GRAAN SA/GRAIN SA
Perspektief
PERSPECTIVE
NUUSBRIEF
NEWSLETTER

11/05/2012
WEEK 19 – 2012

In hierdie uitgawe…

Goeie nuus rakende brandstofpryse - Junie 2012

Petru Fourie (landbou-ekonoom: Insette en Produksie, Graan SA)

► Goeie nuus vir produsente is dat daar redelike dalings in brandstofpryse verwag kan word. Volgens die jongste inligting van die Sentrale Energiefonds kan die petrolprys op 6 Junie 2012 met 38 sent per liter en die dieselprys met 20 sent per liter **DAAL**. Dié verwagte dalings is grootliks as gevolg van die huidige laer internasionale olieprys. Die olieprys het in April teen 'n gemiddeld van VSA$120 per vat gehandel, terwyl dit die afgelope maand teen gemiddeld $116 per vat beweeg. Hierdie dalings kan grootliks toegeskryf word aan swakker ekonomiese toestande in Europa. Die rand het gedurende dieselde tydperk versterk en bring verdere dalings in brandstofpryse mee.

Kunsmisprysverwagtinge vir Junie 2012

Corné Louw (senior ekonoom: Insette, Graan SA)

Internasionale kunsmisprystendense kan met 'n redelike akkuraatheid gebruik word om veranderings in plaaslike kunsmispryse te voorspel. Vanaf April 2012 tot die eerste week in Mei is gesien dat internasionale kunsmispryse soos volg verander het **(Tabel 1)**:

Tabel 1:

Gemiddelde internasionale kunsmispryse (dollarwaarde)			
	April 2012	**3 Mei 2012**	**% verandering**
Kunsmis	**dollar/ton**	**dollar/ton**	**%**
Ammoniak (Midde-Ooste)	426	465	**+9.2%**
Ureum (46) (Oos-Europa)	511	545	**+6.7%**
DAP (VSA Golf)	504	493	**-2.2%**
Kaliumchloried (CIS)	479	478	**-0.2%**
R/$ wisselkoers	7.828	7.776	**-0.7%**

Tabel 2 toon die internasionale kunsmisprysbewegings in rand-terme aan. Uit die tabel kan gesien word dat die internasionale pryse van ammoniak en ureum redelik skerp met 8.4% en 6.0% onderskeidelik gestyg het. Die pryse van DAP en kaliumchloried het in dieselfde tydperk met 2.9% en 0.8% gedaal. Sou hierdie tendens vir Mei aanhou kan dus verwag word dat stikstofpryse in Junie kan styg, terwyl fosfaatpryse kan daal.

Uit internasionale verslae blyk dit dat die rede vir die onlangse styging in internasionale ureumpryse hoofsaaklik te wyte is aan 'n sterk vraag vanaf die VSA as gevolg van groot mielie-aanplantings. Daar word egter verwag dat pryse weer na die middel van die jaar kan afkoel en kan daal.

Tabel 2:

Gemiddelde internasionale kunsmispryse (randwaarde)			
	April 2012	**3 Mei 2012**	**% verandering**
Kunsmis	**rand/ton**	**rand/ton**	**%**
Ammoniak (Midde-Ooste)	3 335	3 616	**+8.4%**
Ureum (46) (Oos-Europa)	3 999	4 238	**+6.0%**
DAP (VSA Golf)	3 945	3 830	**-2.9%**
Kaliumchloried (CIS)	3 751	3 720	**-0.8%**

Historiese kunsmisprysstatistiek

Tabel 3 en 4 dui aan wat met internasionalekunsmispryse in dollar- en in rand-terme oor 'n jaartydperk gebeur het. Uit die grafieke is dit duidelik dat ureum- en kaliumchloriedpryse uitermatig gestyg het. Die verswakking van die rand oor 'n jaartydperk het die styging vergroot.

Tabel 3

Gemiddelde internasionale kunsmispryse (dollarwaarde)			
	April 2011	**April 2012**	**% verandering**
Kunsmis	**dollar/ton**	**dollar/ton**	**%**
Ammoniak (Midde-Ooste)	486	426	**-12.3%**
Ureum (46) (Oos-Europa)	365	511	**+40.0%**
DAP (VSA Golf)	613	504	**-17.8%**
Kaliumchloried (CIS)	433	478	**+10.4%**
R/$ wisselkoers	6.720	7.828	**+16.5%**

Tabel 4

Gemiddelde internasionale kunsmispryse (randwaarde)			
	April 2011	**April 2012**	**% verandering**
Kunsmis	**rand/ton**	**rand/ton**	**%**
Ammoniak (Midde-Ooste)	3 266	3 335	**+2.1%**
Ureum (46) (Oos-Europa)	2 455	3 999	**+62.9%**
DAP (VSA Golf)	4 121	3 945	**-4.3%**
Kaliumchloried (CIS)	2 911	3 751	**+28.9%**

Tabel 5 toon aan wat oor 'n jaartydperk met plaaslike kunsmispryse gebeur het.

Tabel 5

Gemiddelde plaaslike kunsmispryse			
	Mei 2011	**Mei 2012**	**% verandering**
Kunsmis	**rand/ton**	**rand/ton**	**%**
KAN (28)	4 107	4 551	**+10.8%**
Ureum (46)	5 027	6 210	**+23.53%**
MAP	6 813	6 788	**-0.37%**
Kaliumchloried	5 856	6 626	**+13.15%**

Graan SA se koringtariefaansoek is op 24 April ingedien

Wessel Lemmer (senior ekonoom: Marknavorsing, Graan SA)

►► Die voorgenome aanplanting van koring het vanjaar in die Vrystaat met 25% gedaal en koringaanplantings is sedert 1936 teen die laagste vlakke op rekord. Graan SA het op 24 April vir 'n hoër koringtarief aansoek gedoen. Die gemiddelde internasionale VSA Hard Red Winter (HRW) #2 koringprys vir die afgelope vyf jaar beloop VSA$288/ton, teenoor die huidige verwysingsprys van VSA$215/ton. Indien die internasionale koringprys laer daal as VSA$215/ton sal 'n koringtarief eers inskop. Gemeet teen die vyf-jaar gemiddelde prys van VSA$ 288/ton is dit duidelik dat die huidige verwysingsprysvlak heeltemal te laag is.

Graan SA se aansoek sluit ook bykomend tot die VSA$288/ton ŉ faktor van 10.35% (VSA$29.84/ton) in, wat voorsiening maak vir die subsidies wat in koring-uitvoerlande aan hul produsente betaal word. Ongelukkig word die gemiddelde seevragkoste van VSA$36.95/ton afgetrek omdat dit beskou word as ŉ geografiese liggingsvoordeel wat nie deel van die koringtarief kan uitmaak nie. Gevolglik word die bedrag van die subtotaal van VSA$318.15 afgetrek tot ŉ verwysingsprysvlak van VSA$281.20/ton..

Die huidige koringlewerings maak slegs 47% van ons land se behoeftes uit. Ter wille van voedselsekuriteit behoort die syfer nader aan internasionale norms van ongeveer 85% te wees. Om dit reg te kry sal die verwysingsprys verder verhoog moet word omdat die huidige vlak volgens die tariefformule (VSA$281.20/ton) steeds nie voldoende is om die koringbedryf te laat herstel nie.

Uit historiese data is dit duidelik dat die produsentelewerings toeneem sodra die relatiewe prysverhouding tussen die broodprys en die koringprys ten gunste van koringverbouing is. Die broodprys neem nie noodwendig onder die omstandighede toe nie. Volgens Graan SA se berekeninge behoort die invoertarief verder aangepas te word met ŉ selfvoorsienendheidsfaktor van 1.158 of VSA$44.43/ton. Die resultaat is ‘n verwysingsprys van VSA$326/ton. Dit sal ŉ tarief van ongeveer R233/ton in plek stel.

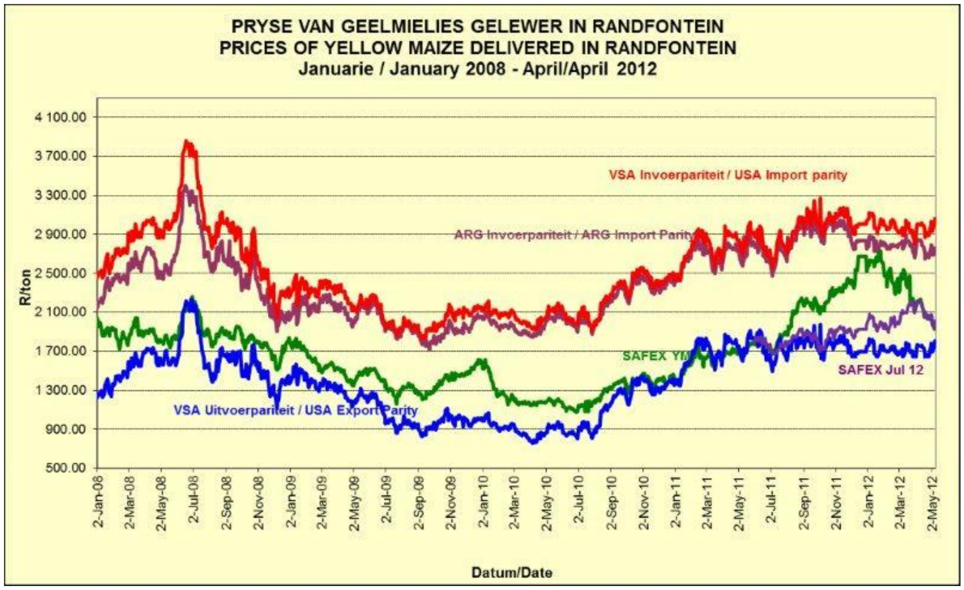
ITAC is tans besig om Graan SA se aansoek te oorweeg.

Produsentelewerings

Wessel Lemmer (senior ekonoom: Marknavorsing, Graan SA)

► Die produsentelewerings vir geel- en witmielies het sedert 12 Maart skerp begin toeneem en gevolglik het die druk op plaaslike mieliepryse gevolg. Internasionale markfaktore was tot dusver prysondersteunend. Die mark wag in afwagting op die USDA-syfers wat Donderdag 10 Mei verskyn.

Remaining maize deliveries in current marketing season **Oorblywende mielielewerings vir huidige bemarkingseisoen**				
	White/Wit	**Yellow/Geel**	**Total/Totaal**	
Early deliveries (Mar & Apr) (tons)	209 000	348 000	557 000	**Vroeë lewerings (Mar & Apr) (tonne)**
Deliveries (May-Feb) (tons)	78 000	100 000	178 000	**Lewerings (Mei-Feb) (tonne)**
Total deliveries (tons)	287 000	448 000	735 000	**Totale lewerings (tonne)**
	White/Wit	**Yellow/Geel**	**Total/Totaal**	
NCEC (tons)	6 415 200	4 705 850	11 121 050	**NOK (tonne)**
SAGIS deliveries up to date (tons)	287 000	448 000	735 000	**SAGIS lewerings tot op hede (tonne)**
Difference (CEC & SAGIS)	6 128 200	4 257 850	10 386 050	**Verskil (NOK & SAGIS)**
Adjustment for onfarm consumption & storage (tons)	60 000	250 000	310 000	**Aanpassing vir plaasverbruik & stoor (tonne)**
Outstanding after adjustment (tons)	6 068 200	4 007 850	10 076 050	**Uitstaande op NOK aanpassings (tonne)**
Remaining weeks for delivery	42	42	42	**Uitstaande weke vir lewering**
Delivery tempo needed to obtain CEC estimate	144 480.95	95 425	239 906	**Leweringstempo benodig**



Eksklusiewe voordele by Graan SA se NAMPO Oesdag 2012

Marna Swart (skakelbeampte, Graan SA)

► Graan SA-lede kan vanjaar weer uitsien na eksklusiewe voordele by die jaarlikse NAMPO Oesdag wat plaasvind vanaf 15 tot 18 Mei. Gratis toegang en 'n eksklusiewe parkeerterrein, maak dit vir lede maklik om die Oesdagterrein te betree. Dan is daar ook die Graan SA lede-lokaal waar oud en jonk 'n lekker koppie koffie en verversings kan geniet.

Briewe met al die nodige inligting is aan lede gestuur, maar indien u nog nie u brief ontvang het nie, kan u gerus met Rika van Niekerk by 071 641 9243 kontak.

Daar is ook by 'n vorige Hoofbestuursvergadering besluit dat lede wat meer as R5000 heffing betaal vir twee addisionele toegangskaartjies kwalifiseer asook dat lede die eksklusiewe ledeparkering vir al vier dae van die Oesdag mag gebruik. Reëlings in dié verband moet asseblief by die ledelokaal getref word.

Let ook daarop dat lede wat invlieg na NAMPO Park, asseblief kaartjies by die Noordhek moet aankoop, waarna u by die ledelokaal vergoed sal word, aangesien u ledekode nie by die Noordhek geldig is nie.

Sien jou by Graan SA se NAMPO Oesdag.

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In this issue...

Good news regarding fuel prices - June 2012*Petru Fourie(agricultural economist: Inputs and Production, Grain SA)*

▶ Good news for producers is that reasonable cuts in fuel prices can be expected. According to the most recent information from the Central Energy Fund, the petrol price can **DECREASE** by 38 cents per litre and the diesel price by 20 cents per litre on 6 June 2012. These expected cuts are mainly the result of the current lower international oil price. The oil price stood at an average of US$120 per barrel in April, while oil traded at an average of US$116 per barrel over the past month. These decreases can largely be attributed to weaker economic conditions in Europe.The rand strengthened during the same period and this brings about further cuts in fuel prices.

Fertiliser price projections for June 2012
Corné Louw (senior economist: Inputs, Grain SA)

▶ International trends in fertiliser prices can be used to predict changes in local fertiliser prices relatively accurately. From April 2012 until the first week in May international fertiliser prices changed as follows (**Table 1**):

Table 1:

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Average international fertiliser prices (dollar value)			
	April 2012	**3 May 2012**	**% change**
Fertiliser	**dollar/ton**	**dollar/ton**	**%**
Ammonia (Mid East)	426	465	**+9,2%**
Urea (46) (Eastern Europe)	511	545	**+6,7%**
DAP (USA Gulf)	504	493	**-2,2%**
Potassium chloride (CIS)	479	478	**-0,2%**
R/$ exchange rate	7,828	7,776	**-0,7%**

Table 2 contains the movements in international fertiliser prices in rand terms. The table shows that the international prices of ammonia and urea increased quite sharply by 8,4% and 6,0% respectively. The prices of DAP and potassium chloride declined by 2,9% and 0,8% respectively over the same period. If this trend was to continue in May, we can expect nitrogen prices to rise in June, while phosphate prices could drop.

International reports indicate that the reason for the recent increase in international urea prices was mainly due to a strong demand from the USA as a result of large maize plantings. However, prices are expected to cool down and decline again towards the middle of the year.

Table 2:

Average international fertiliser prices (Rand value)			
	April 2012	**3 May 2012**	**% change**
Fertiliser	**rand/ton**	**rand/ton**	**%**
Ammonia (Mid East)	3 335	3 616	**+8,4%**
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DAP (USA Gulf)	3 945	3 830	**-2,9%**
Potassium chloride (CIS)	3 751	3 720	**-0,8%**

Historical fertiliser price statistics

Tables 3 and 4indicate the movement of international fertiliser prices in dollar and rand terms over a period of a year. The graphs show clearly that the prices of urea and potassium chloride rose excessively. The weakening of the rand over the period of a year increased the rise in rand terms.

Table 3:

Average international fertiliser prices (dollar value)			
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Table 4

Average international fertiliser prices (Rand value)			
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Potassium chloride (CIS)	2 911	3 751	**+28,9%**

Table 5shows what happened to local fertiliser prices over a period of a year.

Table 5:

Average local fertiliser prices			
	May 2011	**May 2012**	**% change**
Fertiliser	**rand/ton**	**rand/ton**	**%**
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Grain SA's wheat tariff application submitted on 24 April

Wessel Lemmer (senior economist: Market Research, Grain SA

► The proposed planting of wheat in the Free State declined by 25% this year, and wheat plantings are at the lowest levels recorded since 1936. On 24 April, Grain SA applied for a higher wheat tariff. The average international USA HRW #2 wheat price for the past five years amounted to US$288/ton, compared to the current reference price of US$215/ton. A wheat tariff will only kick in if the international wheat price were to drop lower than US$215/ton. Measured against the five-year average of US$288/ton, it is clear that the current reference price level is far too low.

In addition to the US$288/ton, the application by Grain SA includes a factor of 10,35% (US$29,84/ton) that makes provision for the subsidies paid to producers in wheat export countries. Unfortunately, the average sea freight cost of US$36,95/ton is subtracted, as it is regarded as a geographic location benefit that does not form part of the wheat tariff. Consequently the amount is subtracted from the subtotal of US$318,15 to provide a reference price level of US$281,20/ton.

The current wheat supply constitutes only 47% of our country's needs. For the sake of food security, the figure should be closer to international norms, which are around 85%. To achieve this, the reference price has to be increased further because the current level according to the tariff formula (US$281,20/ton) is still not enough to allow the wheat industry to recover.

Historical data shows that producer outputs increase as soon as the relative price ratio between the bread price and the wheat price favours wheat production. The bread price does not necessarily increase under these circumstances. According to Grain SA's calculations, the import tariff should be adjusted further by a self-sufficiency factor of 1,158 or US$44,43/ton. The result is a reference price of US$326/ton. This will introduce a tariff of approximately R233/ton.

ITAC is currently considering Grain SA's application.

Producer deliveries: maize

Wessel Lemmer (senior economist: Market Research, Grain SA)

▶ Producer deliveries for both yellow and white maize increased sharply since 12 March. Consequently prices traded lower. However international market prices are supportive. Note that the market is expecting that the WASDE report on Thursday 10 May may have an impact on prices.

Remaining maize deliveries in current marketing season **Oorblywende mielielewerings vir huidige bemarkingseisoen**				
	White/Wit	**Yellow/Geel**	**Total/Totaal**	
Early deliveries (Mar & Apr) (tons)	209 000	348 000	557 000	**Vroeë lewerings (Mar & Apr) (tonne)**
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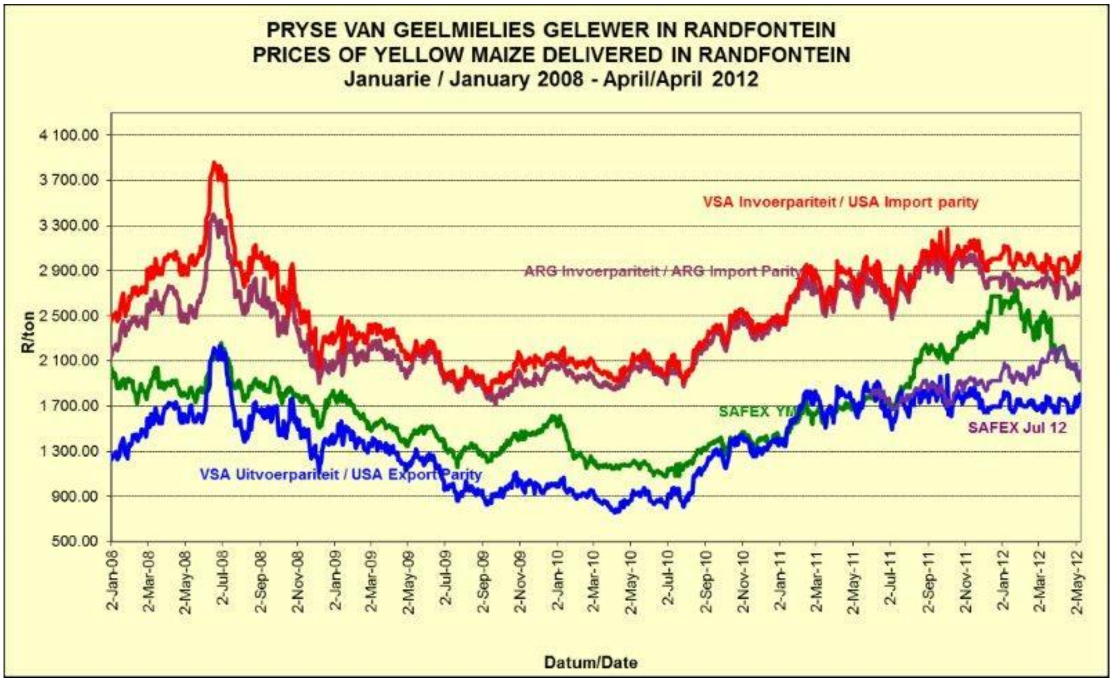

Exclusive benefits at Grain SA's NAMPO Harvest Day 2012

Marna Swart (Public Relations Officer, Grain SA)

Members of Grain SA can look forward to exclusive benefits again this year at the annual NAMPO Harvest Day, which will be held from 15 to 18 May. Free entry and an exclusive parking area make it easy for members to gain access to the Harvest Day grounds. There is also a Grain SA members' venue where young and old can enjoy a nice cup of coffee and refreshments.

Letters with the relevant information were sent to members, but if you have not yet received your letter, please contact Rika van Niekerk at 071 641 9243.

At a previous meeting of The Executive, it was decided that members who pay a levy of more than R5 000, qualify for two additional entrance tickets, and that members may use the exclusive members' parking for all four days of the Harvest Day. Arrangements in this regard should be made at the members' venue.

Please note that members who fly in to NAMPO Park must please purchase tickets at the North Gate, after which you will be reimbursed at the members' venue, as your member code is not valid at the North Gate.

See you at Grain SA's Harvest Day.