

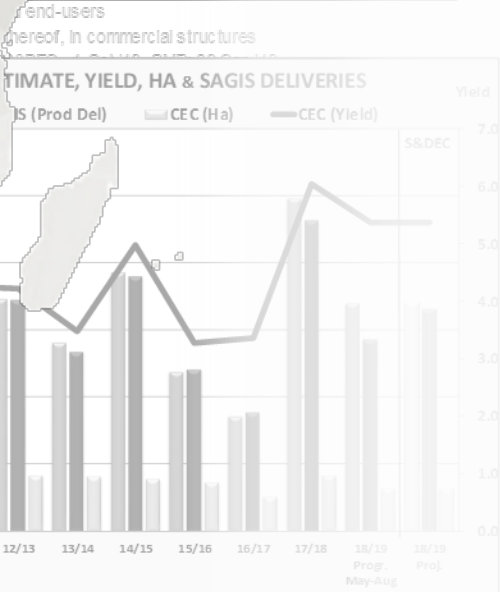


WHEAT FORUM

25 October 2019

Nico Hawkins
General Manager

Year	Estimate 2017/18 Mt	Not available	Not available
2017/18	2 428.7	0.0	0.0
2016/17	6 874.0 (e)	565.0	1 678.8 (b)



Wheat Supply & Demand

(National & International) – Marketing season

	SAGIS	NAMC	International (GMR)	
Marketing year	Oct - Sep		Jul - Jun	
	2018/19 '000t	Projection 2019/20 '000t	Estimate 2018/19 'Mil ton	Projection 2019/20 'Mil ton
Opening stocks	721.5	575.5	270.6	265.5
Production	1 847.1	1 771.2	733.4	763.5
Imports	1 369.4	1 600.0	168.8	171.9
Total use	3 287.6 ^(a)	3 296.1 ^(a)	738.5	757.5
Exports	118.3	121.0	168.8	171.9
Closing stocks	541.8 ^(b)	533.4 ^(b)	265.5	271.6

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

(b) Including producer withdrawals, seed and end users (SAGIS: 22 415 t, NAMC: 23 100 t)

Source: SAGIS - 25 Oct 2019, NAMC: S&DEC - 30 Sep 2019, GMR - 26 Sep 2019



Wheat Production, Retention & Deliveries

Crop Estimate vs. Producer Deliveries

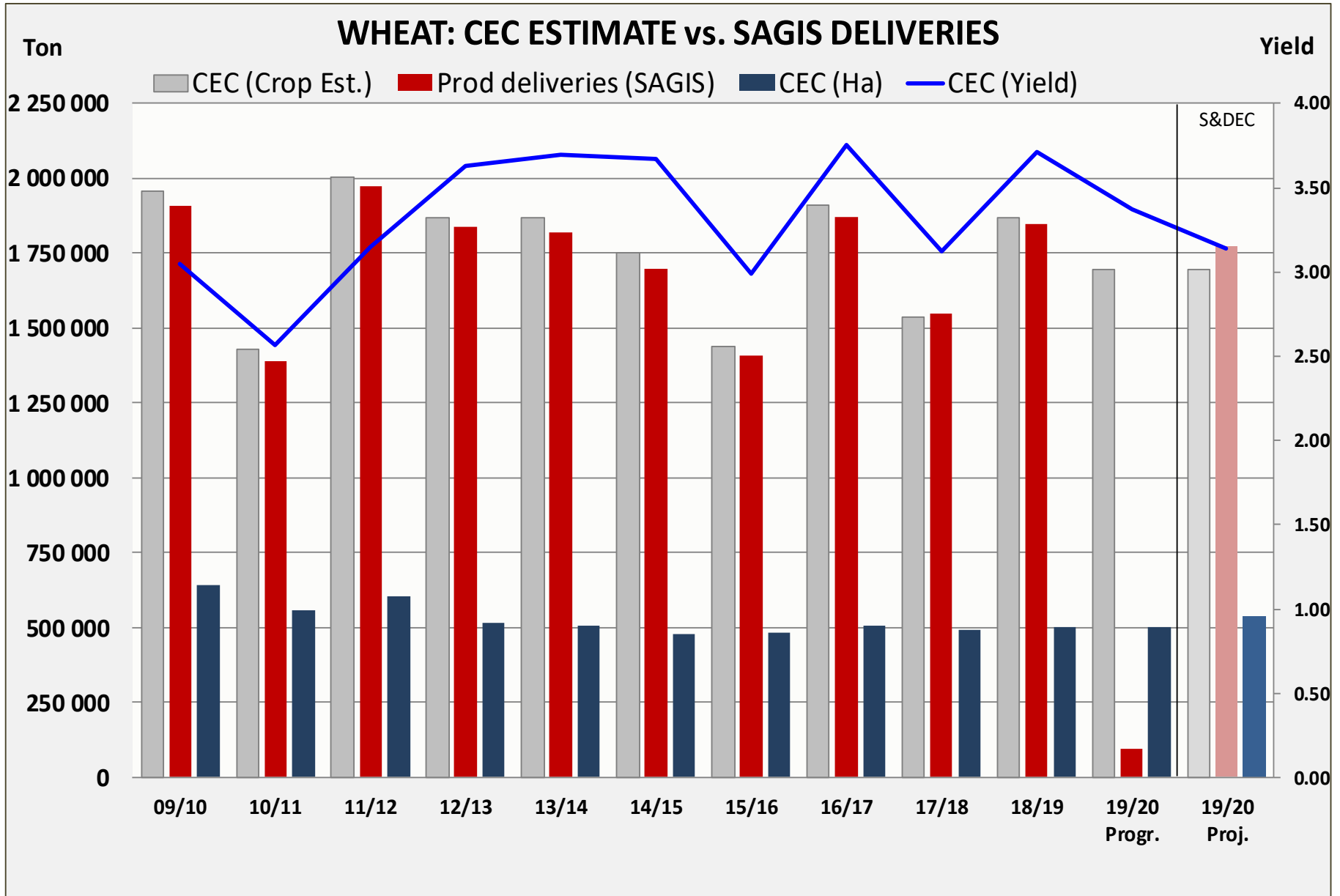
	2019/20 *	2018/19	2017/18
	Ton	Ton	Ton
CEC Production	1 695 470	1 868 000	1 535 000
Less Retentions	35 000	33 000	30 000
Total available	1 660 470	1 835 000	1 505 000
SAGIS Deliveries	93 563	1 847 134	1 547 486
Difference	1 566 907	-12 134	-42 486

* 2019/20: 1 Oct - 18 Sep '19

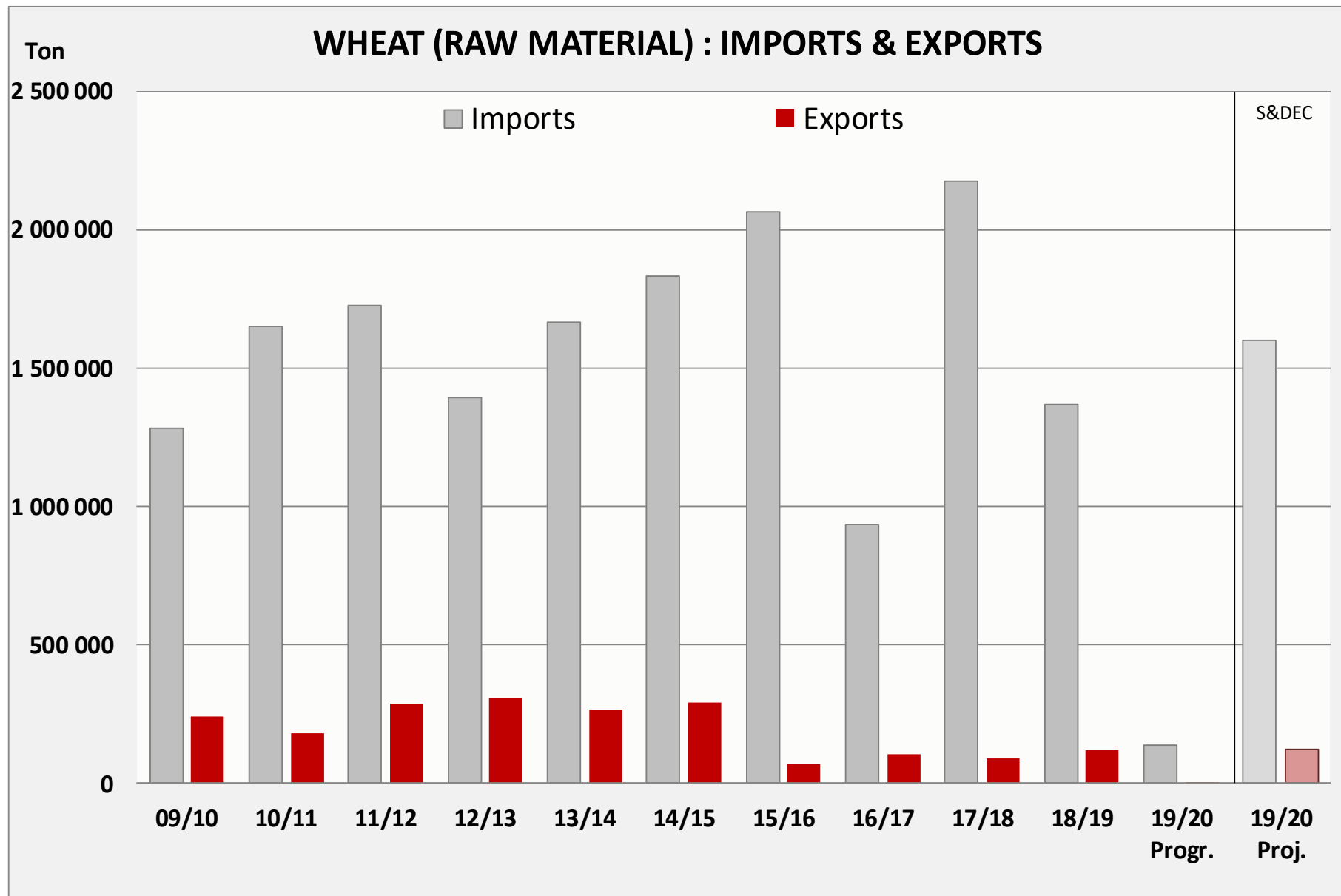
Source: Sagis and CEC



Wheat: CEC Estimate, Yield, Ha & SAGIS Deliveries

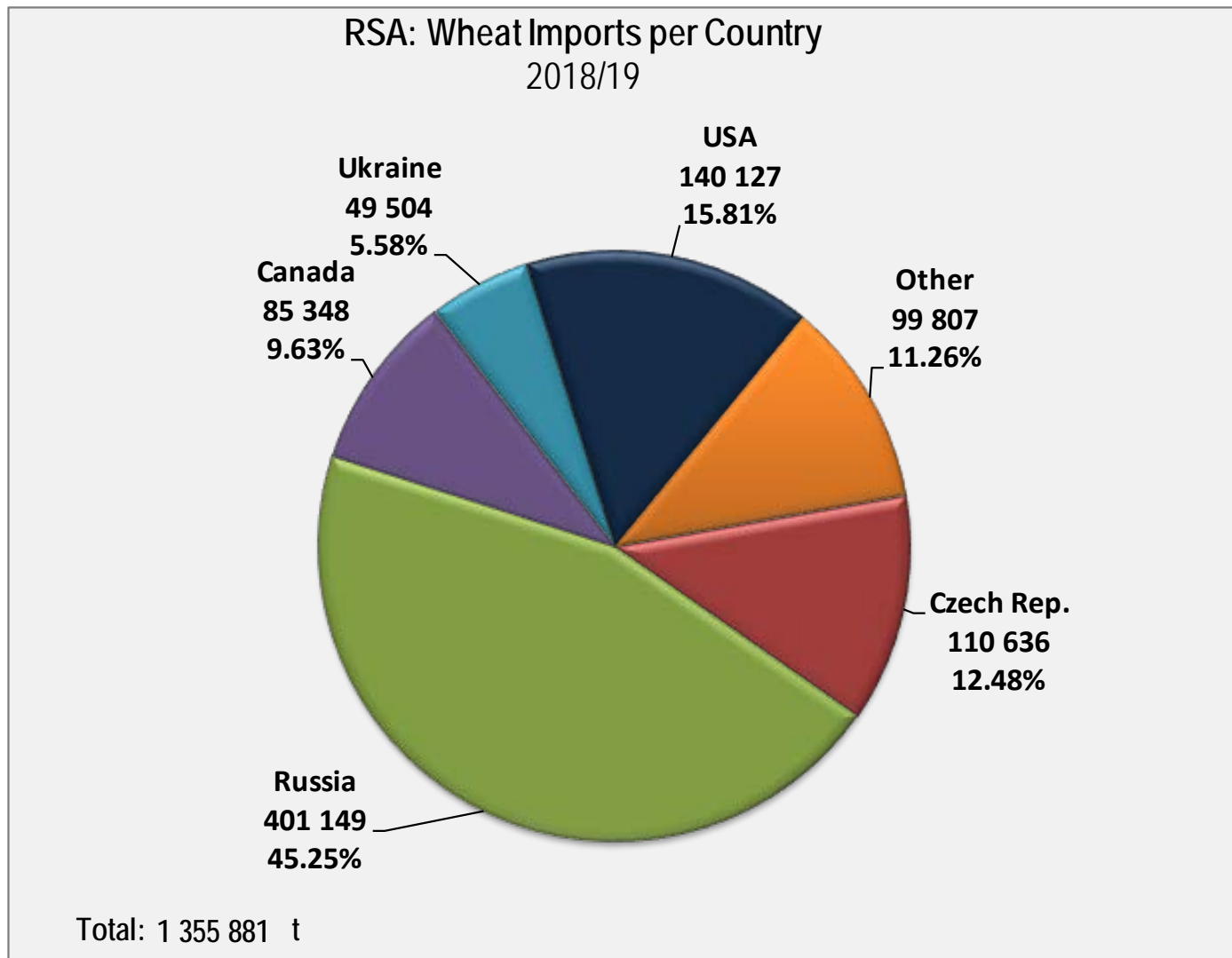


Wheat Imports & Exports (Raw material)



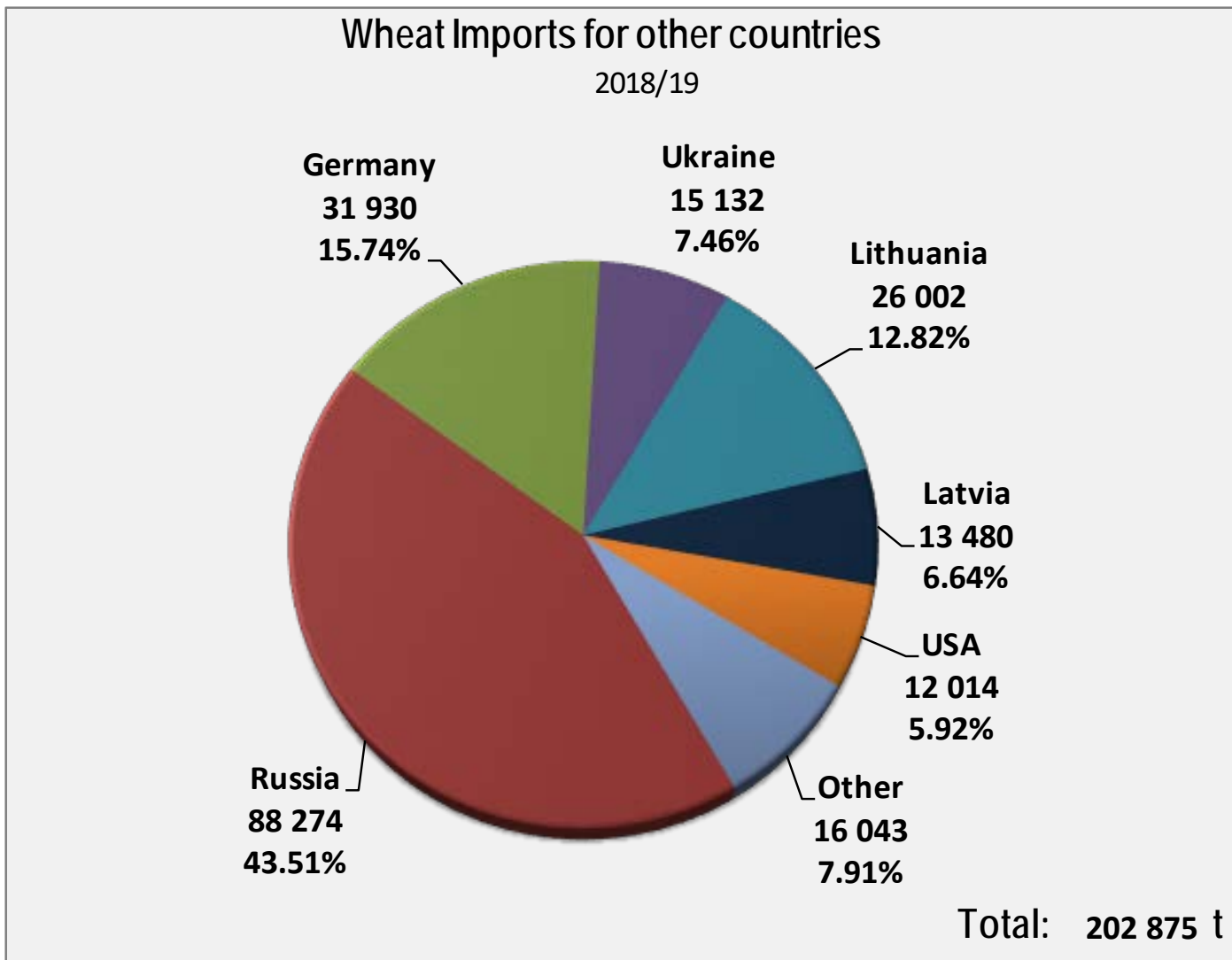
Wheat Imports: Major origin of imports for RSA

(2018/19: 1 Oct '18 – 30 Sep '19)



Wheat Imports for Other Countries

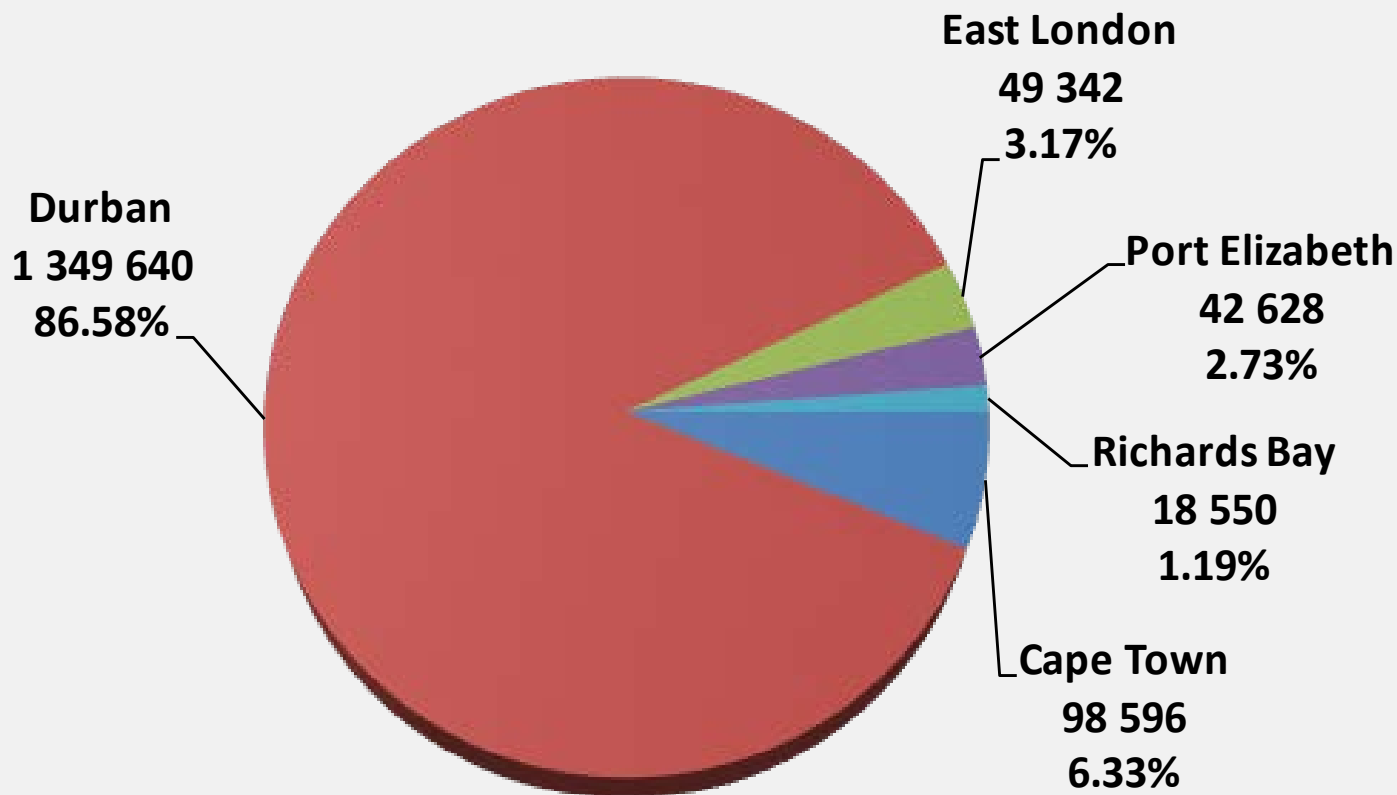
(2018/19: 1 Oct '18 – 30 Sep '19)



Wheat Imports per Harbour

(2018/19: 1 Oct '18 – 30 Sep '19)

Wheat Weekly Imports per Harbour



Total Imports per Harbour: 1 558 756 t

Wheat Imports & Exports

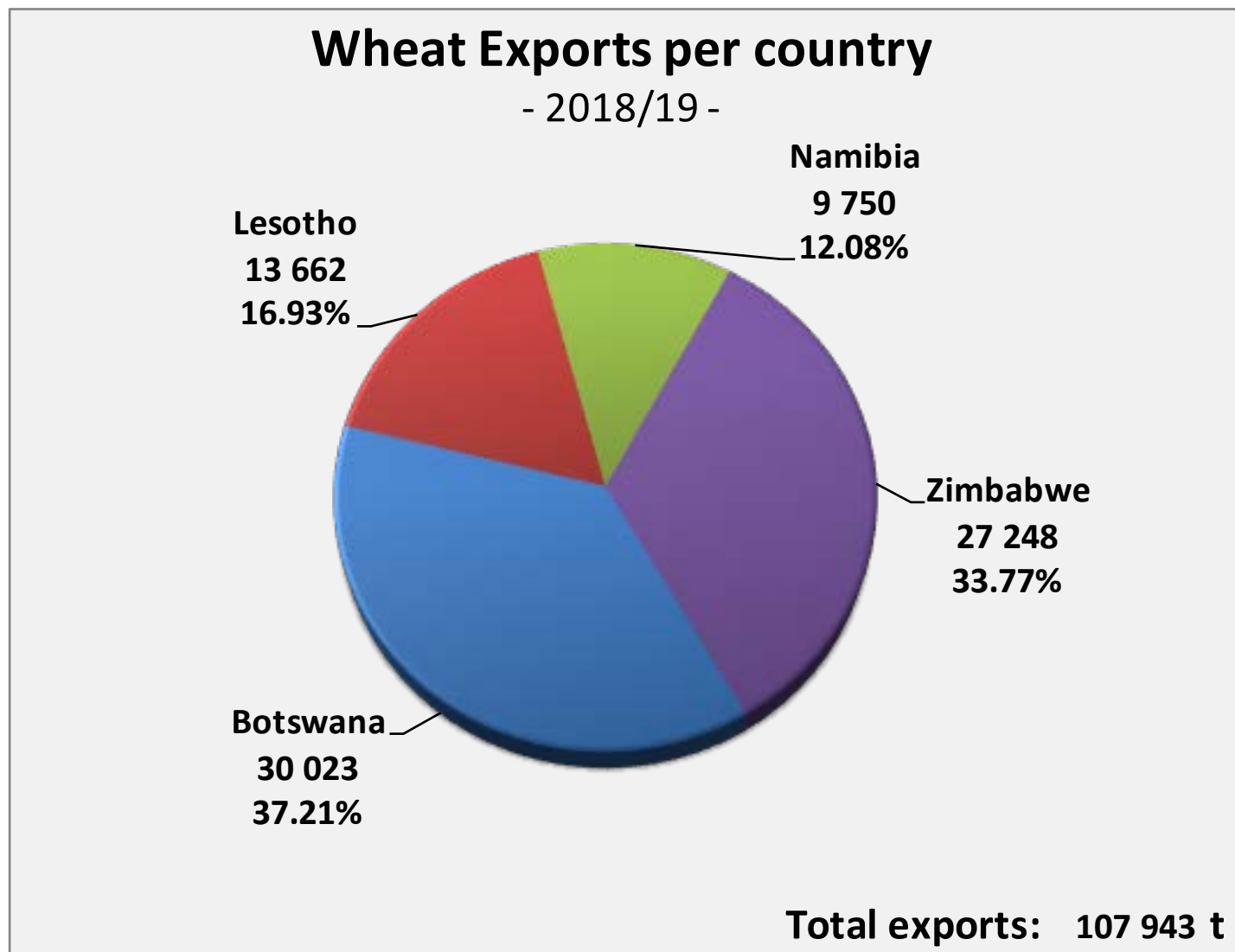
(2018/19: 1 Oct '18 – 30 Sep '19)

Wheat	Oct '18 - Sep '19	Oct '17 - Sep '18
Total Imports (RSA + Other)	1 558 756 t	2 173 757 t
Number of Ships	32	60
Number of Countries	9	11
Number of Ports offloaded	5	5
Harbour facilities visited	110	188
Average per ship	48 711 t	36 229 t
Largest ship	Ultra Crimson - Lithuania 56 563 t	Ionic Unicorn - Latvia 55 973 t
Smallest ship	Diamond Land - USA 6 320 t	Kingsrest - USA 296 t
Bussiest month	September '19 21	Sep & Oct '18 23



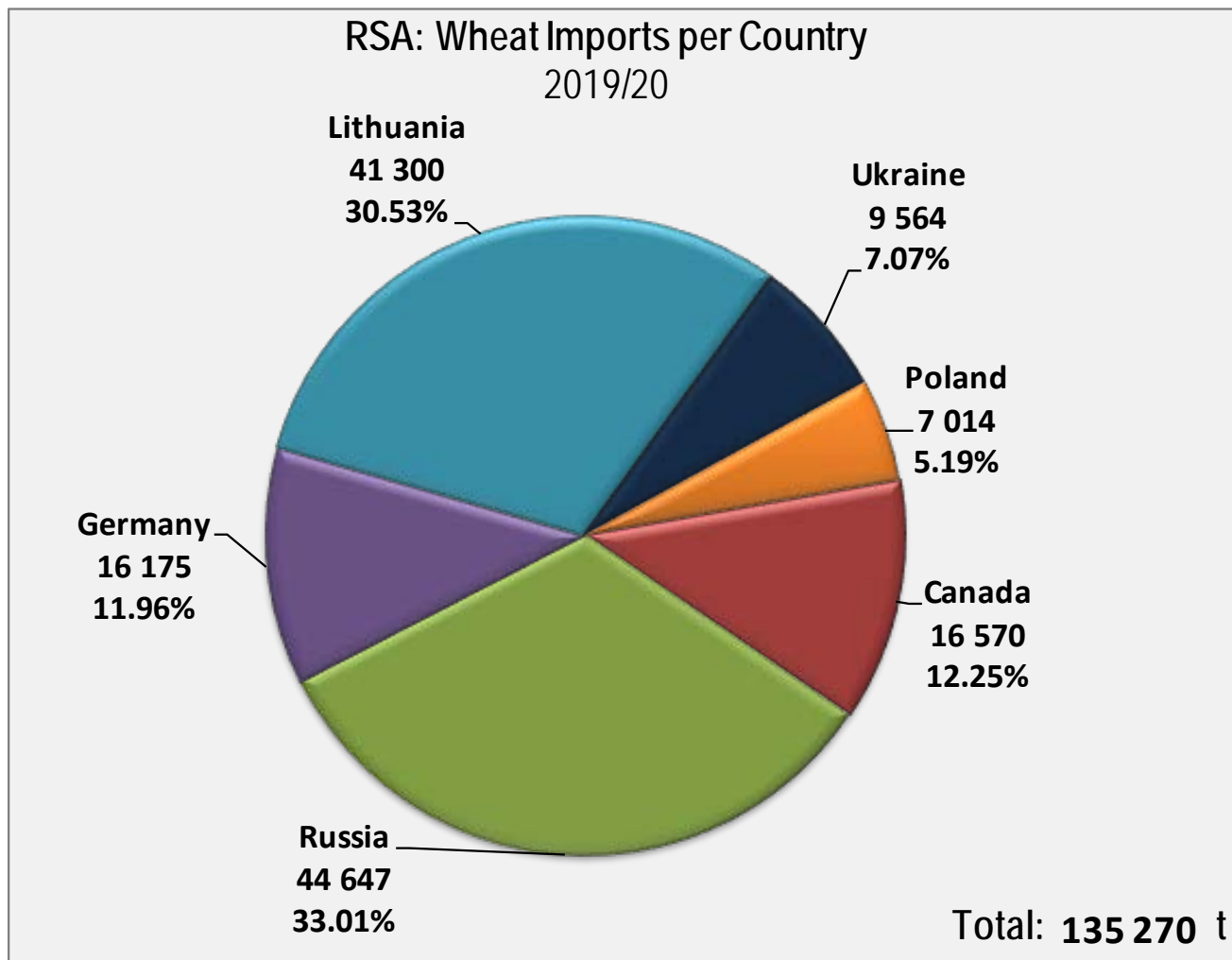
Wheat Exports: Major export destinations

(2018/19: 1 Oct '18 – 30 Sep '19)



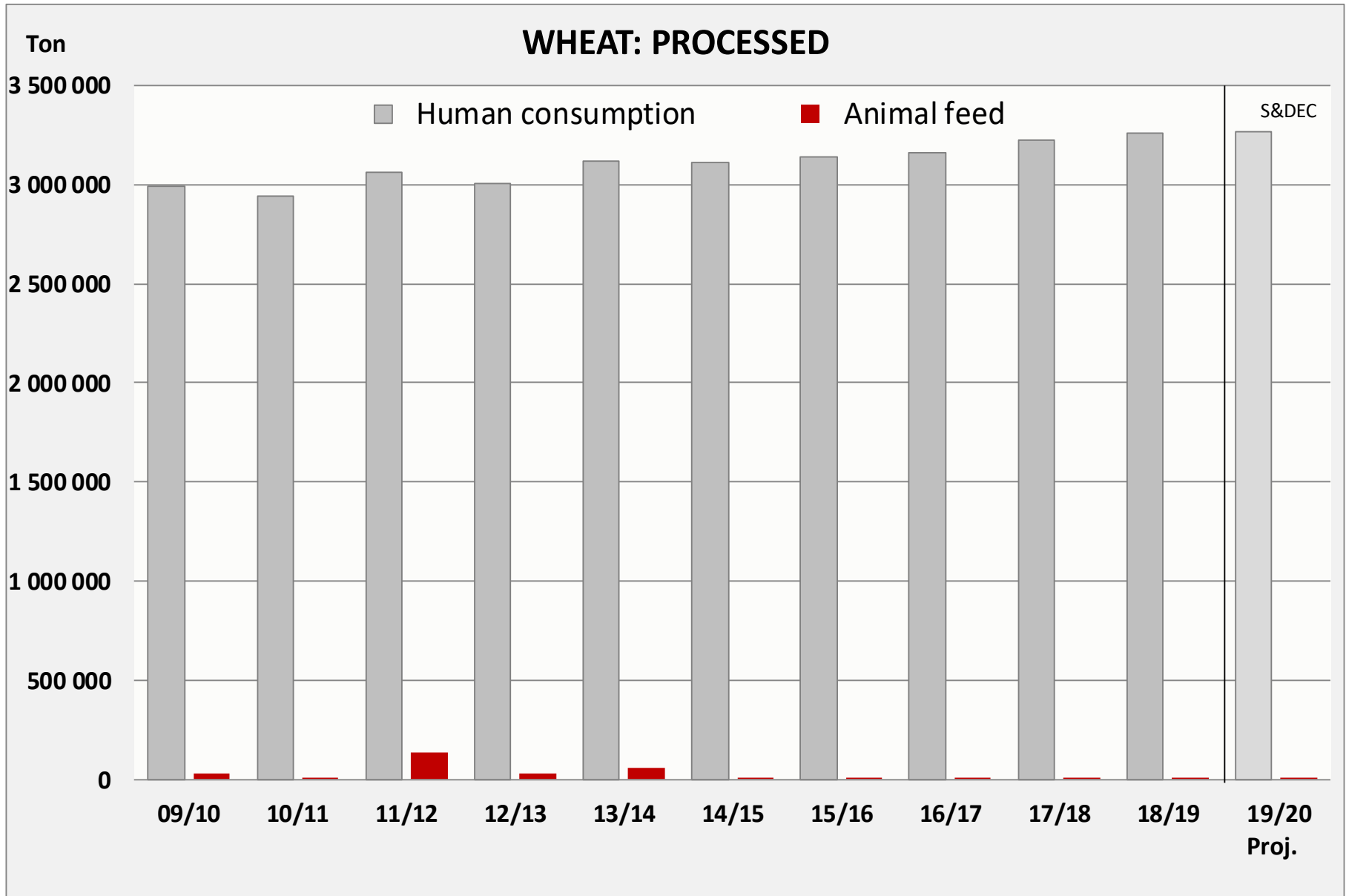
Wheat Imports & Exports: Weekly Current season

(2019/20: Progr. 1 Oct - 11 Oct '19)



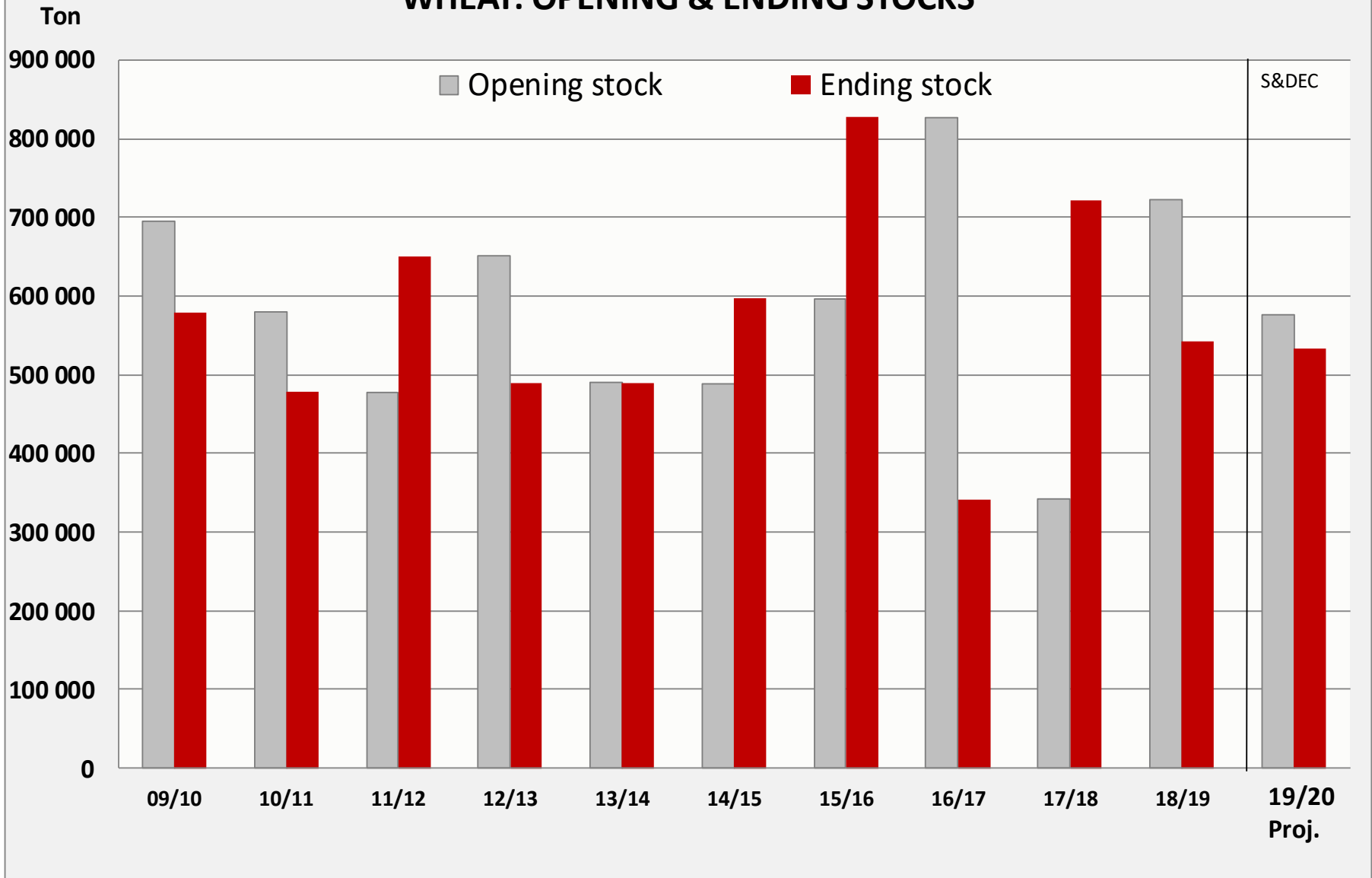
2019/20	Exports
1 Oct - 11 Oct '19	762

Wheat: Consumption



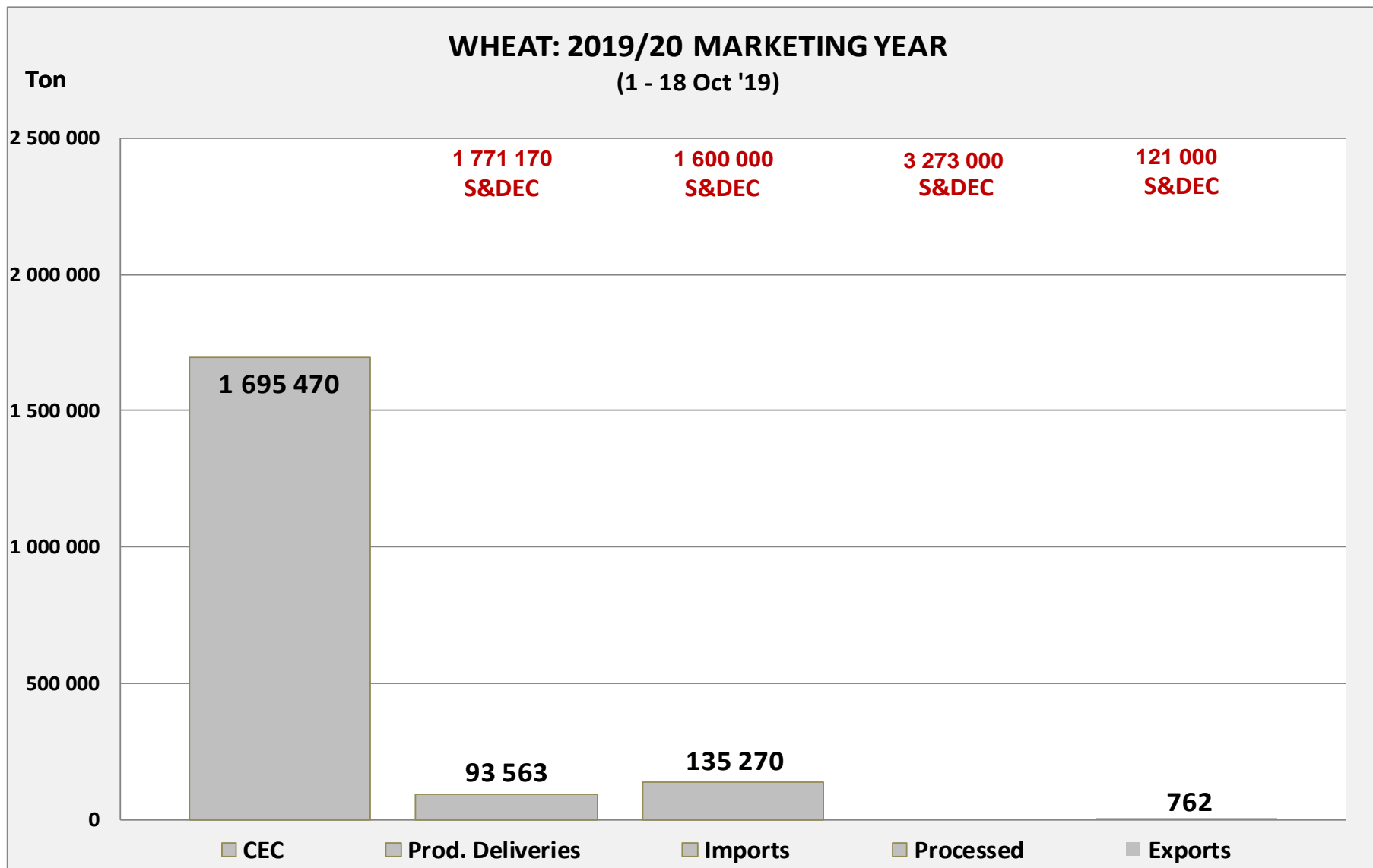
Wheat: Stocks

WHEAT: OPENING & ENDING STOCKS



Wheat: 2019/20 Marketing year

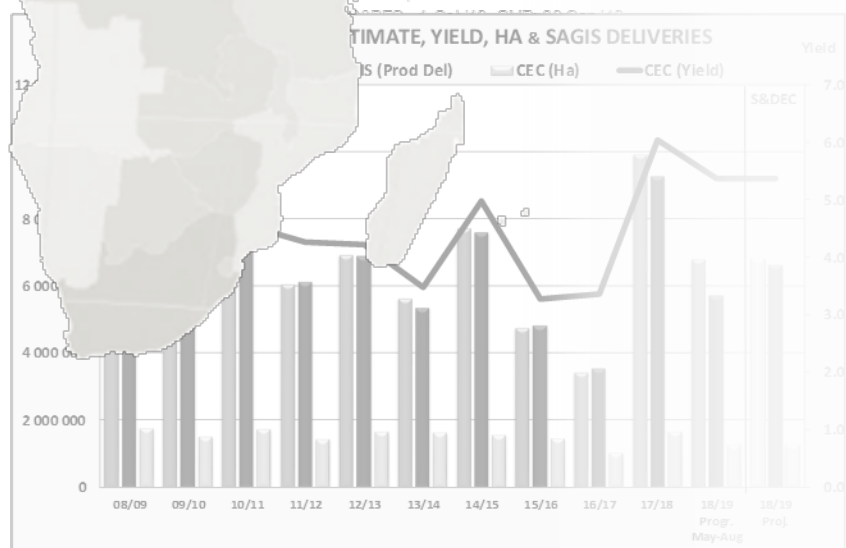
(Progr. 1 Oct - 11 Oct '19)



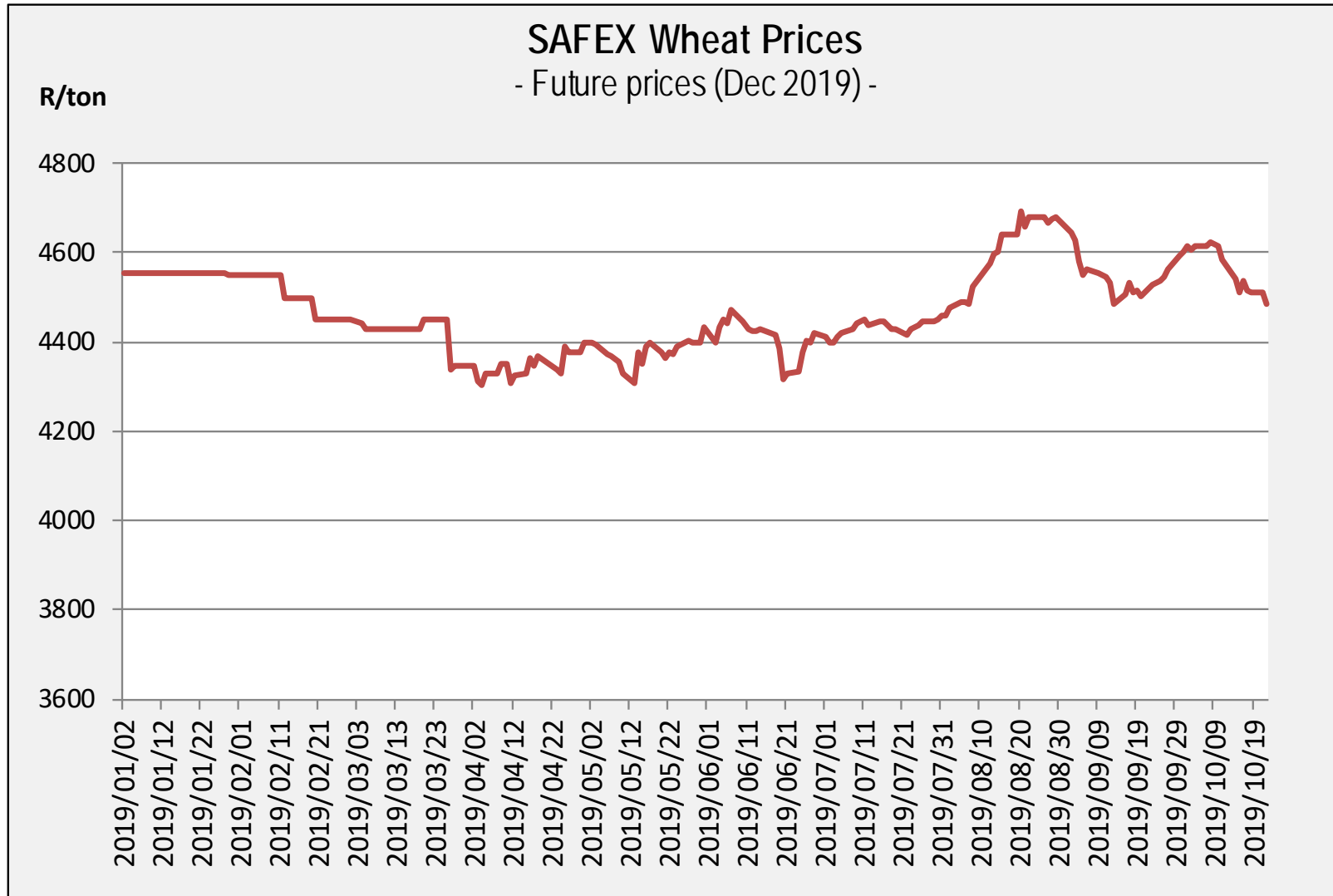


Price movement

Commodity	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11	2009/10	2008/09
Maize	2428.7	2428.7	2428.7	2428.7	2428.7	2428.7	2428.7	2428.7	2428.7	2428.7
Wheat	101.6	101.6	101.6	101.6	101.6	101.6	101.6	101.6	101.6	101.6
Soybean	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other	6874.0 (e)	6874.0 (e)	6874.0 (e)	6874.0 (e)	6874.0 (e)	6874.0 (e)	6874.0 (e)	6874.0 (e)	6874.0 (e)	6874.0 (e)
Total	565.0	565.0	565.0	565.0	565.0	565.0	565.0	565.0	565.0	565.0
Prognosis	1678.8 (b)	1678.8 (b)	1678.8 (b)	1678.8 (b)	1678.8 (b)	1678.8 (b)	1678.8 (b)	1678.8 (b)	1678.8 (b)	1678.8 (b)



Wheat: Prices JSE nearby contract



Wheat: Price movements

Comparison JSE Commodities (Dec and Mar contracts)

	2019/10/22	% Month on Month	2019/09/23	% Year on Year	2018/10/22
	Price		Price		Price ^(a)
Dec 2018	4486.00	-0.93	4528.00	0.56	4461.00
Mar 2019	4588.00	-1.04	4636.00	0.07	4585.00

Source: SAFEX

Wheat: Price movements

Comparison KCBT (Dec and Mar contracts)

	2019/10/22	% Month on Month	2019/09/23	% Year on Year	2018/10/22
	Price		Price		Price
Dec 2018	154.76	0.38	154.18	-17.02	186.51
Mar 2019	159.69	1.31	157.63	-18.37	195.62

Source: KCBT

Wheat: Price movements

Indicative **Import** parity prices

2019/10/22	US HRW	US DNS	Argentine Trigo Pan	EU Germany B quality	Russia 12.50%
	\$/t	\$/t	\$/t	\$/t	\$/t
FOB value	214.00	275.00	230.00	205.00	209.00
Freight rates	32.00	32.00	26.00	27.00	34.00
Insurance (0.3% of FOB)	0.64	0.83	0.69	0.62	0.63
COST, INSURANCE & FREIGHT (CIF) \$/t	246.64	307.83	256.69	232.62	243.63
<i>Converted to R/t</i>					
R/\$ Exchange rate on: 2019/10/22	14.7396	14.7396	14.7396	14.7396	14.7396
	R/t	R/t	R/t	R/t	R/t
COST, INSURANCE & FREIGHT (CIF)	3635.37	4537.29	3783.51	3428.73	3591.01
Financing cost	29.88	37.29	31.10	28.18	29.52
COST, INSURANCE, FREIGHT & FINANCING	3665.25	4574.58	3814.61	3456.91	3620.53
Discharging cost					
Durban (Mainly spout method)	202.93	202.93	202.93	202.93	202.93
Import tariff on Wheat	664.70	664.70	664.70	664.70	664.70
FREE ON RAIL (FOR)					
Durban harbour	4532.88	5442.21	4682.24	4324.54	4488.16
Railage cost Durban to Randfontein	517.52	517.52	517.52	517.52	517.52
Delivered Durban to Randfontein (2019/10/22)	5050.40	5959.73	5199.76	4842.06	5005.68
SAFEX spot price (2019/10/22)	4434.00	4434.00	4434.00	4434.00	4434.00
<i>Delivered Durban to Randfontein: (2018/10/23)</i>	<i>5051.33</i>	<i>5414.75</i>	<i>4964.38</i>	<i>4950.04</i>	<i>4935.12</i>

Wheat: Price movements

Indicative Export parity prices

2019/10/22	US HRW Wheat Gulf	US DNS 14% Wheat PNW
	Oct '19	Oct '19
	\$/t	\$/t
FOB Gulf value	214.00	275.00
SA fob price	214.00	275.00
R/\$ Exchange rate on: 2019/10/22	14.74	14.74
	R/t	R/t
FOB Gulf value	3 154.27	4 053.39
Marketing costs:		
Financing (Prime rate 10.25% - 30 days)	25.93	33.32
Railage:		
Randfontein – Durban harbour	517.52	517.52
Loading costs:		
Durban Harbour (Mainly spout method)	213.20	213.20
Export realisation		
Randfontein	2 397.62	3 289.35
SAFEX spot price (2019/10/22)	2 867.33	3 223.68
Export realisation Randfontein (2018/10/23)	2 259.31	3 055.80



Wheat: Price movements

SARS FOB prices

(2018/19: Progr. 1 Oct '18 – 31 Aug '19)

Wheat - Other 1001.99		2018/19 Progr. Oct-Aug	2017/18	2016/17
Imports	Quantity (Ton)	1 223 485	5 078 986	1 717 286
Total value of imports	FOB value (R'000)	3 943 764	5 078 986	4 336 055
Value per ton	FOB R/Ton	3 223.38	1 000.00	2 524.95

Source: SARS

Wheat Imports: SARS FOB prices per country:

Wheat Other: 1001.99

(2018/19:

1 Oct '18 – 31 Aug '19)

Country	Ton	FOB value R'000	FOB Rand/ton
Argentina	57 894.550	187 742.04	3 242.83
Canada	78 184.658	263 291.88	3 367.56
Czech Republic	95 838.717	317 458.80	3 312.43
Germany	362 098.264	1 199 856.05	3 313.62
India	2.100	6.07	2 891.43
Latvia	53 001.412	170 124.78	3 209.82
Lithuania	133 147.983	429 755.97	3 227.66
Mexico	0.193	0.28	1 458.23
Namibia	0.013	0.10	7 692.31
Nigeria	0.153	0.27	1 771.24
Poland	2.900	25.24	8 703.45
Russian Federation	273 232.568	822 603.88	3 010.64
Swaziland	0.002	0.02	11 428.57
Sweden	0.040	0.07	1 700.00
Turkey	0.467	2.81	6 010.71
Ukraine	35 745.350	116 954.68	
United States	134 335.969	435 939.25	3 245.14
Zimbabwe	0.063	1.52	24 158.73
Total	1 223 485.402	3 943 763.707	3 223.38

Progr. Oct '18 - Aug '19



Wheat: Price movements

SARS FOB prices

(2018/19: Progr. 1 Oct '18 – 31 Aug '19)

Wheat - Other 1001.99		2018/19 Progr. Oct-Aug	2017/18	2016/17
Exports	Quantity (Ton)	105 529	50 335	69 431
Total value of exports	FOB value (R'000)	502 978	210 370	318 452
Value per ton	FOB R/Ton	4 766.24	4 179.44	4 586.58

Source: SARS

Wheat Exports: SARS FOB prices per country:

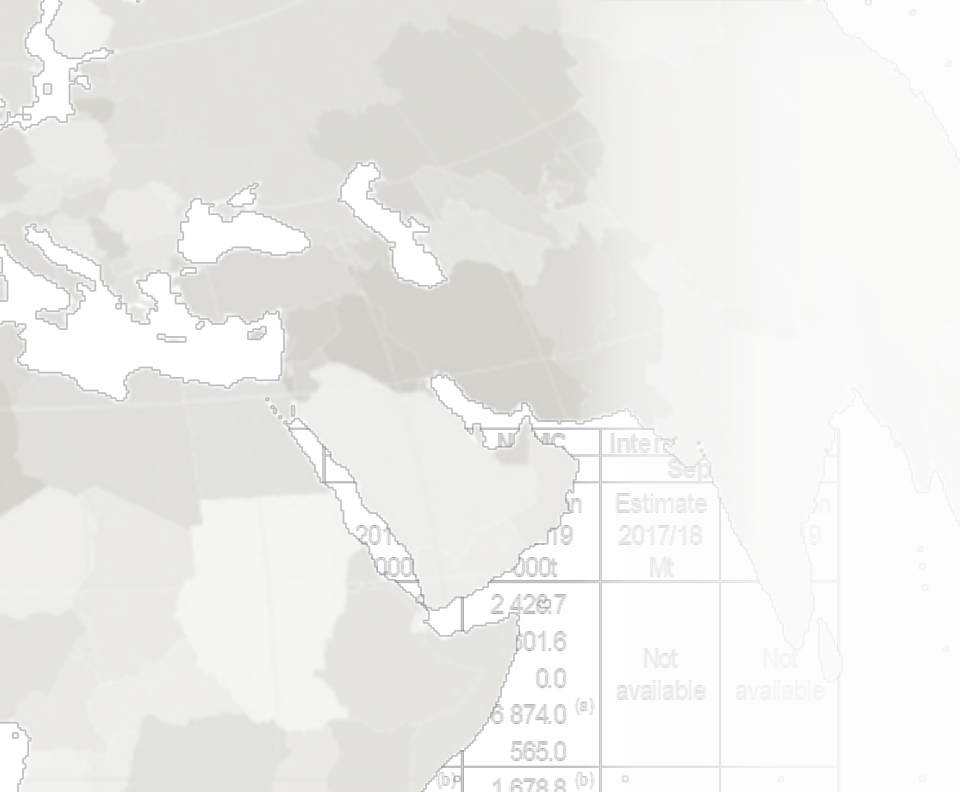
Wheat Other: 1001.99

(2018/19: 1 Oct '18 –
31 Aug '19)

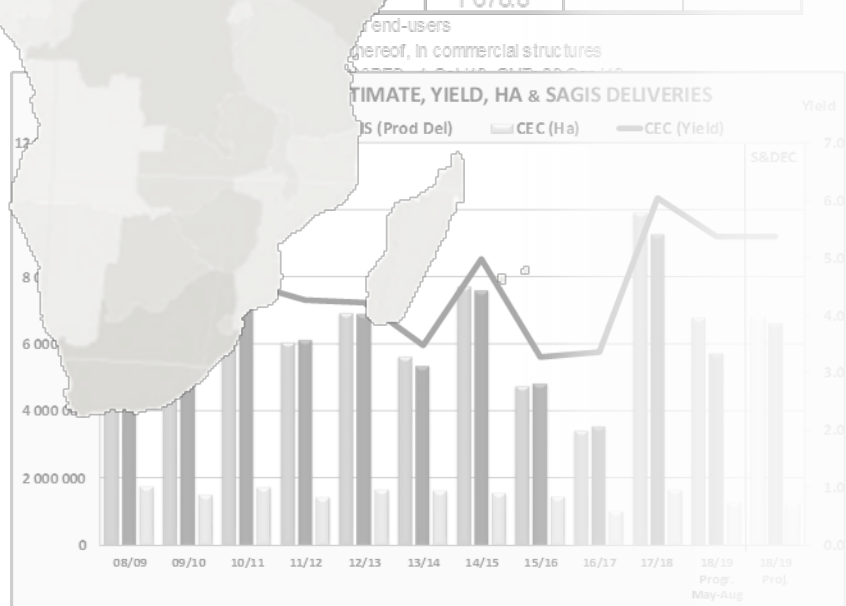
Country	Ton	FOB value R'000	FOB Rand/ton
Botswana	26 154.320	118 418.18	4 527.67
Canada	104.540	1 054.14	10 083.58
Congo, Dem Rep Of	0.013	2.82	224 264.12
Eswatini(Swaziland)	6 441.052	27 818.36	4 318.91
Lesotho	17 560.830	77 160.31	4 393.89
Mozambique	0.062	2.07	33 387.10
Namibia	6 864.492	37 956.72	5 529.43
Sweden	20.000	145.29	7 264.60
United Kingdom	21.000	118.21	5 629.19
United States	0.006	0.04	7 166.67
Unknown	528.000	2 484.77	4 706.00
Zambia	22 477.961	96 191.58	4 279.37
Zimbabwe	25 356.979	141 625.47	5 585.27
Total	105 529.254	502 977.948	4 766.24

Progr. Oct '17 - Aug '18

Source: SARS



Products



Wheat Products (Manufactured, Imported & Exported)

(2018/19: 1 Sep '18 – 30 Aug '19 – 12 months)

Wheaten Products	Marketing year: Sep 2018 - Aug 2019			
	Manufactured	Imported	Exported	% of Total
	Tons			Manufactured
Cake Flour	951 721	5 649	1 073	28.9
Self-Raising Flour	19 167	46	13	0.6
White Bread Flour	1 130 835	11 066	5 208	34.3
Brown Bread Flour	398 393	8 339	8 208	12.1
Other Flour (Industrial)	110 727	0	66	3.4
Whole Wheat Meal	5 161	0	17	0.2
Bran	670 302	5 681	1 176	20.3
Semolina	7 945	0	0	0.2
Total	3 294 251	30 781	15 761	100.0
Whole Wheat Milled	3 274 422	Whole wheat milled = <i>Processed for human consumption</i> <i>Processed for gristing</i> <i>Product exports</i>		
Diffs milled and products	-19 829			
% Bran	20			



Wheaten Products: Per Capita Consumption (12 months: Sep '18 – Aug '19)

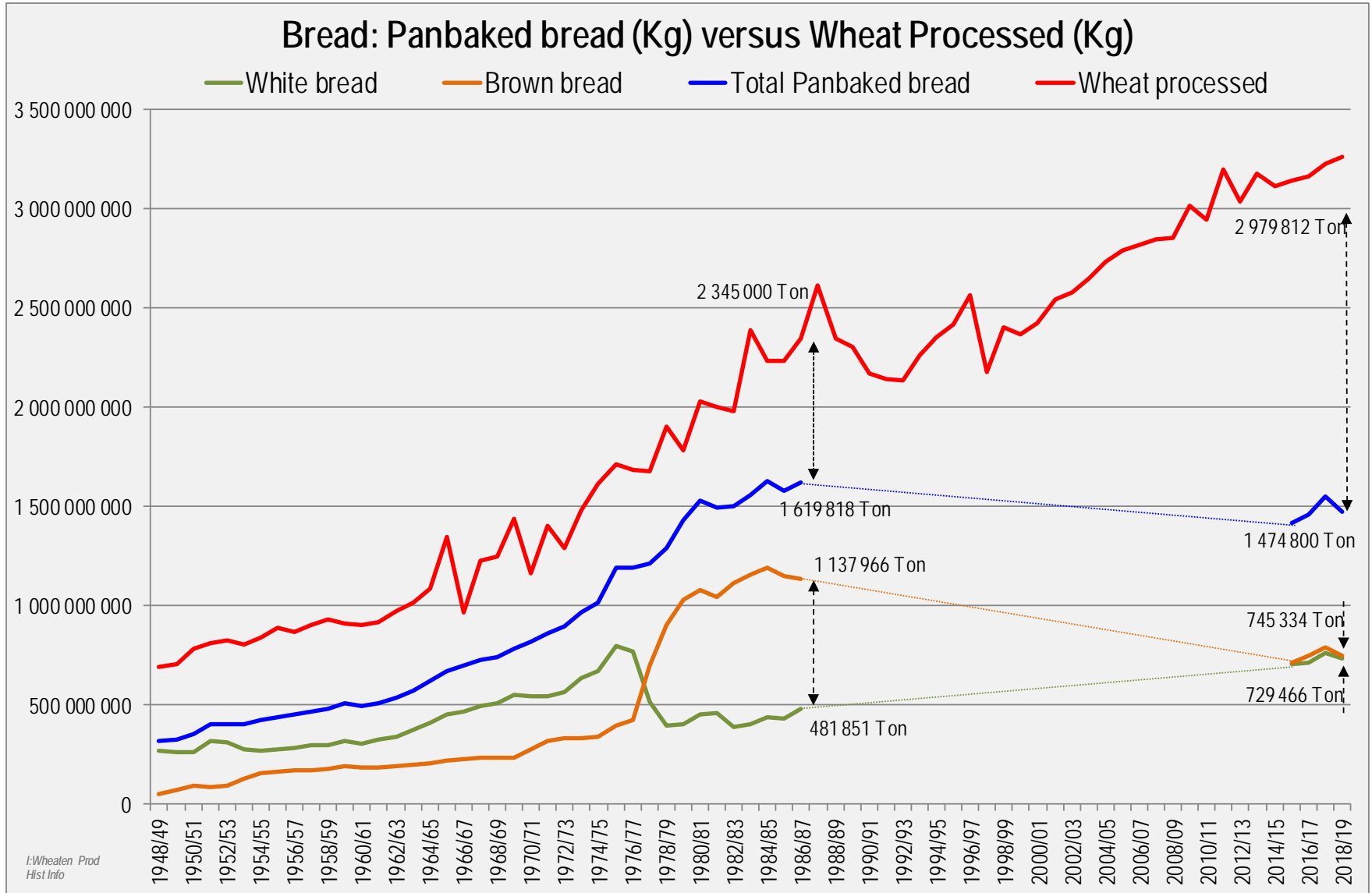
Per capita consumption	Total Wheaten products	Total Pan baked bread	Total Maize products	Total Oilseeds products
12 months (1 Sep '18 - 31 Aug '19)				
	Ton	Kg	Ton	Ton
Manufactured	3 294 251	1 474 800 288	3 657 457	2 086 605
+ Imports	30 781		4 750	1 434 427
- Exports	-13 092		-77 958	-66 442
Total "consumed"	3 311 940	1 474 800 288	3 584 249	3 454 590
Total population	58 780 000	58 780 000	58 780 000	58 780 000
	Kg	Kg	Kg	Kg
Per capita consumption (Kg)	56.34	25.09	60.98	58.77

Note: Maize = Total less chop

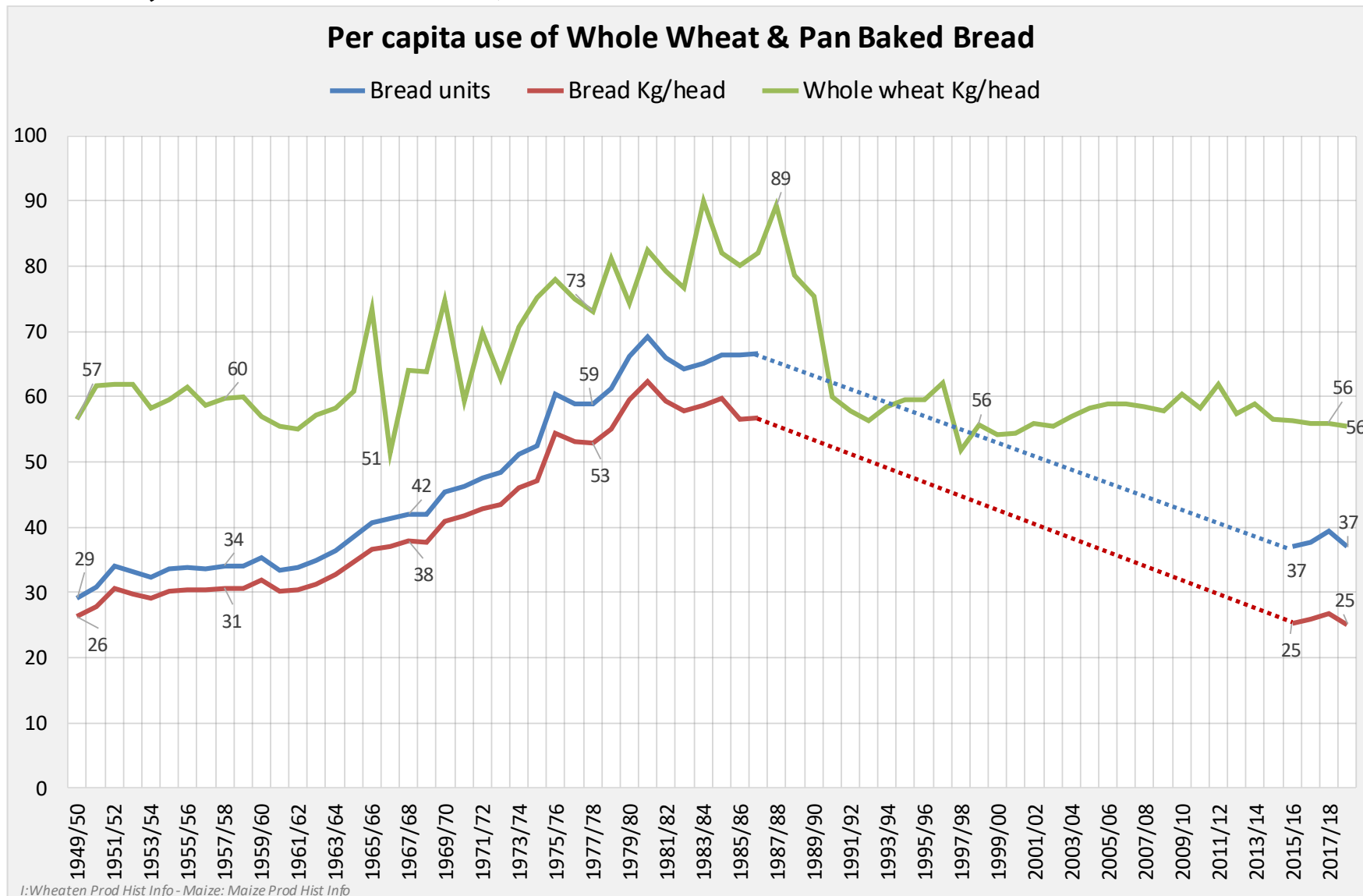


Panbaked bread vs Wheat Processed: Historic Info

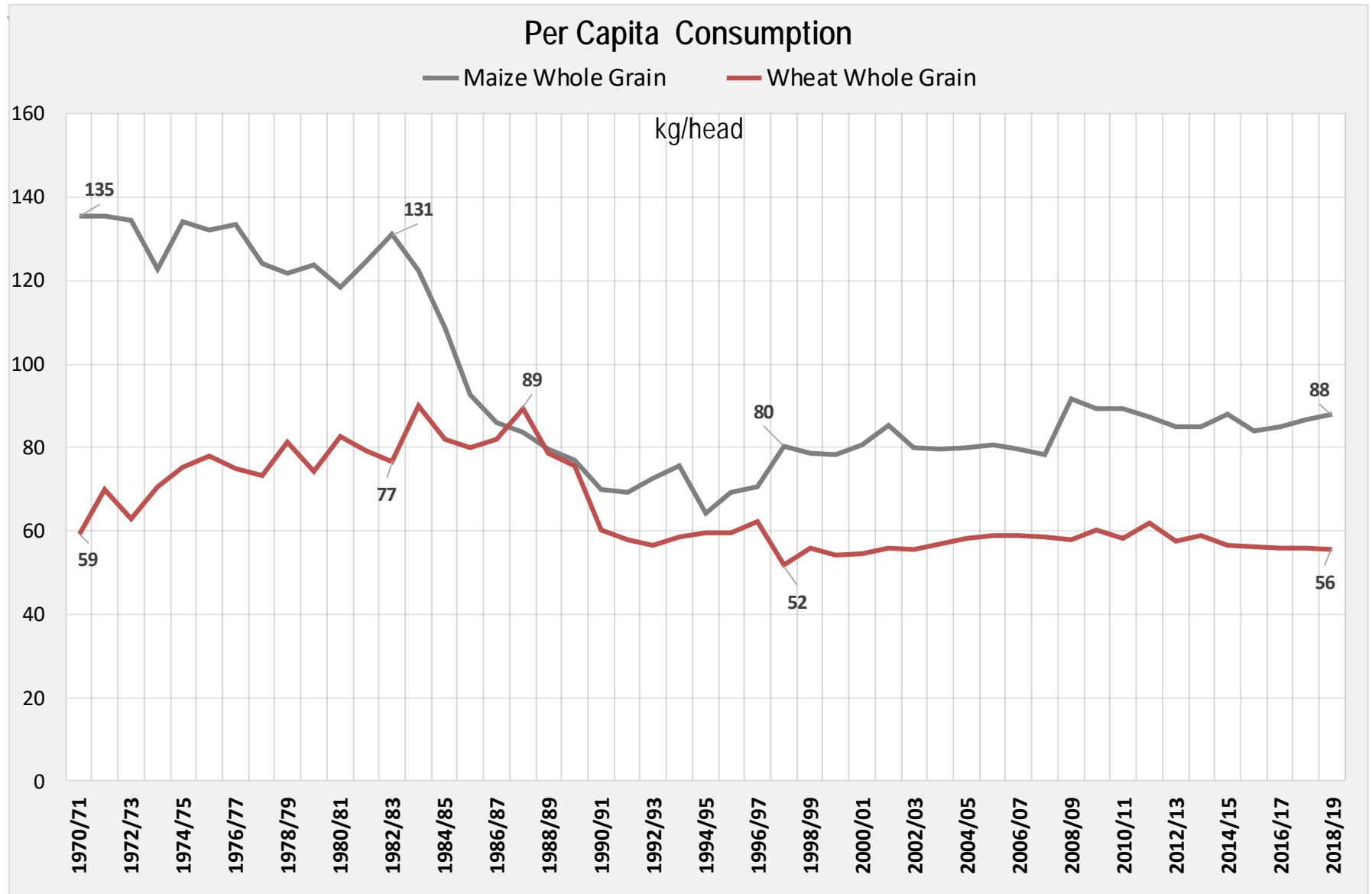
1948/49 – 2018/19



Historic Info: Per capita use of whole wheat & pan baked bread (1949/50 – 2018/19)



Historic Info: Wheat vs Maize : Whole Grain per capita consumption



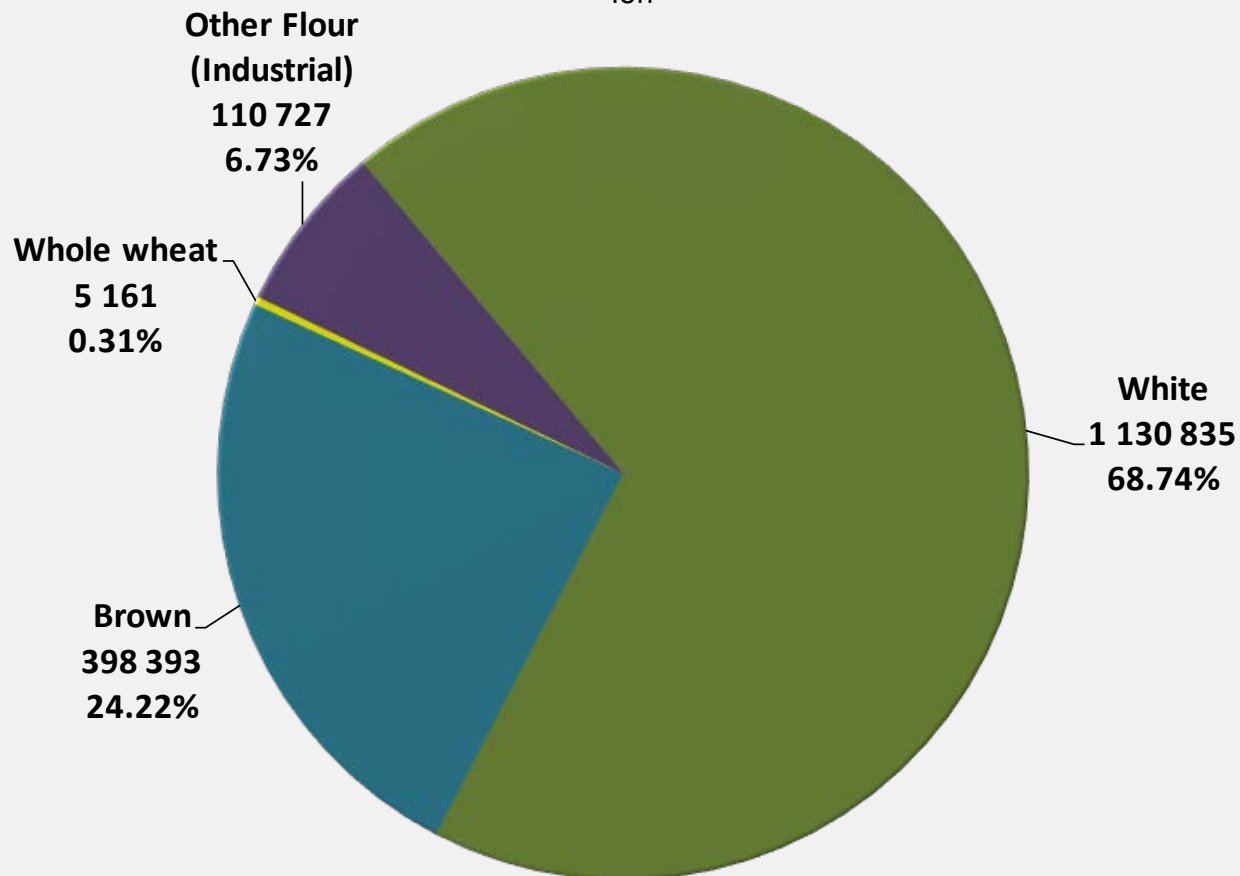
Wheaten Products : Bread Flour (Ton)

(2018/19: Progr. 1 Sep '18 – 31 Aug '19 – 12 months)

Bread Flour

Sep '18 - Aug

- Ton -



Total: Bread Flour: 1 645 116 ton

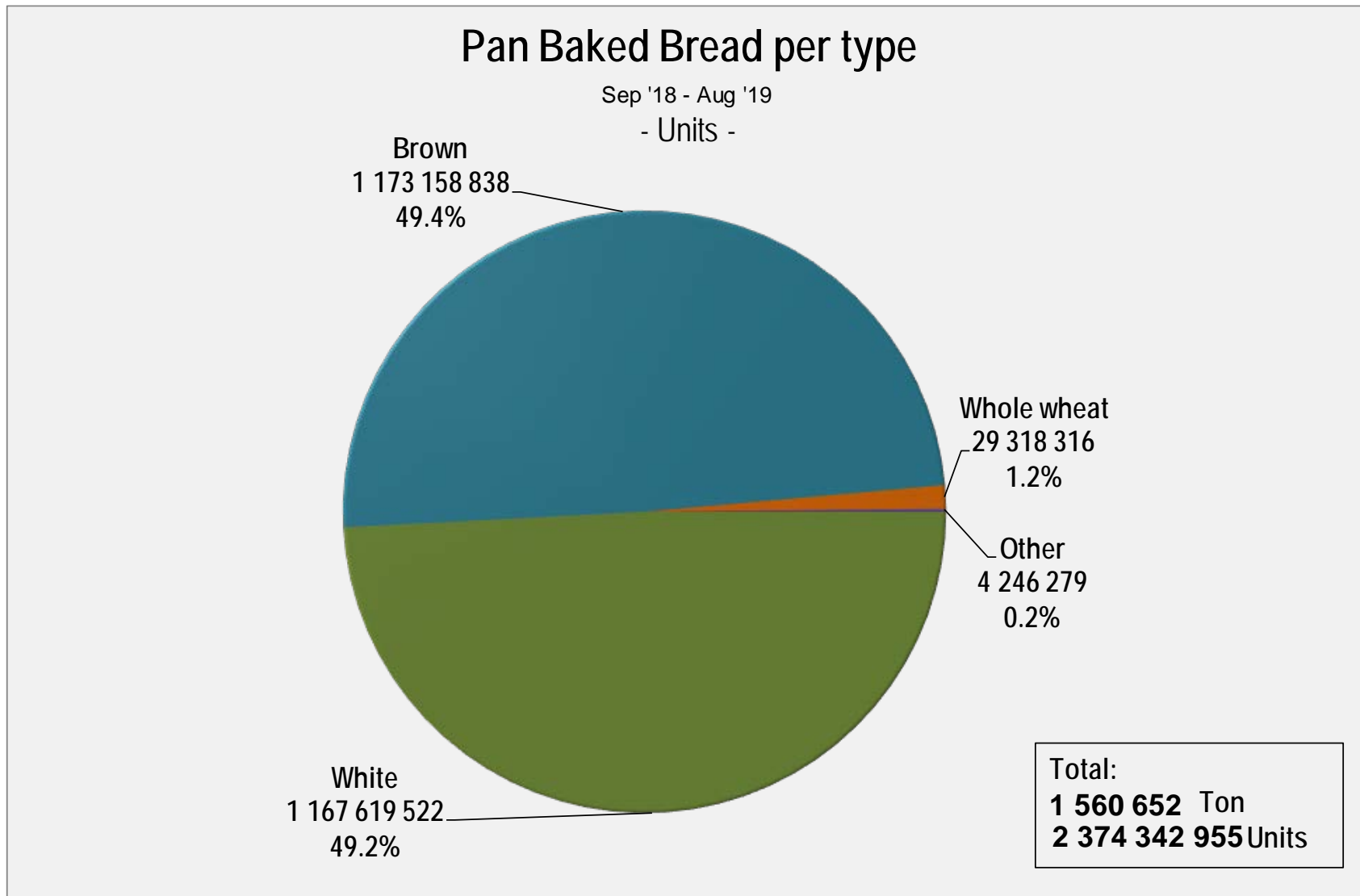
Wheaten Products: Pan baked bread (Units)

(Progr. Sep '18 – Aug '19:
12 months)

Pan baked bread manufactured	2018/19 Marketing year: Progr. Sep '18 - Aug '19	% of Total
	Units	
WHITE BREAD		
400g	1 590 419	0.1
600g	268 615 953	11.3
700g	884 432 169	37.2
Other	12 980 981	0.5
White Bread (Total Units)	1 167 619 522	49.2
BROWN BREAD		
400g	805 478	0.0
600g	336 713 338	14.2
700g	817 829 608	34.4
Other	17 810 414	0.8
Brown Bread (Total Units)	1 173 158 838	49.4
WHOLE WHEAT		
400g	13 989	0.0
600g	608 607	0.0
700g	6 042 277	0.3
Other	22 653 443	1.0
Whole Wheat (Total Units)	29 318 316	1.2
OTHER		
400g	47 258	0.0
600g	357 992	0.0
700g	112 866	0.0
Other	3 728 163	0.2
Other (Total Units)	4 246 279	0.2
Total	2 374 342 955	100.0

Wheaten Products: Pan baked bread per type

(Sep '18 – Aug '19: 12 months)



Wheat: Price movements

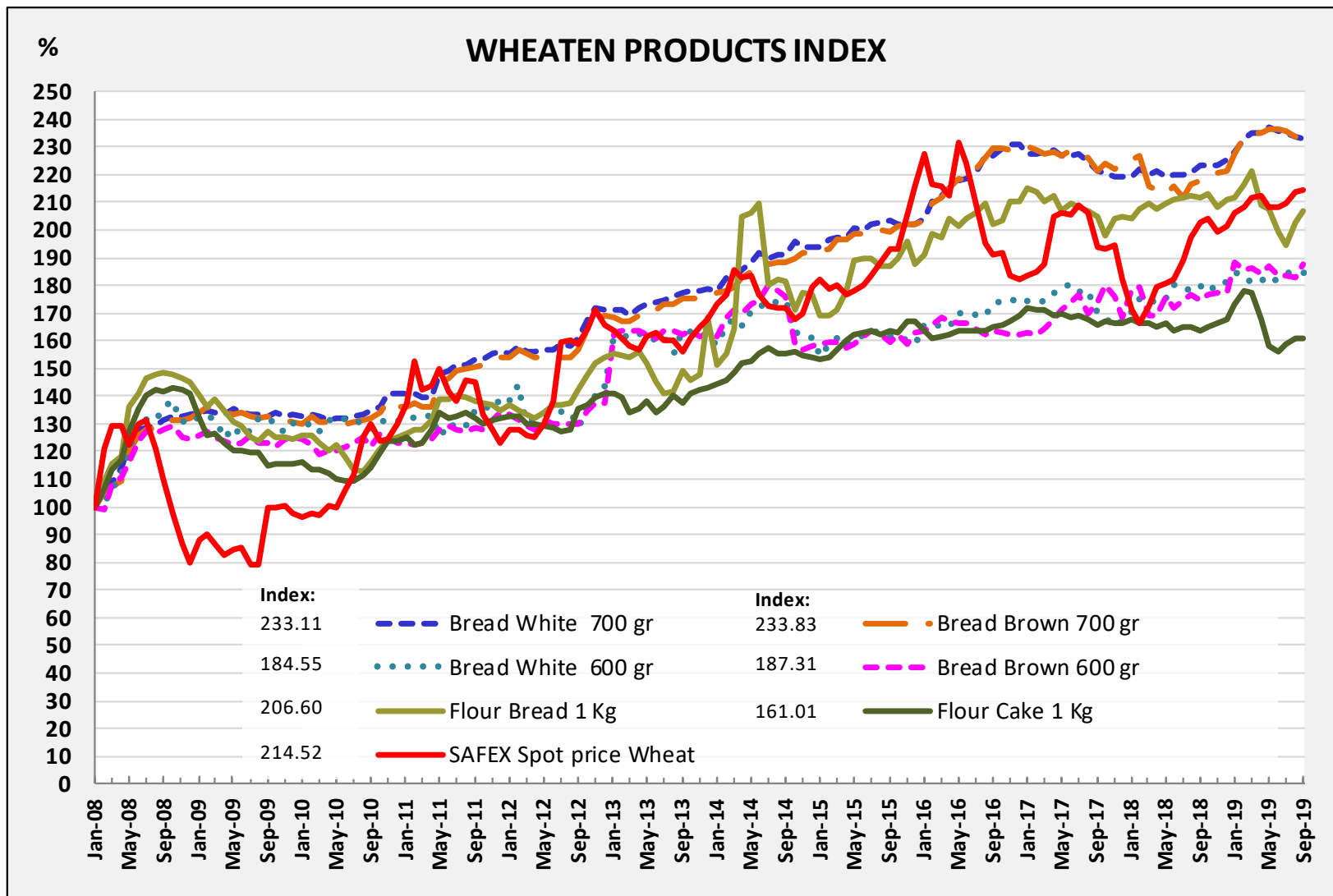
Wheaten products: Year on year price changes

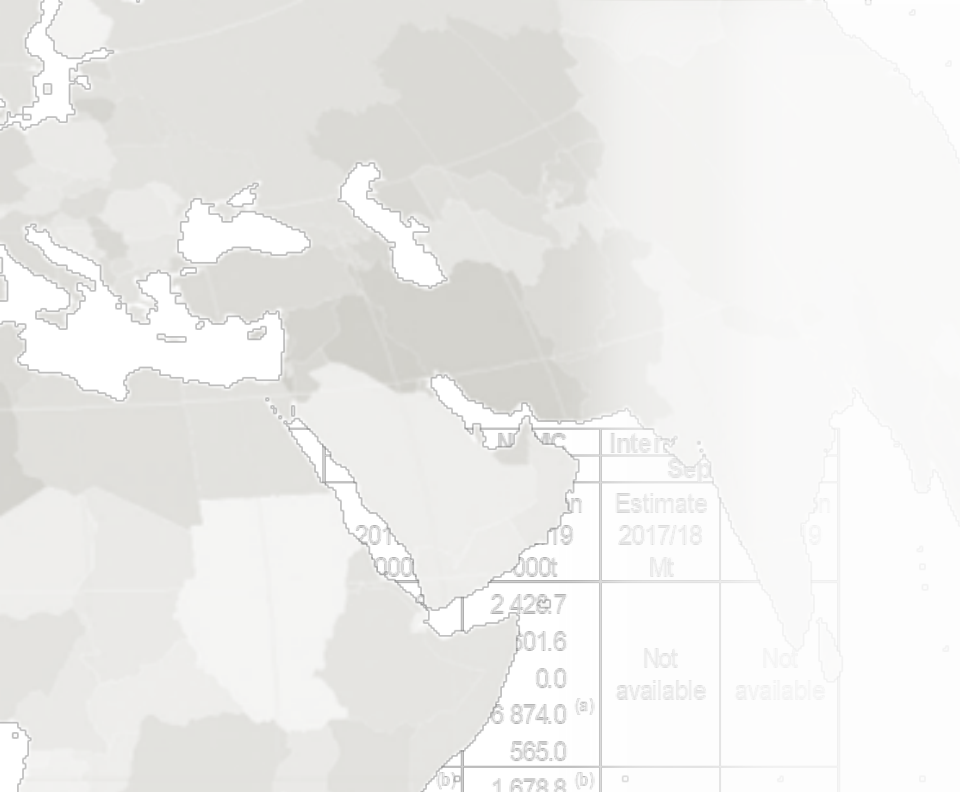
		September				
		2019	% Year on Year	2018	% Year on Year	2017
		Price R		Price R		Price R
White Bread	700g	13.73	4.49	13.14	0.84	13.03
Brown Bread	700g	12.51	7.29	11.66	-1.60	11.85
Cake Flour	1kg	12.14	-1.70	12.35	-1.28	12.51
Bread Flour	1kg	13.14	-2.52	13.48	3.53	13.02

Source: SA Stats



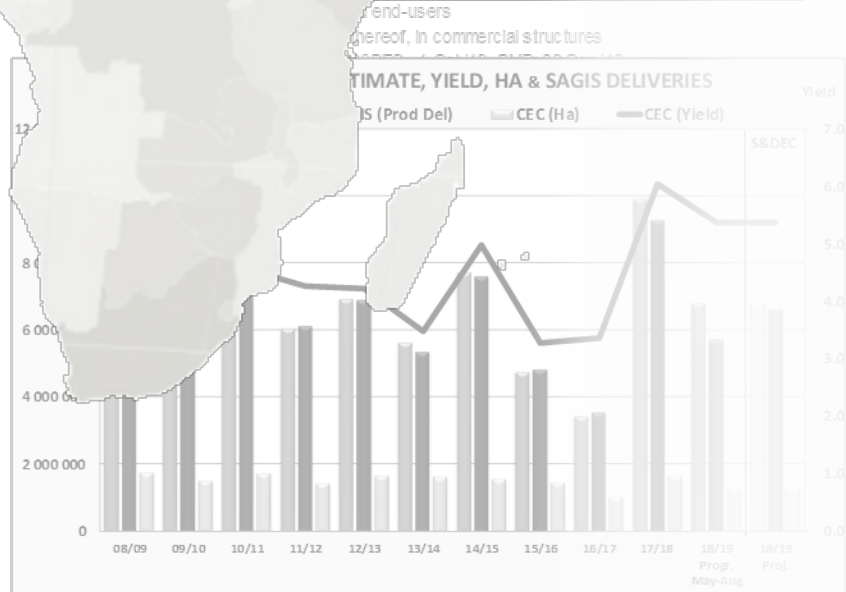
Wheaten products: Price movement Index (Jan '08 – Sep '19)





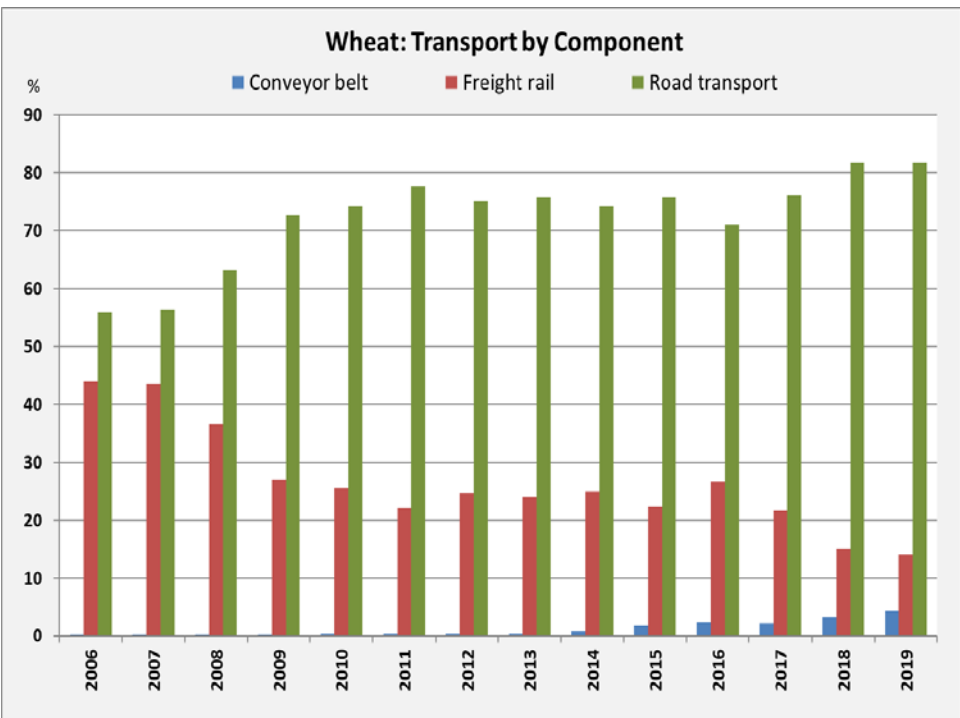
Year	Production (000t)	Interest	Estimate 2017/18 (Mt)
2016/17	2 428.7	Not available	Not available
2017/18	2 428.7	Not available	Not available
2018/19	2 428.7	Not available	Not available
2019/20	2 428.7	Not available	Not available
2020/21	2 428.7	Not available	Not available
2021/22	2 428.7	Not available	Not available
2022/23	2 428.7	Not available	Not available
2023/24	2 428.7	Not available	Not available
2024/25	2 428.7	Not available	Not available
2025/26	2 428.7	Not available	Not available
2026/27	2 428.7	Not available	Not available
2027/28	2 428.7	Not available	Not available
2028/29	2 428.7	Not available	Not available
2029/30	2 428.7	Not available	Not available
2030/31	2 428.7	Not available	Not available
2031/32	2 428.7	Not available	Not available
2032/33	2 428.7	Not available	Not available
2033/34	2 428.7	Not available	Not available
2034/35	2 428.7	Not available	Not available
2035/36	2 428.7	Not available	Not available
2036/37	2 428.7	Not available	Not available
2037/38	2 428.7	Not available	Not available
2038/39	2 428.7	Not available	Not available
2039/40	2 428.7	Not available	Not available
2040/41	2 428.7	Not available	Not available
2041/42	2 428.7	Not available	Not available
2042/43	2 428.7	Not available	Not available
2043/44	2 428.7	Not available	Not available
2044/45	2 428.7	Not available	Not available
2045/46	2 428.7	Not available	Not available
2046/47	2 428.7	Not available	Not available
2047/48	2 428.7	Not available	Not available
2048/49	2 428.7	Not available	Not available
2049/50	2 428.7	Not available	Not available
2050/51	2 428.7	Not available	Not available

General

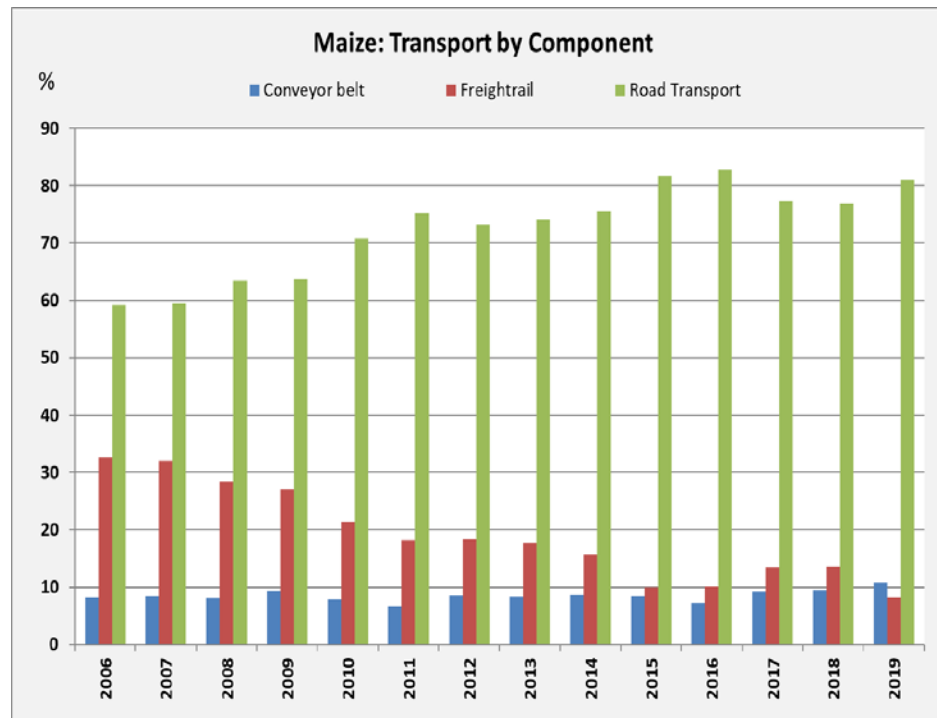


Transport by Component

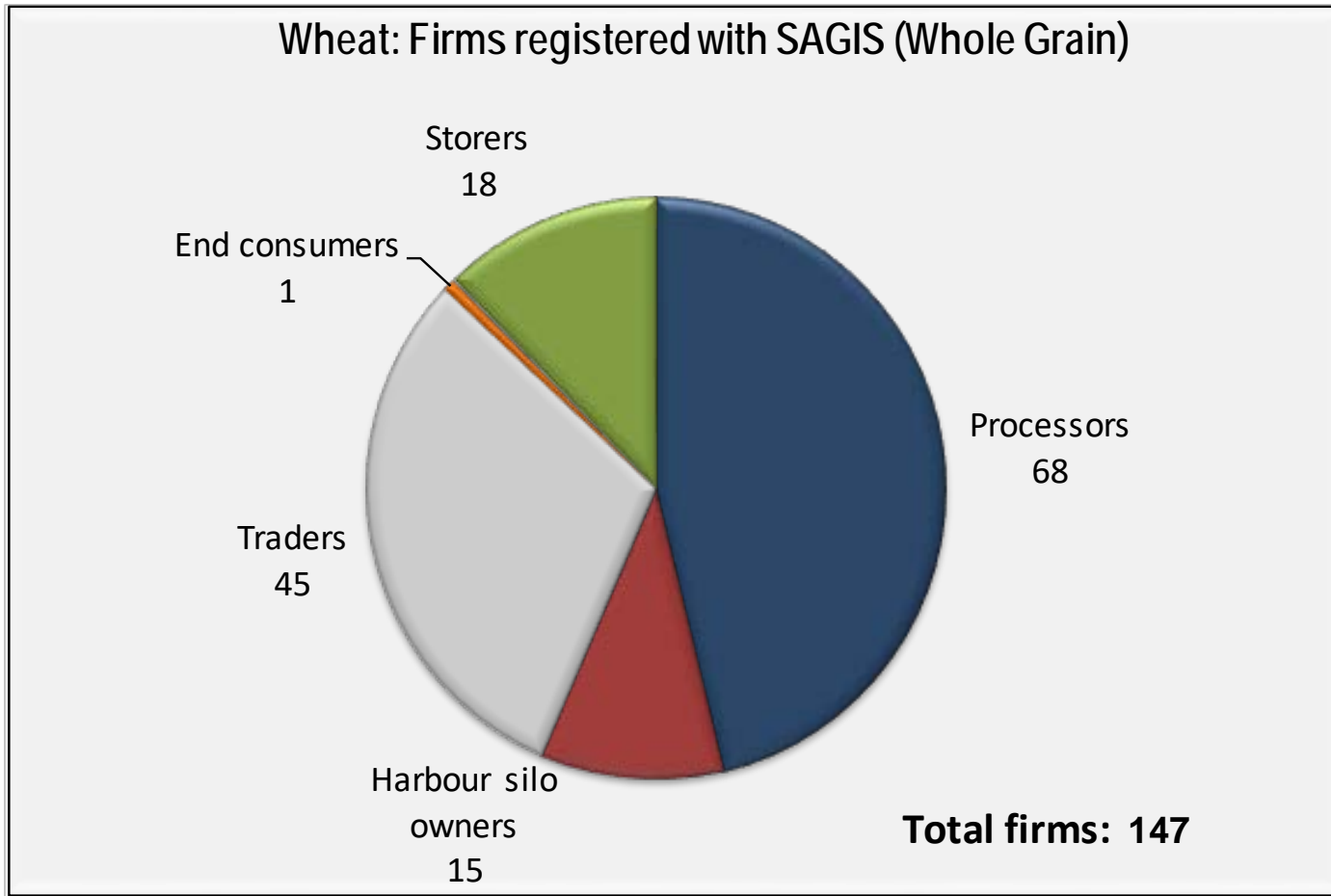
Wheat

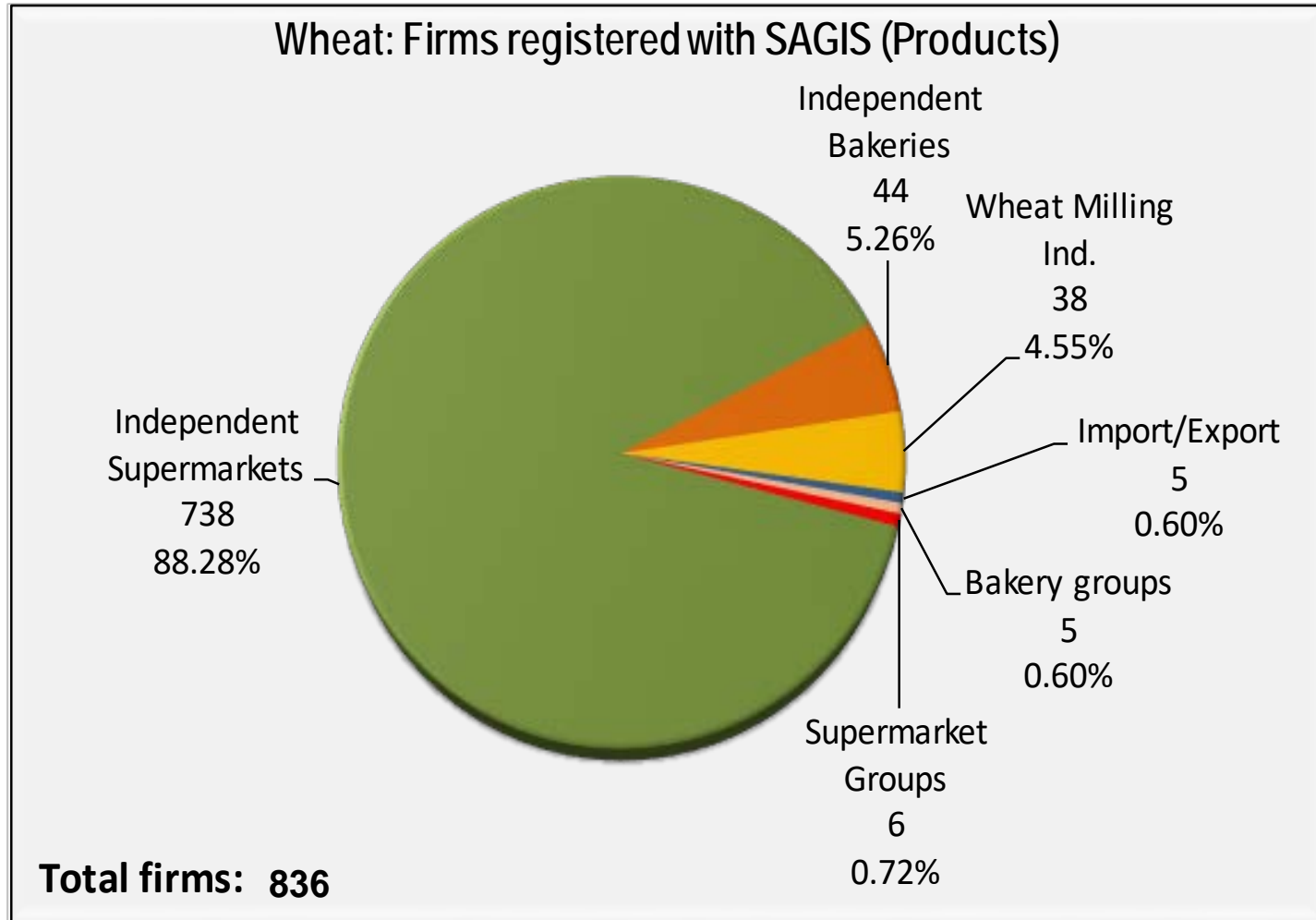


Maize



Wheat: Co-workers (Whole Grain)





Acknowledgement

Board of Directors

The Winter Cereal Industry is represented by:



Ms Mariana Purnell
Vice-Chairperson



Mr Tato Make
Director



Mr Geoff Penny
(Alternate)



Dr John Purchase
Chairperson

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

Note:

This presentation is available on SAGIS' website under Presentations

