Trends

in the

Agricultural Sector

2020

2021

Printed and published by the
Department of Agriculture, Land
Reform and Rural Development
Pretoria

Obtainable from the
Department of Land Reform and
Rural Development
Directorate: Communication
Services
Private Bag X144
PRETORIA 0001

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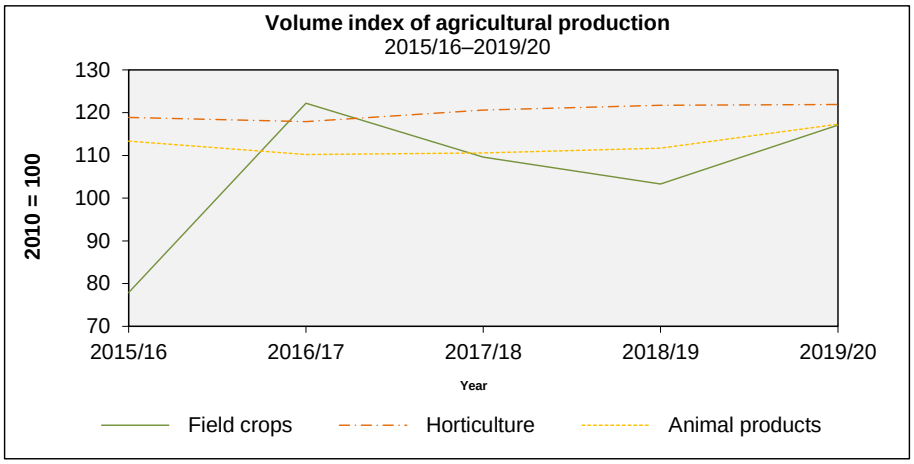
ECONOMIC REVIEW OF SOUTH AFRICAN AGRICULTURE FOR THE YEAR ENDED 30 JUNE 2020

Volume of agricultural production

The estimated volume of agricultural production in 2019/20 was 5,4% more than in 2018/19.



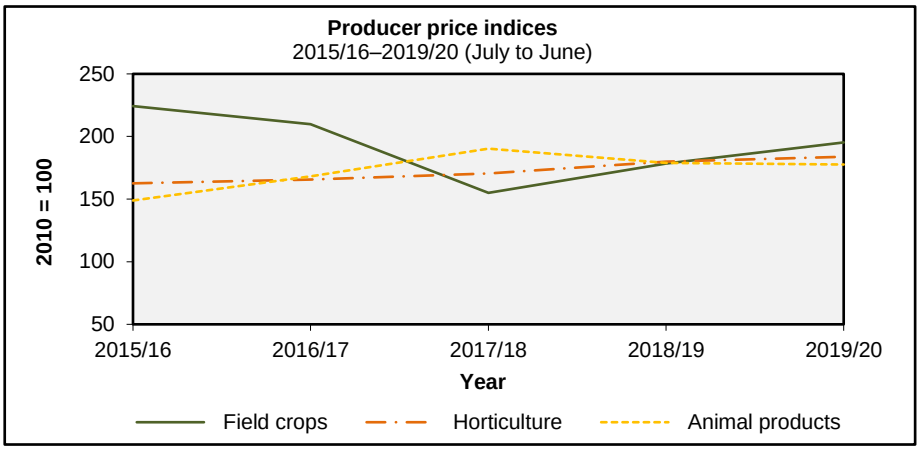
The field crop production volume for 2019/20 increased by 13,4%, mainly as a result of increases in the production of summer crops (maize and sorghum) and the oilseed crops (soya bean, sunflower seed and groundnuts). Maize production increased by 4,3 million tons (36,0%) and sorghum by 13 670 tons (9,4%) from 2018/19. Soya bean production increased by 120 410 tons (10,3%), sunflower seed by 91 450 tons (13,0%) and groundnuts by 37 050 tons (168,8%) as compared to 2018/19.

Horticultural production for 2019/20 increased by 0,2% from the previous season, which can mainly be attributed to increases in the production of vegetables and deciduous fruits. The production of tomatoes increased by 32 250 tons (5,8%), pumpkins by 10 354 tons (3,9%), sweet-potatoes by 6 164 tons (7,5%), cabbage by 2 738 tons (1,7%), lettuce by 1 127 tons (3,6%) and cucumbers by 425 tons (1,5%), which all contributed to an increase in the production of vegetables as compared to 2018/19. Furthermore the production of apples increased by 49 056 tons (5,5%), wine and table grapes by 35 884 tons (1,9%) and 13 109 tons (4,2%), respectively, peaches by 12 987 tons (9,3%) and plums by 1 635 tons (2,8%), which all led to an increase in the production of deciduous fruit from the previous season.

Animal production increased by 5,0%, mainly as a result of increases in the production of stock slaughtered (cattle and calves, sheep and lamb, pork and goats), poultry (poultry meat and eggs) and also fresh milk for 2019/20, as compared to 2018/19. The production of stock slaughtered for cattle and calves increased by 26 332 tons (3,2%), sheep and lamb by 18 476 tons (18,9%), pork by 15 829 tons (6,2%) and goats by 26 tons (1,8%) as compared to 2018/19. Furthermore, the production of poultry meat increased by 90 451 tons (5,1%), eggs by 57 532 tons (9,8%) and the production of fresh milk increased by 31 504 litres or 0,8% as compared to the previous season.

Producer prices of agricultural products

The weighted average price received by farmers for their agricultural products increased by 2,4% due to the increase in prices of field crops and horticultural products by 9,5% and 2,1%, respectively.



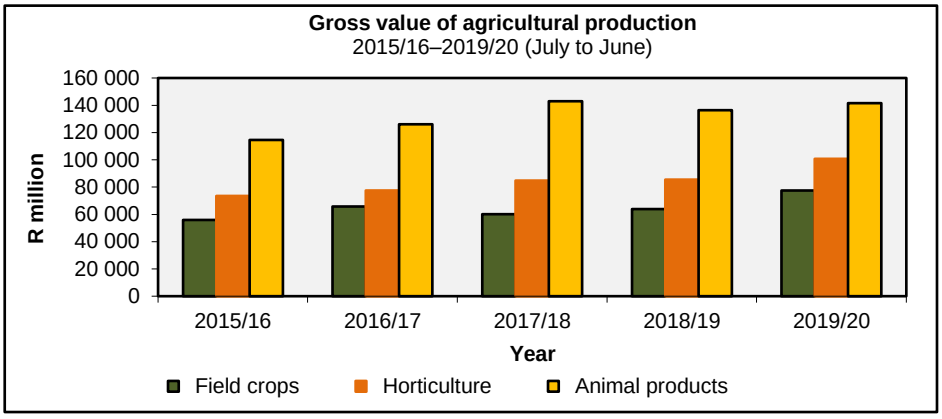
The weighted average price of field crops increased by 9,5% as the result of the increase in the prices of oilseeds by 13,2%, summer grains by 10,0%, hay by 8,8%, sugar cane by 8,6% and winter grains by 8,4%.

The weighted average price of horticultural products increased by 2,1% due to the increase in the prices of viticulture by 7,5%, fruit by 1,8% and vegetables slightly by 0,8%.

The weighted average price of animal products decreased slightly by 0,7% due to the decrease in prices of pastoral products and poultry meat by 15,8% and 1,7%, respectively.

Gross value of agricultural production

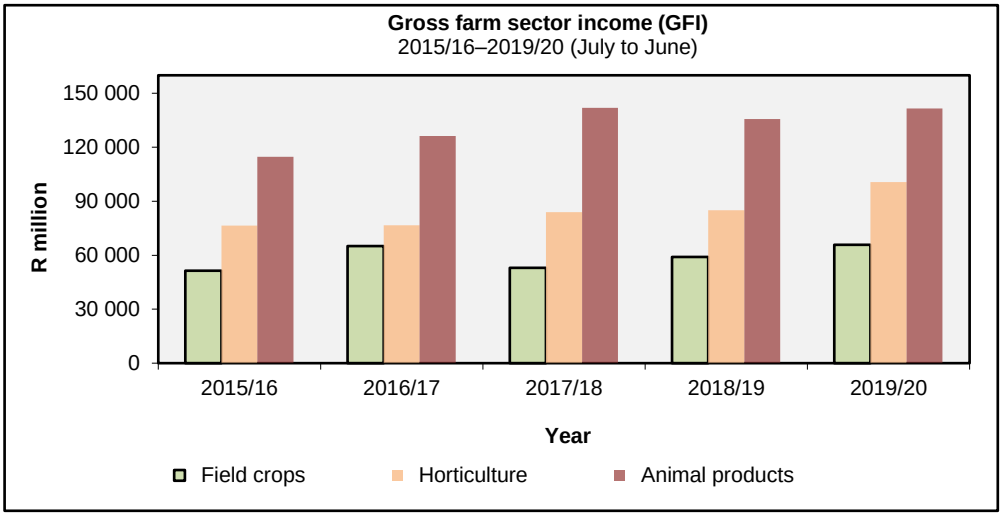
The *total gross value of agricultural production* (total production during the production season valued at the average basic prices received by producers) for 2019/20 is estimated at R319 732 million, compared to R285 604 million the previous year—an increase of 11,9%. This increase can be attributed to an increase in the value of field crops and horticulture.



The gross value of animal products, horticultural products and field crops contributed 44,2%, 31,5% and 24,3%, respectively, to the total gross value of agricultural production. The poultry meat industry made the largest contribution with 15,3%, followed by maize with 12,0% and cattle and calves slaughtered with 11,2%.

Farming income

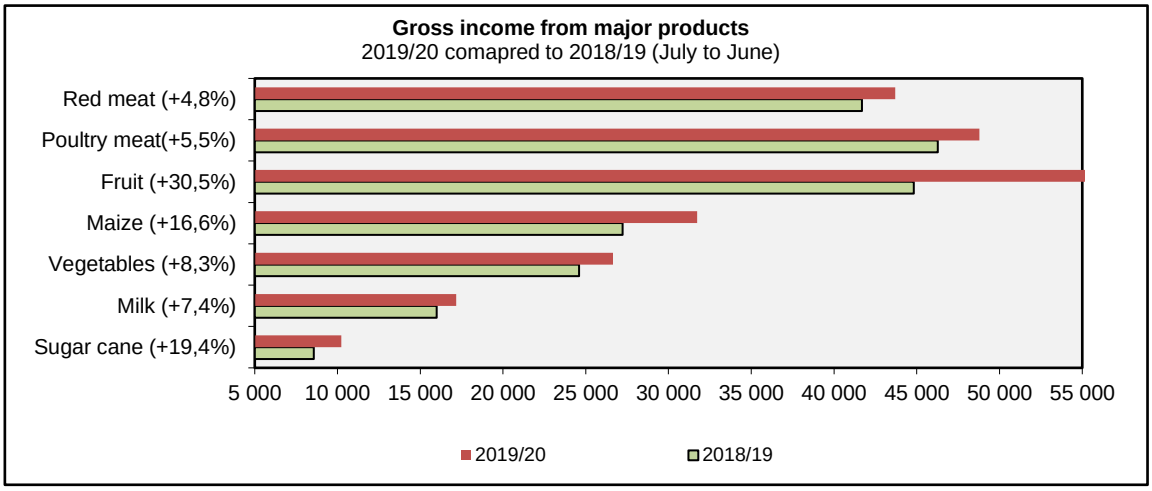
The *gross income of producers* (the value of sales and production for other uses, plus the value of changes in inventories) increased by 10,2% to R307 851 million for the year ended 30 June 2020 (2019/20), compared to R279 478 million the previous year. This was largely influenced by the increase in income from horticultural products by 18,4%, field crops by 11,6% and animal products by 4,3%.



The *gross income from horticultural products* increased by 18,4% to R100 562 million in the 2019/20 season, from R84 917 million in 2018/19, mainly due to the increase in income from deciduous and other fruit by 56,6% (from R19 194 million to R30 054 million), citrus fruit by 14,8% (from R20 662 million to R23 724 million) and viticulture by 4,3% (from R6 205 million to R6 473 million).

The *gross income from field crops in*creased by 11,6% to R65 817 million for the year ended 30 June 2020. This was driven by the increase in income from groundnuts by 58,0%, soya beans (50,3%), sunflower seed (42,3%), grain sorghum (36,7%), sugar cane (19,4%) and maize (16,6%).

The *gross income from animal products* increased by 4,3% and amounted to R141 472 million in 2019/20,



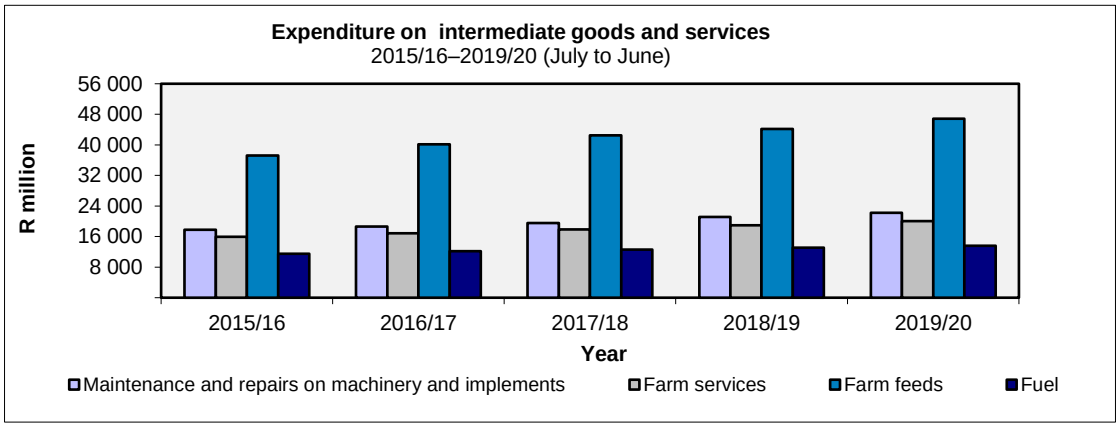
compared to R135 582 million in 2018/19 because of the increase in income from sheep slaughtered by 14,4%, milk by 7,4%, poultry meat by 5,5% and cattle and calves slaughtered by 3,3%.

The *net farm income* (after the deduction of all production expenditure, excluding expenditure on fixed assets and capital goods) increased by 27,5% and amounted to R115 673 million for the period ended on 30 June 2020. Payments for salaries and wages, which represented 5,6% of the total farming costs, amounted to R20 462 million. Interest paid by farmers to banks and other financiers during the 12 months up to 30 June 2020 is estimated at R2 031 million, or 5,6% of the total farming costs.

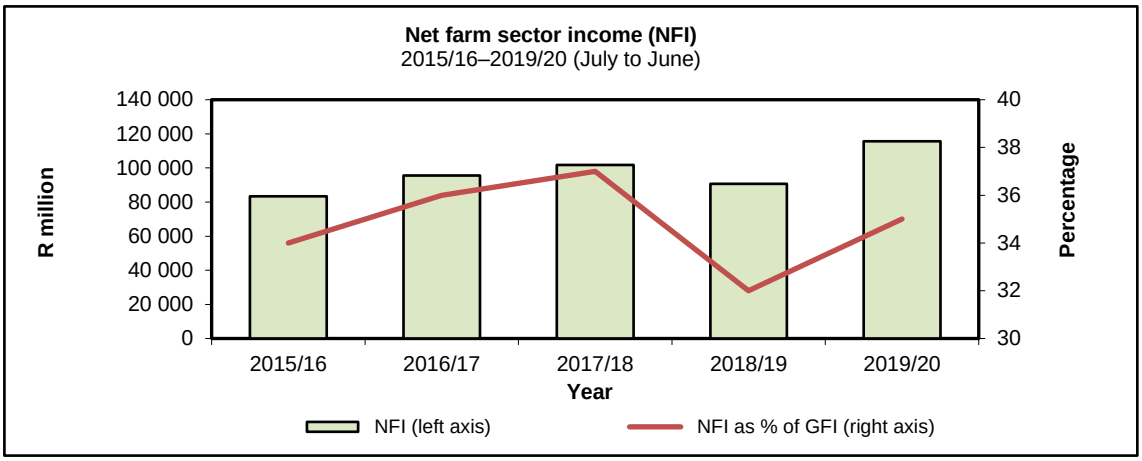
Expenditure on intermediate goods and services

Intermediate expenditure refers to the value of goods and services that were purchased for consumption as inputs during the production process.

Expenditure on intermediate goods and services increased by 6,3% due to the increase in expenditure on seeds and plants and building and fencing material by 10,0% each, packing material (9,0%), farm feed (6,1%), farm services and animal health and crop protection (6,0%), each, maintenance and repairs of machinery and implements (5,0%), fuel (3,6%) and fertilisers (3,0%).



Farm feed had the largest share as an expenditure item, accounting for 28,5%, maintenance and repairs of machinery and implements (13,5%), farm services (12,2%), fuel (8,2%), seed and plants (7,2%), animal health and crop protection (6,2%), packing material (5,1%), fertilisers (4,5%) and building and fencing material (4,4%).

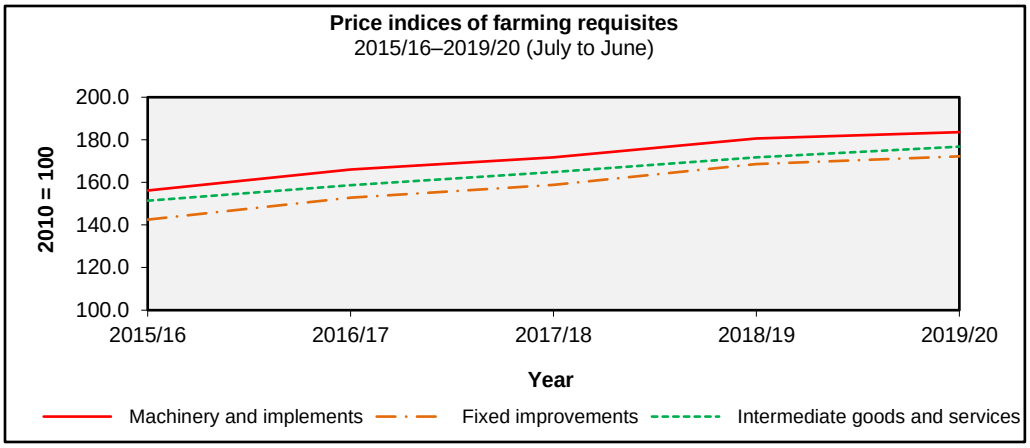


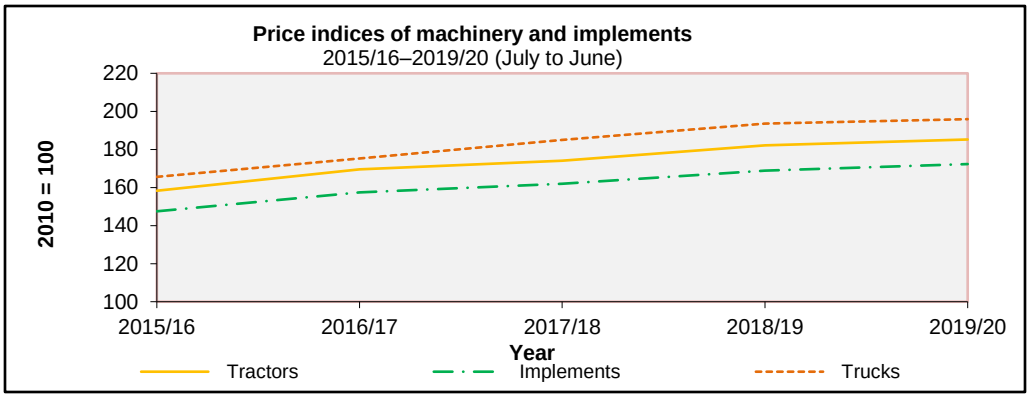
Prices of farming requisites

The prices paid for farming requisites, including machinery and implements, material for fixed improvements, as well as intermediate goods and services, increased by 2,8% compared to 4,3% the previous period.

The prices of animal health and crop protection, seed and feed increased by 4,5% each, fencing material by 2,3%, building material by 2,1%, fertilisers by 1,9%, tractors by 1,7%, packing material by 1,6% and trucks by 1,2%.

The combined price index of intermediate goods and services increased by 2,9%, materials for fixed improvements increased by 2,2% and machinery and implements by 2,0%.



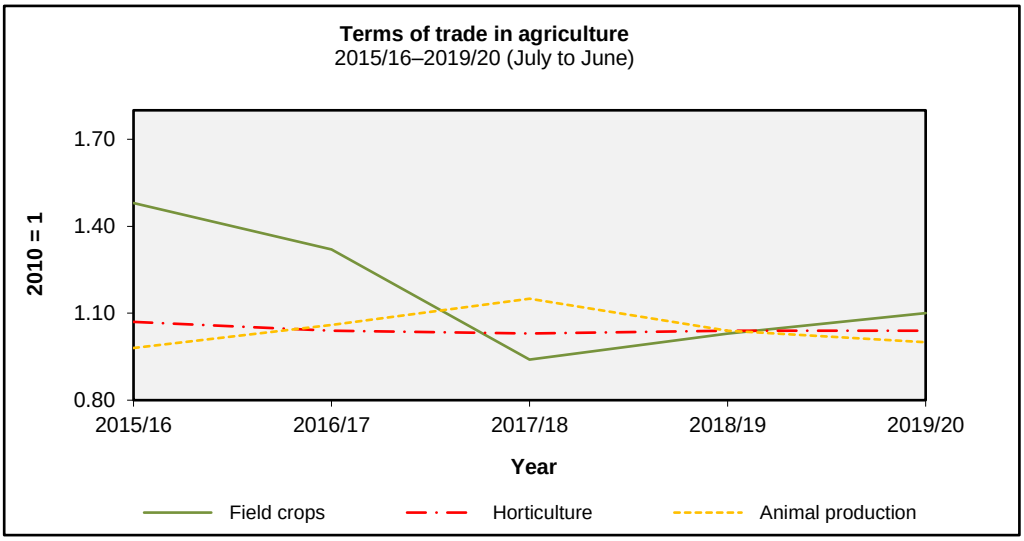


Domestic terms of trade in agriculture (2010 = 1)

The terms of trade indicate the extent to which producer prices received by farmers kept pace with the prices paid for farming requisites.

The domestic terms of trade showed a decrease of 1,0% due to the increase in production costs by 2,8%, as opposed to the increase of 2,4% in prices earned by the farmers.

The terms of trade for field crops increased by 6,8% (from 1,03 to 1,10) due to the increased prices earned by the farmers, while that of horticultural products remained unchanged at 1,04, despite the increase of 2,1% in prices. The terms of trade for animal products decreased by 3,8% (from 1,04 to 1,00) due to a slight decrease of 0,7% in prices.



Contribution of agriculture, forestry and fisheries to value added at basic current prices
Value added is the value of total output less the value of intermediate consumption during the production period.

The contribution of agriculture, forestry and fisheries to value added for the year ended 31 December 2019 is estimated at R95 690 million. This represents 2,1% of the total value added to the economy.

Year	Total value added R' million	Contribution of agriculture to value added R' million	Contribution of agriculture as percentage of total value added %
2010	2 494 860	52 001	2,1
2011	2 724 400	55 478	2,0
2012	2 932 879	59 934	2,0
2013	3 183 618	63 321	2,0
2014	3 414 943	70 605	2,1
2015	3 624 908	72 479	2,0
2016	3 891 559	83 655	2,1
2017	4 173 328	93 400	2,2
2018	4 341 292	90 148	2,1
2019*	4 523 580	95 690	2,1

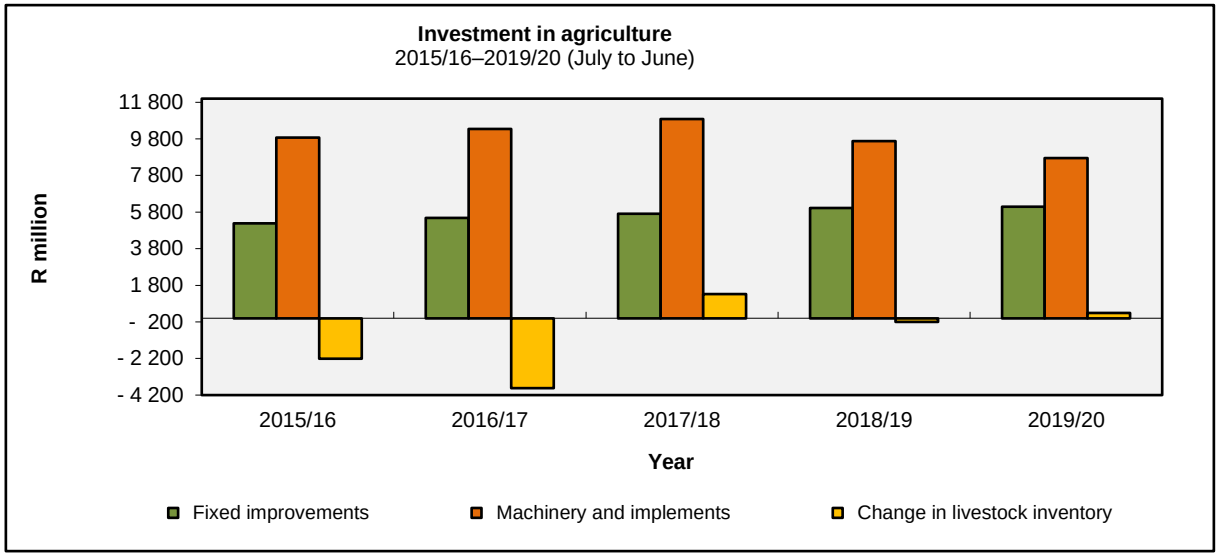
*Note: Figures are for agriculture, forestry and fisheries

Capital assets and investment in agriculture

The value of capital assets in agriculture as at 30 June 2020 is estimated at R530 024 million, compared to R512 256 million at the end of June 2019, an increase of 3,5%.

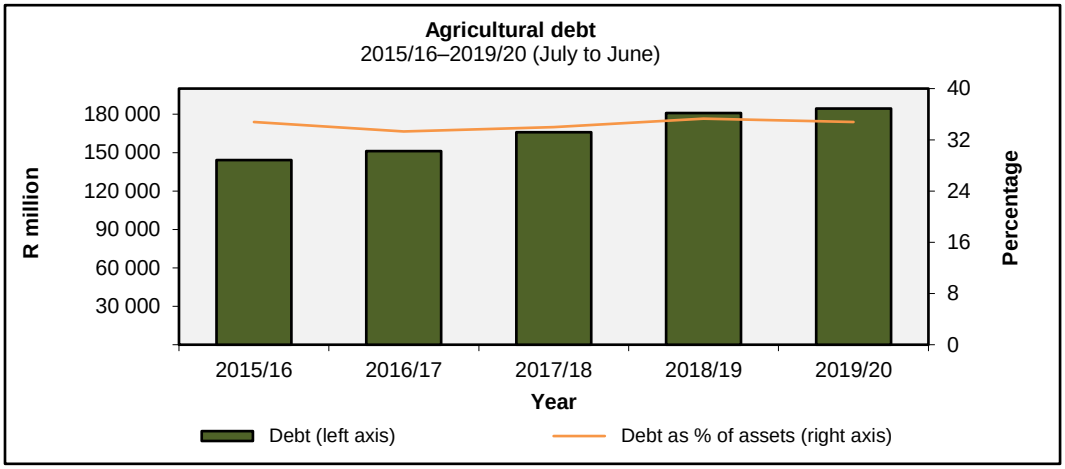
Land and fixed improvements constituted R297 332 million (56,1%), livestock R153 126 million (28,9%) and machinery and implements R79 566 million (15,0%) of the total value of capital assets.

The gross investment in respect to fixed improvements for the year ended 30 June 2020 increased by 1,0% to R6 088 million. Investment in machinery, implements and vehicles decreased by 9,6% and amounted to R8 750 million. The livestock inventory was R286 million more than in the previous year.



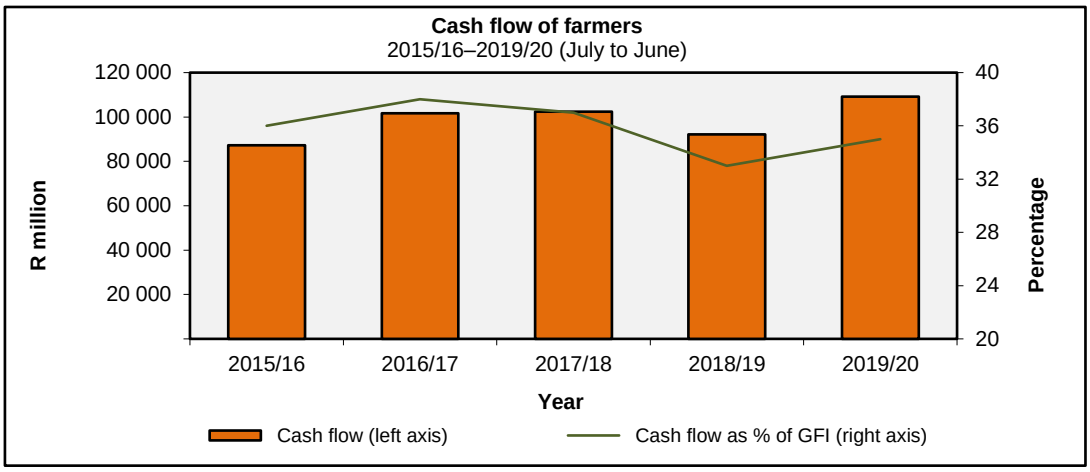
Farming debt

The total farming debt has increased by 1,9% and estimated at R184 336 million for the year ended June 2020, compared to R180 890 million at the end of June 2019.



Cash flow of farmers

The farmers' cash flow increased by 18,6% to R109 224 million for the period ended June 2020, compared to R92 093 million the previous period.



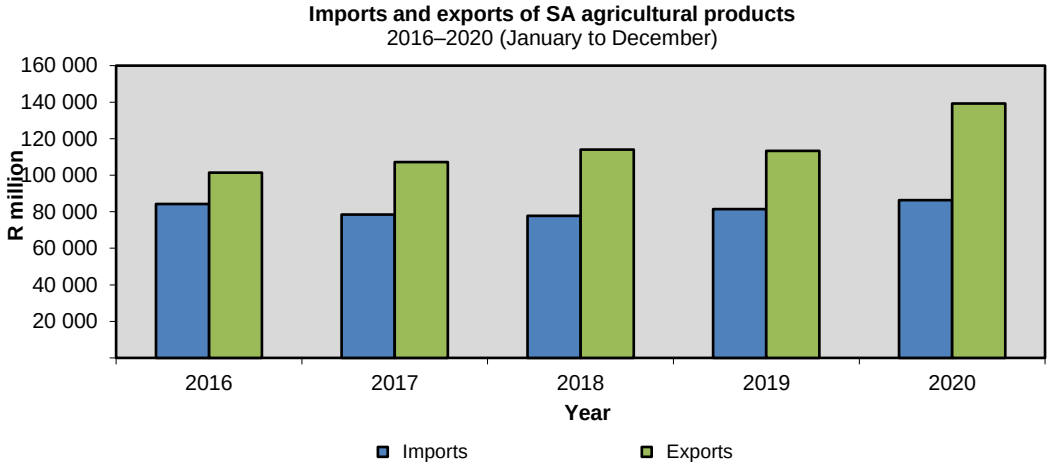
Consumer prices

The consumer prices of all agricultural products increased by 3,7% for the year ended June 2020, compared to 4,4% the previous period. The consumer prices of food and non-food items increased by 3,9% and 3,6%, respectively. The consumer prices of grain products increased by 6,1%, milk, eggs and cheese increased by 4,1% and meat by 2,9%.

The consumer prices of fruit increased by 7,1%, sugar (6,1%), fish (5,8%), fats and oils (4,6%), other food (4,3%), vegetables (2,2%) and coffee and tea (1,6%).

Imports and exports of SA agricultural products

The estimated value of imports during 2020 came to approximately R86 329 million, from R81 517 million in 2019—an increase of 5,9%. The estimated value of exports showed a significant increase of 22,9%, from R113 286 million in 2019 to about R139 268 million in 2020.



According to the 2020 agricultural export figures, citrus fruit (R27 808 million), grapes (R10 471 million), apples, pears and quinces (R9 493 million), wine (R9 314 million) and maize (R6 952 million) were the five most important export products in terms of value.

With regard to agricultural imports during 2020, rice (R8 939 million), wheat (R8 037 million), palm oil (R5 323 million), meat and offal of fowls (R5 110 million) and food preparations (R3 188 million) were the five major products in terms of value.

In terms of exports of agricultural products by South Africa during 2020, the five largest trading partners were Netherlands, with exports to the value of R16 991 million, United Kingdom (R13 077 million), China (R10 595 million), Mozambique (R8 091million) and Zimbabwe (R7 232 million).

Branches of the industry

FIELD CROP HUSBANDRY

Maize

Maize is the most important grain crop in South Africa, being both the major feed grain and the staple food of the majority of the South African population. About 56,7% of maize produced in South Africa is white and the remaining 43,3% is yellow maize (2020). White maize is primarily used for human consumption, while yellow maize is mostly used for animal feed production.

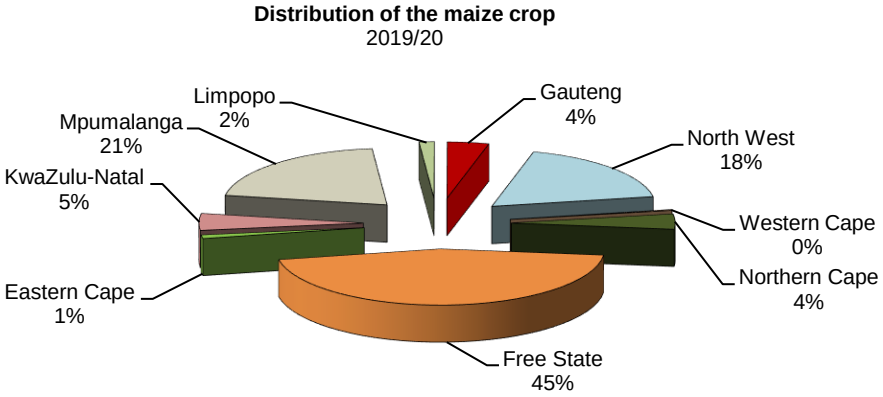
The gross value of agricultural production is determined by the quantity produced and prices received by producers.

The largest contributor towards the gross value of field crops for the past five seasons is maize (46,7%), followed by sugar cane (13,3%), wheat (9,8%), soya beans (8,8%) and sunflower seed (6,2%). The gross value of maize for 2019/20 amounts to R40 238 million, which is 42,8% or R12 058 million more than the R28 179 million for 2018/19.

Despite the impact of COVID-19 and the measures imposed to “flatten the curve”, 2020 was a very good year for summer crops. By the time the lockdown measures were imposed, the crop was almost ready for harvest and weather conditions had been favourable, particularly in the western production regions.

The two main white maize-growing provinces in South Africa, namely the Free State and North West, produced about 81% of the white maize harvest in 2020, whereas the Free State and Mpumalanga produced about 67% of the yellow maize harvest.

The contribution by provinces to maize production during the 2019/20 production season is depicted in the following figure.



White maize is generally produced in the western parts of the maize belt, while yellow maize is planted in the eastern parts.

Maize is planted during late spring/early summer, with optimal planting times in November and December. However, planting can start as early as October and extend to January. In a particular season, the rainfall pattern and other weather conditions determine the planting period as well as the length of the growing season. Most of the maize is harvested from late May up to the end of August.

The present ratio of areas planted is 62% white maize to 38% yellow maize. An estimated 4,4% of the area planted to white maize is under irrigation and 95,6% is dryland, while the estimate for yellow maize is 15,0% under irrigation and 85,0% is dryland.

Area planted and production

Rainfall deficits in October and November 2019 delayed maize plantings and resulted in larger areas of land being sown outside of the optimal planting period. Rainfall in December 2019 and January 2020 was generally favourable, leading to an increase in soil moisture reserves and minimising the impact of earlier dry weather conditions. As a result, crop conditions were reported to be good across most of the country by the end of January 2020.

The estimated area that South African commercial producers planted to maize during the 2019/20 season is 2,611 million ha. This is 13,5% or 310 300 ha more than the 2,300 million ha planted the previous season and also 10,2% or 241 290 ha more than the five-year average of 2,370 million ha planted up to 2018/19.

The area expansion was mostly driven by higher year-on-year grain prices and consequent improved profit prospects.

Commercial white and yellow maize plantings for 2019/20 were 1 616 300 ha and 994 500 ha, respectively. This represents an increase of 24,5% for white maize and a decrease of 0,8% for yellow maize.

The commercial maize crop for the 2019/20 production season is estimated to be 15,420 million tons, with an estimated yield of 5,91 t/ha. The production represents an increase of 36,8% from the previous season (2018/19), which was estimated at 11,275 million tons. The production upturn was the result of favourable weather conditions and an above-average planted area.

The production estimate for white maize is 8,746 million tons, which is 57,7% or 3,201 million tons more than the 5,545 million tons of 2019 and 45,1% or 2,717 million tons more than the average of the five years (6,029 million tons) up to 2019. The estimated yield for white maize is 5,41 t/ha, compared to 4,27 t/ha the previous season.

In the case of yellow maize, the production estimate for 2020 is 6,674 million tons, which is 16,5% or 943 910 tons more than the 5,730 million tons the previous season and 18,4% or 1,035 million tons more than the five-year average (5,639 million tons) up to 2019. The estimated yield for yellow maize was 6,71 t/ha, compared to 5,72 t/ha in 2019.

For the 2019/20 season, 88% of the deliveries of white maize were grade WM1, compared to 92% of the 2018/19 crop and 96% of the yellow maize deliveries were grade YM1, compared to 97% of the 2018/19 crop.

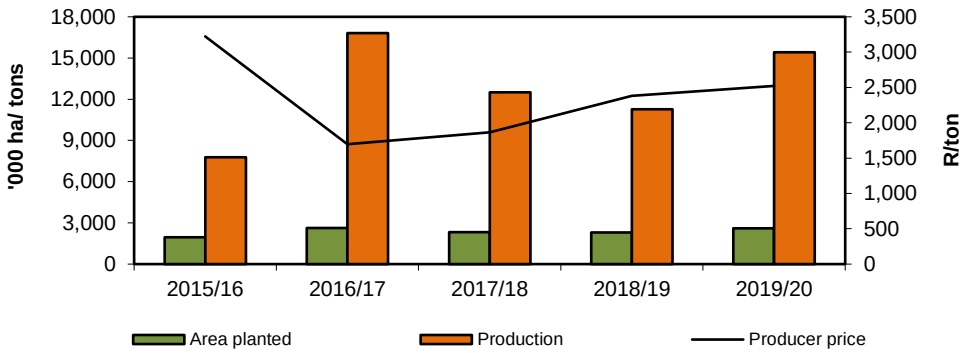
Plantings, production and yields of commercial maize from 2015/16 to 2019/20 are as follows:

Season	2015/16	2016/17	2017/18	2018/19	2019/20
Plantings (ha)	1 946 750	2 628 600	2 318 850	2 300 500	2 610 800
Production (t)	7 778 500	16 820 000	12 510 000	11 275 000	15 420 220
Yield (t/ha)	4,00	6,40	5,39	4,90	5,91

The estimated yield for maize is 5,91 t/ha for 2019/20, which is 20,6% or 1,01 t/ha more than the 4,90 t/ha the previous season. The increase is due to favourable weather conditions during the growing period of the maize crop.

The area planted to and production and producer prices of maize are depicted in the following graph:

Maize: Area planted, production and producer prices
2015/16–2019/20



In South Africa, the breadbasket of the southern African region, the maize sector comprises both commercial and non-commercial farmers; the latter being mostly in the Eastern Cape, Limpopo, Mpumalanga and northern KwaZulu-Natal.

The area planted to maize by the non-commercial sector during 2019/20 is estimated at 297 460 ha, which comprises 221 945 ha of white maize and 75 515 ha of yellow maize. Production by the non-commercial sector is estimated at 543 545 tons: 375 295 tons of white maize and 168 250 tons of yellow maize. Maize grown by this sector is mainly for own use and contributes only approximately 3% to total production.

Prices

Since the deregulation of the South African agricultural market in 1996, the maize market has essentially been an open one in which a number of basic factors play a role in determining prices. These factors include:

- International maize prices
- Exchange rates
- Local production (influenced by weather conditions and area planted)
- Local consumption
- Production levels in the Southern African Development Community region (South Africa is usually the main source of white maize for these countries in times of shortage)
- Stock levels (both domestic and international).

Based on domestic stock levels, the domestic prices of maize fluctuate within a band that is determined by world prices, the exchange rate and local maize production. Because of the erratic weather conditions in the country, substantial variations in local production occur.

During periods of shortages, the rand price of maize tends to increase towards import parity, which is the international maize price *plus* transport and other costs, multiplied by the exchange rate. During surplus periods, the rand price tends to move towards export parity, which is the price of maize on the international market *minus* transport and other costs, multiplied by the exchange rate.

Currently, the prices of maize differ from one area to another and can fluctuate daily. Producers can manage their price risk by negotiating spot, contract or futures prices on SAFEX, based on market conditions.

The average producer price of maize increased by 5,8%, from R2 383,23/t in 2018/19 to R2 520,52/t in 2019/20, mostly because of the strong demand from Southern Africa and deep-sea markets, a delay in maize deliveries due to the late start of the season and the weaker rand as well.

The average producer prices of maize from 2015/16 to 2019/20 are as follows:

Season	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**
	R/ton				
Producer price	3 222,49	1 696,26	1 865,66	2 383,23	2 520,52

The South African maize market has matured considerably since the deregulation of marketing. Producers, traders and other intermediaries interact freely in the marketing of maize.

Supply and Demand

Most of the maize produced in South Africa is consumed locally; as a result, the domestic market is very important to the industry.

Considering the importance of food security against the background of uncertain maize stock positions and highly fluctuating maize prices over the past few years, the grain industry expressed the need for much improved information on intended imports or exports of grains and oilseeds. In addition, there was also a need for official supply and demand figures for the major grain and oilseed crops, as is common practice in many countries.

Considering the 2020/21 marketing season (May to April), the total supply of maize is projected at 15,778 million tons (8,957 million tons white and 6,821 million tons yellow). This includes an opening stock (on 1 May 2020) of 1,001 million tons (473 964 tons white and 526 637 tons yellow) and local commercial deliveries of 14,777 million tons (8,483 million tons white and 6,294 million tons yellow). No white or yellow maize imports are projected as South Africa has sufficient stock to meet the country's needs.

The total demand, local and exports, for maize is projected at 13,891 million tons (7,750 million tons of white and 6,141 million tons of yellow maize). The total local demand is projected at 11,441 million tons (6,700 million tons white and 4,741 million tons yellow). A projected export quantity of 2,450 million tons (1,050 million tons white and 1,400 million tons yellow) is expected for the 2020/21 marketing season. The projected closing stock level by 30 April 2021 is estimated at 1,887 million tons (1,208 million tons white and 679 547 tons yellow).

Trade balance

In the case of a product such as maize, millers (who are the main buyers of the maize crop) have the option of importing maize instead of buying locally produced maize. In a deregulated market, the decision whether to buy from domestic or foreign sources is influenced by, among other factors, transport costs, price and quality. When the product is imported, the exchange rate plays an important role in the actual rand price.

Depreciation in the value of the rand against relevant foreign currencies makes import products, such as maize, wheat and oilseeds more expensive in rand terms, thereby providing some protection for South African farmers and an incentive to increase production in the longer term. However, if South African producers are unable to meet the needs of the processors, or if processors are uncertain about local supplies, foreign sources can be considered.

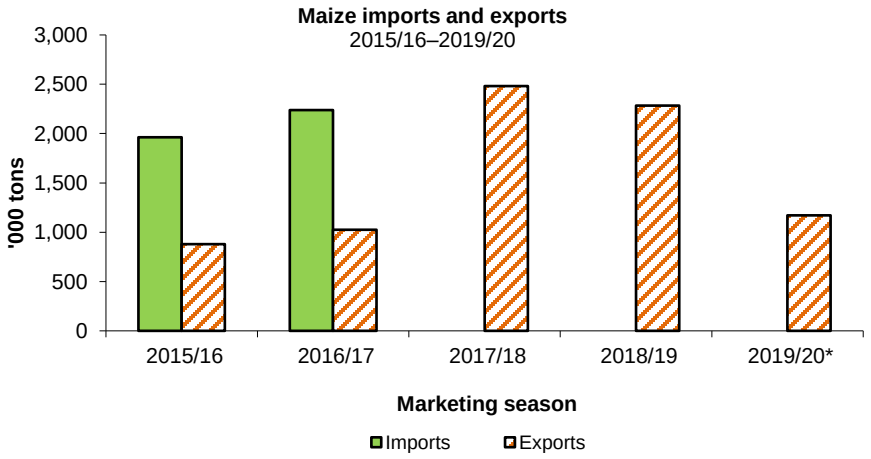
South African producers, on the other hand, will consider the export market if local processors are unwilling to pay the prevailing local market price. In this manner, the market sets "natural" floor and ceiling prices, i.e., a price band within which such products trade. The price-setting mechanism for these crops is the JSE Security Exchange of South Africa's Agricultural Products Division.

Usually, important export destinations are the BLNS countries (Botswana, Lesotho, Namibia and Swaziland), Zimbabwe and Mozambique. Up to 6 November 2020, about 1,686 million tons of maize, of which 532 362 tons white maize and 1,154 million tons yellow maize, had been exported since May—approximately 69% of the estimated exports of 2,450 million tons. The bulk of the exports for the current season, up to 6 November 2020, was characterised by exports to Zimbabwe (20% or 339 808 tons), Botswana (16% or 275 674 tons), Namibia (15% or 246 913 tons) and Mozambique (13% or 211 399 tons), amongst others.

Regarding the 2020/21 marketing season, exports of maize are concentrated within the region, with Zimbabwe as the main destination considering the well below-average harvest in 2020 and the lifting of import restrictions on genetically modified grains, mainly produced in South Africa.

Normally, the window of opportunity for exports of domestic maize lasts only until the end of October, when the harvesting of the US crop and US exports start.

The following graph shows the imports of maize to and exports from South Africa during the past five marketing seasons (May to April).



**Projection*

South Africa's maize harvest for the current 2020/21 marketing year (April/May), is 4,145 million tons or 36,8% higher than the previous seasons' crop of 11,275 million tons and 3,752 million tons or 32,2% above the previous five-year average crop of 11,668 million tons. The maize produced in the country will be sufficient to meet the country's needs and will maintain its status as a net exporter after being a net importer for two consecutive seasons—2015/16 and 2016/17. Exports are anticipated to rise to about 2,450 million tons, which is 35,4% or 640 427 tons more than the previous season. About 43% of this is projected to be white maize and 57% to be yellow maize.

South Africa is expected to have an approximate 2,650 million tons of exportable maize surplus available for the current marketing season (2020/21), which is 8,2% or 200 000 tons higher than the projected 2,450 million tons. Therefore, the surplus will be carried over to the next marketing season.

About 90% of South Africa's maize production is grown with GM seeds.

Imports of maize are forecasted at zero tons for the 2020/21 marketing year (May/April), mainly because of the recovery in production during the 2017 season that leads to a surplus of maize, as well as an above-average maize harvest during the 2019/20 production season, leaving an opportunity for exports.

Vulnerability and Food Security Assessments – SADC

COVID-19 was declared a global pandemic by the World Health Organisation ((WHO) on 11 March 2020. The SADC recorded its first case of COVID-19 in early March, and the outbreak continues to evolve with rising cases and associated deaths.

The pandemic has deepened and increased poverty and food insecurity in the region. The full impact of COVID-19 and the lockdown cannot be fully estimated yet.

Although food supply chains have remained functional in the region, delay at border posts on movement of food stock, reduced harvests and household stocks in a few countries, have led to price increases, even in the harvest period.

According to a report by SADC's vulnerability assessment and analysis programme, released in July 2020, an estimated 44,8 million people in 13 SADC Member States are food insecure this year (2020). Significant increases in the number of food insecure people from last year have been recorded in Malawi (140%), Eswatini (58%), Zimbabwe (40%) and both Mozambique and Namibia with 22%.

Maize accounts for 80% of cereal production in Southern Africa. Six staple cereal producers (South Africa, Tanzania, Malawi, Madagascar, Zambia and DRC) have contributed to almost 90% of annual harvests over the past decade.

This year, crop production was impacted by the late onset of rains, prolonged dry spells, sporadic heavy rainfall and also pest outbreaks. Despite these factors, the region is expected to see a year-on-year increase in maize production of at least 8% in the 2020/21 marketing year. The largest increase is expected in Namibia, estimated at 180% of 2019 tonnage and 33% above the 5-year average. Zambia follows with a projected 69% increase and South Africa expects a 37% increase. This is the second largest harvest for South Africa on record, which has produced more than 30% of the region's annual staple cereal crop over the past 10 years.

Prospects

The South African Weather Service forecasts a La Niña event, which should bring above normal rainfall between November 2020 and February 2021.

In October 2020, the intended maize plantings of South African farmers were 2,75 million ha for the 2020/21 production season, which is 5,2% more than the 2,611 million ha planted during 2019/20.

Producers indicated that they intended to plant more maize for the 2020/21 season because of favourable weather forecasts for the new season and moderately higher year-on-year maize prices.

The Crop Estimates Committee will release its first production forecast on 25 February 2021. If the intended maize area plantings of 2,75 million ha materialise and the weather remains favourable as expected to be, the potential maize crop for the 2020/21 season should be within the range of 14,8 million tons and 16,2 million tons.

Maize tariff

The import tariff on maize is another domestic factor that could have an impact on the local price of maize. The import tariff on maize, as published in the *Government Gazette* of 8 December 2006, is zero.

World maize situation

According to the October 2020 report of the United States Foreign Agricultural Services, world maize production in 2020/21 (October to September) was forecast at 1,159 billion tons, which is 3,8% or 42,5 million tons more than the 1,116 billion tons produced during 2019/20. The US contributed 32,3% (373,9 million tons), China 22,4% (260,0 million tons), Brazil 9,5% (110,0 million tons) and the EU 5,7% (66,1 million tons) to world production. The remaining 30,1% is made up by Argentina, Ukraine, Mexico, India and South Africa, among others.

Global consumption in 2020/21 was expected to be 1,163 billion tons—30,7 million tons less than in the previous year. Global ending stocks at the end of August 2021 were expected to be 300,4 million tons, which is 3,8 million tons or 1,2% less than in the previous year.

Marketing, information and research

No statutory levies are applicable and the marketing of maize is free from statutory intervention.

The information function is performed by the Department of Agriculture, Land Reform and Rural Development through the Directorate: Statistics and Economic Analysis and Grain South Africa, which promote the interests of maize producers and SAGIS, a section 21 company funded by, among others, the maize industry.

Research is financed with income from the Maize Trust and performed by the Agricultural Research Council, the Council for Scientific and Industrial Research and other organisations.

Sorghum

Plantings and production

Sorghum is an indigenous crop in Africa and regarded as the fifth most important cereal in the world. There are two types of sorghum, namely, bitter and sweet sorghum cultivars. Preference is given to the sweet cultivars. Bitter sorghum is planted in areas where birds are a problem because it contains tannin, which gives a bitter taste and consequently birds tend to avoid feeding on it.

Sorghum is mainly cultivated in low and erratic rainfall areas, especially in shallow and heavy clay soils. Sorghum is planted mainly between mid-October and mid-December. The rainfall pattern and other weather conditions of the particular season can determine the planting period in addition to the length of the growing season to a large extent.

During the last production season, an estimated 42 500 ha were planted to sorghum for commercial use, representing a decrease of 15,8% from the 50 500 ha planted for the 2019 season.

Sorghum for commercial purposes was produced mainly in Mpumalanga (29,8%), followed by Limpopo (26,0%), Free State (22,4%) and the North West (18,5%). For the past five seasons until 2019, South Africa produced an average of 117 000 tons of sorghum per annum, which is relatively small compared to domestic maize and wheat production.

During the 2020 production season, sorghum contributed only approximately 0,7% to the gross value of field crops. The estimated average annual gross value of sorghum for the five years up to 2019/20 amounts to R421 million.

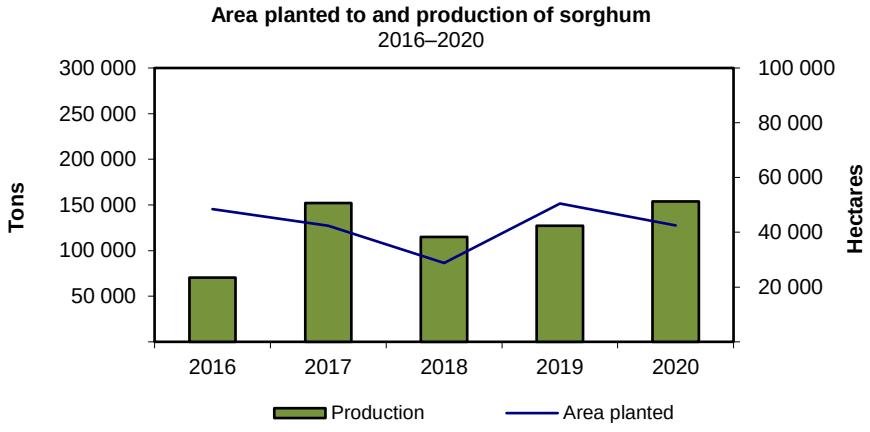
South Africa's 2019/20 planting season started in October 2019 with extreme hot and dry conditions before decent widespread rainfall occurred and planting could commence. Sufficient rainfall throughout the growing season in most of South Africa's summer rainfall producing areas has had a positive impact on anticipated yields. As a result, above average yields were obtained for sorghum.

The commercial sorghum crop for the 2020 season is estimated at 153 935 tons, which is 21,2% more than the 127 000 tons of the previous season and 31,6% more than the five-year average production of 117 000 tons up to 2019. The yield for 2020 is estimated at 3,62 t/ha, which is 49,0% more than the five-year average yield of 2,43 t/ha up to 2019.

Plantings, production and the yields of sorghum from 2016 to 2020 are as follows:

Season	2016	2017	2018	2019	2020
Plantings (ha)	48 500	42 350	28 800	50 500	42 500
Production (t)	70 500	152 000	115 000	127 000	153 935
Yield (t/ha)	1,45	3,59	3,99	2,51	3,62

The following graph shows the area planted to and the production of sorghum in South Africa.



The non-commercial agricultural sector contributed approximately 23 090 tons, which was about 13,0% of the total sorghum production in South Africa during 2020.

Consumption

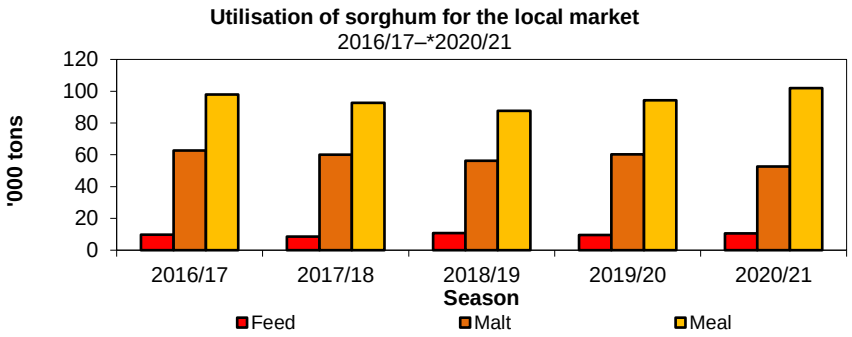
Sorghum, like other grains, has two basic markets that it serves, i.e., the human component and the animal feed component. Sorghum is consumed mainly in the human food market and, as in the case of maize, consumers tend to replace sorghum-based products with preferred products as the household income increases.

Expectations are that a total of 219 508 tons of sorghum will be available for local consumption during the 2020/21 marketing season (March to February), compared to 235 038 tons the previous season. The total domestic supply of 219 508 tons estimated for this season comprises of carry-over stocks as of 1 March 2020 amounting to 60 423 tons, plus producer deliveries of 155 085 tons at commercial structures and imports of 4 000 tons.

The projected commercial utilisation of sorghum for the 2020/21 marketing season is approximately 165 265 tons, of which 154 600 tons are for human consumption (malt, meal and other uses) and 10 665 tons are for animal feed (poultry, pet, pigeon and ostrich feeds). Other uses (released to end-consumers, withdrawn by producers, etc.) amounts to 3 350 tons. Projected exports during the 2020/21 marketing season are 8 000 tons.

Considering the above, carry-out stocks on 28 February 2021 are expected to be about 42 893 tons.

The following graph depicts the utilisation of sorghum in South Africa (marketing seasons):



**Projection*

Producer prices

Local producer prices of sorghum increased by 12,0%, from R2 996,87/t in 2019 to R3 355,13/t in the 2020 season.

Season	2016	2017	2018	2019	2020
	R/t				
Producer price	3 434,39	2 638,27	2 917,96	2 996,87	3 355,13

Imports and exports

South Africa is a net importer of sorghum and imports mainly from the USA.

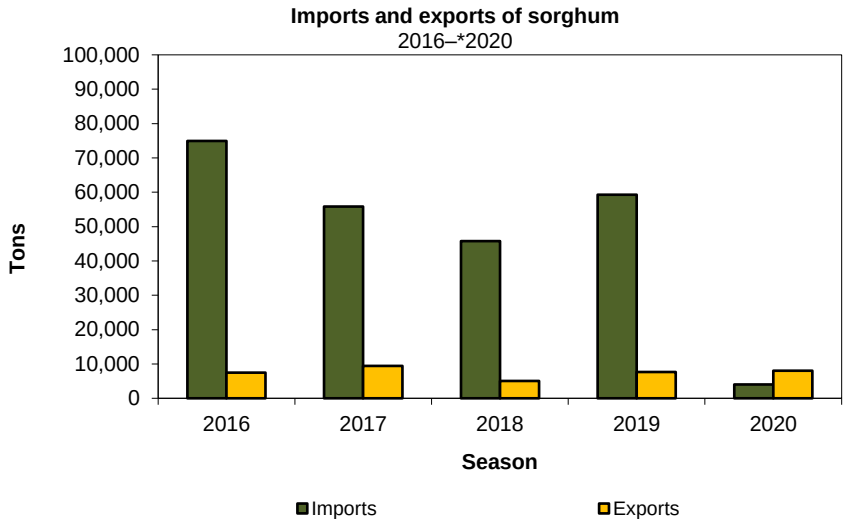
When it comes to exports, South Africa exports small quantities of sorghum to key markets in southern Africa, i.e., Namibia, Botswana and Eswatini (formerly Swaziland), but at a declining rate. In 2019/20, exports amounted to 4 247 tons, which is 15,4% or 773 tons less than the previous year.

Imports and exports of sorghum from 2016 to 2020 are as follows:

Season	2016	2017	2018	2019	2020*
	Tons				
Imports	74 957	55 824	45 739	59 253	4 000
Exports	7 442	9 466	5 020	7 643	8 000

**Projection*

Projected exports of sorghum for 2020 is 8 000 tons, which is 4,7% more than the 7 643 tons of 2019. In 2020, 4 000 tons of sorghum was imported.



**Projection*

Per capita intake

Indigenous cereals such as sorghum make only a small contribution to the starch-rich staple food complex in South Africa. The average estimated annual per capita intake (2016 to 2020) remains dominated by maize (77 kg/capita) and wheat (47 kg/capita), followed by potatoes (35 kg/capita) and rice (16 kg/capita), while sorghum intake was significantly lower at merely 2 kg/capita.

World sorghum situation

According to the FAS/USDA report released in October 2020, world production of sorghum increased by 5,8%, from 58,0 million tons in 2019 to 61,4 million tons in 2020. The contribution to world production by selected countries is as follows: The United States contributed 15,3% (9,4 million tons), Nigeria 11,3% (6,9 million tons), Ethiopia 8,5% (5,2 million tons), Sudan 8,1% (5,0 million tons) and Mexico at 7,3% (4,5 million tons). The balance of 49,5% was made up by other remaining countries.

Cooperation

The Sorghum Forum, consisting of all the participating parties in the sorghum industry (producers, traders, silo owners, processors, labour, consumers and the ARC), meets regularly to discuss various issues relevant to the industry.

The Sorghum Trust provides funding for research on sorghum, the maintenance and improvement of quality standards and the storing and updating of information required by the sorghum industry.

SAGIS, an independent section 21 company collects, collates and publishes market information on sorghum.

The Southern African Grain Laboratory, incorporated under Section 21 (Association Not for Gain), analyses the quality of grain.

The Crop Estimates Committee plays an important role in providing up-to-date market information on which important decisions and actions can be based.

On a national basis, the ARC is responsible for research and development in the agricultural sector.

Wheat

In terms of value of production, wheat is the fourth most important field crop produced in South Africa. In the 2019/20 season, this crop contributed approximately 8% to the gross value of field crops. The average annual gross value of wheat for the past five years up to 2019/20 amounts to R6 316 million, compared to R29 433 million for maize, which is the most important field crop.

Wheat is mainly planted between mid-April and mid-June in the winter rainfall area and between mid-May and the end of July in the summer rainfall area. The crop is harvested from November to January. Most of the wheat produced in South Africa is bread wheat, with small quantities of durum wheat being produced in certain areas.

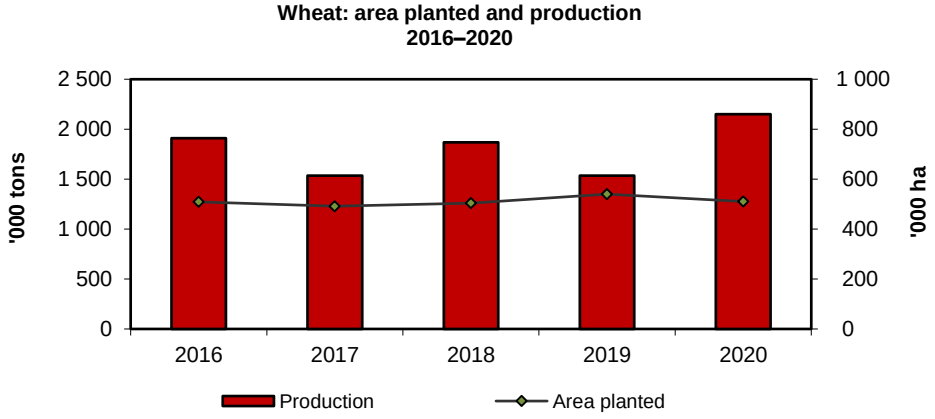
Wheat is generally classed as “hard” or “soft.” Hard wheat tends to have higher protein content than softer wheat and is used mainly for bread. Soft wheat, on the other hand, is more suitable for confectionery.

Areas planted and production

The estimated area planted to wheat for the 2020 season is 509 800 ha, which is 5,6% less than the 540 000 ha of the previous season. Of the areas planted, 326 000 ha (64%) are in the Western Cape and 94 000 ha (18%) are in the Free State. The main reasons for the decrease in wheat plantings can be attributed to low prices (no longer profitable), grading regulations and the higher prices farmers can get for maize compared to wheat as well.

For the 2020 production season, weather conditions across South Africa’s wheat growing areas have been favourable. The Western Cape received good rains, while the soil moisture in other provinces was to a great advantage of the winter crops.

The areas planted to and production of wheat is depicted in the following graph:



According to reports, wheat is in a good condition, with yields expected to be mostly above average.

Based on conditions prevailing towards the end of November 2020, the expected commercial wheat crop for 2020 was 2,149 million tons, which is the largest wheat crop in a decade. The expected production in the Western Cape was 1,108 million tons (52%), in the Free State 432 400 tons (20%) and in the Northern Cape 275 650 tons (13%). The expected average yield was 4,22 t/ha. This is also the highest yield ever recorded.

Plantings, production and yields from 2016 to 2020 are as follows:

Season	2016	2017	2018	2019	2020
Plantings (ha)	508 365	491 600	503 350	540 000	509 800
Production (t)	1 910 000	1 535 000	1 868 000	1 535 000	2 149 270
Yield (t/ha)	3,76	3,12	3,71	2,84	4,22

Consumption

According to the Supply and Demand Estimates Committee (S&DEC), a total of 3,952 million tons of wheat (commercial) were available for local consumption during the 2019/20 marketing season (October to September). This comprised carry-over stocks as of 1 October 2019 of 539 079 tons, producer deliveries of 1,513 million tons, a surplus of 9 812 tons and imports of approximately 1,890 million tons.

The total demand for wheat for the 2019/20 marketing season is estimated at approximately 3,587 million tons, of which 125 342 tons were exported. Carry-out stocks as of 30 September 2020 are estimated to be 364 908 tons.

For the 2020/21 marketing season, the total supply of wheat is forecasted at 4,025 million tons (expected producer deliveries of 2,111 million tons, together with the carry-over stocks of 364 908 tons, a surplus of 9 000 tons and expected imports of 1,540 million tons). The demand for wheat (exports included) is estimated at 3,619 million tons. Carry-out stocks at the end of September 2021 are expected to amount to 406 578 tons.

Imports

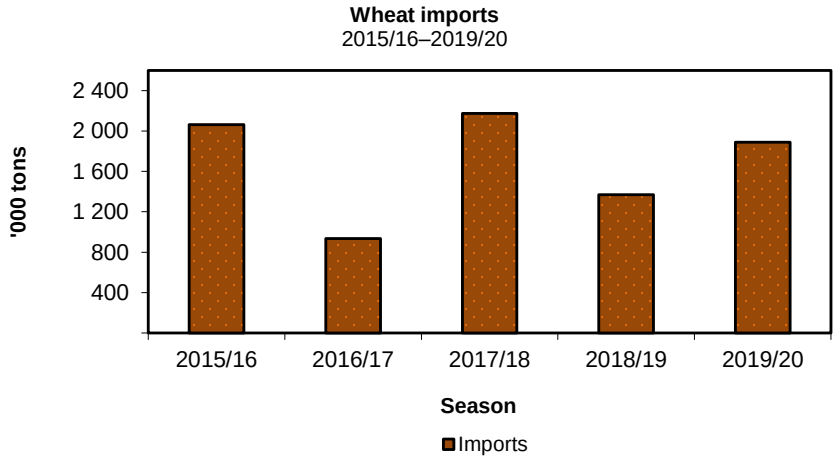
South Africa, a net importer of wheat, relies on imports from Poland, the Russian Federation and Ukraine, amongst other countries, to meet its domestic demand. During the 2019/20 season, 55% or 1,890 million tons of the wheat that was needed for domestic consumption, was imported.

Wheat imports from 2015/16 to 2019/20 are as follows:

Season	2015/16	2016/17	2017/18	2018/19	2019/20
	Tons				
Imports	2 062 765	934 765	2 173 757	1 368 097	1 889 868

Final for the 2019/20 marketing season
Source: SAGIS

The following graph shows the imports of wheat during the past five seasons (October to September).



There are mainly two factors that affect local wheat prices—the value of the rand against the dollar and international prices. The average producer price of wheat increased by 8,7%, from R3 759,53/ton in 2018/19 to R4 086,49/ton in 2019/20.

The average producer prices of wheat from 2015/16 to 2019/20 are as follows:

Season	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**
	R/ton				
Producer price	3 772,44	3 704,64	3 689,87	3 759,53	4 086,49

Marketing

The South African wheat market was deregulated on 1 November 1997 and wheat can therefore be traded freely. The only government intervention in the market is the tariff on wheat imports. On 23 November 2020, a new wheat tariff (R544,20/ton) was published in the *Government Gazette no. 43927.*

World wheat situation

According to the December 2020 report of the United States Foreign Agricultural Services, the global wheat production in 2020/21 is projected at 773,7 million tons, up by 1,2% or 9,2 million tons from the 2019/20 record.

According to expectations, China would contribute 18% (136,0 million tons), the European Union 17% (135,8 million tons), India 14% (107,6 million tons) and Russia 11% (84,0 million tons) to world production during 2020/21. The balance of 40% is made up by the US, Canada, Australia and Ukraine, among others.

Global consumption was expected to be 757,8 million tons during 2020/21—9,8 million tons more than the previous year. Global ending stocks were expected to increase to 316,5 million tons by the end of June 2021, which is 15,9 million tons or 5,3% more than the previous year. Growth in global stocks is supported by higher domestic support prices and government stockholding in China and India.

Research and information

The Winter Grains Trust is responsible for the allocation of funding and appraisal of relevant research projects in the winter grains industry. Since 1998, statutory levies on sales of winter cereals have been used to finance the Winter Grains Trust.

The ARC-Small Grain Institute in Bethlehem conducts the research on wheat and other winter grains.

The South African Grain Information Service (SAGIS), a section 21 company funded by, among others, the wheat industry, administers the information function for the wheat industry.

Accurate crop forecasts and estimates also play an important role by providing up-to-date information upon which important decisions and measures can be based. The crop estimates are a result of the collated inputs of and consensus reached by the various members of the Crop Estimates Committee.

Malting barley

Plantings and production

Barley is one of the most important grain crops in South Africa, surpassed only by wheat and maize and is, following wheat, the most important small grain type.

The cultivation area for malting barley under dryland conditions is at present restricted to a very specific region, namely the Southern Cape, which stretches from Bot River in the west to Heidelberg in the east. It would not be economically viable to cultivate malting barley on dryland in an area that does not receive 350 mm of well-distributed rainfall during the growing season (April to October). At present, five varieties are recommended for malting barley production in the Southern Cape, viz., SabbiErica, SabbiNemesia, Disa, Agulhas and Hessekwa.

The concentration of the production of a relatively minor commodity, for instance malting barley – in a specific area – has various advantages, e.g., it facilitates transport, storage, control, extension and research, which also implies cost advantages.

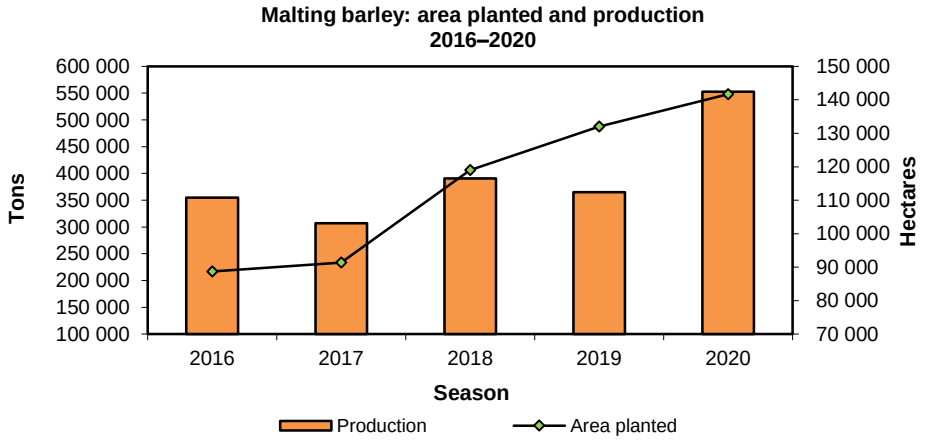
However, because of the risk of unpredictable weather conditions in the Southern Cape, barley production has also been introduced to the cooler central irrigation areas in the Northern Cape. There are also farmers in other areas of South Africa, such as the North West, Limpopo and the Free State, who plant small quantities of malting barley under irrigation.

Malting barley under irrigation has a higher yield and is more stable than in the Southern Cape, where the crop is dependent on rainfall.

Barley is planted over a relatively short period of time (from three weeks in certain areas to five weeks in others). The earlier plantings generally have a higher yield potential. This results in greater yield increases with disease and pest control programmes in earlier plantings. Barley planted later than the optimum planting period is therefore at greater risk in terms of both yield and quality.

Barley is mainly used for the production of malt (for brewing beer), animal feed and pearl barley. However, the Crop Estimates Committee's barley estimates only involve malting barley, therefore excluding barley for animal feed.

The area planted to malting barley for the 2020 season is estimated at 141 690 ha. This is an increase of 7,4% or 9 7300 ha from the plantings of 131 000 ha during 2019. It is also 38,1% or 36 374 ha more than the five-year average of 104 753 ha planted up to 2019. Of the 141 690 ha planted in 2020, 132 000 ha (93%) are in the Western Cape, 5 700 ha (4%) are in the Northern Cape, 1 300 ha (0,9%) are in Limpopo, 1 700 ha (1,2%) are in the North West and only 800 ha (0,6%) are in the Free State.



A total crop of 552 766 tons of malting barley is expected for the 2020 season. This is an increase of 60,2% more than the estimated production of 345 000 tons in the previous season and 57% or 200 653 tons more than the average production of 352 113 tons per annum over the five years up to 2019. The expected average yield for 2020 is 3,9 t/ha.

Plantings, production and yield of malting barley from 2016 to 2020 are as follows:

Season	2016	2017	2018	2019	**2020**
Plantings (ha)	88 695	91 380	119 000	131 960	141 690
Production (t)	355 000	307 000	421 500	345 000	552 766
Yield (t/ha)	4,00	3,36	3,54	2,61	3,90

Consumption

The processing of barley into malt is done mainly in Caledon in the Southern Cape, but also in Alrode near Johannesburg. Malt barley is all about taste and is mainly used to flavour beer. It is also used around the world in many foods.

The total supply of malting barley for the 2019/20 marketing season (October to September) is estimated at 628 300 tons (imports included). Carry-over stocks as of 1 October 2019 amounted to 268 400 tons. Production for the 2019/20 season was 315 100 tons, not imports.

For the 2019/20 marketing season, the total demand for malting barley was estimated at 367 400 tons, including 31 500 tons of exports. Carry-out stocks of 30 September 2020 were 411 300 tons. This is about six times the required three-month pipeline stock of 40 300 tons.

For the 2020/21 marketing season, the total supply of malting barley is expected to be 813 700 tons, comprising the expected crop of 552 800 tons, carry-over stocks of 260 900 tons and expected no imports. The domestic demand is estimated at 402 400 tons, including 29 000 tons of exports. Carry-out stocks at the end of September 2021 are expected to amount to 411 300 tons.

Producer prices and value of the crop

The average producer price of barley decreased by 11%, from R3 398,63/ton in 2018 to R3 039,82/ton in 2019.

The average producer prices of malting barley from 2015 to 2019 are estimated as follows:

Season	**2015**	**2016**	**2017**	**2018**	**2019**
	R/ton				
Producer price	2 578,29	3 471,82	2 761,11	3 264,23	3 039,82

The average annual gross value of malting barley for the past five years up to 2019/20 amounts to R1 113 million, compared to the R26 561 million of wheat and R116 477 million of maize.

Marketing

Malting barley is different from most, if not all, other agricultural commodities as there is only one major buyer in South Africa, namely, South African Breweries Maltings (SABM), which supplies its major shareholder, South African Breweries Limited (SAB) with malted barley. Barley producers have a guaranteed market (there is a written commitment to source locally) and fixed-price forward contracts. The malt barley industry is significant in South Africa's national economy, with barley playing a crucial role in the crop rotation systems used by farmers.

Imports

Variability in rainfall can cause wide fluctuations in barley quality and yields in South Africa. Whenever the local crop has fallen short of requirements, South Africa depends on imports from Australia, France and the Ukraine.

Barley and malt imports from 2015/16 to 2019/20 are as follows:

Season	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**
	Tons				
Imports – Barley	18 238	78 705	12 953	0	44 800
– Malt	79 228	117 670	83 083	99 730	*

Source: SAGIS; customs & excise

Outlook

The South African Breweries (SAB) has completed the construction of a new greenfield malting plant in Alrode.

The new plant produces 110 000 tons to 150 000 tons of malt per year. This means malt is almost completely manufactured in South Africa, creating more jobs in the country. The new plant allows SAB to reduce the amount of barley it imports.

World barley situation

Global production in the 2020/21 marketing season is mainly driven by the larger crops in the European Union (63,40 million tons) and Russia (20,60 million tons).

According to the October 2020 report of the United States Foreign Agricultural Services, world barley production is estimated at 157,18 million tons for the 2020/21 marketing year, while global consumption is expected to be 156,2 million tons. Global ending stocks at the end of June 2021 are expected to be 19,9 million tons.

Research and information

The ARC-Small Grain Institute (SGI) in Bethlehem and the South African Barley Breeding Institute (Sabbi) near Caledon conducts research on and breeding of barley in South Africa, which is financed by statutory levies on barley sales**.**

The ARC-SGI is one of the crop institutes of the ARC which has, under the Agricultural Research Act of 1990 (Act No. 86 of 1990), the mandate to perform research, development and transfer of technology within the RSA to the advantage of all agricultural and agriculture-related industries and therefore improve the quality of life of all South Africans.

On the other hand, Sabbi's Research and Development mission is to ensure sustainable barley production for the benefit of the SAB, SABM and the producer through innovative research and development. Producers need better quality, higher yielding and more resistant varieties in addition to increased knowledge of enhanced agricultural production practices in order to be more competitive with global competitors.

The SAGIS, a section 21 company funded by, among others, the barley industry, administers the information function for the barley industry.

Sunflower seed

Sunflower seed can be planted from the beginning of November to the end of December in the eastern parts of the production areas and up to the middle of January in the western part. Sunflowers grow best when planted in midsummer to ensure that less moisture is lost from the soil during the crucial growing phases. Compared to other crops, sunflower performs well under dry conditions. This is probably the main reason for the crop's popularity in the marginal production areas of South Africa. A close link exists between the area planted to maize and the area planted to sunflower seed because farmers can easily switch to sunflower if the normal period for maize planting has passed.

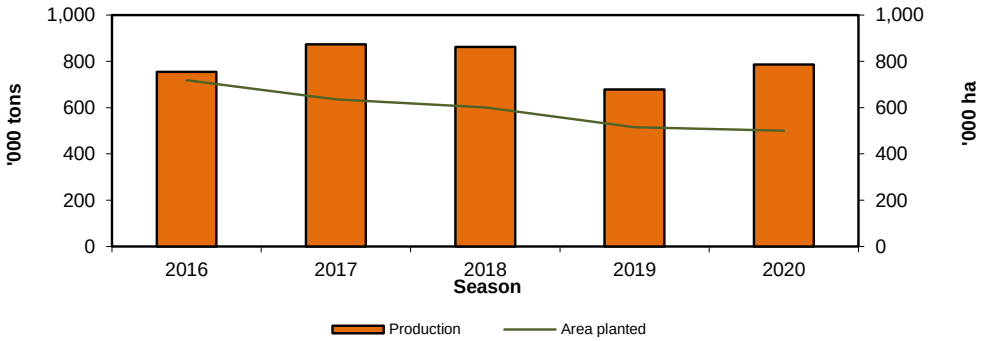
Plantings and production

During the 2020 production season, the bulk of the crop was produced in the Free State (52,0%), North West (33,4%) and Limpopo (13,0%).

The contribution of sunflower seed to the gross value of field crops during the 2019/20 season is approximately 5,4%, compared to 49,4% of maize, the largest contributor to field crops. The average annual estimated gross value of sunflower seed over the period 2015/16 to 2019/20 amounts to R4 050 million compared to the R29 432 million of maize.

The annual plantings of sunflower show remarkable variation over the past two decades, varying from a low of 316 350 ha planted in 2007 to a high of 718 500 ha planted in 2016, from the year 2001 through to 2020. The area planted to sunflower seed for commercial use during the 2020 production season decreased by 2,9% to 500 300 ha, from an estimated 515 350 ha the previous season. This is also 17,9% less than the five-year average of 609 420 ha up to 2019. The decrease in the 2020 sunflower plantings can mainly be attributed to the increase in the area planted to maize.

Area planted to and production of commercial sunflower seed
2016–2020



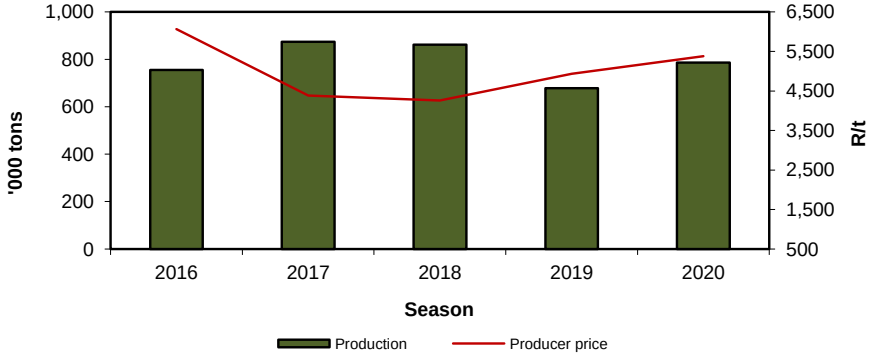
Commercial seed production during 2020 is approximately 785 910 tons, which is 15,9% more than the previous season and 2,5% more than the average of 766 400 tons for the previous five years. The increase in production can mainly be attributed to favourable production conditions that prevailed during the production season, which led above-average yields being realised as compared to the previous season. The average yield for 2020 is approximately 1,57 t/ha, which is 19,4% more than 1,32 t/ha during the previous season and 24,9% more than the five-year average of 1,26 t/ha up to 2019.

Non-commercial agriculture contributed an estimated 31 204 tons (3,8%) to the total sunflower seed production in South Africa during 2020.

Commercial plantings, production and yields of sunflower seed from 2016 to 2020 are as follows:

Season	2016	2017	2018	2019	2020
Plantings (ha)	718 500	635 750	601 500	515 350	500 300
Production (t)	755 000	874 000	862 000	678 000	785 910
Yield (t/ha)	1,05	1,37	1,43	1,32	1,57

Commercial production and producer prices of sunflower seed
2016–2020



Producer prices

The average producer prices of sunflower seed from 2016 to 2020 are as follows:

Season	**2016**	**2017**	**2018**	**2019**	**2020**
	R/ton				
Producer price	6 064	4 386	4 258	4 932	5 376

The average producer price increased by 9,0%, from R4 932/ton in 2019 to R5 376/ton in 2020. In terms of soya bean and sunflower seed prices, the interaction with the global market is different as South Africa is a net importer of these commodities. This means the domestic market tends to be sensitive to global developments.

According to the Food and Agriculture Organization Monthly Price and Policy Update in October 2020, international sunflower seed prices increased sizably in September 2020, reaching their highest level since end-2015, largely underpinned by deteriorating production prospects in the Black Sea region due to detrimental weather conditions in major growing regions, which are supportive of the higher price trends witnessed in the domestic market.

The weaker domestic currency is an additional factor that adds support to the domestic oilseed market. The mentioned factors have overshadowed the news of a large harvest, which would typically be associated with lower commodity prices.

Consumption

The seed is used for the manufacturing of sunflower oil and oilcake. The oil is marketed in the form of refined oil for domestic and industrial cooking and baking purposes and is also processed into margarine and other consumer products. The crushing capacity for sunflower seed in South Africa is estimated at around 1 million tons per annum, while the capacity of oilseed refineries is estimated at 950 000 tons per annum. In years of lower sunflower seed production, the activities at crushing plants are reduced and the refineries import cruder sunflower oil, as it is more cost effective than importing sunflower seed. Sunflower meal, a by-product of the oil extraction process, is sold to local animal feed manufacturers. Sunflower meal is generally regarded as a low-value product that does not compare well to soya bean meal in terms of nutritional value and fibre content. As a result, broiler rations cannot include more than 7% sunflower meal. Therefore, sunflower meal is mainly used as feed in the dairy and beef industries.

The National Agricultural Marketing Council established the South African Grain and Oilseeds Supply and Demand Estimates Committee (S&DEC) in 2013. The Committee was formed to address the specific need for accurate information pertaining to the supply of and demand for the major grain and oilseed crops, namely, white and yellow maize, wheat, sorghum, sunflower seed and soya beans.

The sunflower seed marketing season in South Africa commences on 1 March and ends on 28 February. The estimated sunflower seed crop of 785 910 tons for the 2020/21 marketing season, together with carry-over stocks of about 135 325 tons on 1 March 2020, a surplus of 5 000 tons and projected imports of 500 tons, leaves the domestic supply of commercial seed at an estimated 926 735 tons for the season.

In South Africa, sunflower seed is used almost exclusively (an estimated 98,3% or 820 000 tons in 2020) for oil and oilcake production. The estimated domestic demand of seed for the 2020 marketing year is approximately 834 350 tons, including 7 100 tons for human and animal consumption. Other consumption is estimated at 6 700 tons. The projected exports during 2020 are 550 tons. Carry-out stocks on 28 February 2021 are expected to be approximately 92 385 tons.

Trade

With regard to exports, phytosanitary requirements and quality standards must be adhered to and a Perishable Products Export Control Board (PPECB) certificate must be obtained. For 2020, South African imports were mainly from Argentina and South African exports were mainly to Namibia and Eswatini (Swaziland).

Imports and exports of sunflower seed from 2016 to 2020

Year	2016	2017	2018	2019	2020
	Tons				
Imports	70 643	554	1 324	457	500
Exports	205	274	515	576	550

**Projection*

International overview

The October 2020 report by the United States of Foreign Agricultural Services (FAS) indicated that the global harvested area increased by 2,2% (0,57 million ha) in 2019/20 compared to 2018/19, to a figure of 26,37 million ha.

World output of sunflower seed during 2019/20 increased by 4,4 million tons or 8,8% from 50,58 million tons in 2018/19 to 55,02 million tons in 2019/20. The increase in production can mainly be attributed to favourable climatic conditions for spring crops in 2020. Furthermore, it is important to note that the Ukraine and Russia, as two of the main sunflower seed exporting countries in the world, are expecting crops of 16,5 million tons and 15,3 million tons, respectively in 2019/20. This represents an increase of 10,0% or 1,5 million tons in the Ukraine and an increase of 20,5% or 2,6 million tons in the case of Russia.

The FAS October 2020 report projected that global sunflower seed production will reach 51,49 million tons in 2020/21—a decrease of 6,4% or 3,53 million tons compared to 55,02 million tons during 2019/20. The projected decrease in sunflower seed production can mainly be attributed to prospects of a below-normal crop in the Ukraine and Russia. Sunflower seed production in the Ukraine is expected to decrease by 1,50 million tons or 9,1% to 15,0 million tons. Sunflower seed production in Russia is expected to decrease by 1,81 million tons or 11,8% to 13,5 million tons.

Marketing, information and research

No statutory levies are applicable and the marketing of oilseeds is free from statutory intervention.

The information function is performed by the Department of Agriculture, Land Reform and Rural Development, through the Directorate: Statistics and Economic Analysis; Grain South Africa, which promotes the interests of oilseed producers and the SAGIS, a section 21 company funded by, among others, the oilseeds industry.

Research is financed with income from the Oilseeds Trust and performed by the ARC, the CSIR and other organisations.

Soya beans

Various soya bean cultivars have adapted quite well to South African conditions. Depending on prevailing local conditions, soya beans are usually planted in November and December. On ripening, the leaves turn yellow and the seeds' moisture content decreases – from about 65% to 14% within 14 days – provided hot, dry weather occurs.

It is a relatively difficult crop to grow and not all areas are suitable for soya bean cultivation. The plants thrive in warm, fertile, clayish soil and are mainly cultivated under dry land conditions.

Soya beans contributed approximately 10,6% to the gross value of field crops during 2019/20. The estimated average annual gross value of soya beans for the past five seasons up to 2019/20 amounts to R6 332 million.

Plantings and production

The plantings of soya beans ranged between 100 130 ha and 787 200 ha over the past 20 years.

During the 2020 season, soya beans were grown primarily in Free State (315 000 ha or 44,7%), Mpumalanga (260 000 ha or 36,9%), North West (40 000 ha or 5,7%), Gauteng (36 000 ha or 5,1%) and KwaZulu-Natal (35 000 ha or 5,0%).

During the 2020 season, an estimated 705 000 ha were planted for commercial use, compared to an estimated 730 500 ha the previous season. This represents a decrease of 3,5% and is 7,4% more than the five-year average of 656 350 ha up to 2019. The 2019/20 production planting season started in October 2019 with extreme hot and dry conditions before decent widespread rainfall occurred and planting could commence. This

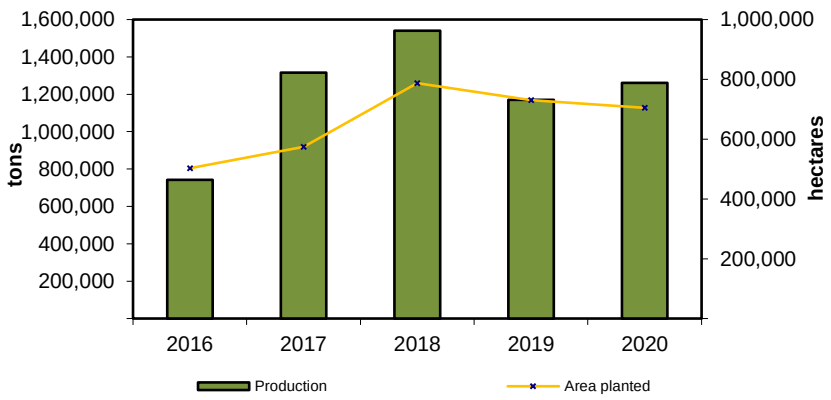
was followed-up by sufficient rainfall throughout the growing season in most of South Africa's summer rainfall producing areas, which increased the probability for above-average yields being realised.

The crop of an estimated 1,261 million tons in 2020 (the third highest on record) represents an increase of 7,8% from the 2019 crop of 1,170 million tons. It is also 8,0% higher than the average of 1,168 million tons for the five years up to 2019. The average yield of 1,79 t/ha is 11,7% more than the 1,60 t/ha of the previous season. Following the introduction of the statutory levy on soya beans that will support the availability of new technology to South African producers, the average yield of soya beans is projected to increase over time.

Plantings, production and yields of soya beans from 2016 to 2020 are as follows:

Season	**2016**	**2017**	**2018**	**2019**	**2020**
Plantings (ha)	502 800	573 950	787 200	730 500	705 000
Production (t)	742 000	1 316 000	1 540 000	1 170 345	1 261 250
Yield (t/ha)	1,48	2,29	1,96	1,60	1,79

Area planted to and production of soya beans
2016–2020



Producer prices

The local soya bean market is mainly influenced by the international market. Local soya beans prices are mainly determined by import and export parity prices, as well as the derived price of oil and oil cake prices. The oilseeds market is very complex in this regard as the products that are obtained through the processing of soya beans, namely, the oil and oilcake, can be imported separately. Therefore, adding a third factor the price forming mechanism of oilseeds, namely the derived price. The derived price is the calculated price that takes into account the value of the oil and oilcake imports.

The average local producer price of soya beans for 2020 is approximately R6 387/ton, which is 37,6% more than the price for 2019. Local soya bean prices are, among other factors, influenced by international soya bean and vegetable oil prices. Other factors include the level of soya bean production in South America, the demand for imported soya in China (ongoing trade war between China and the United States), marine freight rates and the rand/dollar exchange rate.

The average producer prices of soya beans from 2016 to 2020 are as follows:

Year	**2016**	**2017**	**2018**	**2019**	**2020**
	R/ton				
Producer price	6 197	4 844	4 558	4 642	6 387

Consumption

Following an extensive consultation process, the South African Grain and Oilseeds Supply and Demand Estimates Committee (S&DEC) was established in 2013 by the National Agricultural Marketing Council. The committee was formed to address the specific need for accurate information that relates to grain imports and exports to be made available timely to all stakeholders. In addition, there was also a need for the release of official supply and demand figures for the major grain and oilseed crops, namely, white and yellow maize, wheat, sorghum, sunflower seed and soya beans.

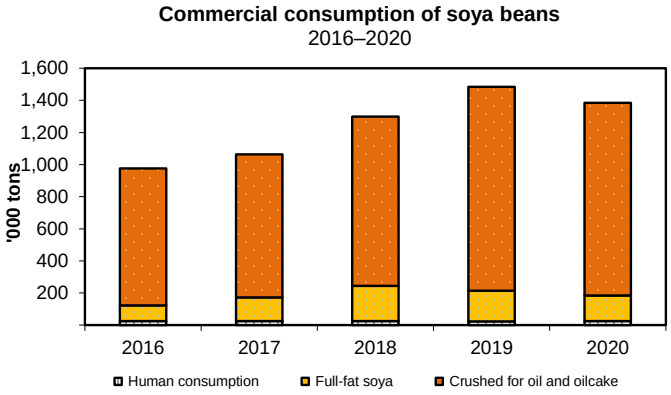
The soya bean marketing season in South Africa commences on 1 March and ends on 28 February. An estimated total of 1,519 million tons of soya beans were available for utilisation during the 2020 marketing season. It comprises carry-over stocks on 1 March 2020 amounting to 138 455 tons, the estimated production (excluding retentions by producers) of 1,228 million tons, a surplus of 2 600 tons and projected imports of 150 000 tons.

In South Africa, soya beans are mainly used for animal feed. The local demand for soya bean meal, as the preferred source of protein for animal feed, has increased in correlation with the increase in poultry production in South Africa and more than doubled over the past decade. As local production of soya bean meal was limited in the past, almost all of the local consumption had to be imported. With the expansion of the local soya bean crushing industry and soya bean production, imports as a percentage of local consumption is expected to show a decreasing trend.

The local commercial consumption of soya beans for 2020 is projected at 1,395 million tons—160 000 tons for feed (full-fat soya), 1,2 million tons for oil and oilcake and 25 000 tons for human consumption. Other consumption is estimated at 10 200 tons.

The projected exports during 2020 are 3 000 tons. Carry-over stocks on 28 February 2021 are expected to be approximately 121 105 tons.

The following graph illustrates the commercial consumption of soya beans.



Trade

During the first nine months of 2020, South African exports of soya beans were mainly to Mozambique and Botswana. South African imports for the mentioned period were mainly from Brazil, Zambia, Mozambique and Malawi.

The imports and exports of soya beans from 2016 to 2020 are as follows:

Year	**2016**	**2017**	**2018**	**2019**	**2020***
	Tons				
Imports	271 100	27 500	6 900	9 100	150 000
Exports	6 700	400	32 800	5 300	3 000

**Projected*

International overview

According to the World Agricultural Supply and Demand Estimate (WASDE) report released in October 2020, world production of soya beans decreased by 6,8%, from 361,1 million tons for the 2018/19 season to 336,6 million tons for 2019/20. The decrease in world production can mainly be attributed to the smaller crops in the United States, Argentina, India and Canada. Brazil contributed 37,4% (126,0 million tons), the United States contributed 28,7% (96,7 million tons), Argentina 14,6% (49,0 million tons), China 5,4% (18,1 million tons), Paraguay 2,9% (9,9 million tons), India 2,8% (9,3 million tons) and Canada 1,8% (6,1 million tons) to world production. The balance of 6,4% (21,6 million tons) is made up by, amongst others, Ukraine, Russia, Bolivia, Uruguay, the EU-27, Southeast Asia (which includes Indonesia, Malaysia, Vietnam and Thailand) and South Africa.

Outlook

According to the Baseline 2020 outlook by the Bureau for Food and Agricultural Policy (BFAP) of the University of Pretoria, the rapid expansion in soya bean crush capacity since 2014 increased the demand for soya beans significantly. Despite the rapid expansion in area, soya bean imports were required for processors to attain acceptable utilisation rates, a situation which was exacerbated by the 2016 drought. However, in 2018 this changed as an all-time record soya bean harvest combined with a fire at one of the large crushing plants, resulting in reduced capacity for the season, combined to create a surplus of soya beans and ample stocks in the market. With stock levels at record highs, prices declined almost to export parity levels. Combined with volatile weather conditions, this resulted in consecutive declines in the area planted to soya beans in 2019 and 2020. With the damaged plant's capacity restored and expanded, crush demand has exceeded the supply of beans, pushing prices closer to import parity levels. Following a projected area expansion of just over 150 000 ha in 2021, South Africa is expected to trade close to self-sufficiency over the course of the outlook period, with a sensitive balance being maintained between supply and demand.

From being one of the most dynamic sectors in the South African agriculture sector over the past decade, the soya bean industry is now maturing and further expansion is expected to occur at a much slower rate. Total soya bean processing capacity in South Africa (crush and full fat) is derived from a combination of dedicated soya bean processing facilities, as well as plants with the ability to switch between soya beans and sunflower seed. A return to longer-term trend yields and the substantial area expansion projected in 2021 is expected to be sufficient for dedicated soya bean processing facilities to reach a benchmark utilisation rate of 80%. Combined with dual plants, however, total capacity is more than 2 million tons, suggesting that South Africa has ample capacity to process (crush and full fat) the projected volumes until 2026, provided that crush margins are sufficient to induce switching of dual plants into soya bean crushing.

Role players in the soya bean industry have, through the Sunflower and Soybean Forum, requested the Minister of Agriculture, Forestry and Fisheries to impose a statutory levy on soya beans. The purpose of the levy is to compensate breeders of soya bean varieties for their contribution to benefit the soya bean industry in South Africa through the successful procurement and utilisation of improved international and local agricultural intellectual property.

The Minister of Agriculture, Forestry and Fisheries approved the statutory levy on soya beans on 22 June 2018, according to which seed companies can be compensated for their performance in the soya bean seed market.

The Breeding and Technology levy on soya beans has been approved for two years with effect from 1 March 2019. The levy is R65,00 per ton for the first year and R80,00 per ton for the second year. These values are calculated at 1,2% of the previous marketing year's average soya bean price and will be payable when producers sell their soya beans.

The soya bean levy will be administered by the SA Cultivar and Technology Agency (SACTA) and paid to seed companies according to their market share. SACTA is a non-profit company established to administer seed levies for all open-pollinated crops. Levies on wheat and barley for this purpose have already been collected and paid by SACTA for a second year.

The October 2020 WASDE report projected the global production of soya beans for the 2020/21 marketing season at 368,5 million tons—an increase of 9,5% or 31,9 million tons. Increases are projected for the United States, Brazil, Argentina and India. This increase in world production can mainly be attributed to the larger expected crops of the United States with an increase of 19,5 million tons to 116,2 million tons, followed by Brazil with an increase of 7,0 million tons to 133,0 million tons, Argentina with an increase of 4,5 million tons

to 53,5 million tons and India with 1,9 million tons to 11,2 million tons. However, for the same period, a decrease is projected for China, where soya bean production is expected to decrease by 600 000 tons to 17,5 million tons and the Ukraine with a decrease of 1,2 million tons to 3,3 million tons.

Research and information

Locally, research on soya beans is performed by the ARC, the CSIR and other organisations financed by income from the Oil and Protein Seeds Development Trust.

The information function is performed by the Department of Agriculture, Land Reform and Rural Development through the Directorate: Statistics and Economic Analysis, by Grain South Africa and by the SAGIS, a section 21 company funded by the four grain trusts. SAGIS collects, collates and publishes highly factual and reliable market information (stocks, imports, exports, producer deliveries and consumption) once a month. Since February 2018, SAGIS has started to report on weekly producer deliveries for soya beans and sunflower seed.

Accurate crop forecasts and estimates also play an important role by providing up-to-date information, upon which important decisions and measures can be based. The crop estimates are a result of the collated inputs of and consensus reached by the various members of the Crop Estimates Committee.

Groundnuts

Plantings and production

The normal planting time for groundnuts is mid-October to mid-November. Groundnuts are a high value crop produced mainly in the north-western regions of South Africa, particularly the western and north-western parts of the Free State, in North West and in the Northern Cape. Groundnuts are also produced in Limpopo, KwaZulu-Natal and Mpumalanga, but to a lesser extent.

During the 2019/20 production season, 59,7% of the plantings were in the North West, 29,3% in the Free State and 7,7% in Limpopo.

Groundnuts contributed approximately 0,6% to the value of local field crops in 2019/20, while the average annual gross value of groundnuts for the five years up to 2018/19 amounts to approximately R421 million.

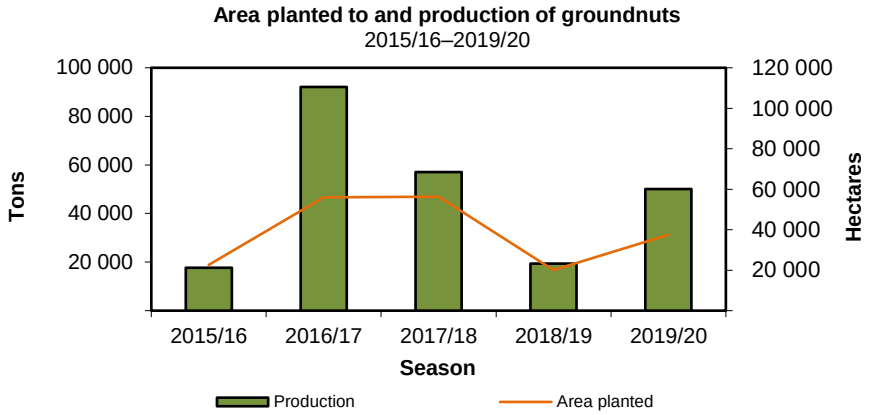
An estimated 37 500 ha were planted to groundnuts for commercial use, compared to 20 050 ha planted during 2018/19. This represents an increase of 87,0% and is 12,0% less than the average of 42 590 ha planted during the five years up to 2018/19.

An estimated commercial crop of 50 080 tons of groundnuts was produced during 2019/20. This represents an increase of 158,1% from the 2018/19 crop of 19 400 tons. The 2019/20 crop is 0,8% more than the five-year average of 49 686 tons up to 2018/19. The average yield for 2019/20 was 1,34 t/ha, which is 38,0% more than the 0,97 t/ha of the previous season and 14,5% more than the five-year average of 1,17 t/ha up to 2018/19.

Plantings, production and the yield of groundnuts from 2015/16 to 2019/20 are as follows:

Season	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**
Plantings (ha)	22 600	56 000	56 300	20 050	37 500
Production (t)	17 680	92 050	57 000	19 400	50 080
Yield (t/ha)	0,78	1,64	1,01	0,97	1,34

Producer prices



Groundnuts are traditionally an export commodity and local prices are determined mainly by export parity.

The average producer prices of groundnuts from the 2016/17 to 2020/21 marketing seasons were as follows:

Season	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21***
	R/ton				
Producer price	7 722	7 813	7 815	7 815	7 814

**Preliminary*

The average producer price for groundnuts shows a slight decrease of 0,01%, from R7 815/ton in 2019/20 to R7 814/ton in 2020/21.

Trade balance

The SA Groundnut Forum has requested all role players to comply with legally prescribed standards for permissible levels of chemical residue on groundnuts destined for export in order to maintain the market share of South African groundnuts, especially in the European Union and Japan. These regulations are based on the principle of Critical Good Agricultural Practices (CGAP).

South Africa generally applies an import duty of 10,0% ad valorem on imports of groundnuts. However, imports of groundnuts from Member Countries of the following regional structures may enter South Africa free of duty: SACU, European Union and SADC. This is due to free trade agreements that exist between South Africa and abovementioned regional structures.

Imports of groundnuts to and exports from South Africa during the five marketing seasons (March to February) up to 2020/21 are as follows:

Season	**2016/17**	**2017/18**	**2018/19**	**2019/20**	**2020/21***
	Tons				
Imports	52 100	16 700	10 300	33 700	27 000
Exports	8 400	11 500	10 400	4 900	8 600

**Projections*

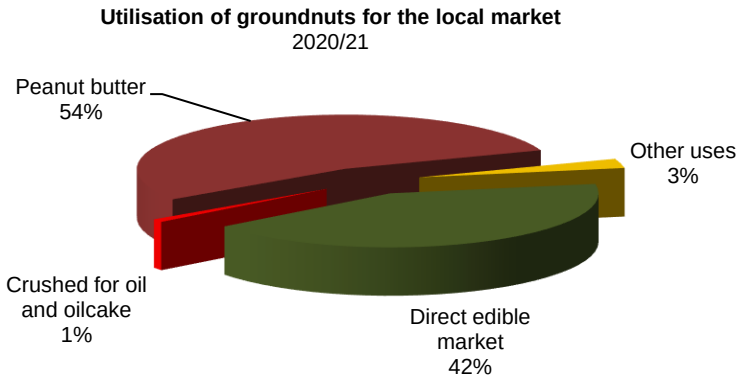
It is expected that the South African groundnuts imports could decrease by 19,9%, from 33 700 tons in 2019/20 to 27 000 tons in the 2020/21 marketing season. During the first seven months of the abovementioned marketing season, South African imports of groundnuts were mainly from Argentina, Brazil, Zambia, China, Malawi and India.

The expected groundnuts exports show an increase of 75,5% from 4 900 tons in 2019/20 to 8 600 tons in 2020/21. The major export destinations for South African groundnuts are the Netherlands, Japan, Mozambique and Belgium.

Consumption

An estimated total of 84 580 tons of groundnuts will be available for utilisation during the 2020/21 marketing season. Carry-over stocks on 1 March 2020 amounted to 7 500 tons and the estimated production is 50 080 tons. Projected imports amount to approximately 27 000 tons.

In South Africa, groundnuts are mainly consumed in two forms, i.e., as edible nuts and processed peanut butter. The local commercial consumption of groundnuts for 2020/21 is estimated at 73 300 tons—700 tons for oil and oilcake, 40 500 tons for peanut butter, 31 800 tons for the direct edible market and 300 tons as pods. Other consumption (released to end consumers, seed, etc.) amounts to 2 100 tons. The projected exports during 2020 are 8 600 tons. Carry-over stocks on 28 February 2021 are expected to be approximately 580 tons.



The per capita consumption for the 2020/21 marketing season is projected at 0,66 kg, which is 4,8% more than the 0,63 kg in the previous season.

International overview

The world production of groundnuts shows a slight decrease of 2,0%, from 46,81 million tons in 2018/19 to 45,87 million tons in 2019/20. The decrease can mainly be attributed to a 37,5% decrease in the Sudan's groundnut production, from 2,88 million tons in 2018/19 to 1,8 million tons in 2019/20. Nigeria, Burma and Argentina also show decreases in the production of groundnuts by 20,8%, 12,7%, and 8,4%, respectively. Nigeria's groundnut production decreased from 4,42 million tons in 2018/19 to 3,50 million tons in 2019/20; Burma's groundnut production decreased from 1,58 million tons in 2018/19 to 1,38 million tons in 2019/20 and Argentina's groundnut production decreased from 1,42 million tons in 2018/19 to 1,30 million tons in 2019/20.

The world production of groundnuts is expected to increase by 3,7%, from 45,87 million tons in 2019/20 to 47,56 million tons in 2020/21. This increase can mainly be attributed to expected increases in Mexico, the United States, Niger, Burma, Nigeria and India's groundnut production of 25,0%, 21,4%, 18,0%, 12,3%, 11,4% and 7,0%, respectively. The groundnut production in Mexico increased from 0,08 million tons in 2019/20 to 0,10 million tons in 2020/21. The United States's groundnut production increased from 2,48 million tons in 2019/20 to 3,01 million tons in 2020/21. Niger's groundnut production increased from 0,50 million tons in 2019/20 to 0,59 million tons in 2020/21. Burma's groundnut production increased from 1,38 million tons to 1,55 million tons. Nigeria's groundnut production increased from 3,50 million tons to 3,90 million tons and India's groundnut production increased from 6,26 million tons to 6,70 million tons.

Research and information

The information function is performed by the SAGIS; a section 21 company funded by, among others, the oilseeds industry.

Research is managed by the SA Groundnut Forum, financed with funding received from the Oil and Protein Seeds Development Trust and performed by the ARC, the CSIR and other organisations.

Canola

Canola was developed in the early 1970s using traditional plant breeding techniques by Canadian plant breeders to remove the anti-nutritional components (erucic acid and glucosinolates) from rapeseed to assure its safety for human and animal consumption. The canola plant produces seeds with a very low level of saturated fat.

Local and international investors in the oilseed crushing sector are boosting South Africa's capacity to process local oilseed crops such as soya beans, canola and sunflower seed. This forms part of efforts to meet growing domestic demand for proteins and to be less dependent on imports of these crops.

Almost the entire canola crop in South Africa is produced in the Western Cape, particularly in the Southern Cape. Over time, there were also farmers in other areas of South Africa, such as the Northern Cape, Free State, Eastern Cape, KwaZulu-Natal, Limpopo and North West, who started to plant small quantities of canola.

Plantings and production

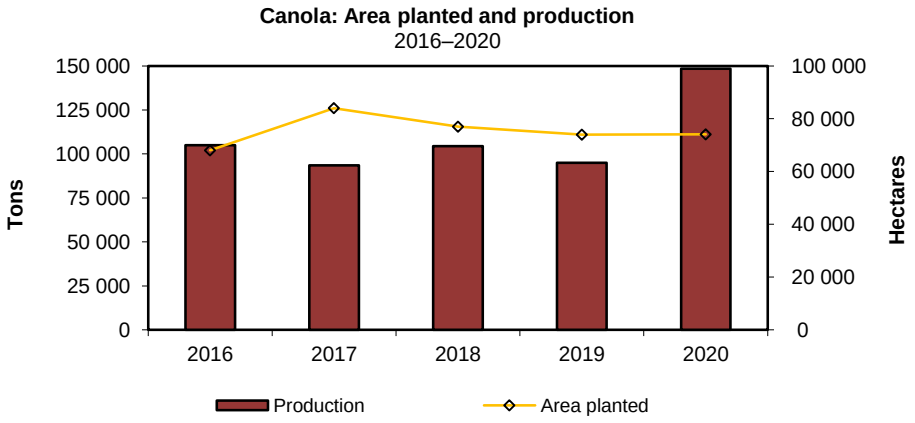
The estimated area planted to canola increased by 0,2%, from 74 000 ha in 2019 to 74 120 ha in 2020. The canola crop production is expected (November 2020) to increase by 56,3%, from 95 000 tons in 2019 to 148 456 tons in 2020, mainly due to favourable weather conditions in the Western Cape. This is the largest expected canola crop ever recorded for South Africa.

The expected average yield increased by 56,2%, from 1,28 t/ha in 2019 to 2,00 t/ha in 2020. This is also the highest yield ever recorded.

Estimated plantings, production and yields of canola from 2016 to 2020 are as follows:

Season	2016	2017	2018	2019	2020
Plantings (ha)	68 075	84 000	77 000	74 000	74 120
Production (t)	105 000	93 500	104 500	95 000	148 456
Yield (t/ha)	1,54	1,11	1,36	1,28	2,00

The areas planted to and production of canola is depicted in the following graph.



The planting of canola as an alternative to small grain crops has become an important part of crop rotation practices in the Western Cape. It is particularly the herbicide-resistant cultivars that make it possible for canola to be included in crop rotation systems with wheat in many regions. In such crop rotation systems, canola usually causes an increase in the yields of the subsequent crops. Where wheat was planted after canola, increases of up to 25% in yields have been observed. One of the reasons for this is the deep taproot system of canola, which acts as a ''biological plough'' to facilitate root penetration for the crop planted after canola. This then improves infiltration of rainwater and reduces water runoff and surface erosion. In addition, canola has a biofumigation effect on the soil, which reduces the manifestation of pests and diseases in the soil. Just prior to harvest time, the canola plants drop a large volume of plant material that assists with the biofumigation but also returns a considerable quantity of nutrients and organic material to the soil.

Consumption

Canola oil is the healthiest commodity oil available to consumers, the food service industry and food processors. Canola oil contains the least amount of saturated fat (7%) of any common edible oil, with the remaining 93% being healthy monounsaturated and polyunsaturated fats. The polyunsaturated fats in canola oil are essential omega-3 and omega-6 fatty acids. The omega-3, alpha-linolenic acid, may help prevent heart attacks and strokes. The omega-6, linoleic acid, is important for the brain and essential for the growth and development of infants.

Canola meal is used as an animal feed for dairy cows, pigs and poultry. Its unique characteristics are especially valuable in the dairy industry, where it has been shown that by including 20% canola meal in a feed ration improves milk production by one litre per cow per day.

Canola is primarily used for the manufacturing of canola oil and oilcake. On the local market, canola competes with other oilseeds such as sunflower seed and soya beans. The market for soft oils (oils that are liquid at room temperature), including canola oil, is a huge one and applications for this market are typically bottled oil for household use, e.g., soft margarine, mayonnaise, salad oil and various industrial uses.

The total supply of canola is projected at 105 190 tons for the 2019/20 marketing season. This include an opening stock as from 1 October 2019 of 18 090 tons, domestic production of 87 100 tons and no imports this marketing season. Total demand for canola for the 2019/20 marketing season was approximately 92 660 tons, while carry-out stocks on 30 September 2020 were approximately 12 530 tons.

For the 2020/21 marketing season, the total supply of canola is estimated at 160 980 tons (the estimated canola crop of 148 460 tons, together with carry-over stocks of 12 530 tons). Domestic demand for canola is estimated at 112 320 tons, while carry-out stocks at the end of September 2021 is expected to reach 48 660 tons.

Prices

As a large percentage of the local demand for vegetable oil is imported, the international oilseed prices largely determine the local prices of oilseeds and therefore also the price of soya bean oilcake. The price of canola oil is based on the local price of sunflower oil and soya bean oilcake. Prices paid to producers vary, depending on the protein content and whether it is delivered for the feed market or to be crushed for oil.

The average producer prices of canola from 2015 to 2019 are as follows:

Season	**2015**	**2016**	**2017**	**2018**	**2019**
	R/ton				
Producer price	5 950,00	5 707,04	5 300,00	5 503,50	5 350,00

The average producer price of canola decreased by 2,8%, from R5 503,50/ton in 2018 to R5 350,00/ton in 2019.

International overview

Global canola production has grown rapidly over the past 40+ years, rising from the sixth largest oil crop (soya beans, canola/rapeseed, sunflower seed, peanuts, cotton seed, palm kernel and copra) to the second largest. During 2020/21, canola production is expected to contribute 11,6% to world oil crop production. During the same period, soya bean production, which is the largest oilseed crop, is expected to contribute 60,8% of the world oilseed crop production.

The USDA Foreign Agricultural Service indicated in December 2020 that world production of canola/rapeseed decreased by 0,5%, from 69,2 million tons in the 2019/20 marketing season to 68,9 million tons in the 2020/21.

The key global canola producers during the 2020/21 marketing year are Canada (19,0 million tons) contributing 27,6%, the European Union contributing 24,5% (16,9 million tons), China contributing 19,1% (13,2 million tons), India contributing 11,1% (7,7 million tons) and other countries contributing 17,6% (12,1 million tons) to world production.

The European Union, China and Japan are the primary importers (69,6%) of canola seed, while Canada accounts for 64,7% of canola seed exports.

Global canola consumption is expected to reach 70,6 million tons for 2020/21, compared to 71,5 million tons for the 2019/20 season—a decrease of 1,2%.

Global ending stocks for 2020/21 are expected to decline by 1,9 million tons, from 7,0 million tons in 2019/20 to 5,1 million tons in 2020/21.

Research and information

The Western Cape Department of Agriculture conducts research and cultivar trials on canola. The Protein Research Foundation (PRF) funds this research and it is the task of the canola working group of the PRF to promote the local canola industry.

The information function for canola is performed by the SAGIS; a section 21 company funded by, among others, the oilseeds industry.

Cotton 2020

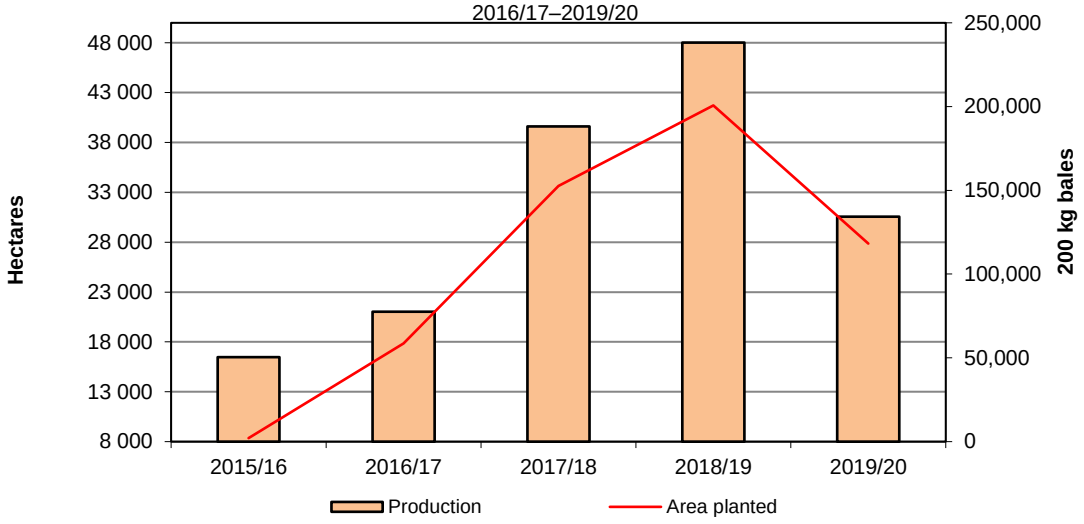
In South Africa, cotton is grown in the warm regions of the Limpopo, Mpumalanga, Northern Cape, North West and KwaZulu-Natal where minimum night temperatures are at least 15 °C during the growing season. Cotton is planted mainly during October, although planting can be done until the second half of November.

The cotton industry is labour intensive and provides work for roughly one worker per hectare of cotton planted. Oil extracted from cotton seed can be used for cooking and salad dressings. Extracted seed can also be used as a fertiliser or as feed for livestock, poultry and fish.

Area planted and production

The total area planted to cotton in South Africa for the 2019/20 production season is estimated at 27 675 ha, which is a decrease of 27,8% from the 38 785 ha of the previous season.

Area planted to cotton and production of cotton lint in the RSA
2016/17–2019/20



Source: Cotton SA

Yields per hectare under irrigation are up to 4,7% higher than on dry land. An estimated average yield of 4 393 kg/ha seed cotton was realised on irrigated land during the 2019/20 production season, compared to 967 kg/ha realised on dryland.

During 2019/20, an estimated 58,6% of the total area planted to cotton was on dryland, as against 42,7% the previous season. The area under irrigation also decreased by 53,7% from 2018/19 to 2019/20.

The domestic production of cotton lint for the 2019/20 marketing season (April to March) is estimated at 134 230 bales of 200 kg each, which is a decrease of 43,7% from the 238 222 bales produced during the 2018/19 season.

As part of the cotton industry's objective to broaden participation by emerging farmers, a training programme has been established by Cotton SA and other stakeholders, including the private sector and government. Lack of knowledge and expertise among smallholder cotton farmers are major constraints that impede success in the emerging cotton farming sector. More than a thousand smallholder farmers have attended these training courses.

Areas planted to cotton and the production of cotton lint from the 2015/16 to 2019/20 production seasons by the RSA and Swaziland compare as follows:

RSA

Production season	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20***
Total RSA plantings (ha)	8 353	10 228	33 628	41 713	27 864
Dryland (ha)	2 510	6 636	14 355	16 792	16 321
Irrigation (ha)	5 843	8 592	8 592	24 921	11 543
Production of cotton lint (200 kg bales) from RSA-grown cotton	50 457	91 742	188 220	238 222	134 230

Swaziland

Production season	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20***
Total Swaziland plantings (ha)	3 000	800	1 000	1 750	1 750
Dryland (ha)	3 000	800	1 000	1 500	1 500
Irrigation (ha)	0	0	0	0	0
Production of cotton lint (200 kg bales) from Swaziland-grown cotton	2 636	100	1 080	3 625	3 625

** Estimates (September 2020)*

Source: Cotton SA

World cotton production for 2020/21, as forecast by the International Cotton Advisory Committee (ICAC), has been revised downward to 24,2 million tons while cotton consumption is expected to be 24,5 million tons. The estimate for production in India, the world's largest cotton producing country in 2021, shows higher yields and production. Production is expected to increase by 6,3 million tons. USA trade estimates for the current season are revised upward with increased imports from China and Pakistan. I had to rephrase. Please make sure if this is correct.

The average producer price for seed cotton (lint and seed derived from the boll of the cotton plant before it is ginned) for the 2018/19 marketing season (April to March) was 900 c/kg, while the price for 2019/20 is projected to remain a constant 868 c/kg. In South Africa, the price of cotton normally emulates global price trends.

The average South African producer prices for seed cotton and cotton lint compare as follows:

Marketing year	2016/17	2017/18	2018/19	2019/20	2020/21*
	c/kg				
Seed cotton	823	868	900	868	862
Cotton lint	2 281	2 362	2 619	2 600	2 582

**Projections*

Consumption

Consumption of cotton lint by RSA and Swaziland spinners for the 2019/20 marketing year is estimated at 47 774 bales of 200 kg, compared to the 110 000 bales of the 2018/19 year—a decrease of 56,6%.

During the 2018/19 marketing year, about 72,1% of the consumed cotton lint was imported from SADC countries. The major supplier was Zambia. Cotton lint exports for the 2019/20 season amounted to 26 039 tons.

Consumption of cotton lint by South African and Swaziland spinners compared as follows:

Marketing year	2014/15	2015/16	2016/17	2017/18	2018/19*
	200 kg bales				
Consumption	106 295	106 160	108 320	110 000	47 774

**Projection*

Marketing arrangements, information and research

In terms of the free trade agreement between countries within the SADC region that has been in force since 2000, there has been no duty on cotton imports since 1 January 2004.

Locally, the seed cotton is either sold to a ginner who gins and sells lint to spinners and seed to processors, or a producer may contract a ginner to gin at a fee, in which case the lint will be sold either by the producer or by the contracted ginner on the producer's behalf.

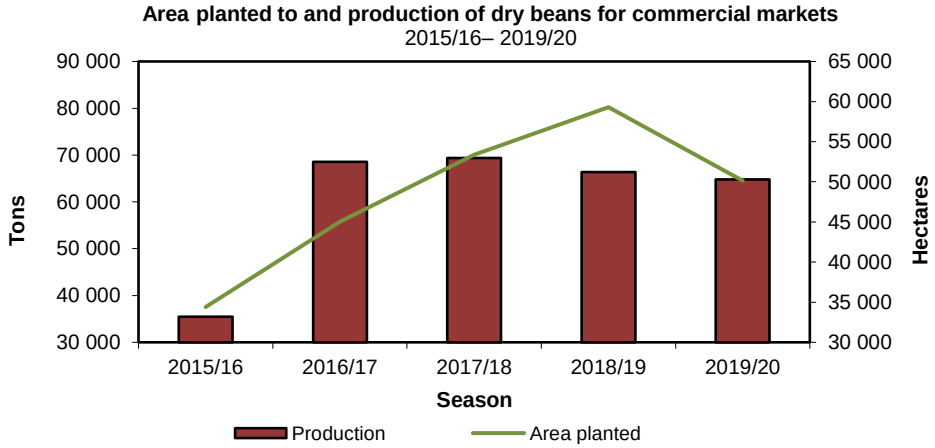
After the Cotton Board was dissolved in 1998, a section 21 company named Cotton SA was formed by stakeholders in the cotton industry. A statutory levy, which was introduced in April 2004 in terms of the Marketing of Agricultural Products Act, 1996, is applicable to finance research and the other functions of Cotton SA, namely information, promotion and grading. Research is coordinated by Cotton SA and performed by the ARC.

Dry beans

Areas planted and production

During the 2019/20 season, according to the Crop Estimates Committee, an estimated 50 150 ha were planted to dry beans for commercial markets, compared to 59 300 ha planted in 2018/19. This represents a decrease of 15,4% and 2,1% less than the average of 51 222 ha planted during the five years up to 2018/19. The estimated commercial crop of 64 800 tons for 2019/20 is 2,3% less than the previous crop of 66 355 tons. The 2019/20 crop is 3,5% more than the five-year average of 62 615 tons up to 2018/19. The average yield for the 2019/20 crop is approximately 1,29 t/ha—an increase of 15,5% from the 1,12 t/ha of the previous season.

The Free State produced 46,3% (30 000 tons) of the 2019/20 commercial crop, followed by Limpopo with 20,7% (13 440 tons), Mpumalanga with 12,7% (8 250 tons) and North West with 11,9% (7 700 tons). The remaining 8,4% (5 410 tons) was produced in the other provinces.

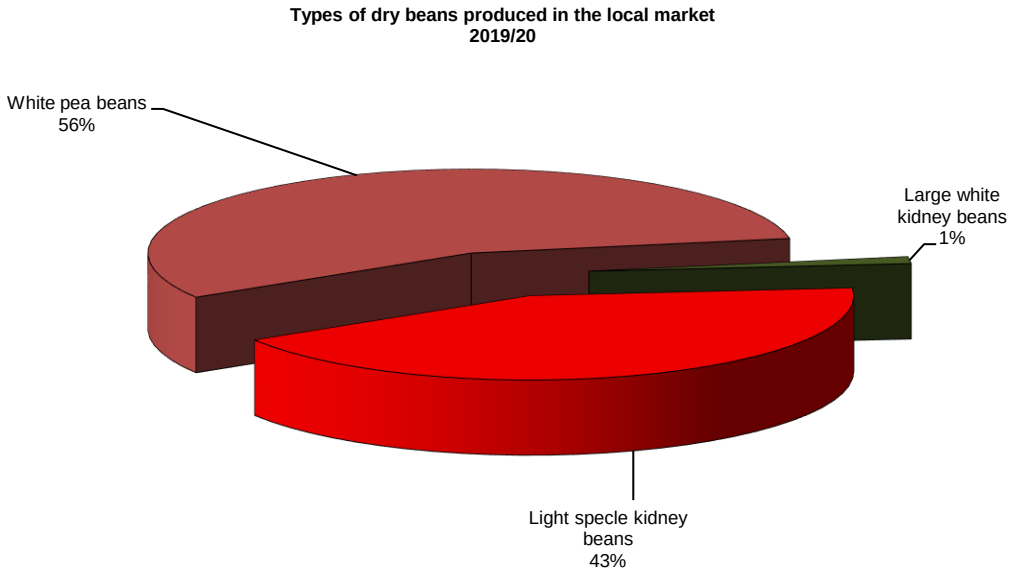


Production in the provinces and their share of the 2019/20 dry bean crop are as follows:

Province	Production (t)	Share in crop (%)
Western Cape	150	0,23
Northern Cape	700	1,08
Free State	30 000	46,30
Eastern Cape	300	0,46
KwaZulu-Natal	3 480	5,37
Mpumalanga	8 250	12,73
Limpopo	13 440	20,74
Gauteng	780	1,20
North West	7 700	11,88
Total	64 800	100,00

Dry beans contributed an estimated amount of R919 million to the gross value of field crops for the 2019/20 season, which is 9,0% more than the R843 million of the previous season, while the average annual gross value of groundnuts for the five years up to 2019/20 amounts to approximately R863 million.

The contribution of different types of dry beans to total local production in 2019/20 is estimated to be as follows: white pea beans – 36 255 tons (56,0%), light speckle kidney beans – 27 593 tons (42,6%), large white kidney beans – 850 tons (1,3%) and other dry beans – 102 tons (0,2%), mainly cariocas.



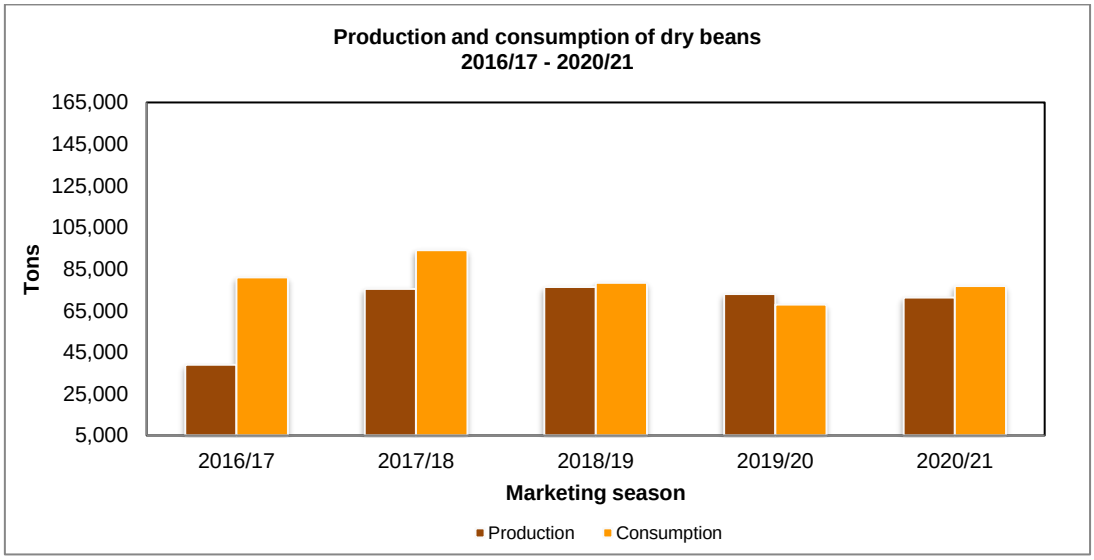
The most extensive seed production takes place in the Lowveld area of Mpumalanga, followed by Limpopo and Northern Cape.

In an attempt to improve profitability for producers and to meet the increase in protein demand, new cultivars with higher yields have been developed by the Dry Bean Producers' Organisation in cooperation with the ARC's Grain Crops Institute. These cultivars are suited for most soil types, have greater resistance to diseases and can be grown successfully in different areas.

Consumption

An estimated amount of 76 740 tons of dry beans is expected to be consumed locally during the 2020/21 marketing season (April to March), which is 13,0% more than the 67 898 tons in 2019/20. The projected per capita consumption for 2020/21 is 1,13 kg, which is 14,1% more than the 0,99 kg in 2019/20.

The quantities of dry beans produced and consumed from the 2016/17 to 2020/21 marketing season, according to the Department of Agriculture, Land Reform and Rural Development, are as follows:



Producer prices

The average prices received by producers for dry beans from the 2015/16 to 2019/20 production season are as follows:

Production season	2015/16	2016/17	2017/18	2018/19	2019/20
	R/t				
Producer price	13 182	13 726	13 137	11 544	12 892

The average producer price of dry beans increased by 11,7%, from R11 544/ton in the 2018/19 production season to R12 892/ton in the 2019/20 production season. The producer price of dry beans in South Africa is derived mainly from import parity from China and local supply and demand has little or no effect on price determination.

Trade balance

Imports of dry beans to and exports from South Africa during the five marketing seasons from 2016/17 up to 2020/21 are as follows:

Marketing season	2016/17	2017/18	2018/19	2019/20	2020/21*
	Tons				
Imports	48 725	30 551	11 788	10 606	21 460*
Exports	6 741	11 901	9 672	15 699	16 000*

*projections

The expected imports of dry beans shows an increase of 102,3%, from 10 606 tons in 2019/20 to 21 460 tons in 2020/21. An estimated amount of 10 156 tons and 1 872 tons of dry beans were imported from Botswana and Ethiopia, respectively, for the first nine months of 2020. This represents 47,3% and 8,7%, respectively, of the projected 21 460 tons to be imported during the 2020/21 marketing season.

The projected exports of dry beans increased by 1,9%, from the 15 699 tons in 2019/20 to 16 000 tons in 2020/21 marketing season. An estimated amount of 5 559 tons and 5 382 tons of dry beans were exported to Zimbabwe and Eswatini (Swaziland), respectively, during the first nine months of the 2020/21 marketing season. This represents 34,7% and 33,6%, respectively, of the projected exports of 16 000 tons during the 2020/21 marketing season.

Research and information

The Dry Bean Producers' Organisation is the national commodity organisation promoting the interests of the dry bean producers in the country. The main objectives of the organisation are to provide production and market information, support product and market research and ensure the supply of disease-free certified seed to producers.

Sugar

Sugar cane is a ratoon crop, which means that after cropping, new shoots emerge from the roots. It yields up to 10 crops from the original rootstock, after which it is uprooted and the field is replanted. This is done on a rotational basis, with approximately 10% of the area under cane being replanted each season. Planting usually coincides with the first spring rains.

In the cooler production areas, sugar cane is harvested 18 to 24 months after resprouting. Late harvesting maximises growth and the sucrose content of the cane. In the coastal areas, where the crop grows faster, it is harvested at an average age of approximately 12 months, usually from April to December.

Industry overview

The sugar cane growing industry in South Africa is administered by the South African Cane Growers' Association, established in 1927. The industry is regulated in terms of the Sugar Act and the Sugar Industry Agreement, which are binding on all sugar cane growers and producers of sugar products.

The cane growing sector comprises approximately 21 926 registered sugar cane growers farming predominantly in KwaZulu-Natal (KZN) and Mpumalanga.

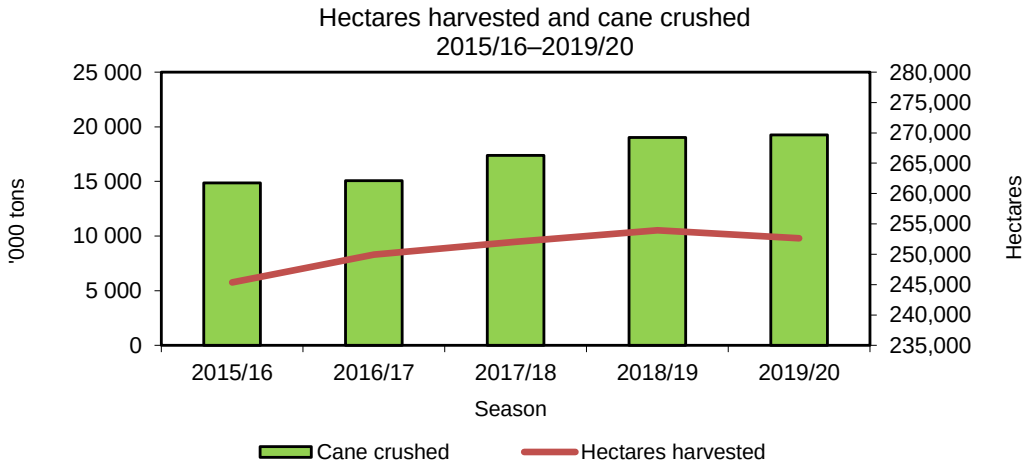
Sugar is manufactured by six milling companies with 14 sugar mills operating in the cane growing regions.

The R14 billion South African industry is cost effective, consistently ranking in the top 15 out of approximately 120 sugar producing countries worldwide. The industry combines sugar cane production and production of sugar (raw or refined), syrup and some by-products.

Employment within the industry is estimated at 435 000 people (direct and indirect) and the industry have produced an average of approximately 2,2 million tons of sugar per season.

Production and price of sugar cane

The production of sugar cane increased by 0,9% to 19,2 million tons from 2015/16 to 2019/20, while production for the 2020/21 season at 18,2 million tons is expected to be 5,3% lower than in 2020/21.



The average cane production over the past decade (from the 2010/11 to the 2019/20 season) is 17,4 million tons per annum, with the yield of harvested cane averaging 67,5 t/ha over the same period. The yield stands at 74,9 t/ha for the 2018/19 season. The area harvested decreased by 0,5%, from 253 945 ha in 2018/19 to 252 613 ha in 2019/20.

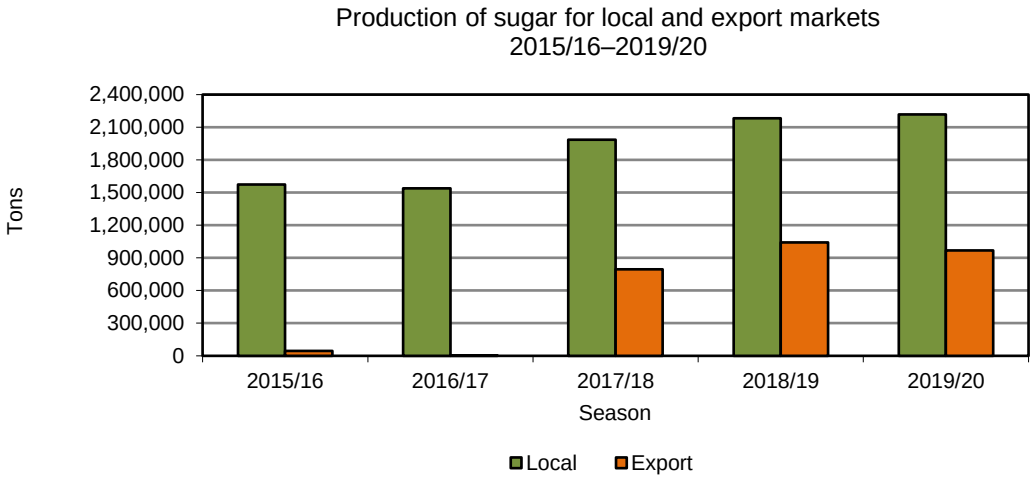
The producer price of sugar cane increased by 14,6% from 2018/19 to 2019/20. The average price over the five-year period indicated below is R502,66 per ton.

The average producer prices of sugar cane from 2015/16 to 2019/20 were as follows:

Year	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**
	R/ton				
Producer price	457.02	564.39	522.46	451.58	517.83

Production and consumption of sugar

The local production of sugar reached a record level of 2,76 million tons during the 2002/03 season. For 2019/20, production is estimated at 2,22 million tons. The quantity of cane crushed to produce one ton of sugar stands at 8,68 tons for the 2019/20 season.



Marketing

The Sugar Act of 1978 and the Sugar Industry Agreement (SIA 2000), endorse a regulatory provision within which the pricing of refined sugar in South Africa take place. The combination of the regulatory provisions allows the sugar industry to maintain a domestic sugar price that is at or near the import parity price, including the tariff that eradicates price discrimination and anti-competitive practises within the industry. With sugar prices pushed up close to import parity price, the country's sugar industry can maximise profit that will impact positively on the economy.

South Africa continues to be one of the world's most cost competitive producers of high quality sugar and the key drivers of excellence is its export infrastructure, world-renowned agriculture, industry research platforms and efficient industry organisation.

The raw sugar exports are handled at the Sugar Terminal in Durban. The terminal provides storage and handling facilities for the sugar industry's export production of bulk raw and bagged (raw and refined) sugar. It also houses a unique molasses mixing plant, which coats bulk raw sugar at the time of loading to produce variable levels of quality, as specified by the international buyers.

A total of 967 579 tons of sugar were produced for the international market during the 2019/20 season. About 60% of this sugar is marketed in the Southern African Custom Union (SACU) and the remainder is exported to markets in Africa, Asia and the Middle East. The total supply of 2,22 million tons of sugar to the Southern African Customs Union (SACU) during 2019/20 represents an increase of 1,5% from the 2,18 million tons supplied in 2018/19.

The local production and sales of sugar to the SACU from 2015/16 to 2019/20 were as follows:

Year	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**
	'000 tons				
Production	1 620	1 539	1 986	2 183	2 217
Sales to SACU	1 574	1 534	1 190	1 141	1 249

Research, training and other information

In order to improve the quality of the cane produced and the profitability of cane production, the South African Sugarcane Research Institute is tasked with developing new sugar cane varieties and the improvement of crop management and farming systems, which are then made available to cane farmers. The information includes

improving soil quality, minimising the occurrence of pests and diseases and research on the optimal choice in the use of fertilisers, water and ripening and weed-control agents.

Currently, modern biotechnological approaches are deployed to develop systems for rapid bulking and distribution of high-quality cane seed and investigate the biological basis of sucrose accumulation in sugar cane, with a view to enhance the process. The quality of cane deliveries to the mills is determined by the Cane Testing Services, while Umthombo Agricultural Finance provides assistance for small-scale cane farmers with regard to credit and savings facilities.

HORTICULTURE

Deciduous fruit

Production areas

The main deciduous fruit producing areas of South Africa are situated in the Western and Eastern Cape, mostly in areas where warm, dry summers and cold winters prevail. According to the HORTGRO Tree Census of 2019, the area under deciduous fruit production during the 2019 season is estimated at 54 254 ha.

Production

Although some producers grow fruit both for processing (canning, juice and drying) as well as fresh consumption, it is estimated that in South Africa there are about 1 152 producers of fruit for fresh consumption, 1 066 producers of dry and table grapes, 887 producers of stone fruit and 624 producers of pome fruit.

The production per fruit type, which excludes dried fruit, over the past five seasons compares as follows:

Fruit type	2015/16	2016/17	2017/18	2018/19	2019/20
	Tons				
Apples	902 433	956 755	841 124	885 182	1 001 904
Pears	417 840	419 461	393 053	407 112	429 264
Table grapes	342 397	365 456	420 828	314 835	328 149
Peaches and nectarines	189 933	185 440	152 848	140 158	163 459
Apricots	34 028	25 918	30 949	26 303	15 474
Plums	79 552	86 715	75 184	58 815	61 479
Total	1 966 183	2 039 745	1 913 986	1 832 405	1 999 729

The production of deciduous fruit increased by 9,1%, from 1,832 million tons in 2018/19 to 1,999 million tons in 2019/20. The production of peaches and nectarines showed an increase of 16,6%, followed by apples with 13,2%, plums by 4,5% and grapes with an increase of 4,2%. Apricot showed a decrease of 41,2%.

Marketing

During 2019/20, deciduous fruit contributed approximately 27,2% to the gross value of horticultural products.

Approximately 342 723 tons of deciduous fruit were sold locally on the major fresh produce markets, other markets and directly to retailers during the 2019/20 season, representing an increase of 3,5% from the 331 216 tons sold during the 2018/19 season.

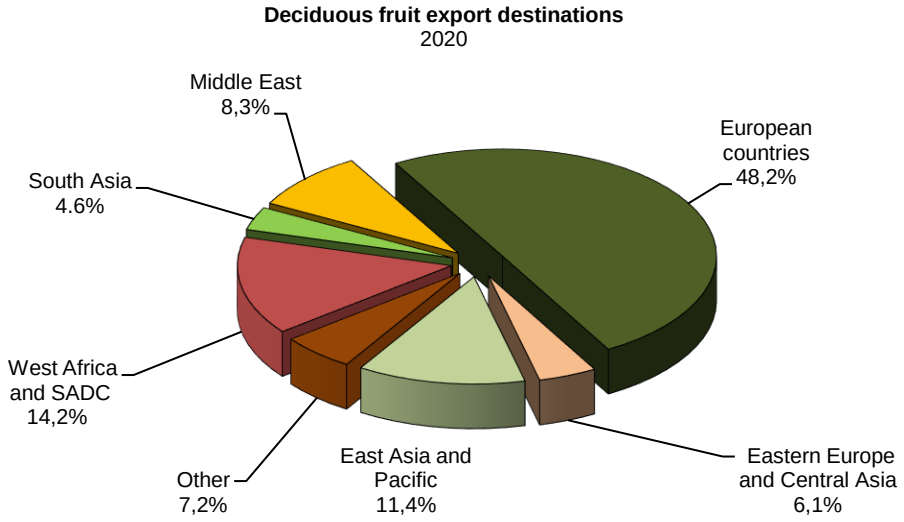
The average prices realised for deciduous fruit on the major fresh produce markets during the period 2015/16 to 2019/20 were as follows:

Fruit type	2015/16	2016/17	2017/18	2018/19	2019/20
	R/ton				
Apples	6 534	6 529	6 904	7 591	7 454
Pears	6 495	6 553	6 549	7 175	7 127
Table grapes	12 357	12 984	14 973	15 288	17 369
Peaches and nectarines	13 067	13 105	12 979	15 725	15 062
Apricots	11 882	14 617	13 198	15 990	15 062
Plums	7 713	7 684	7 431	9 783	19 185

The price of plums showed the biggest increase of 96,1%, followed by grapes with 13,6%, while apricots showed a decrease of 5,8%, peaches and nectarines with 4,2%, apples with 1,8% and pears with 0,7%.

The exporting of deciduous fruit is a major earner of foreign exchange for South Africa. During the 2019/20 season (October to September), about 53,0% of deciduous fruit produced was exported and approximately 77,7% of the gross value from deciduous fruit came from export earnings. Total exports amounted to 970 083 tons. This represents a decrease of 9,5%, from the 1 072 050 tons exported during 2017/18.

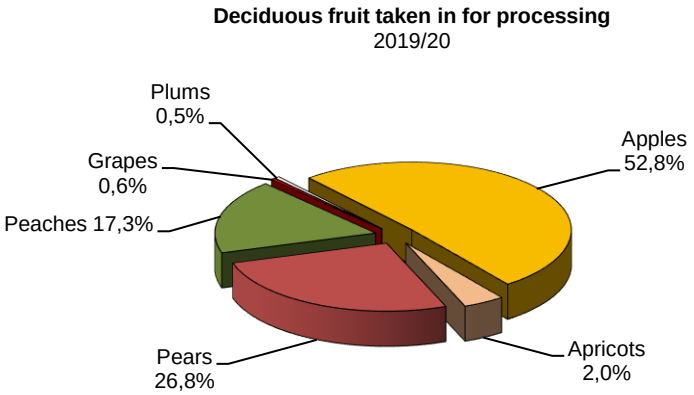
The following graph indicates deciduous fruit export destinations during 2020.



Intake of deciduous fruit for processing

During 2019/20, about 627 460 tons of deciduous fruit produced were utilised for processing—an increase of 18,1% from the 531 142 tons processed during 2018/19.

The following graph indicates the contribution of deciduous fruit types to total deciduous fruit taken in for processing during 2019/20.



Over the past five seasons, most of the deciduous fruit was processed into juice, except for apricots and peaches, which were used mostly for canning.

During 2019/20, approximately 98,4% of apples taken in for processing was used for juice and 1,6% was used for canning, while 65,2% of pears was used for juice and 34,8% was canned. Producers received an average of R2 225 and R2 023 per ton for apples used for canning and for juice, respectively. In the case of pears used for canning and for juice, producers received an average of R2 533 and R1 569 per ton, respectively.

Domestic consumption

Local per capita consumption and total consumption of deciduous fruit over the past five years were as follows:

Season	**2015/16**	**2016/17**	**2017/18**	**2018/19**	**2019/20**
Per capita consumption (kg/year)	12.31	10.10	11.25	12.48	10.83
Total consumption ('000 tons)	688	571	650	754	646

Prospects

These expectations of stone fruit will increase significantly. The 2020/21 production season of stone fruits such as apricot, plums and nectarines experienced an increase of 64%, 33% and 13%, respectively. However, the production of apple and pears will increase slightly by 4% and 3%, respectively.

Dried fruit

Production areas

Dried fruit is produced mainly in the western and southern parts of the Western Cape and the Lower and Upper Orange River areas in the Northern Cape. Tree fruit, as opposed to vine fruit, is dried mainly in the Western Cape.

The most important dried fruit products, in terms of volume, are Thompson seedless raisins, Golden sultanas, unbleached sultanas, currants, peaches, pears, apricots and prunes. The quantities of dried fruit produced vary per fruit type, depending on the factors that influence production and the opportunities offered by alternative marketing channels. Apricots are grown mainly in the Little Karoo and prunes are produced almost exclusively in the Tulbagh District in the Western Cape. Most raisins are produced in the area along the Lower Orange River and currants are mainly from the Vredendal District in the Western Cape.

Production

The total production of dried vine fruit and dried tree fruit increased by 11,6%, from 80 319 tons in 2019 to 89 662 tons in 2020. According to the Dried Fruit Technical Services (DFTS), this increase resulted from the demand for dried fruit of good quality, especially raisins. The bulk of the raisins are produced in the Orange River area of the Northern Cape. In some parts of the production area, severe frost was experienced and the extent of the damage have not been determined yet.

Production of dried vine fruit decreased by 12,1%, from 75 100 tons in 2019 to 85 080 tons in 2020, while that of dried tree fruit increased by 13,3%, from 5 213 tons in 2019 to 4 582 tons in 2020.

Under the dried vine fruit, all the fruit types showed an increase, except Golden sultanas, which showed a decrease of 36,6%, from 46 318 tons in 2019 to 33 649 tons in 2020. Other raisins showed a decrease of 27,4% as well. Under the dried tree fruit type, all the fruits showed a decrease, except peaches, which remain constant.

During the past five years, the production trends of dried fruit types were as follows:

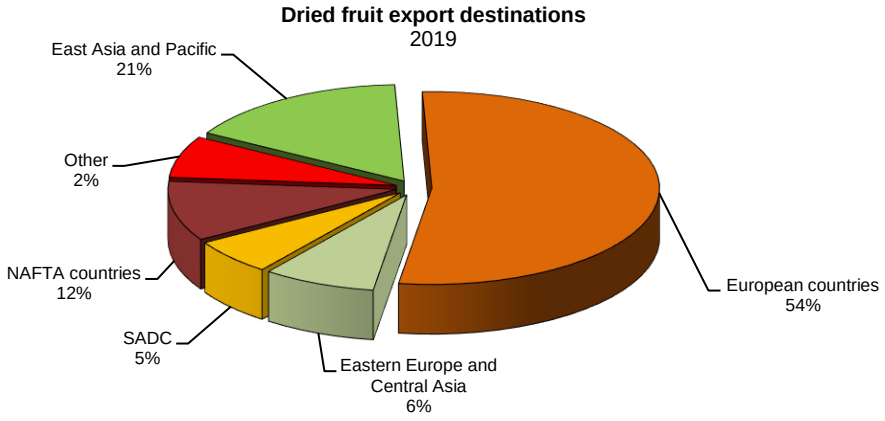
Fruit type	**2016**	**2017**	**2018**	**2019**	**2020***
	Tons				
Sultana type	12 237	1 491	1 662	1 592	2 601
Unbleached	11 593	21 142	20 914	14 507	28 872
Golden	28 364	36 318	35 334	46 318	33 649
Thompson seedless raisins	2 400	4 482	2 329	1 605	4 523
Currants	35	2 153	809	1 076	4 751
Flames	0	0	3 534	4 600	7 256
Muscat raisins	35	0	696	0	0
Hanepoot	0	7	2	0	0
Other	0	0	1 300	5 408	3 428
Total vine fruit	54 629	65 593	66 583	75 106	85 080
Prunes	1 050	789	1 067	365	215
Apricots	1 325	1 430	1 837	1 560	1 208
Apples	20	217	308	192	153
Peaches	2 560	2 251	2 151	2 101	2 101
Pears	1 695	3 801	1 136	861	822
Nectarines	133	149	95	95	84
Other	31	36	37	39	0
Total tree fruit	6 779	8 671	6 631	5 213	4 582
Grand total	61 408	74 264	73 214	80 319	89 662

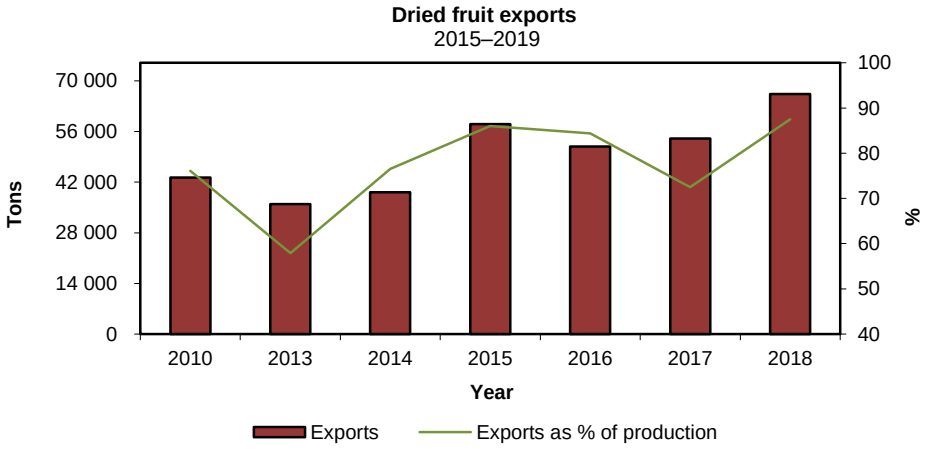
** Preliminary,Source: DFTS*

Marketing

The Perishable Products Export Control Board (PPECB) is responsible for inspection of the exported dried fruit to ensure adherence to quality standards. Exporters are required to obtain a PPECB export certificate. More than 50% of South African dried fruit production is exported.

The following two charts depict dried fruit export destinations during 2019 and exports from 2015 to 2019, respectively.





Viticulture

South Africa is the eighth-largest wine producer in the world, contributing 9,7% to the world's wine production in 2019. The area under wine grape vineyards is estimated at 92 067 ha, which is 1,0% less than the 93 021 ha of the previous year.

The wine industry is labour intensive and provides employment to approximately 300 000 people directly and indirectly. The number of primary wine grape producers in South Africa is estimated at 2 778.

Wine is produced mainly in the Western Cape and along parts of the Orange River in the Northern Cape.

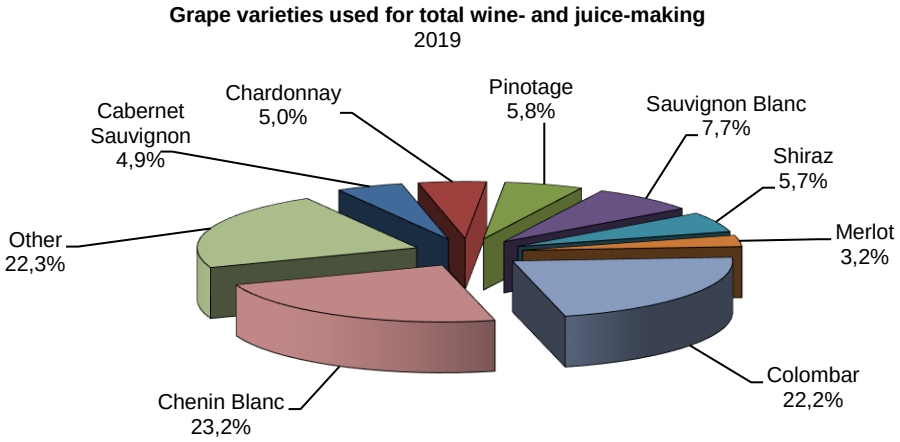
Production

Total production of wine, including rebate and distilling wine, juice and concentrate for non-alcoholic beverages from 2015 to 2019, is as follows:

Year	**2015**	**2016**	**2017**	**2018**	**2019**
	Gross million litres				
Wine production	1 154	1 089	1 120	966	974

During 2019, wine production increased by 1,0%. Approximately 68,0% of the wine grapes utilised for wine-making purposes were white and 32,0% were red.

The use of different varieties of grapes during 2019 is depicted in the following graph:



Income of producers

The production of wine grapes and income of producers from 2015 to 2019 are as follows:

Year	2015	2016	2017	2018	2019
Wine-grape production ('000 tons)	1 477	1 405	1 437	1 244	1 248
Income of producers (R million)	4 793	5 030	5 827	6 298	6 181

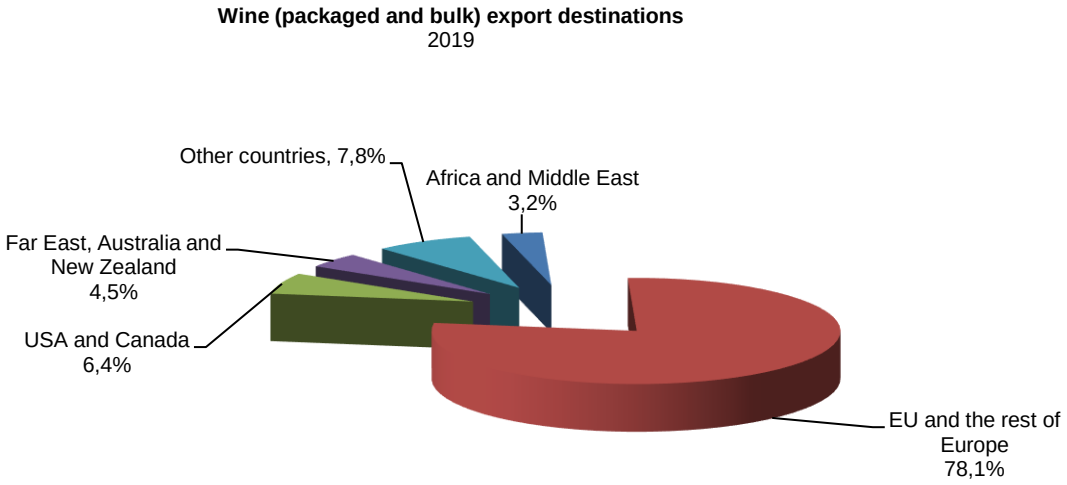
The producers' income decreased by 1,9% during 2019 due to an increase in the production cost and the production that only increase with 0,3%.

Total quantities of wine exported during the past five years are as follows:

Year	2015	2016	2017	2018	2019
	'000 litres				
Still wine	412 444	424 088	444 011	414 992	316 664
Fortified wine	311	386	315	351	174
Sparkling wine	7 263	3 867	4 059	4 820	2 945
Total	420 018	428 341	448 385	420 163	319 783

During 2019, 32,8% of the total wine produced was exported, compared to 43,5% during 2018.

The following graph depicts wine export destinations during 2019.



Consumption

The per capita consumption of wine on the domestic market from 2015 to 2019 is as follows:

Year	2015	2016	2017	2018	2019
	ℓ per capita				
Still wine	6,92	7,04	7,13	6,68	6,18
Fortified wine	0,35	0,33	0,34	0,35	0,25
Sparkling wine	0,15	0,16	0,16	0,16	0,17
Total	7,41	7,53	7,63	7,20	6,59

Information and administration

The SA Wine Industry Information and Systems NPC (SAWIS), a non-profit company under control and direction of the South African wine industry, is inter alia responsible for the collection, processing and dissemination of industry information and for the administration of the industry's Wine of Origin system.

Subtropical fruit

Measured in terms of value of production, the subtropical fruit industry earned R4 743 million in 2019/20—a decrease of 0,01% on the 2018/19 figure of R4 955 million.

Production and production areas

The cultivation of some types of subtropical fruit is only possible in certain specific areas of the country because of particular climatic requirements. In general, subtropical fruit types need warmer conditions and are sensitive to large temperature fluctuations and frost. The best areas for the production of these types of fruit in South Africa are in Limpopo, Mpumalanga and KwaZulu-Natal. Fruit types such as granadillas and guavas are also grown in the Western Cape, while pineapples are cultivated in the Eastern Cape and KwaZulu-Natal.

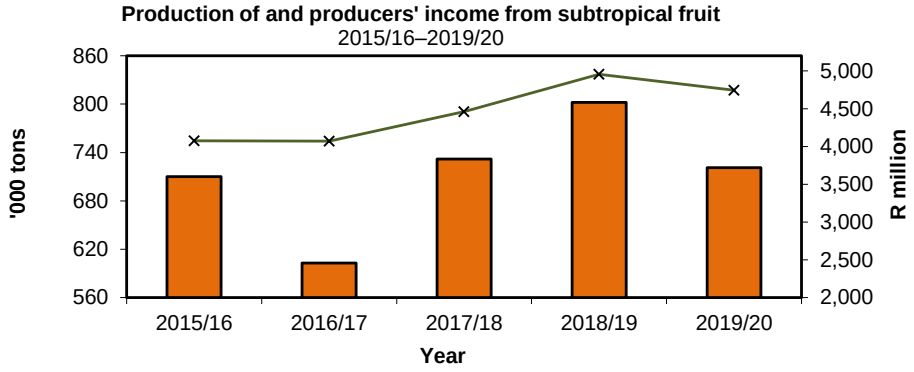
The total production area of avocados in 2019/20 is estimated at approximately 14 260 ha, mangoes at 5 252 ha, and litchis at 1 549 ha.

The production of subtropical fruit from 2015/16 to 2019/20 is as follows:

Fruit type	2015/16	2016/17	2017/18	2018/19	2019/20
	'000 tons				
Avocados	88,0	77,7	86,1	114,5	90,1
Bananas	402,0	288,0	403,0	416,5	371,7
Pineapples	105,0	88,8	104,3	115,5	119,7
Mangoes	65,0	93,8	88,8	110,7	97,8
Papayas	14,0	15,2	13,5	10,4	12,5
Granadillas	0,8	1,0	0,6	0,8	0,9
Litchis	8,4	10,5	8,4	7,9	4,7
Guavas	26,6	28,1	27,8	26,9	23,9

The total production of subtropical fruit decreased by 11,3%, from 802 472 tons in 2018/19 to 721 297 tons in 2019/20. Production of papayas rose by 16,0%, granadillas by 11,1% and pineapples by 3,5%, respectively.

However, the production of litchis dropped by 55,3%, avocados by 21,3%, mangoes by 13,2%, guavas by 12,6% and bananas by 12,1%.



Bananas, pineapples and mangoes contributed 51,5%, 16,6% and 13,6%, respectively, to the total production of subtropical fruit during the 2019/20 season.

Domestic sales

During 2019/20, the largest contributors to the sales of subtropical fruit on the major fresh produce markets were bananas (72,8%), pineapples (8,3%), avocados (8,1%) and mangoes (7,3%), followed by papayas (2,2%) and guavas, litchis and granadillas combined (1,1%).

The quantities of pineapples, guavas and granadillas sold on the major fresh produce markets increased during 2019/20, while the quantities of avocados, bananas, mangoes and litchis decreased.

Total quantities of subtropical fruit sold on the major fresh produce markets (year ending 30 June) are as follows:

Fruit type	2015/16	2016/17	2017/18	2018/19	2019/20
	Tons				
Avocados	27 749	24 813	23 524	30 887	24 792
Bananas	240 432	171 936	241 171	249 528	222 625
Pineapples	21 900	20 407	27 833	23 703	25 426
Mangoes	13 425	17 950	23 035	33 382	22 184
Papayas	9 576	9 797	9 045	6 694	6 954
Granadillas	567	686	447	441	481
Litchis	1 495	1 394	1 401	1 307	890
Guavas	1 714	1 527	1 536	1 680	1 921
Total	316 858	248 510	327 992	347 622	305 273

Intake for processing

During 2019/20 (July to June), pineapples accounted for 47,7% of the total intake of subtropical fruit types for processing. The other two main contributors to the processing industry were mangoes (33,8%) and guavas (11,2%).

The quantities of pineapples, avocados, bananas, granadillas and papayas taken in for processing increased during 2019/20, while the intake of litchis and guavas decreased.

Fruit type	2015/16	2016/17	2017/18	2018/19	2019/20
	Tons				
Avocados	5 874	4 129	6 591	8 567	9 091
Bananas	1 313	1 481	1 028	577	643
Pineapples	78 844	64 115	71 436	87 181	91 062
Mangoes	46 124	66 850	57 020	64 609	64 609
Papayas	749	1 762	1 157	1 236	2 881
Granadillas	89	122	19	219	348
Litchis	1 026	1 491	1 056	1 878	949
Guavas	24 003	24 724	24 064	24 537	21 345
Total	158 022	165 947	164 031	188 670	190 928

Citrus fruit

Production areas

Citrus fruit is grown in Limpopo, Eastern Cape, Mpumalanga, Western Cape and KwaZulu-Natal in areas where subtropical conditions (warm to hot summers and mild winters) prevail.

The area under citrus production is estimated at 81 638 ha.

Production

Oranges contributed about 56,3% to the total production of citrus fruit in South Africa during 2019/20. Citrus fruit production decreased by 1,2%, from 3 301 674 tons in 2018/19 to 2 995 570 tons in 2019/20. There has been an annual average decrease of 5,8% over the past five years in citrus production.

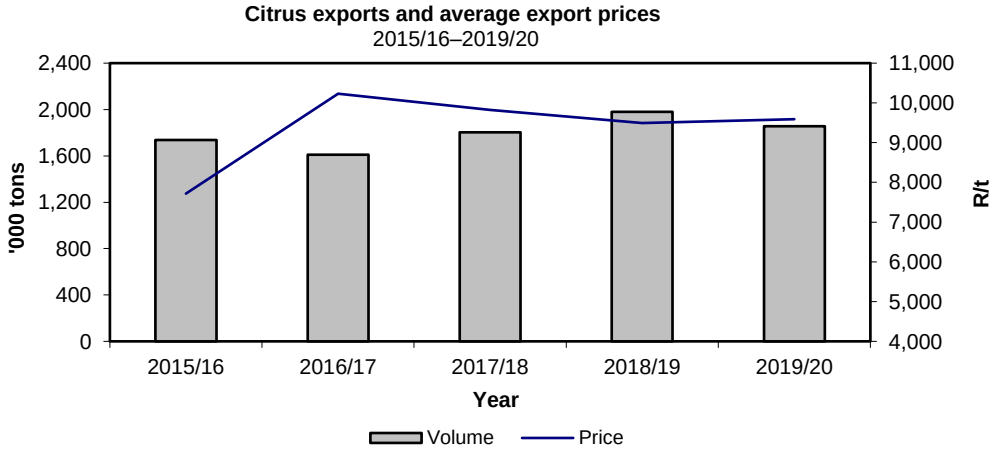
Citrus fruit production for the past five production seasons (1 February to 31 January) is as follows:

Fruit type	2015/16	2016/17	2017/18	2018/19	2019/20
	Tons				
Oranges	1 761 173	1 366 083	1 461 370	1 774 397	1 687 361
Grapefruit	390 889	318 264	325 470	445 351	378 631
Lemons	353 057	323 063	447 643	473 197	513 027
Naartjes	41 959	36 166	40 967	53 230	89 647
Soft citrus	183 670	215 270	249 991	285 499	326 904
Total	2 730 748	2 258 848	2 525 441	3 301 674	2 995 570

Exports

The citrus industry in South Africa is primarily export-orientated, with very small quantities being imported. South Africa is one of the major citrus fruit exporters in the world.

Exports decreased from 1 978 976 tons during 2018/19 to 1 857 065 tons during 2019/20—a decrease of 6,2%. During 2019/20, the European countries, East Asia and the Pacific, the Middle East and Eastern and Central Europe (88,1%) were South Africa's largest trading partners in terms of citrus fruit exports. About 1 018 500 tons of oranges (approximately 54,8% of the citrus crop) were exported.



Domestic sales

Citrus fruit sales on the major fresh produce markets in South Africa increased by 7,6%, from 152 026 tons during 2018/19 to 163 510 tons during 2019/20 and comprised about 5,5% of total citrus fruit production. Approximately 61,0% of orange, 15,9% of naartje, 11,9% of lemon and 10,3% of soft citrus production were sold on the fresh produce markets.

The average prices realised on the major fresh produce markets during the period 2015/16 to 2018/19 were as follows:

Fruit type	2015/16	2016/17	2017/18	2018/19	2019/20
	R/ton				
Oranges	2 549	3 650	3 607	3 364	3 648
Grapefruit	3 960	5 240	2 490	5 255	2 925
Lemons	7 236	8 378	7 655	6 519	6 497
Naartjes	6 340	7 236	6 690	7 127	5 288
Soft citrus	5 019	6 212	5 496	5 921	6 043

Processing

Approximately 27,1% of the total citrus fruit production was taken in for processing during 2019/20. Citrus fruit taken in for processing increased by 8,5%, from 749 233 tons in 2018/19 to 812 670 tons in 2019/20.

Consumption

Per capita consumption of citrus fruit from 2015 to 2019 was as follows:

Year	2015	2016	2017	2018	2019
	kg/year				
Per capita consumption	17,44	10,48	10,92	15,57	15,59

Research

Citrus Research International (CRI) is mandated by the Citrus Growers' Association of Southern Africa (CGA) to maximise the long-term global competitiveness of the Southern African citrus growers through the development, support, coordination and provision of research and technical services. CRI is a division of the CGA and research funding is primarily derived from levies on citrus exports.

Vegetables (excluding potatoes)

General

Vegetables are produced in most parts of the country. However, in certain areas farmers tend to concentrate on specific crops; for example, green beans are grown mainly in Kaapmuiden, Marble Hall and Tzaneen, green peas mainly in George and Vaalharts, onions mainly in Caledon, Pretoria and Brits and asparagus mainly in Krugersdorp and Ficksburg.

Production

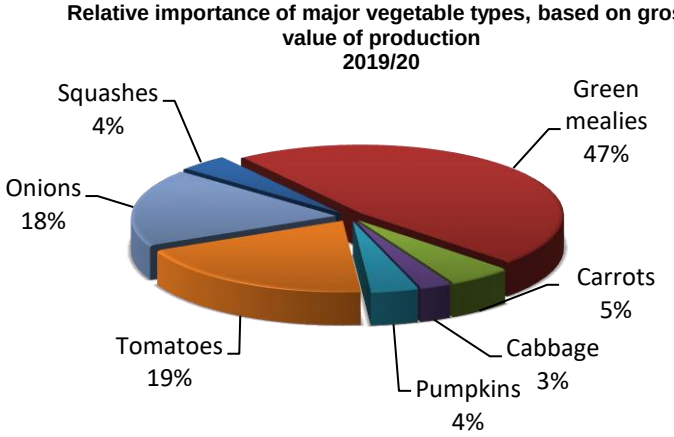
From 2018/19 to 2019/20 (July–June), the total production of vegetables (excluding potatoes) increased by 1,3%, from 2 987 837 tons to 3 025 546 tons. All the major vegetable types in terms of volumes produced increased, except for onions that decreased by 2,1%.

The production of vegetables (excluding potatoes) in South Africa for the period 2015/16 to 2019/20 compares as follows:

Year	2015/16	2016/17	2017/18	2018/19	2019/20
	'000 tons				
Tomatoes	605	667	610	558	604
Onions	695	714	718	724	709
Green mealies and sweet corn	378	380	390	394	401
Cabbages	139	154	161	161	163
Pumpkins	254	261	264	265	275
Carrots	215	218	231	217	217
Other	630	637	667	669	657
Total	2 916	3 031	3 041	2 988	3 026

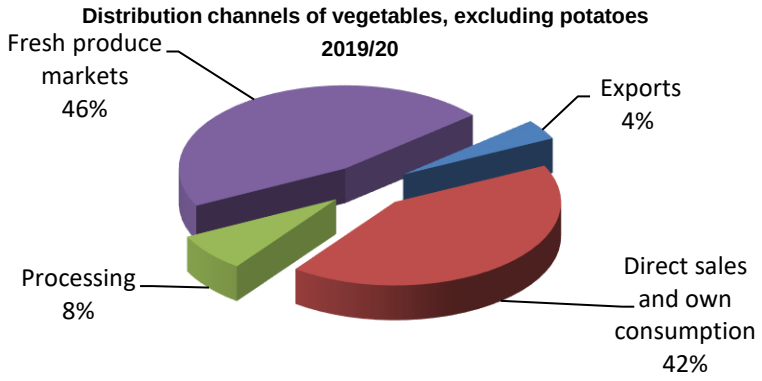
Relative importance of major vegetable types

The relative importance of the major vegetable types, according to gross value of production during the 12 months up to 30 June 2020, is depicted in the following graph:



Distribution channels

As depicted in the following graph, approximately 46% of the volume of vegetables produced is traded on the major fresh produce markets. The total volume of vegetables (excluding potatoes) sold on these markets during 2019/20 amounted to 1 400 066 tons, as against 1 388 435 tons sold during 2018/19, which represents an increase of 0,8%.



The values of sales of vegetables (excluding potatoes) on the major South African fresh produce markets for the period 2015/16 to 2019/20 were as follows:

Year	2015/16	2016/17	2017/18	2018/19	2019/20
	R'000				
Tomatoes	1 811 846	1 769 685	1 889 871	2 042 981	2 013 436
Onions	1 484 091	1 376 110	1 662 549	1 526 336	1 772 657
Green mealies and sweet corn	56 557	60 925	64 325	68 346	80 726
Cabbages	254 683	258 037	245 072	312 297	327 106
Pumpkins	114 110	129 494	120 885	129 210	134 394
Carrots	468 564	464 141	469 735	520 739	529 929
Other	2 261 733	2 320 432	2 353 787	2 603 837	2 751 365
Total	6 440 584	6 381 824	6 806 224	7 203 746	7 609 613

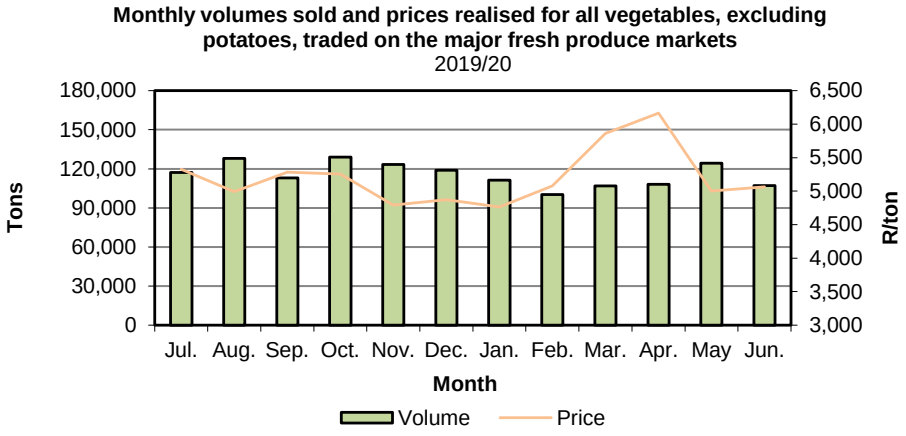
The value of tomatoes showed a decrease of 1,4% from 2018/19 to 2019/20, while the values of all other vegetables increased during 2019/20.

Prices

The average prices of vegetables realised on the fresh produce markets for the period 2015/16 to 2019/20 were as follows:

Year	2015/16	2016/17	2017/18	2018/19	2019/20
	R/ton				
Tomatoes	6 094,66	5 535,3	6 048,16	6 972,81	6 674,04
+Onions	3 798,95	3 416,93	4 093,11	3 817,94	4 411,40
Green mealies and sweet corn	16 160,78	15 196,88	15 987,82	18 581,06	20 916,81
Cabbages	2 481,00	2 269,75	2 061,65	2 613,69	2 695,29
Pumpkins	2 236,82	2 400,33	2 257,70	2 485,99	2 332,16
Carrots	3 710,18	3 535,37	3 373,42	3 878,89	4 025,37
Other	4 791,73	4 571,72	4 776,50	5 188,39	5 435,18

Of the major vegetable types, the prices increased, except for pumpkins and tomatoes that showed a decrease of 6,2% and 4,3%, respectively.



Consumption

The importance of vegetables in a healthy diet is being strongly promoted by all the stakeholders in the fresh produce marketing chain. The per capita consumption of fresh vegetables was 45,01 kg during 2019/20, approximately 0,8% lower than the 45,37 kg of 2018/19.

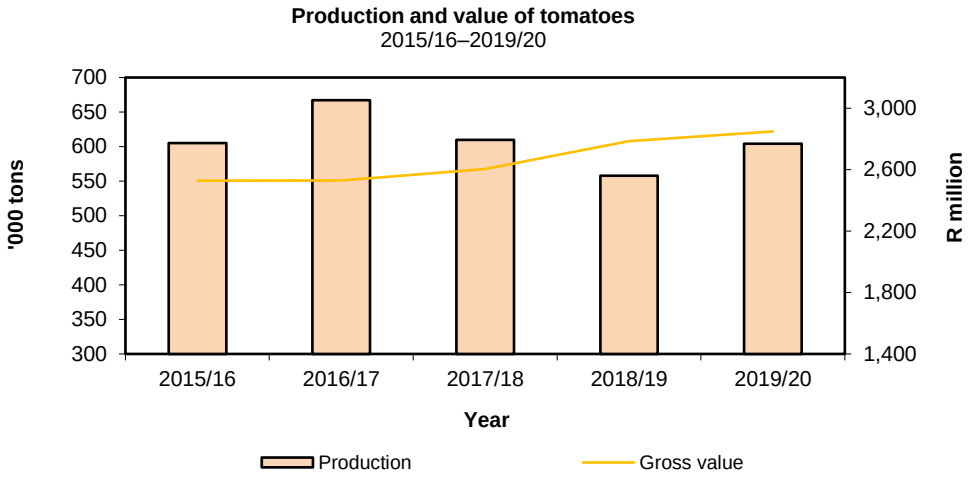
Tomatoes

Production and value

Production of tomatoes increased by 8,3%, from 557 743 tons in 2018/19 (July to June) to 603 792 tons in 2019/20.

The gross value of production increased by 2,3%, from R2 786 million in 2018/19 to R2 849 million in 2019/20.

Sales



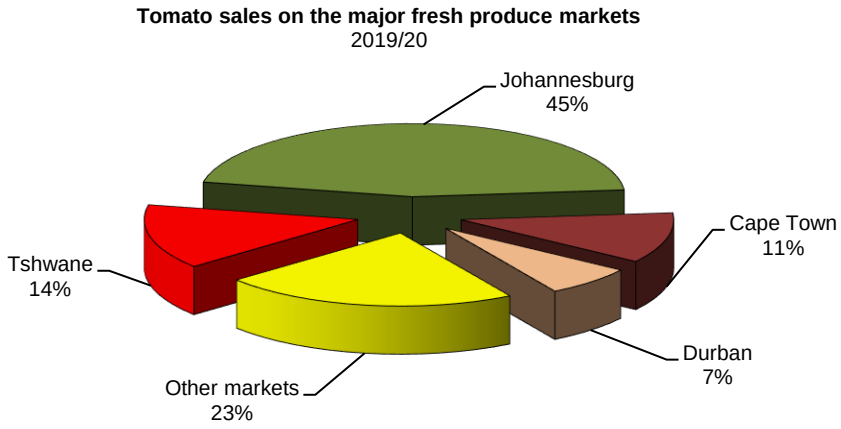
Sales on fresh produce markets constituted approximately 50,0% and direct sales approximately 27,0% of the total volume of tomato sales.

Owing to the geographic distribution and production of tomatoes, a sufficient volume of good quality tomatoes is normally being produced almost throughout the year to meet the daily demand.

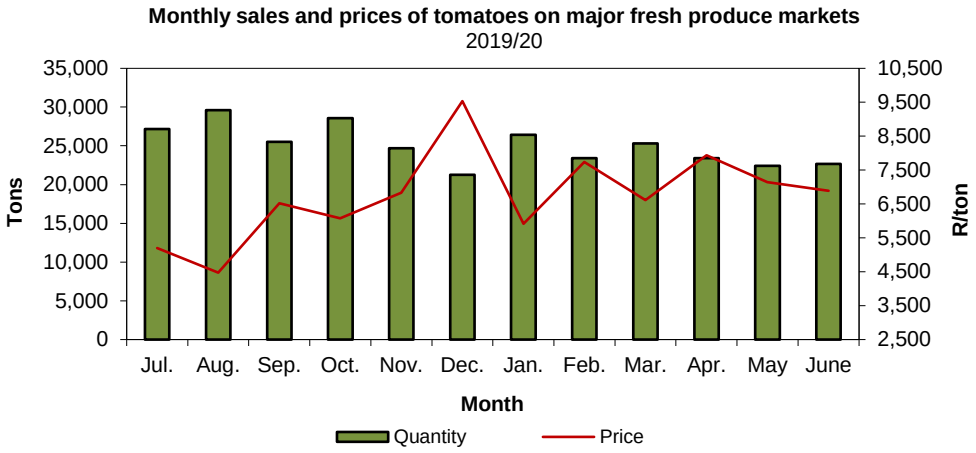
The quantity of tomatoes sold on the 21 major fresh produce markets increased by 3,0%, from 292 992 tons in 2018/19 to 301 682 tons in 2019/20.

Prices

The average price of tomatoes sold on the major fresh produce markets decreased by 4,3%, from R6 972,82



per ton during 2018/19 to R6 674,04 per ton during 2019/20. The decrease was mainly the result of an increase in volumes being offered. Tomatoes are subjected to large seasonal price fluctuations; therefore, there is a high price risk involved.



*Exports**

The quantity of tomatoes exported decreased by 28,8%, from 12 219 tons in 2018/19 to 8 699 tons in 2019/20.

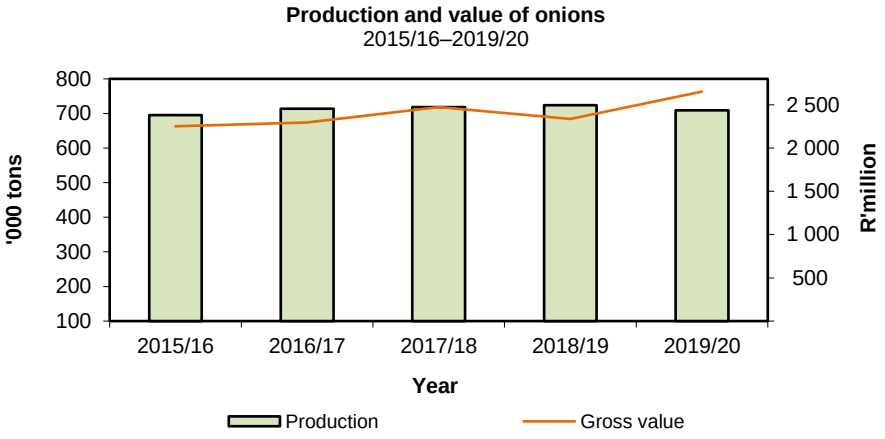
*Source: *Customs and Excise*

Onions

Production

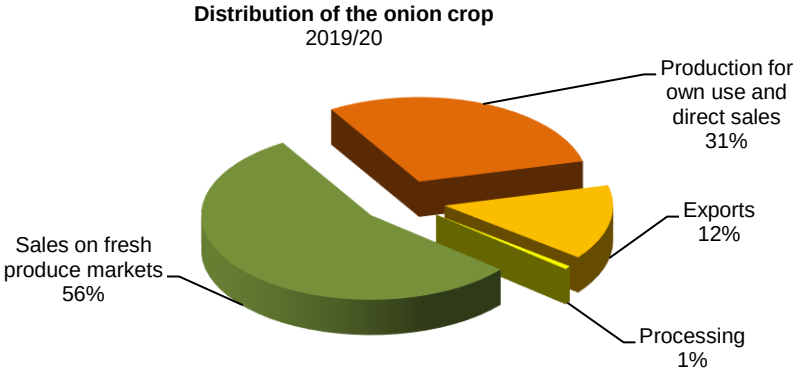
Onions are produced in almost all the provinces of South Africa.

Approximately 709 233 tons of onions were produced during the 2019/20 season (July to June). This is 2,1% less than the 724 123 tons of the previous season. The industry experienced an average annual increase of 1,0% in production from 2015/16 to 2019/20.

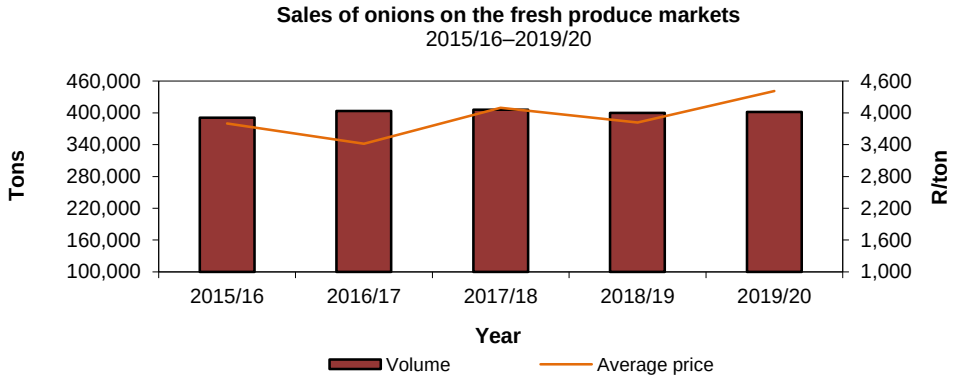


Sales

The fresh produce markets remains an important marketing channel for onions. Approximately 56% of the total production during the 2019/20 season was sold on the major fresh produce markets, while 12% was exported. The remainder comprises of producers' own consumption and direct sales to supermarkets and chain stores (31%) and a small quantity, less than 1%, was sold to processing factories.



The sales of onions on the fresh produce markets increased by 1,02%, from 399 780 tons in 2018/19 to 401 835 tons in 2019/20.



Prices

Onion prices are higher than the previous year. Volumes were low and had a good impact on the prices. The average price of onions sold on the fresh produce markets increased by 15,5%, from R3 818 per ton in 2018/19 to R4 411 per ton in 2019/20.

Processing

Approximately 1% of the total production of onions was taken in for processing during the 2019/20 season. There has been an increase in the total processing of onions since the 2015/16 season, when 5 282 tons were taken in for processing compared to 5 802 tons in the 2019/20 season. During 2019/20, about 92,4% was canned and the remaining 7,6% was frozen.

*Exports**

During the 2019/20 season, the volume of onions exported represented approximately 12% of the total onion crop. The volume of exports decreased by 20%, from 103 870 tons in 2018/19 to 84 604 tons during 2019/20.
* Source: *Customs and Excise*

Potatoes

There are 16 distinct potato-production regions in South Africa, which are spread throughout the country. The main regions are situated in the Free State, Western Cape, Limpopo and Mpumalanga. Potatoes are planted at different times because of climate differences in the production areas, resulting in fresh potatoes being available throughout the year. In the early 1990s, there was a major shift in production from dryland to irrigation and currently almost 80% of plantings are under irrigation.

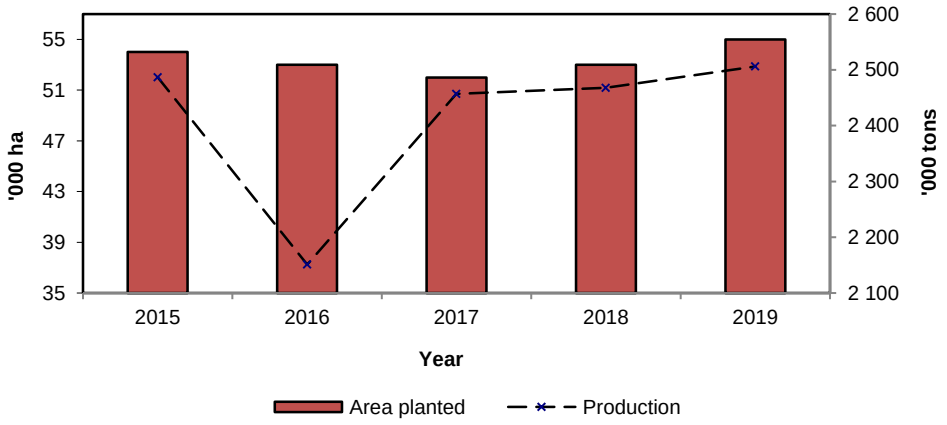
Area planted

Plantings for 2019 were 55 338 ha, which was 4,4% higher than the 53 011 ha of the previous year.

Production

In 2019, the average yield was approximately 4 548 x 10 kg pockets per hectare, compared to 4 645 x 10 kg pockets per hectare in 2018, which is a decrease of 2,1%.

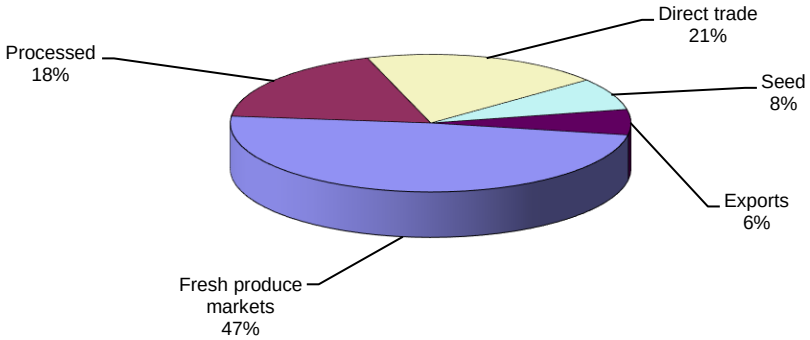
Production of and area planted to potatoes
2015–2019



Sales

The major fresh produce markets remain an important channel for the sale of potatoes.

Utilisation of the potato crop
2019

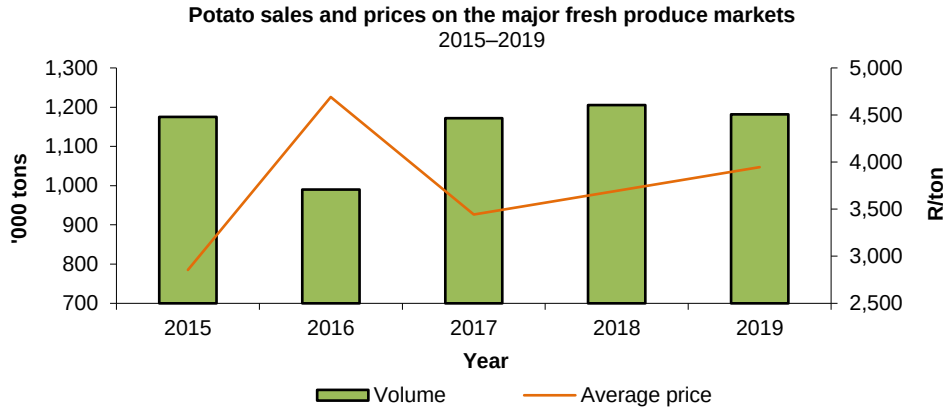


During 2019, approximately 118 million x 10 kg pockets of potatoes were sold on the major fresh produce markets, as against 120 million in 2018—a decrease of 1,7%. The Johannesburg Fresh Produce Market remains the biggest outlet, followed by the Tshwane, Cape Town and Durban markets. During the five years from 2015 to 2019, potato sales on the major fresh produce markets on average showed an increase of approximately 2,3%.

Prices

Between 2015 and 2019, potato prices realised on the major fresh produce markets increased by an average of 3,4% per annum, from R3 427 per ton in 2015 to R3 948 per ton in 2019.

The average price increased by 6,8%, from R3 696 per ton in 2018 to R3 948 per ton in 2019.



Processing

During 2019, approximately 18,3% of the total potato production was taken in for processing. About 91,0% of these potatoes were processed into potato chips, both fresh and frozen. The remaining 7,7% and 1,3% was used for freezing and canning, respectively. The processing of potatoes showed an increase of 1,5%, from 451 228 tons in 2018 to 458 185 tons in 2019.

*Exports**

More than 100 535 tons, approximately 6,0% of total local potato production, was exported during 2019. The quantities of potatoes exported increased by 6,3% from 2018. During 2019, 89,0% of total potato exports went to SADC, East and Southern Africa and Western Africa.

*Source: *Customs and Excise*

Consumption

The total gross human consumption of potatoes increased by 0,6% and the per capita consumption decreased by 1,1 kg to about 35,77 kg.

Year	2015	2016	2017	2018	2019
Total production (‘000 tons)	2 487	2 151	2 457	2 468	2 506
Gross human consumption (‘000 tons)	2 102	1 811	2 076	2 089	2 103
Per capita consumption (kg p.a.)	38,26	32,39	36,73	36,18	35,77

Prospects

It is expected that there will be a decrease in the production of potatoes in 2020: a total crop of approximately 245 million x 10 kg pockets.

ANIMAL PRODUCTION

Livestock numbers

Extensive livestock farming is vast in the country, appropriating four-fifths of the agricultural land in South Africa. However, livestock is also found in areas where there is a combination with other farming enterprises.

Below normal rainfall over the recent years has meant that the area involved in cattle, sheep and goat farming, which is approximately 590 000 km^2, has been negatively affected. Representing 53% of all agricultural land in the country, this badly affected grazing area has not recovered in the past year as near normal to normal rainfall has not been recorded in most provinces. Livestock conditions recorded were reasonable to good in most provinces over the same period. Commercial sheep farms also occur in other areas such as the Kgalagadi, the winter rainfall area and the grasslands of Mpumalanga, as well as the eastern Free State and KwaZulu-Natal, with challenges of wild animals and stock theft threatening the successful farming thereof.

The past couple of years have seen below normal rainfall in most provinces, with scarce availability of fodder and grazing and requiring farmers to supplement with feed. As such, it is logical that a good correlation would exist between rainfall and the size of the national herd, particularly cattle.

Cattle

Cattle are found throughout the country, but mainly in the Eastern Cape, KwaZulu-Natal, Free State and North West. Herd sizes vary according to type of cattle, ranging between less than 50 and 300 for dairy cattle, while beef cattle herds range from fairly small (less than 20 head of cattle) to large farms and feedlots (more than 4 000 head). Some farms in the North West and Gauteng have been found to have some of the largest cattle herds in in the country. The production of weaners for the feedlot industry is the main form of cattle farming – feedlots account for approximately 75% of all beef produced in the country. Prices (R/kg) for weaners and live animals are lower for the first half of the year in comparison to 2018 (Source: SA Feedlot Association).

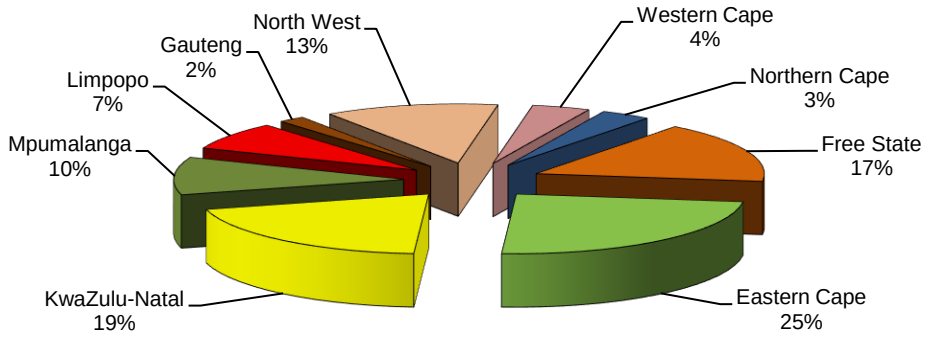
The total number of cattle in South Africa at the end of August 2020 is estimated at 12,30 million, comprising various international dairy and beef cattle breeds in addition to indigenous breeds such as the Afrikaner and the Nguni. The number is approximately 2,07% lower than the estimate of 12,56 million as at the end of August 2019. Beef cattle contribute approximately 80% to the total number of cattle in the country, while dairy cattle make up the remaining 20%. Holstein-Friesian, Jersey, Guernsey and Ayrshire are the four major dairy breeds found in South Africa.

Cattle numbers per province since 2016 are estimated to be as follows:

Province	**2016**	**2017**	**2018**	**2019**	**2020**
	'000 (August)				
Western Cape	552	518	507	488	466
Northern Cape	492	479	442	433	419
Free State	2 232	2 179	2 178	2 109	2 054
Eastern Cape	3 268	3 149	3 145	3 082	3 050
KwaZulu-Natal	2 633	2 496	2 481	2 481	2 380
Mpumalanga	1 373	1 326	1 279	1 243	1 248
Limpopo	987	981	936	898	860
Gauteng	246	246	246	246	246
North West	1 616	1 580	1 574	1 578	1 576
Total	13 399	12 954	12 788	12 558	12 298

** Preliminary*

Distribution of cattle by province
August 2020 (%)

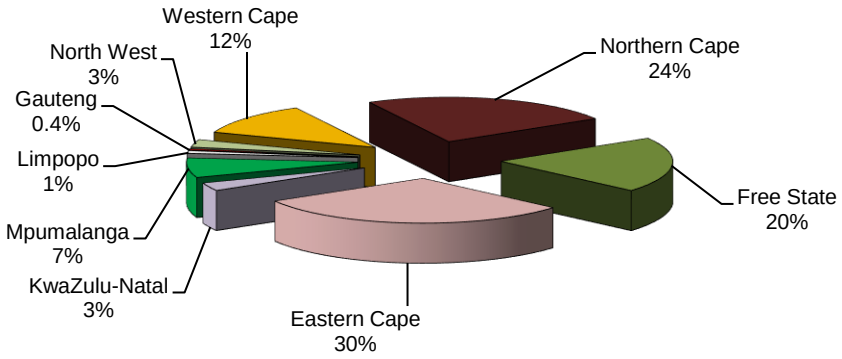


There are various breeders' organisations representing most international and indigenous cattle breeds. Most of the organisations are affiliated to the South African Studbook and Animal Improvement Association. The Milk Producers' Organisation (MPO) is the most prominent producer organisation in the South African dairy sector. The Red Meat Producers' Organisation (RPO) and the National Emergent Red Meat Producers' Organisation (NERPO) represent producers in the commercial and emerging agricultural sectors, respectively.

Sheep

Sheep farming is found in all provinces, but these are mostly concentrated in the more arid parts of the country. The total number of sheep in South Africa at the end of August 2020 were estimated at 21,60 million, 2,22% lower than the estimated 22,09 million as at the end of August 2019. For August 2020, the largest numbers of sheep were estimated to be in the Eastern Cape (30%), Northern Cape (24%), Free State (20%) and Western Cape (12%).

Distribution of sheep by province
August 2020 (%)



Flock sizes vary between less than 50 and 1 800 animals. Sheep flocks in the Eastern, Western and Northern Cape tend to be much larger than those in the other provinces.

The animals are kept mainly for wool and mutton production and the industry is therefore represented by organisations from the mutton as well as the wool industry. The sheep industry also has various breeders' associations, with the Dorper Sheep Breeders' Society of South Africa and Merino SA being the most prominent. The Western Cape, the inland Karoo and the Overberg produce wool and mutton and also the pedigree Merino breeding stock.

According to RPO, mutton producer prices were higher in December 2020, year-on-year, approximately 16%, 25% and 31% for Class A, B, and C, respectively, due to lower numbers and declining slaughter figures.

The number of sheep in the various provinces since 2016 was estimated to be as follows:

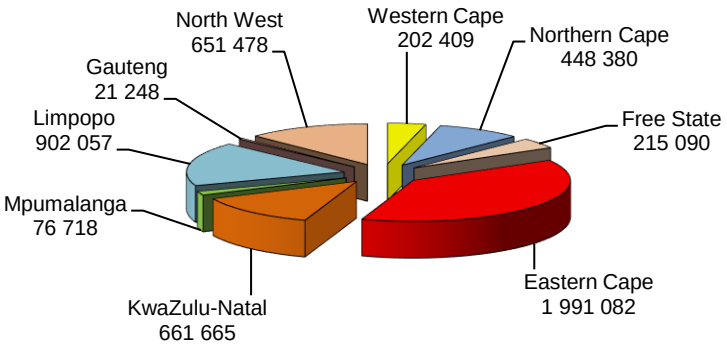
Province	2016	2017	2018	2019	2020
	'000 (August)				
Western Cape	2 757	2 695	2 663	2 623	2 545
Northern Cape	5 768	5 582	5 496	5 305	5 182
Free State	4 517	4 521	4 510	4 518	4 330
Eastern Cape	6 866	6 622	6 630	6 531	6 513
KwaZulu-Natal	727	692	680	656	628
Mpumalanga	1 692	1 652	1 606	1 554	1 527
Limpopo	235	225	213	204	199
Gauteng	95	92	90	87	84
North West	630	608	611	607	596
Total	23 287	22 689	22 499	22 085	21 605

** Preliminary*

Goats

Goats are found mainly in the Eastern Cape, Limpopo, KwaZulu-Natal and North West. Estimates indicate that there was a decrease of 1,54% in the number of goats, from 5,251 million in August 2019 to 5,170 million in August 2020.

Distribution of goats by province
August 2020



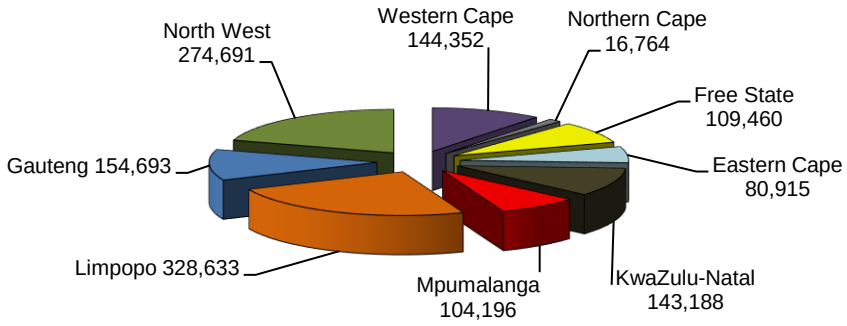
**Preliminary*

Flocks of goats intended for meat production are usually smaller than sheep flocks, averaging approximately 300 goats per farm. Angora goats are kept primarily for mohair production, while Boer goats are mainly for meat production. According to the SA Milch Goat Breeders' Society, there are also farmers who have adopted a market differentiating strategy by producing goat's milk and these are increasing in numbers.

Pigs

Pigs are found predominantly in Limpopo, North West, Gauteng and the Western Cape. There are approximately 400 commercial pork producers and 19 stud breeders in South Africa. It is estimated that pig numbers decreased from 1,389 million in August 2019 to 1,357 million as of August 2020, a drop of 2,30%.

Distribution of pigs by province
August 2020



**Preliminary*

The South African Pork Producers' Organisation (SAPPO) is the official mouthpiece for pork producers in South Africa. The organisation is primarily concerned with administration, liaison with government, the promotion of pork and pork products and matters of national interest such as health and research.

The total number of employees in the formal pork production industry in South Africa is estimated to be approximately 10 000, comprising about 4 000 farm workers and 6 000 workers in the processing and abattoir sectors.

Red meat

The red meat industry is one of the most important growing industries in the South African agricultural sector. It contributed approximately 15,8% to the gross value of agricultural production in the RSA during 2019/20. While sheep farming is mainly extensive, a large percentage of beef animals are supplied by feedlots.

Livestock slaughtering

It is estimated that the total number of cattle slaughtered increased by 6,0%, sheep (including lambs) slaughtered decreased by 22,1% and pigs slaughtered increased by 8,5% from 2018/19 to 2019/20.

Commercial slaughtering of red meat producing livestock categories over the past five years were as follows:

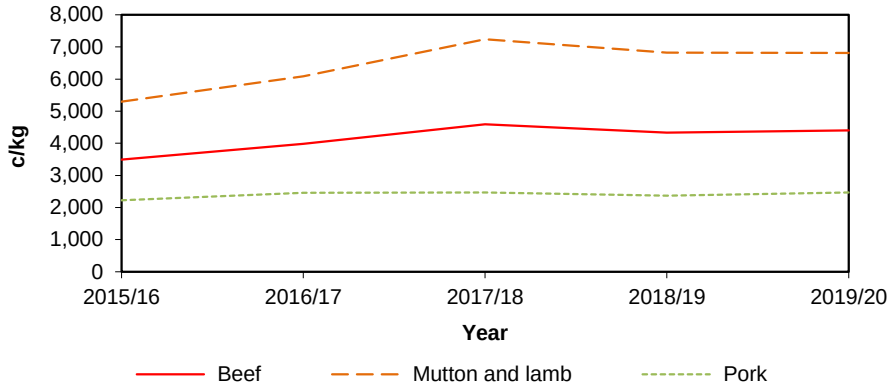
Year	2015/16	2016/17	2017/18	2018/19	2019/20
Cattle	3 003 535	2 853 080	2 653 789	2 445 125	2 445 125
Sheep and lambs	5 317 938	4 786 154	4 231 571	3 657 328	4 464 864
Pigs	2 812 161	2 704 933	2 927 156	3 025 292	3 281 635

Auction prices

The prices for red meat are mainly determined by the interaction between demand and supply (the latter two are affected by the level of the consumers' disposable income, the prices of substitute products and import parity prices, etc.). In the case of mutton, for example, the level of wool prices also influences the domestic supply of mutton.

The average producer price of beef for 2019/20 amounted to R44,03/kg (average for all classes on all auction markets), which represents an increase of 1,7% from the average price of R43,28/kg for 2018/19.

Average producer prices of beef, mutton and pork
2015/16–2019/20 (July to June)



In view of the ever-strong influence of international trade on the local mutton industry, both the cyclical and seasonal price patterns for mutton were influenced by imports. The average producer price for mutton and lamb decreased marginally by 0,1%, from R68,21/kg in 2018/19 to R68,14/kg in 2019/20.

The average producer price for pork increased by 4,2%, from R23,68/kg in 2018/19 to R24,69/kg in 2019/20.

Imports

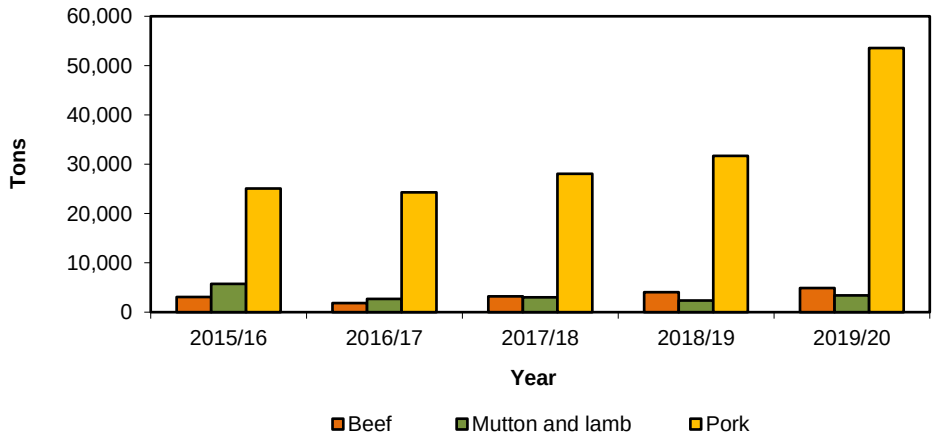
Imports of red meat increased by 62,4%, from 38 131 tons in 2018/19 to 61 916 tons in 2019/20 (43,7% higher than the average of approximately 39 403 tons for the five years up to 2019/20).

Beef imports amounted to 4 923 tons, which is an increase of 21,0% from the 4 069 tons imported during 2018/19 and 43,7% higher than the five-year average of 3 427 tons up to 2019/20.

Imports of pork amounted to 53 568 tons, an increase of 69,0% from the 31 702 tons imported during 2018/19 and 64,6% higher than the five-year average of 32 536 tons up to 2019/20.

Imports of mutton during 2019/20 amounted to 3 424 tons—an increase of 45,1% from the 2 359 tons imported the previous year and 0,4% lower than the average of 3 440 tons for the five years up to 2019/20.

Imports of red meat
2015/16–2019/20



Poultry

The poultry industry consists of the day-old chick, the broiler and the egg supply. The Southern African Poultry Association (SAPA) represents both commercial and non-commercial poultry farmers within these three subsectors.

This article focuses on the broiler and the egg industry, as the chick supply is an input into both.

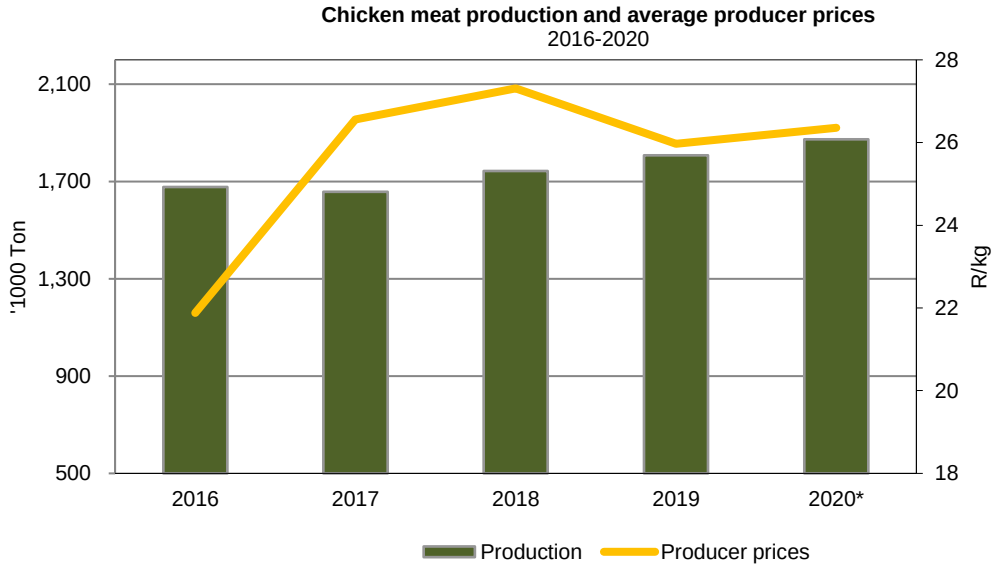
Broiler industry

The broiler industry continues to dominate the agricultural sector in South Africa as the main supplier of animal protein.

Production

The distribution of broiler birds (including broiler breeders) per province is as follows: North West (23,2%), Mpumalanga (20,0%), the Northern and Western Cape (18,0%), the Free State (12,8%), Gauteng (9,8%), the Eastern Cape (6,8%), KwaZulu-Natal (6,1%) and Limpopo (3,3%).

In 2019, a total of 1 079 million day-old chicks were hatched please confirm if correct total, an increase of 3,1% compared to the previous year. The average number of broilers slaughtered for commercial markets during 2019 was estimated at 1 017,9 million. This is 3,6% more than the 983,0 million slaughtered during 2018. Annual production of chicken meat totalled 1,813 million tons in 2019. This includes broilers for commercial markets, production by subsistence farming and also meat from the sale of spent broiler breeder hens and cocks and spent hens from the egg industry. During the first six months of 2020, an average of 20,4 million broilers were slaughtered per week.



* Expected production for 2020 and average producer price for the first nine months of 2020

Prices received by producers

The average weighted basic gross price (before rebates, advertising and distribution costs are deducted) received by producers of broilers increased by 1,5%, from R25,97/kg in 2019 to R26,36/kg in 2020.

Average weighted producer prices of broilers from 2016 to 2020 are as follows:

Year	**2016**	**2017**	**2018**	**2019**	**2020***
	R/kg				
Price of broilers	21,81	26,56	27,31	25,97	26,36

** Preliminary: January to September 2020*

Consumption

Consumption of poultry meat accounted for 62,5% of the total meat consumed (beef, mutton, goat, pork and poultry) in 2019 compared to 60,0% of the previous year. The per capita consumption of poultry meat increased slightly by 0,3%, from 39,2 kg in 2018 to 39,3 kg in 2019.

Per capita consumption of commercially produced poultry meat from 2015 to 2019 is as follows:

Year	**2015**	**2016**	**2017**	**2018**	**2019**
	kg/year				
Per capita consumption	40,4	38,9	38,1	39,2	39,3

Imports

In 2019, poultry imports totalled 539 567 tons, a year-on-year decrease of 26 643 tons or 4,7%. The value of imports amounted to R6,03 billion.

Brazil was the main country of origin of imports in 2019, accounting for 49,8%, or 268 869 tons of total poultry imports into South Africa. The USA was the second-largest importer with 16,6%, followed by the EU with 16,3%. Argentina and Ireland were at fourth and fifth position with 7,0% and 5,8% of imports, respectively.

Prospects

Following a drop in demand owing to lockdown measures implemented in an effort to contain COVID-19, the year 2020 realised an average growth in production of 4,9% and fluctuating year-on-year changes averaging a 2,8% increase when compared with 2019. During 2020, the hatcheries projected 20,49 million chicks per week, which increased by 3,4% as compared to the 19,82 million of the previous year. The broiler industry projected a production of 20,06 million per week which is an increase of 7,1% as compared to 18,73 million in 2019.

Egg industry

Based on information provided by SAPA, the distribution of layers per province is as follows: Gauteng (24,4%), Northern and Western Cape (21,5%), Free State (15,2%), North West (11,0%), KwaZulu-Natal (10,1%), Mpumalanga (9,4%), Limpopo (5,5%) and the Eastern Cape (3,0%).

The number of layers increased by 16,9%, from 23,61 million in 2018 to 27,61 million in 2019. An average flock of 28,1 million layers is projected for the first four months of 2020; this will be an increase of 8,1% or 2,1 million layers compared to the same period in 2019.

The average price received by egg producers during 2020 was 2,3% lower than the average price received during the same period of 2019.

The average weighted producer prices of eggs from 2016 to 2020 are as follows:

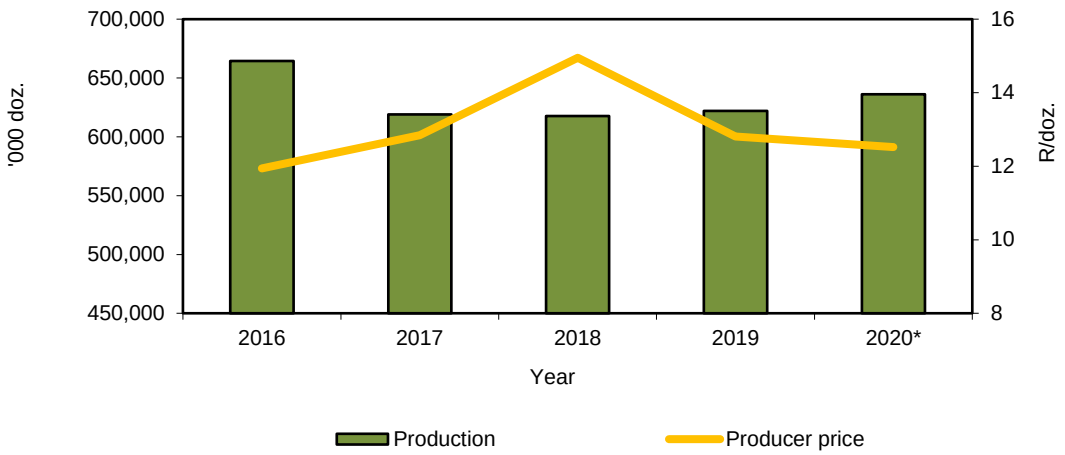
Year	**2016**	**2017**	**2018**	**2019**	**2020***
	R/dozen				
Price of eggs	11,94	12,84	14,95	12,81	12,52

** Preliminary: January to September 2020*

Production

Egg production showed a year-on-year increase of 18,0% in 2019. The average number of cases produced per week was 464 291 compared to 393 509 cases per week in 2018. The total production of eggs for human consumption in 2019 was 636 million dozen, an increase of 5,0% as compared to 606 million dozen of the previous year.

Production of eggs and prices received by producers
2016–2020



* *Preliminary: January to September 2020*

Consumption

The per capita consumption in 2019 was 147,9 eggs or 8,90 kg compared to 127,9 eggs or 7,70 kg in 2018. The reduced availability in supermarkets and increased retail price in the last quarter of 2018 and the first quarter of 2019 had a detrimental effect on consumption. Eggs are still an affordable animal protein source in comparison with meat. During 2019, 551 000 tons of eggs were consumed. This amounted to 12,8% of the total protein (beef, mutton, goat, pork, poultry and eggs) consumption.

Prospects

New breed standards have been applied to the model and the laying cycle has been extended by four weeks to 72 weeks. These were gradually phased in from November 2017 so that the changes were fully implemented by January 2019; as a result, hen and egg numbers have increased. Hen numbers increased from 25,14 million at the end of December 2018 to 9,8% or 27,61 million during the same period of 2019. Consequently, egg production is expected to increase by 11,2% or 472 825 cases per week during the first four months of 2020.

Milk

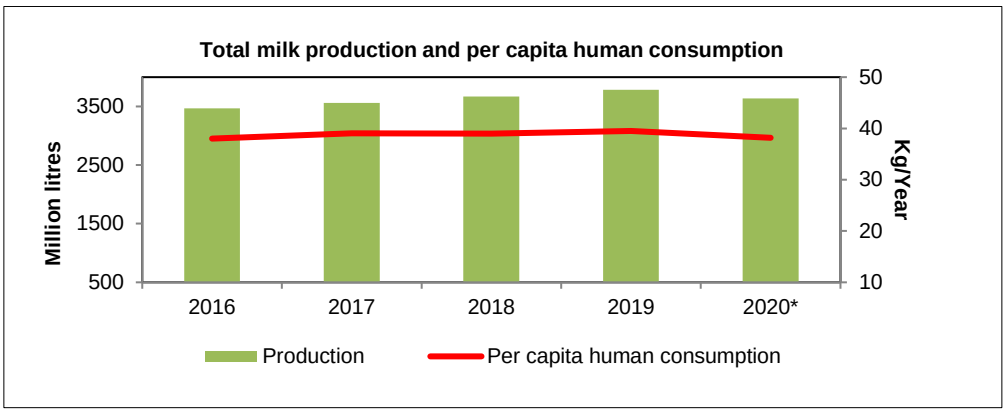
Milk is produced in almost all the areas in South Africa; however, the coastal areas are the most suitable due to their mild temperatures and good rainfall conditions. According to the Milk Producers' Organisation, the number of commercial milk producers in South Africa decreased drastically by 56,7% to 1 164 in January 2020, from 2 686 in January 2011. Despite the decrease in the number of commercial milk producers, milk production increased on average by 2,7% per year since 2011.

In 2019, the Western Cape was the largest milk producer, accounting for 30,3% of the total commercial milk production, followed by the Eastern Cape (29,1%), KwaZulu-Natal (28,1%), Free State (5,9%), North-West (2,3%), Gauteng (2,0%), Mpumalanga (1,8%) and Limpopo (0,5%).

South Africa contributes insignificantly (0,5%) to global milk production, however, in terms of the value of agricultural production, the milk industry was the seventh largest agricultural industry locally in 2019. The gross value of milk produced in 2019, including milk for the producer's own consumption and on-farm usage, increased marginally by 0,4% to R16 579 million, compared to R16 512 million in 2018. This was the result of the increase of 3,2% in volume of production.

Milk production in South Africa usually meets the local demand and therefore shortages are unlikely reported every year. Total milk production (*which includes production from commercial, informal and subsistence farms*) increased by 3,2% and was estimated at 3 787 million litres in 2019, compared to 3 669 million litres in 2018.

The per capita human consumption of milk increased by 0,2% per year and is estimated at 39 kg per year since 2016.

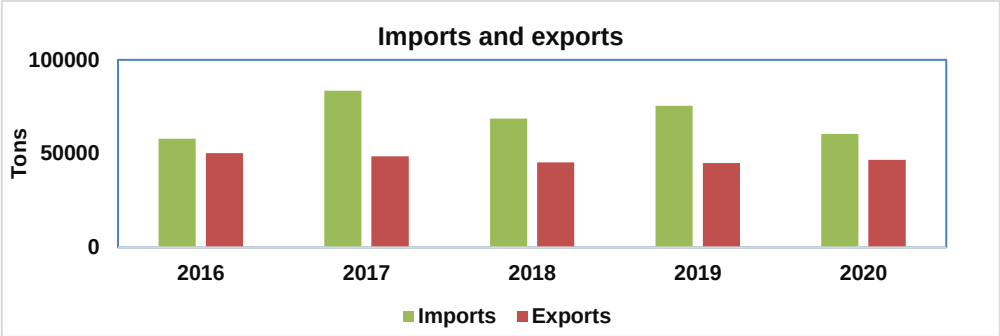


Source: MPO and DAFF

***** *Preliminary estimate (per capita consumption)*

Imports and exports of dairy products

According to the South African Milk Processors' Organisation (SAMPRO), South Africa imported approximately 60 579 tons of dairy products in 2020, compared to 75 596 tons in 2019, which is a decrease of 19,9%. The exported dairy products increased by 3,6% to 46 695 tons in 2020, from 45 052 tons in 2019.



Source: SAMPRO

Prices

Producer prices of milk increased by 14,2% to R5,00/ℓ in 2020, compared to R4,38/ℓ in 2019, largely because of the decrease of 4,0% in production levels.

Production season	**2016**	**2017**	**2018**	**2019**	**2020**
Average producer price	4,56	4,90	4,50	4,38	5,00

Source: MPO

Wool

Areas of production

Wool is produced throughout South Africa; however, the main production areas are in the drier regions of the country. Based on annual sales of producer lots, the Eastern Cape was the largest wool-producing province during 2019/20 with 16,9 million kg, followed by the Free State with 11,1 million kg, the Western Cape with 8,2 million kg, the Northern Cape with 5,3 million kg and Mpumalanga with 2,3 million kg, while 1,8 million kg were produced in the remaining four provinces.

Production

South Africa, like Australia, produces mainly apparel wool, while the bulk of the wool of the other major producers, such as New Zealand, China, Uruguay and Argentina, is the coarse type used in the manufacturing of carpets and interior textiles. The main fibres competing with wool are cotton and man-made fibres such as polyester, nylon and acrylic.

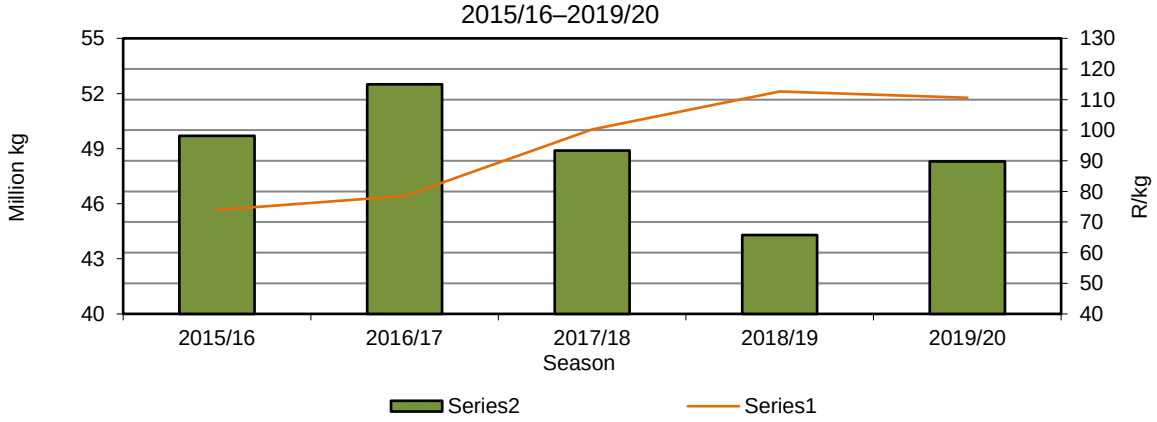
Total receipts for 2019/20 increased to 48,3 million kg, which is an increase of 13,2% in 2018/19. The increase was mainly due to increased volumes offered for sale by Lesotho producers.

Marketing

An excess of 90% of all greasy wool sold in South Africa is traded by means of weekly auctions taking place from August to June. Normally, there is considerable volatility in prices during and between auctions. The price of wool is determined by a complex set of variables, including the level of the market in Australia on a specific day, exchange rate fluctuations, quantities offered for sale at auctions, the specific demand for different wool types at various times, the extent and timing of contract commitments by local buyers for delivery to clients and the prevailing economic conditions in wool-consuming countries.

South Africa produces mainly a Merino clip, which comprises more than 80% of all lots offered for sale. Mean fibre diameter is the major price determinant for Merino wool, with finer micron categories normally commanding a premium over medium and strong wool.

RSA wool production (including Lesotho and Namibia) and average price
2015/16–2019/20



Marketing arrangements

Wool marketing in South Africa is free from statutory intervention. Wool is traded primarily via the open-cry auction system. Wool auctions are centralised in Port Elizabeth and runs from August of one year to June the next year. Alternative selling mechanisms, such as contract growing, forward deliveries and futures, have not been established in the South African wool industry.

The global price for apparel wool is determined in Australia, where the largest volumes of wool are traded. South Africa, with its small clip, is therefore a market follower or price-taker.

Numerous sellers and few buyers are typical of wool auctions. Buyers normally have to compete for wool over a number of auctions to make up processing batches to meet their clients' contract specifications in terms of

price, quantity and delivery date. Contracts in foreign currencies, such as the euro or the US dollar, have to be converted into buying limits in Rand and the buyer carries the risk.

Cape Wools of South Africa promotes the interests of the South African wool industry. It is a non-profit company established and owned by farmers and other directly-affected industry groups registered with the Wool Forum, which represents all role players in the industry. The Board of Directors proportionately represents these groups. Cape Wools started operating on 1 September 1997.

Cape Wools' service portfolio comprises market information and statistics; research and development; transfer of wool production and promotion of wool. Cape Wools is funded by the Wool Trust from funds transferred from the former Wool Board.

Exports

Wool is an export product with approximately 94% of total production being shipped overseas, in either greasy or semi-processed form (scoured and wool top). Main export destinations for the year under review were China, the Czech Republic and Italy.

During 2019/20, the major export destinations for South African wool were as follows:

Wool shipments to the five top export destinations – July 2019 to June 2020								
Country	Greasy		Scoured		Top and noils		Total	% of total FOB value
	Value R1 000	Volume Kg	Value R1 000	Volume Kg	Value R1 000	Volume Kg	Value R1 000	
China/Macau/ Hong Kong	4 344 200	32 062	1 594	16	0	0	4 345 795	73,8
Czech Republic	599 057	5 621	0	0	0	0	599 057	10,2
Bulgaria	516 721	2 442	0	0	0	0	516 721	8,8
Italy	147 950	2 320	37 531	356	0	0	185 481	3,1
India	155 485	789	2 693	29	0	0	158 178	2,7

Outlook

Merino wool production in Australia and overseas improved wool quality in Australia because of better seasonal conditions and stronger global textile demand.

.**Mohair 2020**

Production

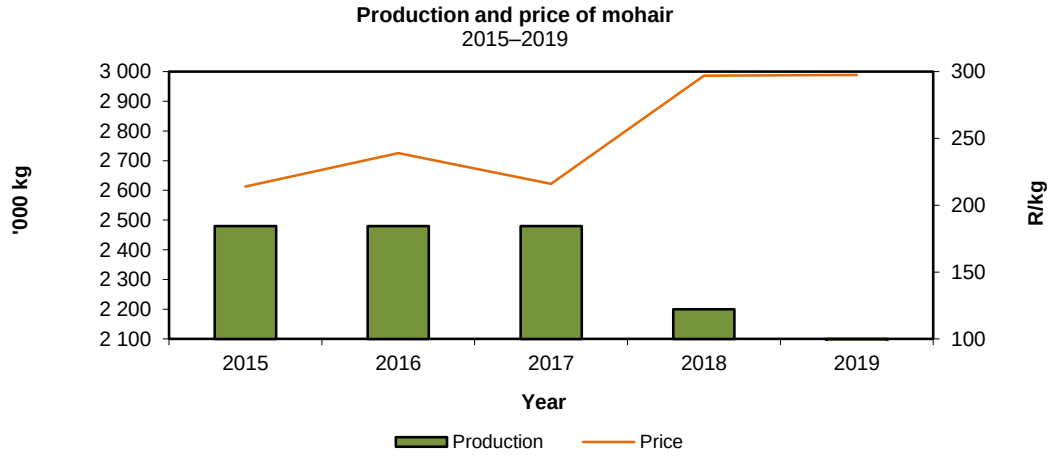
Mohair production in South Africa mainly occurs in the Eastern Cape and also the adjacent part of the Western Cape.

South Africa produces approximately 53% of the world mohair clip. In realising the responsibility involved in being the most reliable source of mohair, Mohair South Africa was established to perform functions aimed at the advancement of the entire mohair industry. Through selective breeding and farming techniques, the Angora goat farmer plays a crucial role in promoting the constant availability of quality natural fibres.

South Africa's mohair production showed a downward trend up to 2011, when production was 2,2 million kg. From 2012, production increased moderately to 2,48 million kg in 2015 and remained at this level during 2017.

Production of mohair by South Africa during the period 2015 to 2019 is as follows:

Year	**2015**	**2016**	**2017**	**2018**	**2019**
	Million kg				
Production	2,5	2,5	2,5	2,2	2,1



Prices

The average auction price of mohair increased by 0,2%, from R297,00/kg in 2018, to R297,48 in 2019. Although the kid sector experienced some downward pressure, the rest of the clip had good demand. Average auction prices of mohair for the period 2015 to 2019 are as follows:

Year	**2015**	**2016**	**2017**	**2018**	**2019**
	R/kg				
Price	213,51	239,40	215,70	297,00	297,48

Imports and exports

Most of the world mohair production is imported to South Africa for further processing, after which it is exported together with locally- (including Lesotho) produced mohair. Italy became the leader in mohair imports from South Africa, followed by China and Taiwan.

Mohair exports decreased by 99,9% from 2018 to 2019 at an estimated 0,2 million kg.

Year	**2015**	**2016**	**2017**	**2018**	**2019**
	Million kg				
Imports	1,2	1,3	1,3	1,3	0,0
Exports	2,8	2,3	3,0	3,3	0,2

Prospects

Further pressure is expected on production volumes during 2019 due to drought conditions continuing over many production areas. A strong shift is experienced towards fibres produced within an ethical environment while continued growth in the Chinese market is also expected.

Ostriches

Commercial ostrich farming in the country started in 1864 with large-scale exports of feathers to Europe. The industry flourished during what was referred to as the second ostrich feather boom between 1900 and 1914. At this stage, ostriches were only farmed for their feathers and a handful of feathers were enough to buy a farm. Soon afterwards, the industry virtually collapsed as a result of changes in world fashion trends, the introduction of the motor car as a means of transport (ladies struggled to get into the cars while wearing their hats with long ostrich feathers) and the First World War.

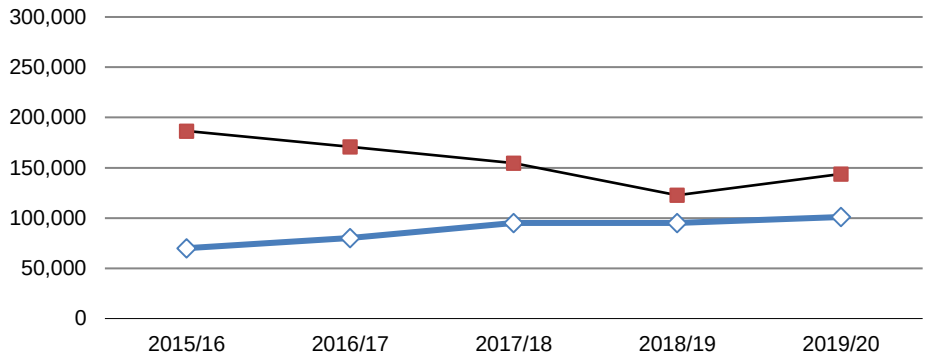
During the 1960s, the industry was transformed into an intensively managed farming activity. The emphasis shifted from feather to leather production.

More recently, ostrich meat became popular because of health benefits, and compared with beef and chicken meat, it has almost no fat and lower cholesterol, a slightly higher protein content but lower energy and calcium content, while rich in iron. The greater focus on a healthy lifestyle is causing a growing demand for ostrich meat worldwide and South Africa is normally the main supplier.

Currently, all major stakeholders in the industry are affiliated to either the National Ostrich Processors of South Africa (NOPSA) or the South African Ostrich Producers' Organisation (SAOPO). Both these organisations are key members of the South African Ostrich Business Chamber (SAOBC). The objective of the SAOBC is to facilitate the sustainability and profitability of the ostrich industry in South Africa.

The ostrich production season in South Africa runs from 1 July to 30 June and therefore the statistics provided cover this period annually.

Estimated number of ostriches slaughtered
2015/16–2019/20



According to the SAOBC, the number of birds slaughtered worldwide is estimated at ± 245 000 for 2019/20. 143 961 (59%) were slaughtered in South Africa. The production of ostriches for slaughter in RSA recovered somewhat from the drop in production due to a ban on export of fresh ostrich meat.

Worldwide, the demand for ostrich meat decreased because of the devastating effect of travel bans on the tourism and the hospitality industries due to Covid-19. However, ostrich meat will still benefit from the healthy lifestyle trend—ostrich meat is a tasty red meat and, as mentioned before, it contains almost no fat or cholesterol and is high in protein.

Demand and price for feathers is down because of cancellation of the carnivals and cabaret shows worldwide due to Covid-19 regulations.

The demand for ostrich leather of very high quality for the fashion industry is stable but the activity in other segments of the exotic leather market is slow due to the on-going uncertainty of the impact of Covid-19 on these markets and the potential for recovery. Currently, ±40% of the total income per ostrich will be for leather, ±40% for meat and ±20% for feathers.

The ostrich industry's aim is the supply of mainly higher grade leather to the market. Various research programmes regarding quality improvement and genetics are therefore being launched.

Prospects

The continued drought in the main ostrich production areas had a huge impact on production cost and ostrich feed still accounts for more than 70% of input costs.

New markets need to be developed for leather and heat treated meat for the export market, therefore, the SAOBC partnered with the Department of Trade and Industry in order to try and grow the industry's earnings in foreign revenue for South Africa, as well as safeguard the remaining direct jobs in the rural areas of the country.

The industry had to employ various strategies during the year to prevent further job losses, as the export and movement bans have left the majority of producers in a negative cash flow situation. The marketing strategy for ostrich leather needs a re-think since the market for luxury goods is changing quickly and the demand for exotic leather stay slow.

The biggest risk for the sustainability of the industry lies in the potential outbreaks of animal diseases such as avian influenza, therefore the industry collaborates with the government to ensure compliance with international requirements in this regard. This is being done via the SAOBC, which is the representative body for the entire South African ostrich industry.

The industry's responsibility towards the natural environment is important; therefore, a biodiversity management unit was established at the SAOBC, which has developed a long-term biodiversity management strategy for the industry. The unit also helps producers to ensure a balance between conservation and utilisation of the natural environment.

During 2020, the South African Ostrich Industry implemented the new SAOBC Ostrich Standards which will address all the animal welfare and environmental challenges for the whole production chain. This initiative is welcomed by all clients in the value chain and will play a major role in the long-term sustainability of the South African Ostrich Industry.