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RSA Grain Import Watch – 26 May 2016

BACKGROUND

Wheat – South Africa received 62 366 tons of wheat in week 34 (May 14th to May 20th) of the 2015/16 marketing year, bringing the total import volumes for the season close to 1.3 million tons – which is 63% of the expected import requirement. The imports received in week 34 were from Canada, Russia, Argentina and the United States, with 85% of the volumes passing through Durban harbour, and the rest through Cape Town.

Yellow Maize – Week 3 (May 14th to May 20th) of the 2016/17 marketing year saw an additional 28 425 tons of yellow maize arriving at the Cape Town Harbour from Argentina, taking the season's total tally of yellow maize imports to 110 658 tons so far. This represents 4.1% of the expected import requirement of 2.7 million tons for this season.

White maize – South Africa received its first shipment of white maize in the third week of the 2016/17 marketing year – a volume of 22 260 tons from the United States, which came through Durban harbour. This represents 2% of the season's projected requirement of 1.1 million tons for this season.

DISCUSSION AND OUTLOOK

Wheat – For the remainder of the marketing year (2015/16), the country will need to import 753,000 tons of wheat, or 37% of the projected import requirement. Import volumes that came into the country in week 34 were well above the average 50 000 tons per week, which we estimated to be the weekly amount needed for remainder of the wheat marketing year, if the required imports are to be met.

White Maize – Imports received in week 3, coupled with a firming Rand, saw a marginal 2% decline in prices, with “average spot prices” moving from levels of R4 960/ton to R4 874/ton. It seems that the uncertainty around whether the required 1.1 million tons of white maize imports will be met given

the tight supply situation in the regional and global market has, to some extent, been priced into the domestic market.

Yellow Maize – Weekly maize imports have averaged 41 116 tons in the first two weeks of the marketing year; and in Week 3, this average declined by 10% to 36 886 tons. This means South Africa’s “required import average” has increased by 1.8%, from 51 923 tons to 52 843 tons per week, for the remainder of the season.

Harbour activity

From an import perspective, harbour activity of grains (white maize, yellow maize and wheat) increased by 48%, as overall grain import volumes rose from 76 471 tons in week-ending 13 May, to 113 051 tons in week-ending 20 May. The largest increase in imports was in wheat, whose volumes trebled – from 20 561 tons to 62 366 tons. In the week-ending 20 May, 45% of imported grain was maize (both white and yellow), while 55% was wheat. Overall, Durban harbour handled 44% of the grain whereas Cape Town harbour handled 56%. For maize

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