Newsletter Page 1 of 4





# Perspektief | Perspective

20/11/2015 WEEK 47 - 2015

KLIK HIER VIR DIE AFRIKAANSE WEERGAWE

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#### In this issue...

- Day of Prayer
- Agricultural production conditions
- White maize from Mexico
- · The weaker rand outweigh international diesel price decreases
- · Pay attention to the use of agrochemicals on groundnuts
- This is agriculture in full colour
- Senwes drought disaster fund
- · Stay inspired...

## **DAY OF PRAYER**

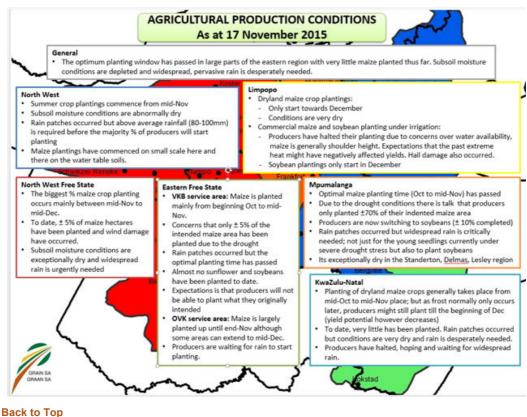


**Back to Top** 

# **AGRICULTURAL PRODUCTION CONDITIONS**

Petru Fourie, Research Coordinator & Production Cost Analyst, Grain SA

Page 2 of 4 Newsletter



#### WHITE MAIZE FROM MEXICO

Jannie de Villiers, CEO, Grain SA

A shipment of 50 000 tonnes of white maize arrived in Durban recently. It was somewhat suspicious since South Africa has enough white maize for own use. With the opening of the cargo it was found that the maize got wet. The boat was sent out to sea for the damage to be established, with the cargo eventually offloaded in drips and drabs. Any maize can enter the country as long as it complies with and all the health legislations are met, regardless of the quality. The mere fact that the maize was WM3 is not a reason for why it cannot be brought into the country. However, if it is toxic or have any other impermissible food safety problems, it may not enter. There are of course also GMO Act requirements that the maize must comply with, and a GMO permit had to be sought from the Department of Agriculture prior to offloading. Due to all the rumours about the poor quality and possible other problems with the maize, Grain SA informed the Department of Agriculture's Directorate Plant Health and requested further investigations. Grain SA was informed that samples have been submitted to the SAGL for analysis. The results have not yet been announced.

Grain SA also noted that some of the imported yellow maize was rejected by some livestock feed processers. The reasons for this are unknown. We therefore wish to caution members who buy imported yellow or imported white maize to ensure that it complies not only to the quality requirements but to the food safety regulations as well.

**Back to Top** 

# THE WEAKER RAND OUTWEIGH INTERNATIONAL DIESEL PRICE DECREASES

Wandile Sihlobo, Economist, Grain SA

In the coming month, producers might have received a decrease in diesel prices but the weaker Rand has overshadowed the possible fuel price decrease. On the 2nd of December 2015, the diesel price might remain unchanged, while the petrol price might decrease by 5 cents per litre.

## Contributing Factors to Diesel and Petrol Price Changes

The main driving factors behind the domestic fuel prices are the international product price movements, as well as the exchange rate movements. Currently, the international product prices are contributing towards the over-recovery of diesel prices, but the diesel prices at the pump, are out weighted by a weaker Rand (see table below)

ANALYSIS MOVEMENT OF AVERAGE OVER/ (UNDER) RECOVERY			
	Petrol 95	Diesel 0.05%	Diesel 0.005%
Movement in International Product Prices	29.989	25.188	23.443
Movement in Exchange Rate	(24.603)	(24.500)	(24.838)
Average Unit Over/ (Under) Recovery	5.386	0.688	(1.395)

Source: Central Energy Fund Rand and Brent Crude Oil View Newsletter Page 3 of 4

The domestic currency against the US dollar has reached new record lows on the back of anticipation for interest rate increases in the US. At the time of writing, the Rand was trading around R14.12 to the US dollar.

Brent crude oil prices are still at lower levels, owing to increasing global supplies, coupled with soft demand in the global market. At the time of writing Brent crude oil was trading around US\$44.5 per barrel.

**Back to Top** 

## PAY ATTENTION TO THE USE OF AGROCHEMICALS ON GROUNDNUTS

Corné Louw, Sr. Economist: Inputs, Grain SA

» The SA Ground-nut Forum urged producers to specifically take care when applying post-emergence herbicides to ground-nuts. If not applied according to label recommendations, the residue levels in ground-nuts can increase above permitted levels.

Because South Africa wishes to export more ground-nuts, it is important for local ground-nuts to meet international standards. One of the most important requirements for exports is the "maximum chemical residue levels" which are set.

The SA Ground-nut Forum compiled a document again this year, stating the maximum residue levels of South Africa, Europe and Japan. The document also stipulate the time period that must pass between the last chemical applications and the subsequent harvesting of the groundnuts. The complete document can be downloaded from:

http://www.grainsa.co.za/upload/report\_files/MX-5110N\_20150903\_155306.pdf

**Back to Top** 

# THIS IS AGRICULTURE IN FULL COLOUR

Estie de Villiers, Editor, SA Graan/Grain

» What do you think when you think of "Agriculture in full colour"? Golden yellow canola or sunflower fields in full bloom? Young wheat or maize emerging from the brown soil? A pink and orange sunset on the farm? Black and white cows drinking water at the dam? Boeta with his bright red shirt driving the tractor? Or maybe Sussa playing in the maize with her purple dress? Come on, surprise us with your interpretation of this year's SA Grain / Sasol Chemicals (Fertilizer) photo competition theme "Agriculture in full colour." Amateur photographers (thus people not making a living from photography) are welcome to enter the competition.

## Win prizes worth R32 000

From January 2016, a monthly winner will be selected by the panel of judges for the following twelve editions. Each monthly winner will walk away with a cash prize of R1 000 and the twelve finalists are eligible for prize money of R10 000 (winner), R7 000 (runner-up) and a third prize of R3 000. A big thank you to Sasol Chemicals (Fertilizer) for once again sponsoring this year's competition.

#### Where should I send my photographs?

Send photos to elmien@infoworks.biz. Remember to include a name, contact details and caption.

Back to Top

### SENWES DROUGHT DISASTER FUND

» On Wednesday Senwes, in cooperation with AgriSA, announced the launch of a Drought Disaster Fund to assist producers during this difficult time. The Drought Disaster Fund enables all concerned individuals and organisations or companies to make contributions towards the drought relief efforts. The funds will be distributed to needy farmers in certain areas via the relevant AgriSA affiliated associations

Newsletter Page 4 of 4



For the convenience of the consumer and in cooperation with AgriSA, donations can be made to the Drought Disaster Fund via the website www.droogterampfonds.co.za. The following payment options are available: EFT, Credit Card, Cheque and Debit cards, Instant EFS, Snap Scan or Premium Rate SMS at R30 per SMS.

## **Back to Top**

# Stay inspired...

"The first step towards success is taken when you refuse to be a captive of the environment in which you first find yourself."

~ Mark Caine

### **Back to Top**

