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**agriculture &
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Department:
Agriculture and Rural Development
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

AMT MONTHLY WHEAT REPORT

JUNE 2023



ENQUIRIES

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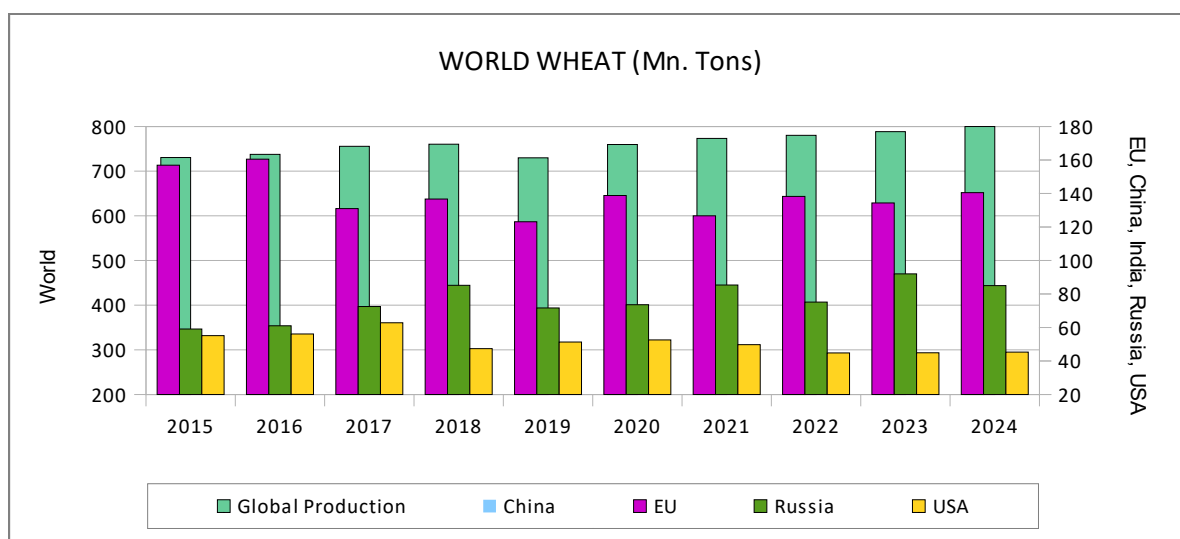
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Report compiled by:
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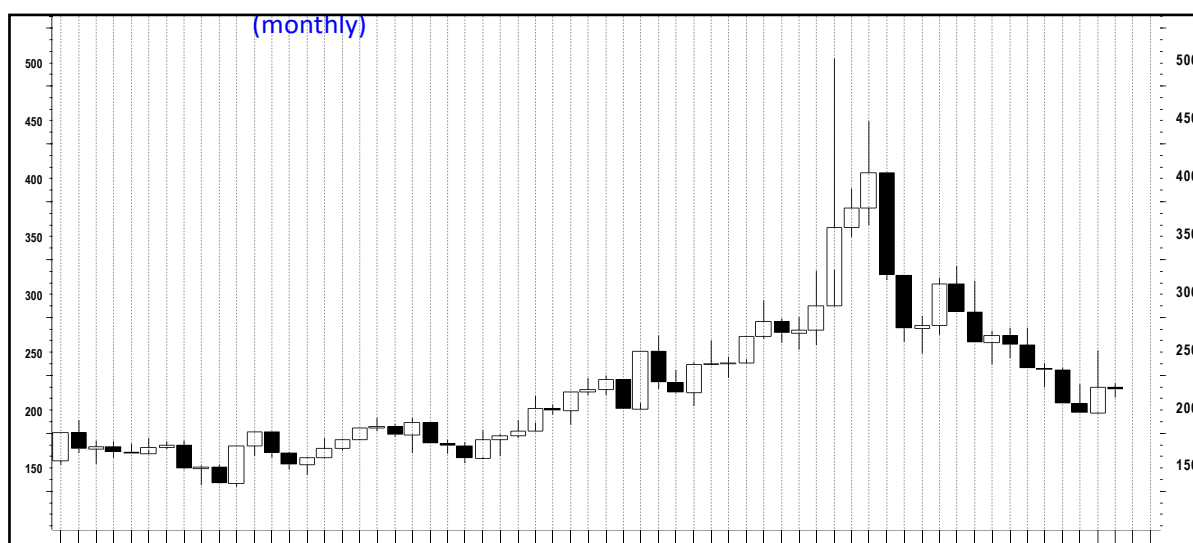
AMT MONTHLY WHEAT REPORT – JUNE 2023

Monthly Prices	June 2023	m-on-m	May 2023	y-on-y	June 2022
CBOT Wheat (\$/t)	239.94	10.49%	217.16	-28.76%	336.35
SAFEX Wheat (Spot) (R/t)	6 650	0.76%	6 600	-12.08%	7 564
US\$/ZAR- exchange rate	18.8458	-4.67%	19.7685	15.62%	16.3000

INTERNATIONAL

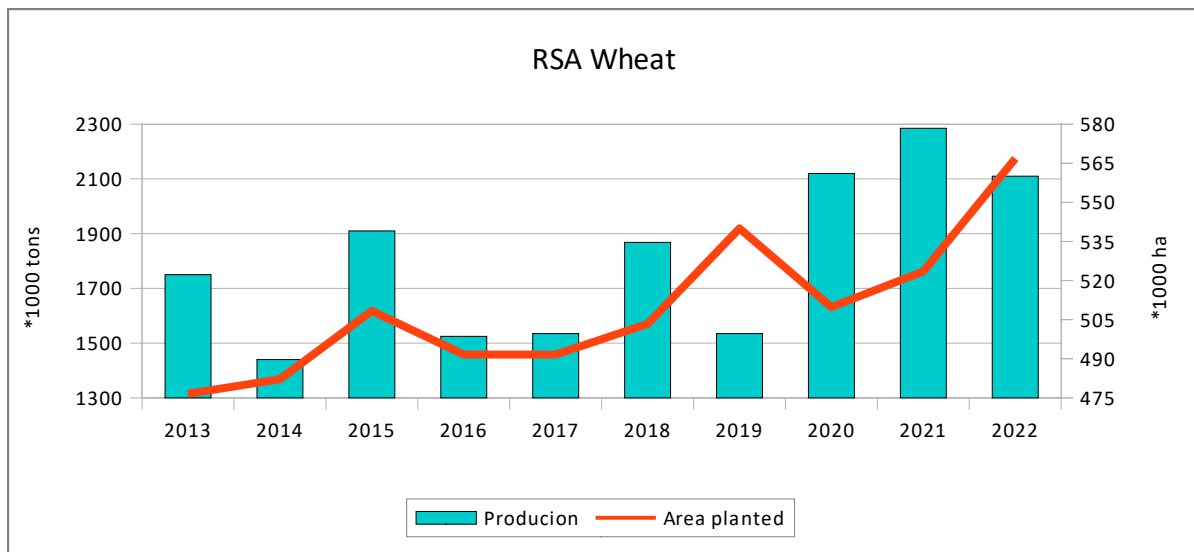


Wheat fluctuated a lot as traders tried to assess risks after the Russian mutiny. However, the rebellion halted when a deal was struck to end the insurrection. This cause uncertainty and markets to become very volatile. Prices are about 25% higher this month due to dry weather in the US, and after fighting between Russia and Ukraine escalated, damping the outlook for a deal that allows Ukraine to ship grain from Black Sea ports. Russia is expected to be the world's top wheat exporter this season and next, and any disruption to its shipments will have a significant impact. Analysts bank now see a lower probability of a further extension when the Black Sea grain deal expires mid-July. The extent to which recent Russia events weigh adversely on the probability of an extension should therefore push grain prices upwards.



Wheat futures retraced again, as the anticipation of a bumper harvest in Russia, the largest exporter of wheat globally, exerted downward pressure on prices. Furthermore, USDA data revealed that wheat sales exceeded expectations. In late June, the wheat benchmark reached a four-month high of \$7.56, primarily driven by poor crop conditions in critical growing regions of the US, highlighting the adverse effects of earlier dry weather.

DOMESTIC



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

WHEAT (2022/23 Season)

Supply

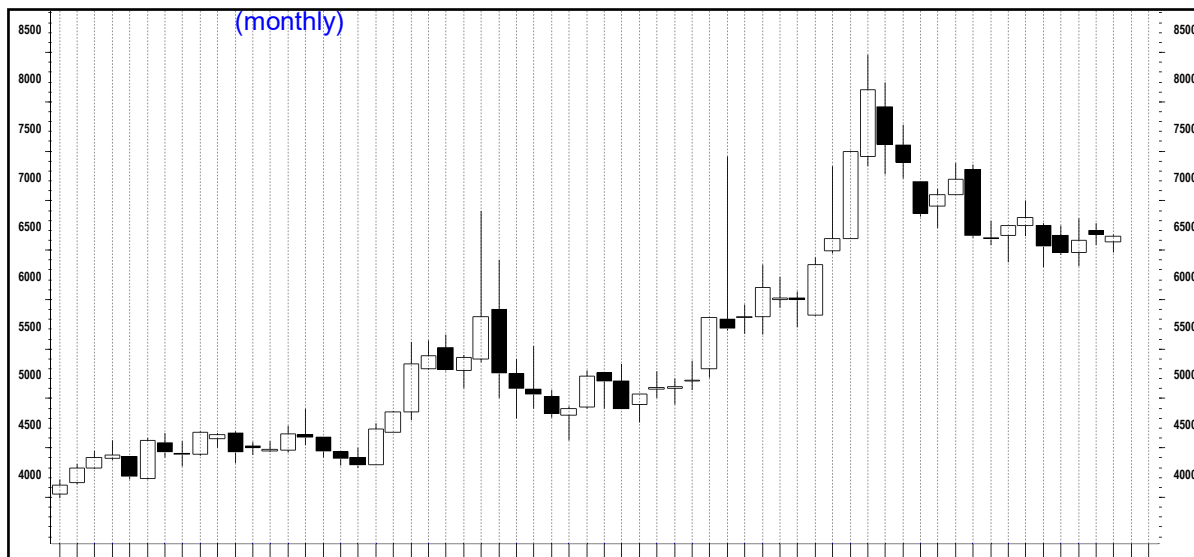
The total supply of wheat is projected at 4 291 083 tons for the 2022/23 marketing season. This includes an opening stock level (on 1 October 2022) of 625 083 tons, local commercial deliveries of 2 060 000 tons, whole wheat imports estimated for South Africa of 1 600 000 tons and a surplus of 6 000 tons.

Demand

The total demand (domestic plus exports) for wheat is projected at 3 755 000 tons. This includes 3 375 000 tons processed for human consumption, 45 000 tons processed for animal consumption, 8 500 tons withdrawn by producers, 1 700 tons released to end-consumers, 20 000 tons projected seed for planting purposes and a balancing figure of 2 800 tons (net receipts and net dispatches). A projected export quantity of 32 000 tons processed products and 270 000 tons whole wheat is estimated for exports in the 2022/23 marketing season.

Stock levels: The projected closing stock level for 30 September 2023 is estimated at 536 083 tons. At an average processed quantity of 285 000 tons per month, this represents available stock levels for 1.9 months or 57 days.

SOURCE: NAMC



In 1 week, USD to ZAR forecast on Friday, July 21: exchange rate 18.97 Rands, maximum 19.25, minimum 18.69.

In 2 weeks, USD to ZAR prediction on July 28: exchange rate 19.45 Rands, maximum 19.74, minimum 19.16.

SOURCE: Rand forecast