



Wheat prices and marketing windows

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Concerns regarding the sustainability of South Africa's wheat industry were raised during a special meeting of the Wheat Forum Steering Committee in October 2025. Following this meeting, the National Agricultural Marketing Council (NAMC) was requested to conduct a formal Section 7 investigation into the wheat industry.

As part of Agbiz Grain's preparation for the Section 7 investigation, an analysis of wheat prices since the introduction of the free-market system in South Africa (2000) was undertaken. Monthly price data for the JSE/Safex December Wheat Futures Contract, supplied by Frikkie Barnard of AFGRI in Moorreesburg, were analysed for the period 2000 to 2026; the data was grouped into three

sub-periods, namely 2000 to 2009, 2010 to 2019, and 2020 to 2026.

Wheat price data

The monthly average price of the JSE/Safex December Wheat Futures Contract was used to calculate a monthly price index, with the average price for the marketing season (January to December) used as the base value (index = 100).

Table 1: Monthly average wheat price index from 2000 to 2025. (Source: Agbiz Grain)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2000			102,3%	98,8%	99,4%	99,5%	99,4%	99,3%	98,1%	98,3%	102%	107,6%
2001	93,8%	96,5%	94,8%	93%	93%	94,1%	95,8%	97%	97,1%	103,1%	116,7%	138,1%
2002		95,7%	96,4%	101,1%	97,6%	99,4%	102,2%	104%	109,3%	105,5%	94,7%	86,9%
2003		93,3%	96,6%	96,5%	96%	99,1%	101,7%	107,2%	103,2%	100%	102,1%	97,5%
2004		117,6%	113,5%	109%	108,4%	101,6%	94,6%	98,4%	97,4%	94,2%	90,7%	86,5%
2005		101,2%	98,6%	97,6%	100,3%	104,3%	103,6%	98,1%	97,4%	100,2%	101,4%	97,3%
2006		89,3%	88,6%	86,6%	88%	94,2%	99,3%	102,3%	106,6%	117,1%	113%	109%
2007	71,4%	74,3%	79,4%	80,1%	81,7%	89,2%	96,4%	108,8%	127,4%	121,2%	112,9%	122,1%
2008	84,9%	99%	114,1%	107,9%	108,8%	114,8%	110,6%	108,7%	98,8%	90,8%	79,1%	74,9%
2009		110,3%	112,1%	106,7%	110,5%	109,3%	103,5%	95,7%	90,1%	90%	89,9%	87,3%
2010	92,1%	91,2%	89,1%	90,6%	93,7%	94,8%	98,5%	108,8%	111,7%	107,2%	108,8%	113,5%
2011	104,9%	108,5%	100,1%	102,1%	104,2%	101,1%	95,1%	99,4%	101,6%	97,1%	95%	91,3%
2012		85,2%	83,7%	84,6%	88,8%	92,2%	104,7%	107,8%	107,8%	110,5%	114,1%	111,2%
2013	102,2%	98,3%	96,7%	95,9%	98%	100,4%	98,8%	98,9%	99,4%	102,1%	104,6%	106,2%
2014	97,4%	98%	101,8%	102,7%	102,3%	98,5%	97,2%	99,4%	99,9%	99,4%	100,2%	104,5%
2015			93,3%	92,5%	94,2%	94,5%	95,7%	100,5%	101,9%	103,8%	109,3%	113,2%
2016		103,8%	105,1%	102%	108,9%	109,2%	104,5%	96,5%	94,3%	94,9%	91,3%	90,1%
2017				102%	103,1%	100,5%	94,6%	98,8%	97,7%	102%	102,9%	97,4%
2018		87,4%	90%	92,7%	93,3%	96,3%	100,5%	105,4%	108,6%	108%	104,2%	103,6%
2019	102%	100,8	99,1%	97,4%	98,1%	98,7%	99,3%	103,2%	101,9%	101,7%	98,3%	98,6%
2020	92,7%	92,9%	96,3%	101,9%	102%	100,7%	100,8%	102,4%	102,5%	104,5%	104,1%	99,1%
2021	91,2%	93,4%	94,5%	93%	93,6%	93,3%	96%	102,5%	104,3%	109,4%	115%	116,8%
2022	86,1%	86,1%	94,3%	97,5%	110%	106,8%	105%	101,7%	102,7%	107,9%	102,1%	98,4%
2023	103,5%	106,4%	101,1%	102,7%	102,4%	101,3%	99,6%	101,3%	98,7%	97,4%	93,6%	93,3%
2024	99,7%	97,8%	98,4%	100,6%	105,1%	104%	100,7%	101,6%	99,1%	98,6%	97%	96,3%
2025	99,3%	100,5%	102,1%	102,6%	103,4%	102,7%	102,8%	102,1%	98,1%	96,8%	94,9%	94,3%

The resulting monthly index values are presented as a heat map (Table 1), where shades of red indicate index values above 100 and shades of blue indicate values below 100. This provides a visual representation of relative price performance throughout the year.

A strike-rate analysis was then conducted to determine the percentage of years in which the monthly price index exceeded 100. For example, a strike rate of 50% indicates that, during a specific sub-period, the price for that month exceeded the seasonal average in half of the years. The strike rate for the three sub-periods is presented in Figures 1 to 3.

Figure 1 shows that, during the 2000 to 2009 period, only July, August, October, and November recorded strike rates of 50% or higher, with November recording the highest strike rate of 60%.

During the 2010 to 2019 period (Figure 2), the strike rate for March declined to 30%. April, May, and June remained unchanged from the previous decade at 40%. August maintained a strike rate of 50%, while October and November increased to 70%. December also exceeded the 50% strike rate, recording 60%.

The results for the 2020 to 2026 period (Figure 3) reveal a notable shift in seasonal price patterns. April recorded a strike rate above 50%, while May increased to 80%. August achieved a strike rate of 100%. September, October, and November each recorded strike rates of 50%, whereas December declined sharply to 20%.

Precision marketing

Heleen Viljoen, senior economist at Grain SA, highlighted the importance of precision farming at the production level during the 10 October meeting. Precision farming relies on technologies such as GPS, sensors, drones, and satellite imagery to collect data. This information is analysed and interpreted to optimise crop production by improving input efficiency (variable rates), reducing production costs, increasing yields, minimising environmental impact, and supporting informed farm management decisions.

Yield is one element of the farm production value equation, and price the other. This raises an important question: If precision farming is essential for maximising production, should precision

Figure 1: Strike rate for 2000 to 2009. (Source: Agbiz Grain)

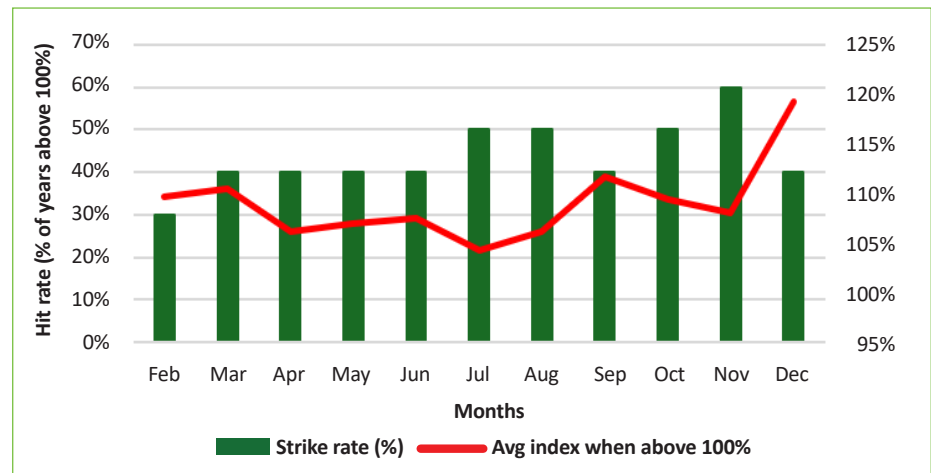


Figure 2: Strike rate for 2010 to 2019. (Source: Agbiz Grain)

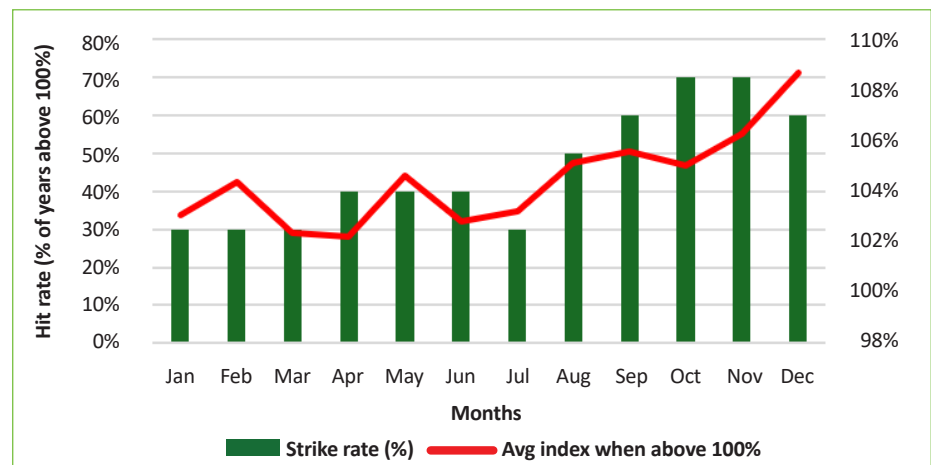
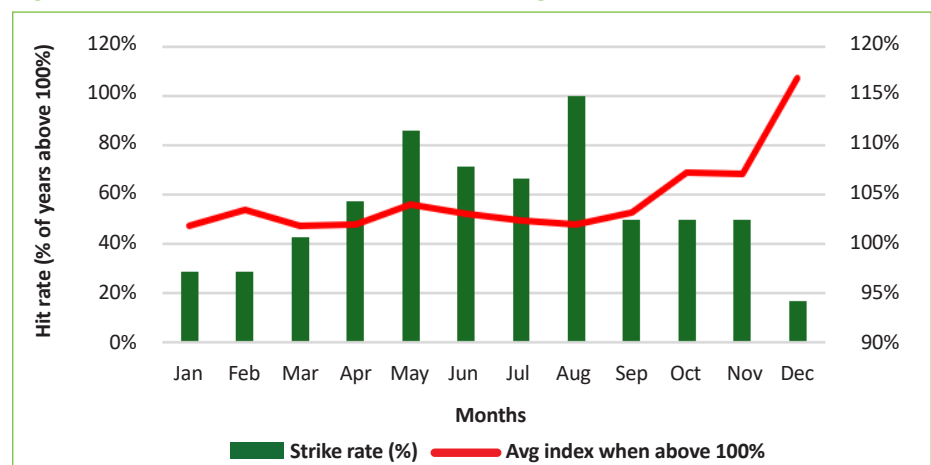


Figure 3: Strike rate for 2020 to 2026. (Source: Agbiz Grain)



marketing not be equally important for maximising profitability? Precision marketing may include developing pricing and marketing strategies that focus on utilising opportunities within certain selling windows. A selling window represents the optimal timeframe to sell based on prevailing market prices,

seasonal trends, supply and demand dynamics, and price outlook, to maximise revenue and profitability.

Pricing and marketing strategies

Neither the index values presented in Table 1 nor the strike-rate results shown in Figures 1 to 3 revealed a distinct

selling window. As a result, it was difficult to identify a clear pricing strategy based solely on these results. Following the introduction of South Africa's free-market agricultural marketing system in the late 1990s, the one-third marketing strategy became a widely adopted approach to managing price risk.

Under this strategy, one-third of the expected crop is priced during or immediately after the planting period. A further one-third is marketed during the growing season, once crop conditions are better understood and the first production estimates become available. This typically coincides with the fungicide application period in August. The remaining one-third is marketed after harvest, when the actual crop size and quality are known. The principal marketing periods in this strategy are therefore May (planting), August (crop development and fungicide application), and November/December (harvest).

As *Table 1* and *Figures 1* to *3* did not identify a clear selling window, the one-third marketing strategy was evaluated using the information presented in the table and figures alongside several alternative marketing strategies commonly employed by producers. The following is a summary of the strategies considered:

- Scenario A: 100% pricing during December.
- Scenario B: 1/3 during planting, 1/3 during spraying, 1/3 during harvesting.
- Scenario C: 40% in May, 40% in August, and 20% in December.
- Scenario D: 100% pricing during August.

Table 2: Net production value (Rm) per pricing strategy. (Source: Agbiz Grain)

	Scenario A	Scenario B	Scenario C	Scenario D	Scenario E	Scenario F
2000 to 2009	18,46	18,83	18,90	19,36	18,95	19,86
2010 to 2019	37,64	37,08	36,96	37,31	37,21	33,72
2020 to 2025	35,00	35,94	35,93	35,94	35,75	35,90

Table 3: The ranking of the strategies per sub-period (Source: Agbiz Grain)

	Scenario A	Scenario B	Scenario C	Scenario D	Scenario E	Scenario F
2000 to 2009	6	5	4	2	3	1
2010 to 2019	1	4	5	2	3	6
2020 to 2025	6	2	3	1	5	4

- Scenario E: 20% in May, 50% in August, and 30% in December.
- Scenario F: 100% during the following March.

The results of different scenarios per sub-period are indicated in *Table 2*. The ranking of the strategies per sub-period is indicated in *Table 3*. The results presented in *Table 2* indicate that no single strategy consistently outperformed the others across all sub-periods. Over the full 26-year period, the difference between the best-performing strategy (Scenario D) and the poorest-performing strategy (Scenario F) amounted to only 3,5%.

This finding is further supported by *Figures 4* and *5*, which illustrate the number of occasions on which each strategy achieved either the highest or the lowest net production value (NPV)

during the respective sub-periods. The results indicate that no individual strategy consistently produced the best financial outcome across all periods. However, according to the information in *Table 3*, Scenario D was either ranked 1 or 2 in the various sub-periods.

Conclusion

The analysis presented in this study, as illustrated in *Table 1* and *Figures 1* to *3*, indicates that none of the six marketing strategies consistently outperformed the others in terms of financial value. For example, Scenario F, in which 100% of the crop is marketed or priced during the following March, generated the highest NPV in nine of the 26 years analysed (more frequently than any other strategy) but also produced the lowest value in four years. This demonstrates that the performance of a marketing strategy is

Figure 4: Number of times each strategy achieved the highest production value for each sub-period. (Source: Agbiz Grain)

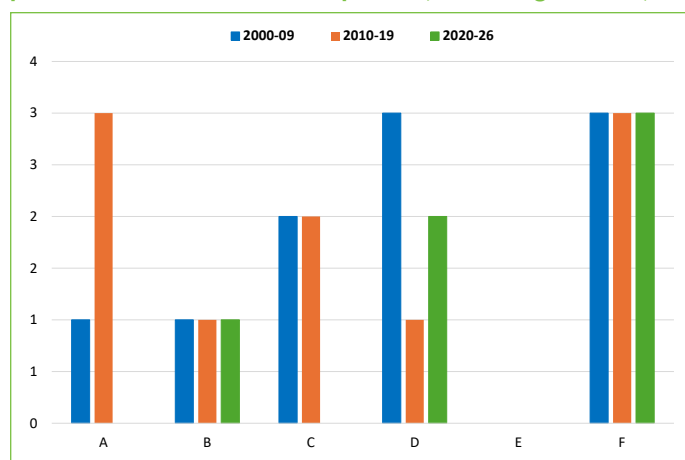
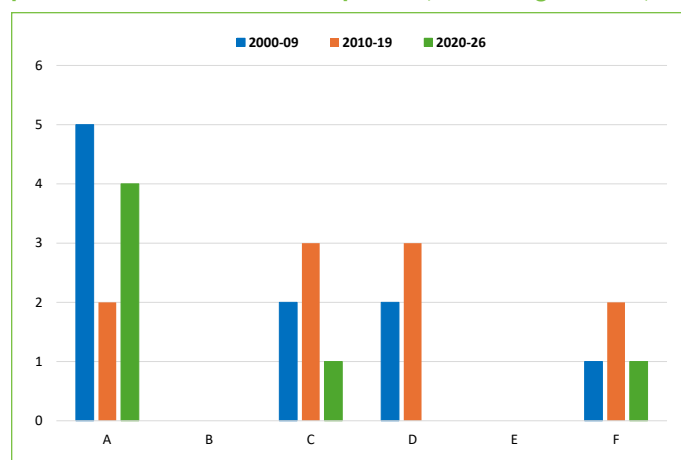


Figure 5: Number of times each strategy achieved the lowest production value for each sub-period. (Source: Agbiz Grain)



highly dependent on prevailing market conditions and that no single strategy can be regarded as consistently superior.

A JSE/Safex futures price should never be evaluated in isolation. Every pricing decision should first be assessed against the farm's break-even price, which is determined by its production costs. Market participants should also consider local and international supply and demand conditions, exchange rate movements, seasonal production prospects, and geopolitical developments before making a final marketing decision. Evaluating these factors alongside prevailing market prices enables producers to make more informed decisions that support long-term profitability.

Although none of the pricing strategies consistently delivered the highest financial return, the analysis suggests that certain months may offer more favourable marketing opportunities than others. These periods warrant

closer attention as part of an ongoing marketing strategy that continuously monitors production costs, market prices, seasonal trends, supply and demand fundamentals, exchange rate movements, and geopolitical developments.

Based on the findings, particular attention should be given to May, August, November and December, as these months may provide favourable pricing opportunities under the right market conditions. Scenario D, in which 100% of the crop is priced in August, generated the highest financial value and ranked first or second across all three sub-periods; however, this concentrates risk, since the entire crop is marketed in a single month.

February and March of the following year may also present attractive marketing opportunities. However, the potential price advantage should be evaluated against the cost of carrying grain, including storage and financing costs, as well as the tax implications of delaying

sales into the next financial period. These factors can materially influence the net return realised by the producer and should therefore be considered before a final marketing decision is made.

It is important to note that carrying costs, financing costs, storage costs, and tax implications were not included in the calculations undertaken in this study. Consequently, the results should be interpreted as an assessment of seasonal wheat price behaviour rather than as evidence of the economic benefits associated with postponing grain sales. ^a

This article does not constitute marketing advice and is intended solely for research purposes to illustrate how seasonal wheat pricing patterns have changed over time. Agbiz Grain, Agbiz, and their employees accept no responsibility or liability for any marketing decisions, activities, or losses arising from the use of this article.

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