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Fuel prices for November 2012

Petru Fourie (economist: Industry Services, Grain SA)

» According to the most recent information from the Central Energy Fund, the petrol price can **DECREASE** on 7 November with 8 cents per litre and the diesel price can **INCREASE** with 9 cents per litre on the same date.

The expected increase in the diesel price is mainly due to the rand trading at an average of R8,272 against the dollar in September, but weakening in the past month to the point of trading at R8,681 against the dollar. This weakening of the rand also causes the hampering of a greater decrease in the petrol price.

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Producers should follow requirements of the diesel rebate to the letter

Corné Louw (senior economist: Industry Services, Grain SA)

» Since the beginning of the year, Grain SA and Agri SA have experienced many of our members being audited by the South African Revenue Service (SARS), and when they couldn't provide evidence of their log books, SARS demanded two year's worth of diesel rebate claims back from those producers. **Grain SA and Agri SA is currently working at the highest level to come to an agreement on this with SARS.**

A requirement of the diesel rebate system (and something that SARS are currently paying close attention to) is that producers should keep a log book of how diesel was used. This is somewhat different from what our producers have been used to up to now, seeing that most of us claimed on a purchasing slip in stead of on usage, as required by the law. Typical information that should be contained in a log book is the date, the quantity of litres that was put in the vehicle, a clear description or identification of the vehicle and the purpose that the vehicle is used for.

Grain SA would once again like to appeal to all agricultural producers to follow to the letter the requirements of claiming a diesel rebate, and to protect the system from illegal activities at all times.

The auditors firm PricewaterhouseCoopers have also sent the following document to their clients:

http://www.grainsanews.co.za/EN/Week_44/fuel.html

Agricultural producers currently qualify for a 158 cents per litre diesel rebate. Of this, a producer can reclaim 80% of the litres that qualify for the diesel rebate.

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How is the wheat tariff progressing?

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

» Role-players in the wheat industry who supports or opposes Grain SA's wheat tariff, will get a chance next week to speak to the International Trade Administration Commission of South Africa (ITAC) in this regard.

The ITAC report will be finalised after the commentary received by 2 November has been taken into account. The ITAC Commission is expected to make a decision and submit their suggestion in this regard to the minister of Trade and Industry by December, providing that there are no other delays. After a further investigation by the Department of Trade and Industry, the minister will make a final decision regarding the possible wheat tariff and this decision will be submitted the vice-president of Finances.

The vice-president of Finances then gives an order to the South African Revenue Services (SARS) to implement the decision regarding the wheat tariff. If all goes well and the wheat tariff application is approved, the process should be completed by February 2013.

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ARC-GCI Groundnut Production Calendar released

Petru Fourie (economist: Industry Services, Grain SA)

» The ARC-GCI recently released their Groundnut Production Calendar and a copy thereof can be downloaded from the following link: <http://www.grainsa.co.za/documents/Groundnut%20Calender%202012%20A5.pdf>

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Agricultural conditions for summer grain as at 31 October 2012

Petru Fourie (economist: Industry Services, Grain SA)

» KwaZulu-Natal

Conditions look very good in KwaZulu-Natal and there is sufficient underground moisture. Producers are approximately 70% finished with their maize planting and 40% finished with their soybean plantings. The planting process is hampered in certain areas due to excessive wetness. Hail storms also occurred in certain areas, but no serious damage was done.

Mpumalanga

Producers have finished planting almost 80% - 90% of maize, while fewer soybeans have been planted to date. The conditions in Mpumalanga looks very good and good follow-up rains have already occurred on the crops that have already been planted. The maize that has come up already looks very good. On Tuesday hail occurred in certain areas, but the impact thereof is still unknown.

Free State

Eastern Free State

Producers have already planted approximately 45% - 50% of their maize. Conditions look very favourable and underground moisture is good. In the Frankfort-/Villiers-/Reitz-/Kestell area, there are parts where the soil is too wet and the planting process is hampered. Due to the current improved moisture conditions, the season's planting started sooner than last season. Hail occurred here and there on wheat, soybeans and sunflower.

North West Free State

Widely occurring rains have fallen in large parts of the North West Free State and producers can complete their soil preparations. The patchy rain that occurred in the Hopetown/Wesselsbron/Bothaville/Viljoenskroon area, is essential for producers who want to plant sunflower.

The scattered showers that occurred in the Bultfontein/Hertzogville/Theunissen area, enables producers to complete their primary tillage, although it will not be sufficient. Producers start in middle November with their summer grain plantings and follow-up rains is needed in this area considering that the underground moisture in the largest part of this area is not too good.

North West Province

NWK service area

No summer crops, apart from those under irrigation, has been planted to date. Patchy rains have occurred, but good, penetrative, widely spread rains are needed in order for primary tillage to be done. Due to inadequate underground moisture, above-average rains are necessary for average yields. Producers start in middle November with their maize planting; therefore there is still time.

Southern parts of the North West Province

Conditions are currently dry in the southern parts of the North West Province. Producers begin with maize planting at the end of November, but good, penetrative rains are essential considering that the season started with insufficient underground moisture. Producers have started to plant sunflower here and there.

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Supply and demand projections for the new marketing year 2013/2014

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

» The intention to plant summer crops was published on 25 October. Based on this information, scenarios were developed and released on Grain SA's webpage. Here follows a summary of these scenarios:

White maize: With a carry-over stock of 906 000 tons and the intention to plant 1,6 million hectares of white maize, South Africa should yield an exportable surplus of 1 832 000 tons on 30 April 2014 against a yield of 4,33 tons/ha. The possibility of further exports up until 30 April 2013, to decrease the expected carry-over stock of 906 000, is not excluded.

Yellow maize: With a carry-over stock of 461 000 tons and the intention to plant 1,135 million hectares of yellow maize, South Africa should yield an exportable surplus of 994 000 tons on 30 April 2014 against a yield of 4,92 tons/ha. The possibility of further exports up until 30 April 2013, to decrease the expected carry-over stock of 461 000, is not excluded.

Total maize: With a carry-over stock of 1 368 000 tons and the intention to plant 2,735 million hectares of maize, South Africa should yield an exportable surplus of 2 888 000 tons on 30 April 2014 against a yield of 4,58 tons/ha. Additional exports up until 30 April 2013 can decrease the carry-over stock of 1 368 000 tons. Some traders are of the opinion that production in the current marketing year can amount to 300 000 tons more than the final crop estimate. The stock situation puts maize prices under pressure.

Sorghum: With a carry-over stock of 56 700 tons and the intention to plant 65 000 hectares of sorghum, South Africa should, against a yield of 2,7 tons/ha, still have to import 30 000 tons to realise a surplus above the pipeline of 11 500 tons by 31 March 2014. The stock situation supports sorghum prices.

Sunflower: With a carry-over stock of 104 000 tons and an intention to plant 525 000 hectares of sunflower, South Africa should, against a yield of 1,3 tons/ha and with expected imports of 28 000 tons by 31 December 2013, still realise a shortage above the pipeline of 75 000 tons. The shortage above the pipeline can amount to 62 000 by December 2013. The stock situation supports sunflower prices.

Soybeans: With a carry-over stock of 199 000 tons and the intention to plant 504 000 hectares of soybeans, South Africa should, against a yield of 1,75 tons/ha and with expected exports of 160 000 tons, still realise a surplus above the pipeline of 52 000 tons by 31 December 2013. The assimilation of soybeans by new press capacity in 2013 is a possibility and it can affect the surplus above the pipeline. The stock situation puts soybean prices under pressure.

Groundnuts: With a carry-over stock of 20 000 tons and the intention to plant 43 000 hectares of groundnuts, South Africa should, against a yield of 1,50 tons/ha and with expected exports of 17 000 tons, still realise a surplus above the pipeline of 5 000 tons by 31 December 2013. The stock situation supports groundnut prices.

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World Soybean Research Conference held here next year

Petru Fourie (economist: Industry Services, Grain SA)

» It is with pride that South Africa is hosting the World Soybean Research Conference (WSRC) next year from 17 to 22 February 2013. This event provides a global forum for the world's soybean researchers to exchange information and research findings across all segments of the soybean industry.

Attendees from around the globe are set to converge at the Durban International Convention Centre in Durban for this conference. Participants will hear from producers, researchers and industry leaders as they explore the entire soy value chain from growing and processing soybeans to transporting, using and marketing soybean products.

Keynote Speakers

It is with great pleasure that the two confirmed keynote speakers, Thomas Mielke and Kip Cullers, are announced.

Mielke, executive director of Oil World, will be one of the headline speakers on the opening day of the conference on 18 February 2013. He devotes most of his time to soybeans, sunflower seed and rapeseed.

Cullers is joining the conference on 21 February (Agronomy day). Cullers is a very successful producer and farms in Purdy, Missouri, USA. His attention to detail and proactive management style has helped him to achieve high yields and set records.

Please visit <http://www.wsrc2013.co.za/> for more detail on the upcoming conference.

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