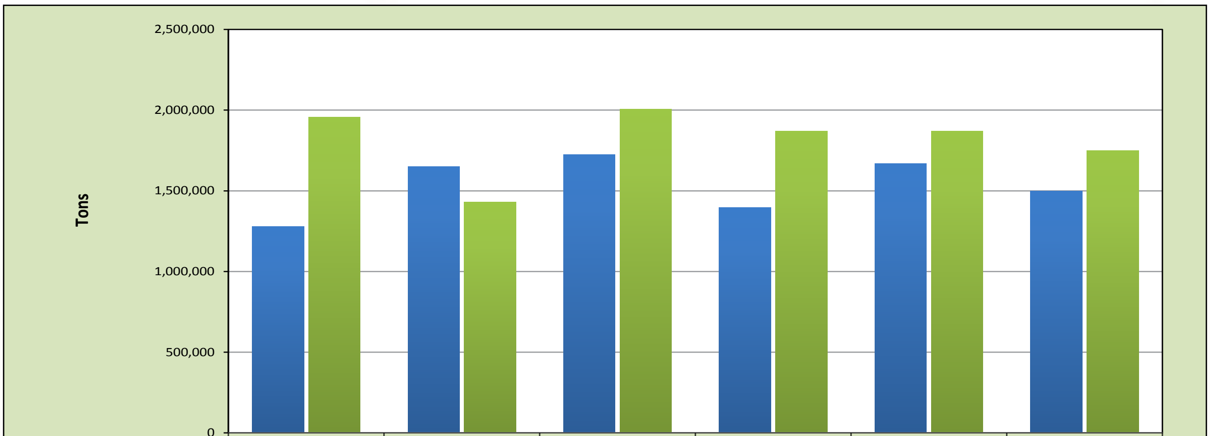
Supply and Demand

According to the BFAP Baseline, Agricultural Outlook 2014 – 2023, wheat producers in especially the western part of the winter rainfall area, are projected to over the longer term progressively incorporate other crops like canola in what is considered to be a more sustainable crop rotation system. By the end of the baseline period, winter rainfall area wheat plantings, are projected to consolidate just below 250 000 hectares. Wheat planted under dryland conditions in the summer rainfall area has been declining as mentioned previously and is expected to continue to decline. Irrigation wheat is set to remain relatively stable with most of the hectares being planted in a double cropping system.

Due to the projected decline in local wheat plantings in the long term, South Africa will remain a net importer of wheat and will increasingly rely on imports to supply in the growing local demand. During the 2013/2014 season 1 668 412 tons of wheat were imported from mainly the Russian Federation (800 964 tons). Please see pages 74 to 87 for the quality of the wheat imported during 2013/2014. During the same period 255 136 tons of wheat from South Africa were exported to countries like Botswana, Lesotho and Zimbabwe.

The amount of wheat imported for local consumption so far during the 2014/2015 marketing season, is 1 498 502 tons according to SAGIS. This figure includes imports up until 17 July 2015. The marketing season commences on 1 October every year.

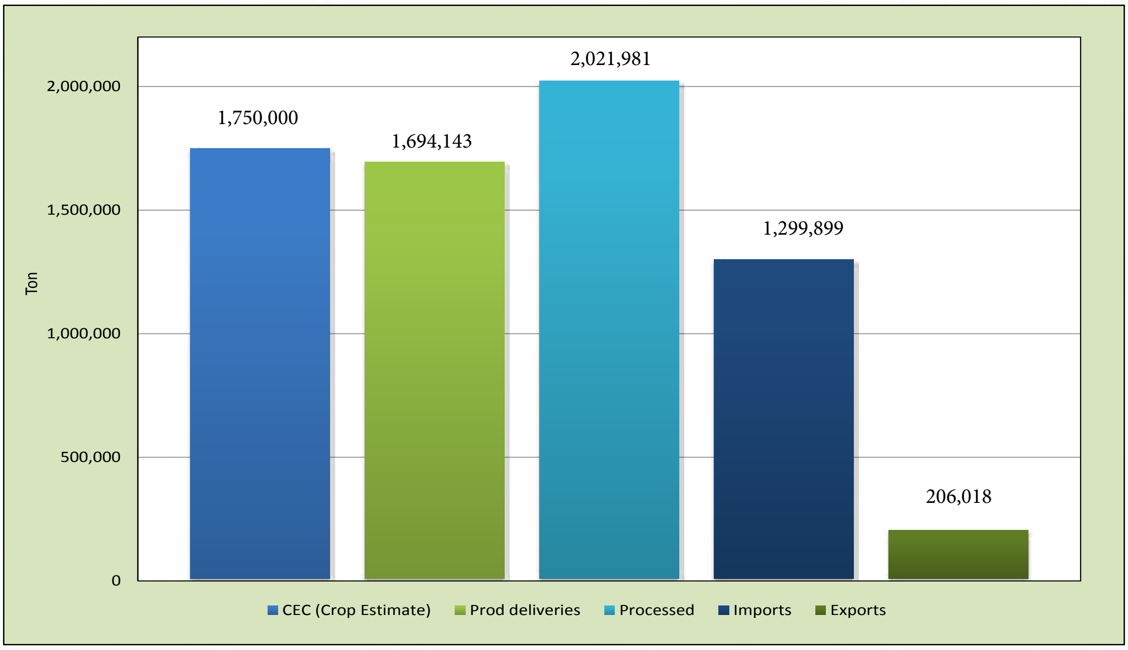
Graph 5: RSA production figure versus the total import figure over six seasons



	2009/2010	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015 *
Total imports	1,277,972	1,649,515	1,723,851	1,396,227	1,668,412	1,498,502
RSA production figure	1,958,000	1,430,000	2,005,000	1,870,000	1,870,000	1,750,000

*2014/2015 season figure includes imports up to 17 July 2015.

Graph 6: Wheat supply and demand overview 2014/2015 season (Oct - May)



Figures provided by SAGIS, (Publication date: 2015-06-26)