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Department:

**Agriculture and Rural Development
North West Provincial Government
REPUBLIC OF SOUTH AFRICA**

AMT MONTHLY OILSEEDS REPORT

June 2023



ENQUIRIES

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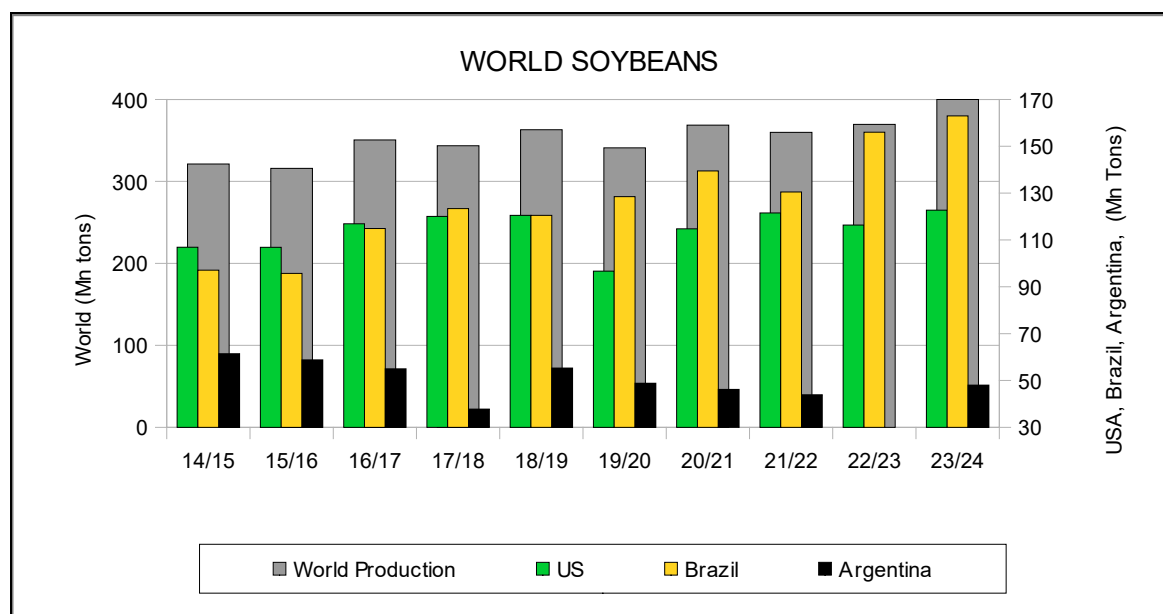
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Report compiled by:
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AMT MONTHLY OILSEEDS REPORT – JUNE 2023

Monthly Prices	June 2023	m-on-m	May 2023	y-on-y	June 2022
CBOT Soybeans (\$/t)	544.91	14.39%	476.35	-11.42%	615.16
SAFEX Soybeans (Spot) (R/t)	8 114	5.86%	7 665	-5.38%	8 575
US\$/ZAR- exchange rate	18.8458	-4.67%	19.7685	15.62%	16.3000

SOYBEANS



Northern Hemisphere weather still in focus as harvest progresses in parts of Europe and the US, and spring crops in certain areas struggle with drought conditions.

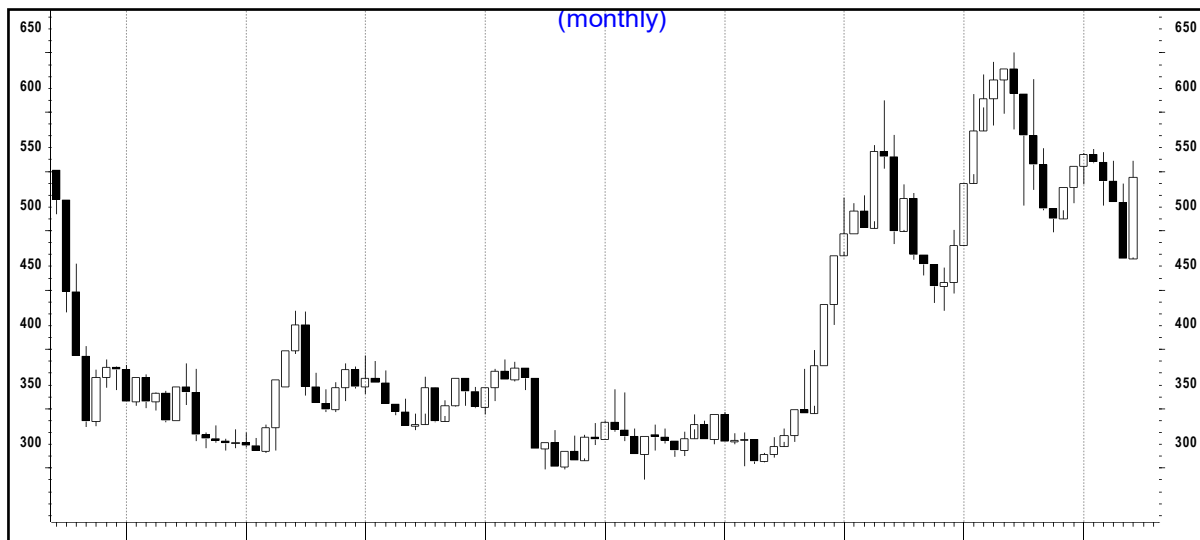
Last month saw minimal rainfall in northern Europe in particular.

Just recently, Russia said that they see no reason to extend the Black Sea Initiative (export deal) beyond 17 July. However, it was reported by the Financial Times that the EU is considering a proposal for the Russian Agricultural Bank to set up a subsidiary to reconnect to the global financial network. This would enable the bank to handle payments related to grain exports, facilitating the grain deal. As we approach the expiration date of the deal, any news on the future of the deal will likely impact grain market price movement.

CBOT soybeans market was supported by US crop conditions data. The US soybean crop conditions, at the end of June, were estimated at 51% good-to-excellent. Conditions fell to the lowest since 1988.

US soybean stocks are, at 21.7 million tons, down 18% from a year ago, and should be added to the bullish possibilities.

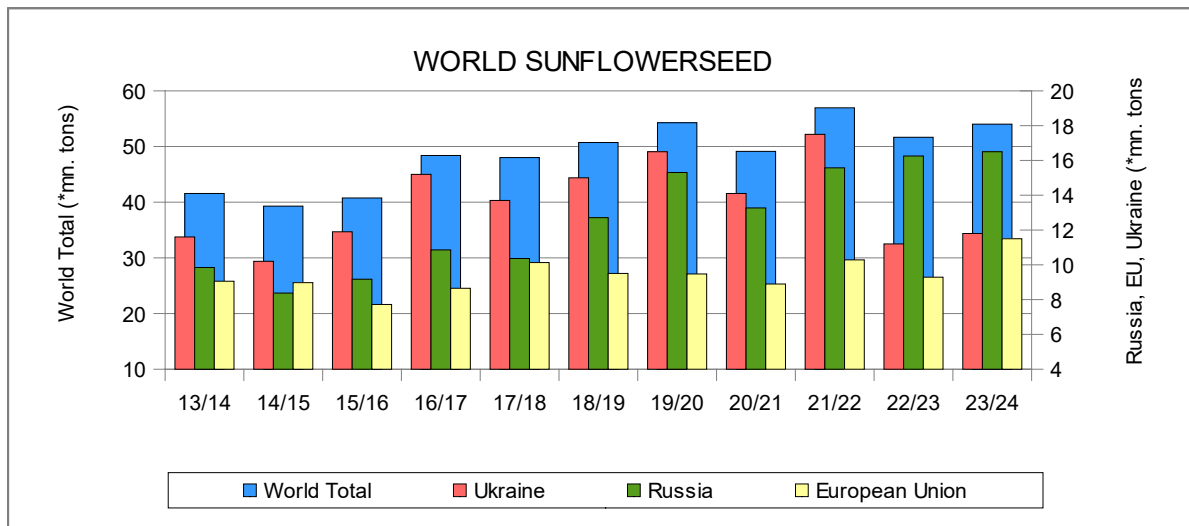
What is critical to note in the oilseed market, is that if supply concerns from the US do ease over the coming weeks, traders focus will return to uncertain demand for US origin soybeans given the stiff competition from Brazil. The Brazilian soybean crop is estimated at 156 million tons, and exports were revised upward to 97 million tons from 95.7 million.



US weather is in focus to revive the drought impacted soybean crop. Long-term, large South American crops are expected going into 2024, which will pressure the market.

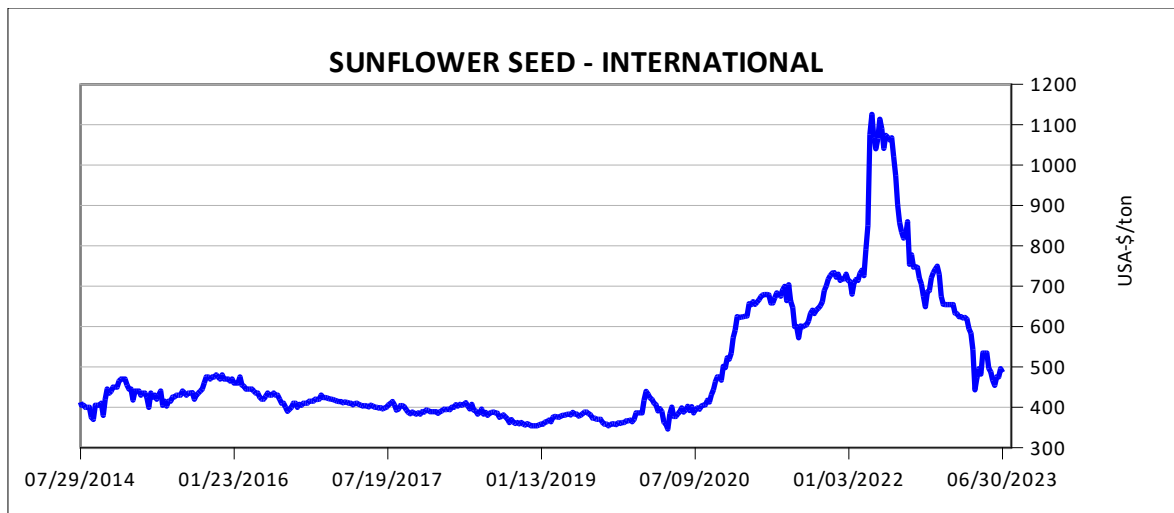
SUNFLOWER SEED

Monthly Prices	June 2023	m-on-m	May 2023	y-on-y	June 2022
Sunflower Seed Int. (\$/t)	483	-2.62%	496	-51.20%	990
SAFEX Sunflower Seed (Spot) (R/t)	8 404	4.92%	8 010	-19.51%	10 441
US\$/ZAR- exchange rate	18.8458	-4.67%	19.7685	15.62%	16.3000



US sunflower seed is reported to be planted 80% of the previous season's total. At 1.347 million acres in 2023/24, plantings are down from 2022/23 plantings of 1.693 million acres.

USDA planted acres report showed US area planted to sunflower in 2023 totals 1.35 million acres, down 20% from 2022. Compared with the previous season, farmers in all eight of the major sunflower production states showed a decrease in planted acreage this year. The harvested area is expected to decrease 20% from a year ago to 1.3 million acres.



With the release of the USDA report, the key to oilseed prices going forward will be U.S. summer weather and demand news.

According to Statistics Canada data, Canadian farmers planted 88 000 acres of sunflowers this spring, which is down 6% from 2022. Last year Canadian farmers planted 94 100 acres of sunflower. The 2023 acreage is 8% below the five-year average of 96 000 acres.

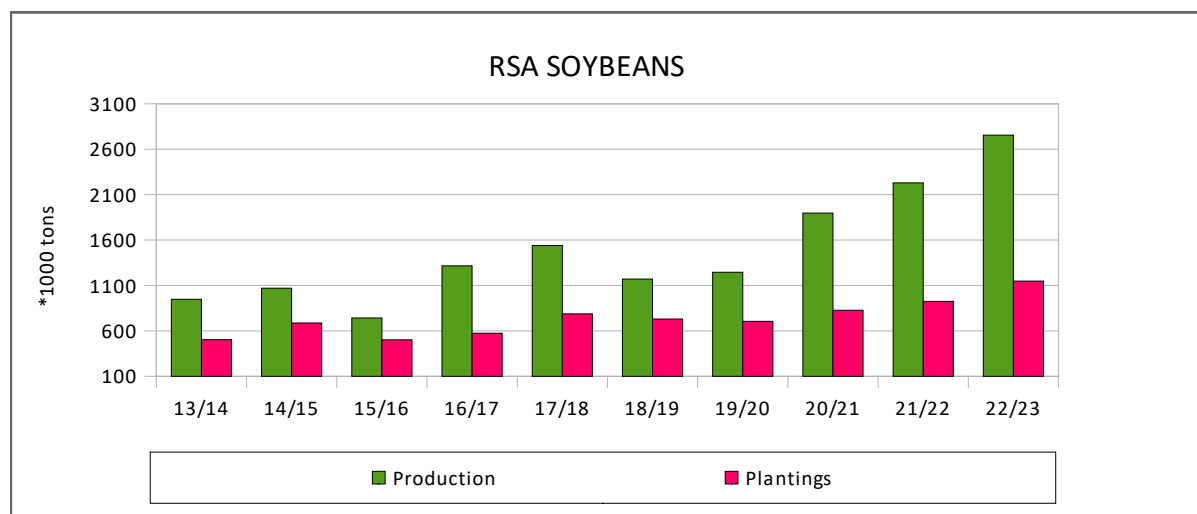
DOMESTIC

South African crop production outlook seems fairly positive. However, sunflower seed production was estimated lower 5% from a month ago, at 758 610 tons, down 10% year-on-year. This is due to a smaller area planted and lower yields in some areas.

The soybeans crop was estimated unchanged from May's record forecast of 2,76 million tons (up 24% year-on-year). Improvement in production is due to larger planted area and higher yields. Supplies, therefore, should be sufficient for South African domestic demand and remain with more than 300 000 tons of soybeans for exports. This soybean export expansion is a new territory for South Africa, which until recently, had been a net importer of soybeans and soybean products, and positive for the agricultural trade balance.

Consumers could be set to be favoured by the already lower oilseed prices and this reinforces the view that further moderation in grains-related food price inflation could be a reality.

SOYBEANS



THE SOUTH AFRICAN SUPPLY-AND-DEMAND PROJECTIONS FOR SOYBEANS AT THE END OF JUNE 2023:

SOYBEANS (2023/24 Season)

Supply

The total supply of soybeans is projected at 2 885 697 tons for the 2023/24 marketing season. This includes an opening stock level (on 1 March 2023) of 171 897 tons, local commercial deliveries of 2 705 300 tons, 2 500 tons of soybean imports for South Africa and a surplus of 6 000 tons.

Demand

The total demand (domestic plus exports) for soybeans is projected at 2 393 950 tons. This includes 23 000 tons processed for human consumption, 210 000 tons processed for animal (full fat) feed, 1 800 000 tons for crush (oil and oilcake), 200 tons withdrawn by producers, 500 tons released to end-consumers, 10 000 tons seed for planting purposes, and a balancing figure of 250 tons (net receipts and net dispatches). A quantity of 350 000 tons soybeans is estimated for exports in the 2023/24 marketing season.

Stock levels

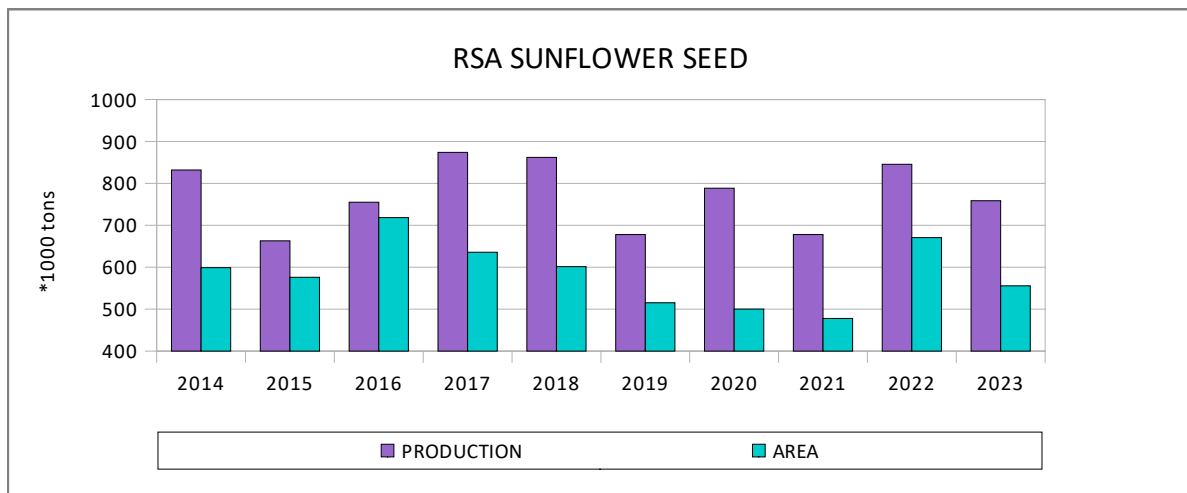
The projected closing stock level for 28 February 2024 is estimated at 491 747 tons. At an average processed quantity of 169 417 tons per month, this represents available stock levels for 2.9 months or 88 days.

Please note: When utilizing 45 days' stock as a proxy, there is potential for 590 000 tons of soybeans available for exports for the 2023/24 marketing season (provided there is efficient logistical capacity).

SOURCE: NAMC



SUNFLOWER SEED



THE SOUTH AFRICAN SUPPLY-AND-DEMAND PROJECTIONS FOR SUNFLOWER SEED AT THE END OF JUNE 2023:

SUNFLOWER SEED (2023/24 Season)

Supply

The total supply of sunflower seed is projected at 846 127 tons for the 2023/24 marketing season. This includes an opening stock level (on 1 March 2023) of 73 517 tons, local commercial deliveries of 758 610 tons, sunflower seed imports of 5 000 tons for South Africa and a surplus of 9 000 tons.

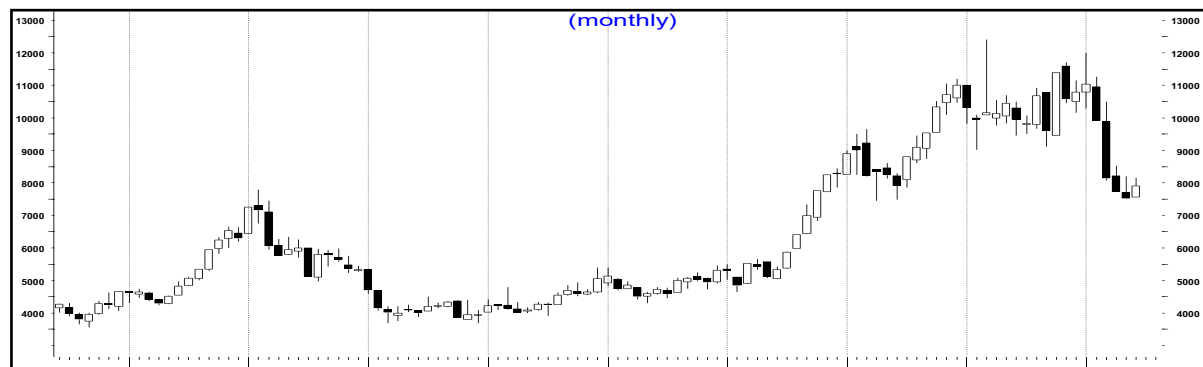
Demand

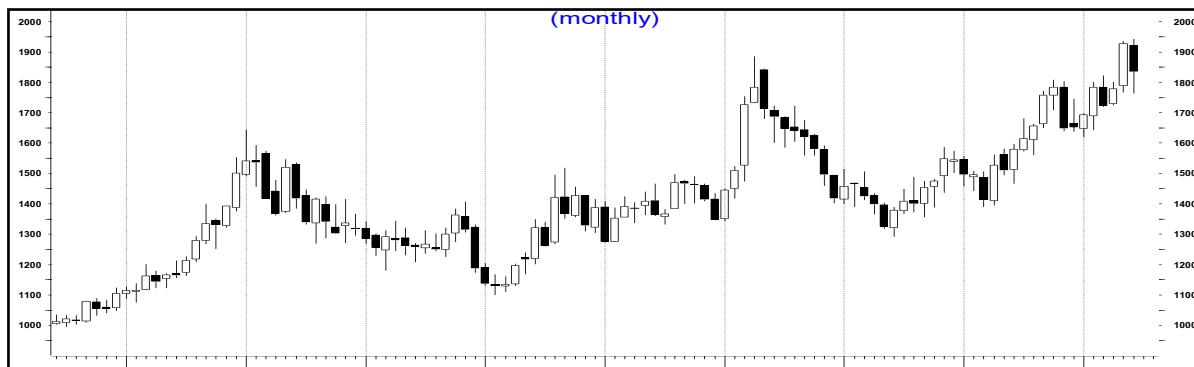
The total demand (domestic plus exports) for sunflower seed is projected at 790 950 tons. This includes 1 600 tons processed for human consumption, 6 000 tons processed for animal consumption, 780 000 tons for crush (oil and oilcake), 450 tons withdrawn by producers, 100 tons released to end-consumers, 2 000 tons seed for planting purposes and a balancing figure of 600 tons (net receipts and net dispatches). A quantity of 200 tons is estimated for exports in the 2023/24 marketing season.

Stock levels

The projected closing stock level for 28 February 2024 is estimated at 55 177 tons. At an average processed quantity of 65 633 tons per month, this represents available stock levels for 0.8 months or 26 days.

SOURCE: NAMC





In 1st week of July: Dollar to Rand forecast, exchange rate 18.87 Rands, maximum 19.15, minimum 18.59. USD to ZAR forecast on Friday, July 14.

In 2 weeks, USD to ZAR forecast exchange rate 19.23 Rands, maximum 19.52, minimum 18.94. Dollar to Rand forecast on Friday, July 21.

In 3 weeks, Dollar to Rand forecast exchange rate 19.18 Rands, maximum 19.47, minimum 18.89. USD to ZAR forecast on Friday, July 28.

In 4 weeks, USD to ZAR forecast exchange rate 18.44 Rands, maximum 18.72, minimum 18.16. Dollar to Rand forecast on Friday, August 4.