The new **normal**

On 24 October, global COVID-19 cases reached the highest level of new infections since the beginning of the pandemic, recording close to 530 000 new cases in a single day. On the same date, new infections in South Africa had decreased dramatically, from a peak of nearly 14 000 new cases on 24 July, to 1 834.

At the time of writing, some countries were imposing stricter regulations and even entering hard lockdown again. In South Africa, however, we were experiencing some relief and a sense of near normality. The population had played their part in curbing the infection rate and, considering what other countries were going through, South Africans were breathing a sigh of relief. (I realise that things may be vastly different by the time you read this.)

We are confident that this excellent spirit of collaboration will continue to make the industry increasingly competitive, leading to prosperity and enhancing growth.

Commodity prices skyrocket

On 24 July this year you would have been able to purchase yellow maize at R2 681/ton, soya beans at R6 975/ton, sunflower seeds at R6 180/ton and soya bean meal at R7 000/ton. Skip ahead three months to October, and the prices of these commodities had increased exponentially to R3 615/ton (+36%), R8 523/ton (+22%), R8 255/ton (+34%) and R8 900/ton (+27%), respectively.

Increased demand and purchasing from China, weather concerns in South America, as well as the funds purchasing these commodities, all contributed to this price rally. Locally the question was not only how long these high prices would last, but whether these increases could be passed on to the end consumer in the form of meat, milk, and eggs. As consumers continue to struggle, the entire supply chain will likely be facing a difficult period for some time.

The best remedy for high prices is high prices; high prices will reduce demand and increase production, resulting in a return to more normal prices. Producers should take the opportunity to lock in these excellent prices while maximising output.

Supply chain optimisation

Over the course of the past two years, various opportunities have been created for members of the oilseeds supply chain – producers, input suppliers, handlers, processors, policymakers, intermediate and end users – to sit around a table and deliberate the challenges faced by the industry, and to look at solutions and interventions that would benefit the industry as a whole.

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Enjoy this issue of *Oilseeds Focus*.

Dr Erhard Briedenhann

Send us your contributions and suggestions to make *Oilseeds Focus* an enjoyable and valuable publication for the oilseeds industry. Contact Dr Briedenhann at erhardb@netactive.co.za for more information.

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