



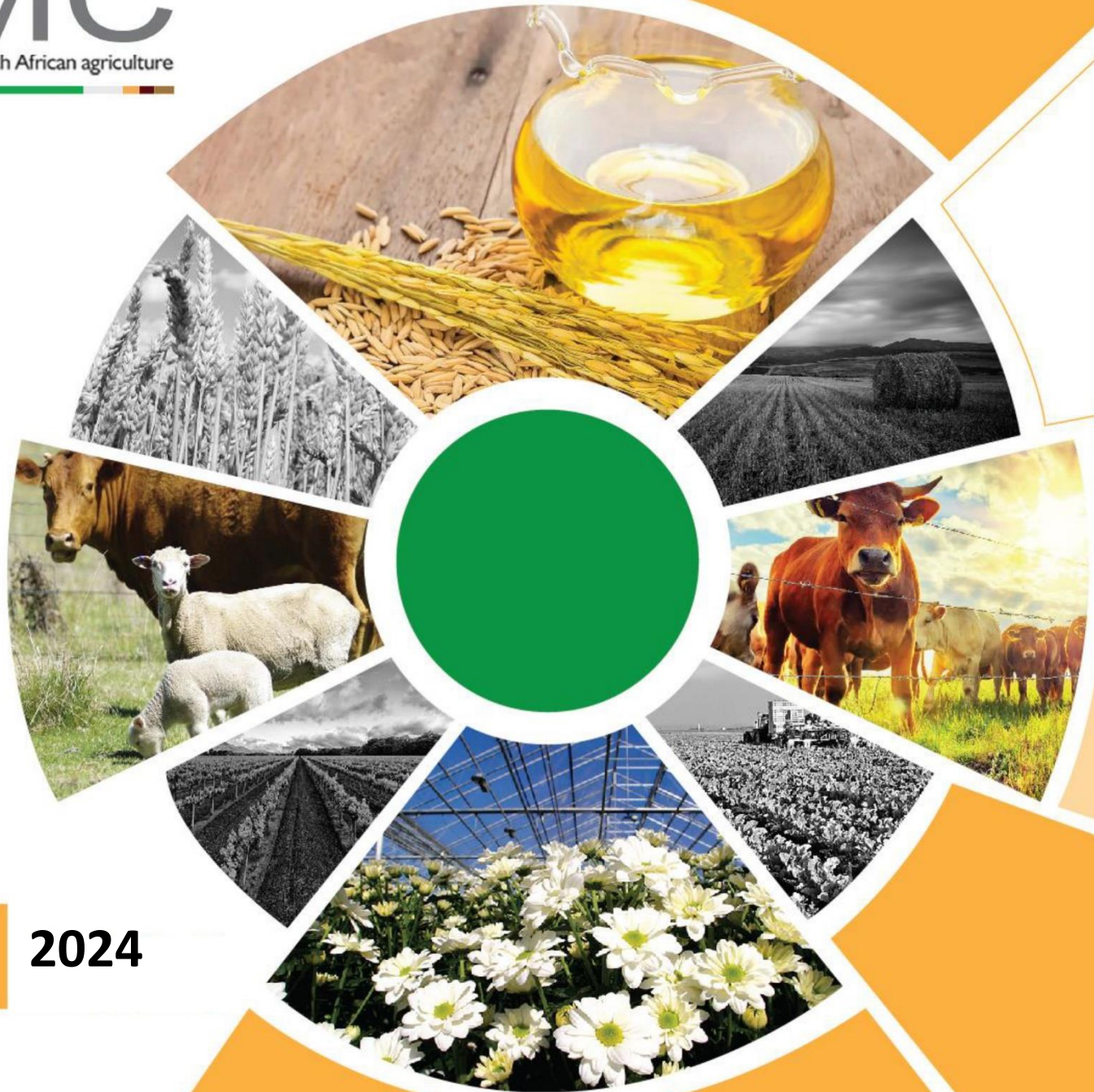
NAMMC

Promoting market access for South African agriculture

Market Intelligence Report

QUARTER THREE

2024



Grains and Oilseeds



By Matume Maila, Thulani Ningi, Naledi Radebe and Thabile Nkunjana

GLOBAL PERSPECTIVE

The focus of this section is global maize, sunflower and sorghum prices. Notably, global corn production for 2024/25 is projected to be slightly reduced to 1.500 billion tonnes. The global maize outlook for 2024/25 this month indicates increased production, decreased trade and reduced ending stocks compared to the previous month. Maize output is expected to increase in Uganda, Malawi, Belarus, Mozambique, Kenya and Cameroon, partially offset by declines in Mexico, Turkey and the EU. Mexico's maize production has decreased due to lower winter area estimates.

Global trade is projected to decline slightly. Maize exports have decreased in Brazil and South Africa, while increasing in Burma and Uganda. Global imports are also decreasing slightly. Maize imports have reduced in China and Malawi, but increased in Mexico, Vietnam, Turkey, and Peru.

Figure 1 presents global maize prices from August 2020 to November 2024 dollars. Month over month, maize export prices increased around the world due to a combination of factors. World maize prices remained stable in November because of opposing factors. Downward pressure on prices stemmed from generally favourable weather in South America with the continuing sowing, weaker demand for Ukrainian supplies, and seasonal pressure from the ongoing harvest in the United States of America, while strong domestic demand in Brazil and Mexico's demand for US supplies provided upward support.

At the end of November 2024, a ton of maize on average globally had decreased 4.7% year over year (y/y) but increased 5.8% month over month (m/m).

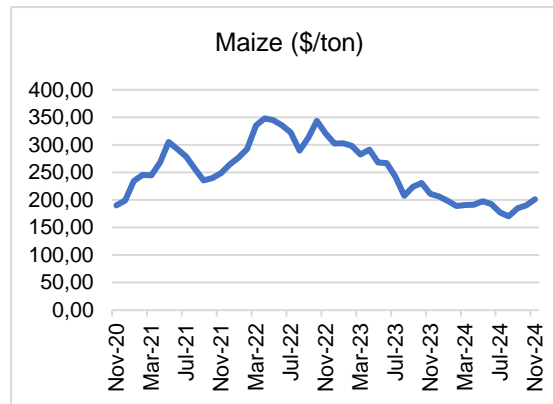


Figure 1: Global maize export prices
Source: The World Bank, 2024

The harvested sorghum area for 2024/25 remained constant this month, at 5.3 million acres. Increased yields, to 60.8 bushels per acre from 57.7 bushels per acre, resulted in an increase in production by almost 16 million bushels to 320.7 million this month. This month's projected rise in yield more than compensates for the fall in area, boosting supply to 351.3 million bushels, greater than the previous two years. The increase in sorghum supplies is expected to meet feed needs for expanding grain-consuming animals. The 2024/25 feed and residual sorghum usage prediction is increased by 15 million bushels to 75 million, resulting in a modest rise in ending stocks to 31.3 million bushels.

Turkey's sunflower seed output for 2024/25 is projected to be 1.4 million metric tonnes (mmt), a decrease of 0.2 mmt (11%) from the previous month and year and 19% from the five-year average. This has been attributed to dry weather conditions in the country's northeast, where over half of output is concentrated. Harvested area remains at 0.7 million hectares, unchanged from the previous month, but down 1% from last year and 7% from the 5-year average. The imports are expected to reach 550 000 MT in MY 2024/25, up 100 000 MT from the previous

year. This rise is expected to partially compensate for a decrease in local production.

Figure 2 presents global sunflower seed average prices based on data from the world bank. The increase was driven by higher quotations for palm, rapeseed, soy and sunflower oils. International palm oil prices increased for the sixth consecutive month, maintaining a premium over alternative oils due to lingering concerns about lower-than-expected global production amid excessive rainfall in Southeast Asia. Sunflower oils prices increased, reflecting prospects of tightening global supplies in their respective markets.

Globally, the average price per ton of sunflower oil as of November 2024 was USD1 265,34, up 34.1% year over year from November 2023. A ton of sunflower oil increased 4.9% monthly, from USD 1 205,71 in October to USD1 265,34 in November.

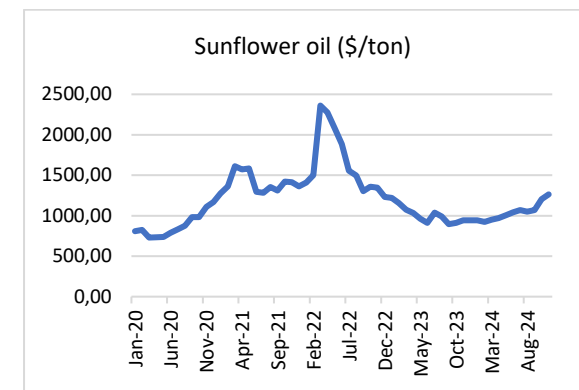


Figure 2: Global average sunflower oil export prices
Source: The World Bank, 2024

DOMESTIC AND REGIONAL PERSPECTIVE

The crop estimates report released by the CEC on 27 November 2024 includes area estimate and final production estimate of summer crops for the 2024

Grains and Oilseeds



production season. The report reveals that maize crop is 22.6% or 3 706 million tons lower than the 2023 crop. Notably, the production forecast for white maize is 6 007 million tons, while the production forecast of yellow maize is 6 717 million tons. The production forecast for sorghum is 97 810 tons, which is 2.1% or 1 980 tons more than the previous forecast of 95 830 tons. Furthermore, the area estimate for sorghum is 42 100 ha and the expected yield is 2.28 t/ha. The expected production of sunflower remained unchanged at 635 750 tons. In addition, the report revealed that estimate for sunflower is 529 000 ha, while the expected yield is 1.20 t/ha.

Figure 3 presents the cost of spot prices per ton for yellow and white maize, sorghum and sunflower between November 2023 and November 2024. In November 2024, the average spot price for a ton of white maize, yellow maize and sunflower seed increased by 48%, and 27% and 9%, respectively when compared to the same season in 2023. While the spot price of sorghum decreased by 19% during the same period last year. A month-to-month comparison showed that the price of sorghum decreased by 21%, while sunflower, yellow maize and white maize increased by 10%, 8% and 7%, respectively.

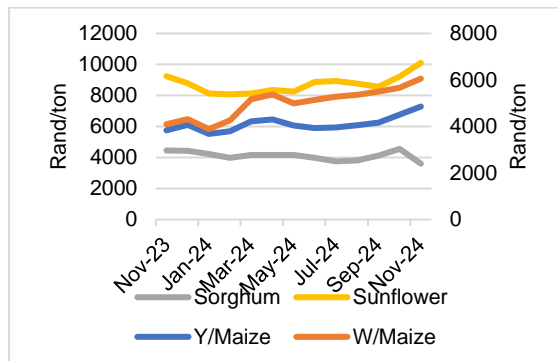


Figure 3: Spot price for Maize, Sorghum and Sunflower
Source: SAFEX 2024

CLOSING REMARKS

Unlocking growth in field crops requires a multifaceted approach focusing on productivity, resilience, trade and market access. Investments in improved seed varieties, advanced farming practices and precision agriculture can drive higher yields, as demonstrated by sorghum's production increase despite static planting areas. Addressing climate resilience is critical, especially in areas where dry weather significantly reduce sunflower seed output. Strategies such as improved irrigation systems and the adoption of drought-resistant crops can mitigate weather-related risks. Expanding and diversifying trade opportunities, including facilitating agreements and improving logistics, can counteract export declines, as seen in Brazil and South Africa, while capitalising on rising demand in markets like Mexico, Vietnam, and Turkey.

Strengthening supply chains by addressing transport challenges, such as river logistics in Brazil, and enhancing smallholder access to local and regional markets can boost competitiveness and income. Value addition, such as processing sunflower oil and expanding sorghum use in feed and industrial applications, offers opportunities for stabilising prices and increasing profitability. Providing timely market intelligence and implementing price stabilization mechanisms can help farmers and traders navigate price fluctuations, as seen in maize and sorghum spot price trends. Overall, targeted efforts in these areas can create more resilient and sustainable field crop systems, enabling stakeholders to capitalize on emerging opportunities while mitigating risks.

Fruits and Vegetables



By Nokuthula Khulu, Lesedi Mokoena and Bhekani

GLOBAL PERSPECTIVE

In this section, the focus is on stone fruits (plums, peaches, nectarines) and table grapes. The global production of peaches and nectarines is projected to increase by 425,000 tons, reaching 25.4 million tons, driven by growth in China, the European Union (EU), Turkey, and the United States (US) (USDA, 2024). Similarly, exports are expected to increase by 65,000 tons to 1.0 million tons while imports are also forecasted to grow due to higher shipments to Russia, the United Kingdom (UK), China, and Canada, offsetting declines in shipments to Iraq and Saudi Arabia. If realized, this would surpass the record level of imports of 334,000 tons set in 2023/24.

Figure 4 presents global production and trade of peaches and nectarines from 2019/20 to 2024/25 season.

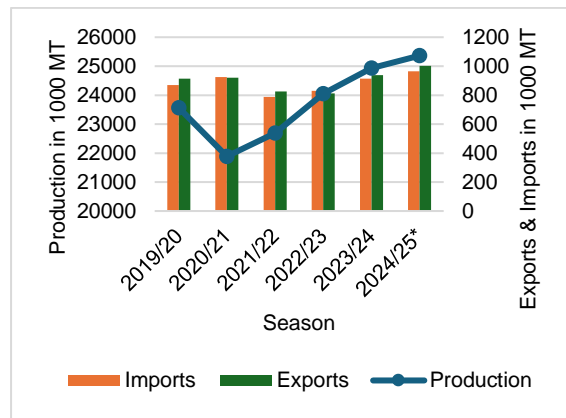


Figure 4: Global production and trade of peaches and nectarines from 2019/20 to 2024/25 season.

Source: USDA (2024)

China is currently the leading producer of peaches and nectarines, followed by the EU, Turkey, US, Iran and Mexico. China's peach and nectarine production is expected to rise to 17.6 million tons due to strong yields

in southern provinces. In terms of trade, Turkey is currently the leading exporter of peaches and nectarines followed by EU, Chile, China, Uzbekistan, and Iran. Whereas the leading importing countries are Russia, Iraq, UK, China, EU, and Canada.

Turkey's peach and nectarine production is expected to increase by 123,000 tons, reaching 1.2 million tons, with nectarine production doubling in the last five years. In the US, production is projected to increase by 15,000 tons to 669,000 tons while exports are expected to rise by 30%, reaching 60,000 tons. Chile remains the top Southern Hemisphere exporter of peaches and nectarines (USDA, 2024).

Chile, Spain, South Africa, Moldova, Hong Kong, China, Turkey, Italy, Netherlands, and the USA are the global dominant exporters of plums, with a combined market share of 96.2% in 2023 (Trade Map, 2024). In terms of table grapes, global production is expected to increase by over 150,000 tons to 28.1 million in 2023/24, marking a fifth consecutive year of growth. However, exports are expected to decline by 200,000 tons to 3.5 million tons due to reductions in Peru, the US, and Turkey. In China, production is expected to grow by 750,000 tons to 13.5 million tons, making it the second-largest exporter. Imports, however, are forecasted to decrease by over 40,000 tons, reaching 135,000 tons. US production is expected to decline by 19% to 655,000 tons due to Hurricane Hilary, marking the smallest harvest in over 30 years (USDA, 2024). Recovery is anticipated in 2024/25, as most affected countries show signs of improvement (Rabobank, 2024).

DOMESTIC AND REGIONAL PERSPECTIVE

The following section highlights the production trends of peaches & nectarines, plums, and table grapes which is set for a nuanced 2024/25 season. Peach production

remains under pressure a reduction in planted areas, with clingstone and dessert peach orchards shrinking by 8% and 10% respectively. The decline in peach production aligns with the gradual shift towards higher-demand crops such as nectarines and plums, resulting in exports being slightly affected, with volumes predicted to decline by 6% to 1.75 million cartons in the 2024/25 marketing year. On the contrary, nectarine production is expected to increase by 4% to roughly 9.12 million cartons, largely due to high-yielding varieties. However, early season nectarine plantings are anticipated to decline by 8% attributable to adverse weather conditions (Hortgro, 2024a). Nectarine exports are expected to increase by 9% to about 523,000 cartons. **Table 1** below illustrates the trade performance of South Africa's stone fruit comparing the 2023/24 season with the 2024/25 forecast.

Figure 5 presents regional distribution of South Africa's stone fruit exports. The EU is still the major export market for South Africa's stone fruits with a share of 48%, followed by UK and Middle East (21%), and Russian Federation (3%).

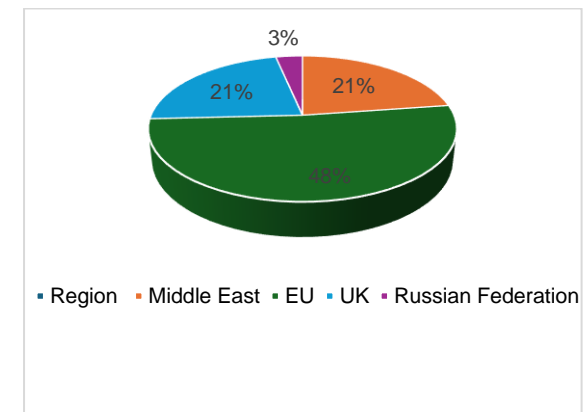


Figure 5: Stone fruit exports distribution by region

Source: PPECB (2024)

Fruits and Vegetables

Plantings of plums have generally levelled off, and the hectares that were previously cultivated are now contributing to an upward trajectory of exports that appears to be higher than the two-year average. It is anticipated that plum production would rise by an astounding 12% with 13.7 million cartons expected to be exported. This considerable increase is linked to favorable weather and the maturity of newly planted orchards cultivated in previous years (Hortgro, 2024a). **Figure 6** presents the first crop estimate of table grapes for the 2024/25 season across all growing regions.

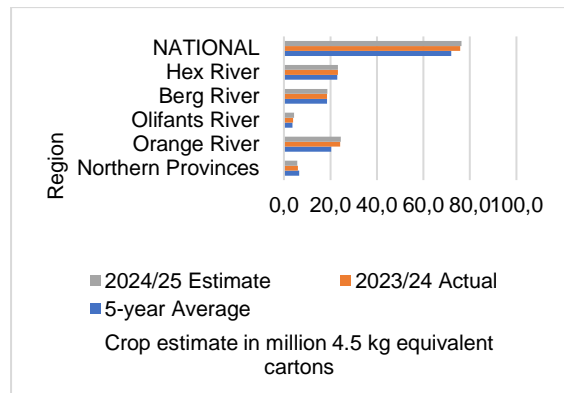


Figure 6: First Crop Estimate for 2024/25 season (million 4.5 kg equivalent cartons).

Source: SATI (2024)

The South African Table Grape Industry forecasts that the 2024/25 table grape season will yield roughly 76.4 million cartons, with an increase of 1% in comparison to the 2023/24 season. This is more than the five-year average of approximately 72 million cartons. The top and lower limits are projected to be approximately 78.7 and 74.1 million cartons, respectively. Furthermore, the latest vine census reveals that white seedless varieties continue to thrive, demonstrating SA's adherence to demands in the international markets (SATI, 2024). Presented in **Figure 7**

is the distribution of South Africa's table grapes export by destination. The EU and UK are currently the leading export markets for South Africa's table grapes with a share of 56.43% and 19.95% respectively. Other key markets, although accounting for smaller shares are South East Asia, Middle East, North America, and Russian Federation, respectively.

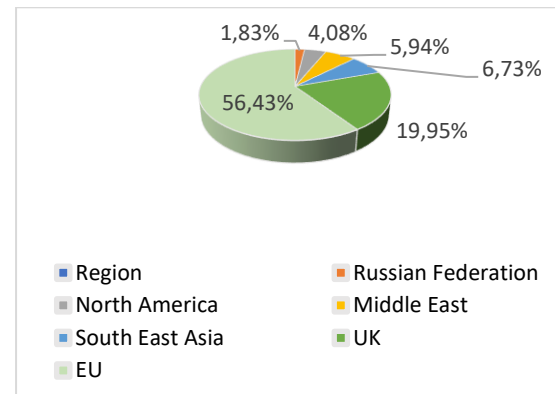


Figure 7: Stone fruit exports distribution by region

Source: PPECB (2024)

CLOSING REMARKS

Most South Africa's exports of stone fruits and table grapes still go to the Middle East, Europe, the United Kingdom, and some regions of Asia and America. This highlights the necessity of ongoing market diversification initiatives to lessen reliance on a small number of markets. Investigating unexplored market potential in areas like Asia and Africa would be crucial. Further crucial for better market access both domestically and internationally is the ongoing investment in infrastructure and the enhancement of port operational efficiency.

The fruit industry also continues to be prone to adverse climatic events which reduces productivity and hence, the

industry competitiveness and comparative advantage. Therefore, investment in climate resilient practices and cultivars is also essential. This will also enable the industry to take advantage of the global growing demand for sustainably produced food products.

Livestock and Animal Products

By Buhlebemvelo Dube and Thabile Nkunjana

GLOBAL PERSPECTIVE

The FAO meat price index was up 5.9% year over year at the end of November 2024, despite a little decline of 0.8% month-on-month (m/m). The decline was mainly due to lower international pig meat prices, which fell for the fifth consecutive month, principally driven by weaker quotations in the European Union, reflecting abundant supplies and persistently subdued global and domestic demand. Similarly, world poultry meat prices fell marginally, pressured by ample export supplies from major producing regions. Meanwhile, international bovine meat quotations remained broadly stable. A sharp rise in Brazilian bovine meat prices, fuelled by robust global demand, was offset by lower Australian prices due to reduced purchasing interest from the United States of America.

Poultry

Globally there is a continued and expected slowdown in meat demand due to numerous factors. Some of these factors include higher meat prices, post COVID19 related impact of less dining out, furthermore, there is a strong trend towards relying on much more affordable protein sources. There is a need for a stronger production system, as well as the ability to deal with ongoing disease outbreaks in the world. According to the OECD report, improvements in animal breeding and growth in animal slaughter will have a great impact towards sustainable beef and pork production, and growth in animals slaughtered and carcass weight will have the highest impact on poultry production (OECD-FAO, 2024).

Figure 8 presents global poultry prices in US Dollars per ton from Brazil and USA from 2015 to 2023 and monthly from January to November 2024. A ton of poultry from the USA was selling 7.0% less year over year and 1.0% higher month over month as of November 2024. Conversely, a tonne of Brazilian chicken fell 5.0% year over year consecutively and 9.5% month over month.

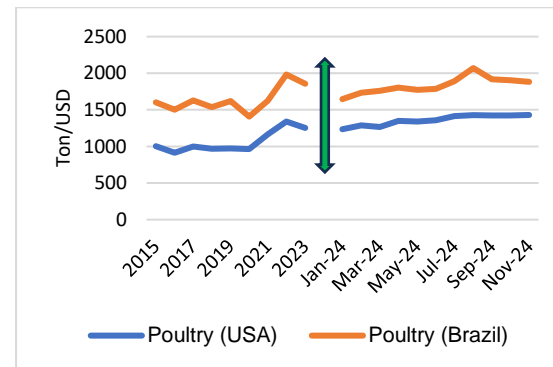


Figure 8: Global poultry prices per ton

Source: The World Bank, 2024

Beef

Figure 9 presents global beef prices in US Dollars per ton from Australia, Brazil, and USA from 2015 to 2023 and monthly from January to November 2024. A ton of beef from Australia was up 25% year over year as of November 2024, while a ton from the USA and Brazil had increased by 7.0% and 2.0%, respectively year over year. Brazil remains as the global beef supplier with the most competitive prices as of November 2024.

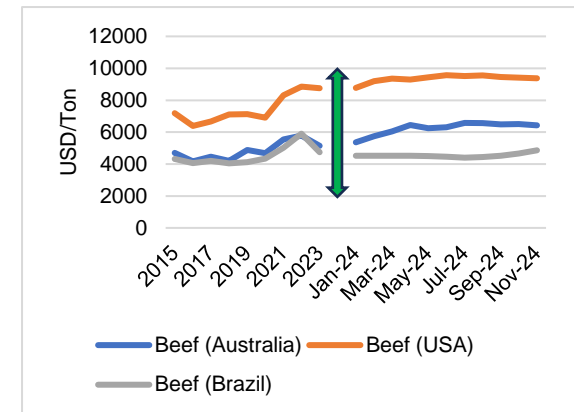


Figure 9: Global beef prices per ton

Source: The World Bank, 2024

DOMESTIC AND REGIONAL PERSPECTIVE

The spread of animal diseases has made the last few years difficult for South Africa's livestock and poultry sector. We have seen a number of incidences of avian influenza in poultry, African swine fever in pigs, and foot-and-mouth disease (FMD) in cattle during this time. Although outbreaks of animal diseases are not exclusive to South Africa and are widespread globally, the country's problems have gotten worse recently.

Beef

During quarter 3-2024, fresh beef exports amounted to R517.1 million, up from R490.9 million in quarter. This was also higher when compared to quarter 3-2023. Jodarn, Kuwait and United Arab Emirates (UAE) remains the top importers of fresh beef. Frozen beef on the other hand amounted to R365.1 million in quarter 3-2024, up from R285.6 million in the previous quarter. Egypt, China, and UAE are the leading markets.

Livestock and Animal Products

Figure 10 presents domestic beef prices from November 2021 to November 2024. On annual base as of November 2024, beef prices for class A and class C were up 0.6% and 0.2% respectively while prices for class B decreased 24.6%. Monthly, Class C, Class B and Class A all increased in November increasing by 6.0%, 3.4% and 2.5% respectively.

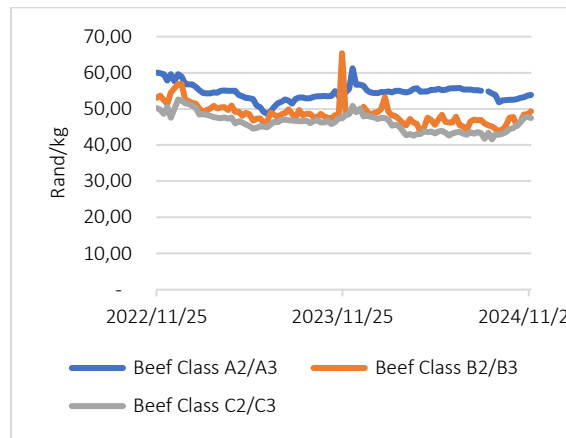


Figure 10: South African beef producer prices

Source: (AMT, 2024)

Poultry

Poultry exports totalled R422.3 million in the third quarter of 2024, which was less than the R447.4 million in the second quarter but still more than the R377.0 million in the third quarter of 2023. This could indicate a recovery from last year's disastrous Avian Influenza in the third quarter.

Figure 11 presents poultry prices from South Africa from November 2021 to November 2024 based on AMT data. In recent weeks poultry prices have mostly been

decreasing across the board. On y/y bases, a producer price for frozen chicken was down 11.8% while fresh chicken and IQF-chicken were down 9.3% and -3.4% respectively. On monthly bases, IQF, fresh and fresh chicken producer prices had increased by 4.8% and 2.0%, respectively, while frozen chicken producer prices decreased by 1.9%.

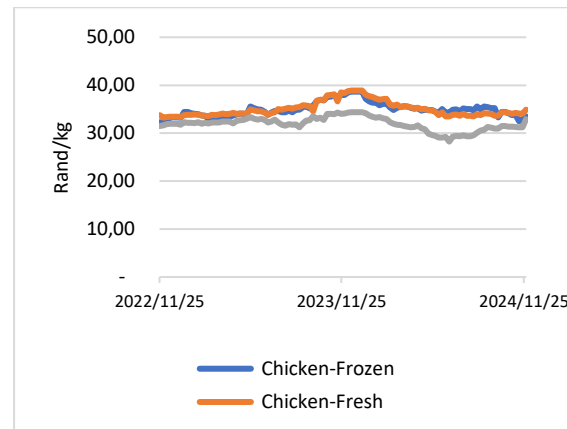


Figure 11: South African poultry producer prices

Source: AMT, 2024.

CLOSING REMARKS

The foot and mouth disease outbreak that occurred during 2021-2022 has been successfully resolved in the North West, Free State, Gauteng, and Mpumalanga Provinces," the Department declared in October 2024. These provinces, which were first affected by the outbreak, have now finished testing all the animals on farms that were placed under quarantine. The findings show that the virus that causes foot and mouth disease has disappeared. It is crucial to remember that outbreaks

of foot and mouth disease continue to threaten the provinces of KwaZulu-Natal and the Eastern Cape.

Resolving the biosecurity issues is essential to reaching the export markets. The outstanding issues in KwaZulu Natal and the Eastern Cape require constant attention. However, there haven't been any reports in any province in recent months. More work is required to combat the illness epidemics. Among these is the rapid response team that the Minister of Agriculture established not too long ago.

Sources of Information



Agricultural Market Trends (AMT), (2024a). Available at: <https://amtrends.co.za/>

FAO (2024). FAO Food Price Index. September 2024. Available online: <https://www.fao.org/worldfoodsituation/foodpricesindex/en/>

USDA (2024a). Grain: World Markets and Trade. Available online at: <https://apps.fas.usda.gov/psdonline/app/index.html#/app/downloads>

USDA (2024b). World Agricultural Supply and Demand Estimates. Available at: <https://www.usda.gov/oce/commodity/wasde/wasde0824.pdf>

Hortgro., 2024a. Industry News. An encouraging outlook for the stone fruit export season of 2024/2025. Available at: <https://www.hortgro.co.za/industry-news/an-encouraging-outlook-for-the-stone-fruit-export-season-of-2024-2025/> [Accessed 25 November 2024].

Hortgro., 2024b. Export information: Stone Fruit Inspection Summary Week 16 (2023-2024) FINAL. Hortgro, Paal. Available at: <https://www.hortgro.co.za/download/stone-fruit-inspection-summary-2021-2022/?tmstv=1731932862> [Accessed 05 December 2024].

PPECB., 2024. Business Intelligence and Statistics. Perishable Products Export Control Board, South Africa. Available at: <https://ppecb.com/stats/> [Accessed 09 December 2024].

Salinas, G., Magana, D., Piggott, P. & van Rijswick, C., 2024. Rabobank. Available at: <https://www.rabobank.com/knowledge/q011440471-table-grape-update-2024-recovering-from-last-years-challenging-season>.

SATI, 2024. First Crop Estimate for the 2024/2025 Season. South African table Grapes Industry, Paarl. [Available at: <https://www.satgi.co.za/press-release/first-crop-estimate-for-the-2024-2025-season/> [Accessed 25 November 2024].

USDA, 2024. Fresh Apples, Grapes, and Pears. United States Department of Agriculture Foreign Agricultural Service.

USDA, 2024a. Fresh Peaches and Cherries. United States Department of Agriculture Foreign Agricultural Service.

South African Poultry Association (SAPA) (2023). South African Poultry Industry profile. Johannesburg.

Trade Map. (2024, November). Trademap.org. Retrieved from www.trademap.org: <https://www.trademap.org/>

The World Bank., 2024. World Bank Commodities Price Data. Available at: <https://www.worldbank.org/en/research/commodity-markets>

For enquiries:

Contact: Dr Solly Molepo

Email: SMolepo@namc.co.za

**Markets and Economic Research Centre,
National Agricultural Marketing Council (NAMC)**

Tel: +27 (0) 12 341 1115

Website: www.namc.co.za