Crops and markets

First quarter
2014
Volume 95
No 959

Isued by the Directorate Statistics and Economic Analysis

DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES

agriculture,
forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA

CONTENTS

UNFORTUNATELY THIS SECTION COULD NOT BE COMPILED BECAUSE OF THE UNAVAILABILITY OF FRESH MARKET STATISTICS ON ACCOUNT OF A BREAKDOWN OF THE RELEVANT SERVER

SECTION A

ECONOMIC INDICATORS AND TRENDS

1. CROP ESTIMATES AND FORECASTS

Areas planted and third production forecast for summer crops for the 2014 production season

According to the third production forecast for summer crops by the Crop Estimates Committee (CEC) for the 2014 production season, the expected commercial **maize** crop was 13,029 million tons, which is 11,4% more than the 11,690 million tons of the 2013 season. The estimated area planted to maize by South African commercial maize producers during the 2014 season is 2,688 million ha—3,3% less than the 2,781 million ha planted the previous season.

The ratio of white to yellow maize plantings was estimated at 58:42. The estimated white maize plantings were 1,551 million ha, which is a decrease of 4,1% from the previous season's plantings of 1,617 million ha. Yellow maize plantings were estimated to be 1,137 million ha—2,3% less than the 1,164 million ha for 2013.

During the 2014 production season, most of the country's maize crop was planted in the Free State (44,4%), North West (24,7%) and Mpumalanga (18,6%) provinces. The plantings of maize decreased by 2,8%, from 1,230 million ha to 1,195 million ha, in the Free State Province, and by 10,1%, from 740 000 ha to 665 000 ha, in the North West Province. Plantings in Mpumalanga are estimated at 500 000 ha—an increase of 6,4% from the 470 000 ha planted for the 2013 season.

The production forecast for white maize was 7,067 million tons, which is 27,4% more than the 5,545 million tons of the previous season. The expected yield for white maize was 4,56 t/ha, as against 3,43 t/ha in 2013. In the case of yellow maize, the production forecast was 5,962 million tons, which is 3,0% less than the 6,145 million tons the previous season. The yield for yellow maize was expected to be 5,24 t/ha, as against 5,28 t/ha for 2013.

A **sunflower seed** crop of 825 325 tons was expected. That is 48,2% more than the 557 000 tons of the previous season. The area planted to sunflower seed was estimated at 598 950 ha, which is 18,7% higher than the 504 700 ha planted for 2013. The expected yield for 2014 was 1,38 t/ha, as against 1,10 t/ha in 2013.

The production forecast for **soya beans** was 867 700 tons, which is 10,6% more than the 784 500 tons of the previous season. The estimated area planted to soya beans was 502 900 ha, which is 2,6% or 13 600 ha less than the 516 500 ha planted for 2013. The expected yield was 1,73 t/ha, as against 1,52 t/ha in 2013.

The expected **groundnut** crop was 85 265 tons, which is 105,5% more than the 41 500 tons of the 2013 season. The area planted to groundnuts was estimated at 52 125 ha, which is 11,1% or 5 225 ha more than the 46 900 ha planted the previous season. The expected yield was 1,64 t/ha, as against 0,88 t/ha in 2013.

The production forecast for **sorghum** was 233 220 tons—58,4% more than the 147 200 tons of the previous season. The area planted to sorghum was estimated to be 78 850 ha, which is 25,9% or 16 230 ha more than the 62 620 ha planted for 2013. The expected yield was 2,96 t/ha, as against 2,35 t/ha the previous season.

The production of **dry beans** was expected to be 79 205 tons—31,6% more than the 60 200 tons of the previous season. The estimated area planted was 55 820 ha, or 28,2% more than the 43 550 ha planted the previous season, with an expected yield of 1,42 t/ha for 2014, as against a yield of 1,38 t/ha in 2013.

Area estimate and third production forecast of summer crops: 2014 production season*

Crop	Area planted 2014	Third forecast 2014	Area planted 2013	Final crop 2013	Change – tons 2014 *vs* 2013
	ha	tons	ha	tons	%
White maize	1 551 200	7 066 600	1 617 200	5 545 000	+27,4
Yellow maize	1 137 000	5 962 450	1 164 000	6 145 000	-3,0
Total maize	2 688 200	13 029 050	2 781 200	11 690 000	+11,4
Sunflower seed	598 950	825 325	504 700	557 000	+48,2
Soya beans	502 900	867 700	516 500	784 500	+10,6
Groundnuts	52 125	85 265	46 900	41 500	+105,5
Sorghum	78 850	233 220	62 620	147 200	+58,4
Dry beans	55 820	79 205	43 550	60 200	+31,6

* Forecasts and estimates exclude the non-commercial sector.

Intended plantings of winter crops for the 2014 production season

The CEC released the intended plantings of winter crops on 24 April 2014. The figures were based on replies received from a sample of producers. The survey, which was undertaken by the Directorate: Statistics and Economic Analysis of the Department of Agriculture, Forestry and Fisheries, gives an indication of the plantings intended by commercial farmers as at the middle of April 2014.

Intended plantings of **wheat** were 500 500 ha, which is 1,0% less than the 505 500 ha planted in 2013. The main wheat-producing areas are within the Western Cape with 324 500 ha (64,8%), followed by the Free State with 75 000 ha (15,0%) and the Northern Cape with 40 500 ha (8,1%).

The intended reduction in the area planted to wheat in the Free State Province can mainly be attributed to low prices (not profitable any more). Furthermore, farmers intended to rather plant sunflower seed and soya beans early in the coming summer season, as a greater demand was expected, especially in the eastern Free State, as crushing plants (Villiers and Standerton) have recently been established**.**

The area expected to be planted to **malting barley** was 85 540 ha, which is an increase of 5,2% or 4 220 ha from the 81 320 ha of the previous season.

The intended plantings of **canola** were 80 000 ha, which is 10,9% or 7 835 ha more than the 72 165 ha planted during 2013. This is the largest area ever recorded for canola plantings.

Intended plantings of winter cereals for the 2014 production season

Crop	Intended plantings* 2014	Area planted 2013	Final crop 2013	Change – ha 2014 *vs* 2013
	ha	ha	tons	%
Wheat	500 500	505 500	1 804 450	-1,0
Malting barley	85 540	81 320	266 002	+5,2
Canola	80 000	72 165	112 041	+10,9

*Based on conditions at the middle of April 2014

2. ECONOMIC INDICATORS OF THE SOUTH AFRICAN AGRICULTURAL SECTOR

Indicator (at current prices)	April 2012 to March 2013	April 2013 to March 2014	% change
Total gross farm income (R'million)	173 146	188 445	+8,8
Intermediate expenditure (R'million)	98 148	105 997	+8,0
Total farm cost (R'million)	124 246	133 982	+7,8
Net farm income (R'million)	54 142	59 604	+10,1
Domestic terms of trade (2005 = 1)	0,86	0,86	0

Gross income from major products at current price

	April 2012 to March 2013	April 2013 to March 2014	Change
Field crops	R'million		%
Maize	24 478	24 044	-1,8
Wheat	5 492	5 304	-3,4
Sugar cane	6 081	7 833	+28,8
Sunflower seed	2 855	2 435	-14,7
Tobacco	419	433	+3,3
All field crops	46 201	48 351	+4,7
Horticulture			
Vegetables (including potatoes)	15 372	17 107	+11,3
Deciduous and other fruit	11 309	13 090	+15,8
Citrus fruit	7 958	9 688	+21,7
Viticulture	4 131	4 346	+5,2
Subtropical fruit	2 649	2 731	+3,1
All horticultural products	44 221	49 468	+11,9
Animal products			
Poultry meat	30 398	34 041	+12,0
Cattle and calves slaughtered	18 364	19 170	+4,4
Milk	11 555	12 956	+12,1
Eggs	8 212	8 680	+5,7
Sheep slaughtered	4 040	4 452	+10,2
All animal products	82 723	90 625	+9,6

3. ECONOMIC OVERVIEW

This article gives an overview of the major macroeconomic changes in the agricultural sector from the period 1 April 2012 to 31 March 2013 to the period 1 April 2013 to 31 March 2014.

Gross farming income

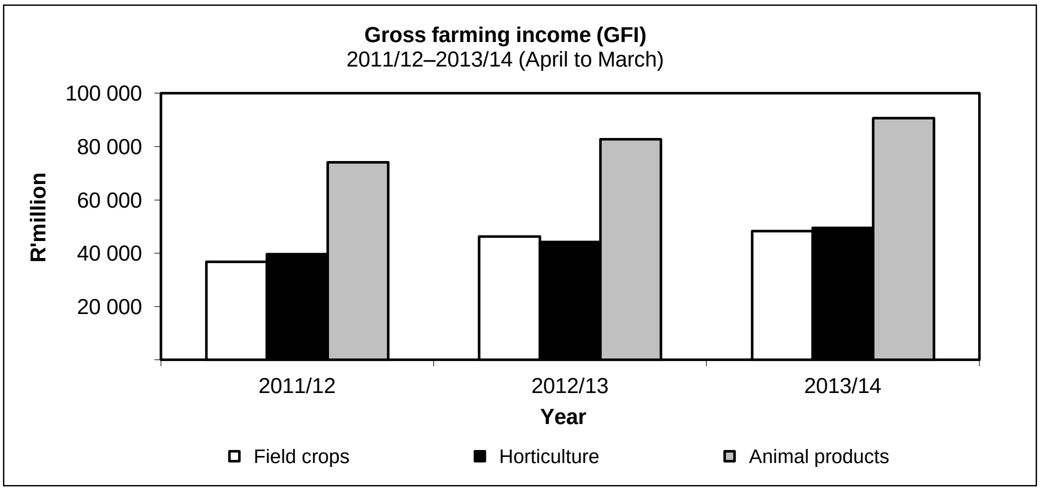
Gross farming income refers to the agricultural production that is marketed, together with the part that is for own consumption, both valued at basic prices.

Gross income from all agricultural products amounted to R188 445 million for the year ended 31 March 2014, which is 8,8 % higher than the previous year. This increase can be attributed to a rise in income from field crops, animal products and horticultural products.

The gross income from field crops increased by 4,7%, from R46 201 million to R48 351 million. The income from sugar cane and tobacco increased by 28,8% and 3,3% respectively, while the income from sunflower seed declined by 14,7%, wheat by 3,4% and maize by 1,8%.

The income from horticultural products increased by 11,9%, from 44 221 million to 49 468 million, because of a rise in income from citrus fruit by 21,7%, deciduous and other fruit by 15,8%, vegetables by 11,3%, viticulture by 5,2% and subtropical fruit by 3,1%.

The income from animal products showed an increase of 9,6%, from R82 723 million to R90 625 million. The income from milk increased by 12,1%, poultry meat by 12,0%, sheep slaughtered by 10,2%, eggs by 5,7% and cattle and calves slaughtered by 4,4%.



Expenditure on intermediate production inputs

Expenditure on intermediate production inputs refers to the value of the goods and services that were purchased to be consumed as inputs during the production process.

Expenditure on intermediate goods and services increased by 8,7% and amounted to R106 667 million for the year ended 31 March 2014. Expenditure on seed and plants increased by 11,1%, maintenance and repairs by 10,3%, building and fencing material by 9,1%, animal health and crop protection by 9,0%, packing material by 8,8%, farm feeds by 8,2%, farm services by 6,8%, fuel by 6,5% and fertilisers by 6,1%.

Expenditure on farm feeds was the biggest expenditure item, accounting for 20,1% of total expenditure on intermediate inputs, followed by fuel (14,1%), farm services (12,9%), maintenance and repairs (11,2%), seed and plants (9,6%), animal health and crop protection (8,6%), packing material (7,5%), fertilisers (6,2%) and building and fencing material (3,7%).

Prices received and prices paid by farmers, as well as terms of trade

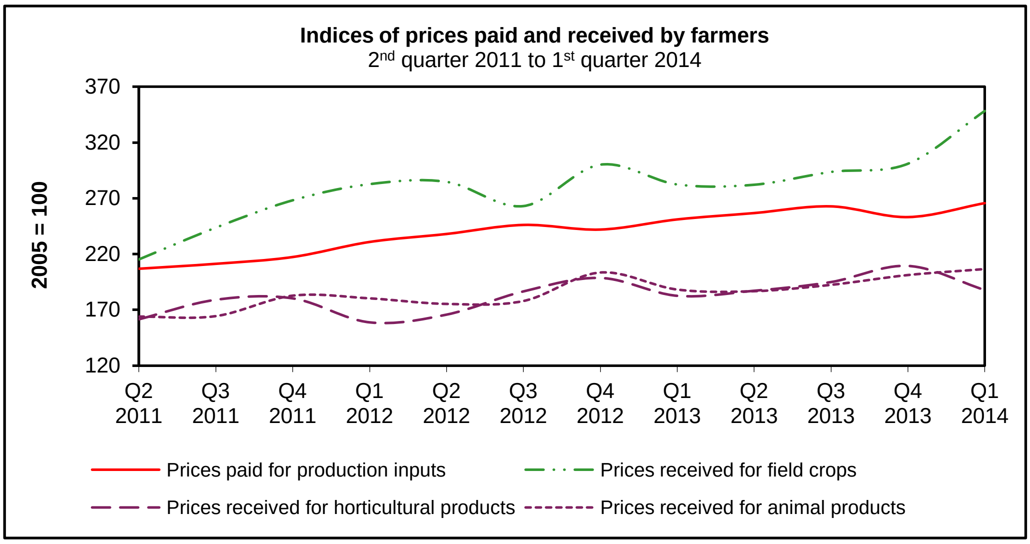
On average, prices received by farmers for their products increased by 6,3%. The weighted average price of field crops rose by 7,1%. The prices of dry beans increased by 14,5%, winter grains by 10,6%, hay by 10,1%, tobacco by 9,5%, summer grains by 8,7%, cotton by 3,5% and oilseeds by 1,6%. The prices of sugar cane decreased slightly by 1,0%.

Prices of horticultural products increased by an average of 6,2%. Prices of fruit increased by 8,3%, viticulture by 5,1% and vegetables by 3,9%.

The prices of animal products increased on average by 5,6%. Prices received for pastoral products increased by 12,7%, dairy products by 10,3%, poultry by 7,2% and slaughtered stock slightly, by 0,3%.

The prices paid for farming requisites, including machinery and implements, material for fixed improvements and intermediate goods and services increased by 6,3%. Prices of tractors increased by 10,5%, seeds by 8,1%, building material by 7,7%, animal health and crop protection by 6,8%, fencing material by 6,0%, maintenance and repairs, fertilisers and feeds by 5,9% each, fuel by 5,5%, packaging material by 5,4% and trucks by 5,0%.

The prices received and prices paid by the farmers have both increased by 6,3% and resulted in the domestic terms of trade remaining unchanged.



Net farm income and cash flow

An increase of 8,8% in gross farm income against an increase in of 8,0% in expenditure on intermediate production inputs resulted in an increase of 10,1% in net farming income to R59 604. Interest payments increased by 8,6%, labour remuneration by 6,5% and rent payments by 5,8%.

The cash flow of the farmers for the period April 2013 to March 2014 increased by 11,0%, from R54 420 million in the corresponding previous period to R60 416 million.

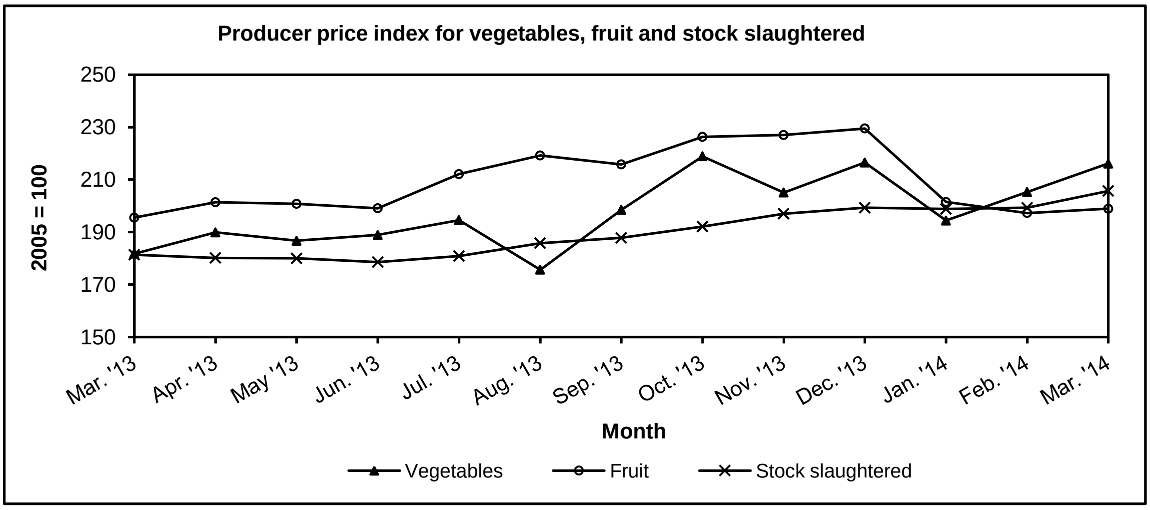
Conclusion

The gross income of the farmers increased by 8,8%, despite the increases of 6,3% in both the prices paid by the farmers for production inputs and prices that they received for their products. An increase in gross farming income can be attributed to higher production levels of field crops, horticultural products and animal products.

Compiled by Ephaphrus Mankwane

4. INDICES OF PRODUCER PRICES OF AGRICULTURAL PRODUCTS

Product	Weight	January		February		March	
		2013	2014	2013	2014	2013	2014
		Index (2005 = 100)					
Field crops	24	275,7	335,1	275,1	361,3	296,3	348,3
Horticulture	27	186,3	190,2	179,1	192,3	182,1	197,2
Animal husbandry	49	193,5	203,3	184,9	207,7	186,2	208,9
Combined	100	211,3	230,0	205,0	239,0	211,6	237,8
Field crops							
Summer grains	43	302,0	423,8	295,8	477,8	342,1	446,2
Winter cereals	13	284,6	275,1	275,4	285,9	305,9	304,5
Oilseeds	9	346,1	366,0	330,2	378,0	335,2	357,6
Sugar cane	17	226,0	228,0	228,8	230,5	221,0	241,1
Hay	14	213,8	248,7	244,5	248,8	231,5	235,7
Dry beans	1	367,2	428,6	367,2	428,6	367,2	428,6
Cotton	1	208,2	216,8	208,2	216,8	208,2	216,8
Tobacco	2	165,4	171,6	165,4	171,6	165,4	171,6
Combined	100	275,7	335,1	275,1	361,3	296,3	348,3
Horticulture							
Viticulture	14	137,0	139,8	137,0	139,8	137,0	139,8
Vegetables	38	193,6	194,4	176,1	205,3	181,8	216,1
Fruit	48	194,9	201,5	193,8	197,3	195,5	198,9
Combined	100	186,3	190,2	179,1	192,3	182,1	197,2
Animal husbandry							
Pastoral products	3	297,4	321.6	306,6	322,0	303,4	317,6
Stock slaughtered	33	205,3	198,8	185,4	199,3	181,4	205,7
Dairy	16	199,1	221,5	199,1	232,7	201,9	235,5
Poultry	48	177,1	192,8	172,2	197,9	176,5	195,4
Combined	100	193,5	203,3	184,9	207,7	186,2	208,9



5. CONSUMER PRICE INDICES

Item	Weight	January 2014	February 2014	March 2014
		Index (2005 = 100)		
All items	100,00	166,2	167,4	169,9
All items, excluding food	79,01	156,0	156,6	157,5
Food	20,99	191,6	192,3	195,0
Grain products	3,81	203,6	209,0	211,2
Meat	5,66	188,7	188,0	189,6
Fish and other seafood	0,69	192,8	194,8	202,3
Milk, cheese and eggs	1,96	189,2	192,8	197,0
Fats and oils	0,76	223,1	229,7	229,9
Fruit and nuts	1,09	169,0	171,5	179,7
Vegetables	2,00	199,3	198,1	206,6
Sugar	0,50	188,0	188,0	194,7
Coffee, tea and cocoa	1,07	190,2	187,1	189,1
Other	3,45	186,2	184,6	182,5

Source: Statistics South Africa

PRICE INDICES OF FARMING REQUISITES (BASE YEAR: 2005 = 100)

Period	Machinery and implements					Material for fixed improvements		
	Tractors	Lorries	Imple-ments	Irrigation equipment	Combined index	Building material	Fencing material	Combined index
2005	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
2006	100,2	110,6	100,1	105,0	103,8	99,2	101,8	100,1
2007	100,4	101,9	100,1	108,4	101,6	124,0	107,3	118,2
2008	115,8	113,0	113,9	120,5	115,0	136,2	121,1	130,9
2009	141,9	128,8	130,6	124,4	132,7	142,7	139,5	141,6
2010	164,8	152,9	149,7	127,7	152,5	140,1	154,2	145,1
2011	177,5	176,5	165,3	137,3	168,8	146,6	166,5	153,6
2012	188,3	203,7	185,2	150,6	187,4	160,5	180,7	167,5
January	184,2	197,1	177,2	144,8	181,2	159,1	175,1	164,7
April	184,8	204,2	183,7	148,9	185,8	159,2	179,9	166,5
2011/12	182,3	191,8	174,0	143,5	178,0	153,9	173,3	160,7
July	189,6	214,4	189,2	153,0	192,3	160,8	185,3	169,4
October	194,7	199,2	190,7	155,7	190,2	162,7	182,3	169,6
2013	208,7	216,5	196,9	161,5	201,9	170,9	190,3	177,7
January	201,1	210,2	192,3	155,3	200,3	173,0	183,1	176,6
April	207,9	217,0	193,7	156,9	194,6	172,0	194,4	179,8
2012/13	198,3	210,2	191,5	155,2	208,1	167,1	186,3	173,8
July	210,4	228,7	201,1	169,3	203,4	162,7	192,2	173,0
October	215,4	210,0	200,4	164,5	178,3	175,9	191,4	181,4
2014								
January	217,3	214,0	206,3	164,5	206,8	195,5	196,2	195,7

Period	Intermediate goods and services							All farming requisites combined
	Ferti-lisers	Fuel	Feeds	Animal health and crop protection	Packing material	Mainten-ance and repairs	Combined index	
2005	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
2006	103,0	108,5	109,9	105,2	101,0	107,6	107,4	102,4
2007	142,1	125,0	117,0	115,8	107,3	111,5	118,8	116,8
2008	272,7	186,0	153,9	136,2	126,0	126,2	160,8	154,0
2009	222,4	176,6	180,3	154,9	143,4	145,3	172,8	166,6
2010	218,6	183,8	209,0	176,8	164,9	166,1	193,4	186,3
2011	270,1	193,3	233,6	196,0	187,9	189,4	217,9	209,1
2012	308,5	224,5	269,2	220,4	223,5	208,9	250,7	239,4
January	311,0	209,1	261,3	212,0	213,8	202,6	241,7	231,0
April	297,0	227,4	270,5	219,6	221,5	208,5	249,5	238,1
2011/12	293,2	205,2	252,9	208,4	206,7	200,2	234,6	224,5
July	325,2	226,8	278,6	225,6	229,4	214,4	258,1	246,3
October	300,7	234,7	266,4	224,3	229,5	210,2	253,4	242,0
2013	326,7	238,8	287,4	235,3	239,4	221,2	268,0	256,0
January	328,7	236,6	280,2	225,6	243,5	213,0	263,1	251,1
April	320,8	237,5	292,7	233,2	230,5	220,0	269,1	256,8
2012/13	318,8	233,9	279,5	227,2	233,3	214,4	261,0	249,0
July	345,3	240,7	300,9	239,3	238,8	230,2	275,6	262,8
October	312,1	240,5	275,8	243,2	244,7	224,6	264,3	253,2
2014								
January	347,4	258,0	291,4	240,2	259,6	224,6	277,9	265,7

2014

Published in the Republic of South Africa
by the Department of Agriculture, Forestry and Fisheries

Obtainable from the website of the Department of Agriculture, Forestry and Fisheries:
www.daff.gov.za

ISBN 978-1-86871-399-8