

The logo for SAGIS, with 'SAGI' in black and 'S' in green, set against a background collage of agricultural and industrial scenes including a combine harvester, a truck, a grain elevator, and a grain ship.

**SAGIS**

# **WHEAT FORUM**

**23 September 2020**

**Nico Hawkins  
General Manager**

# Wheat Supply & Demand

(National & International) – Marketing season

	SAGIS	NAMC		USDA	
Marketing year	Oct - Sep			Jul - Jun	
	2019/20 Sep '19 - Jul '20	Projection 2019/20	Projection 2020/21	Estimate 2019/20	Projection 2020/21
	'000t			'Mil ton	'Mil ton
Opening stocks	539,1	539,1	346,7	284,0	299,8
Production	1 503,1	1 503,0	1 924,2	764,0	770,5
Imports	1 572,7	1 850,0	1 700,0	183,7	185,3
Total use	2 869,0 <sup>(a)</sup>	3 420,2 <sup>(a)</sup>	3 425,1	740,6	746,8
Exports	108,3	130,0	135,0	191,4	191,4
Closing stocks	641,8 <sup>(b)</sup>	346,7 <sup>(b)</sup>	415,4	299,8	319,4

(a) Including producer withdrawals, seed and end users

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

Source: SAGIS, NAMC: S&DEC, USDA



# Wheat Production, Retention & Deliveries

## Crop Estimate vs. Producer Deliveries

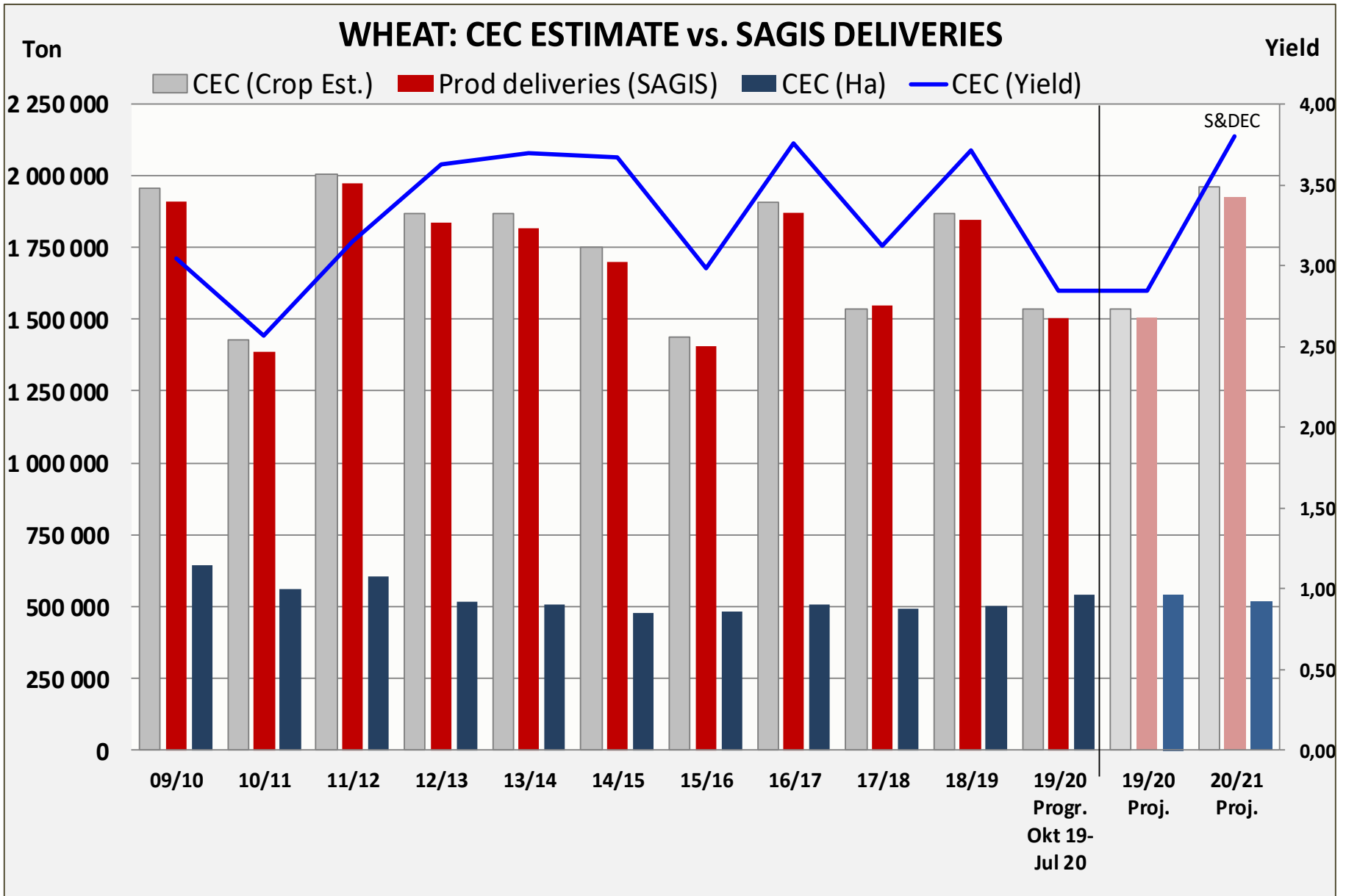
	<b>2019/20 *</b>	<b>2018/19</b>	<b>2017/18</b>
	<b>Ton</b>	<b>Ton</b>	<b>Ton</b>
CEC Production	1 535 000	1 868 000	1 535 000
Less Retentions	32 000	33 000	30 000
Total available	1 503 000	1 835 000	1 505 000
SAGIS Deliveries	1 503 066	1 847 171	1 547 486
Difference	<b>-66</b>	<b>-12 171</b>	<b>-42 486</b>

\* 2019/20: 1 Oct '19 - 31 July '20

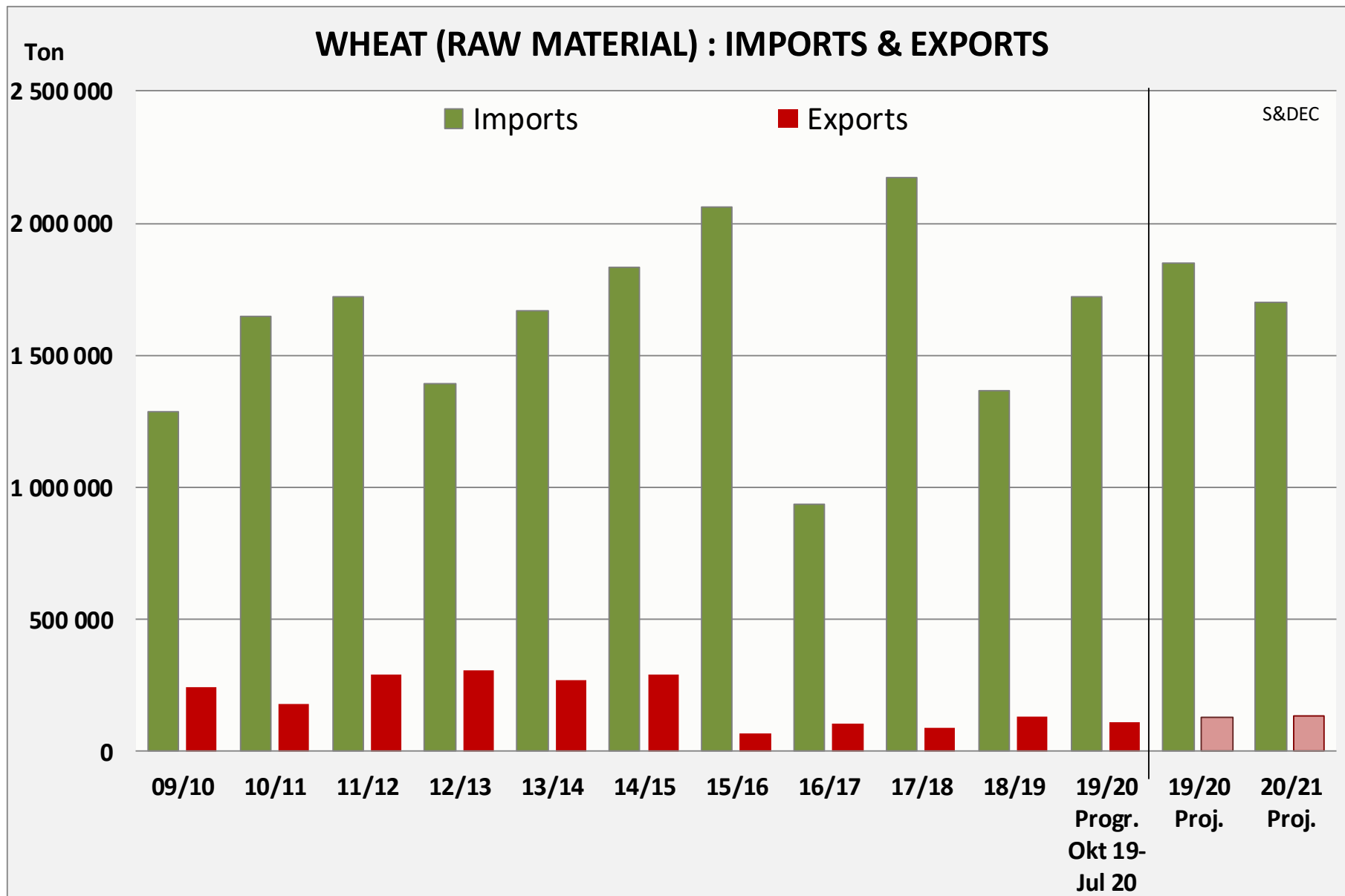
Source: SAGIS, CEC



# Wheat: CEC Estimate, Yield, Ha & SAGIS Deliveries

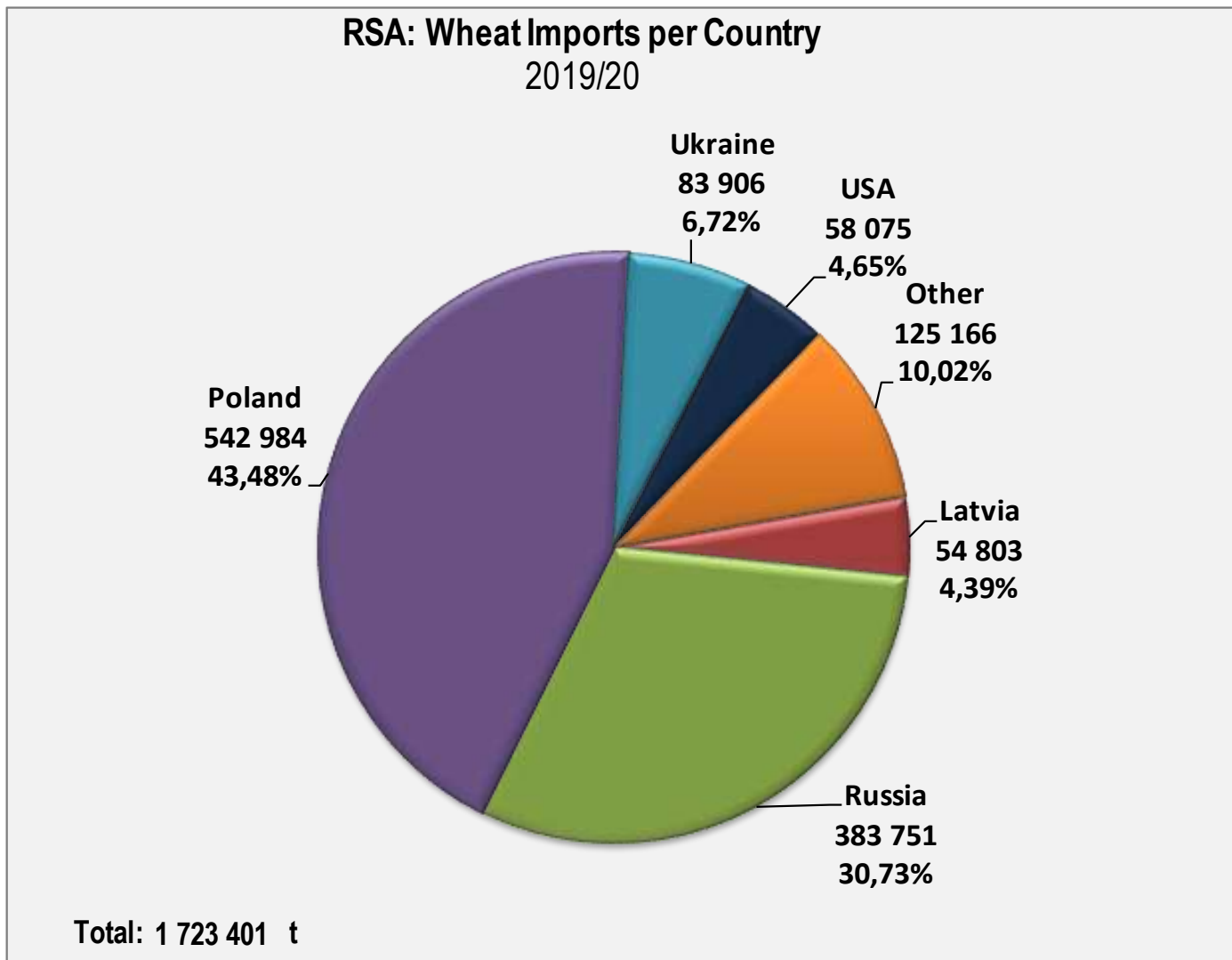


# Wheat Imports & Exports (Raw material)



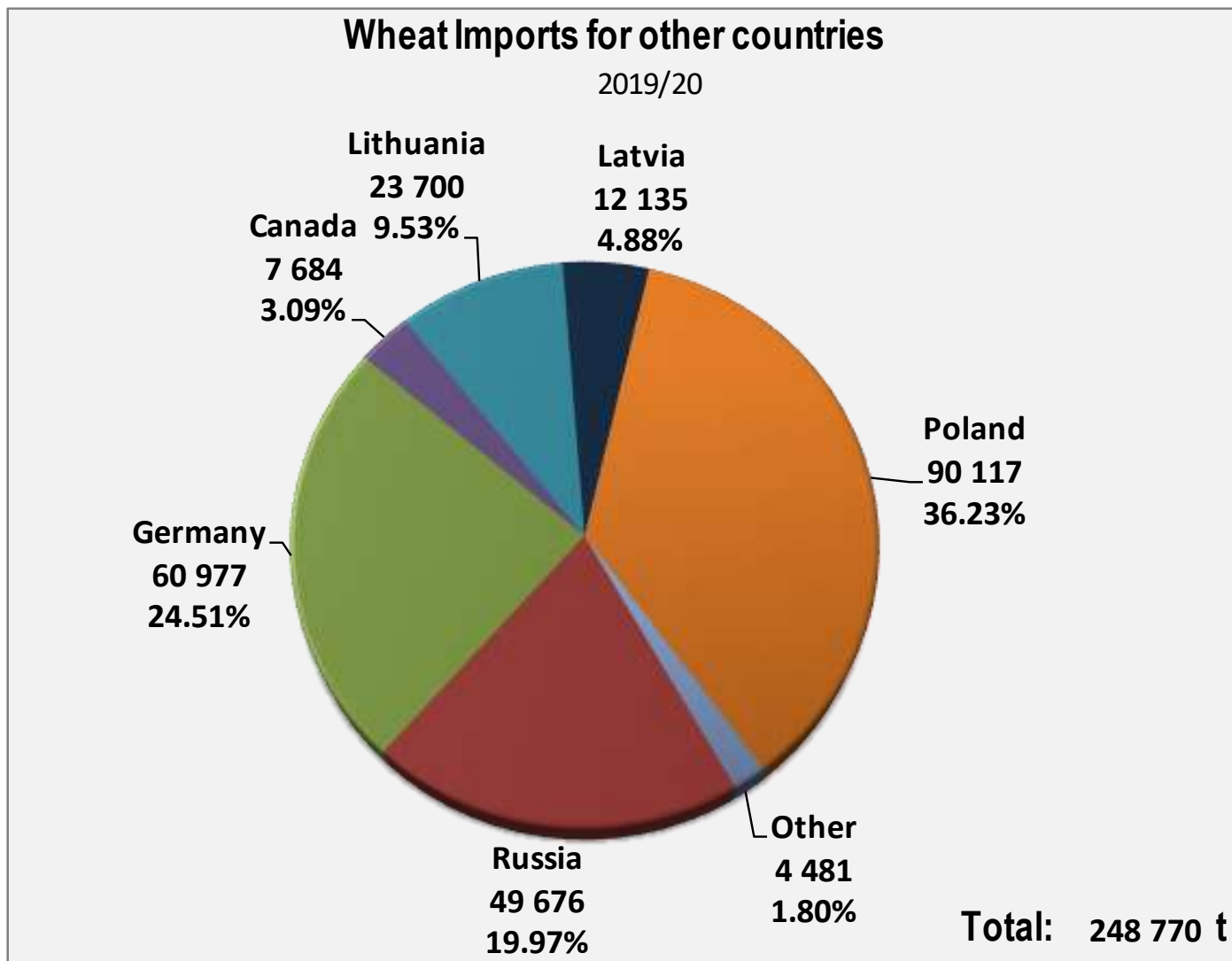
# Wheat Imports: Major origin of imports

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



# Wheat Imports for Other Countries

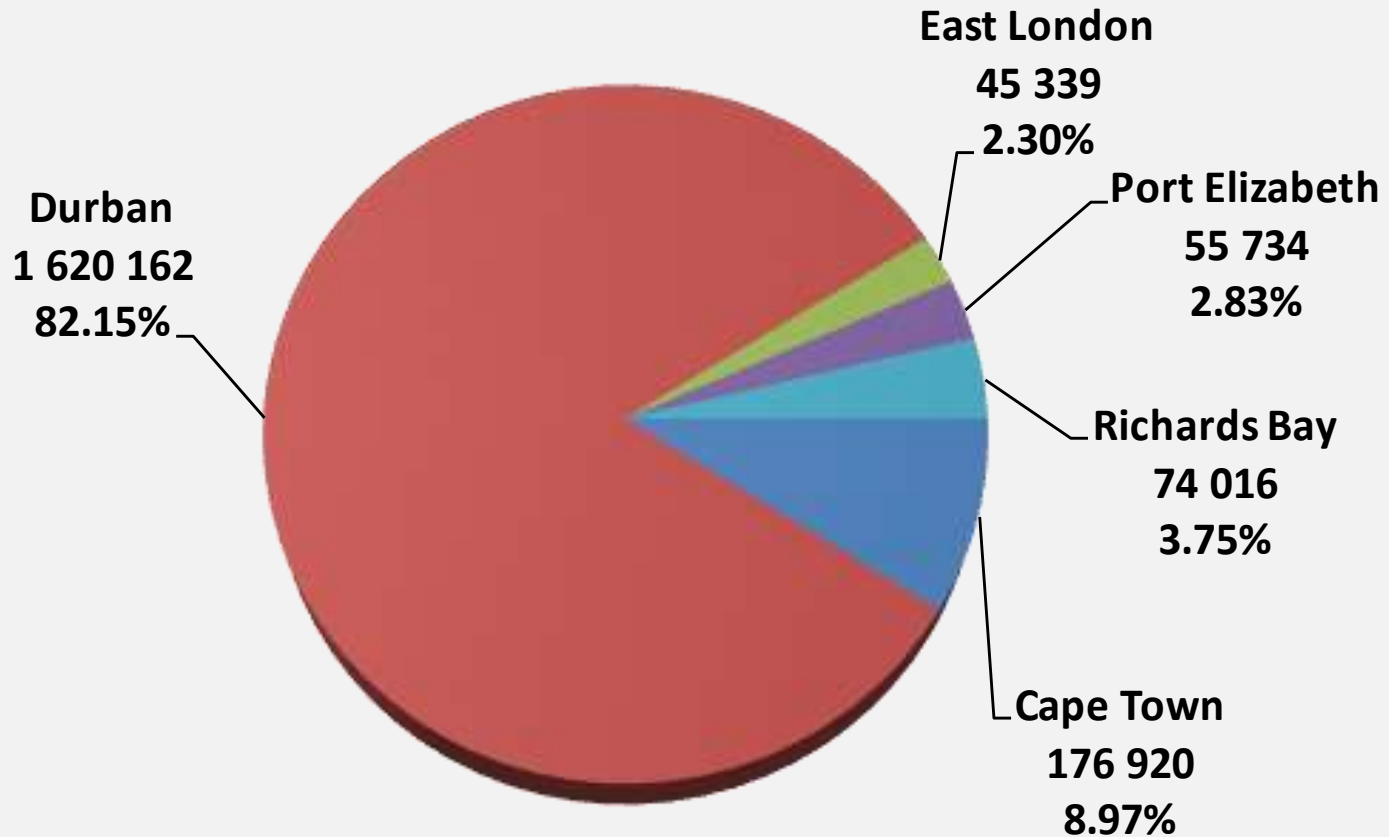
(2019/20: Progr. 1 Oct '19 – 11 Sep '20)



# Wheat Imports per Harbour (RSA & Other countries)

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

## Wheat Weekly Imports per Harbour



Total Imports per Harbour: 1 972 171 t



# Wheat Imports

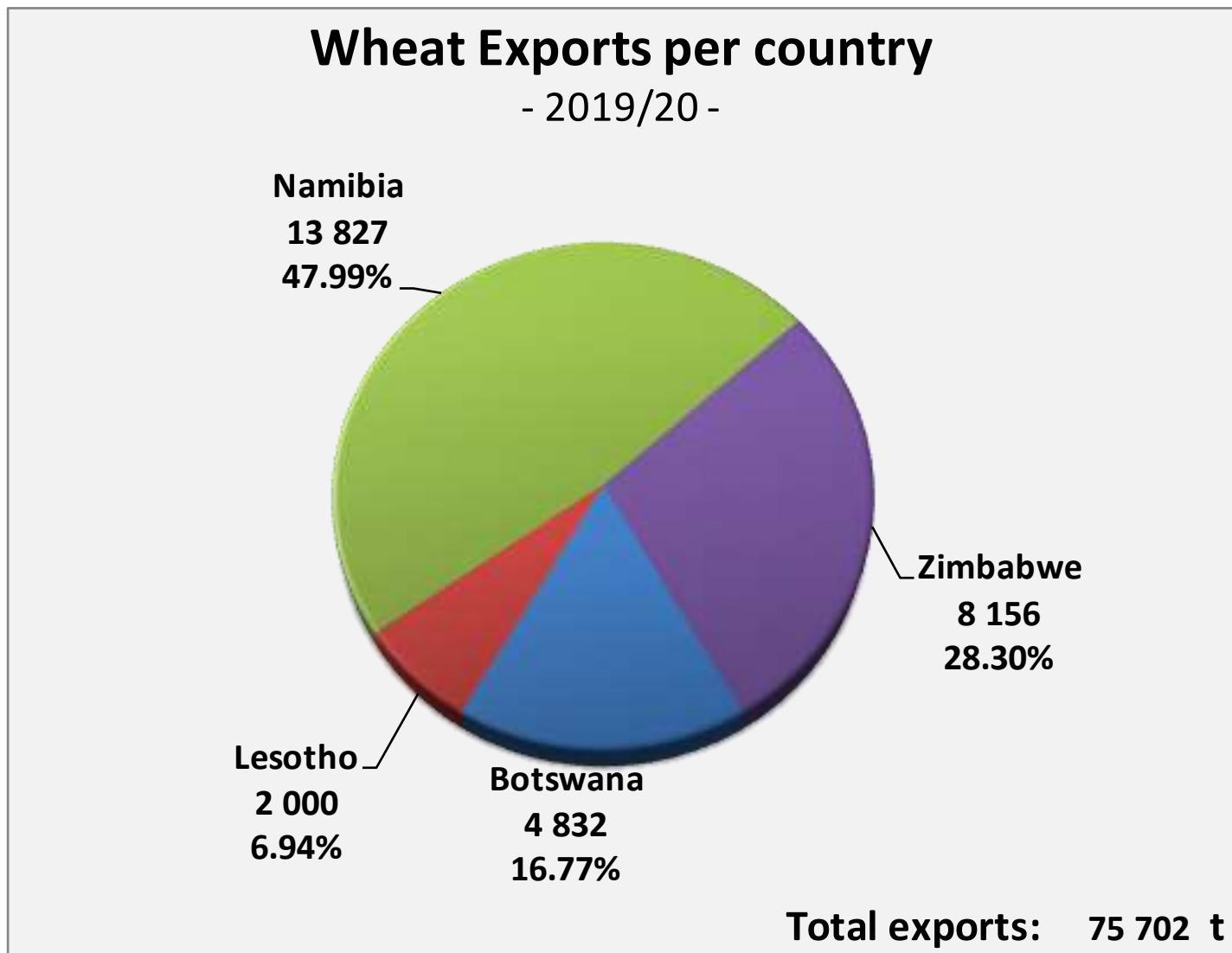
(2019/20: Progr. 1 Oct '19 – 31 Aug '20)

<b>Wheat</b>	<b>Oct '19 - Aug '20 Progr. 11 months</b>	<b>Oct '18 - Sep '19</b>
Total Imports (RSA + Other)	1 972 171 t	1 572 841 t
Number of Ships	46	41
Number of Countries	10	10
Number of Ports offloaded	5	5
Harbour facilities visited	93	90
Average per ship	42 873 t	38 362 t
Largest ship	Ultra Letizia - Germany 56 005 t	Ultra Crimson - Lithuania 56 563 t
Smallest ship	Silverfjord - USA 8 764 t	Diamond Land - USA 6 320 t
Bussiest month	October '19 32	September '19 24

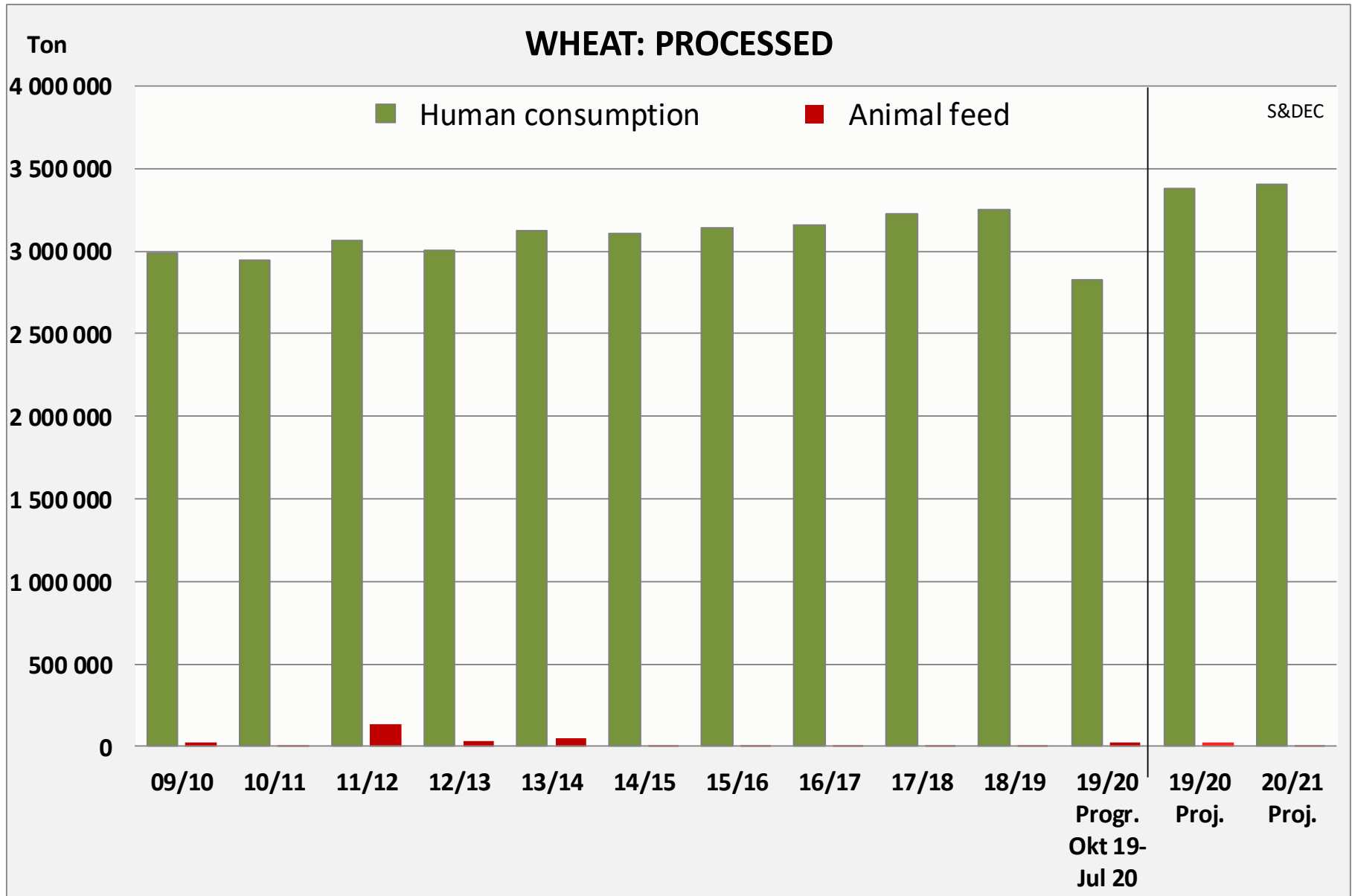


# Wheat Exports: Export destinations

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

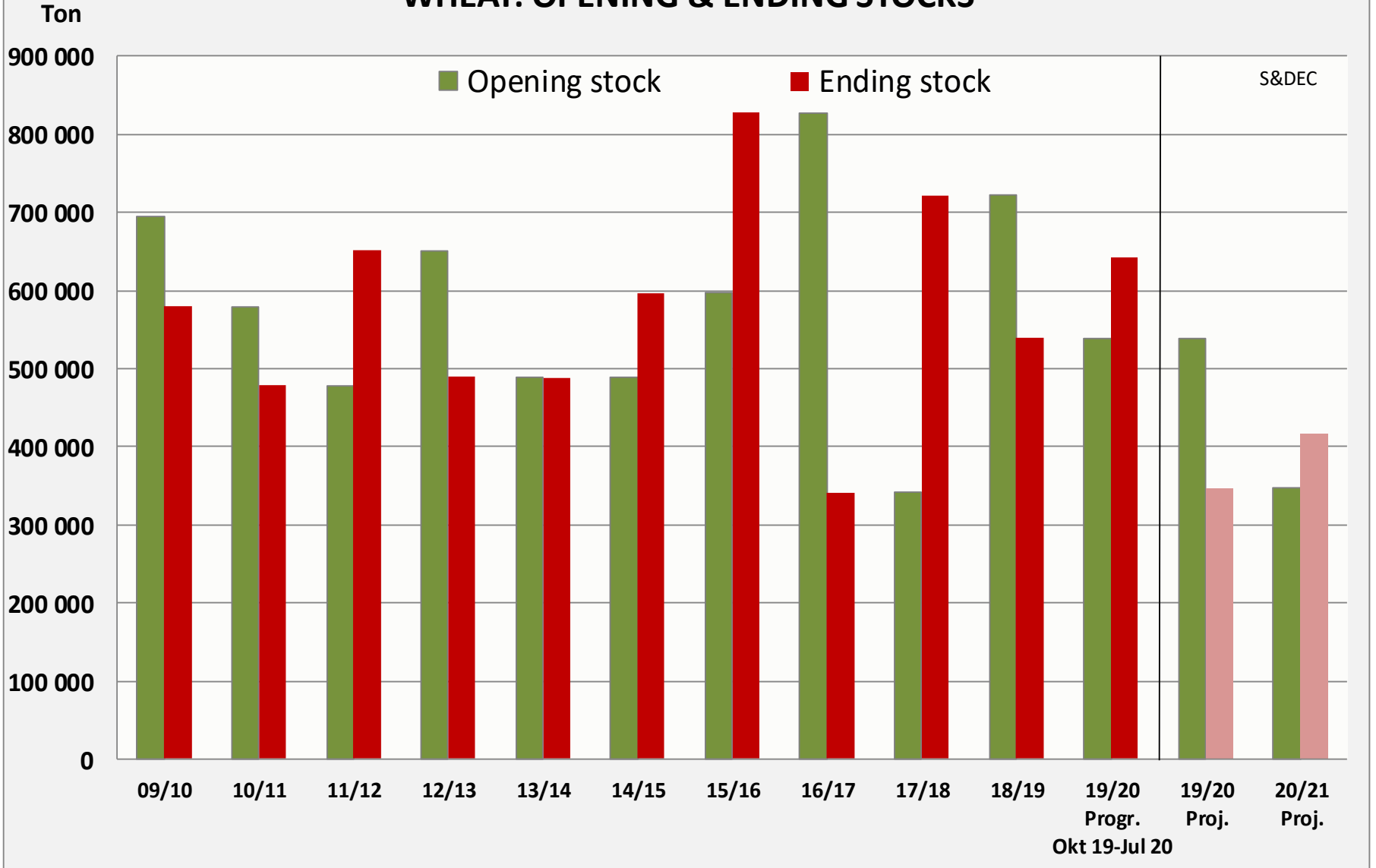


# Wheat: Consumption



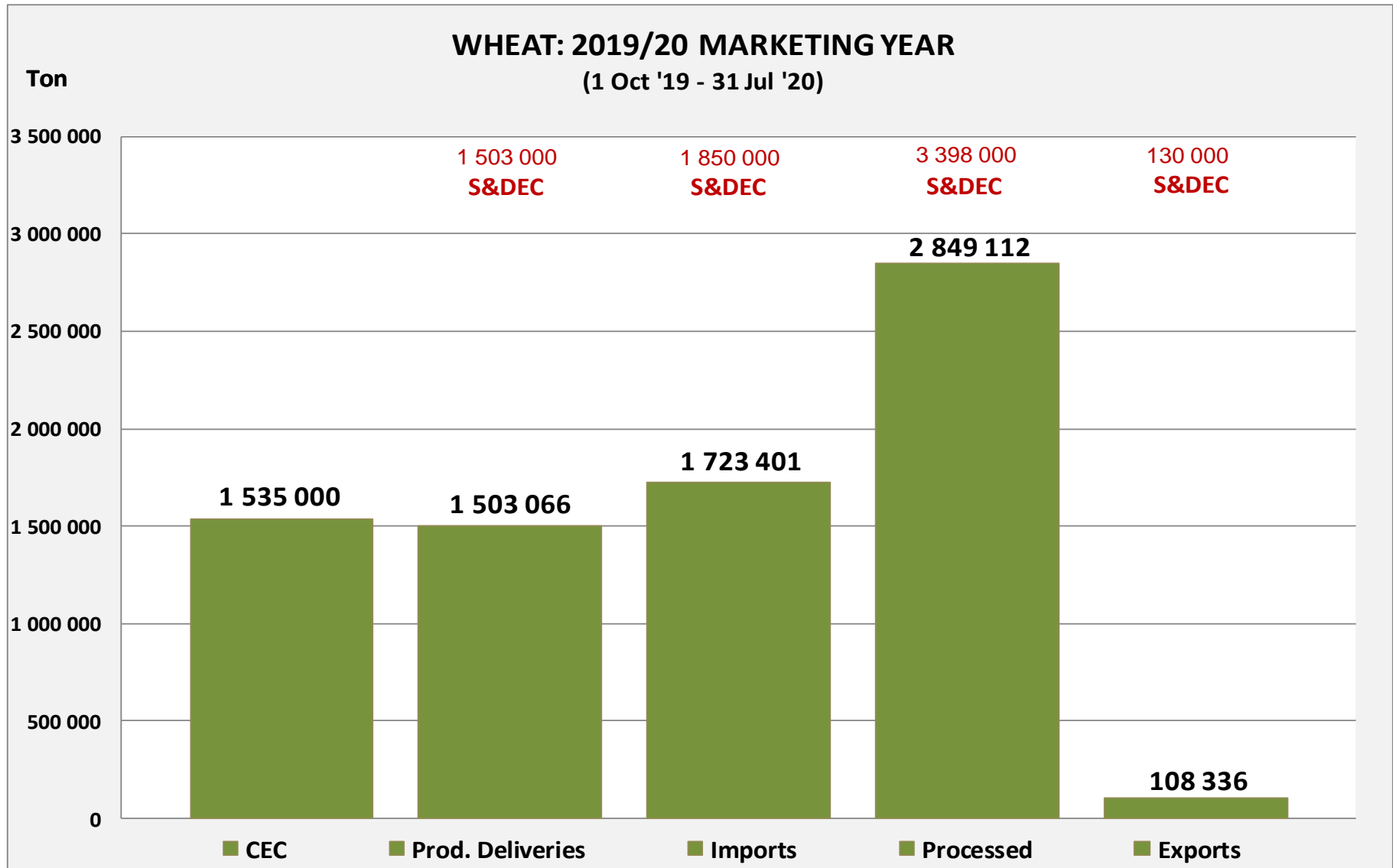
# Wheat: Stocks

## WHEAT: OPENING & ENDING STOCKS



# Wheat: 2019/20 Marketing year

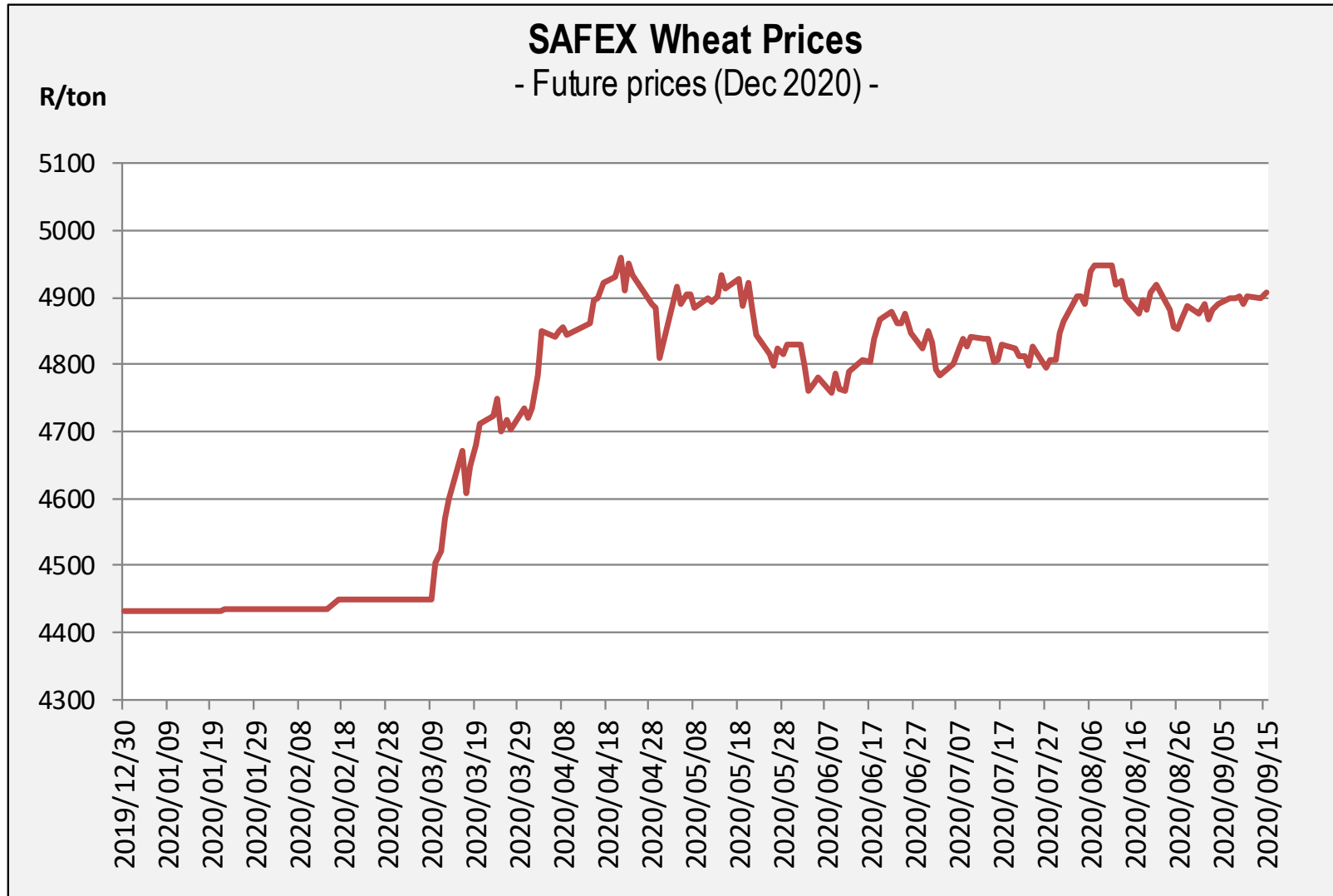
(Progr. 1 Oct – 31 Jul '20)





# Price movement

# Wheat: Prices JSE nearby contract



# Wheat: Price movements

## Comparison **JSE Commodities** (Dec and Mar contracts)

	2020/09/15	% Month on Month	2020/08/14	% Year on Year	2019/09/16
	Price		Price		Price <sup>(a)</sup>
Dec 2020	4906.00	0.14	4899.00	8.90	4505.00
Mar 2021	5000.00	-0.04	5002.00	8.51	4608.00

Source: SAFEX



# Wheat: Price movements

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

	2020/09/15	% Month on Month	2020/08/14	% Year on Year	2019/09/16
	Price		Price		Price
Dec 2020	171.96	4.37	164.76	14.43	150.28
Mar 2021	176.00	4.59	168.28	13.35	155.28

Source: KCBT



# Wheat: Price movements

## Indicative **Export** parity prices

2020/09/15	US HRW Wheat Gulf	US DNS 14% Wheat PNW
	Oct '20	Oct '20
	\$/t	\$/t
FOB Gulf value	244.00	273.00
SA fob price	244.00	273.00
R/\$ Exchange rate on: 2020/09/15	16.6255	16.6255
	R/t	R/t
FOB Gulf value	4 056.62	4 538.76
<b>Marketing costs:</b>		
Financing (Prime rate 10.25% - 30 days)	24.17	27.05
Railage:		
Randfontein – Durban harbour	517.52	517.52
Loading costs:		
Durban Harbour (Mainly spout method)	213.20	213.20
<b>Export realisation</b>		
Randfontein	3 301.73	3 780.99
<b>SAFEX spot price</b> (2020/09/15)	<b>4 942.00</b>	<b>4 942.00</b>
<b>Export realisation Randfontein</b> (2019/07/19)	<b>2 239.64</b>	<b>2 561.56</b>



# Wheat: Price movements

## SARS FOB prices

(2019/20: Progr. 1 Oct '19 – 31 Jul '20)

Wheat - Other 1001.99		2019/20 Progr. Oct-Jul	2018/19	2017/18
<b>Imports</b>	Quantity (Ton)	1 522 290	1 958 306	1 919 783
<b>Total value of imports</b>	FOB value (R'000)	5 541 949	6 096 325	5 078 986
<b>Value per ton</b>	FOB R/Ton	3 640.53	3 113.06	2 645.60

Source: SARS

# Wheat **Imports**: SARS FOB prices per country:

Wheat Other: 1001.99

(2019/20:

Progr.1 Oct '19 – 31 Jul '20)

Country	Ton	FOB value R'000	FOB Rand/ton
Canada	22 000.000	90 979.78	4 135.44
Czech Republic	52 433.178	157 454.72	3 002.96
Eswatini	0.014	0.10	7 309.94
Finland	21 853.336	92 054.41	4 212.37
Germany	277 880.519	1 013 160.13	3 646.03
India	2.004	10.42	5 198.10
Latvia	42 557.990	125 309.34	2 944.44
Lithuania	99 754.088	308 227.68	3 089.88
Namibia	0.027	0.30	11 398.58
Poland	604 037.230	2 249 498.96	3 724.11
Russian Federation	339 456.560	1 281 733.50	3 775.84
Saudi Arabia	0.364	2.23	6 142.04
United Kingdom	0.025	1.83	73 040.00
United States	62 314.778	223 515.28	3 586.87
<b>Total</b>	<b>1 522 290.112</b>	<b>5 541 948.674</b>	<b>3 640.53</b>

Progr. Oct '19 - Jul '20

Source: SARS



# Wheat: Price movements

## SARS FOB prices

(2019/20: Progr. 1 Oct '19 – 31 Jul '20)

Wheat - Other 1001.99		2019/20 Progr. Oct-Jul	2018/19	2017/18
<b>Exports</b>	Quantity (Ton)	134 403	105 530	50 335
<b>Total value of exports</b>	FOB value (R'000)	635 346	502 983	210 370
<b>Value per ton</b>	FOB R/Ton	4 727.18	4 766.26	4 179.44

Source: SARS

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

Wheat Other: 1001.99

(2019/20: Progr. 1 Oct '19 – 31 Jul '20)

Country	Ton	FOB value R'000	FOB Rand/ton
Botswana	3 156.707	15 144.87	4 797.68
Eswatini(Swaziland)	11 940.011	51 216.99	4 289.53
Lesotho	0.321	3.34	10 411.21
Mozambique	0.016	8.38	523 827.39
Namibia	11 856.249	59 585.91	5 025.70
United Arab Emirates	0.001	0.07	65 000.00
Unknown	1 526.000	5 259.08	3 446.31
Zambia	41 372.188	180 164.27	4 354.72
Zimbabwe	64 551.412	323 963.54	5 018.69
<b>Total</b>	<b>134 402.905</b>	<b>635 346.444</b>	<b>4 727.18</b>

Progr. Oct '19 - Jul '20

Source: SARS

# Products





# Wheat Products (Manufactured, Imported & Exported)

(12 months : Aug '19 – Jul '20)

Wheaten Products	12 months: Aug '19 - Jul '20			
	Manufactured	Imported	Exported	% of Total
	Tons			Manufactured
Cake Flour	1 008 818	5 768	4 544	29,6
Self-Raising Flour	20 109	42	1 161	0,6
White Bread Flour	1 158 016	12 254	5 398	34,0
Brown Bread Flour	393 321	8 105	15 938	11,5
Other Flour (Industrial)	118 533	0	74	3,5
Whole Wheat Meal	8 000	0	23	0,2
Bran	694 743	6 546	1 257	20,4
Semolina	4 376	0	17	0,1
<b>Total</b>	<b>3 405 916</b>	<b>32 715</b>	<b>28 412</b>	<b>100,0</b>
<b>Whole Wheat Milled</b>	<b>3 416 333</b>	<b>Whole wheat milled =</b> <i>Processed for human consumption</i> <i>Processed for gristing</i> <i>Product exports</i>		
Diff's milled and products	10 417			
% Bran	20			



# Wheaten Products: Per Capita Consumption

(12 months: Aug '19 – Jul '20)

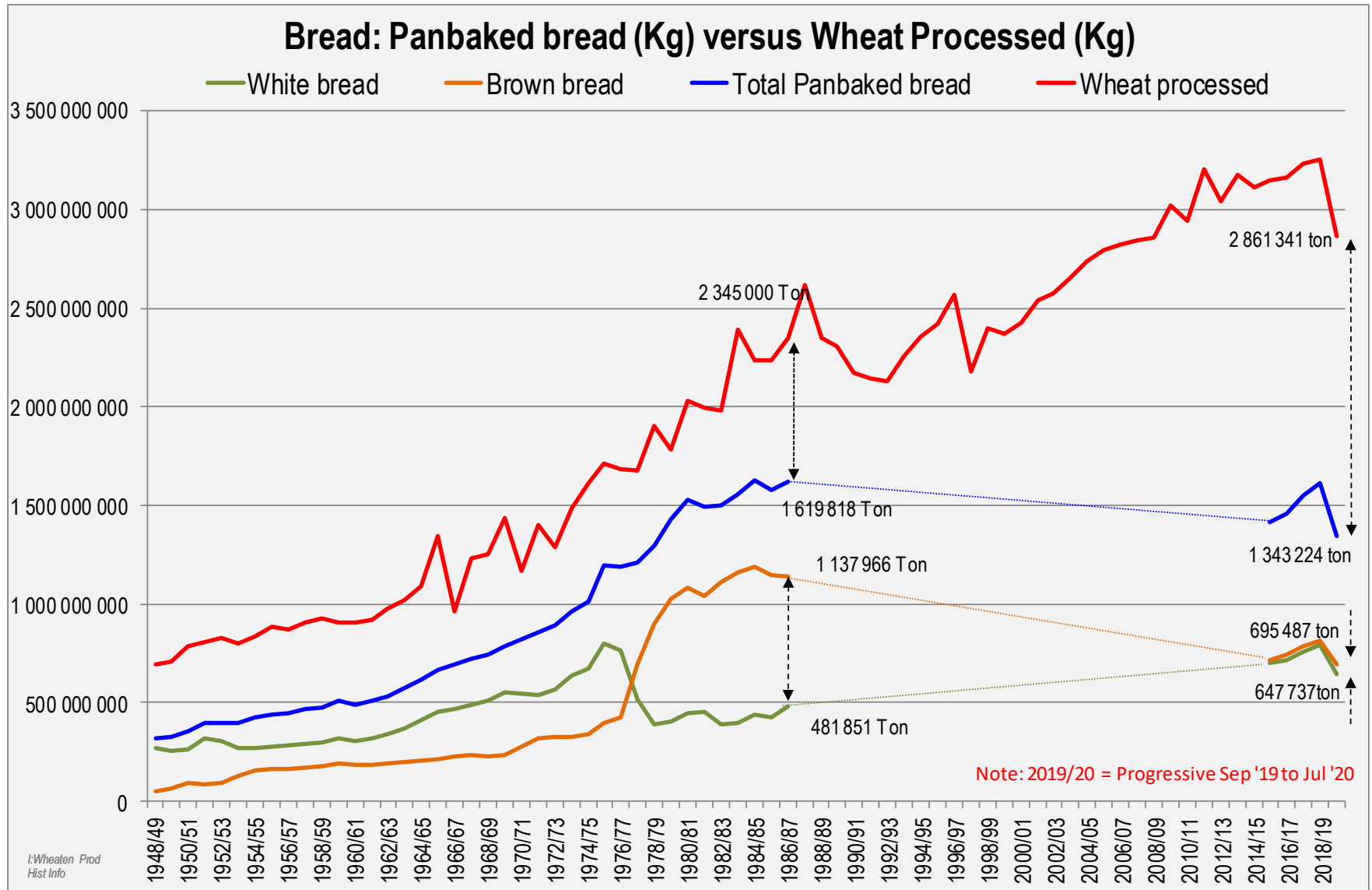
Per capita consumption	Total Wheaten products	Total Pan baked bread	Total Maize products	Total Oilseeds products
<b>12 months (1 Aug '19 - 31 Jul '20)</b>				
	Ton	Kg	Ton	Ton
Manufactured	3 405 916	2 379 400 775	3 968 710	2 172 664
+ Imports	32 715		3 240	1 310 224
- Exports	-26 202		-217 011	-67 962
<b>Total "consumed"</b>	<b>3 438 631</b>	<b>2 379 400 775</b>	<b>3 754 939</b>	<b>3 414 926</b>
Total population	58 775 000	58 775 000	58 775 000	58 775 000
	Kg	Kg	Kg	Kg
<b>Per capita consumption (Kg)</b>	<b>58.50</b>	<b>40.48</b>	<b>63.89</b>	<b>58.10</b>

*Note: Maize = Total less chop*

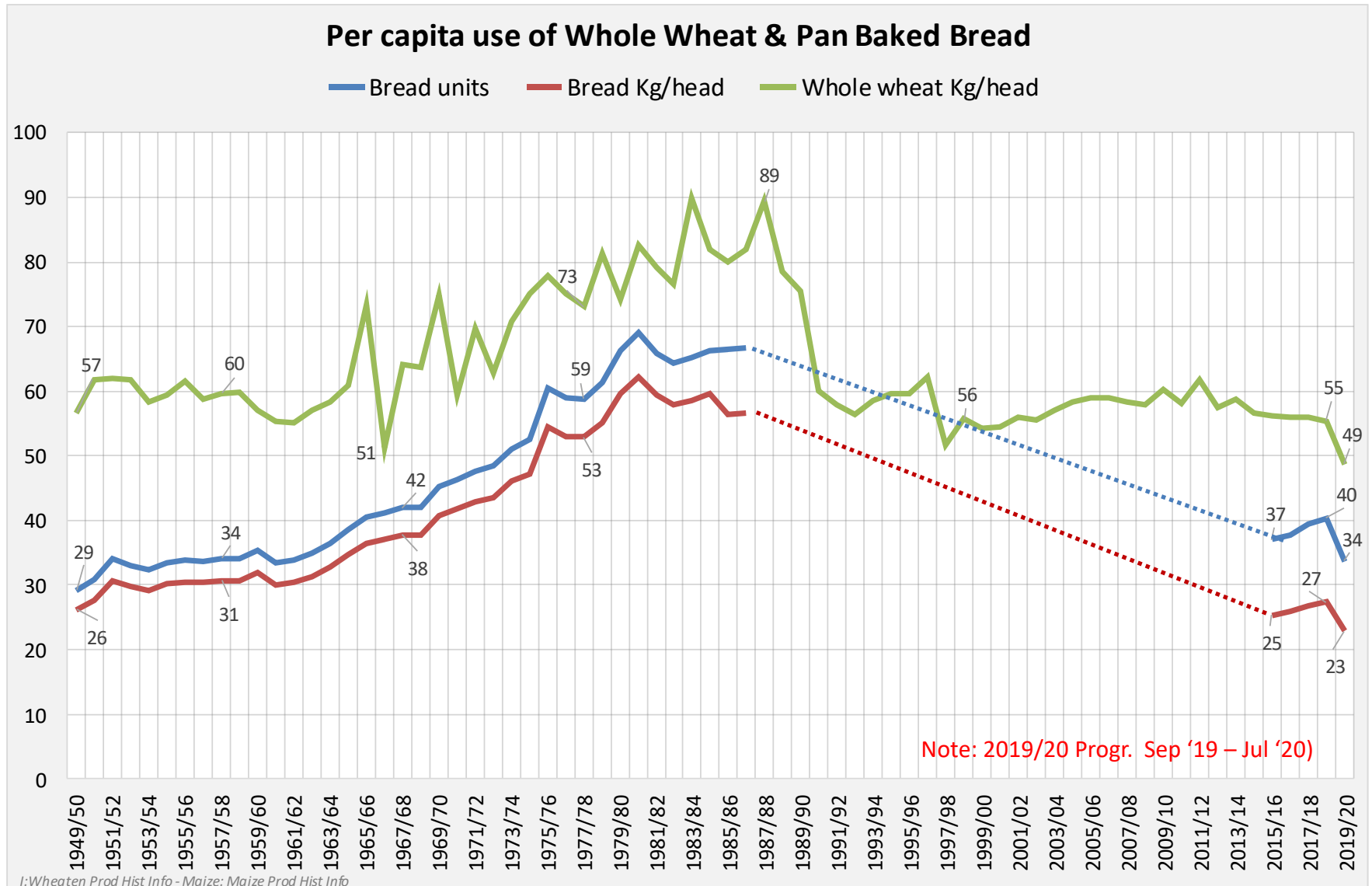


# Panbaked bread vs Wheat Processed: Historic Info

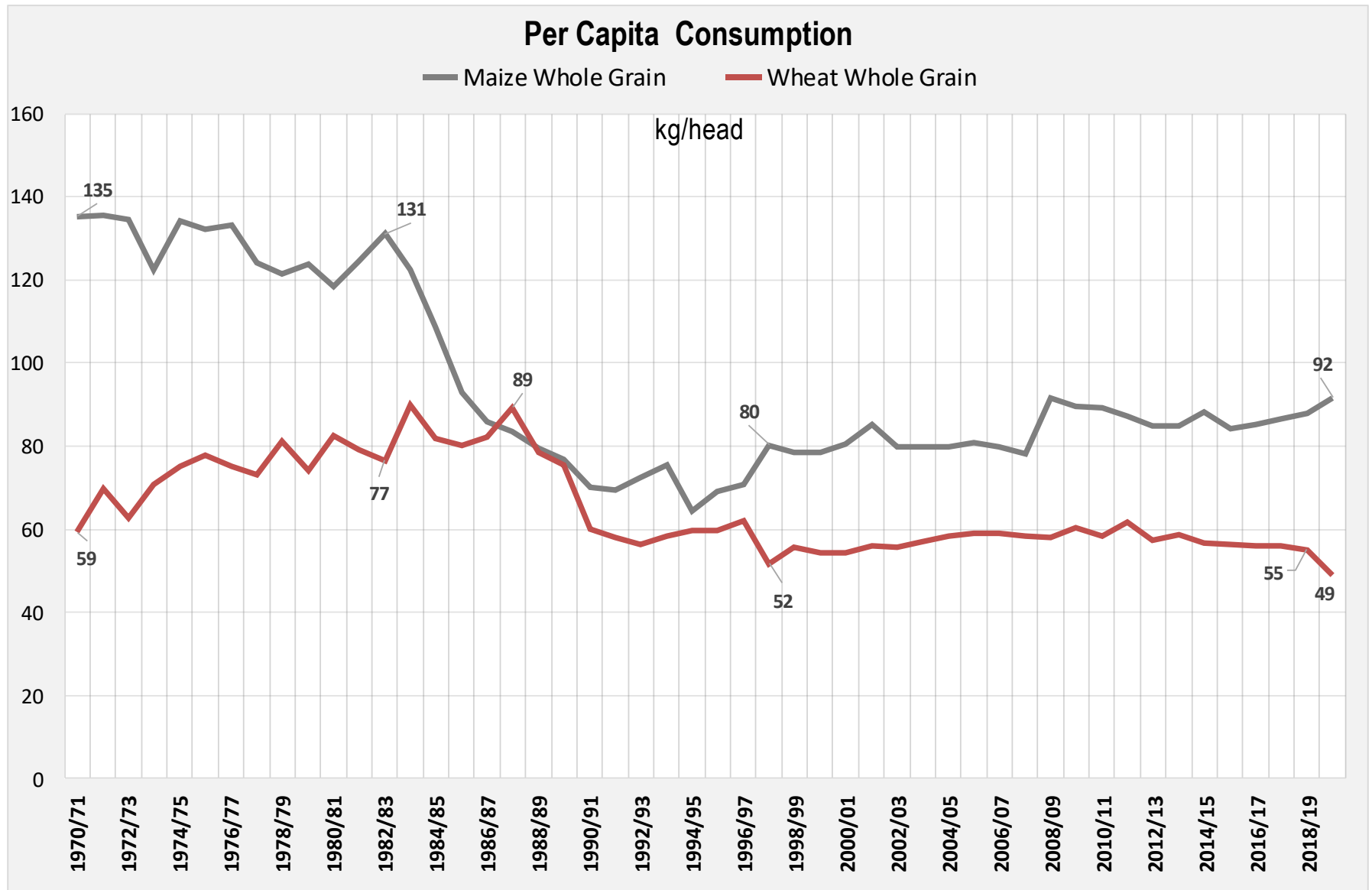
1948/49 – 2018/19 full years (2019/20 Progr. Sep '19 – Jul '20)



# Historic Info: Per capita use of whole wheat & pan baked bread 1949/50 – 2018/19 full years (2019/20 Progr. Sep '19 – Jul '20)



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



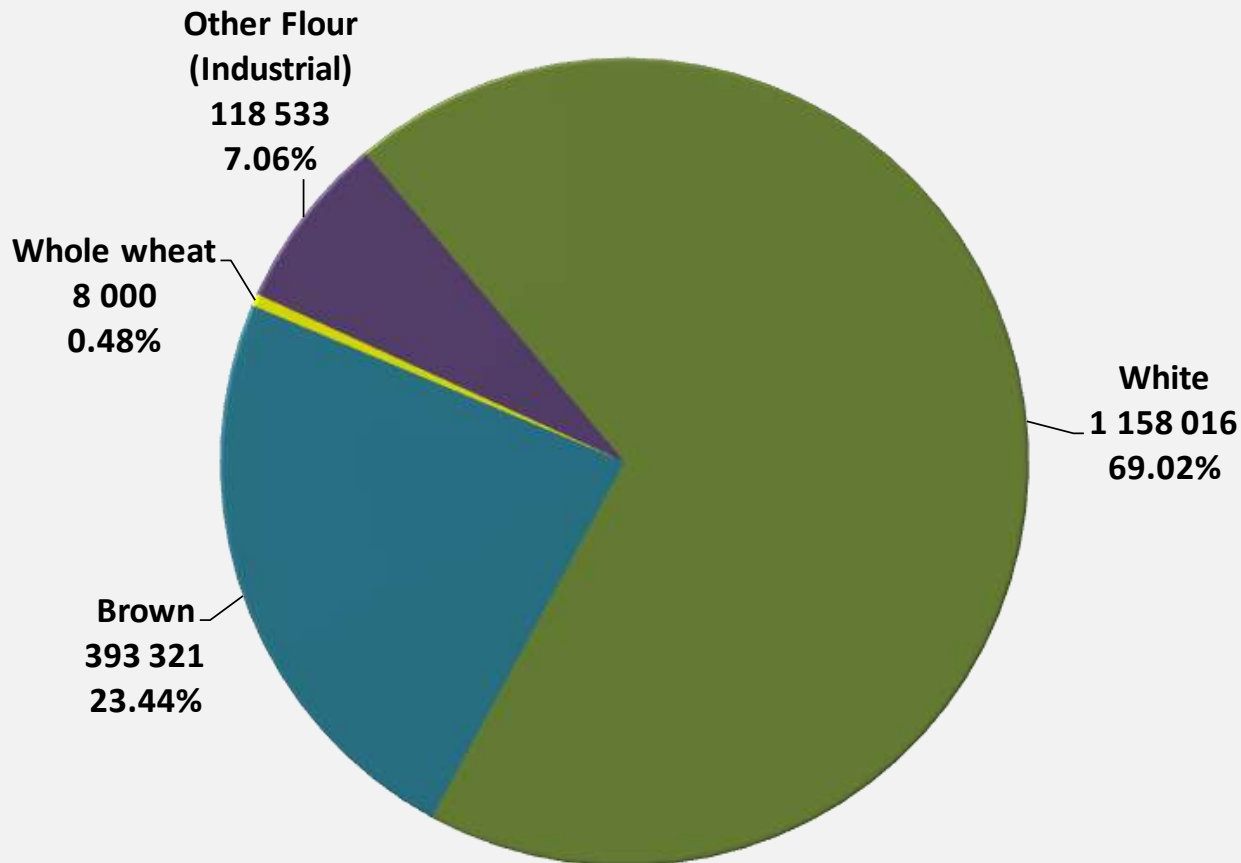
# Wheaten Products : Bread Flour (Ton)

(12 months: Aug '19 – Jul '20)

## Bread Flour

Aug '19 - Jul '20

- Ton -



Total: Bread Flour: 1 677 870 ton

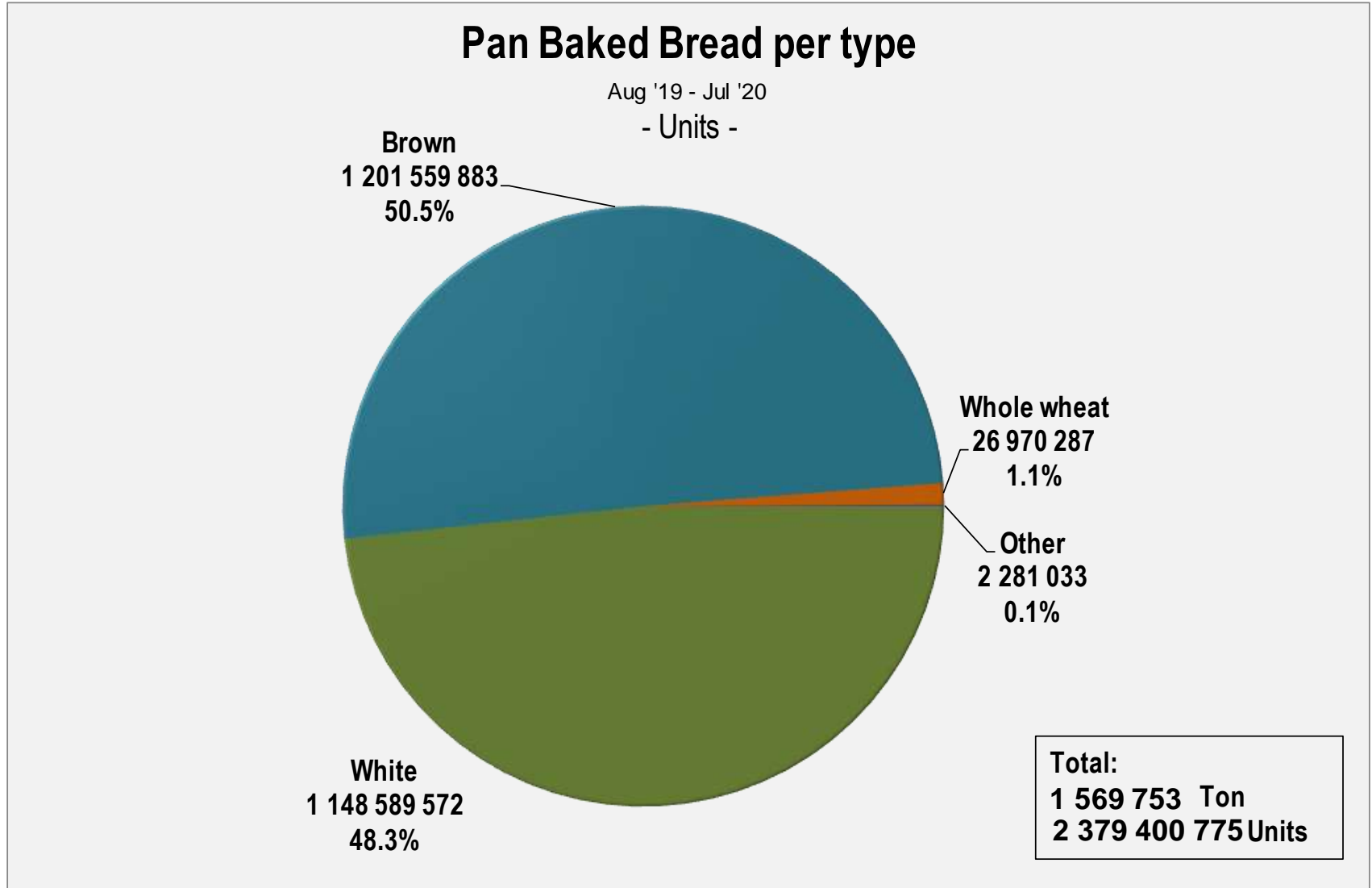
# Wheaten Products: Pan baked bread (Units)

(12 months:  
Aug '19 – Jul '20)

Pan baked bread manufactured	12 months Aug '19 - Jul '20	% of Total
	Units	
<b>WHITE BREAD</b>		
400g	1 319 989	0,1
600g	251 894 977	10,6
700g	884 306 410	37,2
Other	11 068 196	0,5
<b>White Bread (Total Units)</b>	<b>1 148 589 572</b>	<b>48,3</b>
<b>BROWN BREAD</b>		
400g	736 268	0,0
600g	353 816 509	14,9
700g	831 140 806	34,9
Other	15 866 300	0,7
<b>Brown Bread (Total Units)</b>	<b>1 201 559 883</b>	<b>50,5</b>
<b>WHOLE WHEAT</b>		
400g	15 352	0,0
600g	541 775	0,0
700g	5 889 394	0,2
Other	20 523 766	0,9
<b>Whole Wheat (Total Units)</b>	<b>26 970 287</b>	<b>1,1</b>
<b>OTHER</b>		
400g	23 792	0,0
600g	242 262	0,0
700g	116 963	0,0
Other	1 898 016	0,1
<b>Other (Total Units)</b>	<b>2 281 033</b>	<b>0,1</b>
<b>Total</b>	<b>2 379 400 775</b>	<b>100,0</b>

# Wheaten Products: Pan baked bread per type

(12 months: Aug '19 – Jul '20)





# Wheat: Price movements

## Wheaten products: Year on year price changes

		July				
		2020	% Year on Year	2019	% Year on Year	2018
		Price R		Price R		Price R
White Bread	700g	15.05	8.82	13.83	6.80	12.95
Brown Bread	700g	13.40	6.18	12.62	11.29	11.34
Cake Flour	2.5kg	29.17	16.73	24.99	-1.81	25.45
Bread Flour	2.5kg	30.16	10.92	27.19	-9.46	30.03

Source: SA Stats

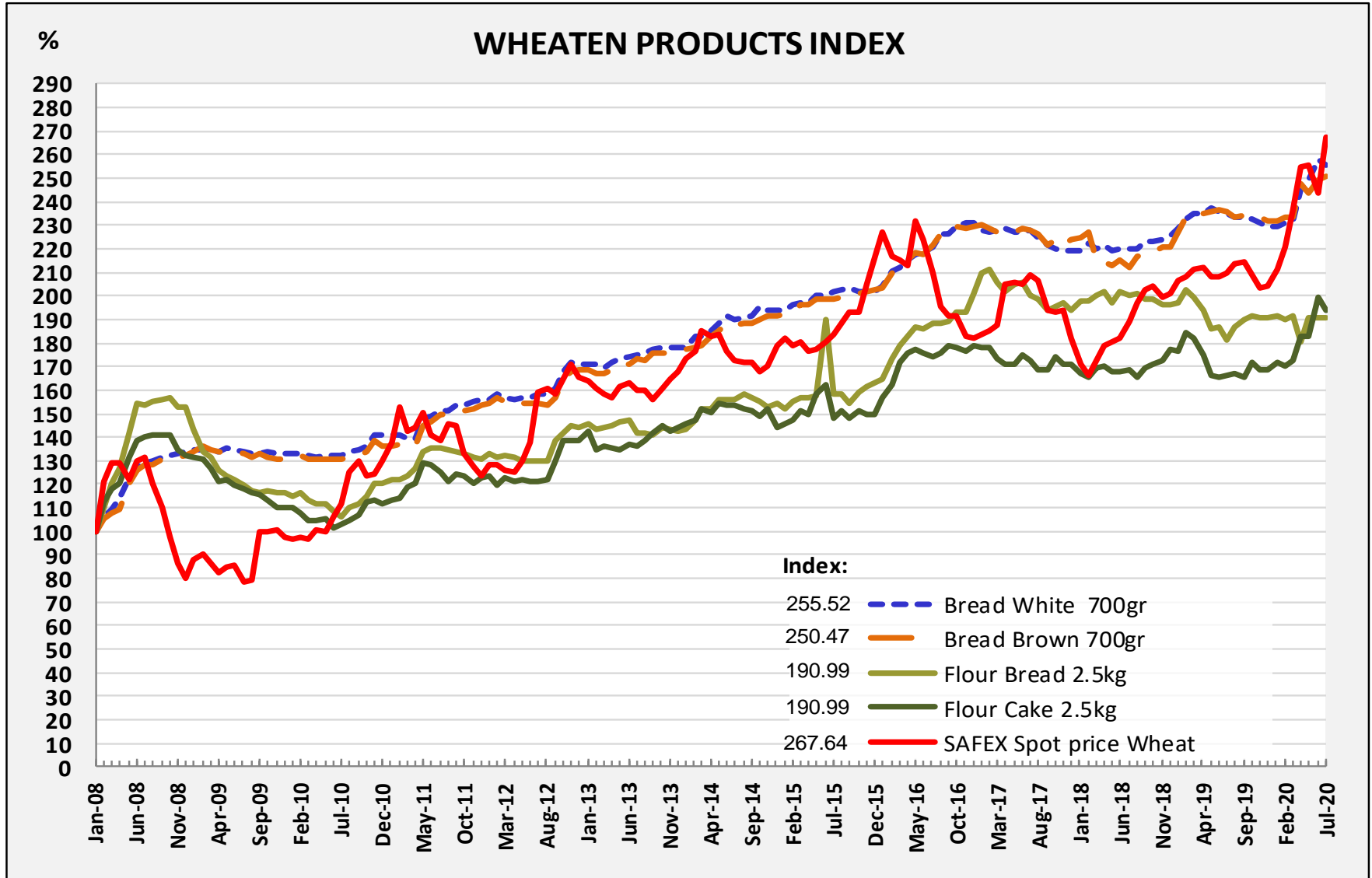


The South Africa I know, the home I understand



# Wheat products: Price movement Index

(Jan '08 – Jul '20)

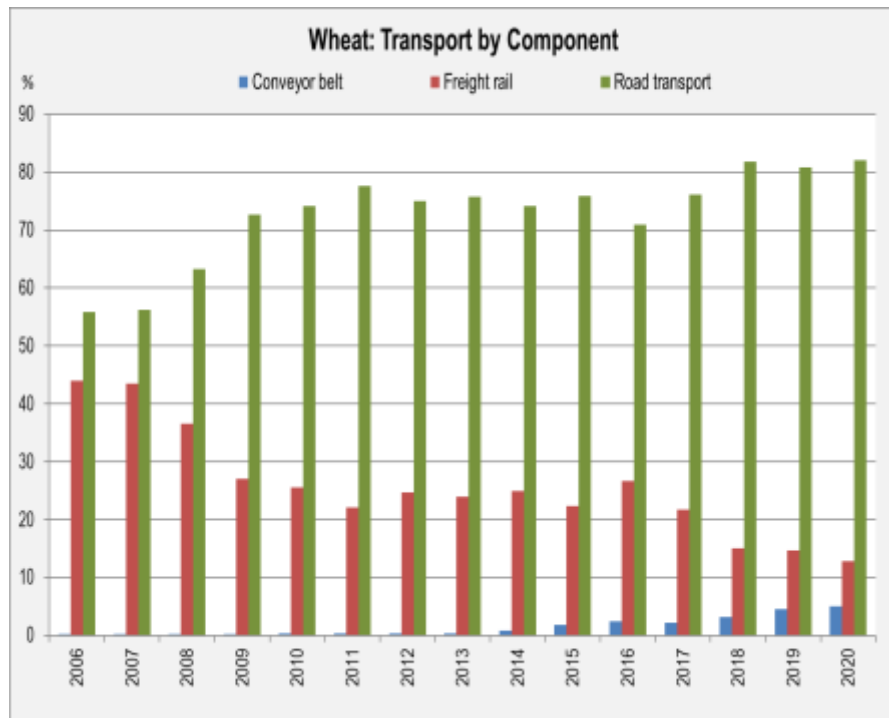


# General

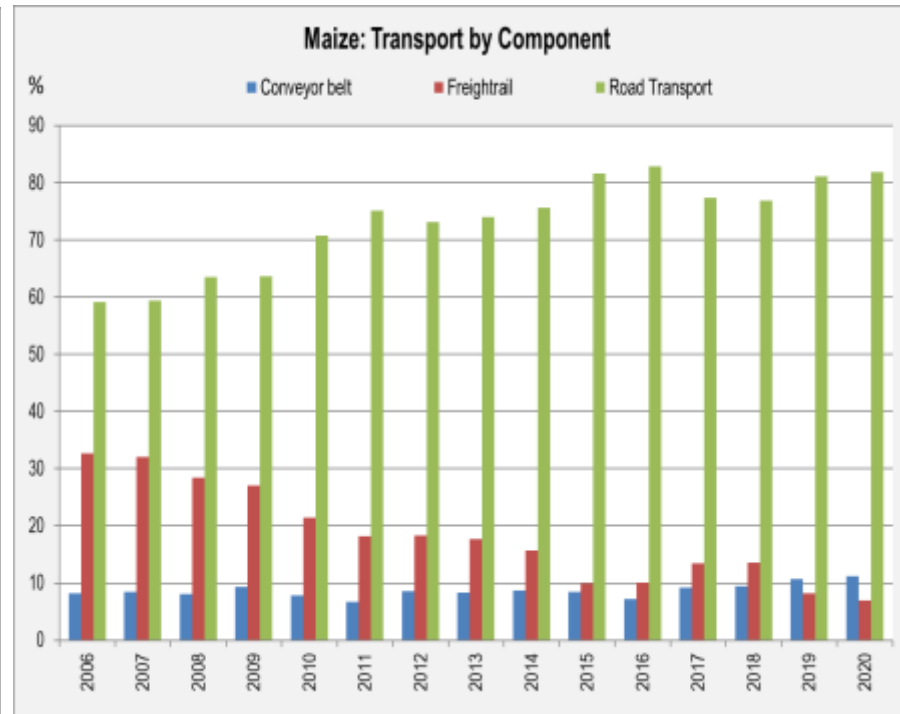


# Transport by Component

## Wheat

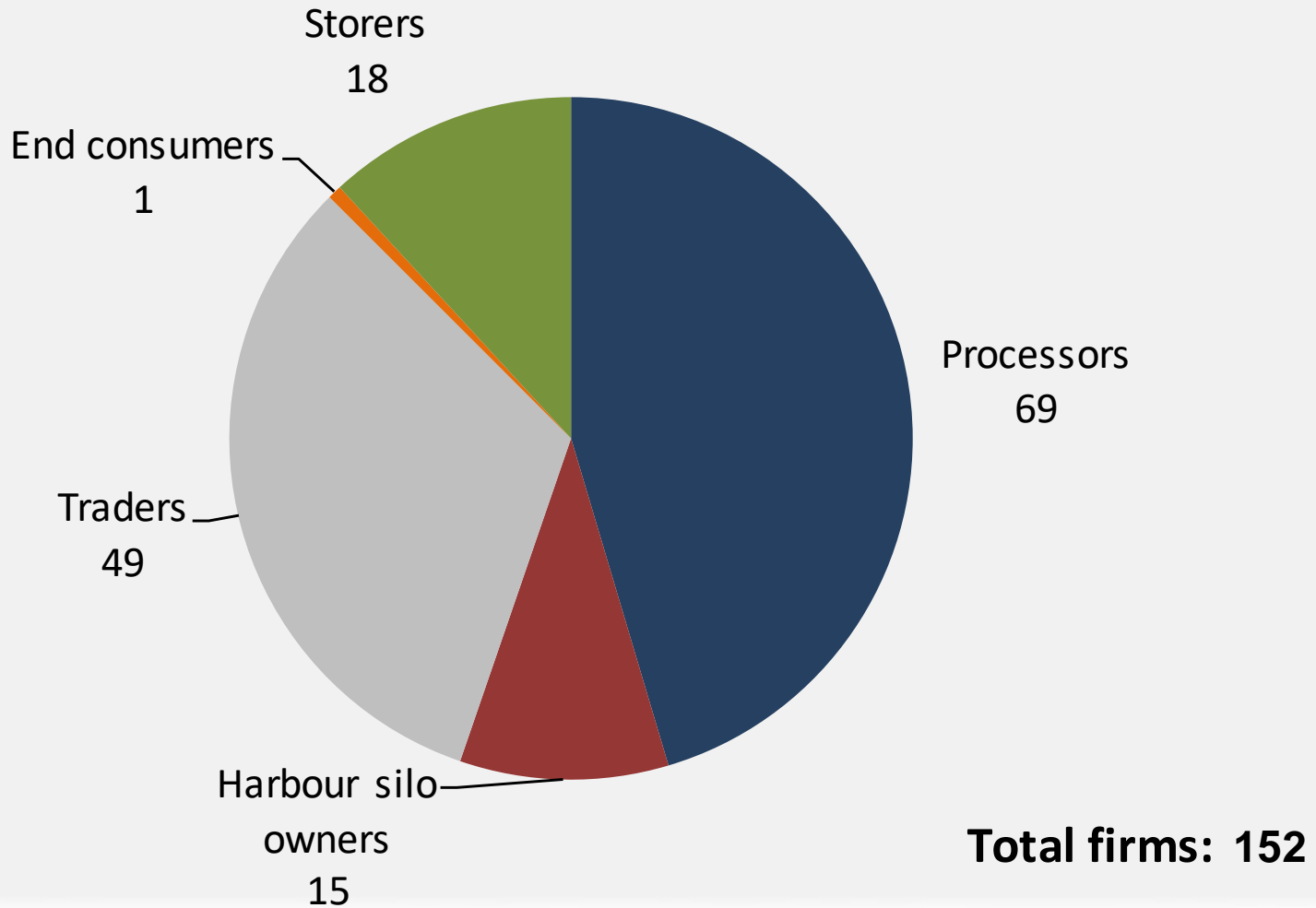


## Maize



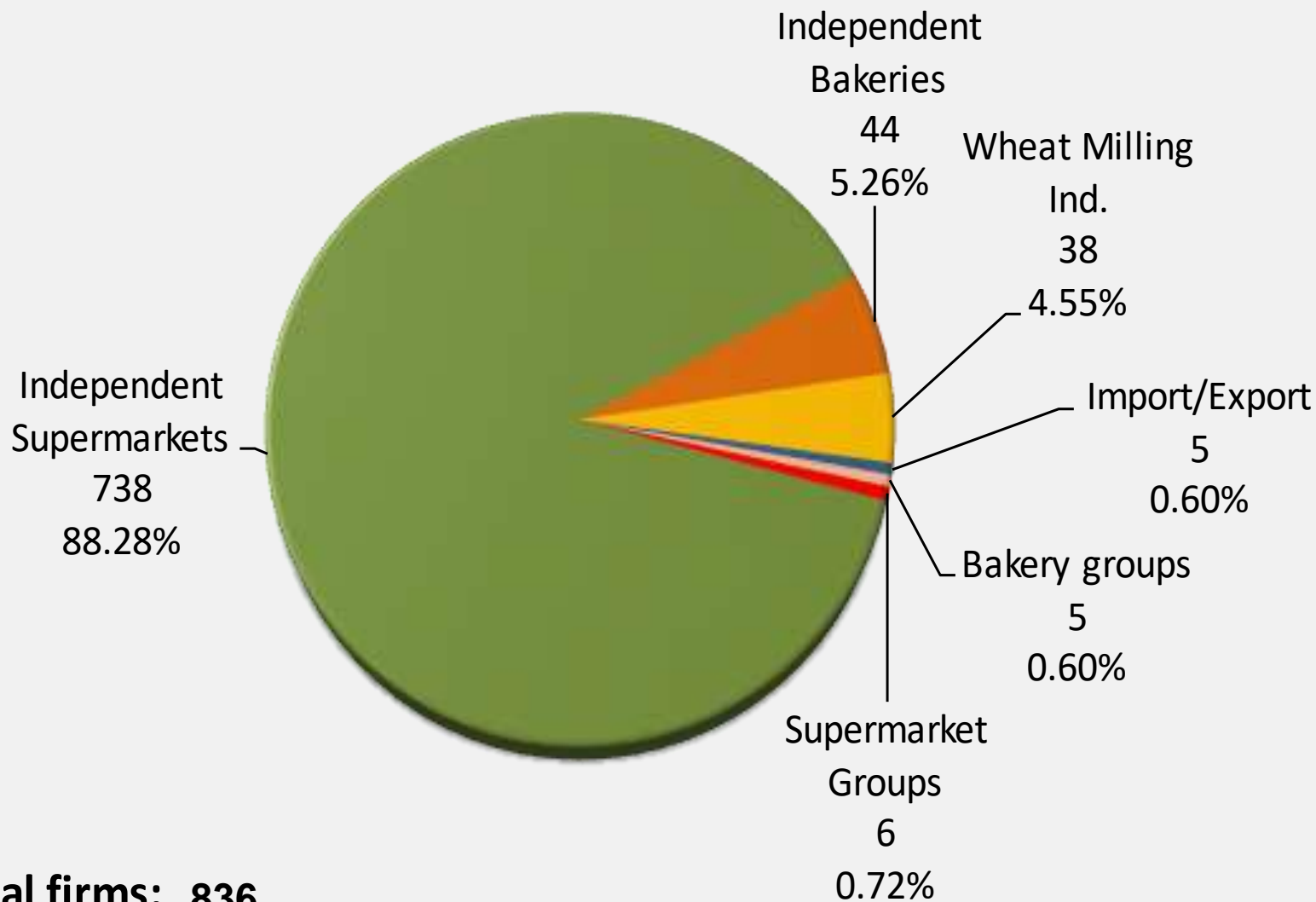
# Wheat: Co-workers (Whole Grain)

## Wheat: Firms registered with SAGIS (Whole Grain)





## Wheat: Firms registered with SAGIS (Products)



**Total firms: 836**

# 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

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### **Note:**

This presentation is available on SAGIS' website under Presentations

