Crops and markets

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CONTENTS

SECTION A

Page No.

Economic indicators and trends

SECTION B

Fresh produce markets overview

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 sixth production forecast for summer crops for the 2014 production season

According to the sixth production forecast for summer crops by the Crop Estimates Committee (CEC) for the 2014 production season, the expected South African **maize** crop was 14,017 million tons, which was 18,7% more than the 11,811 million tons of the 2013 season and 18,5% or 2,186 million tons more than the five-year average of 11,831 million tons up to 2013.

The estimated area that South African commercial producers planted to maize during the 2014 season was 2,688 million ha. This was 3,3% or 93 000 ha less than the 2,781 million ha planted in the previous season. Of this area, 1,195 million ha (44,5%) were in the Free State, 665 000 ha (24,7%) in the North West and 500 000 ha (18,6%) in the Mpumalanga provinces.

The plantings of maize in the Free State decreased by an estimated 2,8%, from 1,230 million ha in 2013 to 1,195 million ha in 2014, and in the North West it decreased by 10,1%, from 740 000 ha to 665 000 ha. Plantings in Mpumalanga came to an estimated 500 000 ha—an increase of 6,4% from the 470 000 ha planted in 2013.

The ratio of white to yellow maize plantings for 2014 is 58:42, the same as the previous season. The estimated white maize plantings were 1,551 million ha, which were 4,1% less than the previous season's 1,617 million ha, while the yellow maize plantings were estimated to be 1,137 million ha—2,3% less than the 1,164 million ha for 2013.

Most of the country's maize crop was produced in the Free State (43,7%), North West (20,3%) and Mpumalanga (19,6%) provinces.

The production forecast for white maize was 7,697 million tons, which was 37,3% or 2,090 million tons more than the 5,607 million tons of 2013 and 1,064 million tons more than the average of the five years up to 2013. The expected yield for white maize was 4,96 t/ha, as against 3,47 t/ha the previous season.

In the case of yellow maize, the production forecast was 6,320 million tons, which was 1,9% or 115 700 tons more than the 6,204 million tons the previous season and 1,122 million tons higher than the five-year average up to 2013. The yield for yellow maize was expected to be 5,56 t/ha, as against 5,33 t/ha in 2013.

The expected **sunflower seed** crop was 853 325 tons, which was 53,2% more than the 557 000 tons of the previous season and 32,1% more than the average of 646 000 tons for the five years up to 2013. The area planted to sunflower seed was estimated at 598 950 ha, which was 18,7% more than the 504 700 ha planted in 2013. The expected yield was 1,42 t/ha, as against 1,10 t/ha the previous season.

The production forecast for **sorghum** was 255 700 tons—73,7% more than the 147 200 tons of the previous season. The area planted to sorghum was estimated to be 78 850 ha, which was 25,9% or 16 230 ha more than the 62 620 ha planted in 2013. The expected yield was 3,24 t/ha, as against 2,35 t/ha the previous season.

The expected **groundnut** crop was 82 690 tons, which was 99,2% or 41 190 tons more than the 41 500 tons of the 2013 season and 12 240 tons more than the five-year average of 70 450 tons per annum up to 2013. The area planted to groundnuts was an estimated 52 125 ha, which was 11,1% or 5 225 ha more than the 46 900 ha planted the previous season. The expected yield was 1,59 t/ha, as against 0,88 t/ha in 2013.

The production forecast for **soya beans** was 944 340 tons, which was 20,4% more than the 784 500 tons of the previous season. The estimated area planted was 502 900 ha, which was 2,6% or 13 600 ha less than the 516 500 ha planted in 2013. The expected yield was 1,88 t/ha, as against 1,52 t/ha in 2013.

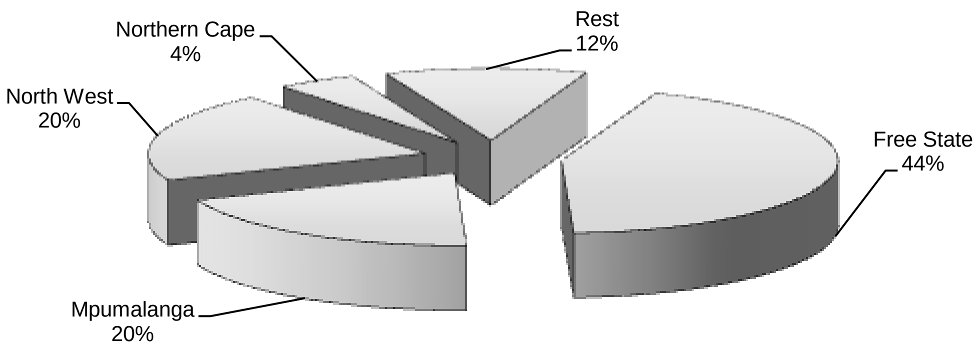
The production of **dry beans** was expected to be 86 030 tons, which was 42,9% or 25 830 tons more than the 60 200 tons of the previous season and 32 198 tons more than the five-year average of 53 832 tons per annum up to 2013. The estimated area planted was 55 820 ha, which was 28,2% more than the 43 550 ha planted the previous season. The expected yield was 1,54 t/ha, as against 1,38 t/ha for 2013.

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

Crop	Area planted 2014	Sixth forecast 2014	Area planted 2013	Final crop 2013	Change – tons 2014 *vs* 2013
	ha	tons	ha	tons	%
White maize	1 551 200	7 697 350	1 617 200	5 606 800	+37,3
Yellow maize	1 137 000	6 319 500	1 164 000	6 203 800	+1,9
Total maize	2 688 200	14 016 850	2 781 200	11 810 600	+18,7
Sunflower seed	598 950	853 325	504 700	557 000	+53,2
Soya beans	502 900	944 340	516 500	784 500	+20,4
Groundnuts	52 125	82 690	46 900	41 500	+99,2
Sorghum	78 850	255 700	62 620	147 200	+73,7
Dry beans	55 820	86 030	43 550	60 200	+42,9

* Forecasts and estimates exclude the non-commercial sector.

Percentage of maize production in South Africa, per province
2014 production season



Preliminary estimate of the area planted to winter cereal crops for the 2014 production season

The CEC also released the preliminary area estimate for winter crops on 29 July 2014.

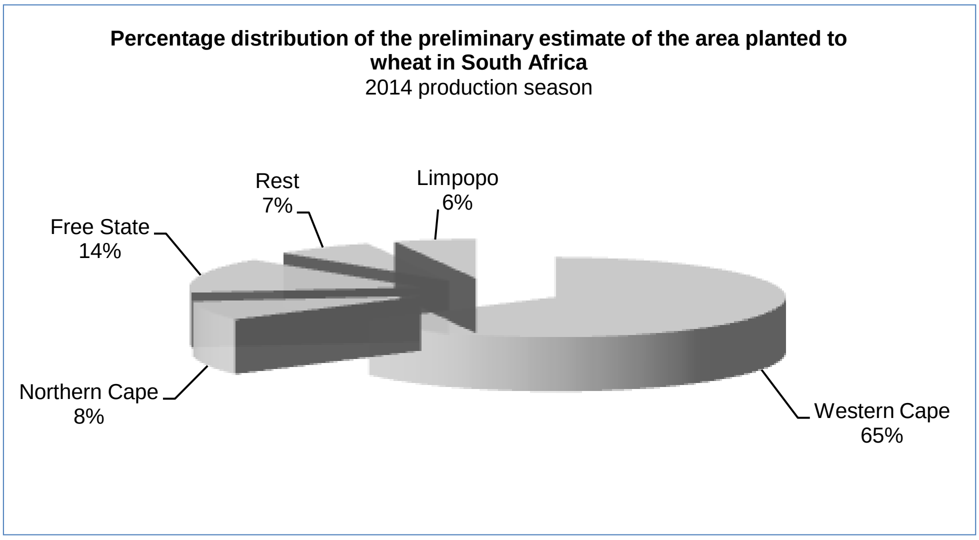
The estimate for **wheat** was 484 000 ha, which is 4,2% less than the 505 500 ha planted in 2013. This is the smallest area planted to wheat since the early 1930s. The main wheat-producing area was in the Western Cape, with 315 000 ha (65,1%), followed by the Free State with 70 000 ha (14,4%) and the Northern Cape with 38 000 ha (7,8%). The decrease in the expected planting of wheat can mainly be attributed to farmers who were expected to plant more oilseeds such as soya beans at the expense of wheat, low prices (no longer profitable), as well as inadequate soil moisture levels in some of the northern wheat-producing areas.

The preliminary area estimate for **malting barley** was 83 525 ha, which was 2,7% more than the 81 320 ha of the 2013 season.

The area planted to **canola** was estimated at 85 000 ha, an increase of 17,8% from the previous season's plantings of 72 165 ha. On record, this is the largest area planted to canola.

Preliminary area estimate of winter cereals for the 2014 production season

Crop	Area planted 2014	Area planted 2013	Final crop 2013	Change – ha 2014 *vs* 2013
	ha	ha	tons	%
Wheat	484 000	505 500	1 870 000	-4,3
Malting barley	83 525	81 320	267 500	+2,7
Canola	85 000	72 165	112 000	+17,8



2. ECONOMIC INDICATORS OF THE SOUTH AFRICAN AGRICULTURAL SECTOR

Indicator (at current prices)	July ’12 to June ’13	July ’13 to June ’14	% change
Total gross farming income (R million)	181 653	193 791	+6,7
Expenditure on intermediate goods and services (R million)	100 515	109 176	+8,6
Total farming cost (R million)	127 057	137 701	+8,4
Net farming income (R million)	59 775	61 729	+3,3
Domestic terms of trade (2005 = 1)	0,88	0,90	+2,3

Gross income from major products at current prices

Field crops (R million)	July ’12 to June ’13	July ’13 to June ’14	% change
Maize	26 771	22 331	-16,6
Wheat	5 484	5 277	-3,8
Sugar cane	6 440	7 293	+13,2
Sunflower seed	2 847	2 353	-17,4
Tobacco	451	421	-6,7
All field crops	50 050	48 272	-3,6
Horticulture (R million)			
Vegetables (including potatoes)	15 906	17 409	+9,4
Deciduous and other fruit	11 911	13 862	+16,4
Citrus fruit	8 628	10 008	+16,0
Viticulture	4 600	4 747	+3,2
Subtropical fruit	2 835	3 175	+12,0
All horticultural products	46 796	51 707	+10,5
Animal products (R million)			
Poultry meat	31 549	35 292	+11,9
Cattle and calves slaughtered	18 659	19 918	+6,7
Milk	11 697	13 392	+14,5
Eggs	8 392	8 874	+5,7
Sheep slaughtered	4 113	4 651	+13,1
All animal products	84 807	93 812	+10,6

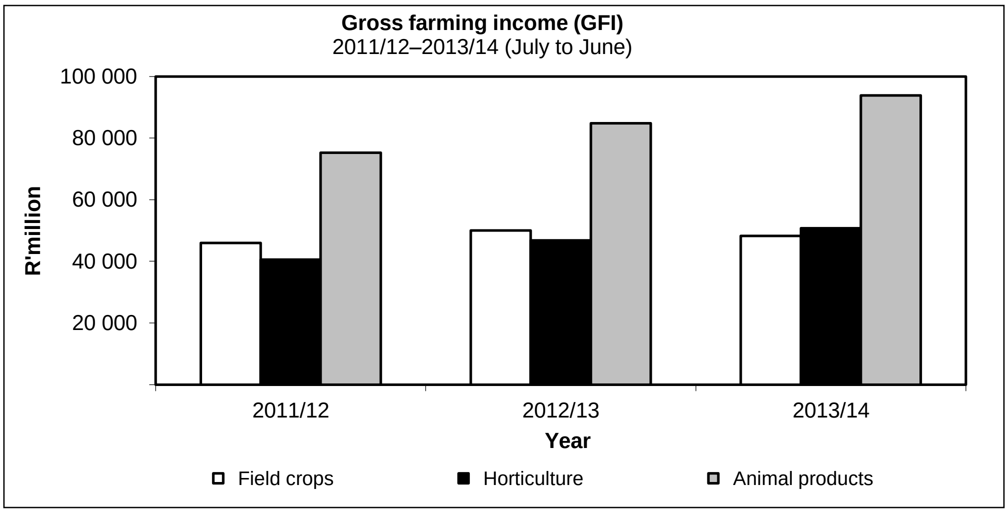
3. ECONOMIC OVERVIEW

This article gives an overview of the major macroeconomic trends in the agricultural sector for the period 01 July 2013 to 30 June 2014. Aggregates are compared with the period 01 July 2012 to 30 June 2013.

Gross farming income

Gross farming income refers to that part of 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 R193 791 million for the year ended 30 June 2014—an increase of 6,7% from the previous year. This increase was a result of the increase in gross income from animal products by 10,6% and horticultural products by 10,5%, while the income from field crops decreased by 3,6%.



The gross income from field crops decreased by 3,6% or R1 778 million and amounted to R48 272 million. The income from sunflower seed decreased by 17,4%, from R2 847 million to R2 353 million, maize by 16,6%, from R26 771 million to R22 331 million, and wheat by 3,8%, from R5 484 million to R5 277 million. The income from dry beans rose by 57,6% to R1 059 million, soya beans by 38,8% to R5 066 million, groundnuts by 42,4% to R628 million and sugar cane by 13,2%, from R6 440 million to R7 293 million.

The gross income from horticultural products increased by 10,5%, from R46 796 million to R51 707 million. The income from deciduous and other fruit rose by 16,4%, from R11 911 million to R13 862, citrus fruit by 16,0%, from R8 628 million to R10 008 million, subtropical fruit by 12,0%, from R2 835 million to R3 175 million, vegetables by 9,4%, from R15 906 million to R17 409 million and viticulture by 3,5%, from R4 600 million to R4 747 million.

The gross income from animal products increased by 10,6%, from R84 807 million to R93 812 million. The income from milk rose by 14,5%, from R11 697 million to R13 392 million, sheep slaughtered by 13,1%, from R4 113 million to R4 651 million, poultry meat by 11,9%, from R31 549 million to R35 292 million, cattle and calves slaughtered by 6,7%, from R18 659 million to R19 918 million, and eggs by 5,7%, from R8 392 million to R8 874 million.

Expenditure on intermediate production inputs

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

Expenditure on intermediate goods and services increased by 8,6%, from R100 515 million to R109 176 million for the year ended on 30 June 2014. Expenditure on maintenance and repairs increased by 10,3%, seed and plants by 10,2%, building and fencing material by 9,7%, packing material by 9,5%, animal health and crop protection by 9,0%, farm services by 8,5%, farm feeds by 8,2%, fuel by 7,8% and fertilisers by 7,3%.

Farm feeds remained the biggest expenditure item, accounting for 20,7%, followed by fuel (14,1%), farm services (13,5%), maintenance and repairs (11,2%), seed and plants (9,6%), animal health and crop protection (8,5%), packing material (7,6%), fertilisers (6,1%) and building and fencing material (3,8%).

Prices received and paid by farmers

On average, prices received by farmers for their products increased by 7,3%.

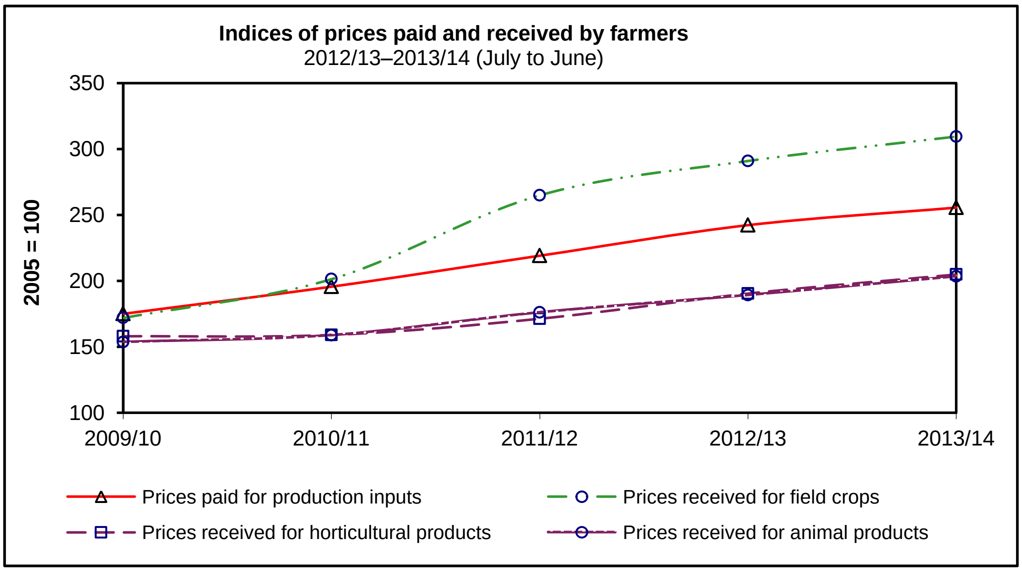
The weighted average price of field crops increased by 6,4%. The prices of dry beans increased by 14,8%, hay by 9,7%, summer grains by 8,0%, tobacco by 7,2%, winter grain by 7,1%, sugar cane by 2,4% and cotton by 1,7%. The price of oilseed decreased slightly by 1,7%.

Prices of horticultural products increased by 7,9%. The prices of fruit increased by 10,2%, viticulture by 7,1% and vegetables by 5,2%.

Prices of animal products increased by 7,5%. The average prices of dairy and pastoral products increased by 13,1% each, poultry meat by 8,0% and slaughtered stock by 3,4%.

The prices paid for farming requisites, including machinery and implements, material for fixed improvements as well as intermediate goods and services, increased by 5,5%, compared to 10,6% the previous year. Prices for tractors rose on average by 11,1%, fuel by 8,0%, building material by 7,3%, animal health and crop protection by 6,2%, packing material by 6,0%, maintenance and repairs by 5,7%, feeds by 4,2%, trucks by 3,7% and fertilisers by 3,5%.

The domestic terms of trade increased by 2,3%, from 0,88 to 0,90.



Net farming income and cash flow

An increase of 6,7% in gross farming income and 8,6% in expenditure on intermediate production inputs resulted in an increase of 3,3% in net farming income, from R59 775 million to R61 729 million. Interest payments increased by 8,7%, labour costs by 7,4% and rent payment by 6,3%.

The cash flow of farmers for the period between July 2013 to June 2014 increased by 3,1% to R62 128 million, from R60 256 million in the previous year.

Conclusion

The gross income of farmers increased by 6,7% for the period July 2013 to June 2014 because of an increase of 10,6% in income derived from animal products and 10,5% from horticultural products. The increase in income can be attributed to both the increase in prices that farmers received for their products and an increase in quantities sold.

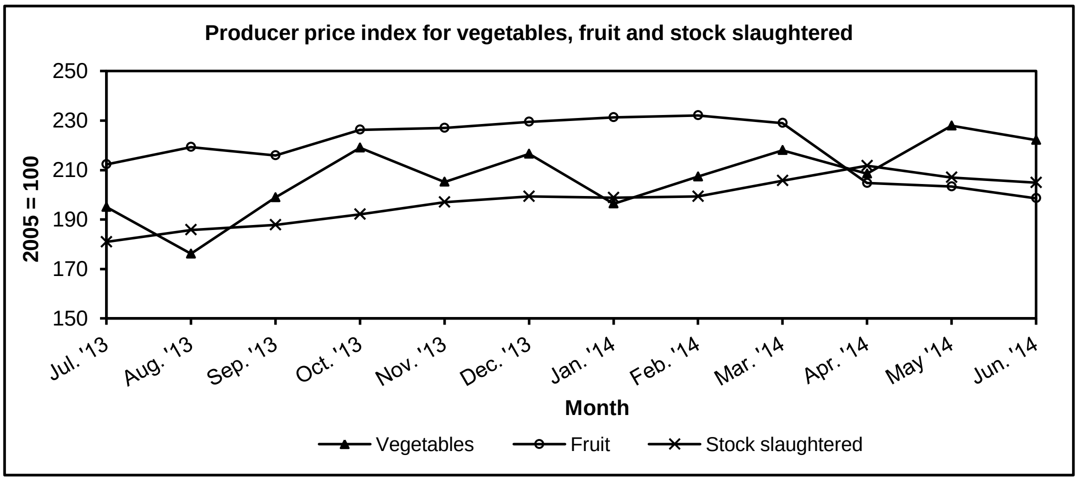
An increase of 7,3% in prices received for agricultural products, compared to an increase of 5,5% in prices paid for production inputs, resulted in an increase of 2,3% in the domestic terms of trade.

Compiled by Ephaphrus Mankwane

4. INDICES OF PRODUCER PRICES OF AGRICULTURAL PRODUCTS

Product	Weight	April		May		June	
		2013	2014	2013	2014	2013	2014
		Index (2005 = 100)					
Field crops	24	280,3	318,3	279,1	285,0	287,0	281,0
Horticulture	27	190,3	198,3	188,8	204,9	188,8	200,5
Animal husbandry	49	185,6	215,4	186,8	213,1	187,7	210,9
Combined	100	209,7	235,5	209,6	228,2	211,9	224,9
Field crops							
Summer grains	43	315,9	360,9	305,9	300,6	313,5	281,6
Winter cereals	13	266,7	309,4	268,8	297,7	275,6	301,1
Oilseeds	9	320,6	324,3	320,4	326,4	344,3	315,5
Sugar cane	17	219,5	243,2	219,6	242,9	221,5	243,9
Hay	14	242,9	300,3	264,7	257,7	274,2	291,8
Dry beans	1	370,6	422,7	370,6	422,7	370,6	422,7
Cotton	1	216.8	204,5	216,8	204,5	216,8	204,5
Tobacco	2	170,6	180,6	170,6	180,6	170,6	180,6
Combined	100	280,3	318,3	279,1	285,0	287,0	281,0
Horticulture							
Viticulture	14	142,4	*	142,4	*	142,4	*
Vegetables	38	194,0	208,5	190,8	227,9	192,9	222,1
Fruit	48	201,4	204,7	200,8	203,3	199,1	198,6
Combined	100	190,3	198,3	188,8	204,9	188,8	200,5
Animal husbandry							
Pastoral products	3	274,6	306,5	275,3	316,1	296,9	314,8
Stock slaughtered	33	180,2	211,7	180,0	207,0	178,6	204,9
Dairy	16	204,7	235,5	207,5	238,3	210,3	241,1
Poultry	48	177,5	205,6	179,1	202,4	179,6	198,4
Combined	100	185,6	215,4	186,8	213,1	187,7	210,9

*not available



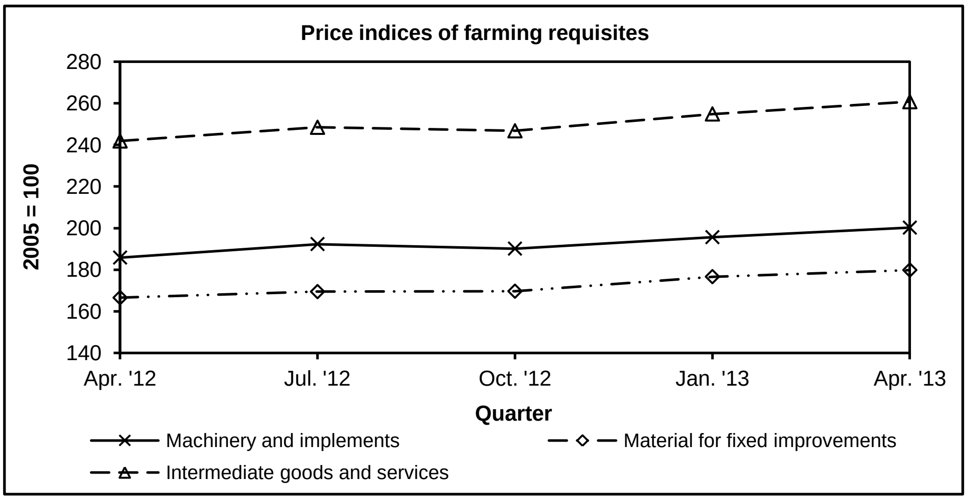
5. CONSUMER PRICE INDICES

Item	Weight	April 2014	May 2014	June 2014
		2005 = 100		
All items	100,00	173,2	172,9	178,4
All items, excluding food	79,01	160,2	154,3	141,0
Food	20,99	198,2	201,9	198,8
Grain products	3,81	213,7	217,5	194,9
Meat	5,66	195,2	197,2	187,7
Fish and other seafood	0,69	209,1	203,8	201,7
Milk, cheese and eggs	1,96	201,5	196,5	213,7
Fats and oils	0,76	231,7	226,3	224,3
Fruit and nuts	1,09	168,6	170,7	160,9
Vegetables	2,00	207,3	214,7	222,2
Sugar	0,50	200,7	200,3	203,8
Coffee, tea and cocoa	1,07	198,4	191,7	199,2
Other food	3,45	185,9	184,9	186,0

Source: Statistics South Africa

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

Period	Machinery and implements					Material for fixed improvements		
	Tractors	Trucks	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	160,7	185,3	169,4
October	194,7	199,2	190,7	155,7	190,1	162,7	182,3	169,6
2013	208,7	216,5	196,9	160,6	201,8	170,9	190,3	177,7
January	201,1	210,2	192,3	154,6	195,6	173,0	183,1	176,6
April	207,9	217,0	193,8	156,2	200,2	172,0	194,4	179,8
2012/13	198,3	210,2	191,5	154,9	194,6	167,1	186,3	173,8
July	210,4	228,7	201,0	168,0	207,9	162,7	192,2	173,0
October	215,4	210,0	200,4	163,8	203,3	175,9	191,4	181,4
2014								
January	217,3	214,0	210,2	162,9	207,8	195,5	196,2	195,7
April	238,1	218,9	211,9	165,9	216,2	183,0	208,0	191,7
2013/14	220,3	217,9	205,9	165,1	208,8	179,3	197,0	185,5



Period	Intermediate goods and services							All farming requisites combined
	Fertilisers	Fuel	Stock feed	Animal Health and Crop Protection	Packing material	Mainte-nance 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	107,2	106,5
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	210,7	183,8	209,0	176,8	164,9	166,1	192,7	185,7
2011	222,2	193,3	233,6	196,0	187,9	189,4	213,6	205,5
2012	221,1	224,5	269,2	220,4	223,5	208,9	242,8	232,7
January	226,3	209,1	261,3	212,0	213,8	202,6	234,1	224,6
April	213,2	227,4	270,5	219,6	221,5	208,5	241,9	231,8
2011/12	221,3	205,2	252,9	208,4	206,7	200,2	228,1	219,1
July	217,8	226,8	278,6	225,6	229,4	214,4	248,5	238,1
October	227,2	234,7	266,4	224,3	229,5	210,2	246,8	236,5
2013	232,6	238,8	287,4	235,3	239,4	220,9	259,5	248,9
January	236,6	236,6	280,2	225,6	243,5	213,0	254,9	244,2
April	228,9	237,5	292,7	233,2	230,5	219,8	260,8	249,9
2012/13	227,6	233,9	279,5	227,2	233,3	214,4	252,7	242,2
July	230,8	240,7	300,9	239,3	238,8	229,4	265,2	254,0
October	234,1	240,5	275,8	243,2	244,7	221,3	257,2	247,3
2014								
January	238,3	258,0	291,4	240,2	259,6	224,8	268,1	257,6
April	239,2	271,3	296,8	242,2	245,5	231,3	273,7	263,1
2013/14	235,6	252,6	291,2	241,2	247,2	226,7	266,1	255,5

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