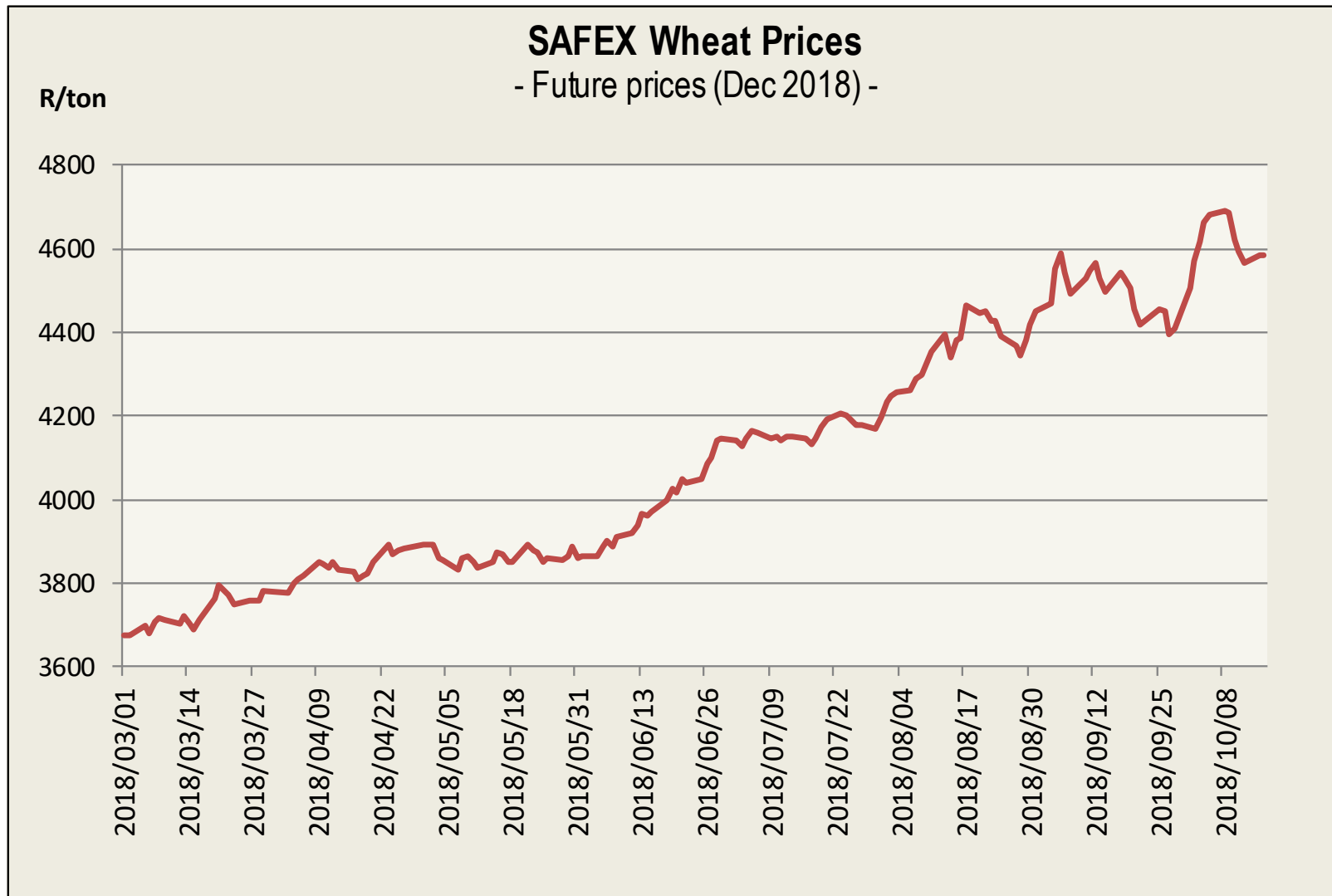




Price movement

20 Years
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November
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Wheat: Prices SAFEX nearby contract



Wheat: Price movements

Comparison **SAFEX** (Dec and Mar contracts)

	2018/10/23	% Month on Month	2018/09/25	% Year on Year	2017/10/23
	Price		Price		Price ^(a)
Dec 2018	4655.00	0.52	4631.00	-3.88	4843.00
Mar 2019	4780.00	0.55	4754.00	-2.33	4894.00

Source: SAFEX

Wheat: Price movements

Comparison **KCBT** (Dec and Mar contracts)

	2018/10/23	% Month on Month	2018/09/25	% Year on Year	2017/10/23
	Price		Price		Price
Dec 2018	186.44	-2.80	191.80	17.07	159.25
Mar 2019	195.92	-2.24	200.40	18.12	165.86

Source: KCBT

Wheat: Price movements

Indicative **Export** parity prices

2018/10/23	US HRW Wheat Gulf	US DNS 14% Wheat PNW
	Oct '18	Oct '18
	\$/t	\$/t
FOB Gulf value	238.00	263.00
SA fob price	238.00	263.00
R/\$ Exchange rate on: 2018/10/23	14.3722	14.3722
	R/t	R/t
FOB Gulf value	3420.58	3779.89
Marketing costs:		
Financing (Prime rate 10.25% - 30 days)	28.11	31.07
Railage:		
Randfontein – Durban harbour	320.00	320.00
Loading costs:		
Durban Harbour (Mainly spout method)	205.14	205.14
Export realisation		
Randfontein	2867.33	3223.68
SAFEX spot price (2018/10/23)	4388.00	4388.00
Export realisation Randfontein (2017/10/23)	2259.31	3055.80

Wheat: Price movements

SARS FOB prices

Previous years : Oct – Sep

(2017/18: Progr. 1 Oct '17 – 31 Aug '18)

Wheat - Other 1001.99		2017/18 Progr. Oct-Aug	2016/17	2015/16
Imports	Quantity (Ton)	1 869 589	1 717 286	1 947 931
Total value of imports	FOB value (R'000)	4 898 258	4 336 055	5 495 917
Value per ton	FOB R/Ton	2 619.97	2 524.95	2 821.41

Source: SARS

Wheat Imports: SARS FOB prices per country:

Wheat Other: 1001.99

(2017/18:

Progr. 1 Oct '17 – 31 Aug '18)

Country	Ton	FOB value R'000	FOB Rand/ton
Argentina	148 329.211	340 651.96	2 296.59
Canada	96 830.000	297 427.91	3 071.65
Czech Republic	29 000.000	84 113.59	2 900.47
Germany	337 719.639	862 357.35	2 553.47
Ghana	0.057	0.07	1 228.07
India	4.214	28.10	6 667.06
Latvia	162 907.649	401 507.70	2 464.63
Lithuania	117 779.212	303 080.90	2 573.30
Namibia	100.018	220.34	2 203.02
Nigeria	0.431	0.99	2 301.62
Poland	30 644.519	90 148.06	2 941.74
Romania	51 863.300	125 175.66	2 413.57
Russian Federation	822 954.232	2 203 825.34	2 677.94
South Africa	25 581.445	74 506.01	2 912.50
Ukraine	11 000.000	29 551.42	2 686.49
United States	34 806.731	85 322.79	2 451.33
Unknown	68.026	339.55	4 991.47
Total	1 869 588.684	4 898 257.746	2 619.97

Progr. Oct '17 - Aug '18

Source: SARS



Wheat **Exports**: SARS FOB prices per country:

Wheat Other: 1001.99

(2017/18: Progr. 1 Oct '17 – 31 Aug '18)

Country	Ton	FOB value R'000	FOB Rand/ton
Botswana	9 664.453	40 500.17	4 190.63
Canada	357.000	3 732.53	10 455.26
Lesotho	5 525.100	20 657.76	3 738.89
Malawi	14.320	91.96	6 421.79
Mozambique	1 965.940	7 303.61	3 715.07
Namibia	12 147.331	56 514.92	4 652.46
Swaziland	10 496.945	38 159.46	3 635.29
United Arab Emirates	0.003	1.87	623 333.33
Zimbabwe	3 150.000	13 111.47	4 162.37
Total	43 321.092	180 073.744	4 156.72

Progr. Oct '17 - Aug '18

Source: SARS



Products

20 Years
service to the industry
November
(1997 - 2017)

Wheat Products (Manufactured, Imported & Exported)

(2017/18: Progr. 1 Sep '17 – 31 Aug '18 – 12 months)

Wheaten Products	Marketing year: Sep 2017 - Aug 2018			
	Manufactured	Imported	Exported	% of Total
	Tons			Manufactured
Cake Flour	874 435	0	2 329	27.0
Self-Raising Flour	17 565	0	38	0.5
White Bread Flour	1 137 779	0	8 269	35.1
Brown Bread Flour	411 358	0	16 846	12.7
Other Flour (Industrial)	125 384	0	112	3.9
Whole Wheat Meal	3 240	0	21	0.1
Bran	651 448	700	503	20.1
Semolina	19 410	0	0	0.6
Total	3 240 619	700	28 118	100.0
Whole Wheat Milled	3 225 618	Whole wheat milled = <i>Processed for human consumption</i> <i>Processed for gristing</i> <i>Product exports</i>		
Diffs milled and products	-15 001			
% Bran	20			

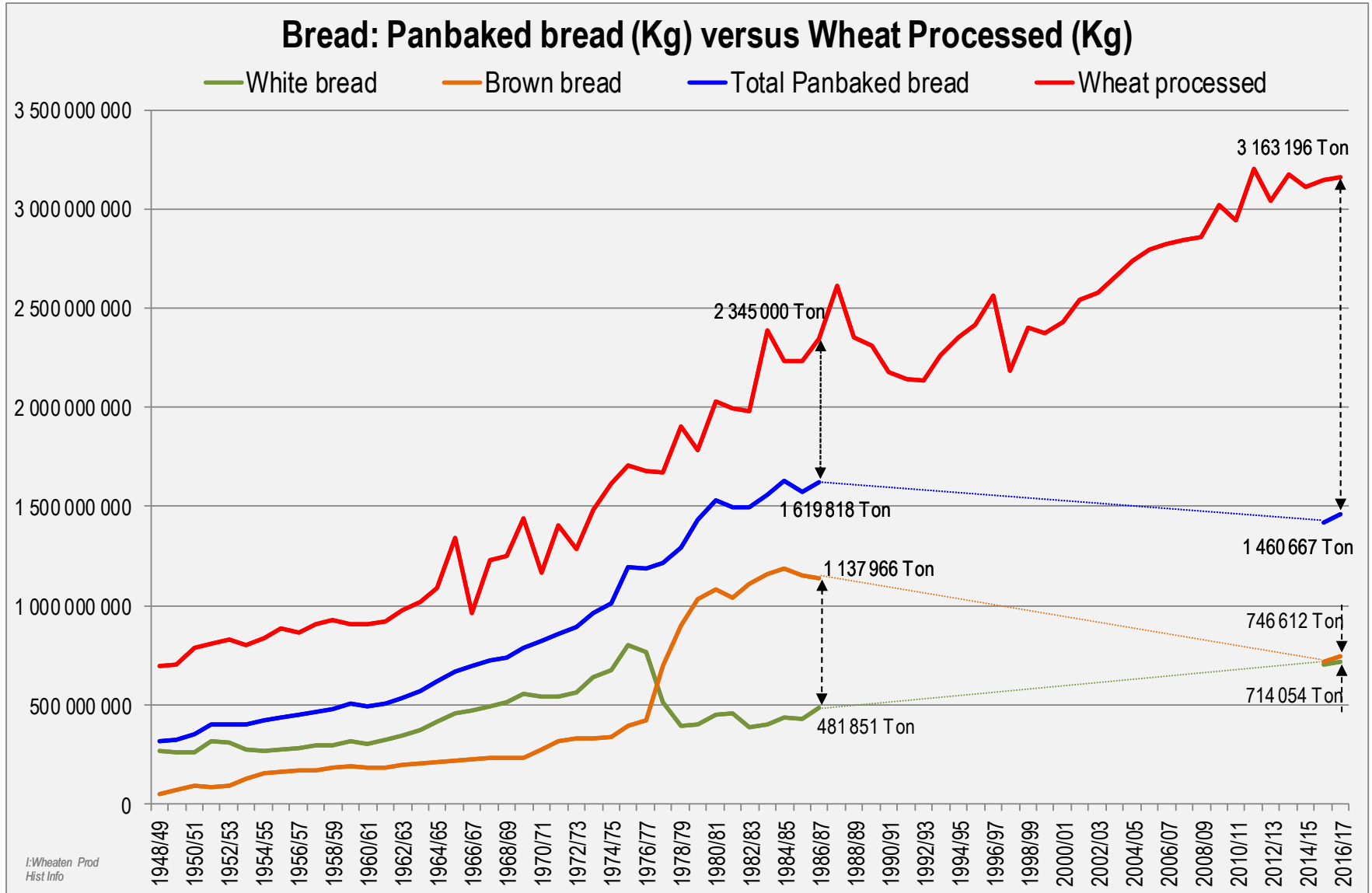
Wheaten Products: Per Capita Consumption

(12 months: Sep '17 – Aug '18)

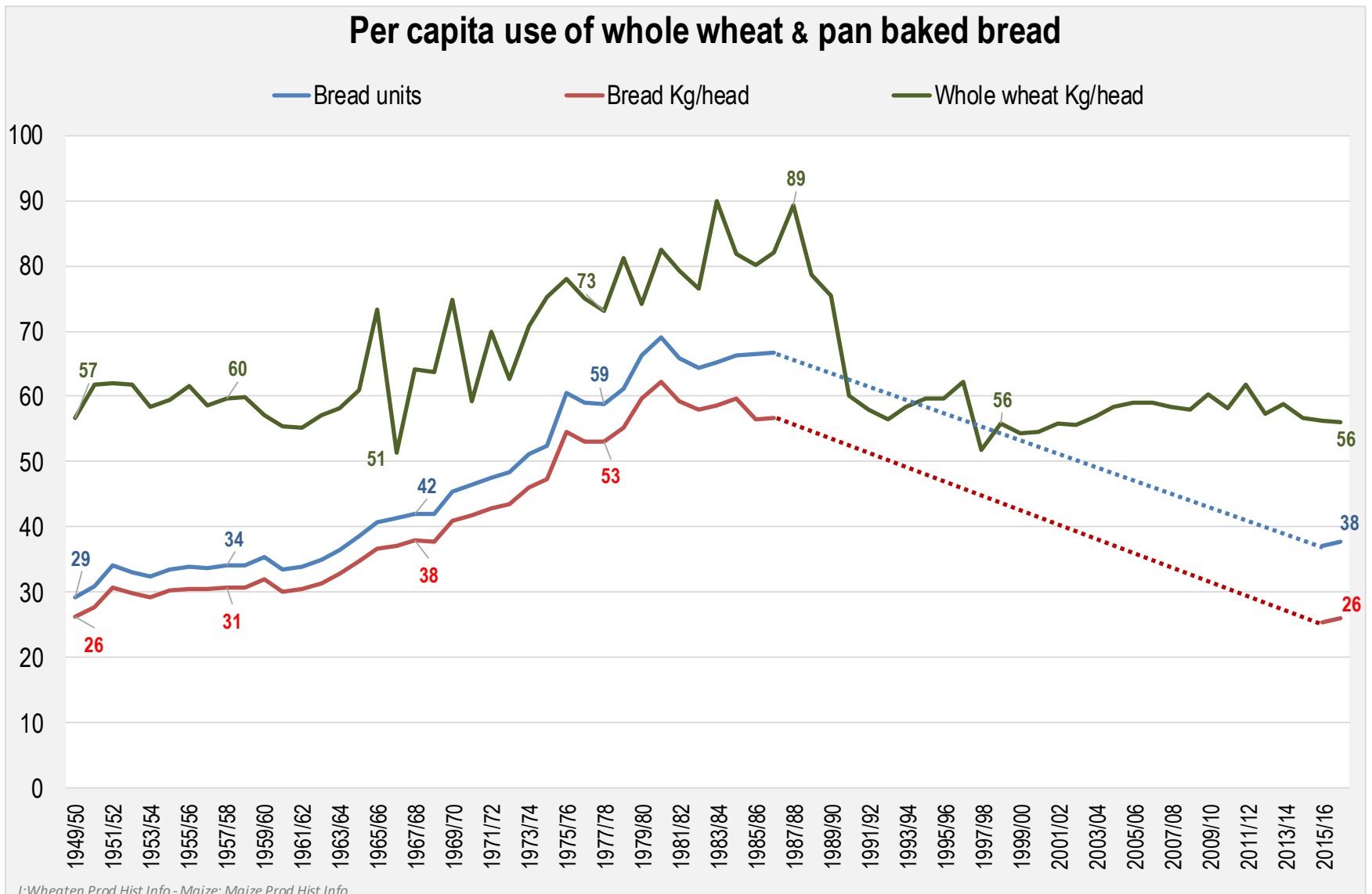
Per capita consumption	Wheaten products	Panbaked bread	Panbaked bread	Total Maize products	Oilseeds products
12 months (1 Sep '17 - 31 Aug '18)					
	Ton	Ton	Units	Ton	Ton
Manufactured	3 240 619	1 479 848	2 243 668 592	3 530 046	1 958 523
+ Imports	700			6 719	866 319
- Exports	-28 118			-70 078	-76 848
Total "consumed"	3 213 201	1 479 848	2 243 668 592	3 466 687	2 747 994
Total population	56 522 000	56 522 000	56 522 000	56 522 000	55 909 001
	Kg	Kg	Units	Kg	Kg
Per capita consumption	56.85	26.18	39.70	61.33	49.15

Panbaked bread vs Wheat Processed: Historic Info

1948/49 – 2016/17

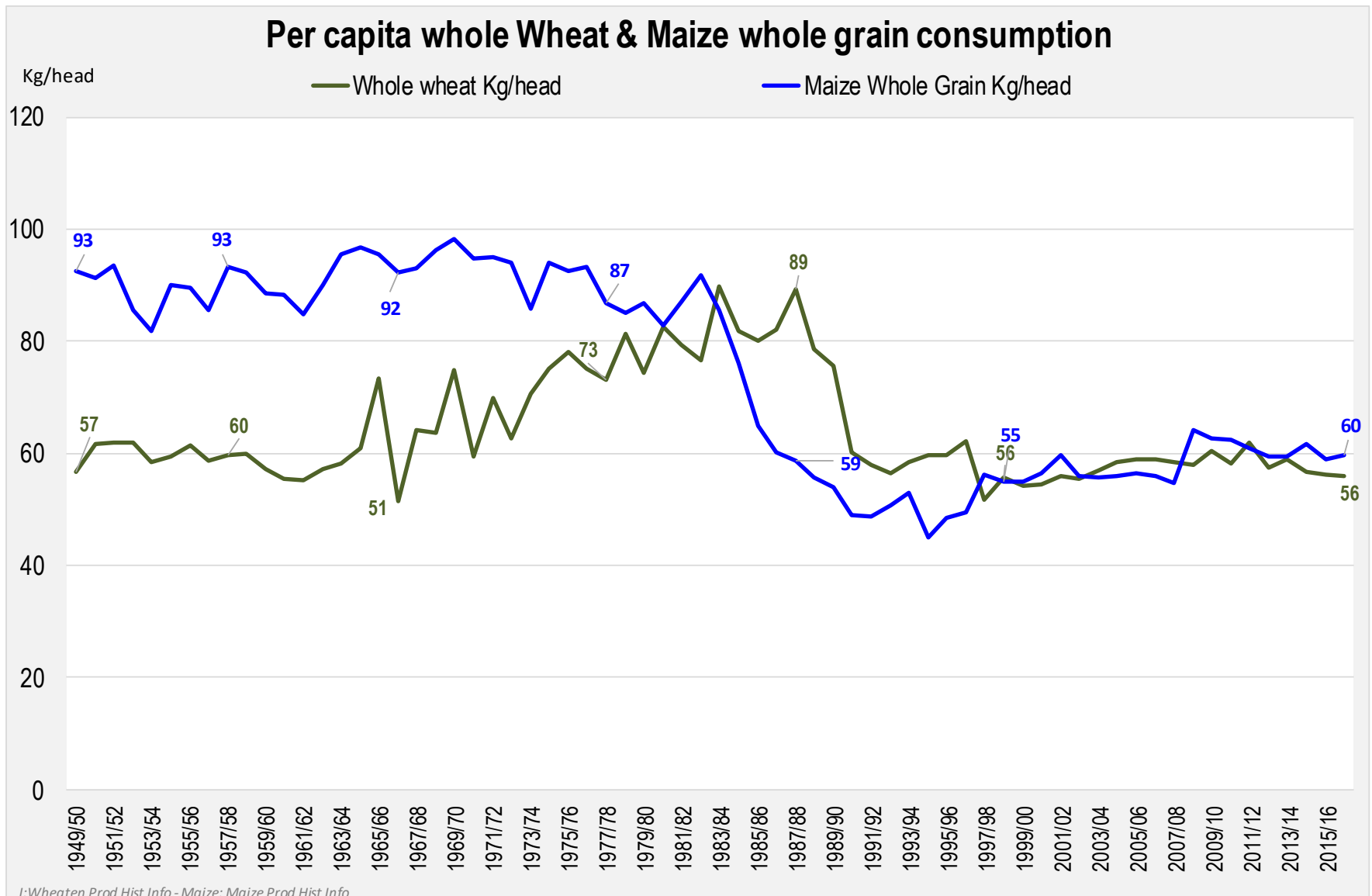


Historic Info: Per capita use of whole wheat & pan baked bread (1949/50 – 2017/18)



Historic Info: Whole Wheat vs Maize Whole Grain

1949/50 – 2017/18



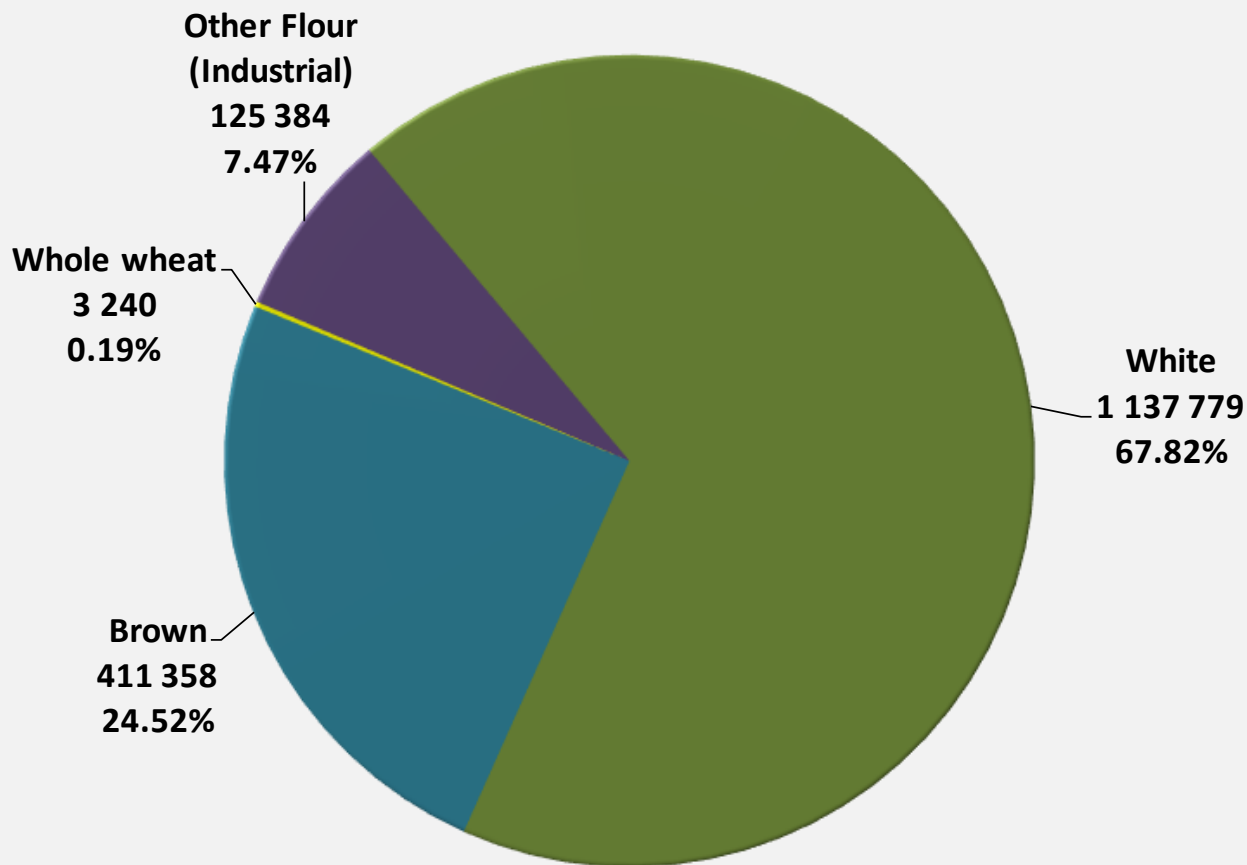
Wheaten Products : Bread Flour (Ton)

(2017/18: Progr. 1 Sep '17 – 31 Aug '18 – 12 months)

Bread Flour

-Sep '17 to Aug '18-

- Ton -



Total: Bread Flour: 1 677 761 ton

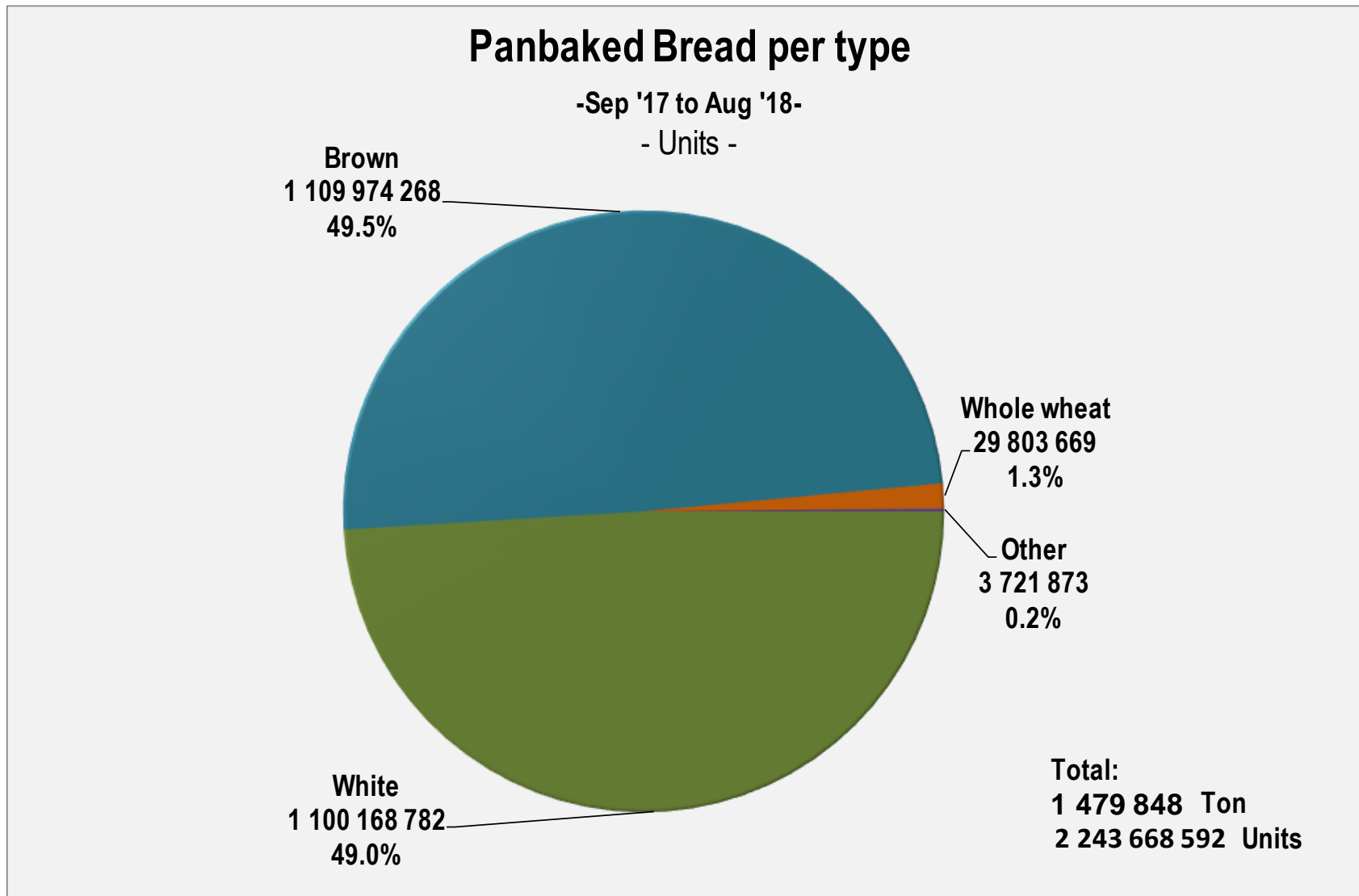
Wheaten Products: Pan baked bread (Units)

(Progr. Sep '17 – Aug '18:
12 months)

Pan baked bread manufactured	Marketing year: Sep '17 - Aug '18 (12 months)	% of Total
	Units	
WHITE BREAD		
400g	1 897 387	0.1
600g	240 464 668	10.7
700g	849 676 635	37.9
Other	8 130 092	0.4
White Bread (Total Units)	1 100 168 782	49.0
BROWN BREAD		
400g	936 557	0.0
600g	292 931 565	13.1
700g	798 632 593	35.6
Other	17 473 553	0.8
Brown Bread (Total Units)	1 109 974 268	49.5
WHOLE WHEAT		
400g	14 405	0.0
600g	567 941	0.0
700g	5 986 679	0.3
Other	23 234 644	1.0
Whole Wheat (Total Units)	29 803 669	1.3
OTHER		
400g	67 380	0.0
600g	305 133	0.0
700g	160 765	0.0
Other	3 188 595	0.1
Other (Total Units)	3 721 873	0.2
Total	2 243 668 592	100.0

Wheaten Products: Pan baked bread per type

(Progr. Sep '17 – Aug '18: **11 months**)



Wheat: Price movements

Wheaten products: Year on year price changes

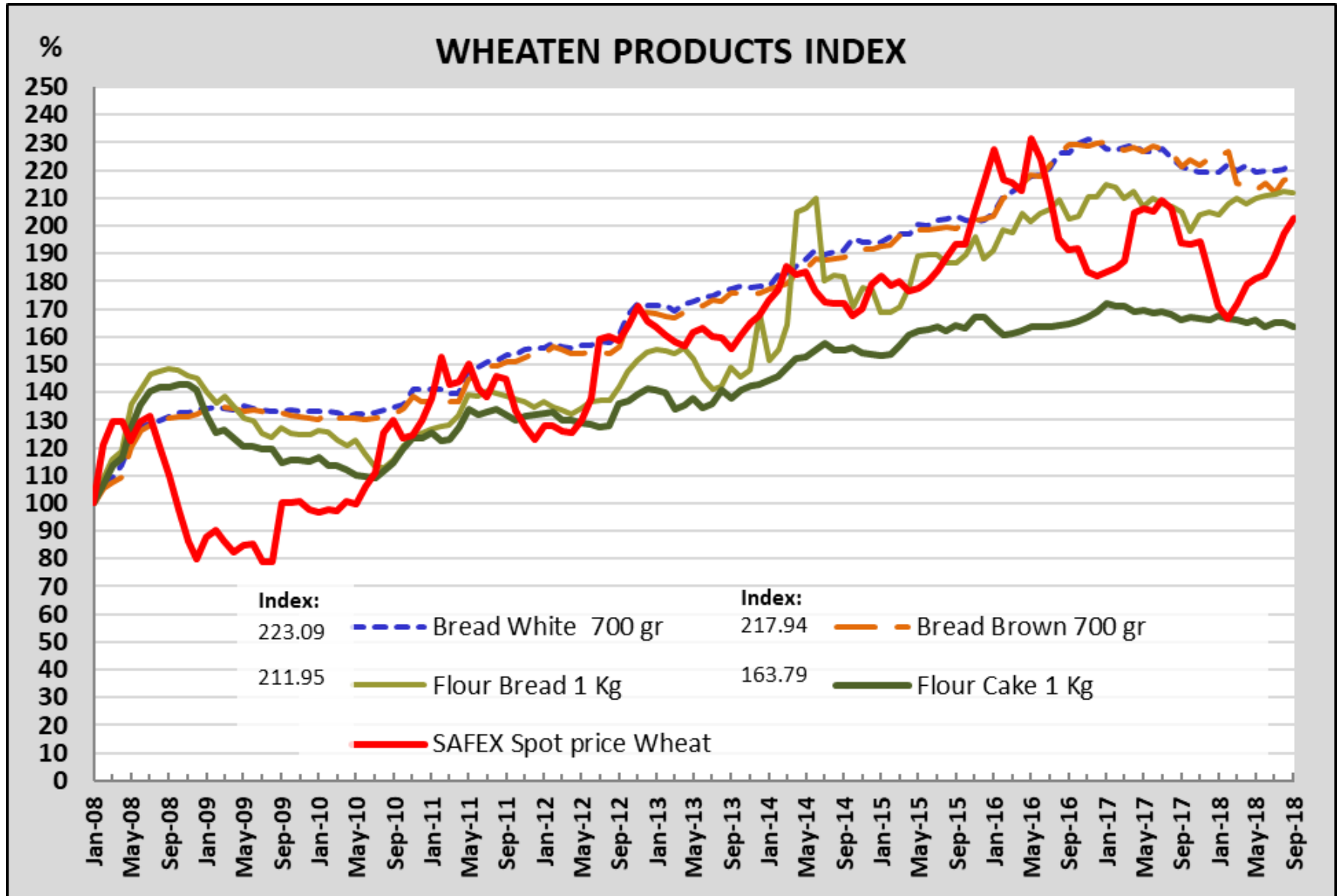
		September				
		2018	% Year on Year	2017	% Year on Year	2016
		Price R		Price R		Price R
White Bread	700g	13.14	0.84	13.03	-2.32	13.34
Brown Bread	700g	11.66	-1.60	11.85	-3.42	12.27
Cake Flour	1kg	12.35	-1.28	12.51	0.72	12.42
Bread Flour	1kg	13.48	3.53	13.02	1.17	12.87

Source: SA Stats



Wheat products: Price movement Index

(Jan '08 – Sep '18)



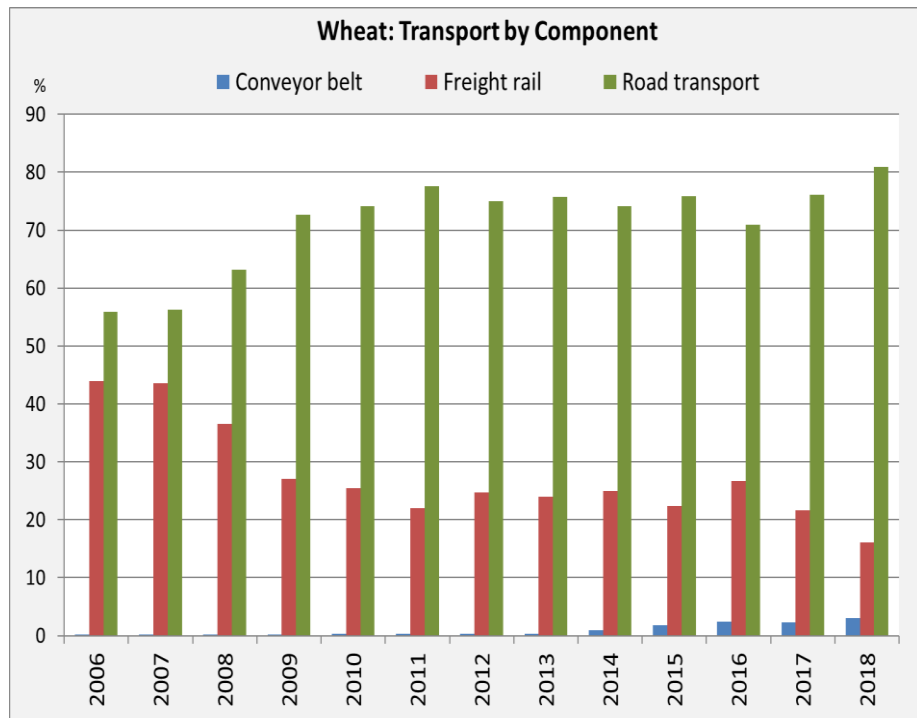


General

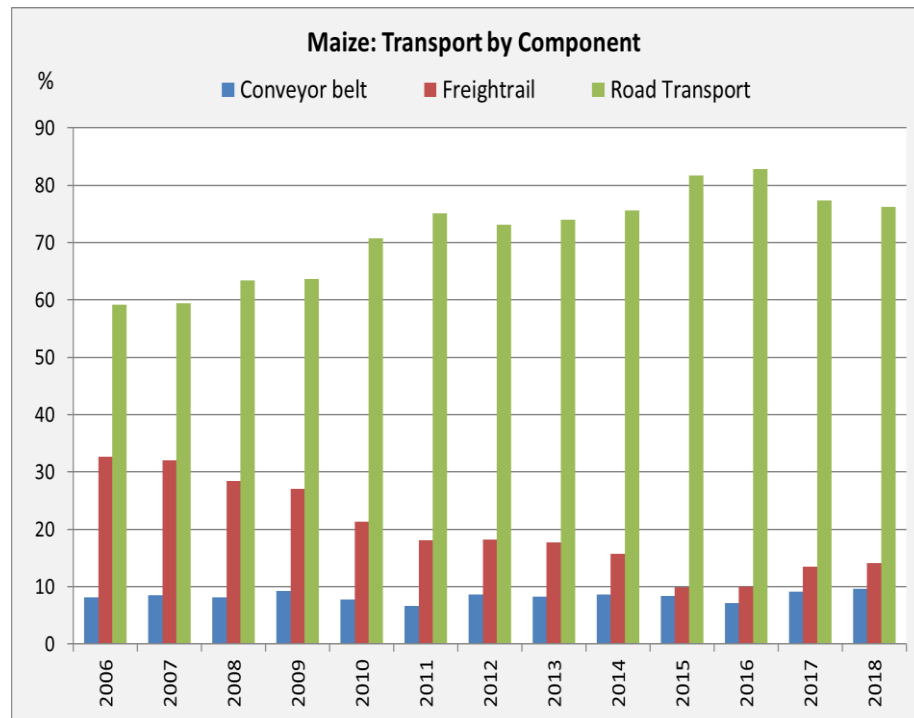
20 Years
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Transport by Component

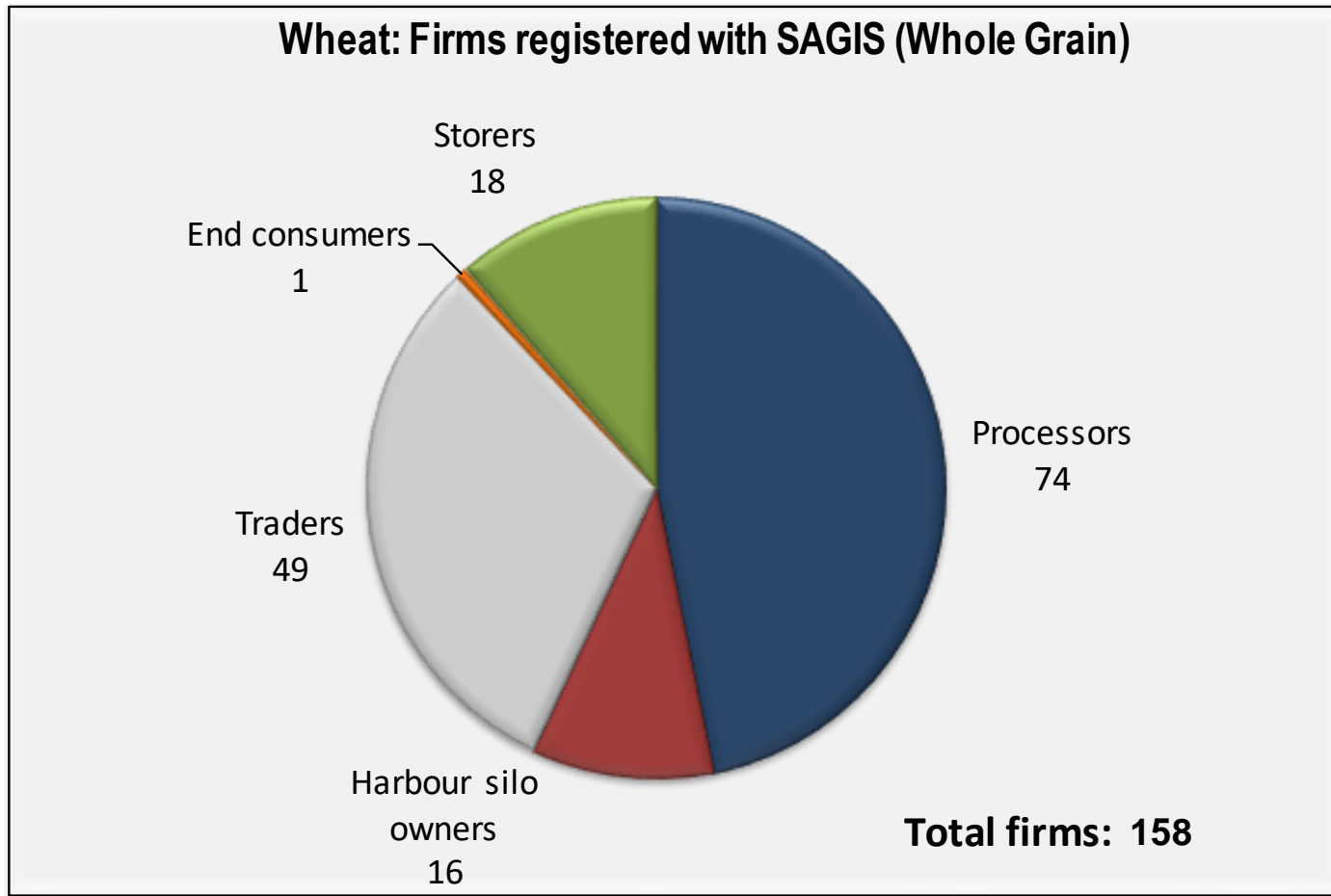
Wheat

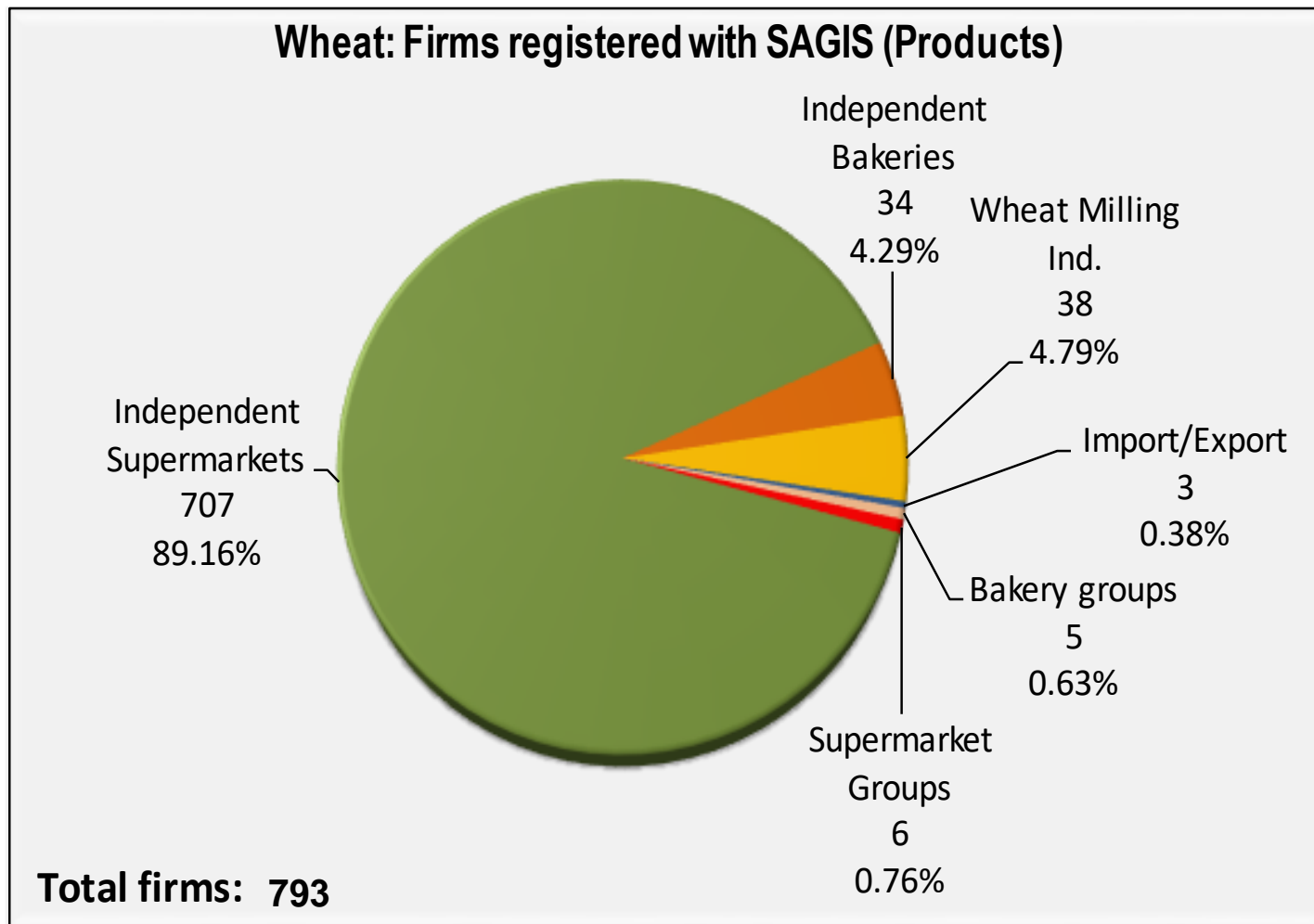


Maize



Wheat: Co-workers (Whole Grain)





Acknowledgement

Board of Directors

The Winter Cereal Industry is represented by:



Ms Mariana Purnell
Chairperson



Mr Tato Make
Director



Mr Geoff Penny
(Alternate)

Acknowledgement

Gratitude

The following parties makes it possible to fulfil SAGIS' commitments:

- Winter Cereal Trust
- Wheat Forum
- Relevant Associations
- Board of Directors
- Co-workers
- Staff

**Thank you for being part of SAGIS'
20 year history,
the present
and ensuring its future.**



Note:

This presentation is available on SAGIS' website
under Presentations

SAGIS

*The difference between
Ordinary and
Extraordinary
is that little extra.”*

- Jimmy Johnson