



Perspektief | Perspective

Nuusbrief | Newsletter

07/02/2014 WEEK 6 - 2014

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The difference rain makes

Jannie de Villiers, chief executive officer, Grain SA

»The rain of the past week did not only save the summer cereal harvest in the central and western regions, it also deeply touched people's lives.

At His unique time the Lord generously poured out rain over our farmlands. This has changed circumstances in a blink from a huge disaster to abundance and joy.

When Grain SA's maize specialist work group met on Wednesday, 5 February, the men were exuberant! The chairperson, Louw Steytler, had to call them to order a few times. They joked and frolicked and laughed. No problem was too big to tackle on this day! It was great fun!

At the end of the meeting everyone had to give feedback on the agricultural conditions of their region. It was a pleasure to hear. The country looks completely different from the previous week when everyone who visited our offices was very downhearted.

It seems that we can expect a good harvest. There are however, here and there a few places which have not yet received the same amount of rain that many areas received. Permanent damage to early plantings has unfortunately also been experienced.

One wonders if city folk actually realise what disaster has been warded off ...

If food prices continue at their current high levels, we could enter a turbulent election period.

Leaders in the maize industry agreed that our members should consider it cautiously to make use of the current price opportunities. They realise the harvest hasn't gone through yet, but according to current circumstances, the current price levels will be hard to sustain.

It was also upsetting to learn that our government, because of poor management, wants to help developing farmers to plant, even at this stage of the harvest. Massive gaps still remain between legislators, farmlands and the reality of nature.

I conclude with a comment a producer made when the chairperson remarked that today he probably cannot complain about anything, "Mr Chairman, this year I'm going to get a lot of trouble from the receiver (of revenue)". It sounds like it rained money on his farm. :-)

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JSE announces sunflower location differential and storing costs

Wessel Lemmer, senior economist, market research, Grain SA

»The JSE has announced the sunflower location differentials and storing costs for the new marketing year (2014/2015), which commenced on 1 February. They use a formula-based method to determine the location differentials for sunflower.

RPT = (Distance * RLF * RPK)/Payload Distance

RLF — return load factor

RPK — rand per kilometre

Payload — load is 30 tons.

The average increase in the location differential in relation to the previous marketing year, amounts to 7,29%. Against this, the wholesale price for diesel has increased with more than 16% year-on-year. The complete list of differentials is available on Grain SA's website.

The standard storing costs for the period from 1 February 2014 to 28 February 2015 are raised with the PPI figure that was published by the end of November 2013. The PPI figure amounts to 6,3% and therefore the new storing costs involved in the completion of futures, amount to R1,22 per ton. The JSE henceforth receives sunflower only on a clean basis. Take note that the Department of Agriculture, Forestry and Fisheries' regulations in this regard has not yet been adjusted accordingly.

JSE maize location differential

The JSE is currently waiting until 7 February 2014 for transport tariffs and road:rail outloading percentages in order to determine the new tariffs according to the formula approach. The proposed differentials should be published for commentary within the next week, whereafter revision can be done. The new maize location differentials should be announced mid-March.

Additional JSE sorghum contract

The JSE has implemented an additional sorghum contract for Class GH sorghum and specifically GH1 sorghum (bitter sorghum). The following eleven delivery points are involved: Derby, Gerdau, Hibernia, Koster, Battery, Libertas, Northam, Arlington, Potchefstroom, Raathsvlei and Ventersdorp.

With effect from Friday, 24 January 2014, the July 2014 and September 2014 contracts were available for trading. Both quality types can now be traded on the JSE. A further investigation has been received to allow the delivery of sweet sorghum on the GM1 contract, and the JSE is currently still awaiting commentary hereon. For any further enquiries or contributions regarding the abovementioned matters, please contact Wessel Lemmer on 086 004 7246.

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Only a few more regional meetings!

»Don't miss Grain SA's regional meetings that are currently taking place countrywide! It is only taking place until **21 February 2014**.

The theme of these meetings, **The next generation**, is also the theme of our annual **congress** that will take place from **5 to 6 March** at NAMPO Park.

The schedule for the regional meetings is available on our website (www.grainsa.co.za), listing all the dates and venues.

The following will be discussed during these meetings:

- Feedback on the strategic goals of 2013/2014
- Focus areas for 2014
- New challenges.

And of course you'll have the opportunity to socialise with other producers of the area.

Please remind your neighbours of these meetings and please invite all producers who are not yet Grain SA members.

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Learn more about conservation agriculture

»Two special events will be taking place soon on conservation agriculture.

20 Feb in Potch

The Agricultural Research Council's Grain Crops Institute (ARC-GCI) in **Potchefstroom** is holding a **farmers day** focussing on conservation agriculture.

A variety of interesting guest speakers and demonstrations will form part of the programme and promises to give attendees value for their time and money.

You have to reply by 10 February, so have a quick look at this one.

For more info, [click here](#).

12—13 March in Ottosdal

Grain SA and the Maize Trust are presenting this conservation conference on 12 and 13 March 2014.

Theme: Conservation agriculture: sustainable crop production intensification and farmer innovation.

Read more [here](#).

Don't miss out on these interesting events! Limited places available.

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God made the farmer ...

»We are concluding with a video about a very unique, special being — the farmer.

<http://www.youtube.com/watch?v=AMpZ0TGjbWE>

All the best and blessings for the next two weeks until our next newsletter.

Diana Rabie
Communication Consultant, Grain SA

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