



WHEAT FORUM

28 September 2021

Nico Hawkins
General Manager

Wheat Supply & Demand

(National & International) – Marketing season

	SAGIS	NAMC		USDA	
Marketing year	Oct - Sep			Jul - Jun	
	2020/21 Sep '20-Aug '21	Projection 2020/21	Projection 2021/21	Estimate 2020/21	Projection 2020/21
	'000t			'Mil ton	'Mil ton
Opening stocks	364.9	364.9	563.6	297.7	288.8
Production	2 062.5	2 079.0	2 046.1	775.8	776.9
Imports	1 409.5	1 580.0	1 500.0	194.3	196.4
Total use	3 090.1 ^(a)	3 347.8 ^(a)	3 383.0	777.3	784.9
Exports	109.2	123.0	130.0	201.6	198.2
Closing stocks	644.1 ^(b)	563.6 ^(b)	602.2	288.8	279.1

(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

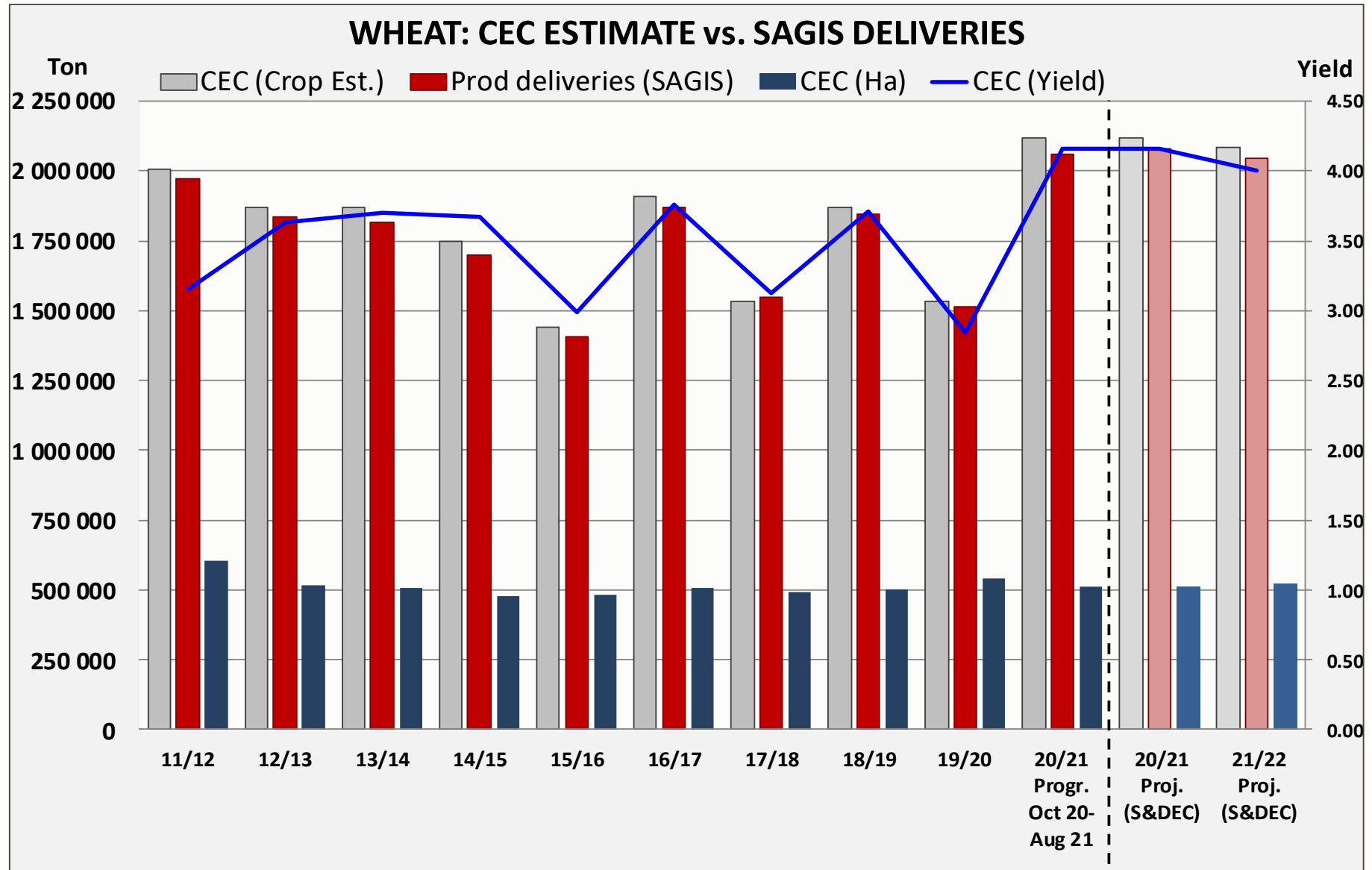
	2020/21 *	2019/20	2018/19
	Ton	Ton	Ton
CEC Production	2 120 000	1 535 000	1 868 000
Less Retentions	41 000	32 000	33 000
Total available	2 079 000	1 503 000	1 835 000
SAGIS Deliveries	2 062 456	1 513 300	1 847 171
Difference	16 544	-10 300	-12 171

* 2020/21: Final forecast

Source: SAGIS, CEC

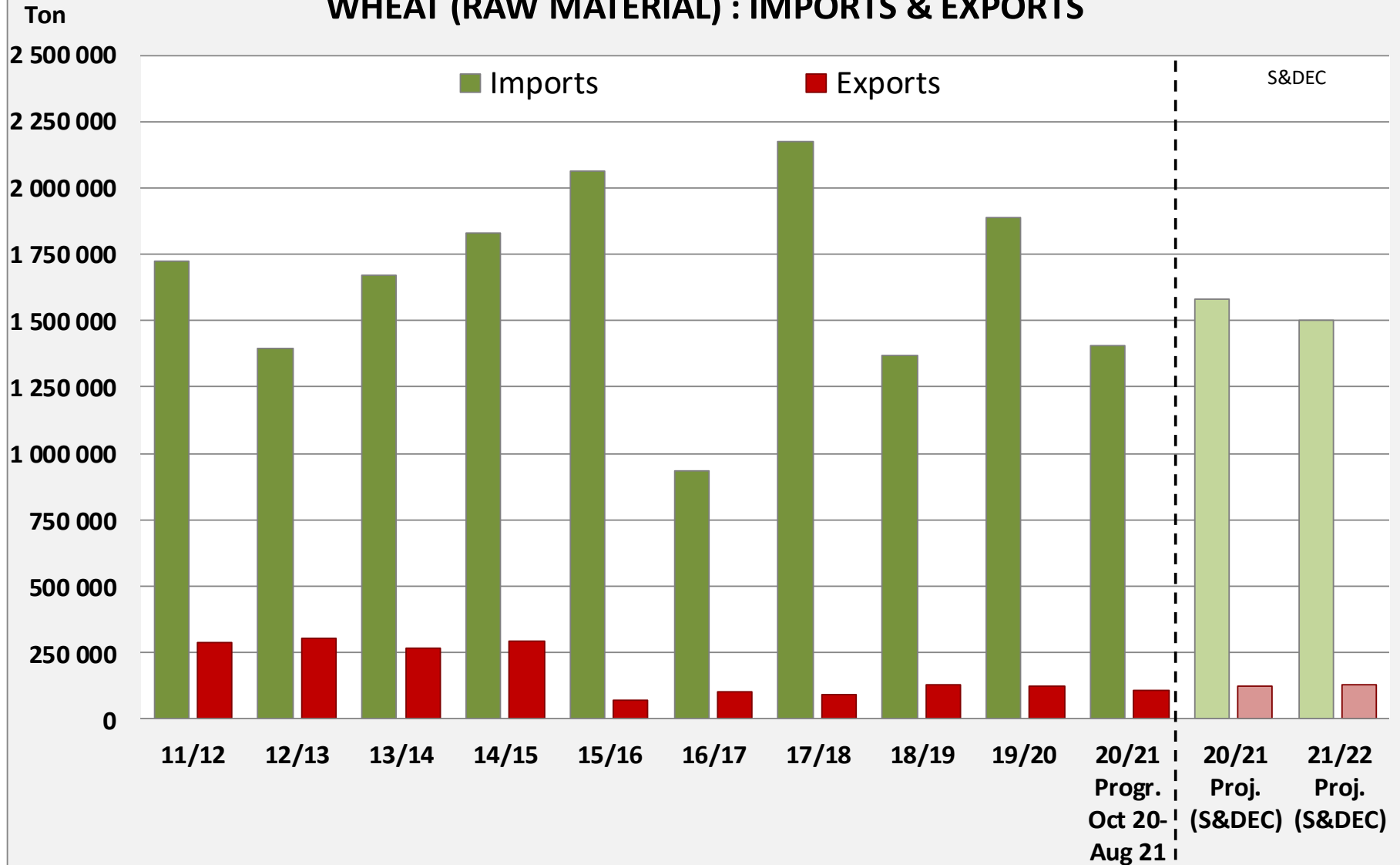


Wheat: CEC Estimate, Yield, Ha & SAGIS Deliveries



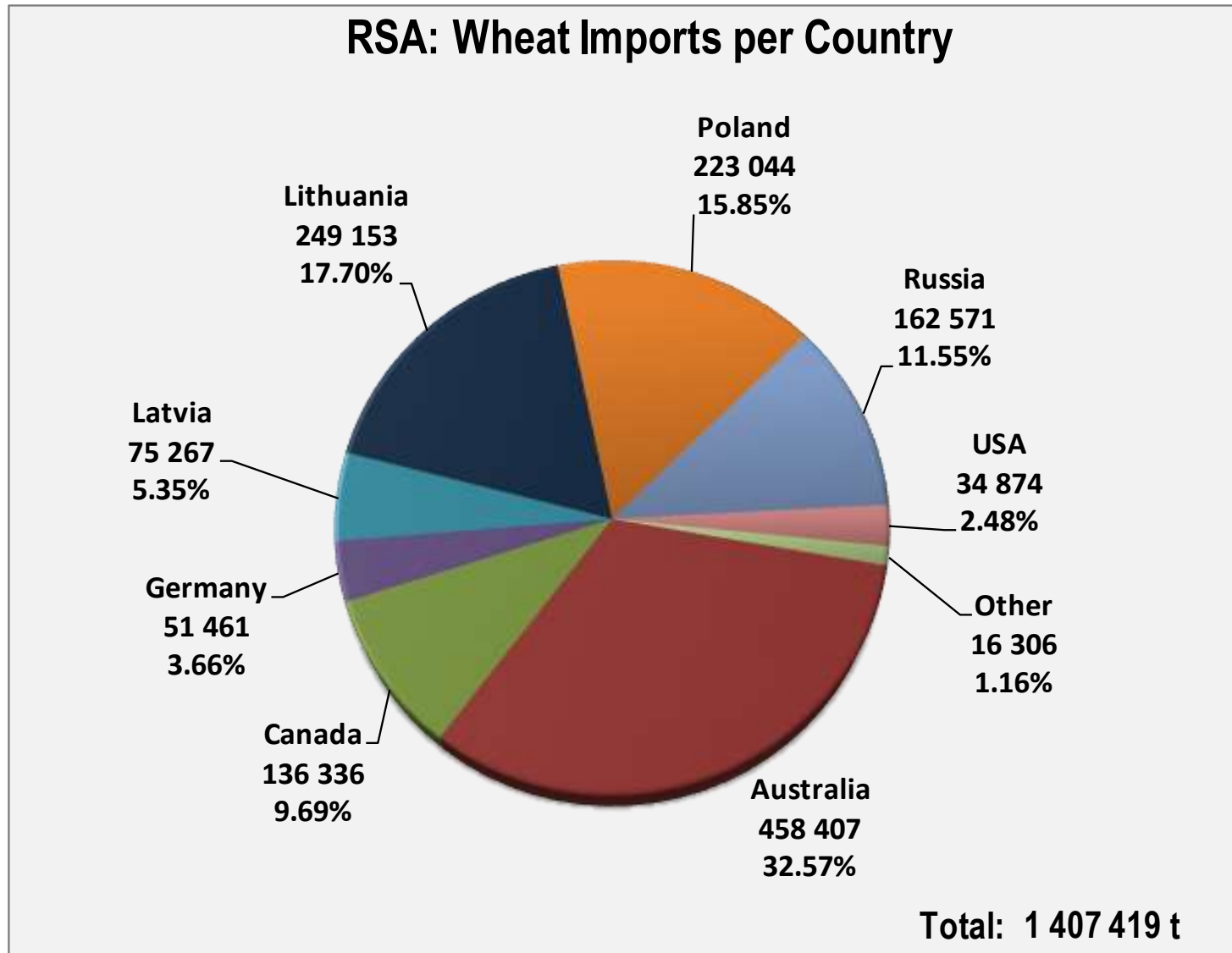
Wheat Imports & Exports (Raw material)

WHEAT (RAW MATERIAL) : IMPORTS & EXPORTS



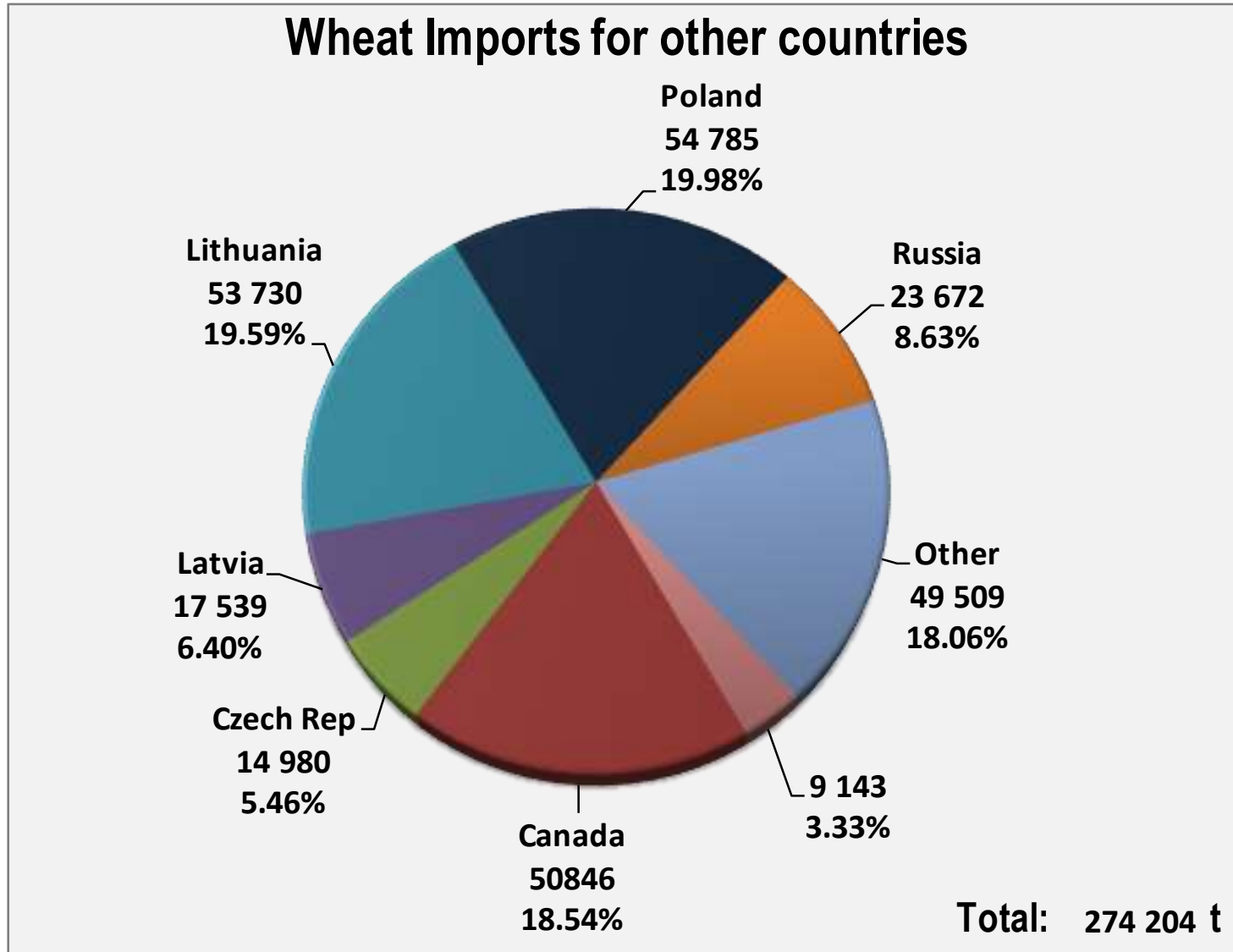
Wheat Imports: Major origin of imports

(2020/21: Progr. 1 Oct '20 – 17 Sep '21)



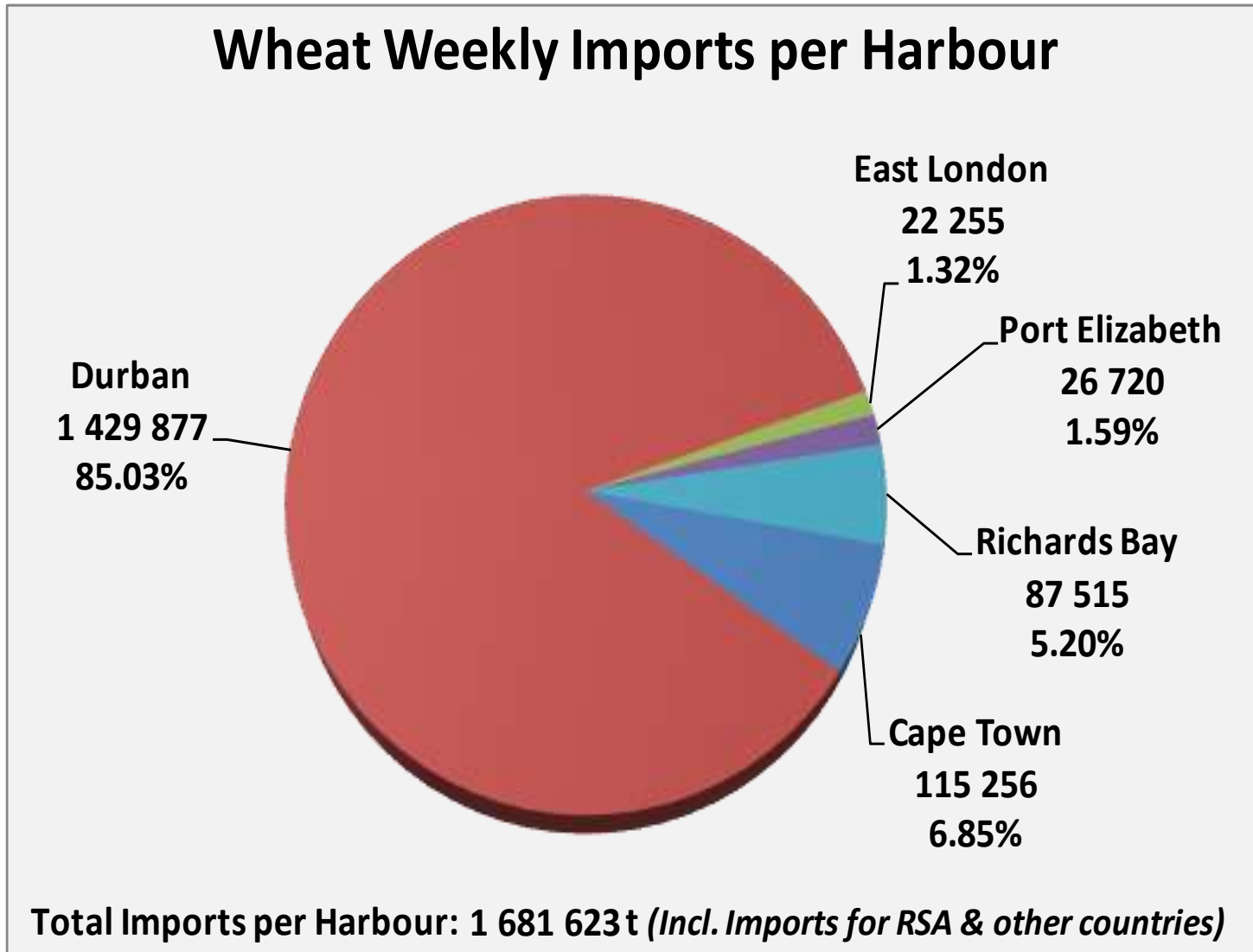
Wheat Imports for Other Countries

(2020/21: Progr. 1 Oct '20 – 17 Sep '21)



Wheat Imports per Harbour (RSA & Other countries)

(2020/21: Progr. 1 Oct '20 – 17 Sep '21)



Wheat Imports

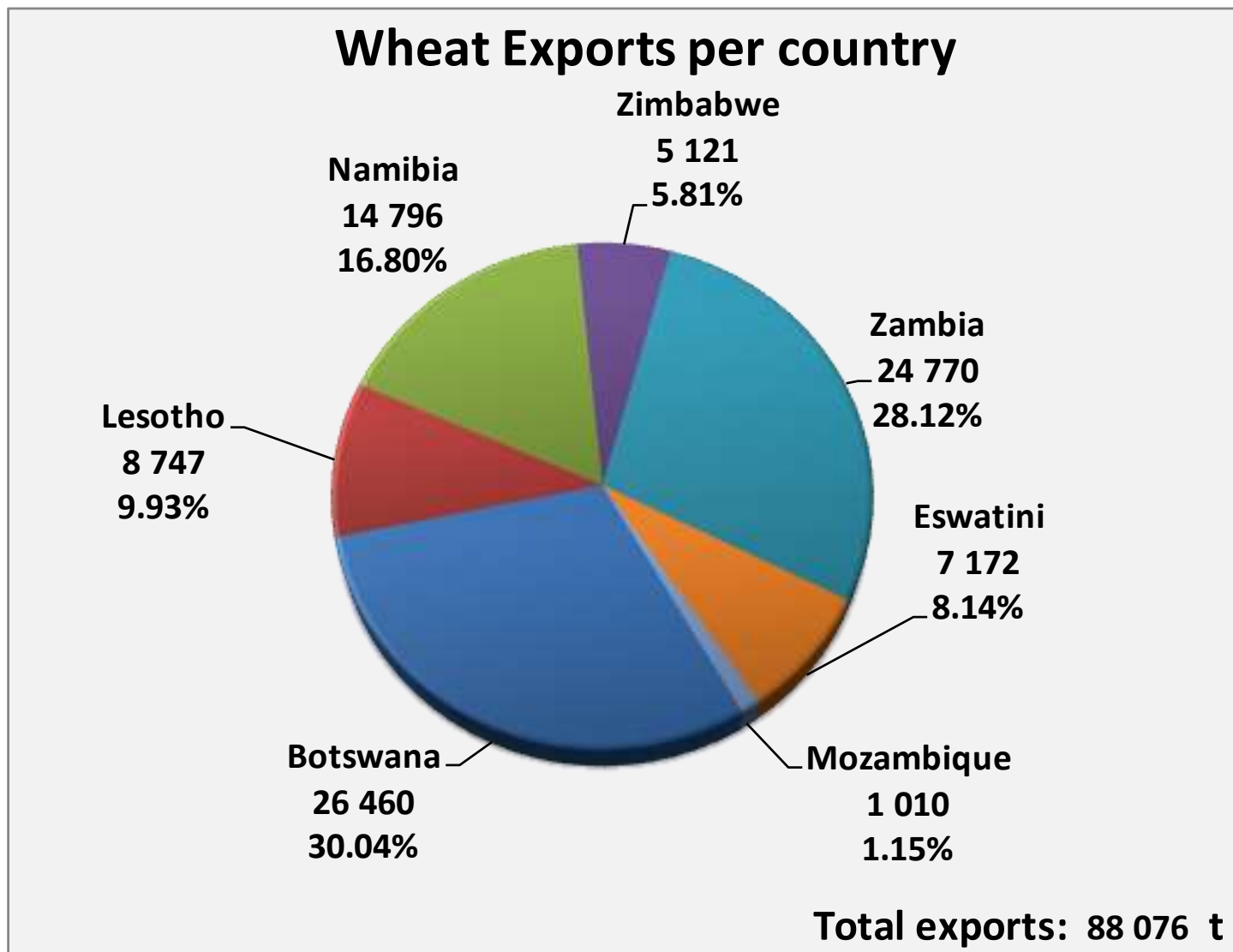
(2020/21: Progr. 1 Oct '20 – 31 Aug '21)

Wheat	Oct '20 - Aug '21 Progr. 11 months	Oct '19 - Sep '20
Total Imports (RSA + Other)	1 681 623 t	2 144 122 t
Number of Ships	47	52
Number of Countries	10	10
Number of Ports offloaded	5	5
Harbour facilities visited	155	207
Average per ship	35 779 t	41 233 t
Largest ship	Proud Unity - Lithuania 55 626 t	Doro - Russian Fed. 59 594 t
Smallest ship	Madison Eagle - Canada 6 627 t	Silverfjord - USA 8 764 t
Bussiest month	October '20 42	October '19 32

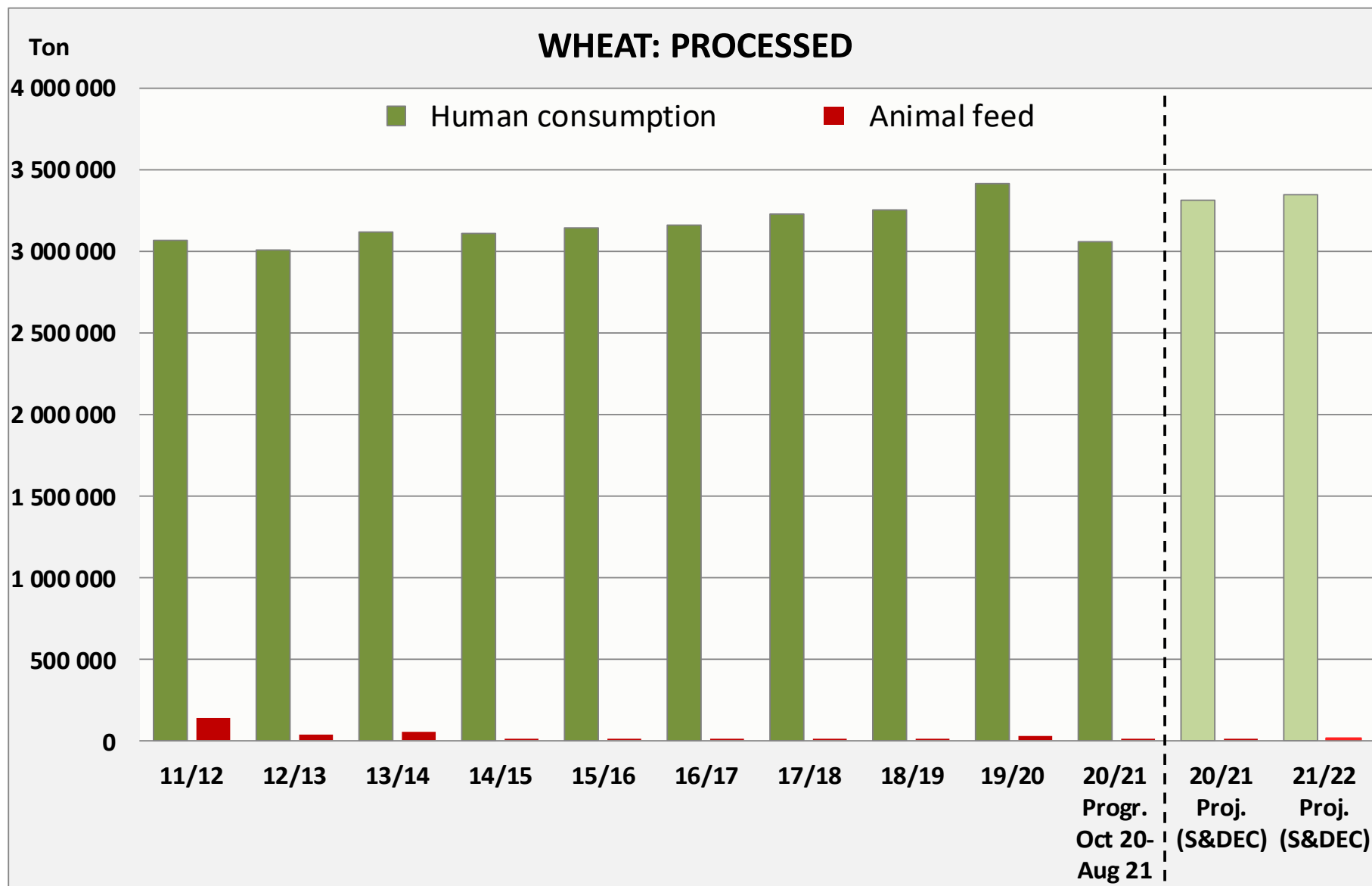


Wheat Exports: Export destinations

(2020/21: Progr. 1 Oct '20 – 17 Sep '21)

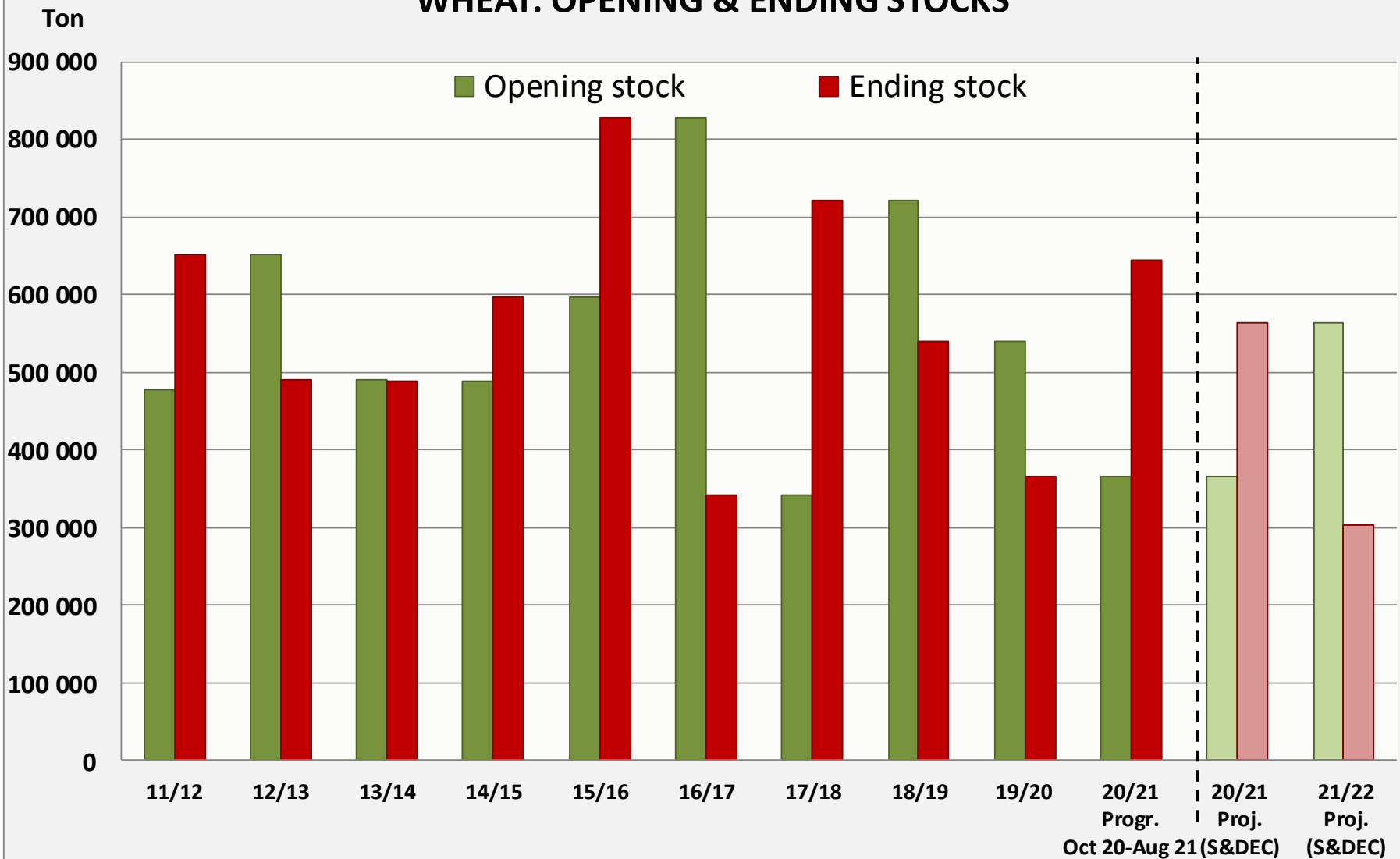


Wheat: Consumption



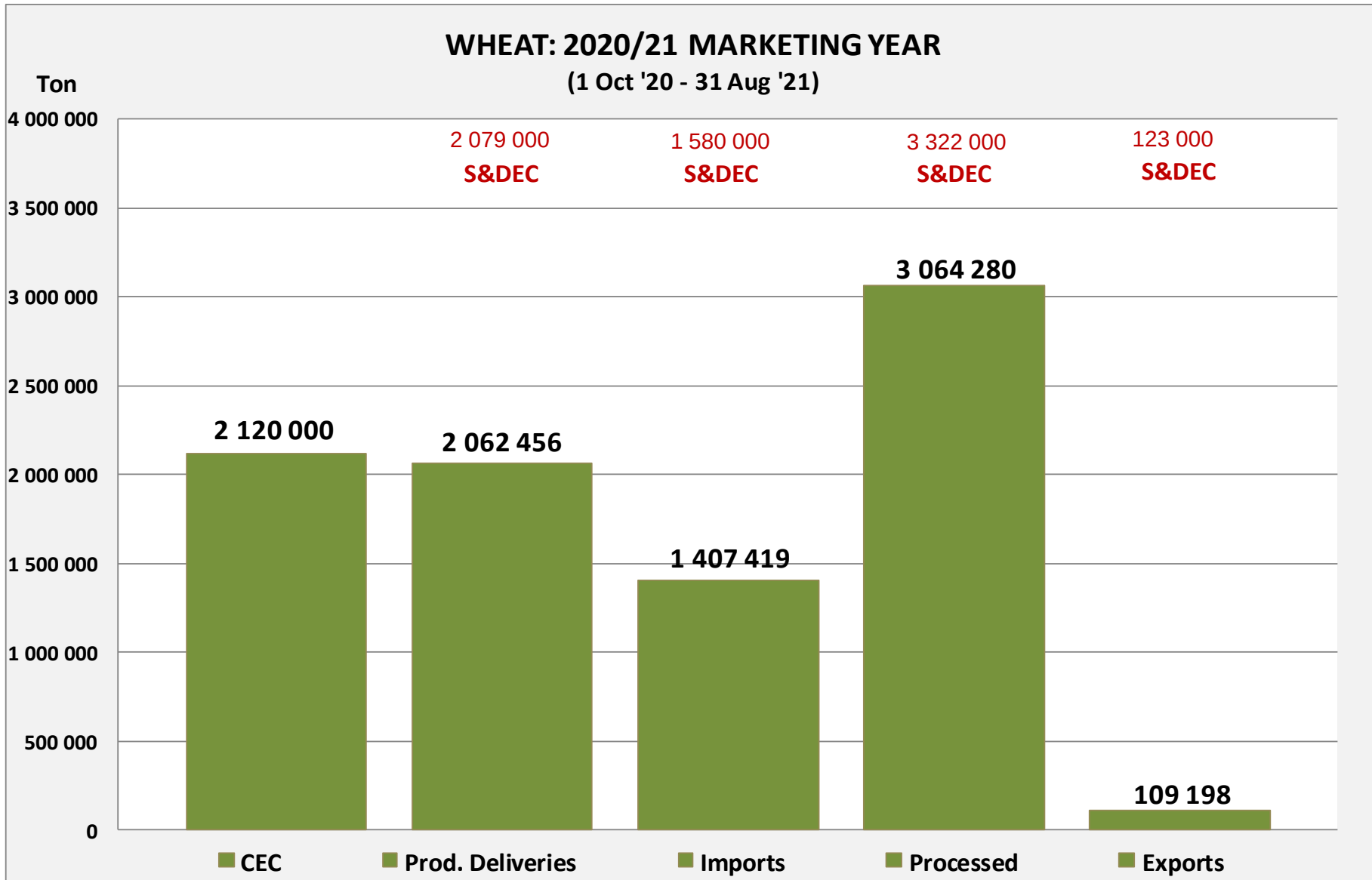
Wheat: Stocks

WHEAT: OPENING & ENDING STOCKS



Wheat: 2019/20 Marketing year

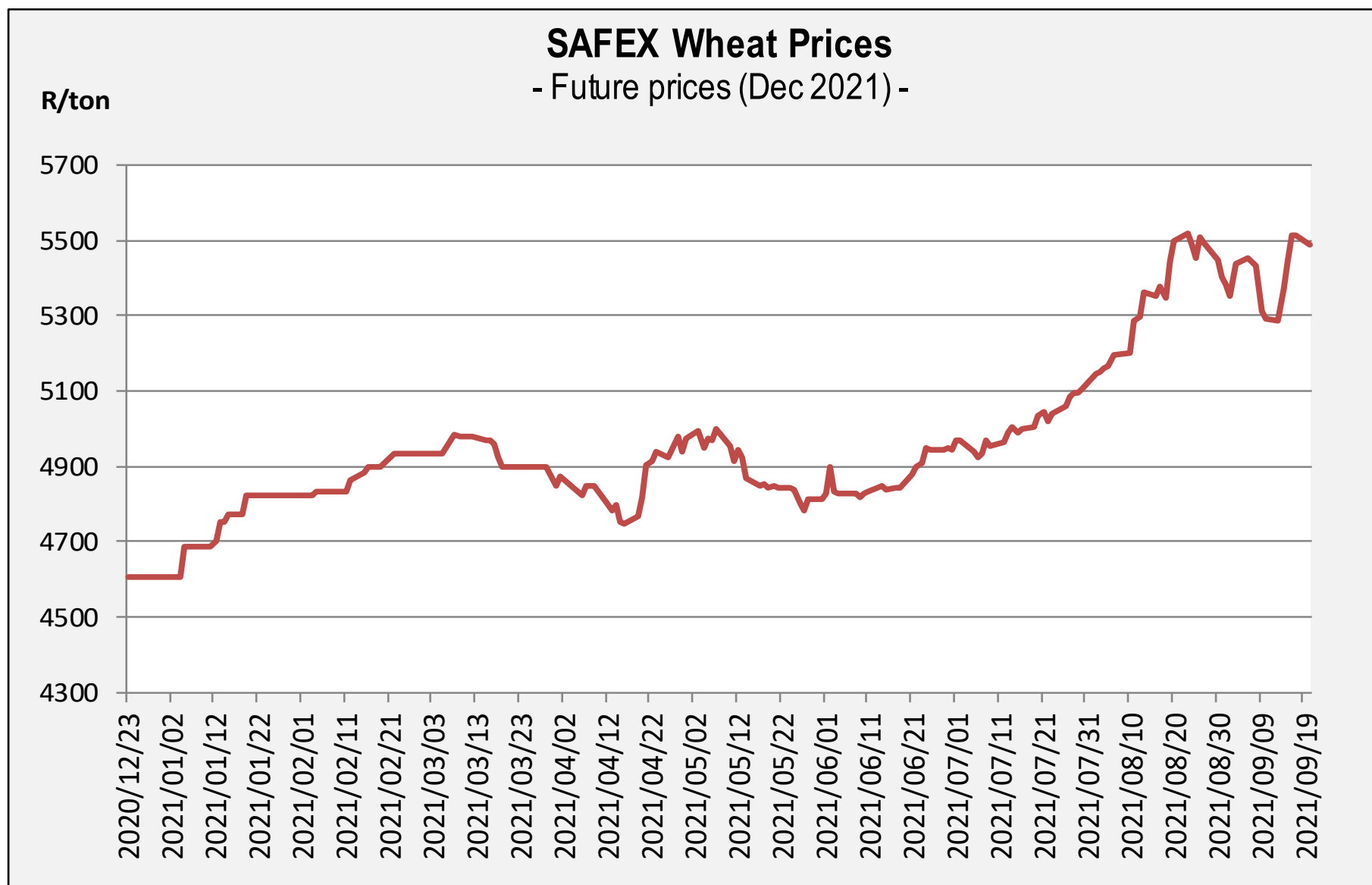
(Progr. 1 Oct '20 – 31 Aug '21)





Price movement

Wheat: Prices JSE nearby contract



Wheat: Price movements

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

	2021/09/20	% Month on Month	2021/08/20	% Year on Year	2020/10/20
	Price		Price		Price ^(a)
Dec 2021	5488.00	-0.22	5500.00	7.02	5128.00
Mar 2022	5593.00	-0.13	5600.00	7.06	5224.00

Source: SAFEX

Wheat: Price movements

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

	2021/09/20	% Month on Month	2021/08/20	% Year on Year	2020/10/20
	Price		Price		Price
Dec 2021	257.20	-0.28	257.94	22.59	209.80
Mar 2022	260.51	-0.92	262.94	22.66	212.38

Source: KCBT

Indicative **Import** parity prices

2021/09/21	US HRW	US DNS	Argentine Trigo Pan	EU Germany B quality	Russia 0.13
	\$/t	\$/t	\$/t	\$/t	\$/t
FOB value	338.00	400.00	292.00	307.00	307.00
Freight rates	48.00	48.00	51.00	43.00	53.00
Insurance (0.3% of FOB)	1.01	1.20	0.88	0.92	0.92
COST, INSURANCE & FREIGHT (CIF) \$/t	387.01	449.20	343.88	350.92	360.92
<i>Converted to R/t</i>					
R/\$ Exchange rate on: 2021/09/21	14.7524	14.7524	14.7524	14.7524	14.7524
	R/t	R/t	R/t	R/t	R/t
COST, INSURANCE & FREIGHT (CIF)	5 709.33	6 626.78	5 073.06	5 176.91	5 324.44
Financing cost	32.85	38.13	29.19	29.78	30.63
COST, INSURANCE, FREIGHT & FINANCING	5 742.18	6 664.91	5 102.25	5 206.69	5 355.07
Discharging cost					
Durban (Mainly spout method)	204.95	204.95	204.95	204.95	204.95
Import tariff on Wheat	0.00	0.00	0.00	0.00	0.00
FREE ON RAIL (FOR)					
Durban harbour	5 947.13	6 869.86	5 307.20	5 411.64	5 560.02
Railage cost Durban to Randfontein	239.70	239.70	239.70	239.70	239.70
Delivered Durban to Randfontein	6 186.83	7 109.56	5 546.90	5 651.34	5 799.72
SAFEX spot price (2021/09/20)	6 575.00	6 575.00	6 575.00	6 575.00	6 575.00

Wheat: Price movements

Indicative **Export** parity prices

2021/09/21	US HRW Wheat Gulf	US DNS 14% Wheat PNW
	Oct '21	Oct '21
	\$/t	\$/t
FOB Gulf value	338.00	400.00
SA fob price	338.00	400.00
R/\$ Exchange rate on: 2021/09/21	14.7524	14.7524
	R/t	R/t
FOB Gulf value	4 986.31	5 900.96
Marketing costs:		
Financing (Prime rate 10.25% - 30 days)	28.69	33.95
Railage:		
Randfontein – Durban harbour	239.70	239.70
Loading costs:		
Durban Harbour (Mainly spout method)	214.95	214.95
Export realisation		
Randfontein	4 502.97	5 412.36
SAFEX spot price (2021/09/20)	6 575.00	6 575.00



Wheat: Price movements

SARS FOB prices

(2020/21: Progr. 1 Oct '20 – 31 Jul '21)

Wheat - Other 1001.99		2020/21 Progr. Oct-Jul	2019/20	2018/19
Imports	Quantity (Ton)	1 318 761	2 115 937	1 958 306
Total value of imports	FOB value (R'000)	5 330 388	7 655 101	6 096 325
Value per ton	FOB R/Ton	4 041.97	3 617.83	3 113.06

Source: SARS

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

Wheat Other: 1001.99

(2020/21:

Progr.1 Oct '20 – 31 Jul '21)

Country	Ton	FOB value R'000	FOB Rand/ton
Australia	511 831.250	2 064 082.21	4 032.74
Botswana	0.002	0.02	9 821.43
Canada	94 945.711	397 381.56	4 185.36
China	0.030	0.16	5 166.67
Czech Republic	26 479.479	106 410.15	4 018.59
Eswatini	0.007	0.09	13 846.15
Germany	56 553.744	228 367.71	4 038.07
India	5.400	67.41	12 483.52
Latvia	178 881.500	706 302.37	3 948.44
Lithuania	182 901.841	730 339.07	3 993.07
Namibia	0.080	0.54	6 750.00
New Zealand	0.002	0.30	148 500.00
Poland	171 972.188	702 847.46	4 086.98
Russian Federation	73 289.697	296 043.62	4 039.36
Saudi Arabia	0.010	0.04	4 400.00
United Kingdom	0.069	5.18	74 586.03
United States	21 900.046	98 497.79	4 497.61
Zimbabwe	0.300	42.02	140 056.67
Total	1 318 761.355	5 330 387.668	4 041.97

Progr. Oct '20 - Jul '21

Source: SARS



Wheat: Price movements

SARS FOB prices

(2020/21: Progr. 1 Oct 20 – 31 Jul '21)

Wheat - Other 1001.99		2020/21 Progr. Oct-Jul	2019/20	2018/19
Exports	Quantity (Ton)	131 681	158 514	105 530
Total value of exports	FOB value (R'000)	729 119	751 056	502 983
Value per ton	FOB R/Ton	5 537.00	4 738.10	4 766.26

Source: SARS

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

Wheat Other: 1001.99

(2020/21: Progr. 1 Oct '20 – 31 Jul '21)

Country	Ton	FOB value R'000	FOB Rand/ton
Botswana	18 888.672	126 905.23	6 718.59
Eswatini	30 941.369	157 876.63	5 102.44
Kenya	44.728	1 069.51	23 911.34
Lesotho	7 276.594	35 447.38	4 871.42
Malawi	4.000	517.46	129 364.00
Mozambique	2 787.480	12 564.43	4 507.45
Namibia	7 652.795	47 410.52	6 195.19
Unknown	212.840	1 158.13	5 441.32
Zambia	24 964.955	116 540.20	4 668.15
Zimbabwe	38 907.846	229 629.80	5 901.89
Total	131 681.280	729 119.284	5 537.00

Progr. Oct '20 - Jul '21

Source: SARS

Products



Wheat Products (Manufactured, Imported & Exported)

(12 months : Aug '20 – Jul '21)

Wheaten Products	12 months: Aug '20 - Jul '21			
	Manufactured	Imported	Exported	% of Total
	Tons			Manufactured
Cake Flour	980 867	3 939	1 878	29.0
Self-Raising Flour	18 397	25	4 390	0.5
White Bread Flour	1 240 785	10 354	4 368	36.7
Brown Bread Flour	327 371	7 017	11 188	9.7
Other Flour (Industrial)	117 965	0	31	3.5
Whole Wheat Meal	6 906	0	13	0.2
Bran	682 846	7 520	34	20.2
Semolina	4 532	0	7	0.1
Total	3 379 669	28 855	21 909	100.0
		Whole wheat milled = <i>Processed for human consumption</i> <i>Processed for gristing</i> <i>Product exports</i>		
Whole Wheat Milled	3 368 852			
Diff's milled and products	-10 817			
% Bran	20			



Wheaten Products: Per Capita Consumption

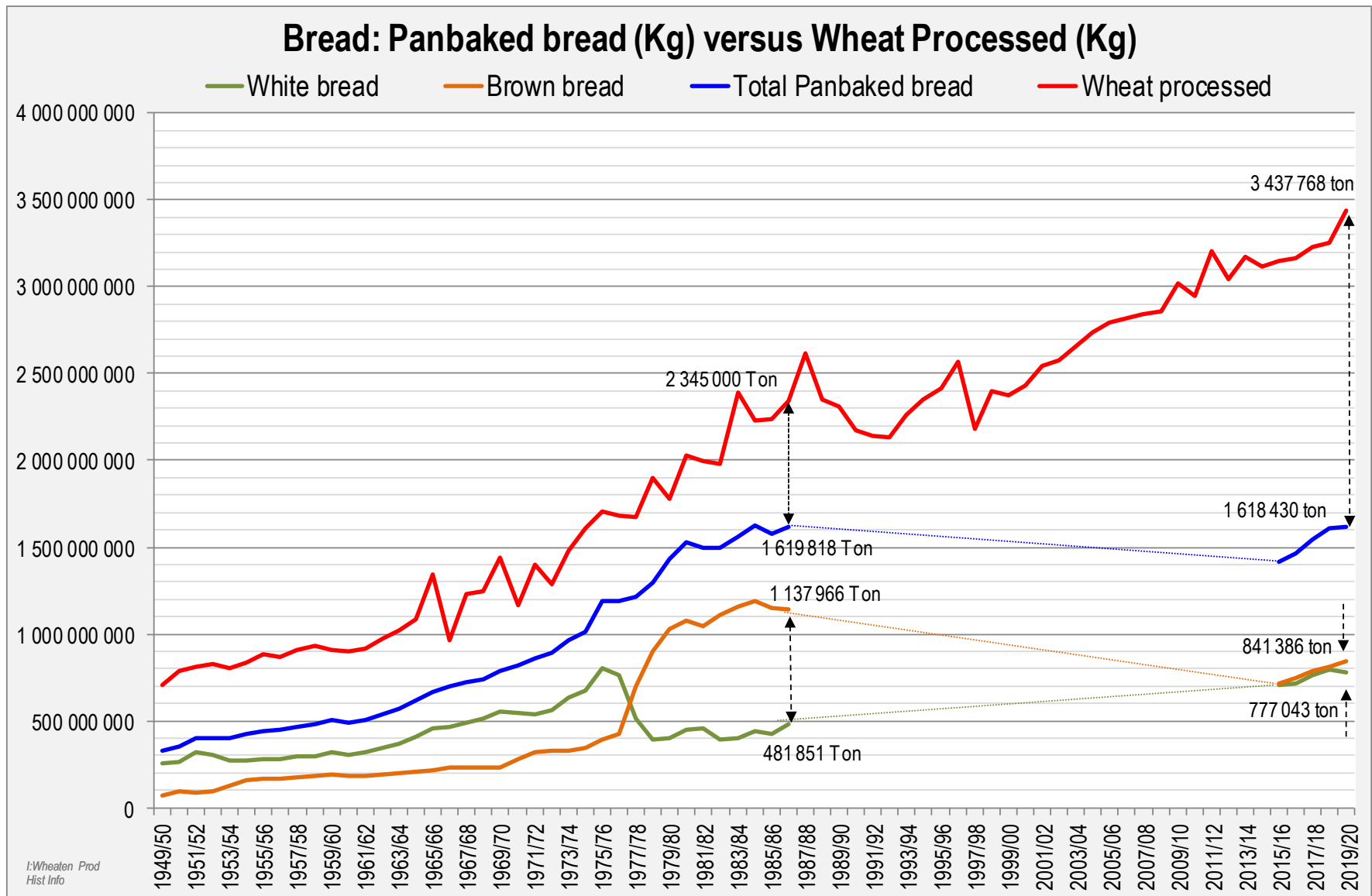
(12 months: Aug '20 – Jul '21)

Per capita consumption	Total Wheaten products	Total Pan baked bread	Total Maize products	Total Oilseeds products
12 months (1 Aug '20 - 31 Jul '21)				
	Ton	Kg	Ton	Ton
Manufactured	3 379 669	2 378 739 984	3 828 568	2 250 585
+ Imports	28 855		5 727	1 136 282
- Exports	-21 909		-183 403	-90 831
Total "consumed"	3 386 615	2 378 739 984	3 650 892	3 296 036
Total population	59 622 000	59 622 000	59 622 000	59 622 000
	Kg	Kg	Kg	Kg
Per capita consumption (Kg)	56.80	39.90	61.23	55.28

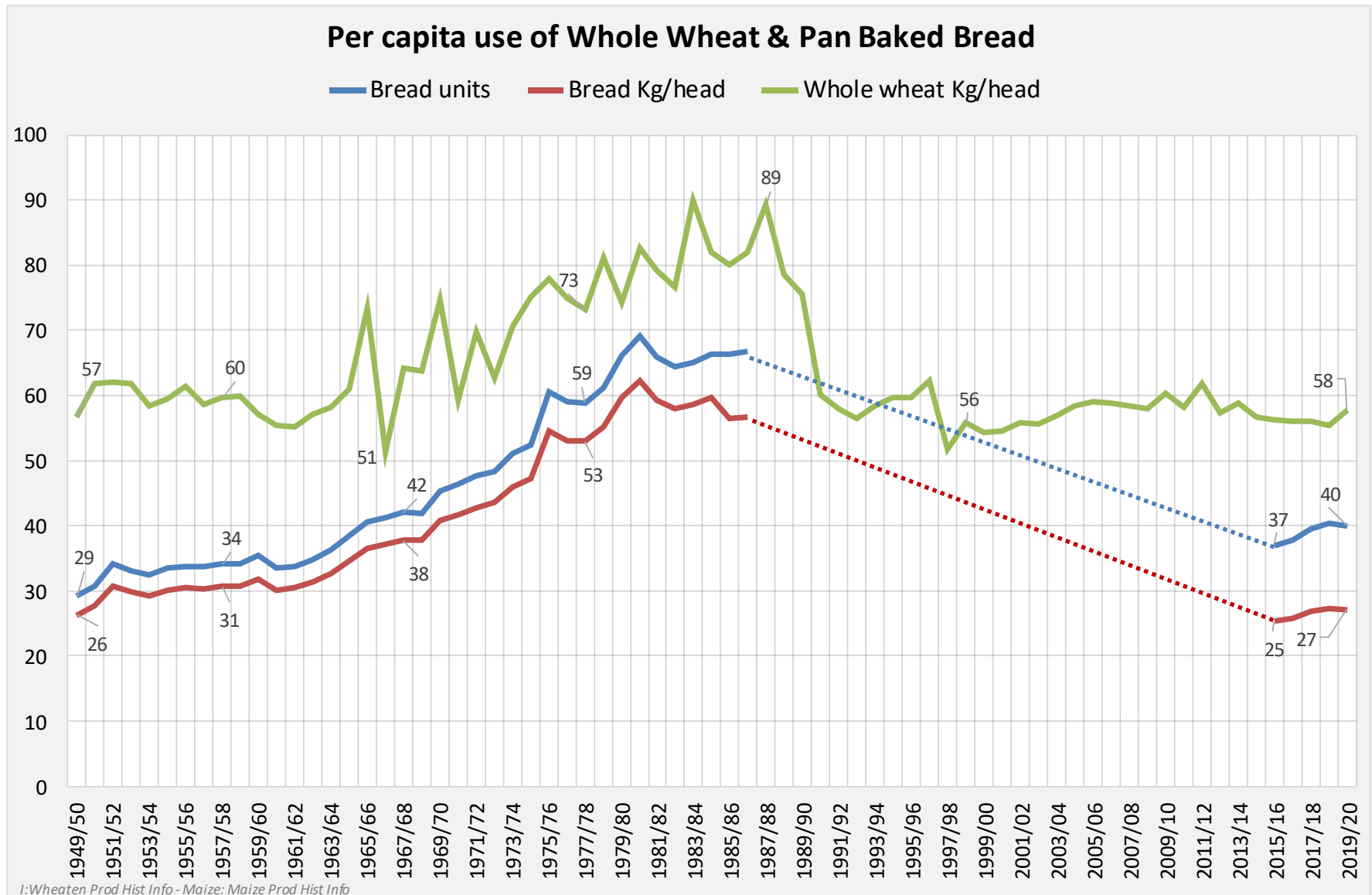
Note: Maize = Total less chop



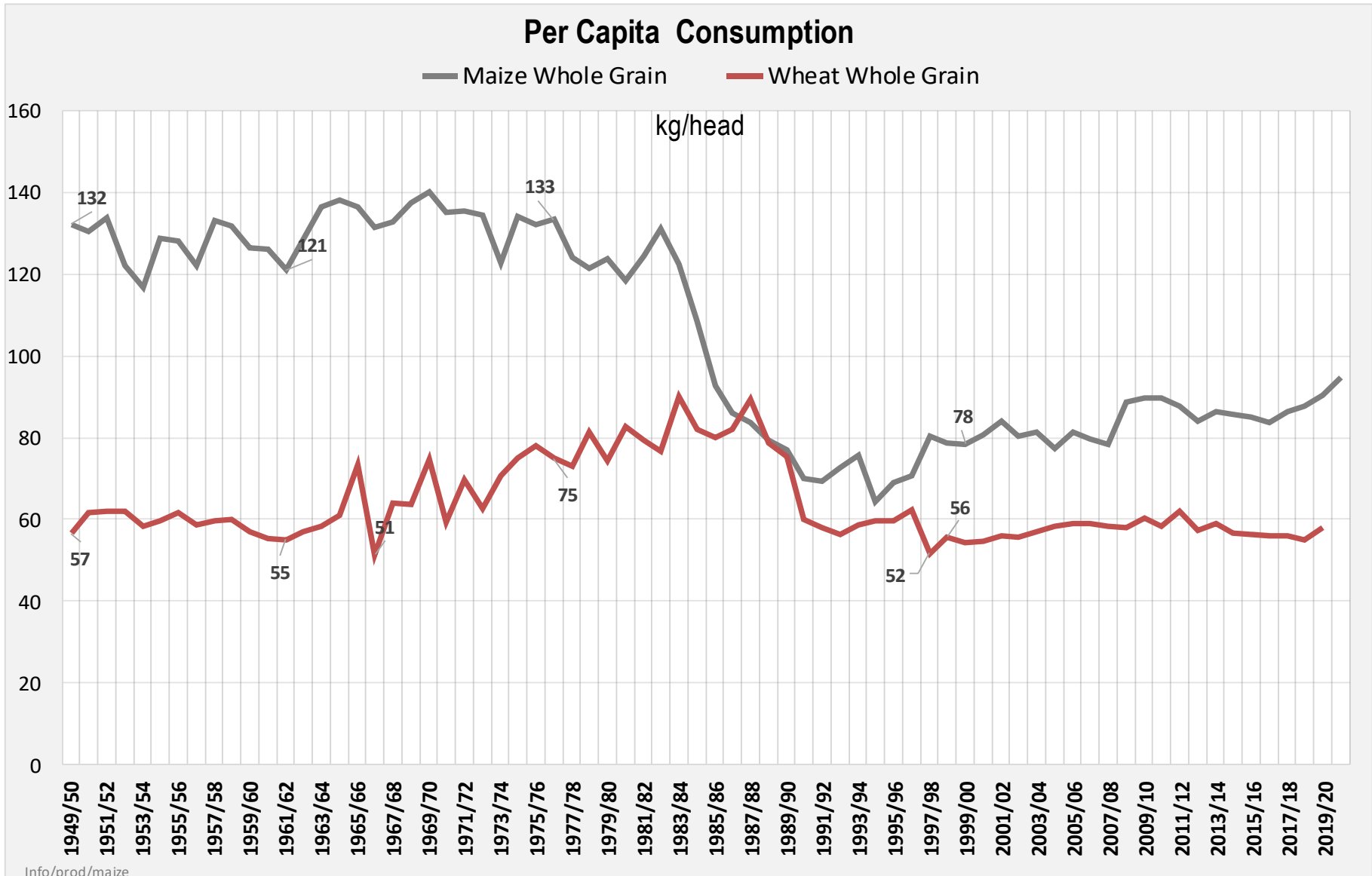
Panbaked bread vs Wheat Processed: Historic Info (1949/50 – 2019/20)



Historic Info: Per capita use of whole wheat & pan baked bread (1949/50 – 2019/20)



Historic Info: Wheat vs Maize : Whole Grain per capita consumption (1949/50 – 2020/21)



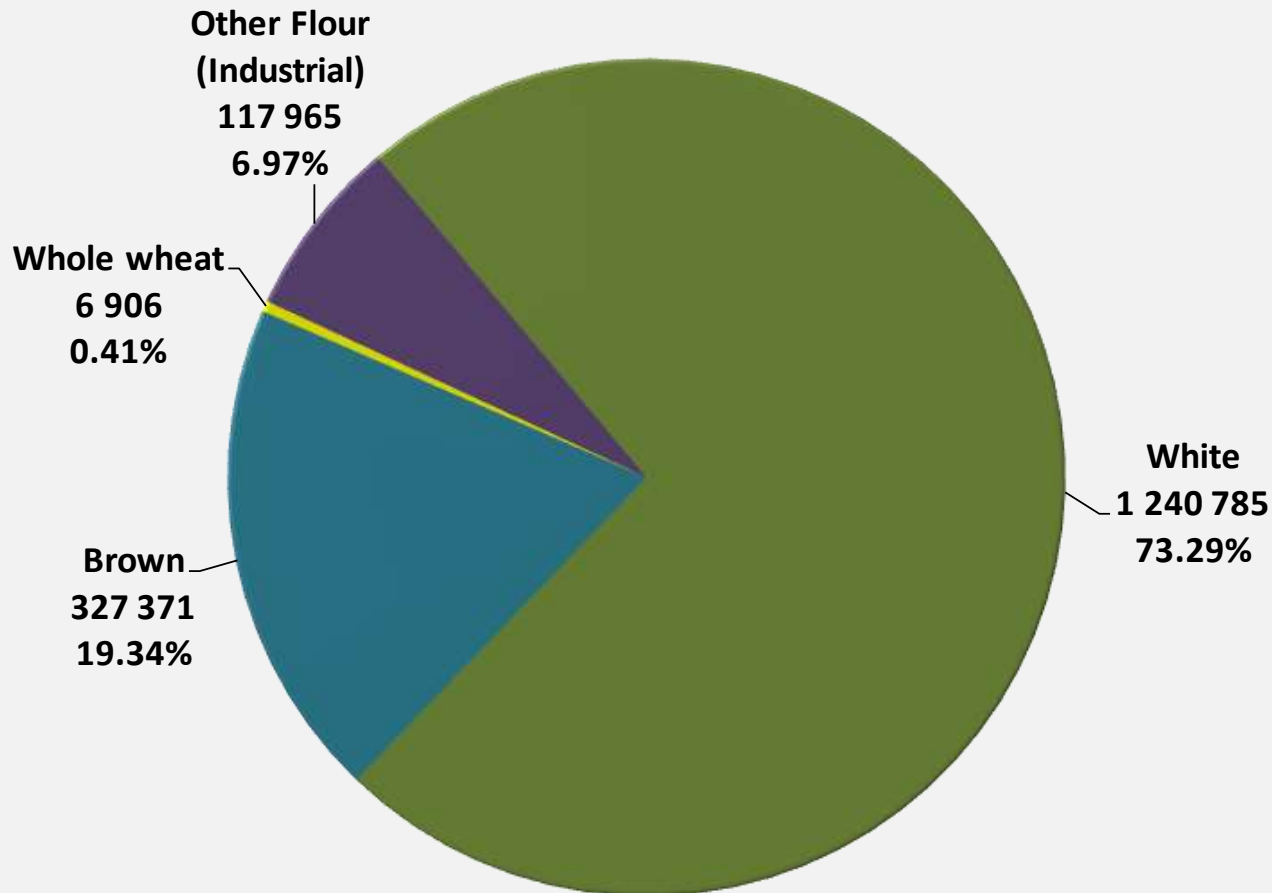
Wheaten Products : Bread Flour (Ton)

(12 months: Aug '20 – Jul '21)

Bread Flour

Aug '20 - Jul '21

- Ton -



Total: Bread Flour: 1 693 027 ton

Wheaten Products: Pan baked bread (Units)

(12 months:
Aug '20 – Jul '21)

Pan baked bread manufactured	12 months Aug '20 - Jul '21	% of Total
	Units	
WHITE BREAD		
400g	1 904 534	0.1
600g	243 406 071	10.2
700g	896 878 123	37.7
Other	9 113 038	0.4
White Bread (Total Units)	1 151 301 766	48.4
BROWN BREAD		
400g	366 231	0.0
600g	370 191 904	15.6
700g	814 929 990	34.3
Other	14 646 219	0.6
Brown Bread (Total Units)	1 200 134 344	50.5
WHOLE WHEAT		
400g	11 216	0.0
600g	541 986	0.0
700g	5 513 292	0.2
Other	19 893 891	0.8
Whole Wheat (Total Units)	25 960 385	1.1
OTHER		
400g	26 592	0.0
600g	126 623	0.0
700g	80 052	0.0
Other	1 110 222	0.0
Other (Total Units)	1 343 489	0.1
Total	2 378 739 984	100.0

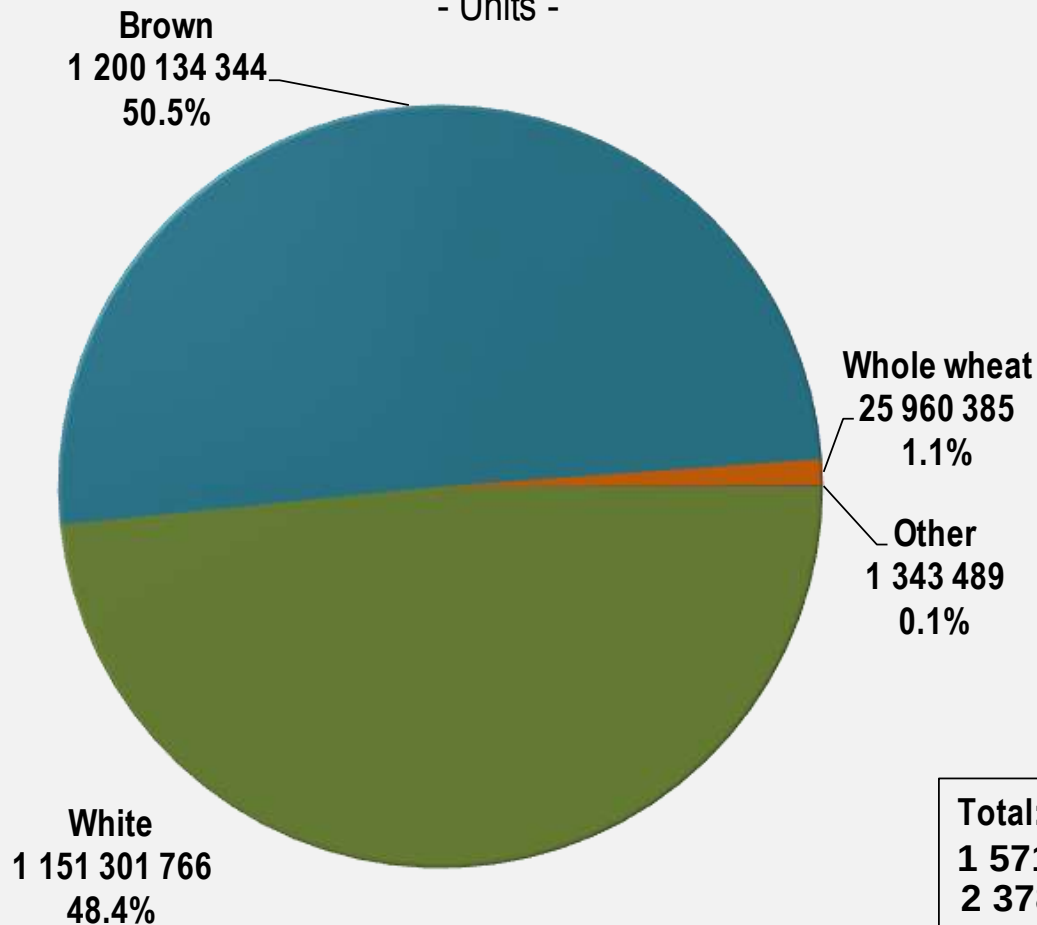
Wheaten Products: Pan baked bread per type

(12 months: Aug '20 – Jul '21)

Pan Baked Bread per type

Aug '20 - Jul '21

- Units -



Wheat: Price movements

Wheaten products: Year on year price changes

		August				
		2021	% Year on Year	2020	% Year on Year	2019
		Price R		Price R		Price R
White Bread	700g	15.30	-0.52	15.38	11.85	13.75
Brown Bread	700g	12.63	-7.13	13.60	8.97	12.48
Cake Flour	2.5kg	29.65	4.11	28.48	13.24	25.15
Bread Flour	2.5kg	35.53	-1.31	36.00	28.53	28.01

Source: SA Stats

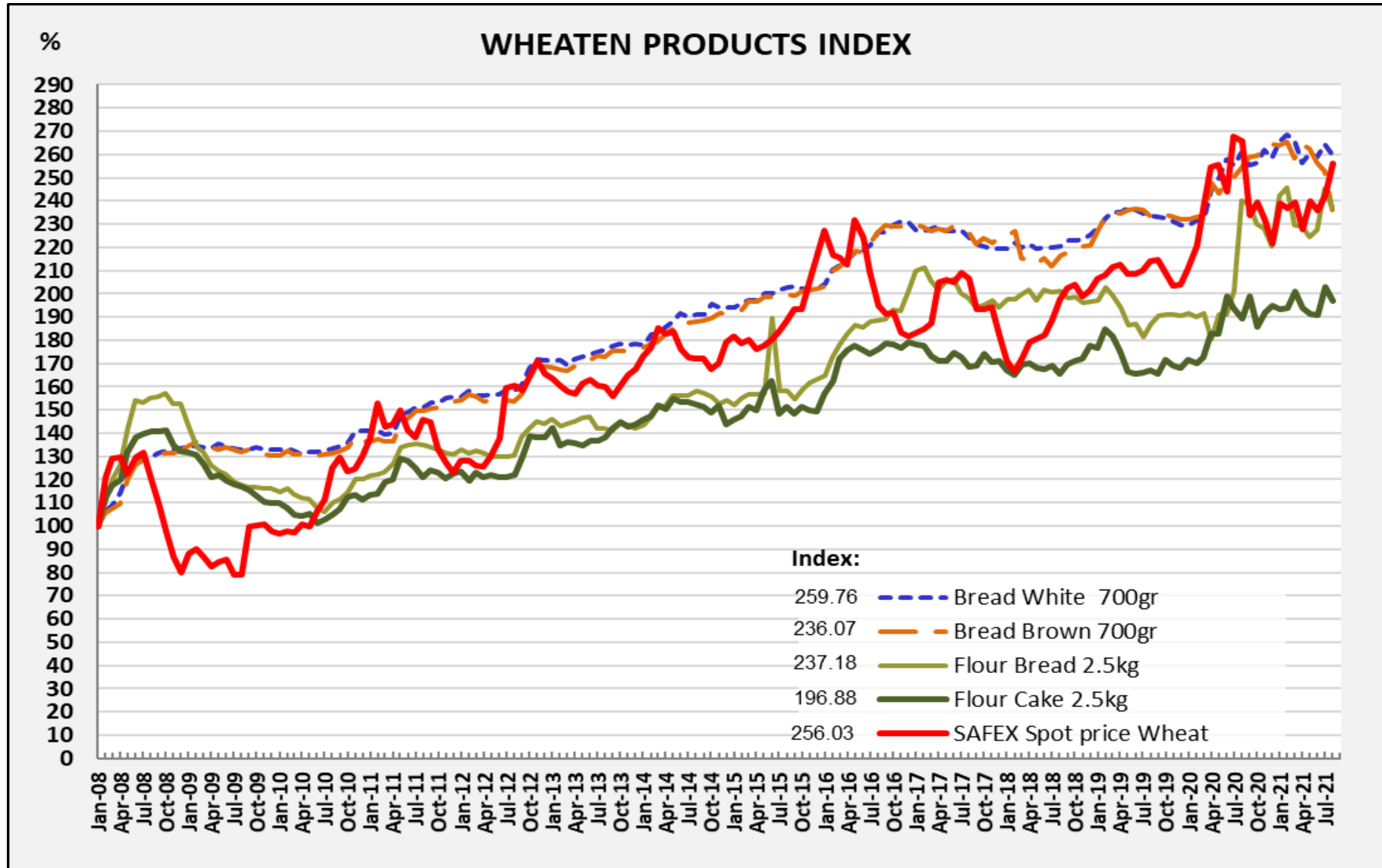


The South Africa I know, the home I understand



Wheaten products: Price movement Index

(Jan '08 – Aug '21)

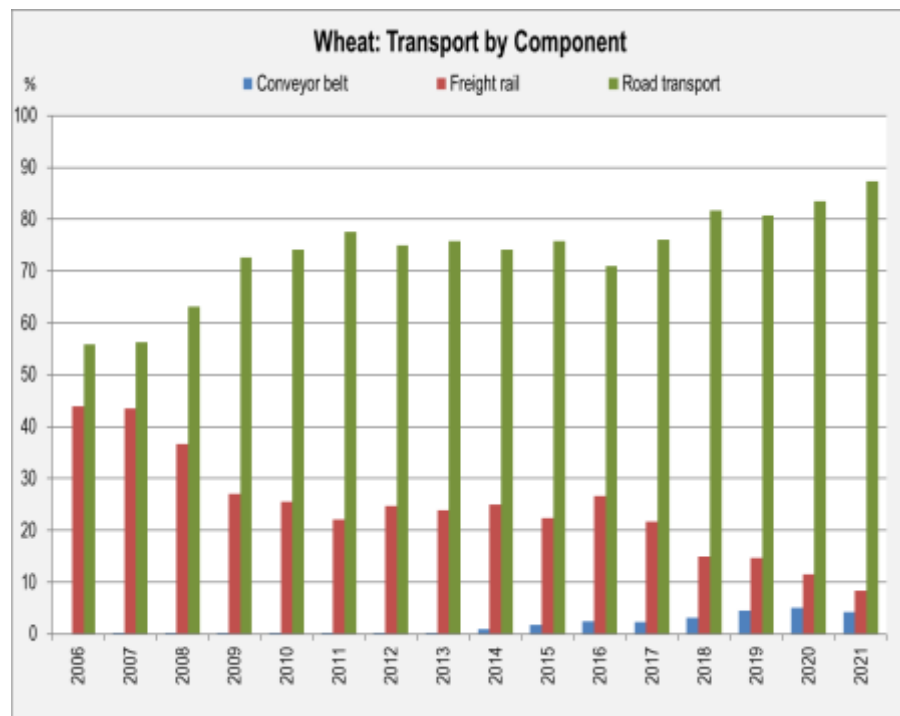


General

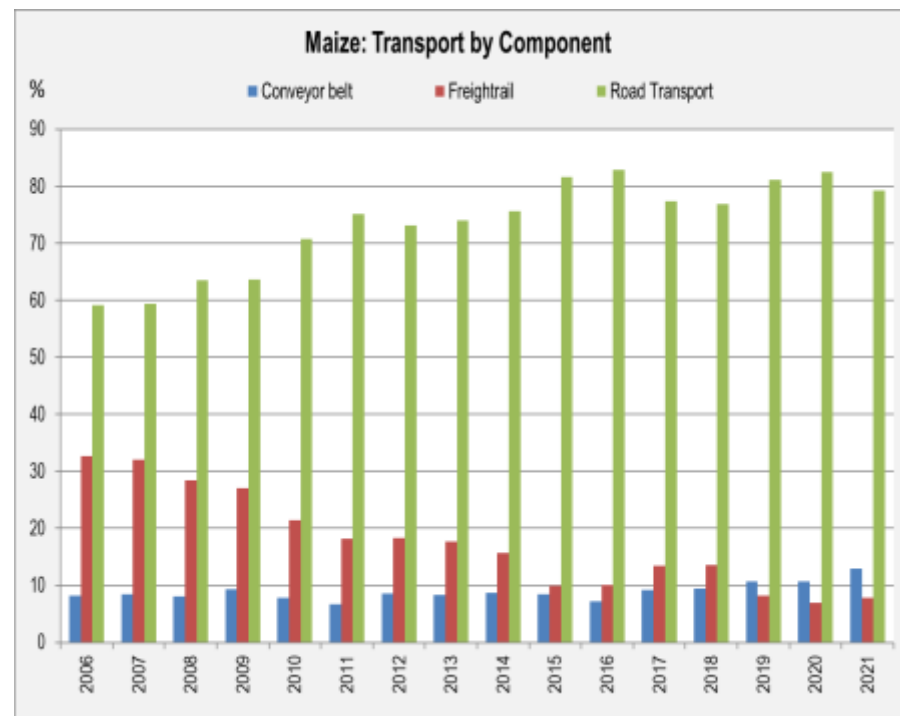


Transport by Component

Wheat

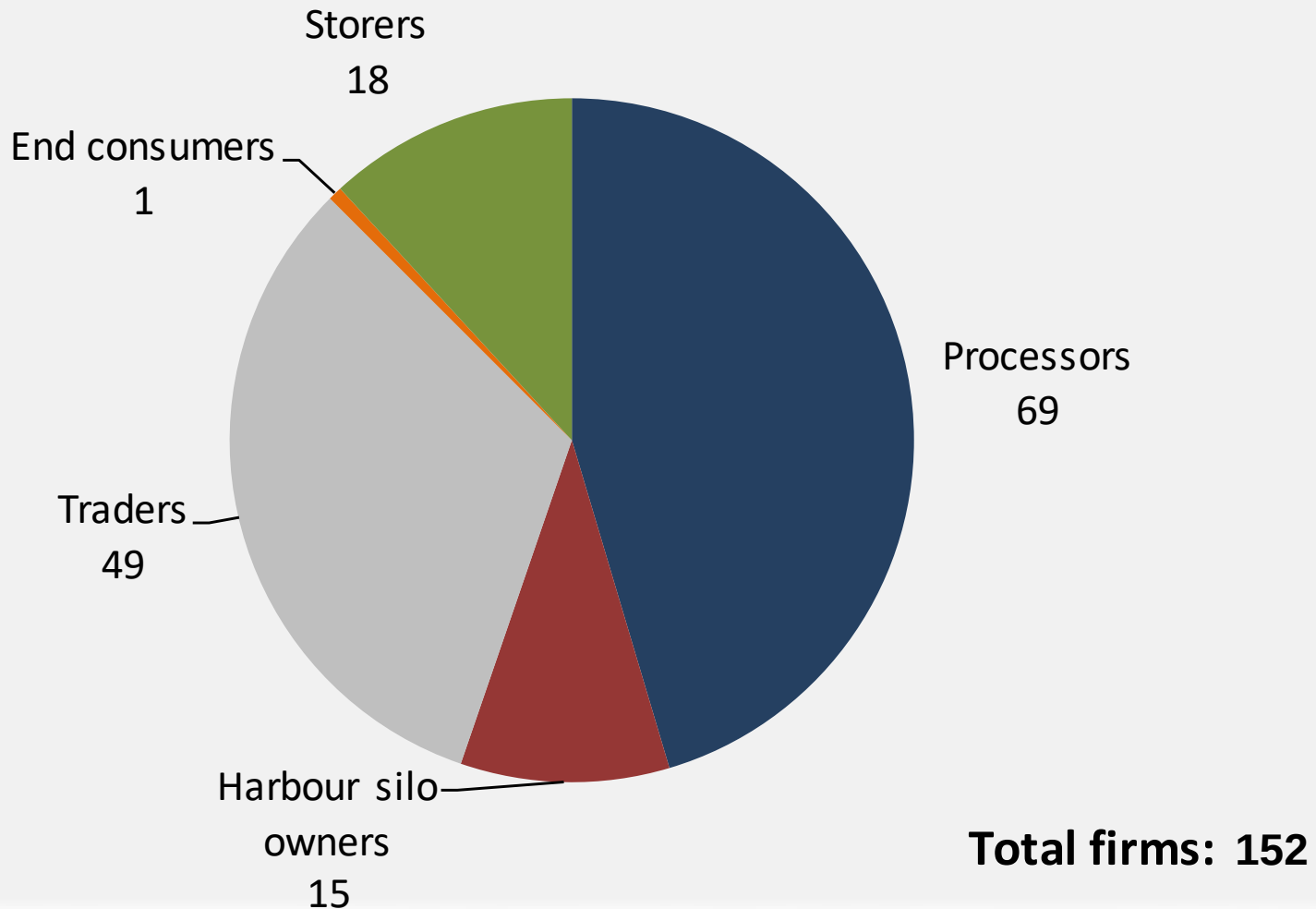


Maize

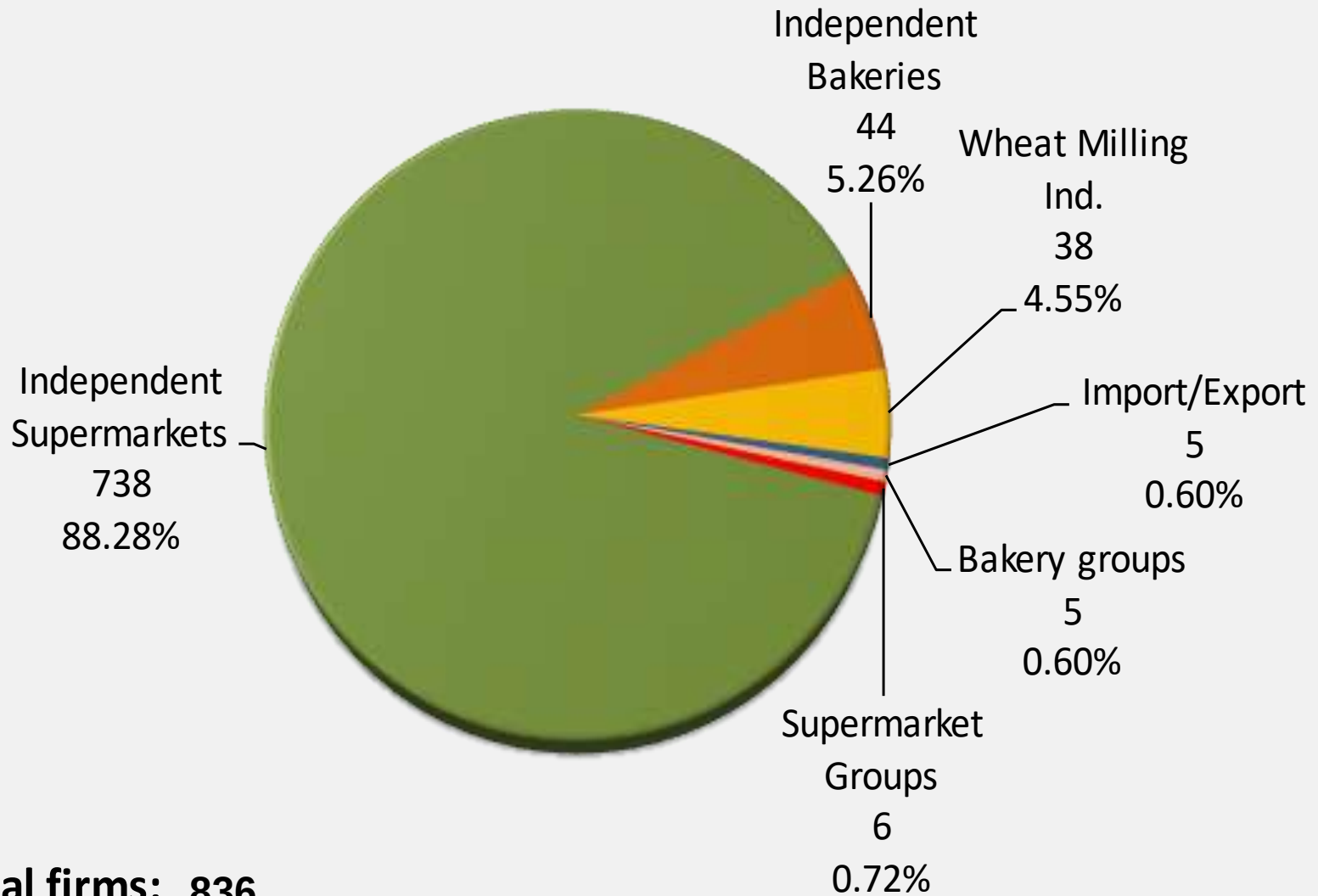


Wheat: Co-workers (Whole Grain)

Wheat: Firms registered with SAGIS (Whole Grain)



Wheat: Firms registered with SAGIS (Products)



Acknowledgement

Board of Directors

The Winter Cereal industry is represented by:



Ms Mariana Purnell



Mr Tato Make
Director



Mr Geoff Penny
(Alternate)



Dr Erhard Briedenhann
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

