

The weather remains a vital part of the discussion in SA wheat market

The weather remains a vital part of the discussion in the South African wheat market as the crop is still in its early stages of development. The discussion will lean towards the Western Cape because of its 64% contribution to the intended area of 500,500 hectares of wheat in the 2018/2019 production season.



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Although the recent rainfall in the province was not evenly distributed, almost all wheat growing regions of the province received a fair amount, which should improve crop growing conditions. For context, the areas around Swartland and Overberg received higher rainfall compared to the Southern Cape regions.

Furthermore, not only did the recent rainfall benefit crops but it also improved dam levels. The Western Cape provincial dam levels averaged 42% in the week of 02 July 2018, up by 6 percentage points from the previous week (of 25 June 2018) and 19 percentage points from the corresponding period last year (2017).

In the medium term, there is generally some optimism regarding rainfall in the Western Cape. This comes on the back of the local weather bureau's view of a possibility of above-normal rainfall in the south-western parts of the country during the next three months. This is precisely what the province needs in order to replenish subsoil moisture and subsequently benefit the winter wheat crop following months of dry conditions.

The soil moisture conditions in other key wheat producing provinces such as the Free State and Limpopo, amongst others, are fairly favourable following good summer rainfall. Most importantly, the dams are at healthy levels (above 70%) which should support the irrigation areas during the coming weeks.

In terms of data, last week (ending 27 June 2018) South Africa imported 66,242 tonnes of wheat, down by 19% from the volume imported in the week ending 20 June 2018. About 71% of this was from Russia and 21% from Germany. This brought South Africa's 2017/2018 wheat imports to 1,6 million tons, which equates to 84% of the season's import forecast of 1,9 million tonnes.

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