GRAIN SA
GRAAN SA

Perspektief | Perspective
Nuusbrief Newsletter

29/01/2016 WEEK 4 - 2016 KLIK HIER VIR DIE AFRIKAANSE WEERGAWE CLICK HERE FOR THE ENGLISH VERSION

In this issue...

PRELIMINARY MAIZE PRODUCTION FORECAST - IT IS EARLY DAYS!

» Grain SA expressed their surprise about the size of the preliminary production forecast that was published by the National Crop Estimates Committee (NCEC) on 27 January 2016. The estimate came out at 7.438 million tons, whilst the market was expecting a crop between 5.5 and 6.5 million tons. "There were quite substantial plantings made very late in the season and the hectares of 1 995 000 could be correct," Jannie de Villiers, CEO of Grain SA said, "but it is very early days if we take into account that the bulk of all maize plantings in the East and especially the Western production regions were planted outside of the optimal planting period. A maize plant needs ±150 days to ripen physiologically. Nobody can guarantee a frost free April or May."

A bigger crop is a positive for everybody, but Grain SA wants to flag a warning that the estimate is far from being safely in a silo. The total crop was planted late and the Preliminary estimate is a month early. All of that leads to a higher risk in getting the numbers right. The NCEC has a very good track record, but only time will tell if the combination of an earlier estimate of a late crop is not one too much for them. Many farmers planted maize very late to have feed for their animals and we have seen many farmers cutting down some plantings for silage for animal feed. All of these factors will have an influence on how many tons will eventually be available for processing.

South Africa still needs to import at least 3.0 million tons of maize which in itself is quite challenging. "We will monitor the progress of the plantings and co-operate with the NCEC to improve the accuracy constantly," says Jannie de Villiers.

Back to Top

WHAT IS IN STORE FOR 2016? ATTEND YOUR NEAREST REGIONAL MEETING TO FIND OUT

With the 2016 Grain SA Congress in March almost here, we want to meet our members in person to inform and update you on the activities of Grain SA. Given the crippling drought coupled with the volatility of the markets, 2016 will be a watershed year for the organisation. It is vitally important that you attend the regional meeting in your area where you can also table your input.

Follow the link below to view the date and venue of the meeting in your area!
hhttp://www.grainsa.co.za/upload/Streeksvergadering-2016---Regional-Meetings-2016.pdf

Back to Top

INPUT PRICE TRENDS

Corné Louw, Snr Economist: Inputs, Grain SA
Fuel Prices
According to the latest information from the Central Energy Fund, the diesel price could **decrease** by 62 cents per litre while the petrol price could **increase** by 7 cents per litre on 3 February 2016.
AGRICULTURAL CHEMICALS

South Africa imports basically 100% of the active ingredients required to manufacture agricultural chemicals. International trends and the exchange rate, play a decisive role in domestic price trends.

Tables 1 and 2 show trends in the prices of international agricultural chemicals (active ingredients). The table below clearly indicates the impact of the exchange rate on domestic prices. A look at pesticide prices indicates a decrease in dollar prices right across the spectrum, but because of the exchange rate, prices in the domestic market could increase significantly (Table 2).

***Table 1**: Pesticide prices: International in Dollar and Rand value*

International prices (Dollar/ton)			
	Dec 2014	**Dec 2015**	**% change**
	USD/t	USD/t	
Imidacloprid (95%)	16 227	13 923	-14.2
Lambda-cyhalothrin (95%)	23 700	21 629	-8.7
Carbofuran (99%)	12 094	10 455	-13.6
Deltamethrin (98%)	71 715	63 345	-11.7
R/$	11.480	15.020	+30.8
Table 2:			
International prices (Rand/ton)			
	Dec 2014	**Dec 2015**	**% change**
	R/t	R/t	
Imidacloprid (95%)	186 286	209 123	+12.3
Lambda-cyhalothrin (95%)	272 076	324 868	+19.4
Carbofuran (99%)	138 839	157 034	+13.1
Deltamethrin (98%)	823 288	951 442	+15.6

The same trend can also be observed in herbicide prices. Where all active ingredients in Dollar value virtually fell, the weakening in the exchange rate causes an increase in the domestic market. In rand value, only glyphosate still show a decrease (Table 4).

***Table 3**: Herbicide prices: International in Dollar en Rand value*

International prices (Dollar/ton)			
	Dec 2014	**Dec 2015**	**% change**
	USD/t	USD/t	
Glyphosate (95%)	4 488	3 305	-26.4
Acetochlor (92%)	3 238	2 578	-20.4
Atrazine (97%)	3 190	3 024	-5.2
Metolachlor (97%)	3 937	3 676	-6.6
Trifluralin (95%)	5 178	5 186	+0.2
R/$	**11.48**	**15.02**	**+30.8**
Table 4:			
International pryse (Rand/ton)			
	Dec 2014	**Dec 2015**	**% change**
	R/t	R/t	
Glyphosate (95%)	51 522	49 641	-3.7
Acetochlor (92%)	37 172	38 722	+4.2
Atrazine (97%)	36 621	45 420	+24.0
Metolachlor (97%)	45 197	55 214	+22.2
Trifluralin (95%)	59 443	77 894	+31.0

FERTILISER

Since South Africa imports a large quantity of its fertiliser requirements, domestic and international prices should correlate well. Table 5 indicates international prices in Dollar value over a period of years, while Table 6 is indicative of fertilizer prices in Rand value.

The tables clearly indicate deterioration in the value of the rand had a major impact on local fertilizer prices. Where international prices in Dollar value have fallen sharply, it is evident that the decrease will not necessarily filter through to the domestic market (Table 6). Decrease can however possibly be observed in nitrogen prices.

Remember that these prices aim to show trends and not necessarily focus on the physical price, since international prices are free on board in international ports and domestic prices are average price list prices.

Table 7 indicates tendencies in average local fertilizer prices over period of a year.

***Table 5**: International fertiliser prices (Dollar value)*

Average international fertiliser prices (Dollar value)			
	December 2014	**December 2015**	**% change**
Fertiliser	**Dollar/ton**	**Dollar/ton**	**%**

Ammonia (Middle East)	527	387	**-26.6%**
Urea (46) (Eastern Europe)	339	244	**-28.1%**
DAP (US Golf)	433	402	**-7.2%**
Potassium Chloride (CIS)	306	267	**-12.8%**
R/$	11.48	15.02	**+30.8%**

***Table 6**: International fertiliser prices (Rand value)*

Average international fertiliser prices (Rand value)			
	December 2014	**December 2015**	**% change**
Fertiliser	**Rand/ton**	**Rand/ton**	**%**
Ammonia (Middle East)	6 050	5 813	**-3.9%**
Urea (46) (Eastern Europe)	3 895	3 665	**-5.9%**
DAP (US Golf)	4 971	6 038	**+21.5%**
Potassium Chloride (CIS)	3 516	4 010	**+14.1%**

Table 7: Domestic fertiliser prices

Average domestic fertiliser prices			
	January 2015	**January 2016**	**% change**
Fertiliser	**Rand/ton**	**Rand/ton**	**%**
KAN (28)	5 544	5 629	**+1.5%**
Urea (46)	6 273	6 388	**+1.8%**
MAP	9 122	10 270	**+12.6%**
Potassium Chloride	6 942	7 369	**+2.2%**

Back to Top

DISPENSATION IN THE GRADING OF SOYBEANS EXTENDED FOR THE 2016/17 SEASON

Corné Louw, Snr Economist: Inputs, Grain SA

» The Directorate: Food Safety and Quality Assurance of the Department of Agriculture, Forestry and Fisheries has extended the dispensation on the rating of soybeans for the 2016/17 marketing season. The industry-wide dispensation has again been granted and grading with the double sieve rating method may continue for the new season.

Using the 1.8 mm slotted sieve and the 4.75mm round hole sieve during the grading of soybeans is a more objective and scientific way to grade soybeans. It is also a faster, more accurate and less prolonged process for grain graders without compromising the position of either producers or agri-business players in the value chain.

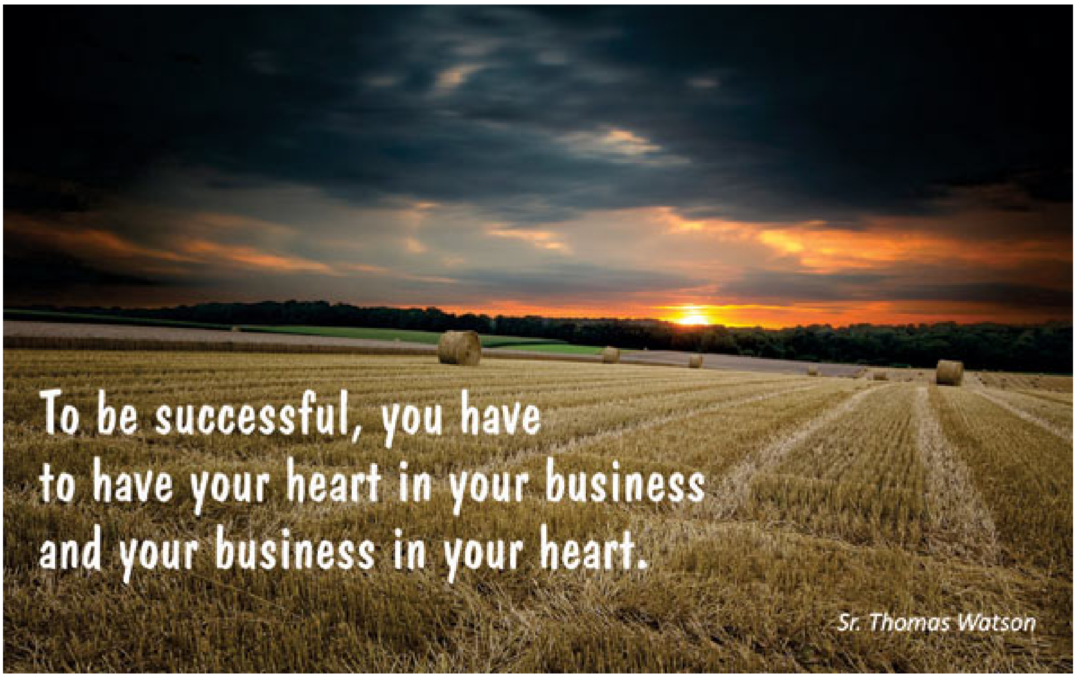
Admission is granted to all producers, wholesalers, retailers and importers of soybeans to sell soybeans and import where the "1.8 mm slotted sieve" are used in conjunction with the prescribed 4.75mm round hole sieve, provided that the prescribed maximum permissible deviation, as stipulated in the schedule with respect to foreign objects are increased from 4% to 5%. Consequently the prescribed maximum permissible deviation for foreign material and sclerotinia should increase collectively from 6% to 7%. Please note that the maximum permissible deviation for sclerotinia remains 4%.

The conditions regarding the dispensation are of utmost importance and you are advised to carefully read through it. The extension of the dispensation is a positive for producers as the delivery processes are more practicable and transparent.

The full dispensation can be downloaded from the following link:
http://www.grainsa.co.za/upload/VERANDERINGE-IN-SOJABOON-GRADERING-VIR-2015.pdf

Back to Top

Stay inspired...



Back to Top

GRAAN SA • GRAIN SA

Posbus 74087 • PO Box 74087

Lynnwood Ridge 0040

+27 (0)86 004 7246 www.grainsa.co.za

+27 (012) 807-3166 alzena.gomes@grainsa.co.za

Navrae/Enquiries: Alzena Gomes - alzena.gomes@grainsa.co.za