



**How developments over the last year  
will revive the wheat industry**

**Session 2**

**Jannie de Villiers**








**SA WHEAT INDUSTRY**



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- **Criteria**
- **Minimum outload guarantee**
- **R100/ton JSE discount**
- **Grading regulations**
- **Price differentials between grades**
- **Wheat passport**
- **Release criteria/Cultivar list**
- **Tariff policy**
- **Market information**
- **FTA's**
- **Summary**







# Criteria for measure

- Improve free market: FM =  / X
- Increased production: Y =  / 
- Profitable wheat industry: \$  / 
- Consumer satisfaction: C =  / 

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# 1. Minimum outload guarantee







- Feb/March 17 test in principle
- Equal or better than at no cost

- FM = 
- Y = 
- \$ =  / 
- C = 
- Total = 

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## 2. R100/ton discount @ JSE

- Part of the package
- Will lower import parity of some origins
- Risk of “dumping” of poor quality on JSE

- FM = 
- Y = 
- \$ =  / 
- C = 
- Total = 

# 3. Grading regulations







- Part of the package
- Min Protein = 9.5% (9%)
- Reference protein = 11.5% (12%)
- SAGL: 2014/15
  - SA 11.75%
  - Argentina 11.1%
  - Russia 11.3%
  - Australia 11.2%
  - Ukraine 11.4%
  - Germany 10.9%

- FM = 
- Y = 
- \$ = 
- C = 
- Total = 

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## 4. Price differentials

- Part of the package
- B1 to B2      2% (4%)
- B2 to B3      4% (8%)
- Lower the opportunity to blend

- FM = 
- Y = 
- \$ =  / 
- C = 
- Total = 

## 5. Passport (chemicals)






- Part of the package
- Declaration of chemicals used
- Food safety and paper trail

- FM = 
- Y = 
- \$ = 
- C = 
- Total = 



# 6. Release criteria / cultivar list

- Part of the package
- Removed from PSAct
- Industry standard?
- Relaxed for higher yields
- New focus on yields for breeders

- FM = 
- Y = 
- \$ = 
- C = 
- Total = 

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# 7. Tariff policy

- Not part of the package
- ITAC to investigate (expect lower)
- SACU Rebate problems - unfair
- One of the legs to revive the industry

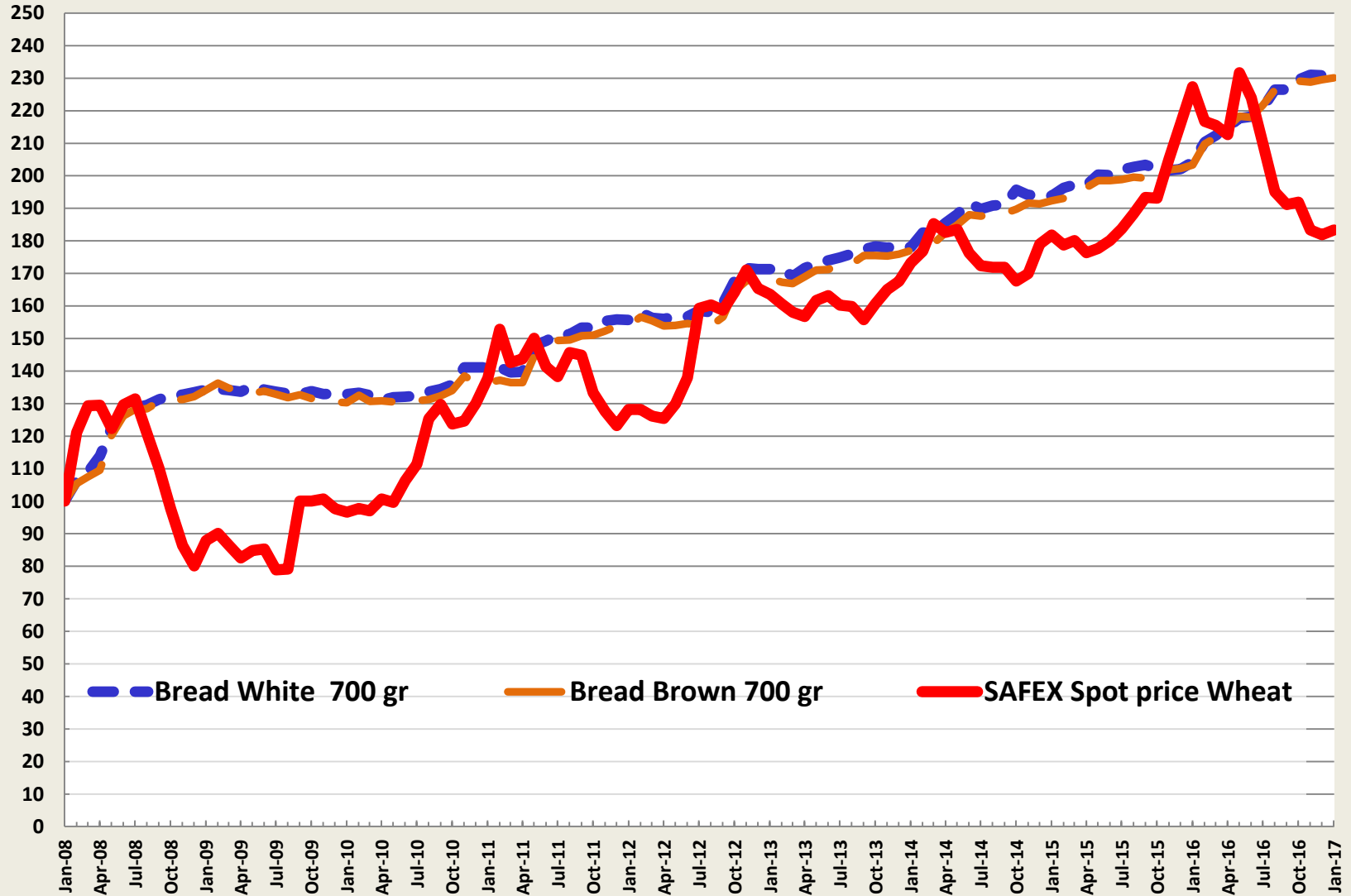
- FM = ?
- Y = ↓
- \$ = ↓
- C = ↑
- Total = ↑/↓

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# 7. Tariff policy





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## WHEATEN PRODUCTS INDEX



## 8. Market information

- Not part of the package
- Consumption per Province – waiting for Competition Commission
- Import and Export contract data – Statutory application (not consensus)

- FM = 
- Y = 
- \$ = 
- C = 
- Total = 

# 9. Free Trade Agreements (FTA)

- Not part of the package
- SACU problems with rebates
- EU problems re quotas
- Mercosur late approval impacts negatively
- All FTA's = negative to wheat

- FM = ?
- Y = ↓
- \$ = ↓ / ↑
- C = ↑
- Total = ↓ / ↑

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## Summary

- Find a way to get past the package deal
- Maintain the vision = 85% (2.7 mt) self sufficient

**Total assessment**

# Summary: Total assessment

- Outload guarantee\* ↑
- R100/t discount\* ↑
- Grading ↑
- Price diffs\* ↑
- Passport ↑
- Release criteria ↑
- Tariff policy ↓ / ↑
- Market information ↑
- FTA's ↓ / ↑

\* Package



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*Thank you*

*Dankie*

*Enkosi*