

PostNet Suite 221  
Private Bag X04  
Menlo Park, 0102

Agri-Hub Office Park, Block B  
477 Witherite Street  
The Willows, Pretoria  
South Africa, 0184

☎ +27 (0)12 460 3752

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## OPTIMISM FOR THE UPCOMING GRAIN PRODUCTION AND EXPORTS SEASON

There is a general feeling of optimism amongst farmers and traders alike regarding the upcoming production season. The Crop Estimates Committee (CEC) today released the first intentions to plant report. Farmers have indicated that they intend to plant 4.62% more summer crop hectares during the 2021/22 production season. Relatively high grain prices and reasonably good early rains are the main reasons for the increase. Planting has already commenced in many areas. If the summer grain production areas have another “normal” season, farmers will again produce a surplus crop which will be added to carryover stock left over from the current season. This is despite high volumes of exports presently taking place.

This optimism is shared by some traders operating in the maize export market. SA Bulk Terminals (SABT), which operates the Durban export terminal known as DBS and handles the bulk of maize exports, held their first new season export slot auction yesterday. For a maize exporter to successfully execute its export transaction, it must have access to an ‘export (time) slot’ at the harbour terminal for its ship to load. Because of the demand for these slots in years of export, and in order to be open and transparent in the allocations, SABT auctions off these slots to potential exporters. The slots for May and June 2022, nine in total, were allocated to six traders. Clearly, they anticipated sufficient hectares to be planted, a good crop and more opportunities to export next season.

The remaining critical element for the successful execution of export transactions is a sufficient logistical pipeline – meaning that there will continue to be pressure on Transnet Freight Rail and road transporters to move the stock from the inland areas to the harbour efficiently.

One export shipment of maize currently generates approximately R200 million in forex for the country. It boosts economic growth, the major beneficiaries thereof being the rural areas. SACOTA, the SA Grains and Oilseeds Trade Association, represents the interest of its members who are responsible for the vast majority of exports.

André van der Vyver

Executive Director

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