



# Perspektief | Perspective

Nuusbrief | Newsletter

15/02/2013 WEEK 11 - 2013

KLIK HIER VIR DIE AFRIKAANSE WEERGAWE

CLICK HERE FOR THE ENGLISH VERSION

## ***In hierdie uitgawe...***

- [Competition Commission gives green light to the Supply and Demand Estimates Committee](#)
- [Grain SA Congress equips producer for challenges that lie ahead](#)
- [April 2013 and May 2013 yield calculations for maize](#)
- [Database of crop protection agents launched](#)
- [Fuel prices for April 2013](#)

## **Competition Commission gives green light to the Supply and Demand Estimates Committee**

**Wessel Lemmer (senior economist: Industry Services, Grain SA)**

»The conclusion made by the Competition Commission on the declaration of future imports and exports by traders and the functioning of the Supply and Demand Estimates Committee are welcomed by Grain SA.

Hopefully within a month or two we will see the first monthly reports being published. This is another positive outcome from a Grain SA initiative and strategic objective to further the availability of transparent market information.

### **NAMC request for an advisory opinion from the Competition Commission**

On 16 August 2012, the National Agricultural Marketing Council (NAMC) requested an advisory opinion from the Competition Commission to provide a view on a system of information sharing proposed by the NAMC. The NAMC intends to establish an official supply and demand reporting mechanism to enhance the statutory measures in terms of the Marketing of Agricultural Products, Act 47 of 1996, which are already in place and which requires exporters and importers of grains and oilseeds to declare imports and exports. This is aimed at bringing about transparency and price stability in the grain and oilseed markets of South Africa and consequently food security in the country.

### **Concern about unintended outcomes**

The Competition Commission is concerned that unintended outcomes of the proposed exchange, may be price stability coupled with price increases, due to co-ordination, or increased price volatility due to increased manipulation of the market by traders through the exchange. However, measures such as the implementation of a review to check for bias and assuring the independence of the Supply and Demand Estimates Committee may lessen the risk of manipulation.

### **Information available to a few stakeholders**

Exporters and importers of grains and oilseeds are compelled to declare imports and exports of grains and oilseeds as per statutory measure in terms of the Marketing of Agricultural Products, Act 47 of 1996. This act provides that members in the supply chain submit an accurate return in respect of maize and wheat exported or imported to the South African Grain Information Services (SAGIS). The current statutory measure however does not make provision for traders to declare exports and imports that have already been contracted and of which the slots in the ports have already been booked, as well as contracts of shipments by road/rail into Africa. Apparently this information is only available to a few stakeholders in the market, while the rest of the market is reliant on best estimates. Limited knowledge about future exports can have undesired effects, such as food shortages, excessive price increases of basic staple foods and price volatility that will affect the neediest. Sacota agreed on behalf of grain and oilseed traders, that generic trade information will voluntarily be supplied by individual traders to the NAMC.

### **Conclusion**

The Supply and Demand Estimates Committee will publish current and future information on a monthly basis to the public. This information comprises a combination of estimates of future imports and exports and actual import and export contracts concluded. In view of the above and having regard for the information exchange framework already in place within the market, the Competition Commission does not anticipate that the proposed exchange is likely to result in a substantial lessening of competition. **Source: Abstract from a letter by the Competition Commission to the NAMC dated 8 March 2013.**

[Back to Top](#)

## Grain SA Congress equips producers for challenges that lie ahead

*Philip Smith (manager: Marketing, Grain SA)*

» The Grain SA Congress was held at Grain SA's NAMPO Park near Bothaville on 6 and 7 March 2013.

The theme of this year's Congress was "More with Less". This refers to the challenge of grain producers in South Africa to produce more (better yields) with fewer inputs (reduction of costs) in order to remain profitable and sustainable.

Prof Marcos Fava Neves from the São Paulo University in Brazil delivered the first address. He is an expert on international agricultural affairs. Prof Neves's international long-term view of agriculture is very positive. You can download his presentation at the following link:

[http://www.grainsa.co.za/upload/Future\\_Food\\_Business\\_2013\\_Africa\\_Opening\\_Lecture\\_MFN\\_40\\_minutes.pdf](http://www.grainsa.co.za/upload/Future_Food_Business_2013_Africa_Opening_Lecture_MFN_40_minutes.pdf)

For the full press release on the Congress and a short summary of the main speakers, you can visit the following link:

<http://www.grainsa.co.za/news-headlines/latest-news/grain-sa-congress-press-release>.

[Back to Top](#)

---

## April 2013 and May 2013 yield calculations for maize

*Petru Fourie (economist: Industry Services, Grain SA)*

» Producers in the Free State, Mpumalanga and North West Province will be visited between 28 March and 17 May to collect yield calculations for maize.

The Crop Estimates Committee of the Department of Agriculture, Forestry and Fisheries (DAFF) has appointed the National Crop Estimates Consortium, under the guidance of the Agricultural Research Council, to visit 484 producers in the Free State, Mpumalanga and North West Province on their farms to do a calculation of expected yields. This calculation follows visits that were already carried out during February 2013 in order to gather information from producers regarding areas that were planted.

Grain SA requests producers to kindly give their full cooperation in this regard as accurate, objective and reliable crop estimates is of critical importance. Information gathered will be viewed as 100% confidential and will only be used for crop estimate purposes.

For more information, Mr Rodney Dredge or Mrs Rona Beukes of the DAFF can be contacted at (012) 319-6507/8032 or email [RodneyD@daff.gov.za](mailto:RodneyD@daff.gov.za)/[RonaB@daff.gov.za](mailto:RonaB@daff.gov.za).

[Back to Top](#)

---

## Database of crop protection agents launched

*Petru Fourie (economist: Industry Services, Grain SA)*

» The Agri-Intel website ([www.agri-intel.com](http://www.agri-intel.com)) that was launched in Midrand on 13 February this year provides the agrochemical industry, producers as well as government, with easy access to an extensive database of all crop protection agents that is registered for use in South Africa.

Copies of etiquettes of all the brand names that are available in the database can be obtained on this website. The Agri-Intel agrochemical database currently has roughly 1 800 etiquettes on record. The database is just as complete and accurate as the information that is on the containers.

This database is available at **no cost** for everyone who is involved in the agrochemical industry as well as producers and the government. This instrument contains confidential information and there is currently no agrochemical database equivalent for it in South Africa. The more this information is used, the more its quality will improve; user feedback is therefore imperative.

If you have any questions regarding the use of the website, you can call Agri-Intel's helpdesk at (021) 907-3000, week days between 08:00 and 17:00.

[Back to Top](#)

---

## Fuel prices for April 2013

*Petru Fourie (economist: Industry Services, Grain SA)*

» According to the most recent information from the Central Energy Fund, the petrol price can **INCREASE** with 7 cents per litre while the diesel price can **INCREASE** on 3 April 2013 with 8 cents per litre.

Calculations by the Central Energy Fund currently indicates an over recovery in fuel prices. That means that if no levy occurred during the month of April, possible decreases could be expected. Abovementioned expected increases are therefore primarily the effect of the fuel tax and the Road Accident Fund, effective from April 2013. The tax on diesel will increase with 15 cents per litre and the Road Accident Fund levy with 8 cents per litre.

**Net effect**

Because increases of the fuel tax and the Road Accident Fund levy also influences producers rebate, the diesel rebate that producers qualify for, increases with 14 cents per litre, while the current expected increase in fuel prices is approximately 8 cents per litre. Keep an eye on Grain SA's website for the latest information.

[Back to Top](#)

---

**GRAAN SA • GRAIN SA**

Posbus 74087 • PO Box 74087  
Lynnwood Ridge 0040



+27 (012) 807-6023



[www.grainsa.co.za](http://www.grainsa.co.za)



+27 (012) 807-3166



[info@grainsa.co.za](mailto:info@grainsa.co.za)

Subskripsie-navrae/Subscription enquiries: [philip@grainsa.co.za](mailto:philip@grainsa.co.za)