

TRENDS

IN THE

AGRICULTURAL SECTOR

Directorate: Statistics

—2021—



agriculture, land reform
& rural development

Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA



Trends

in the

Agricultural Sector

2021

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2022

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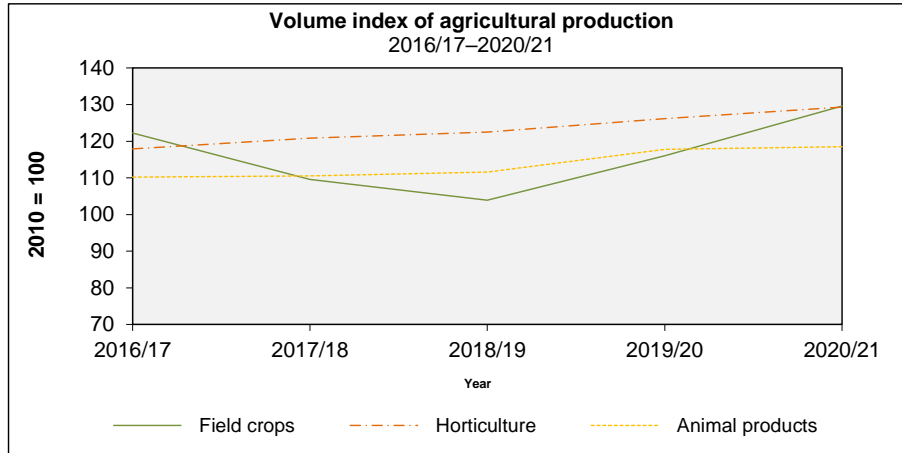
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ECONOMIC REVIEW OF SOUTH AFRICAN AGRICULTURE FOR THE YEAR ENDED 30 JUNE 2021

Volume of agricultural production

The estimated volume of agricultural production in 2020/21 was 3,7% more than in 2019/20.



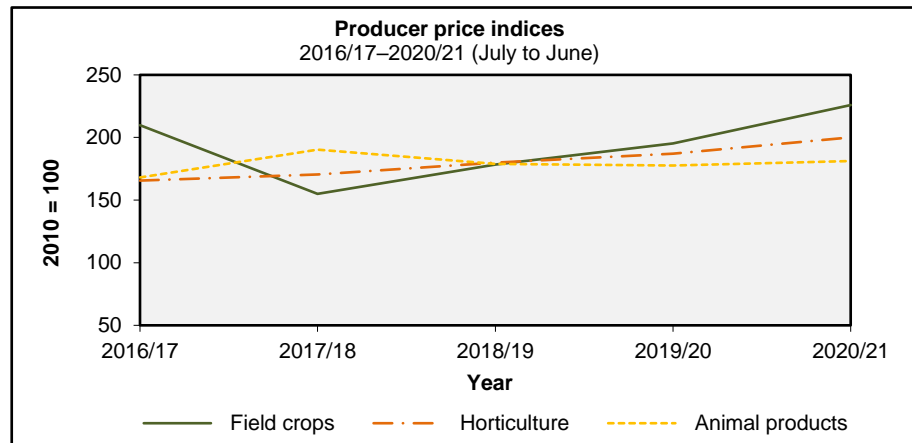
The field crop production volume for 2020/21 increased by 11,7%, mainly as a result of increases in the production of summer crops (maize and sorghum), winter crops (wheat, barley, canola and oats) and the oilseed crops (soya bean and groundnuts). Maize production increased by 1,1 million tons (7,1%) and sorghum by 52 880 tons (29,1%) from 2019/20. Wheat production increased by 587 598 tons (38,1%), barley by 243 000 tons (70,4%), canola by 70 200 tons (73,9%) and oats production increased by 40 500 tons (245,4%), compared to the previous season. Furthermore, the production of soya bean increased by 672 650 tons (54,0%) and groundnuts by 9 980 tons (17,6%) as compared to 2019/20.

Horticultural production for 2020/21 increased by 2,4% from the previous season, which can mainly be attributed to increases in the production of deciduous and citrus fruit. The production of apples increased by 78 123 tons (7,9%), table grapes by 45 096 tons (13,7%), plums by 30 154 tons (46,2%), pears by 29 941 tons (7,1%), apricots by 17 811 tons (115,1%) and peaches by 6 413 tons (4,0%), which all contributed to an increase in the production of deciduous fruit as compared to 2019/20. Furthermore, the production of lemons increased by 154 169 tons (30,1%), soft citrus by 120 953 tons (37,0%) and grapefruit by 37 492 tons (9,9%), which all led to an increase in the production of citrus fruit from the previous season.

Animal production increased by 0,7%, mainly as a result of increases in the production of stock slaughtered (cattle and calves, pork and goats) and poultry meat for 2020/21 as compared to 2019/20. The production of stock slaughtered for cattle and calves increased by 18 606 tons (2,2%), pork by 15 844 tons (5,7%) and goats by 23 tons (1,6%) as compared to 2019/20. Furthermore, the production of poultry meat increased by 38 043 tons (2,1%) as compared to the previous season.

Producer prices of agricultural products

The weighted average price received by farmers for their agricultural products increased by 6,7% as the result of the increase in prices of field crops and horticultural products by 15,7% and 7,0%, respectively.



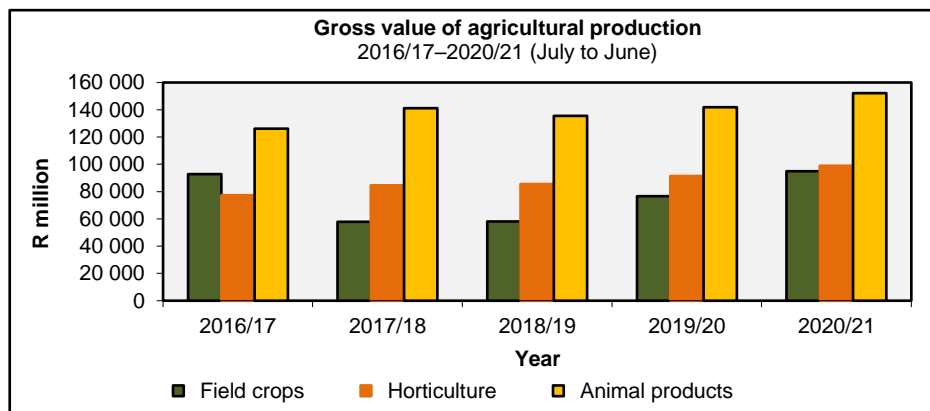
The 15,7% increase in the weighted average price of field crops was the result of the increase in prices of oilseeds by 34,8%, tobacco by 34,1%, sugar cane by 15,3%, hay by 15,2%, summer grains by 14,2%, dry beans by 12,6% and winter grains by 8,2%. The prices of cotton decreased by 1,9%.

The weighted average price of horticultural products increased by 7,0% due to the increase in the prices of vegetables and fruit by 16,5% and 4,2%, respectively. The prices of viticulture showed a decrease of 5,7%.

The weighted average price of animal products increased by 2,0%, largely because of the increase in prices of milk by 17,6%. The prices of pastoral products decreased by 3,5% and poultry meat slightly by 0,2%, while those of slaughtered stock remained unchanged.

Gross value of agricultural production

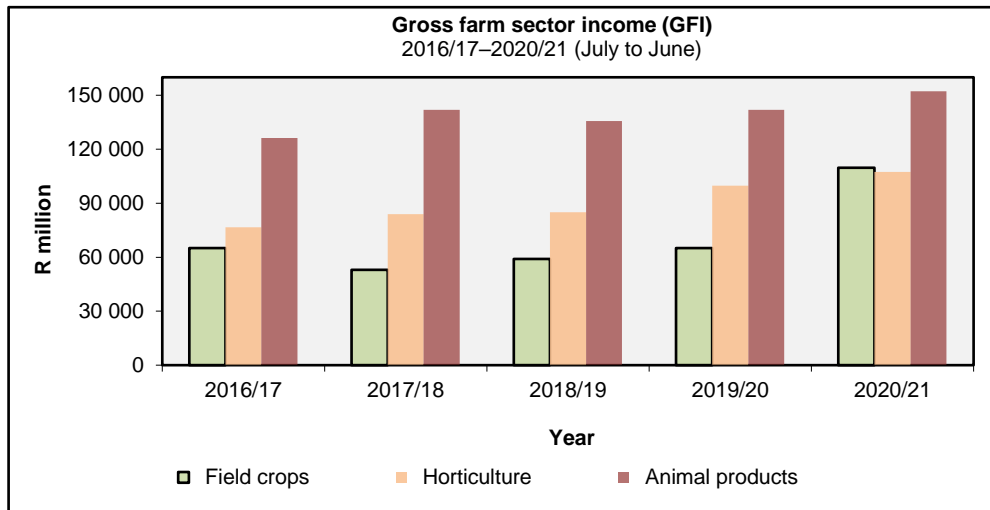
The *total gross value of agricultural production* (total production during the production season valued at the average basic prices received by producers) for 2020/21 is estimated at R346 035 million, compared to R310 179 million the previous year—an increase of 11,6%. This increase can mainly be attributed to an increase in the value of field crops.



The gross value of animal products, horticultural products and field crops contributed 44,0%, 28,6% and 27,4%, respectively, to the total gross value of agricultural production. The poultry meat industry made the largest contribution with 14,1%, followed by maize and cattle and calves slaughtered with both 11,8%.

Farming income

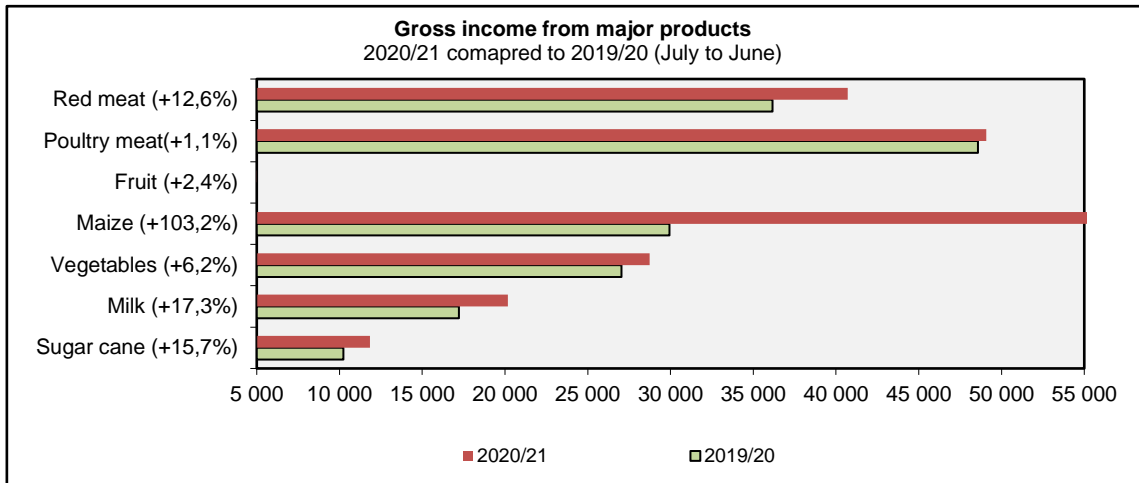
The *gross income of producers* (the value of sales and production for other uses, plus the value of changes in inventories) increased by 20,4% to R369 418 million for the year ended 30 June 2021 (2020/21), compared to R306 798 million the previous year. This was largely influenced by the increase in income from field crops by 68,5%, horticultural products by 7,8% and animal products by 7,2%.



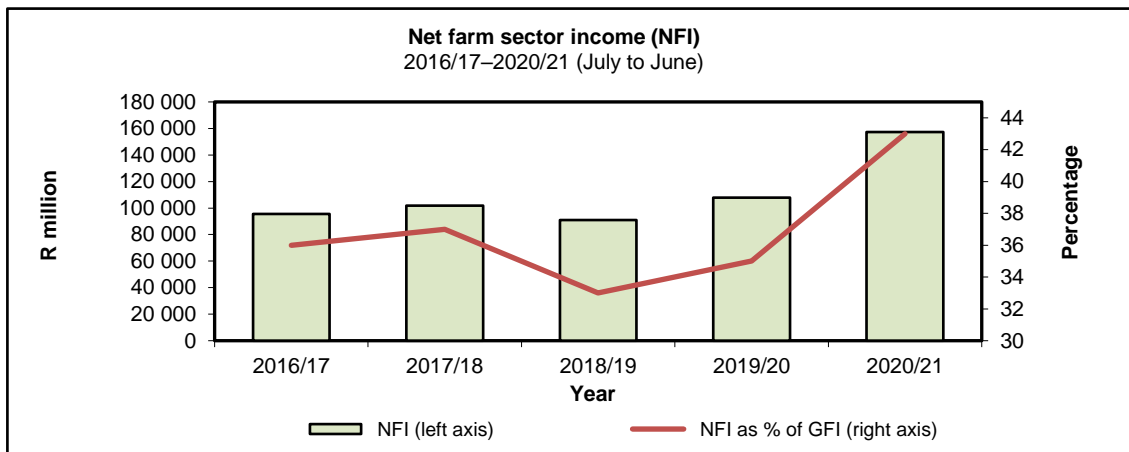
The *gross income from field crops* increased significantly by 68,5% to R109 779 million for the year ended 30 June 2021. This was driven by the increase in income from tobacco by 166,8%, maize (103,2%), soya beans (67,6%), wheat (61,5%), grain sorghum (58,6%), sunflower seed (17,9%) and sugar cane (15,7%).

The *gross income from horticultural products* increased by 7,8% to R107 460 million in the 2020/21 season, from R99 666 million in 2019/20, mainly due to the increase in income from citrus fruit by 13,4% (from R25 840 million to R29 312 million), deciduous and other fruit by 7,2% (from R26 989 million to R28 924 million), vegetables by 6,2% (from R27 047 to R28 734 million) and viticulture by 3,9% (from R5 905 million to R6 135 million).

The *gross income from animal products* increased by 7,2% and amounted to R152 180 million in 2020/21, compared to R141 976 million in 2019/20 because of the increase in income from milk by 17,3%, cattle and calves slaughtered by 12,6%, sheep slaughtered by 7,9% and poultry meat by 1,1%.



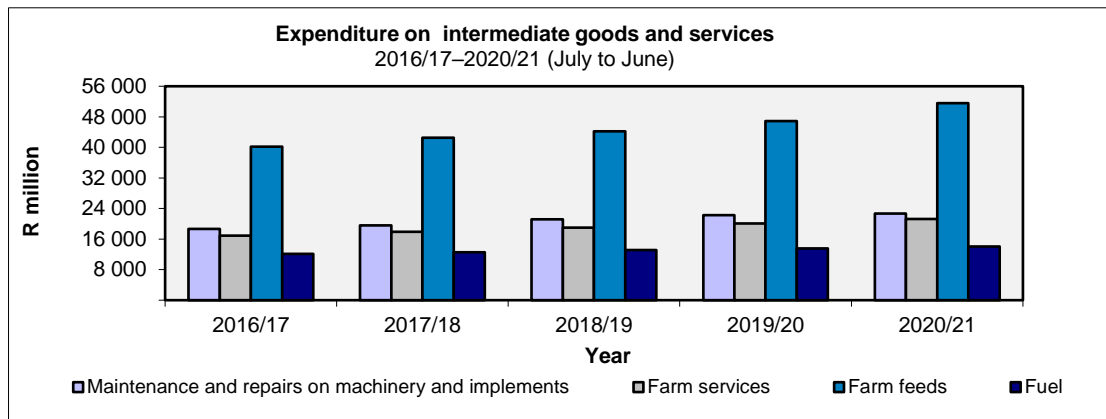
The *net farm income* (after the deduction of all production expenditure, excluding expenditure on fixed assets and capital goods) increased significantly by 46,0% and amounted to R157 360 million for the period ended on 30 June 2021. Payments for salaries and wages, which represented 9,7% of the total farming costs, amounted to R21 192 million. Interest paid by farmers to banks and other financiers during the 12 months up to 30 June 2021 is estimated at R12 526 million, or 5,7% 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 7,1% for the period under review, compared to an increase of 6,3% the previous period. The expenditure on farm feeds, seed and plants and building and fencing material increased by 10,0% each, packing material (9,0%), farm services and animal health and crop protection (6,0%) each, fertilisers (4,0%), fuel (3,6%) and maintenance and repairs of machinery and implements (2,0%).



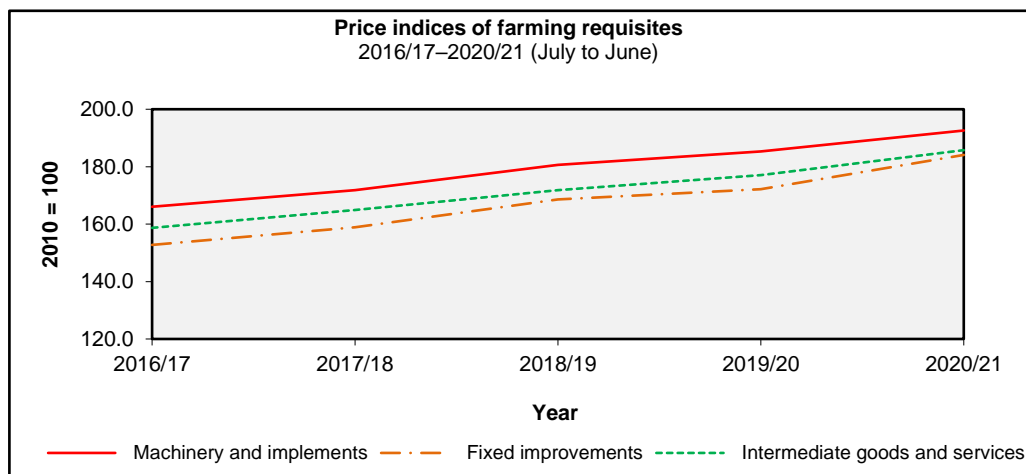
Farm feed had the largest share as an expenditure item, accounting for 29,2%, maintenance and repairs of machinery and implements (12,9%), farm services (12,1%), fuel (8,0%), seed and plants (7,4%), animal health and crop protection (6,1%), packing material (5,2%), building and fencing material (4,5%) and fertilisers (4,4%).

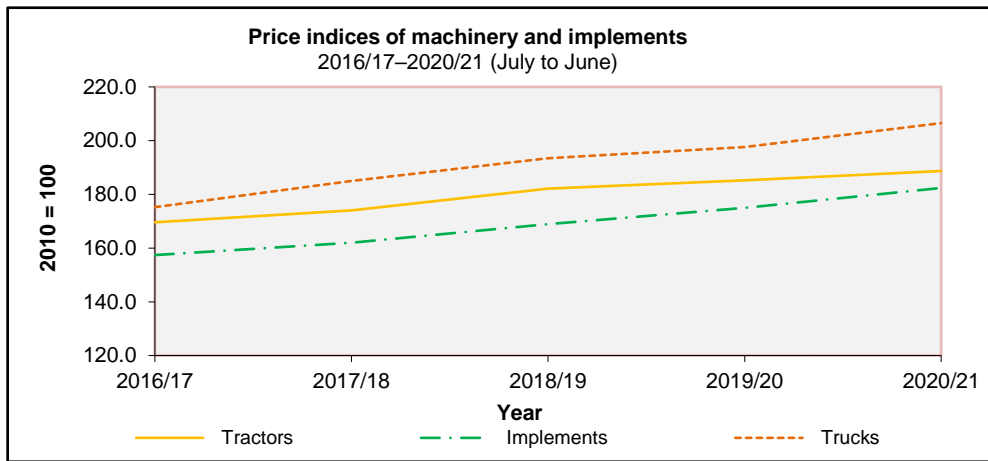
Prices of farming requisites

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

The prices of building material increased by 8,0%, seeds (7,4%), feeds (7,2%), fencing material (4,8%), trucks (4,5%), packing material (4,1%), fertilisers (3,9%), animal health and plant protection (3,8%) and tractors (1,9%). The prices of maintenance and repairs of machinery and implements decreased by 15,5% and fuel slightly by 0,6%.

The combined price index of materials for fixed improvements increased by 6,9%, intermediate goods and services by 4,9% and machinery and implements by 3,9%.



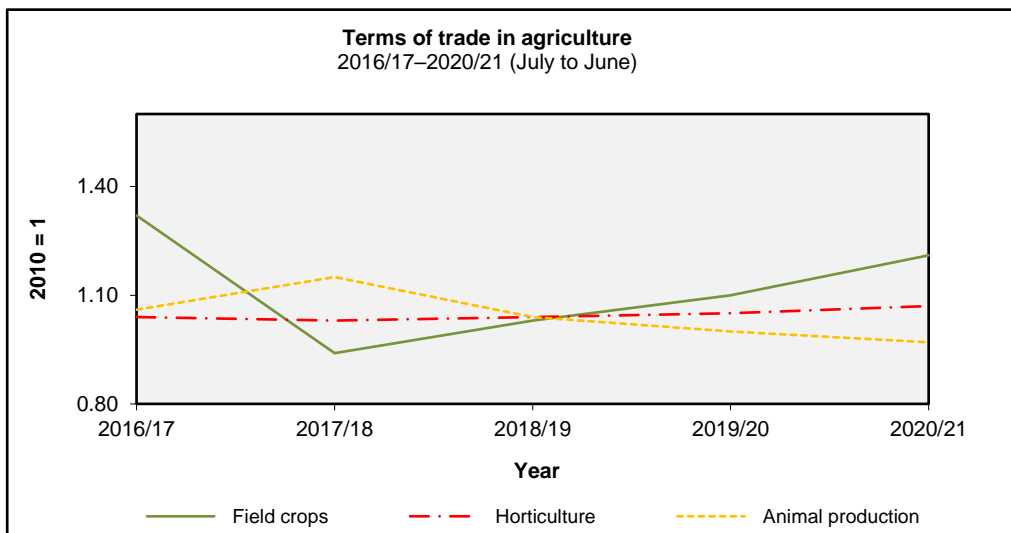


Domestic terms of trade in agriculture (2010 = 1)

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 increased by 1,0% due to the higher prices earned from agricultural products by the farmers.

The terms of trade for field crops increased by 10,0% (from 1,10 to 1,21), horticultural products by 1,9% (from 1,05 to 1,07), while that of animal products decreased by 3,0% (from 1,00 to 0,97).



Contribution of agriculture 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 to value added for the year ended 31 December 2020 is estimated at R101 650 million. This represents 2,3% of the total value added to the economy.

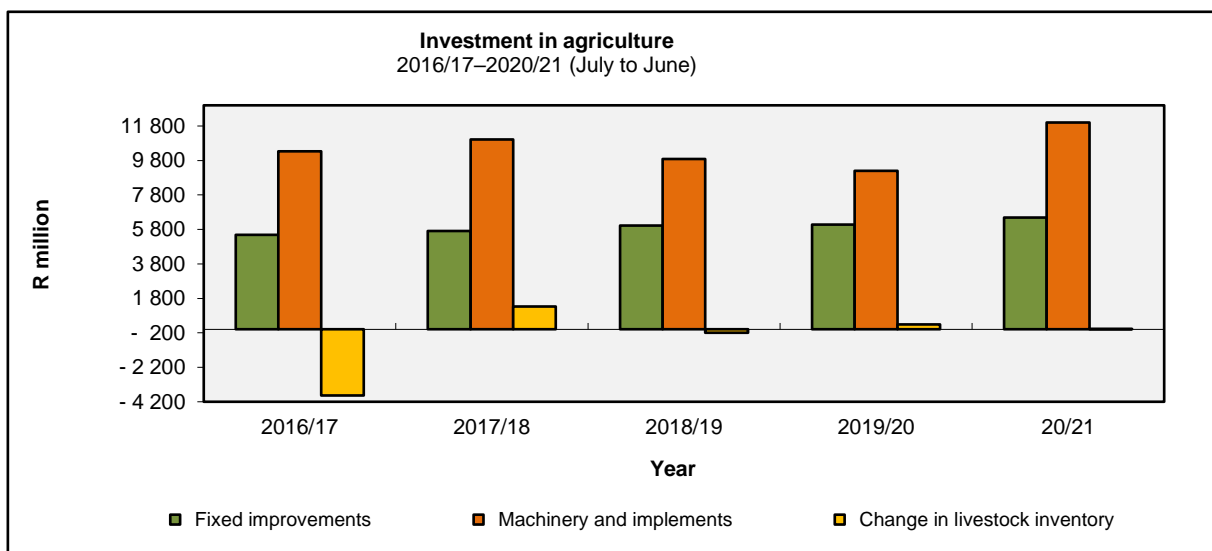
Year	Total value added	Contribution of agriculture to value added	Contribution of agriculture as percentage of total value added
	R' million	R' million	%
2011	2 724 400	58 739	2,2
2012	2 932 879	60 003	2,0
2013	3 183 618	63 121	2,0
2014	3 414 943	70 342	2,1
2015	3 624 908	71 904	2,0
2016	3 891 559	82 406	2,1
2017	4 173 328	93 400	2,2
2018	4 341 292	90 148	2,1
2019	4 523 580	81 337	1,8
2020	4 428 711	101 650	2,3

Capital assets and investment in agriculture

The value of capital assets in agriculture as at 30 June 2021 is estimated at R554 970 million, compared to R530 832 million at the end of June 2020, an increase of 4,5%.

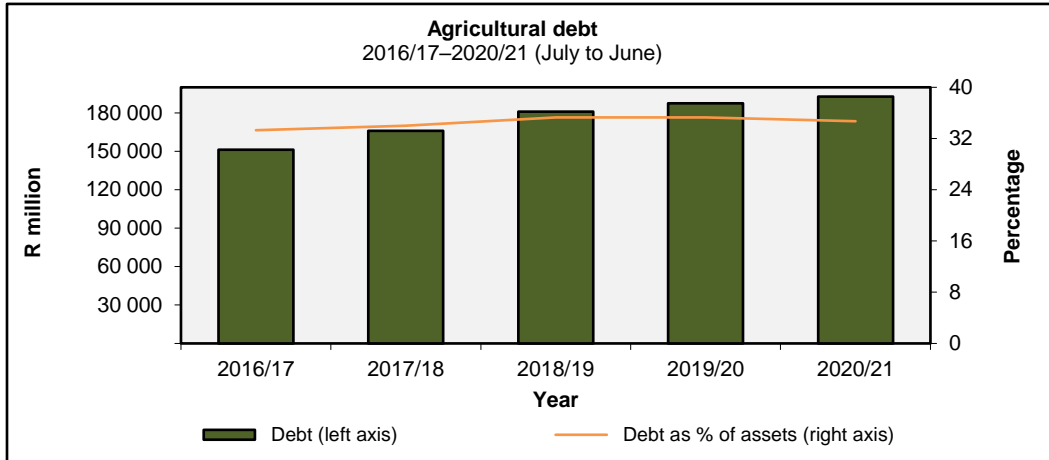
Land and fixed improvements constituted R320 197 million (57,7%), livestock R147 773 million (26,6%) and machinery and implements R87 000 million (15,7%) of the total value of capital assets.

The gross investment in respect to fixed improvements for the year ended 30 June 2021 increased by 6,7% to R6 494 million. Investment in machinery, implements and vehicles increased by 30,4% and amounted to R12 000 million. The livestock inventory was R7 million more than in the previous year.



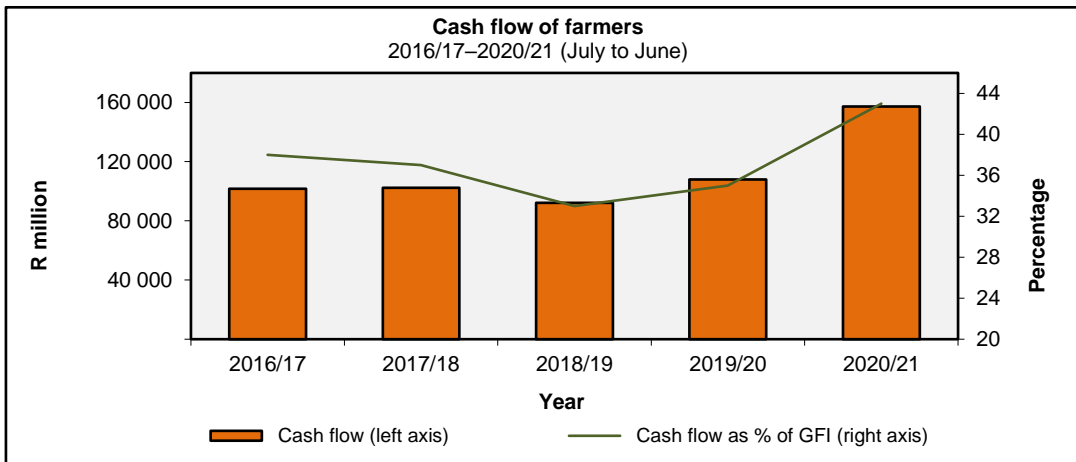
Farming debt

The total farming debt has increased by 2,7% and is estimated at R192 632 million for the year ended June 2021, compared to R187 612 million at the end of June 2020.



Cash flow of farmers

The farmers' cash flow increased significantly by 45,6% and is estimated at R157 260 million for the year ended June 2021, compared to R107 984 million the previous period.



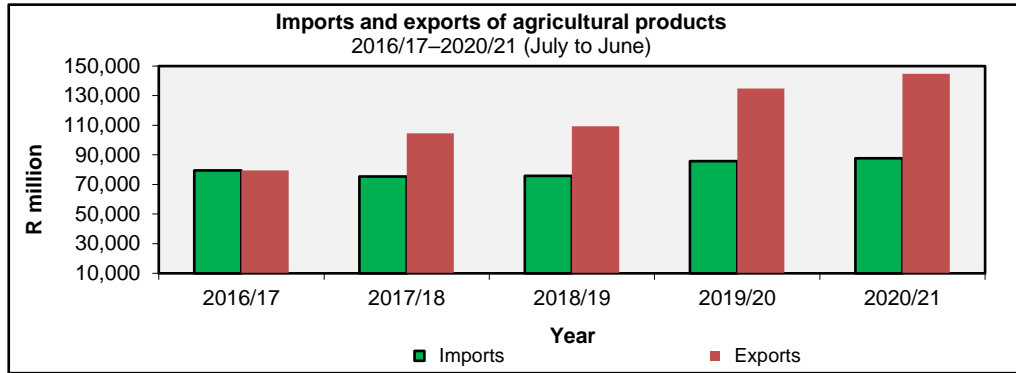
Consumer prices

The consumer prices of all agricultural products increased by 3,5% for the year ended June 2021, compared to 3,7% the previous period. The consumer prices of food increased by 5,7% and non-food items by 3,2%. The consumer prices of meat showed an increase of 6,6%, milk, eggs and cheese (6,3%) and grain products (5,7%).

The consumer prices of fats and oils increased by 12,2%, sugar by 7,9%, fruit by 6,1%, fish by 5,4%, coffee and tea by 5,2%, vegetables by 3,4% and other food by 3,1%.

Imports and exports of agricultural products

The estimated value of imports for 2020/21 amounted to R87 646 million, an increase of 2,2% from R85 788 million for 2019/20. The value of exports increased by 7,4%, from R134 776 million in 2019/20 to R144 687 million in 2020/21.



According to the 2020/21 export values, citrus fruit (R26 731 million), dried grapes (R12 773 million), grape must (R10 528 million), apples (R9 692 million) and maize (R7 565 million), were the most important agricultural export products.

Rice (R9 002 million), palm oil (R6 435 million), offal of fowls (R4 893 million), gin (R3 830 million) and oil cake (R3 203 million) accounted for the highest imports in terms of value.

During 2020/21, Afghanistan, with exports to the value of R18 754 million, Albania (R13 70 million), Algeria (R10 781 million), American Samoa (R7 942 million) and Andorra (R7 398 million) were the five largest trading partners of South Africa in terms of export destinations for agricultural products.

The five largest trading partners for South Africa's imported agricultural products during 2020/21 were Thailand (R5 759 million), Indonesia (R5 142 million), Argentina (R3 015 million), Brazil (R2 902 million) and India (R2 902 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 53,1% of maize produced in South Africa is white and the remaining 46,9% is yellow maize (2021). White maize is primarily used for human consumption, while yellow maize is mostly used for animal feed production.

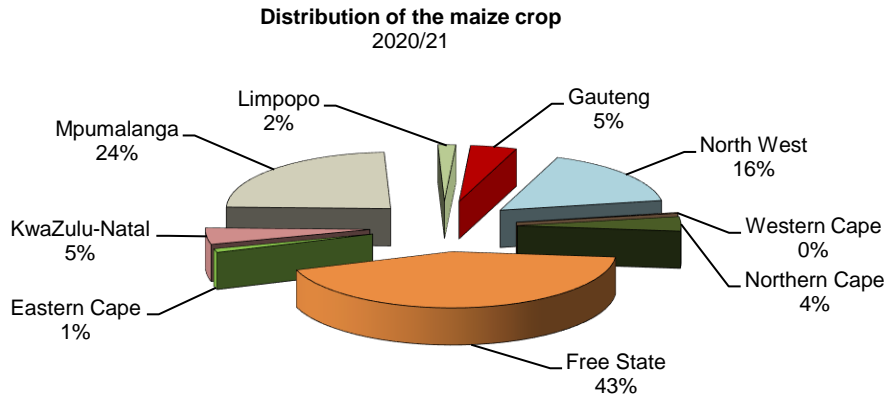
The gross value of agricultural production is determined by the quantity produced and prices received by producers.

The largest contributor towards the gross value of field crops for 2020/21 is maize (50,1%), followed by soya beans (15,3%), sugar cane (10,2%), wheat (9,5%) and sunflower seed (3,9%). The gross value of maize for 2020/21 amounts to R54 576 million, which is 43,1% or R16 433 million more than the R38 142 million for 2019/20.

Despite the impact of COVID-19 and the measures imposed to "flatten the curve", 2020 and 2021 were very good years for summer crops.

The two main white maize-growing provinces in South Africa, namely the Free State and North West, produced about 77% of the white maize harvest in 2021, whereas the Free State and Mpumalanga produced about 69% of the yellow maize harvest.

The contribution by provinces to maize production during the 2020/21 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 61,0% white maize to 39,0% yellow maize. An estimated 3,9% of the area planted to white maize is under irrigation and 96,1% is dryland, while the estimate for yellow maize is 15,0% under irrigation and 85,0% is dryland.

About 90,0% of South Africa's maize production is grown with GM seeds.

Area planted and production

South Africa had an exceptional start to the 2020/21 production season, with widespread rains during October and November ensuring maize producers completed plantings on time. Favourable weather conditions continued during December and January over most of the summer rainfall production region providing conducive growing conditions, consequently supporting good yields. Due to the promising start to the summer rainfall season and the favorable weather conditions, South Africa produced a second consecutive bumper maize crop.

The estimated area that South African commercial producers planted to maize during the 2020/21 season is 2,755 million ha. This is 5,5% or 144 600 ha more than the 2,611 million ha planted the previous season and also 16,7% or 394 300 ha more than the five-year average of 2,361 million ha planted up to 2019/20.

The maize area expansion was mostly driven by farmers that switched from sunflower seed hectares to maize because of favourable prices.

Commercial white and yellow maize plantings for 2020/21 were 1 691 900 ha and 1 063 500 ha, respectively. This represents an increase of 4,7% for white maize and 6,9% for yellow maize.

The commercial maize crop for the 2020/21 production season is estimated to be 16,211 million tons, with an estimated yield of 5,88 t/ha. The production represents an increase of 6,0% from the previous season (2019/20), which was estimated at 15,300 million tons.

The production estimate for white maize is 8,609 million tons, which is 0,7% or 61 315 tons more than the 8,548 million tons of 2020 and 26,8% or 1,817 million tons more than the average of the five years (6,791 million tons) up to 2020. The estimated yield for white maize is 5,09 t/ha, compared to 5,29 t/ha the previous season.

In the case of yellow maize, the production estimate for 2021 is 7,602 million tons, which is 12,6% or 849 950 tons more than the 6,752 million tons the previous season and 27,9% or 1,657 million tons more than the five-year average (5,945 million tons) up to 2020. The estimated yield for yellow maize was 7,15 t/ha, compared to 6,79 t/ha in 2020.

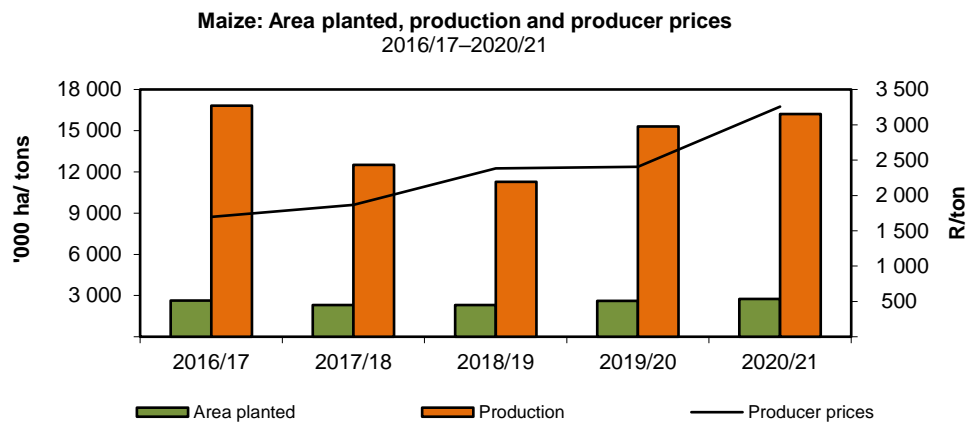
For the 2020/21 season, 96,0% of the deliveries of white maize were grade WM1, compared to 85,0% of the 2019/20 crop and 98,0% of the yellow maize deliveries were grade YM1, compared to 95,0% of the 2019/20 crop.

Plantings, production and yields of commercial maize from 2016/17 to 2020/21 are as follows:

Season	2016/17	2017/18	2018/19	2019/20	2020/21
Plantings (ha)	2 628 600	2 318 850	2 300 500	2 610 800	2 755 400
Production (t)	16 820 000	12 510 000	11 275 000	15 300 000	16 211 265
Yield (t/ha)	6,40	5,39	4,90	5,86	5,88

The estimated yield for maize is 5,88 t/ha for 2020/21, which is 0,3% or 0,02 t/ha more than the 5,86 t/ha the previous season. South Africa's three largest maize crops on record were produced in the past five years (2016/17, 2019/20 and 2020/21), driven mainly by increased yields.

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



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 2020/21 is estimated at 362 900 ha, which comprises 276 100 ha of white maize and 86 800 ha of yellow maize. Production by the non-commercial sector is estimated at 636 440 tons: 445 335 tons of white maize and 191 105 tons of yellow maize. Maize grown by this sector is mainly for own use and contributes only approximately 4,0% to total production.

Prices

Since the deregulation of the South African agricultural market in 1996, the maize market has essentially been an open market 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 35,3%, from R2 407,38/t in 2019/20 to R3 257,09/t in 2020/21, mostly because of the local maize prices that are supported by an increase in export parity price levels driven by a relatively weak domestic exchange rate, a stable demand for South Africa's maize in the region and generally higher global grain prices.

The average producer prices of maize from 2016/17 to 2020/21 are as follows:

Season	2016/17	2017/18	2018/19	2019/20	2020/21
	R/ton				
Producer price	1 696,26	1 865,66	2 383,23	2 407,38	3 257,09

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 2021/22 marketing season (May to April), the total supply of maize is projected at 17,497 million tons (9,698 million tons white and 7,799 million tons yellow). This includes an opening stock (on 1 May 2021) of 2,117 million tons (1,355 million tons white and 761 953 tons yellow) and local commercial deliveries of 15,373 million tons (8,336 million tons white and 7,037 million tons yellow). A projected import quantity of 7 000 tons (only white maize and no yellow maize) is expected for the 2021/22 season.

The total demand, local and exports, for maize is projected at 14,562 million tons (7,728 million tons of white and 6,834 million tons of yellow maize). The total local demand is projected at 11,147 million tons (6,988 million tons white and 4,159 million tons yellow). A projected export quantity of 3,415 million tons (740 000 tons white and 2,675 million tons yellow) is expected for the 2021/22 marketing season. The projected closing stock level by 30 April 2022 is estimated at 2,935 million tons (1,970 million tons white and 965 132 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.

South Africa will remain a net exporter of maize for the 2021/22 marketing season on an estimated second consecutive bumper maize crop that will see commercial production exceeding local consumption. Up to 29

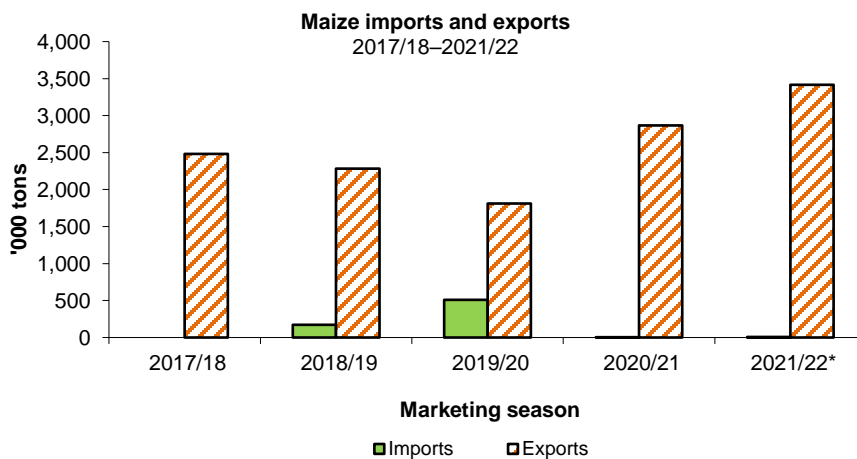
October 2021, about 2,001 million tons of maize, of which 258 908 tons white maize and 1,742 million tons yellow maize, had been exported since May—approximately 65,0% of the estimated whole maize exports of 3,100 million tons.

Usually, important export destinations of white maize are destined for South Africa’s neighbouring countries. For the 2021/22 marketing season, Botswana (124 693 tons), Lesotho (35 842 tons) and Mozambique (35 487 tons) were the major markets for South Africa’s white maize exports. South Africa, with ample white maize stocks, is in the perfect position to continue supplying the region with maize.

The bulk of the yellow maize exports for the current season, up to 29 October 2021, was characterised by exports to Japan (31,0% or 617 757 tons), Taiwan (19,0% or 377 897 tons), Korea (14,0% or 282 812 tons) and Vietnam (11,0% or 215 058 tons), amongst others.

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

Vulnerability and Food Security Assessments – SADC

Southern Africa suffers widespread food and nutrition insecurity. According to a report by SADC’s Vulnerability Assessment and Analysis Programme released in July 2021, an estimated 47,6 million people in 10 SADC Member States are food insecure this year (2021).

Six staple cereal producers (South Africa, Tanzania, Malawi, Madagascar, Zambia and DRC) have contributed to almost 90,0% of annual harvests over the past decade.

This year, favourable rainfall led to improved cereal and livestock production over most of the regions, with South Africa, Zambia and Zimbabwe recording maize surpluses. Some members experienced localised prolonged dry spells, including Angola, DRC, Namibia, Madagascar and Mozambique.

Maize supplies in Southern Africa are at their highest levels in the past decade, driven by above-average production during the 2020/21 production year and above-average regional opening stocks in the marketing year. Aggregate maize production for 2021/22 are estimated at 10,0% more than that of 2020/21 with substantially above-average harvests in key maize producing countries (South Africa, Tanzania, Malawi and Zambia). Zimbabwe is self-sufficient in maize, whereas Angola has a minor maize deficit. Structurally grain deficit Botswana, Lesotho, Namibia, Eswatini (formerly Swaziland) and Southern DRC will continue to source maize from regional markets.

While the outlook for regional maize availability is positive, household food access may be constrained by various factors. These include declining stocks with the progression of the marketing season or price transmission of elevated international prices to local markets in some countries, COVID-19 related disruptions to income-earning opportunities, poor macroeconomic trends, and the effects of ongoing local conflicts. Following the unrests in KwaZulu-Natal and Gauteng in South Africa in mid-July, logistical networks linking

ports to central warehouses and trading partners to the north (Mozambique, Zimbabwe, Zambia and Namibia) were disrupted and distribution of food, fuel and medicines were affected.

Despite these factors, the region is expected to see a year-on-year increase in maize production of at least 10,0% in the 2021/22 marketing year. The largest increase is expected in Botswana, estimated at 821% of 2020/21 tonnage (from 7 000 tons to 67 000 tons). Zimbabwe follows with a projected 200% increase (from 907 000 tons to 2,717 million tons) and Lesotho is expecting a 106% increase, from 35 000 tons to 72 000 tons. South Africa expects a 7,0% increase (from 15,408 million tons to 16,431 million tons), which is the second-largest harvest for South Africa on record and produced about 43,0% of the region's annual staple cereal crop for 2021/22.

Prospects

As we approach the summer crop planting season from October, the weather forecasts show strong prospects of above-normal rainfall in the 2021/22 summer season. The South African Weather Service indicated that South Africa could experience another La Niña phenomenon this summer (2021/22), albeit weaker than in 2020/21. This would build on relatively higher soil moisture across the country following the 2021/22 season's La Niña rains.

In October 2021, the intended maize plantings of South African farmers were 2,725 million ha for the 2021/22 production season, which is 1,1% less than the 2,755 million ha planted during 2020/21.

The Crop Estimates Committee will release its first production forecast on 28 February 2022. If the intended maize area plantings of 2,725 million ha materialise and the weather remains favourable as expected to be, the potential maize crop for the 2021/22 season should be within the range of 15,0 million tons and 16,0 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 2021 report of the United States Foreign Agricultural Services, world maize production in 2021/22 (October to September) was forecast at 1,198 billion tons, which is 7,4% or 82,7 million tons more than the 1,116 billion tons produced during 2020/21. The US contributed 31,8% (381,5 million tons), China 22,8% (273,0 million tons), Brazil 9,8% (118,0 million tons) and the European Union 5,5% (66,3 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 2021/22 was expected to be 1,186 billion tons—54,8 million tons more than in the previous year. Global ending stocks at the end of August 2022 were expected to be 301,7 million tons, which is 11,8 million tons or 4,0% more 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 49 200 ha were planted to sorghum for commercial use, representing an increase of 15,8% from the 42 500 ha planted for the 2020 season.

Sorghum for commercial purposes was produced mainly in Limpopo (29,2%), followed by Mpumalanga (26,9%), North West (21,9%) and Free State (20,5%). For the past five seasons until 2020, South Africa produced an average of 124 500 tons of sorghum per annum, which is relatively small compared to domestic maize and wheat production.

During the 2021 production season, sorghum contributed only approximately 0,9% to the gross value of field crops. The estimated average annual gross value of sorghum for the five years up to 2020/21 amounts to R558 million.

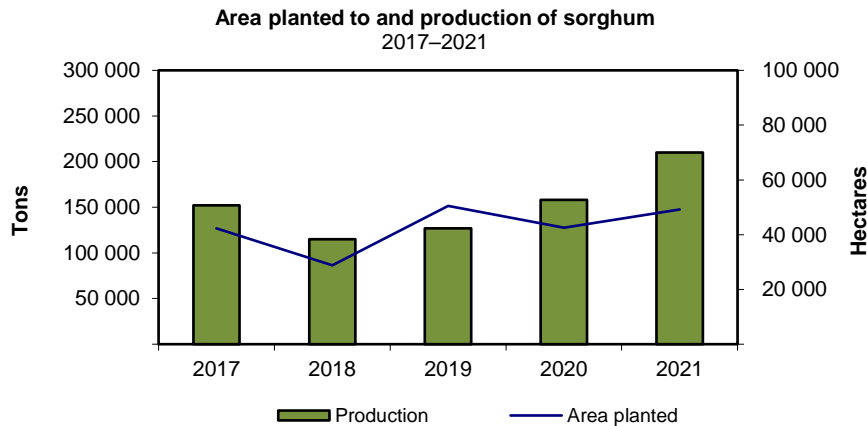
South Africa's 2020/21 planting season was characterised by ample rainfall, which supported agricultural activity in the country and led to large harvests.

The commercial sorghum crop for the 2021 season is estimated at 209 980 tons, which is 32,9% more than the 158 000 tons of the previous season and 68,7% more than the five-year average production of 124 500 tons up to 2020. The yield for 2021 is estimated at 4,27 t/ha, which is 40,0% more than the five-year average yield of 3,05 t/ha up to 2020.

Plantings, production and the yields of sorghum from 2017 to 2021 are as follows:

Season	2017	2018	2019	2020	2021
Plantings (ha)	42 350	28 800	50 500	42 500	49 200
Production (t)	152 000	115 000	127 000	158 000	209 980
Yield (t/ha)	3,59	3,99	2,51	3,72	4,27

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



The non-commercial agricultural sector contributed approximately 31 497 tons, which was about 13,0% of the total sorghum production in South Africa during 2021.

Consumption

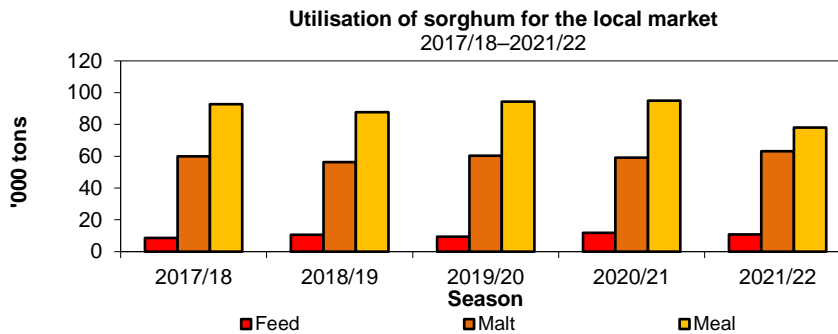
Sorghum, like other grains, has two basic markets that it serves, i.e., the human component and the animal feed component. Sorghum is consumed mainly in the human food market and, as in the case of maize, consumers tend to replace sorghum-based products with preferred products as the household income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

Expectations are that a total of 209 080 tons of sorghum will be available for local consumption during the 2021/22 marketing season (March to February), compared to 155 932 tons the previous season. The total domestic supply of 266 975 tons estimated for this season comprises of carry-over stocks as of 1 March 2021 amounting to 51 795 tons, plus producer deliveries of 209 080 tons at commercial structures, imports of 5 000 tons and a surplus of 1 100 tons.

The projected commercial utilisation of sorghum for the 2021/22 marketing season is approximately 151 945 tons, of which 141 200 tons are for human consumption (malt, meal and other uses) and 10 745 tons are for animal feed (poultry, pet, pigeon and ostrich feeds). Other uses (released to end-consumers, withdrawn by producers, etc.) amounts to 2 900 tons. Projected exports during the 2021/22 marketing season are 4 850 tons.

Considering the above, carry-out stocks on 28 February 2022 are expected to be about 106 230 tons.

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



Projection

Producer prices

Local producer prices of sorghum increased by 14,4%, from R3 383,39/t in 2020 to R3 869,95/t in the 2021 season.

Season	2017	2018	2019	2020	2021
R/t	2 638,27	2 917,96	2 695,58	3 383,39	3 869,95

Imports and exports

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

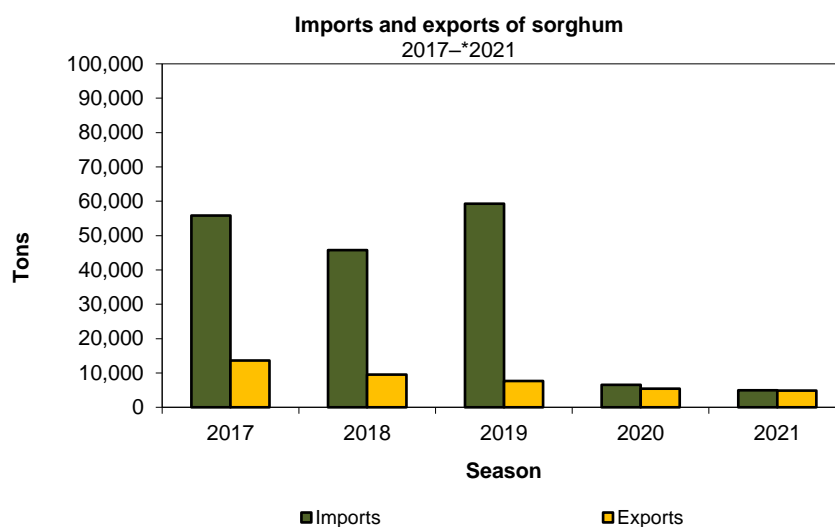
When it comes to exports, South Africa exports small quantities of sorghum to key markets in southern Africa, i.e., Namibia, Botswana, Eswatini and Zimbabwe, but at an increasing rate. In 2020/21, exports amounted to 4 552 tons, which is 7,2% or 305 tons more than the previous year.

Imports and exports of sorghum from 2017 to 2021 are as follows:

Season	2017	2018	2019	2020	2021*
	Tons				
Imports	55 824	45 739	59 253	6 546	5 000
Exports	13 599	9 482	7 643	5 380	4 850

*Projection

Projected exports of sorghum for 2021 is 4 850 tons, which is 9,8% less than the 5 380 tons of 2020. In 2021, 5 000 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 (2017 to 2021) remains dominated by maize (76 kg/capita) and wheat (47 kg/capita), followed by potatoes (35 kg/capita) and rice (17 kg/capita), while sorghum intake was significantly lower at a mere 2 kg/capita.

World sorghum situation

According to the FAS/USDA report released in October 2021, world production of sorghum increased by 5,1%, from 62,51 million tons in 2020 to 65,69 million tons in 2021. The contribution to world production by selected countries is as follows: The United States contributed 18,2% (11,98 million tons), Nigeria 10,4% (6,8 million tons), Ethiopia 7,9% (5,2 million tons), Sudan 7,6% (5,0 million tons) and Mexico at 7,2% (4,7 million tons). The balance of 48,7% 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 2020/21 season, this crop contributed approximately 10% to the gross value of field crops. The average annual gross value of wheat for the past five years up to 2020/21 amounts to R7 299 million, compared to R29 403 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.

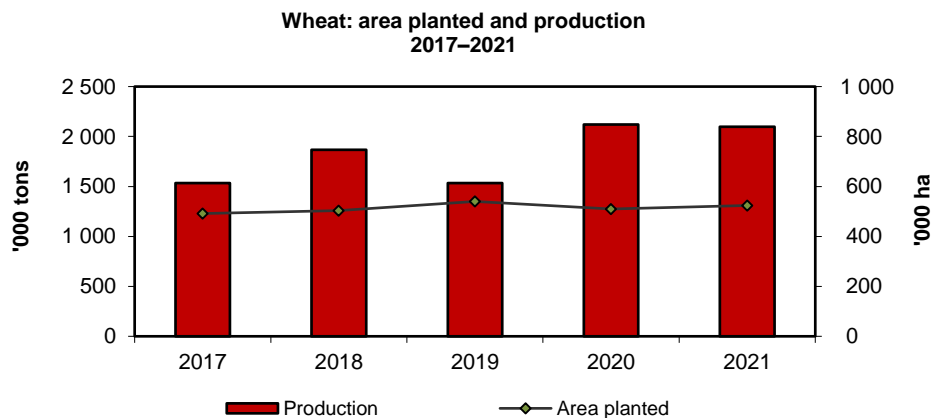
Wheat is generally classed as “hard” or “soft.” Hard wheat tends to have higher protein content than softer wheat and is used mainly for bread. Soft wheat, on the other hand, is more suitable for confectionery.

Areas planted and production

The estimated area planted to wheat for the 2021 season is 523 500 ha, which is 2,7% more than the 509 800 ha of the previous season. The area planted to wheat in the Western Cape is 360 000 ha (69%), which is 34 000 ha more than the 326 000 ha planted in the previous season. In the Free State, the area planted is 70 000 ha (13%), which is 24 000 ha less than the previous seasons’ area of 94 000 ha. The decrease in wheat plantings in the Free State is mainly due to dryland producers who have moved from wheat plantings to the planting of summer crops such as maize, sunflower seed and soya beans.

For the 2021 production season, weather conditions across South Africa’s wheat growing areas were quite favourable. The Western Cape, which is the major wheat growing area in the RSA, has received rainfall since the beginning of the season, which is favourable for the wheat crop and which supported the plant activity and crop growth conditions.

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



Based on conditions prevailing towards the end of October 2021, the expected commercial wheat crop for 2021 was 2,099 million tons, which is the second-largest wheat crop in a decade. The expected production in the Western Cape was 1,134 million tons (54%), in the Free State 346 500 tons (16%) and in the Northern Cape 259 150 tons (12%). The expected average yield was 4,01 t/ha. This is also the second-highest yield ever recorded.

Plantings, production and yields from 2017 to 2021 are as follows:

Season	2017	2018	2019	2020	2021
Plantings (ha)	491 600	503 350	540 000	509 800	523 500
Production (t)	1 535 000	1 868 000	1 535 000	2 120 000	2 099 435
Yield (t/ha)	3,12	3,71	2,84	4,16	4,01

Consumption

According to the Supply and Demand Estimates Committee (S&DEC), a total of 3,967 million tons of wheat (commercial) were available for local consumption during the 2020/21 marketing season (October to September). This comprised carry-over stocks as of 1 October 2020 of 364 908 tons, producer deliveries of 2,077 million tons, a surplus of 13 079 tons and imports of approximately 1,512 million tons.

The total demand for wheat for the 2020/21 marketing season is estimated at approximately 3,504 million tons, of which 118 147 tons were exported. Carry-out stocks as of 30 September 2021 are estimated to be 462 798 tons.

For the 2021/22 marketing season, the total supply of wheat is forecasted at 4,057 million tons (expected producer deliveries of 2,059 million tons, together with the carry-over stocks of 462 798 tons, a surplus of 10 000 tons and expected imports of 1,525 million tons).

The demand for wheat (exports included) is estimated at 3,528 million tons. Carry-out stocks at the end of September 2022 are expected to amount to 529 733 tons.

Imports

South Africa, a net importer of wheat, relies on imports from Australia, Lithuania and Poland, amongst other countries, to meet its domestic demand. During the 2020/21 season, 45% or 1,512 million tons of the wheat that was needed for domestic consumption, was imported.

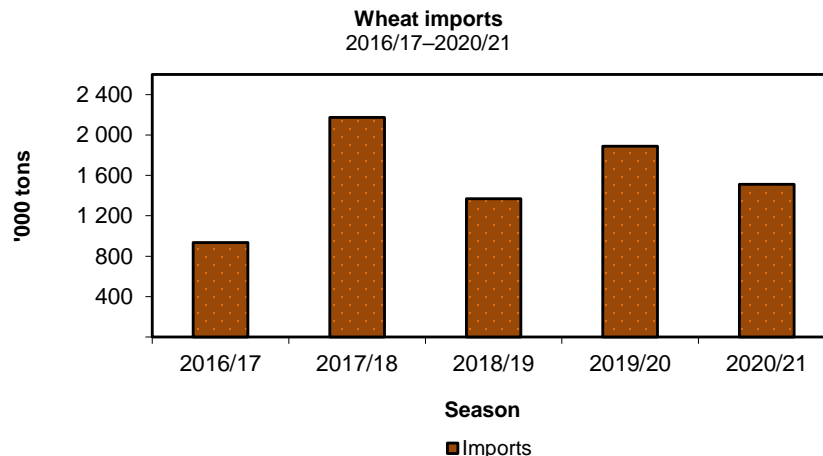
Wheat imports from 2016/17 to 2020/21 are as follows:

Season	2016/17	2017/18	2018/19	2019/20	2020/21
	Tons				
Imports	934 765	2 173 757	1 368 097	1 889 868	1 511 886

Projection for the 2020/21 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 19,0%, from R4 086,49/ton in 2019/20 to R4 864,03/ton in 2020/21.

The average producer prices of wheat from 2016/17 to 2020/21 are as follows:

Season	2016/17	2017/18	2018/19	2019/20	2020/21
	R/ton				
Producer price	3 704,64	3 689,87	3 759,53	4 086,49	4 864,03

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 2 July 2021, a free wheat tariff was published in the *Government Gazette*.

World wheat situation

According to the November 2021 report of the United States Foreign Agricultural Services, the global wheat production in 2021/22 is projected at 775,3 million tons, up by 0,1% or 621 000 tons from the 2020/21 record.

According to expectations, the European Union would contribute 18% (138,4 million tons), China 18% (136,9 million tons), India 14% (109,5 million tons) and Russia 10% (74,5 million tons) to world production during 2021/22. The balance of 40% is made up by the US, Ukraine, Australia and Pakistan, among others.

Global consumption is expected to be 787,4 million tons during 2021/22—5,2 million tons more than the previous year. Global ending stocks are expected to decline to 275,8 million tons by the end of June 2022, which is 12,1 million tons or 4,2% less than the previous year.

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.

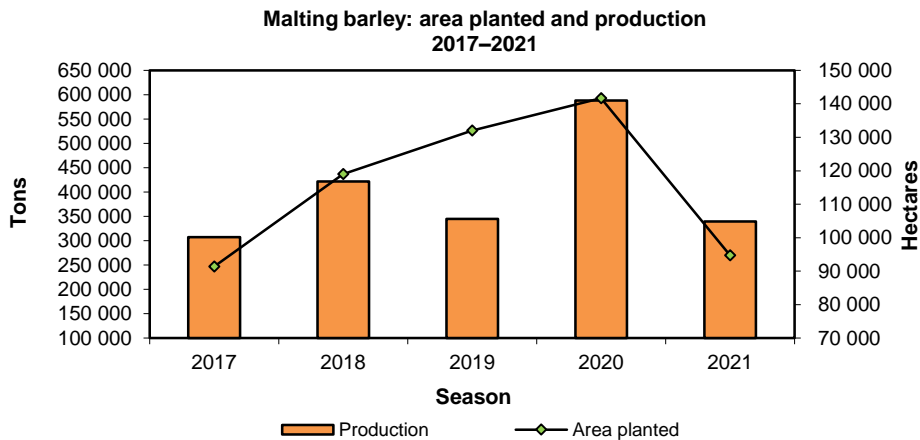
However, because of the risk of unpredictable weather conditions in the Southern Cape, barley production has also been introduced to the cooler central irrigation areas in the Northern Cape. There are also farmers in other areas of South Africa, such as the North West, Limpopo and the Free State, who 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 2021 season is estimated at 94 730 ha. This is a decrease of 33,1% or 46 960 ha from the plantings of 141 690 ha during 2020. It is also 18,2% or 21 022 ha less than the five-year average of 115 752 ha planted up to 2021. Of the 94 730 ha planted in 2021, 85 000 ha (89,7%) are in the Western Cape, 5 700 ha (6,0%) are in the Northern Cape, 1 300 ha (1,4%) are in Limpopo, 1 650 ha (1,7%) are in North West, 1 000 ha (1,1%) are in Free State, and only 80 ha (0,1%) are in Gauteng.



A total crop of 339 800 tons of malting barley is expected for the 2021 season. This is a decrease of 42,2% more than the production of 588 000 tons in the previous season and 15,1% or 60 473 tons less than the average production of 400 273 tons per annum over the five years up to 2021. The expected average yield for 2021 is 3,6 t/ha.

Plantings, production and yield of malting barley from 2017 to 2021 are as follows:

Season	2017	2018	2019	2020	2021
Plantings (ha)	91 380	119 000	131 960	141 690	94 730
Production (t)	307 064	421 500	345 000	588 000	339 800
Yield (t/ha)	3,36	3,54	2,61	4,15	3,59

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 2020/21 marketing season (October to September) is estimated at 852 400 tons (imports included). Carry-over stocks as of 1 October 2020 amounted to 260 900 tons. Production for the 2020/21 season was 591 400 tons, not imports.

For the 2020/21 marketing season, the total demand for malting barley was estimated at 517 600 tons, including 20 100 tons of exports. Carry-out stocks of 30 September 2021 were 334 800 tons.

For the 2021/22 marketing season, the total supply of malting barley is expected to be 683 000 tons, comprising the expected crop of 348 200 tons, carry-over stocks of 334 800 tons and no imports are expected. The domestic demand is estimated at 498 800 tons, including 20 000 tons of exports. Carry-out stocks at the end of September 2021 are expected to amount to 164 200 tons.

Producer prices and value of the crop

The average producer price of barley decreased by 17,2%, from R3 039,82/ton in 2019 to R2 515,69/ton in 2020.

The average producer prices of malting barley from 2016 to 2020 are estimated as follows:

Season	2016	2017	2018	2019	2020
	R/ton				
Producer price	3 352,15	2 823,99	3 398,63	3 039,82	2 515,69

The average annual gross value of malting barley for the past five years up to 2020/21 amounts to R1 203 million, compared to the R8 187 million of wheat and R35 250 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 2016/17 to 2020/21 are as follows:

Season	2016/17	2017/18	2018/19	2019/20	2020/21
	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.

A condition of the AB InBev acquisition of SABMiller is for SAB to invest R1 billion into the South African economy by the end of 2021 as part of the five-year merger. SAB has also uplifted women, developing and capacitating 51%, or 475 women farmers, from a 920 intake of 2016, which increased production of barley by 63%. SAB has been able to maintain a 95% local sourcing ratio and as a result plays a major role in jobs and supply chain investments in South Africa.

World barley situation

Global production in the 2021/22 marketing season is mainly driven by the larger crops in the European Union (52,75 million tons) and Russia (17,00 million tons).

According to the December 2021 report of the United States Foreign Agricultural Services, world barley production is estimated at 145,51 million tons for the 2021/22 marketing year, while global consumption is expected to be 149,75 million tons. Global ending stocks at the end of June 2021 are expected to be 16,93 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.

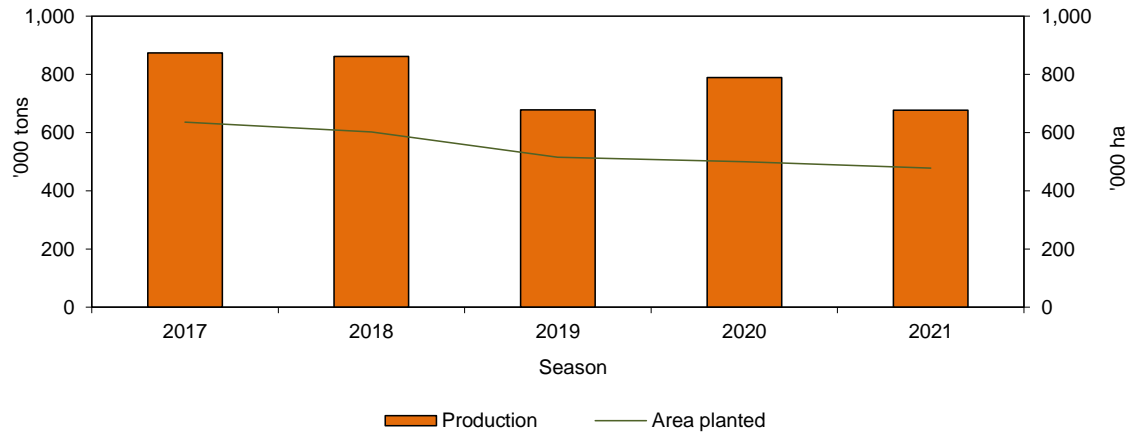
Plantings and production

During the 2021 production season, the bulk of the crop was produced in the Free State (49,2%), North West (32,9%) and Limpopo (16,0%).

The contribution of sunflower seed to the gross value of field crops during the 2020/21 season is approximately 4,5%, compared to 43,0% of maize, the largest contributor to field crops. The average annual estimated gross value of sunflower seed over the period 2016/17 to 2020/21 amounts to R3 991 million compared to the R35 895 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 2002 through to 2021. The area planted to sunflower seed for commercial use during the 2021 production season decreased by 4,5% to 477 800 ha, from an estimated 500 300 ha the previous season. This is also 19,6% less than the five-year average of 594 280 ha up to 2020. The decrease in the 2021 sunflower plantings can mainly be attributed to the increase in the area planted to maize and soya beans.

Area planted to and production of commercial sunflower seed
2017–2021



Commercial seed production during 2021 is approximately 677 240 tons, which is 14,1% less than the previous season (788 500 tons) and 14,4% less than the average of 791 500 tons for the previous five years. The decrease in production can mainly be attributed to the lower area planted and a decrease in the expected yields as a result of Sclerotinia occurrences being reported, as compared to the previous season. The average yield for 2021 is approximately 1,42 t/ha, which is 10,1% less than 1,58 t/ha during the previous season and 6,8% more than the five-year average of 1,33 t/ha up to 2020.

Non-commercial agriculture contributed an estimated 26 899 tons (3,8%) to the total sunflower seed production in South Africa during 2021.

Commercial plantings, production and yields of sunflower seed from 2017 to 2021 are as follows:

Season	2017	2018	2019	2020	2021
Plantings (ha)	635 750	601 500	515 350	500 300	477 800
Production (t)	874 000	862 000	678 000	788 500	677 240
Yield (t/ha)	1.37	1.43	1.32	1.58	1.42

Producer prices

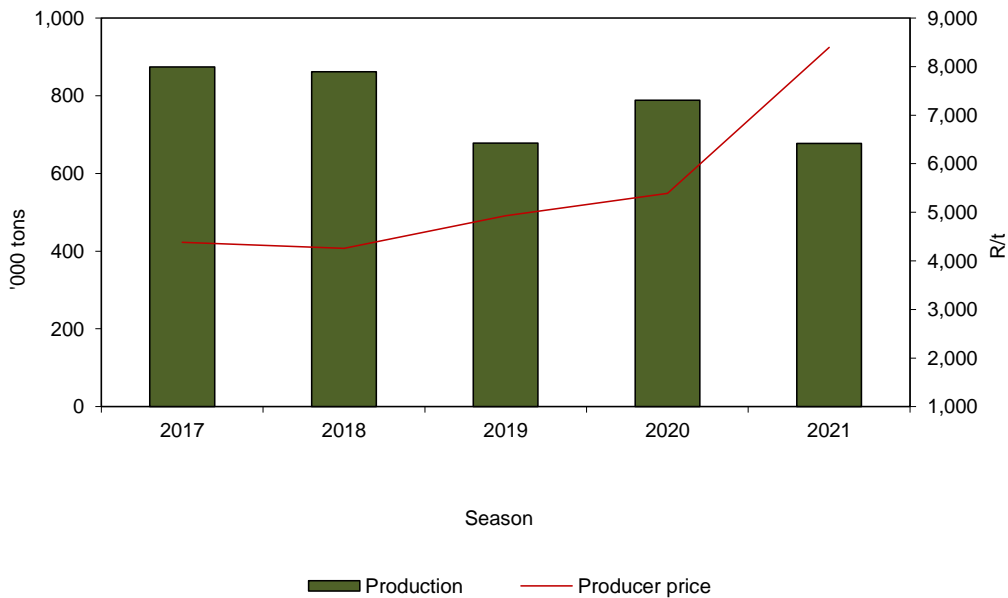
The average producer price increased by 55,8%, from R5 387/ton in 2020 to R8 395/ton in 2021. In terms of soya bean and sunflower seed prices, the interaction with the global market is different as South Africa is a net importer of these commodities. This means the domestic market tends to be sensitive to global developments.

However, as with soya bean prices, sunflower seed prices are supported by increased export parity price levels, mainly driven by higher global oilseed prices and a relatively weak domestic exchange rate. As a result, local sunflower seed prices are currently trading 56% higher than a year ago.

The average producer prices of sunflower seed from 2017 to 2021 are as follows:

Season	2017	2018	2019	2020	2021
	R/ton				
Producer price	4 386	4 258	4 932	5 387	8 395

Commercial production and producer prices of sunflower seed 2017–2021



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 (NAMC) 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 677 240 tons for the 2021/22 marketing season, together with carry-over stocks of about 60 964 tons on 1 March 2021, a surplus of 7 000 tons and projected imports of 1 400 tons, leaves the domestic supply of commercial seed at an estimated 746 604 tons for the season.

In South Africa, sunflower seed is used almost exclusively (an estimated 98,3% or 685 000 tons in 2021) for oil and oilcake production. The estimated domestic demand of seed for the 2021 marketing year is approximately 697 100 tons, including 7 400 tons for human and animal consumption. Other consumption is estimated at 4 500 tons. The projected exports during 2021 are 200 tons. Carry-out stocks on 28 February 2022 are expected to be approximately 49 504 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 2021, South African imports were mainly from Botswana, as well as Egypt and South African exports were mainly to Eswatini and Namibia.

Imports and exports of sunflower seed from 2017 to 2020.

Year	2017	2018	2019	2020	2021
	Tons				
Imports	554	1 324	457	471	1 400
Exports	274	515	576	1 140	200

*Projection

International overview

The November 2021 report by the United States of Foreign Agricultural Services (FAS) indicated that the global harvested area increased by 3,3% (0,87 million ha) in 2020/21 compared to 2019/20, to a figure of 26,90 million ha.

World output of sunflower seed during 2020/21 decreased by 4,8 million tons or 9,0% from 53,94 million tons in 2019/20 to 49,11 million tons in 2020/21. The decrease in production can mainly be attributed to unfavourable 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 14, 10 million tons and 13, 27 million tons, respectively, in 2020/21. This represents a decrease of 14, 5% or 2, 40 million tons in the Ukraine and a decrease of 13, 3% or 2, 0 million tons in the case of Russia.

The FAS November 2021 report projected that global sunflower seed production will reach 56, 01 million tons in 2021/22—an increase of 14, 1% or 6, 9 million tons compared to 49, 11 million tons during 2020/21. The projected increase in sunflower seed production can mainly be attributed to prospects of a back to normal crop in the Ukraine and Russia. Sunflower seed production in the Ukraine is expected to increase by 2, 9 million

tons or 20, 6% to 17, 0 million tons. Sunflower seed production in Russia is expected to increase by 1, 73 million tons or 13, 0% to 15, 0 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 occur.

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

Soya beans contributed approximately 17, 5% to the gross value of field crops during 2020/21. The estimated average annual gross value of soya beans for the past five seasons up to 2020/21 amounts to R8 669 million.

Plantings and production

The plantings of soya beans ranged between 100 130 ha and 827 100 ha over the past 20 years.

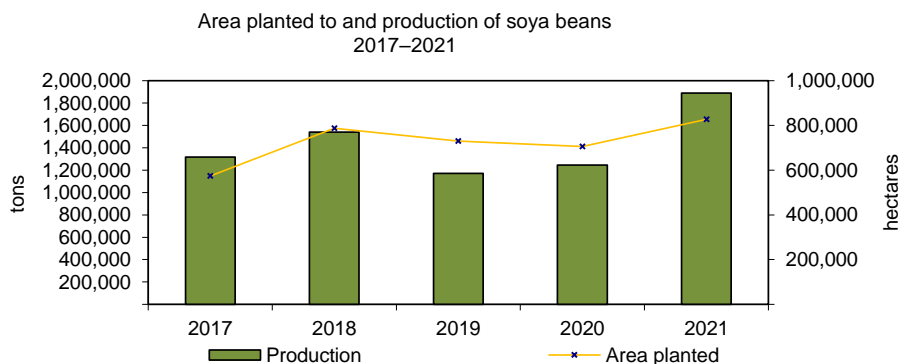
During the 2021 season, soya beans were grown primarily in Free State (365 000 ha or 44, 1%), Mpumalanga (290 000 ha or 35, 1%), North West (69 500 ha or 8, 4%), Gauteng (42 000 ha or 5, 1%) and KwaZulu-Natal (36 000 ha or 4, 4%).

During the 2021 season, an estimated 827 100 ha were planted for commercial use, compared to an estimated 705 000 ha the previous season. This represents an increase of 17, 3% and is 25, 3% more than the five-year average of 659 890 ha up to 2020. South Africa had an exceptional start to the 2020/21 season, with widespread rains received during October and November 2020 ensuring summer crop producers completed plantings on time. Favourable weather conditions continued into February 2021 over most of the summer rainfall production region, providing conducive growing conditions that have impacted positively on anticipated yields.

The crop of an estimated 1,890 million tons in 2021 (the highest on record) represents an increase of 51, 8% from the 2020 crop of 1,246 million tons. It is also 57, 2% higher than the average of 1,203 million tons for the five years up to 2020. The average yield of 2, 29 t/ha is 29, 4% more than the 1, 77 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 2017 to 2021 are as follows:

Season	2017	2018	2019	2020	2021
Plantings (ha)	573 950	787 200	730 500	705 000	827 100
Production (t)	1 316 000	1 540 000	1 170 345	1 245 500	1 890 450
Yield (t/ha)	2,29	1,96	1,60	1,77	2,29



Producer prices

The international market mainly influences the local soya bean 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 2021 is approximately R7 255/ton, which is 13, 1% more than the price for 2020. 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, marine freight rates and the rand/dollar exchange rate.

The average producer prices of soya beans from 2017 to 2021 are as follows:

Year	2017	2018	2019	2020	2021
	R/ton				
Producer price	4 881	4 593	4 681	6 416	7 255

Consumption

The National Agricultural Marketing Council established following an extensive consultation process, 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 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.

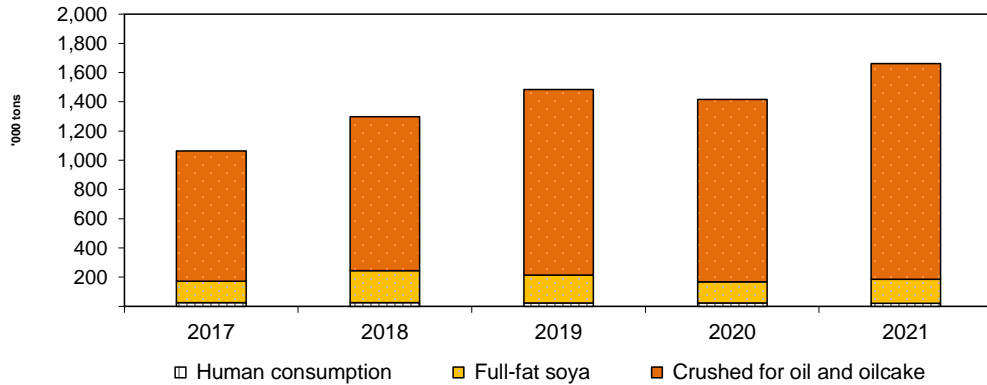
The soya bean-marketing season in South Africa commences on 1 March and ends on 28 February. An estimated total of 1,904 million tons of soya beans were available for utilisation during the 2021 marketing season. It comprises carry-over stocks on 1 March 2021 amounting to 46 053 tons, the estimated production (excluding retentions by producers) of 1,845 million tons, a surplus of 2 000 tons and projected imports of 10 000 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 2021 is projected at 1,696 million tons—165 000 tons for feed (full-fat soya), 1,475 million tons for oil and oilcake and 21 500 tons for human consumption. Other consumption is estimated at 12 700 tons.

The projected exports during 2021 are 22 000 tons. Carry-over stocks on 28 February 2022 are expected to be approximately 207 303 tons.

Commercial consumption of soya beans
2017–2021



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 Zimbabwe and Mozambique. South African imports for the mentioned period were mainly from the USA, Zambia and Malawi.

The imports and exports of soya beans from 2017 to 2021 are as follows:

Year	2017	2018	2019	2020	2021*
	Tons				
Imports	27 500	6 900	9 100	116 100	10 000
Exports	400	32 800	5 300	1 100	22 000

*Projected

International overview

According to the World Agricultural Supply and Demand Estimate (WASDE) report released in November 2021, world production of soya beans increased by 7, 7%, from 339, 9 million tons for the 2019/20 season to 366,2 million tons for 2020/21. The increase in world production can mainly be attributed to the bigger crops in Brazil, United States, China, India and Canada. Brazil contributed 37,7% (138,0 million tons), the United States contributed 31,3% (114,8 million tons), China 5,4% (19,6 million tons), India 2,9% (10,4 million tons) and Canada 1,7% (6,4 million tons) to world production. The balance of 21,0% (77,1 million tons) is made up by, amongst others, Argentina, Ukraine, Russia, Bolivia, Uruguay, the EU-27, Southeast Asia (which includes Indonesia, Vietnam, Thailand and Burma) and South Africa.

Outlook

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 120 000 ha in 2021, South Africa is expected to trade close to self-sufficiency with a sensitive balance being maintained between supply and demand.

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, if 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 a further two years with effect from 1 March 2021. The levy is R57, 00 per ton for the first year and 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 November 2021 WASDE report projected the global production of soya beans for the 2021/22 marketing season at 384, 0 million tons—an increase of 4, 8% or 17, 8 million tons from 366, 2 million tons in 2020/21. Increases are projected for Brazil, the United States, Argentina and India. This increase in world production can mainly be attributed to the larger expected crops of Brazil with an increase of 6, 0 million tons to 144, 0 million tons, followed by, the United States with an increase of 5,7 million tons to 120,4 million tons, Argentina with an increase of 3,3 million tons to 49,5 million tons and India with 1,4 million tons to 11,9 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 19, 0 million tons and Canada with a decrease of 460 000 million tons to 5, 9 million tons.

Research and information

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

The Department of Agriculture, Land Reform and Rural Development through the Directorate perform the information function: 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 2020/21 production season, 46, 7% of the plantings were in the North West, 41, 5% in the Free State and 7,8% in Limpopo. The remaining 4, 0% of plantings were in the Northern Cape and KwaZulu-Natal.

Groundnuts contributed approximately 0,6% to the value of local field crops in 2020/21, while the average annual gross value of groundnuts for the five years up to 2020/21 amounts to approximately R490 million.

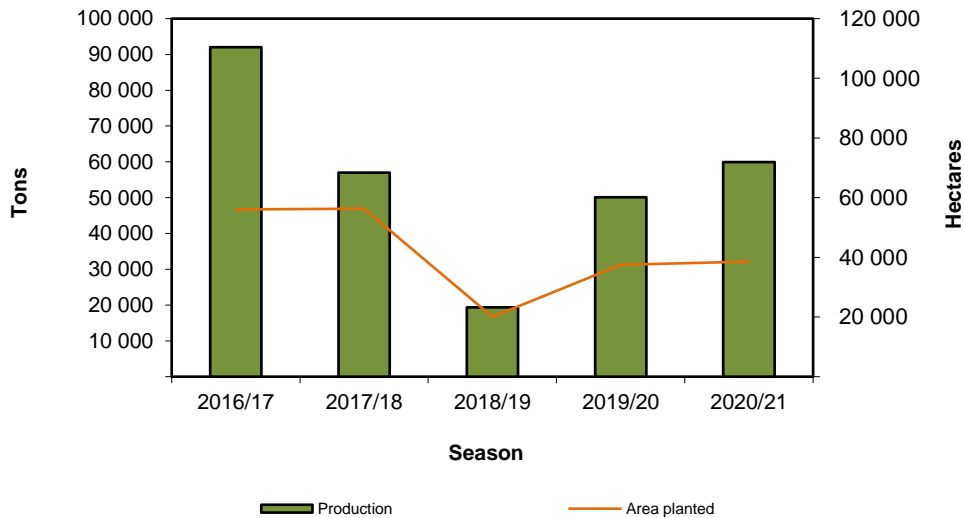
An estimated 38 550 ha were planted to groundnuts for commercial use, compared to 37 500 ha planted during 2019/20. This represents an increase of 2, 8% and is 0, 2% more than the average of 38 490 ha planted during the five years up to 2019/20.

An estimated commercial crop of 59 950 tons of groundnuts was produced during 2020/21. This represents an increase of 19, 7% from the 2019/20 crop of 50 080 tons. The 2020/21 crop is 26, 9% more than the five-year average of 47 242 tons up to 2019/20. The average yield for 2020/21 was 1, 56 t/ha, which is 16, 4% more than the 1, 34 t/ha of the previous season and 26, 7% more than the five-year average of 1, 23 t/ha up to 2019/20.

Plantings, production and the yield of groundnuts from 2016/17 to 2020/21 are as follows:

Season	2016/17	2017/18	2018/19	2019/20	2020/21
Plantings (ha)	56 000	56 300	20 050	37 500	38 550
Production (t)	92 050	57 000	19 400	50 080	59 950
Yield (t/ha)	1,64	1,01	0,97	1,34	1,56

Area planted to and production of groundnuts
2016/17–2020/21



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 2017/18 to 2021/22 marketing seasons were as follows:

Season	2017/18	2018/19	2019/20	2020/21	2021/22*
	R/ton				
Producer price	7 813	7 815	7 815	7 799	7 813

*Preliminary

The average producer price for groundnuts shows a slight increase of 0, 18%, from R7 799/ton in 2020/21 to R7 813/ton in 2021/22.

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 2021/22 are as follows:

Season	2017/18	2018/19	2019/20	2020/21	2021/22*
	Tons				
Imports	16 700	10 300	33 700	30 300	20 000
Exports	11 500	10 400	4 900	7 700	6 000

*Projections

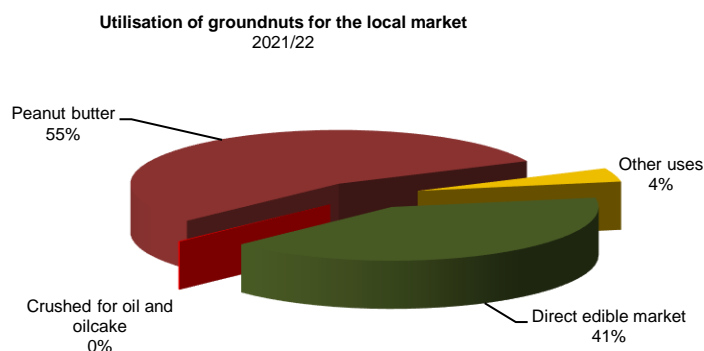
It is expected that the South African groundnuts imports could decrease by 34, 0%, from 33 300 tons in 2020/21 to 20 000 tons in the 2021/22 marketing season. During the first seven months of the abovementioned marketing season, South African imports of groundnuts were mainly from Argentina, Brazil, Zambia, Malawi and India.

The expected groundnuts exports show a decrease of 22, 1% from 7 700 tons in 2020/21 to 6 000 tons in 2021/22. The major export destinations for South African groundnuts are the Netherlands, Japan and Mozambique, Belgium and Eswatini.

Consumption

An estimated 87 300 tons of groundnuts will be available for utilisation during the 2020/21 marketing season. Carry-over stocks on 1 March 2021 amounted to 7 400 tons and the estimated production is 59 950 tons. Projected imports amount to approximately 20 000 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 2021/22 is estimated at 63 050 tons—100 tons for oil and oilcake, 36 000 tons for peanut butter, 26 500 tons for the direct edible market and 450 tons as pods. Other consumption (released to end consumers, seed, etc.) amounts to 2 700 tons. The projected exports during 2021 are 6 000 tons. Carry-over stocks on 28 February 2022 are expected to be approximately 15 600 tons.



The per capita consumption for the 2021/22 marketing season is projected at 0, 57 kg, which is 6, 6% less than the 0,61 kg in the previous season.

International overview

The world production of groundnuts shows a slight increase of 2,4%, from 48,43 million tons in 2019/20 to 49,62 million tons in 2020/21. The increase can mainly be attributed to a 26,8% increase in Senegal's groundnut production, from 1,42 million tons in 2019/20 to 1,80 million tons in 2020/21. Mexico, Mali, Burma and the United States also show an increase in production of groundnuts by 25,0%, 16,2%, 13,0% and 12,5%, respectively. Mexico's groundnut production increased from 0,08 million tons in 2019/20 to 0,10 million tons in 2020/21; Mali's groundnut production increased from 0,37 million tons in 2019/20 to 0,43 million tons in 2020/21; Burma's production increased from 1,38 million tons in 2019/20 to 1,56 million tons in 2020/21 and the United States's production increased from 2,48 million tons in 2019/20 to 2,79 million tons in 2020/21.

The world production of groundnuts is expected to increase by 1,9%, from 49,62 million tons in 2020/21 to 50,58 million tons in 2021/22. The increase can mainly be attributed to the expected increases in Mozambique, Brazil, Nigeria and Argentina's groundnut production of 30,0%, 9,4%, 7,9% and 6,3%, respectively. Mozambique's groundnut production increased from 0,10 million tons in 2020/21 to 0,13 million tons in 2021/22. Brazil's groundnut production increased from 0,64 million tons in 2020/21 to 0,70 million tons in 2021/22. Nigeria's groundnut production increased from 4,45 million tons in 2020/21 to 4,80 million tons in 2021/22. Argentina's groundnut production increased from 1,27 million tons in 2020/21 to 1,35 million tons in 2021/22.

Research and information

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

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, manages research.

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

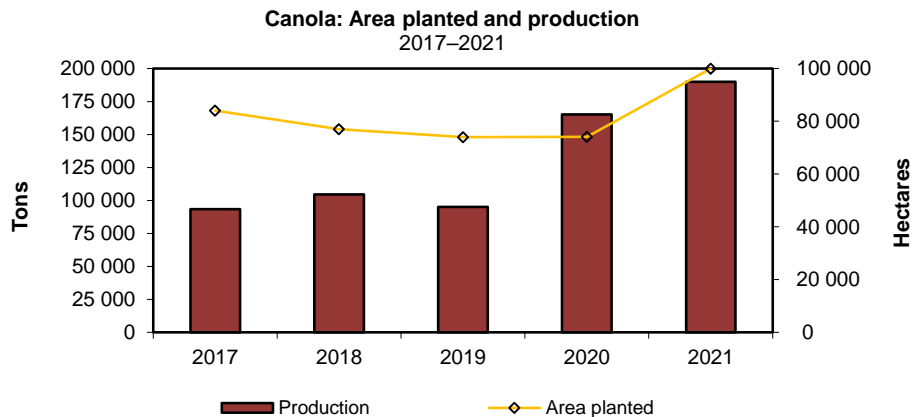
The estimated area planted to canola increased by 34, 9%, from 74 120 ha in 2020 to 100 000 ha in 2021. The canola crop production is expected (October 2021) to increase by 15,0%, from 165 200 tons in 2020 to 190 000 tons in 2021, mainly due to favourable weather conditions in the Western Cape. This is the largest expected canola crop ever recorded for South Africa.

The expected average yield decreased by 14, 8%, from 2,23 t/ha in 2020 to 1,90 t/ha in 2021. This is the second highest yield ever recorded.

Estimated plantings, production and yields of canola from 2017 to 2021 are as follows:

Season	2017	2018	2019	2020	2021
Plantings (ha)	84 000	77 000	74 000	74 120	100 000
Production (t)	93 500	104 500	95 000	165 200	190 000
Yield (t/ha)	1,11	1,36	1,28	2,23	1,90

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.

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 177 600 tons for the 2020/21 marketing season. This include an opening stock as from 1 October 2020 of 12 530 tons, domestic production of 165 080 tons and no imports this marketing season. Total demand for canola for the 2020/21 marketing season was approximately 130 210 tons, while carry-out stocks on 30 September 2021 were approximately 17 340 tons.

For the 2021/22 marketing season, the total supply of canola is estimated at 207 340 tons (the estimated canola crop of 190 000 tons, together with carry-over stocks of 17 340 tons). Domestic demand for canola is estimated at 126 020 tons, while carry-out stocks at the end of September 2022 is expected to reach 81 330 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 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 2016 to 2020 are as follows:

Season	2016	2017	2018	2019	2020
	R/ton				
Producer price	5 707,04	5 300,00	5 503,50	5 350,00	6 200,00

The average producer price of canola increased by 15, 9%, from R5 350, 00/ton in 2019 to R6 200, 00/ton in 2020.

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 2021/22, canola production is expected to contribute 10, 7% to world oil crop production. During the same period, soya bean production, which is the largest oilseed crop, is expected to contribute 61, 1% of the world oilseed crop production.

The USDA Foreign Agricultural Service indicated in November 2021 that world production of canola/rapeseed decreased by 7, 1%, from 72, 7 million tons in the 2020/21 marketing season to 67, 5 million tons in the 2021/22.

The key global canola producers during the 2021/22 marketing year are the European Union contributing 25,3% (17,1 million tons), China contributing 20,7% (14,0 million tons), Canada contributing 19,3% (13,0 million tons), India contributing 12,6% (8,5 million tons) and other countries contributing 22,1% (14,9 million tons) to world production.

The European Union, Japan and China are the primary importers (64, 6%) of canola seed, while Canada accounts for 41, 7% of canola seed exports.

Global canola consumption is expected to reach 69, 4 million tons for 2021/22, compared to 73, 9 million tons for the 2020/21 season—a decrease of 6, 1%.

Global ending stocks for 2021/22 are expected to decline by 1, 9 million tons, from 6, 0 million tons in 2020/21 to 4, 1 million tons in 2021/22.

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.

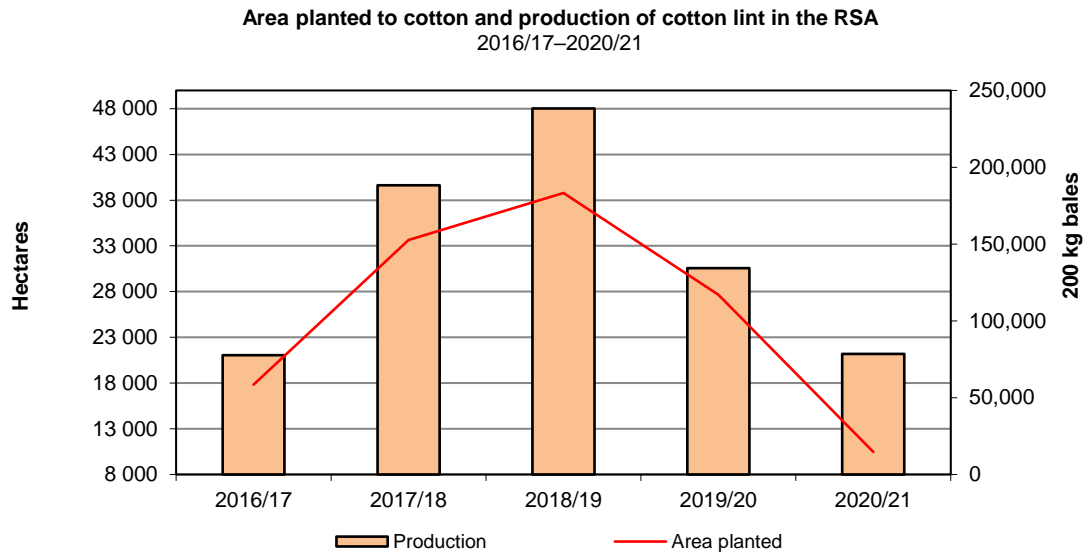
Cotton

In South Africa, cotton is grown in the warm regions of 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 cottonseed 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 2020/21 production season is estimated at 10 467 ha, which is a decrease of 62, 2% from 27 675 ha of the previous season.



Source: Cotton SA

Yields per hectare under irrigation are 3, 3% lower than on dry land. An estimated average yield of 4 351 kg/ha seed cotton was realised on irrigated land during the 2020/21 production season, compared to 1 749 kg/ha realised on dryland.

During 2020/21, an estimated 64, 7% of the total area planted to cotton was on dryland, as against 58, 3% the previous season. The area under irrigation also decreased by 50, 5% from 2019/20 to 2020/21.

The domestic production of cotton lint for the 2020/21 marketing season (April to March) is estimated at 78 518 bales of 200 kg each, which is a decrease of 41,3% from the 134 230 bales produced during the 2019/20 season.

Areas planted to cotton and the production of cotton lint from the 2016/17 to 2020/21 production seasons by the RSA and Eswatini compare as follows:

RSA

Production season	2016/17	2017/18	2018/19	2019/20	2020/21*
Total RSA plantings (ha)	17 841	33 628	38 785	27 675	16 176
Dryland (ha)	10 540	14 355	16 020	16 132	10 467
Irrigation (ha)	7 301	19 273	22 765	11 543	5 709
Production of cotton lint (200 kg bales) from RSA-grown cotton	50 457	91 742	218 430	134 230	78 518

Eswatini

Production season	2016/17	2017/18	2018/19	2019/20	2020/21*
Total Eswatini plantings (ha)	3 000	800	1 0080	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 produce Eswatini - 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) is expected to be 26, 6 million tons. The estimate for production in India, the world's largest cotton producing country in 2020/21, shows higher plantings with over 12 million tons with an expected crop of 6,2 million tons. China continues to reduce its area under production; and is expected to produce 5,7 million tons.

World production is currently projected to outpace consumption; and the current global stock-to-use ratio is 0, 97. There is currently enough cotton lint in the world warehouses to meet consumption.

Rising stocks and continuing economic uncertainty is putting prices under pressure.

The average producer price for seed cotton (lint and seed derived from the boll of the cotton plant before it is ginned) for the 2019/20 marketing season (April to March) was 799 c/kg, while the price for 2020/21 is projected to remain a constant 772 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	2017/18	2018/19	2019/20	2020/21	2021/22*
	c/kg				
Seed cotton	868	798	799	772	790
Cotton lint	2 362	2 191	2 269	2 156	2 205

**Projections*

Consumption

Consumption of cotton lint by RSA and Eswatini spinners for the 2020/21 marketing year is estimated at 60 270 bales of 200 kg, compared to the 88 265 bales of the 2019/20 year—a decrease of 31, 7%.

During the 2020/21 marketing year, about 7 466 tons of the consumed cotton lint was imported from SADC countries. The major supplier was Zambia. Cotton lint exports for the 2020/21 season amounted to 28 054 tons.

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

Marketing year	2015/16	2016/17	2017/18	2018/19	2019/20*
	200 kg bales				
Consumption	106 160	108 320	110 000	47 774	12 054

**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, either the seed cotton is 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.

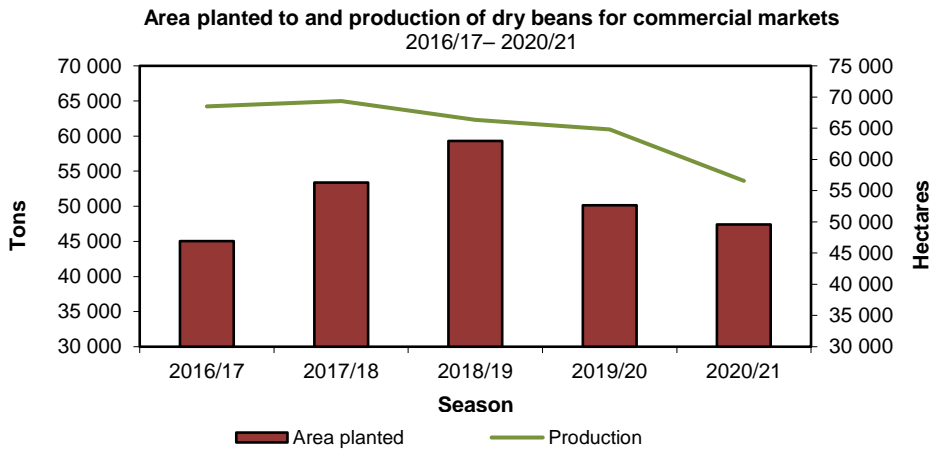
After the Cotton Board was dissolved in 1998, stakeholders in the cotton industry formed a section 21 company named Cotton SA. A statutory levy, which was introduced in April 2004 in terms of the Marketing of Agricultural Products Act, 1996, is applicable to finance research and the other functions of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

Dry beans

Areas planted and production

According to the Crop Estimates Committee, an estimated 47 390 ha were planted to dry beans for commercial markets during the 2020/21 season, compared to 50 150 ha planted in 2019/20. This represents a decrease of 5,5% and 2,2% less than the average of 48 452 ha planted during the five years up to 2019/20. The estimated commercial crop of 57 672 tons for 2020/21 is 11,0% less than the previous crop of 64 800 tons. The 2020/21 crop is 5,3% less than the five-year average of 60 897 tons up to 2019/20. The average yield for the 2020/21 crop is approximately 1,22 t/ha—a decrease of 5,8% from the 1,29 t/ha of the previous season.

The Free State produced 28,6% (16 500 tons) of the 2020/21 commercial crop, followed by Limpopo with 27,7% (16 000 tons), Mpumalanga with 16,9% (9 750 tons) and North West with 16,1% (9 280 tons). The remaining 10,6% (6 142 tons) was produced in the other provinces.

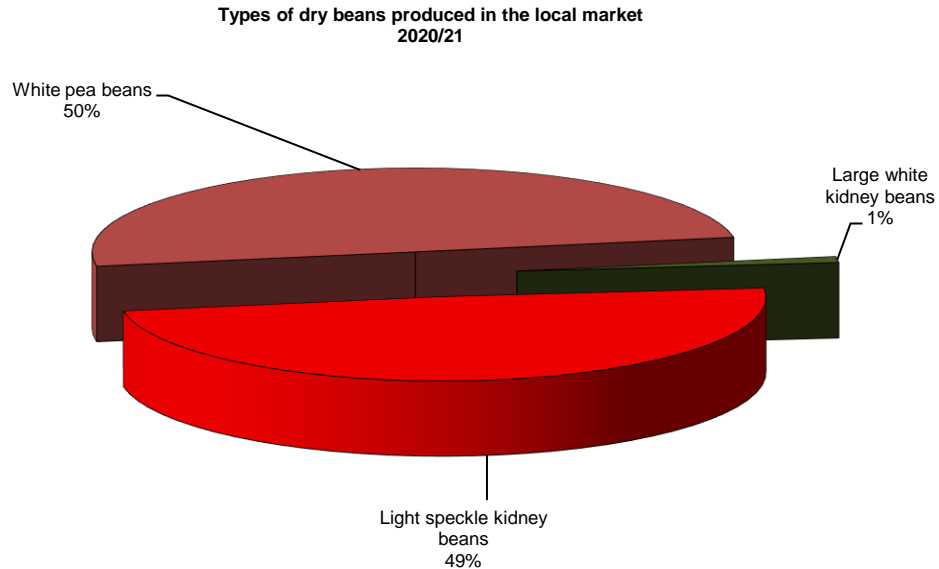


Production in the provinces and their share of the 2020/21 dry bean crop are as follows:

Province	Production (t)	Share in crop (%)
Western Cape	150	0,26
Northern Cape	700	1,21
Free State	16 500	28,61
Eastern Cape	300	0,52
KwaZulu-Natal	3 900	6,76
Mpumalanga	9 750	16,91
Limpopo	16 000	27,74
Gauteng	1 092	1,89
North West	8 290	16,10
Total	57 672	100,00

Dry beans contributed an estimated amount of R896 million to the gross value of field crops for the 2020/21 season, which is 2,5% less than the R919 million of the previous season, while the average annual gross value of dry beans for the five years up to 2020/21 amounts to approximately R939 million.

The contribution of different types of dry beans to total local production in 2020/21 is estimated to be as follows: white pea beans – 28 735 tons (49,8%), light speckle kidney beans – 28 122 tons (48,8%), large white kidney beans – 663 tons (1,2%) and other dry beans – 153 tons (0,3%), mainly cariocas.



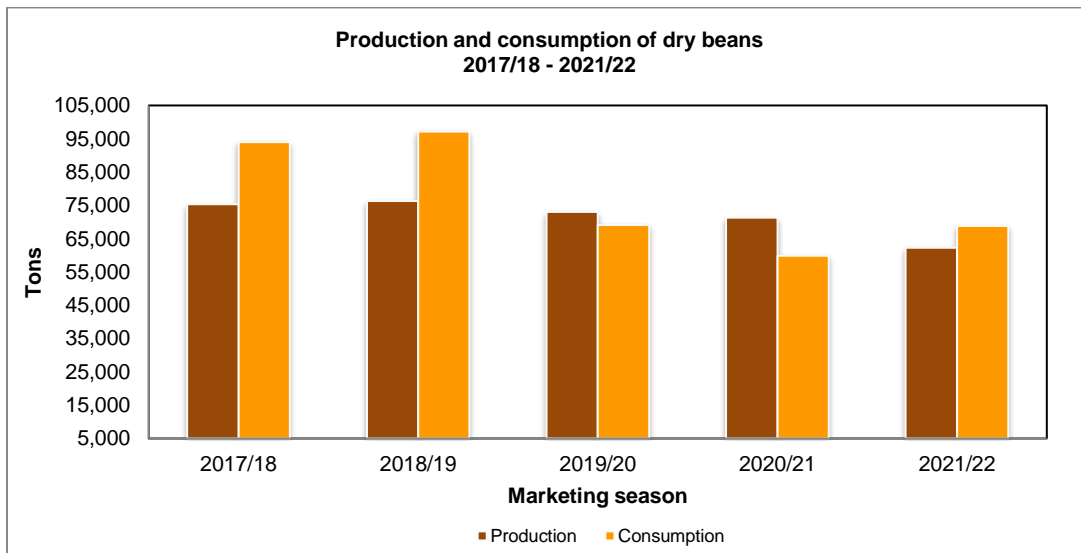
The most extensive seed production takes place in the Lowveld area of Mpumalanga, followed by Limpopo and the Northern Cape.

In an attempt to improve profitability for producers and to meet the increase in protein demand, new cultivars with higher yields has 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 68 799 tons of dry beans is expected to be consumed locally during the 2021/22 marketing season (April to March), which is 15, 0% more than the 59 844 tons in 2020/21. The projected per capita consumption for 2021/22 is 1, 00 kg, which is 19, 0% more than the 0, 84 kg in 2020/21.

The quantities of dry beans produced and consumed according to the Department of Agriculture, Land Reform and Rural Development, from 2017/18 to 2021/22 marketing season were as follows:



Producer prices

The average prices received by producers for dry beans from the 2016/17 to 2020/21 production season are as follows:

Production season	2016/17	2017/18	2018/19	2019/20	2020/21
	R/t				
Producer price	13 726	13 137	11 544	12 892	14 396

The average producer price of dry beans increased by 11, 7%, from R12 892/ton in the 2019/20 production season to R14 396/ton in the 2020/21 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 to no effect on price determination.

Trade balance

Imports of dry beans to and exports from South Africa during the five marketing seasons from 2017/18 up to 2021/22 are as follows:

Marketing season	2017/18	2018/19	2019/20	2020/21	2021/22*
	Tons				
Imports	30 551	30 547	11 788	11 180	10 000*
Exports	11 901	9 672	15 699	22 616	3 436*

*projections

The expected imports of dry beans show a decrease of 10, 6%, from 11 180 tons in 2020/21 to 10 000 tons in 2021/22. An estimated amount of 2 324 tons and 1 001 tons of dry beans were imported from Malawi and Mozambique, respectively, for the first six months of 2021. This represents 23, 2% and 10, 0%, respectively, of the projected 10 000 tons to be imported during the 2021/22 marketing season.

The projected exports of dry beans decreased by 84, 8%, from the 22 616 tons in 2020/21 to 3 436 tons in 2021/22 marketing season. An estimated amount of 533 tons and 468 tons of dry beans were exported to Zimbabwe and India, respectively, during the first six months of the 2021/22 marketing season. This represents 15, 5% and 13, 6%, respectively, of the projected exports of 3 436 tons during the 2021/22 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 sugar 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 re-sprouting. 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 South African Cane Growers' Association, established in 1927, administers the sugar cane growing industry in South Africa. 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.

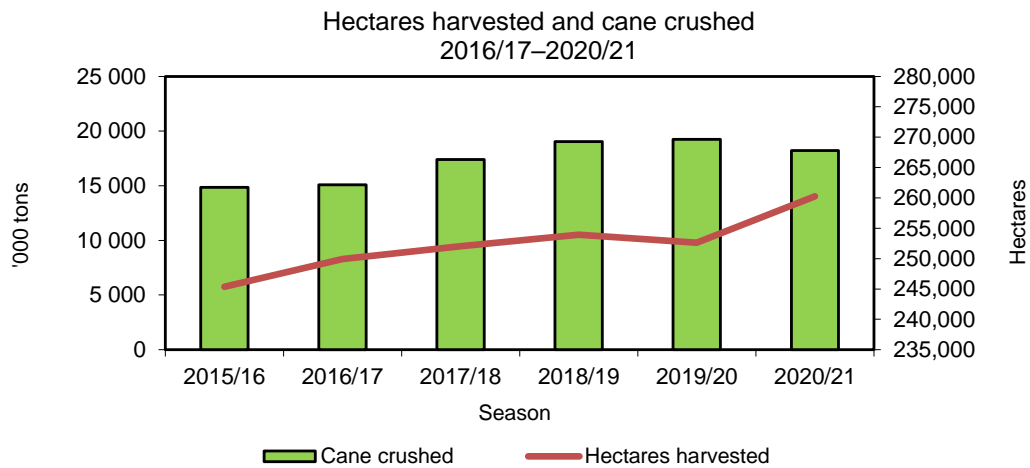
Six milling companies manufacture sugar with 14 sugar mills operating in the cane growing regions.

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 decreased by 5, 3% to 18, 2 million tons from 2016/17 to 2020/21, while production for the 2021/22 season at 17, 9 million tons is expected to be 2, 3% lower than in 2020/21.



The average cane production over the past decade (from the 2011/12 to the 2020/21 season) is 17, 6 million tons per annum, with the yield of harvested cane averaging 68, 7 t/ha over the same period. The yield stands at 76, 2 t/ha for the 2019/20 season. The area harvested increased by 3, 1%, from 252 631 ha in 2019/20 to 260 258 ha in 2020/21.

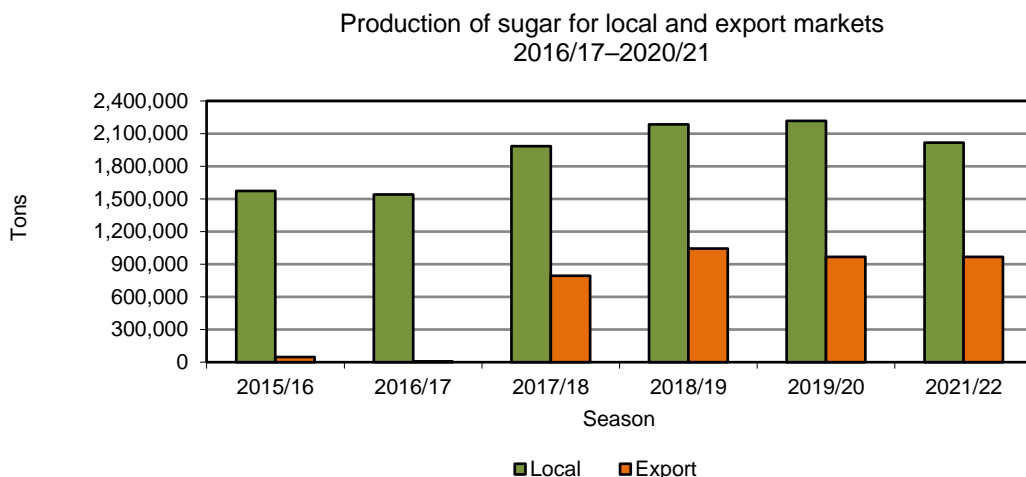
The producer price of sugar cane increased by 21, 9% from 2019/20 to 2020/21. The average price over the five-year period indicated below is R533, 91 per ton.

The average producer prices of sugar cane from 2016/17 to 2020/21 were as follows:

Year	2016/17	2017/18	2018/19	2019/20	2020/21
	R/ton				
Producer price	564.39	522.46	451.58	517.83	613.28

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 2020/21, production is estimated at 2,02 million tons. The quantity of cane crushed to produce one ton of sugar stands at 9,03 tons for the 2020/21 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 takes 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 542 213 tons of sugar were produced for the international market during the 2020/21 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, 02 million tons of sugar to the Southern African Customs Union (SACU) during 2020/21 represents a decrease of 8, 9% from the 2, 22 million tons supplied in 2019/20.

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

Year	2016/17	2017/18	2018/19	2019/20	2020/21
	'000 tons				
Production	1 534	1 986	2 183	2 217	2 018
Sales to SACU	1 534	1 190	1 141	1 249	1 476

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 assists 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.

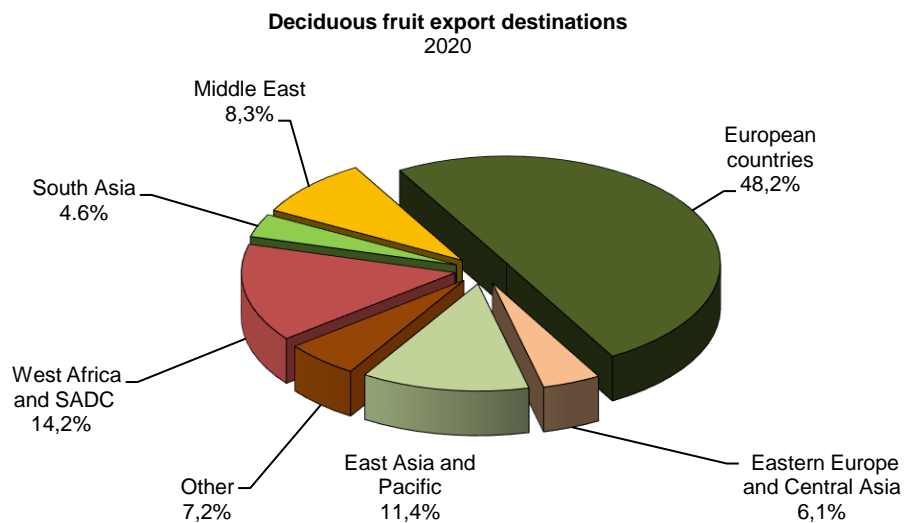
The average prices realised for deciduous fruit on the major fresh produce markets during the period 2015/16 to 2019/20 were as follows:

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.

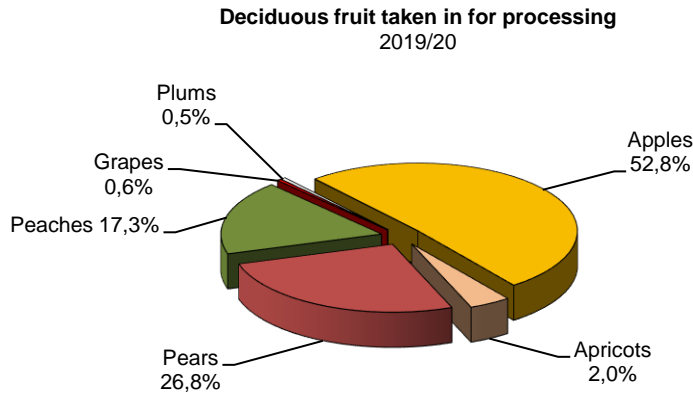
The following graph indicates deciduous fruit export destinations during 2020.



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 fruit 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 fruit showed a decrease, except peaches, which remain constant.

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

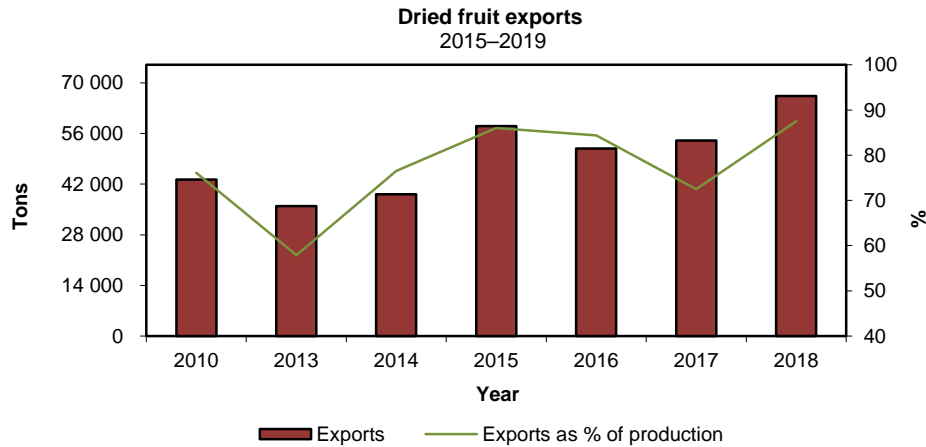
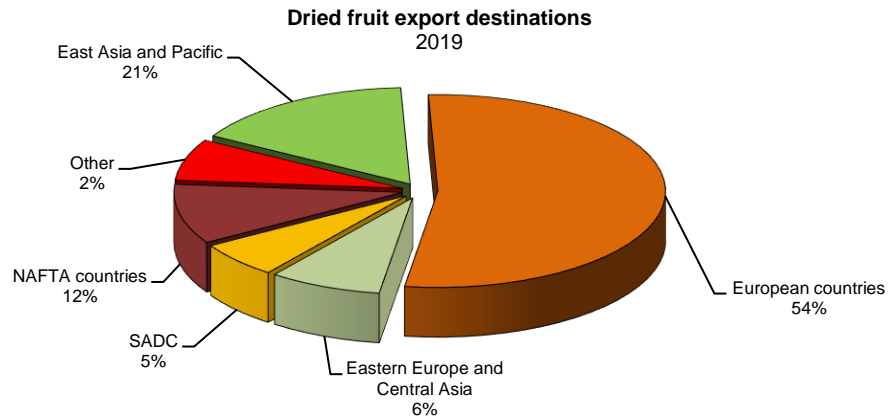
Fruit type	2016	2017	2018	2019	2020*
	Tons				
Sultana type	12 237	1 491	1 662	1 592	2 601
Unbleached	11 593	21 142	20 914	14 507	28 872
Golden	28 364	36 318	35 334	46 318	33 649
Thompson seedless raisins	2 400	4 482	2 329	1 605	4 523
Currants	35	2 153	809	1 076	4 751
Flames	0	0	3 534	4 600	7 256
Muscat 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 4, 0% to the world's wine production in 2020. The area under wine grape vineyards is estimated at 92 005 ha, which is 0, 1% less than the 92 067 ha of the previous year.

The wine industry is labour intensive and provides employment to approximately 269 096 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.

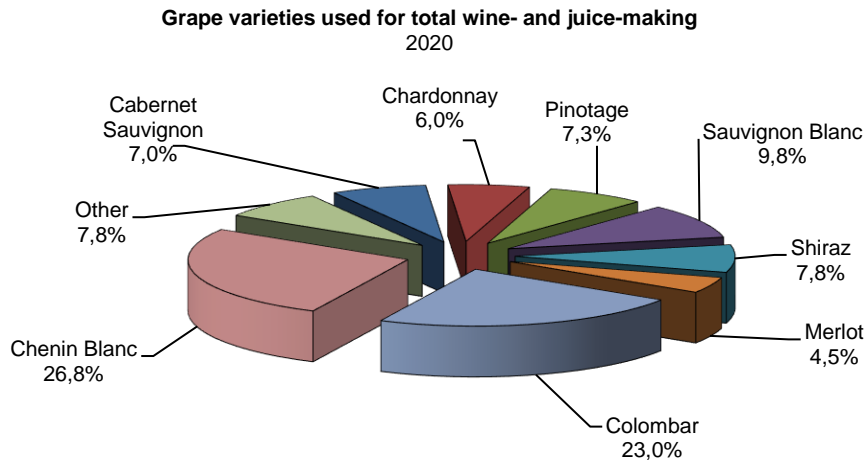
Production

Total production of wine, including rebate and distilling wine, juice and concentrate for non-alcoholic beverages from 2016 to 2020, is as follows:

Year	2016	2017	2018	2019	2020
	Gross million litres				
Wine production	1 089	1 120	966	974	1 042

During 2020, wine production increased by 7, 0%. Approximately 65, 4% of the wine grapes utilised for winemaking purposes were white and 34, 6% were red.

The use of different varieties of grapes during 2020 is depicted in the following graph:



Income of producers

The production of wine grapes and income of producers from 2016 to 2020 are as follows:

Year	2016	2017	2018	2019	2020
Wine-grape production ('000 tons)	1 405	1 437	1 244	1 248	1 342
Income of producers (R million)	5 030	5 827	6 298	6 181	5 785

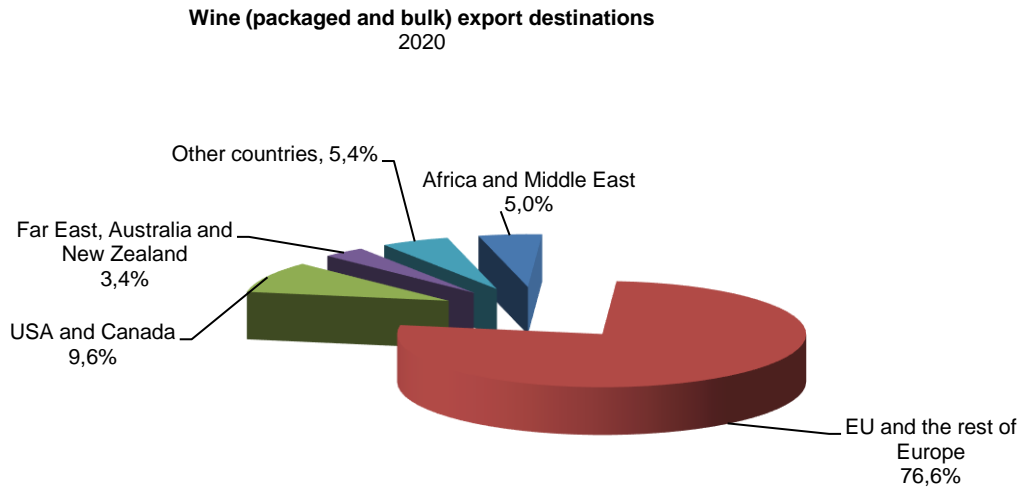
The producers' income decreased by 6, 1% in 2020, due to surplus stock because of the ban on local alcohol sales and global trade during the first phase of the Covid-19 lockdown.

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

Year	2016	2017	2018	2019	2020
	'000 litres				
Still wine	424 088	444 011	414 992	316 664	314 333
Fortified wine	386	315	351	174	221
Sparkling wine	3 867	4 059	4 820	2 945	3 418
Total	428 341	448 385	420 163	319 783	317 972

During 2020, 30, 5% of the total wine produced was exported, compared to 32, 8% during 2019.

The following graph depicts wine export destinations during 2020.



Consumption

The per capita consumption of wine on the domestic market from 2016 to 2020 is as follows:

Year	2016	2017	2018	2019	2020
	ℓ per capita				
Still wine	7,04	7,13	6,68	6,18	4,87
Fortified wine	0,40	0,41	0,42	0,29	0,26
Sparkling wine	0,16	0,16	0,16	0,17	0,13
Total	7,60	7,70	7,27	6,64	5,26

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 R5 444 million in 2020/21—an increase of 10, 8% on the 2019/20 figure of R4 913 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.

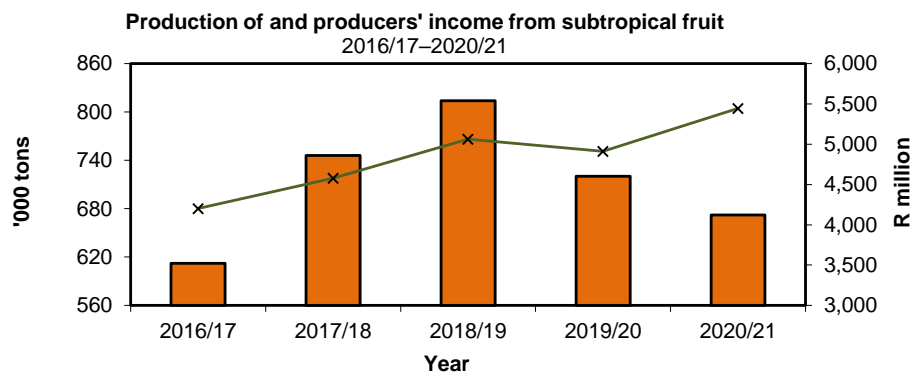
The total production area of avocados in 2020/21 is estimated at approximately 15 760 ha, mangoes at 5 252 ha and litchis at 1 549 ha.

The production of subtropical fruit from 2016/17 to 2020/21 is as follows:

Fruit type	2016/17	2017/18	2018/19	2019/20	2020/21
	'000 tons				
Avocados	78,7	87,0	116,1	86,5	87,0
Bananas	293,3	410,6	427,3	382,1	336,8
Pineapples	89,5	107,1	116,7	120,3	114,8
Mangoes	95,4	90,1	107,4	97,1	92,1
Papayas	16,0	14,2	11,6	14,0	7,9
Granadillas	1,0	0,6	0,8	1,0	0,7
Litchis	10,5	8,4	7,5	4,8	6,4
Guavas	28,1	27,8	26,9	24,3	27,3

The total production of subtropical fruit decreased by 7, 8%, from 730 065 tons in 2019/20 to 672 947 tons in 2020/21. Production of litchis rose by 33, 3%, guavas by 12, 3% and avocados by 0, 6%, respectively.

However, the production of papayas dropped by 43, 6%, granadillas by 30, 0%, bananas by 11, 9%, mangoes by 5, 1%, and pineapples by 4, 6%.



Bananas, pineapples and mangoes contributed 50, 0%, 17, 1% and 13, 7%, respectively, to the total production of subtropical fruit during the 2020/21 season.

Domestic sales

During 2019/20, the largest contributors to the sales of subtropical fruit on the major fresh produce markets were bananas (73,0%), avocados (9,0%), pineapples (7,8%), mangoes (7,2%) and followed by papayas (1,5%) and guavas, litchis and granadillas combined (1,5%).

The quantities of pineapples, granadillas, avocados, bananas, mangoes, papayas and guavas sold on the major fresh produce markets decreased during 2020/21, while the quantities of litchis increased.

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

Fruit type	2016/17	2017/18	2018/19	2019/20	2020/21
	Tons				
Avocados	24 813	23 536	31 077	26 350	24 145
Bananas	171 936	241 171	249 528	222 625	195 963
Pineapples	20 407	27 833	23 703	24 441	20 918
Mangoes	17 950	23 035	29 621	22 541	19 259
Papayas	9 797	9 045	6 888	7 460	4 149
Granadillas	686	477	489	506	385
Litchis	1 394	1 450	1 422	984	1 653
Guavas	1 527	1 559	1 708	1 938	1 853
Total	248 510	328 106	344 436	306 845	268 325

Intake for processing

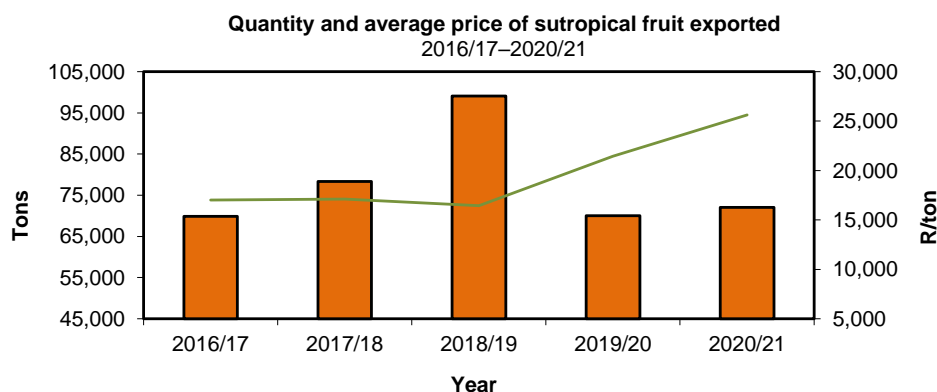
During 2020/21 (July to June), pineapples accounted for 47, 5% of the total intake of subtropical fruit types for processing. The other two main contributors to the processing industry were mangoes (33, 8%) and guavas (13, 0%).

The quantities of pineapples, avocados, bananas, granadillas and papayas taken in for processing decreased during 2020/21, while the intake of litchis and guavas increased.

Fruit type	2016/17	2017/18	2018/19	2019/20	2020/21
	Tons				
Avocados	4 129	6 591	8 567	9 091	7 393
Bananas	1 481	1 028	443	644	342
Pineapples	64 115	71 436	87 181	91 062	90 754
Mangoes	66 850	57 020	64 609	64 609	64 609
Papayas	1 762	1 157	1 236	2 881	1 309
Granadillas	122	19	219	348	194
Litchis	1 491	1 056	1 878	949	1 688
Guavas	25 997	24 724	24 537	21 685	24 816
Total	165 947	163 031	188 670	191 269	191 105

Exports

From 2019/20 to 2020/21, total exports of subtropical fruit increased by 2, 9%, from 70 021 tons to 72 059 tons and the average export price increased by 19, 5%, from R21 439/t to R25 621/t.



The main subtropical fruit type being exported is avocados. During 2020/21, exports of avocados contributed 71, 5% to the total value of exports of subtropical fruit. Other types that were exported were litchis, mangoes, pineapples and papayas.

Marketing and research

Research is largely funded through the relevant growers' associations. Organisations that carry out industry-funded research include the ARC-Institute for Tropical and Subtropical Crops (ITSC), universities and private research organisations.

Prospects

Expectations are that most subtropical fruit types' production will increase during the 2021/22 production season.

Citrus fruit

Production areas

Citrus fruit is grown in Limpopo, the 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 88 569 ha.

Production

Oranges contributed about 50, 0% to the total production of citrus fruit in South Africa during 2020/21. Citrus fruit production decreased by 23, 1%, from 2 989 980 tons in 2019/20 to 2 996 891 tons in 2020/21. There has been an annual average decrease of 7, 6% over the past five years in citrus production.

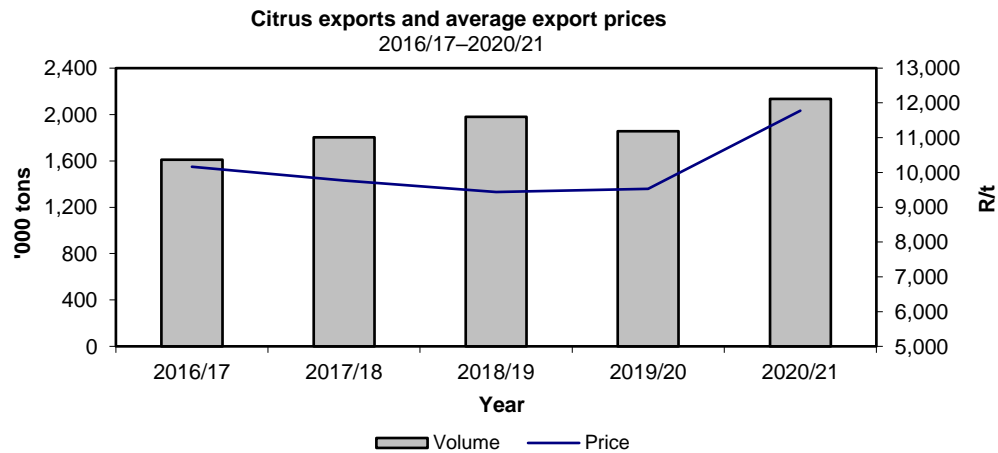
Citrus fruit production for the past five production seasons (1 February to 31 January) is as follows:

Fruit type	2016/17	2017/18	2018/19	2019/20	2020/21
	Tons				
Oranges	1 366 083	1 461 370	1 774 451	1 687 332	1 499 544
Grapefruit	318 264	325 470	445 351	379 173	349 453
Lemons	323 063	447 643	473 197	506 570	647 127
Naartjes	36 166	40 967	53 230	89 963	85 198
Soft citrus	215 270	249 991	285 504	326 942	415 569
Total	2 258 848	2 525 441	3 301 733	2 989 980	2 996 891

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 increased from 1 854 930 tons during 2019/20 to 2 134 167 tons during 2020/21—an increase of 13, 1%. During 2020/21, the European Countries, East Asia and Pacific, Middle East and Eastern Europe and Central (88, 1%) were South Africa's largest trading partners in terms of citrus fruit exports. About 1 113 251 tons of oranges (approximately 52, 2% of the citrus crop) were exported.



Domestic sales

Citrus fruit sales on the major fresh produce markets in South Africa increased by 5, 9%, from 163 559 tons during 2019/20 to 165 903 tons during 2020/21 and comprised about 5, 1% of total citrus fruit production. Approximately 54, 0% of the oranges production, 17, 0% of lemons, 15, 6% of naartjes and 11, 2% of soft citrus were sold on the fresh produce markets.

The average prices realised on the major fresh produce markets during the period 2016/17 to 2020/21 were as follows:

Fruit type	2016/17	2017/18	2018/19	2019/20	2020/21
	R/ton				
Oranges	3 650	3 607	3 363	3 639	4 908
Grapefruit	5 243	2 490	5 255	2 925	6 419
Lemons	8 378	7 655	6 519	6 494	6 886
Naartjies	7 236	6 690	7 127	5 288	6 654
Soft citrus	6 212	5 496	5 940	6 043	7 193

Processing

Approximately 18, 5% of the total citrus fruit production was taken in for processing during 2020/21. Citrus fruit taken in for processing decreased by 31, 1%, from 809 044 tons in 2019/20 to 555 617 tons in 2020/21.

Consumption

Per capita consumption of citrus fruit from 2017 to 2021 was as follows:

Year	2017	2018	2019	2020	2021
	kg/year				
Per capita consumption	10,59	15,23	15,15	10,66	15,06

Research

The 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. The 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

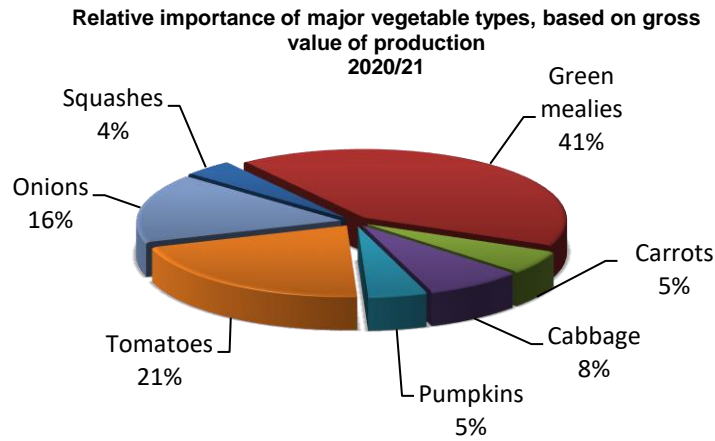
From 2019/20 to 2020/21 (July – June), the total production of vegetables (excluding potatoes) decreased by 3,7%, from 3 113 231 tons to 2 997 488 tons. All the major vegetable types in terms of volumes produced decreased, except for cabbage and green mealies and sweet corn that increased by 4,3% and 4,0%, respectively.

The production of vegetables (excluding potatoes) in South Africa for the period 2016/17 to 2020/21 compares as follows:

Year	2016/17	2017/18	2018/19	2019/20	2020/21
	'000 tons				
Tomatoes	679	624	570	620	536
Onions	731	735	742	746	712
Green mealies and sweet corn	380	390	394	401	417
Cabbages	154	161	161	163	170
Pumpkins	261	264	265	275	271
Carrots	228	237	225	222	222
Other	664	695	687	686	669
Total	3 097	3 106	3 044	3 113	2 997

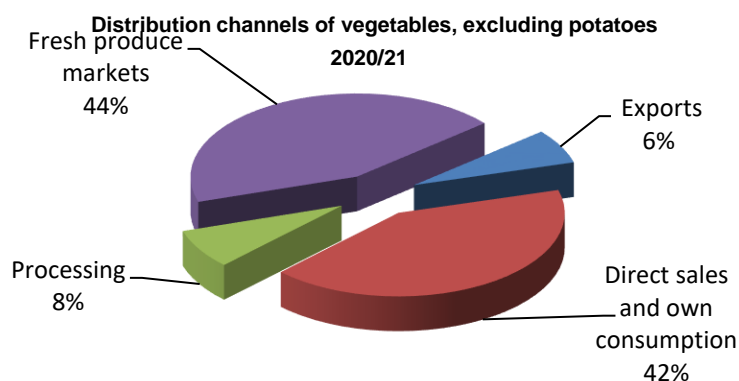
Relative importance of major vegetable types

The relative importance of the major vegetable types, according to gross value of production during the 12 months up to 30 June 2021, 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 2020/21 amounted to 1 312 824 tons, as against 1 401 160 tons sold during 2019/20, which represents a decrease of 6,3%.



The values of sales of vegetables (excluding potatoes) on the major South African fresh produce markets for the period 2016/17 to 2019/20 were as follows:

Year	2016/17	2017/18	2018/19	2019/20	2020/21
	R'000				
Tomatoes	1 769 685	1 889 871	2 042 981	2 012 454	2 169 955
Onions	1 379 110	1 662 549	1 526 336	1 775 987	1 358 715
Green mealies and sweet corn	60 925	64 325	68 346	80 726	81 716
Cabbages	258 037	245 072	312 747	327 106	344 452
Pumpkins	129 494	120 885	129 210	134 430	149 622
Carrots	464 141	469 735	520 739	529 929	555 241
Other	2 320 432	2 353 787	2 603 387	2 748 981	3 052 497
Total	6 381 824	6 806 224	7 203 746	7 609 613	7 712 198

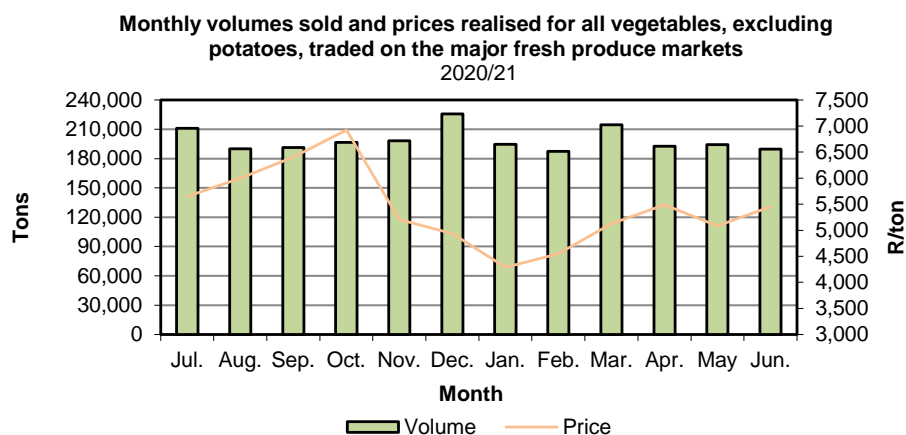
The value of the above vegetables increased during 2020/21 and the highest increase was for pumpkins with 11,3%.

Prices

The average prices of vegetables realised on the fresh produce markets for the period 2016/17 to 2020/21 were as follows:

Year	2016/17	2017/18	2018/19	2019/20	2020/21
	R/ton				
Tomatoes	5 535,83	6 048,16	6 953,33	6 627,85	8 619,14
Onions	3 416,93	4 093,11	3 817,59	4 415,52	4 082,92
Green mealies and sweet corn	15 196,88	15 987,82	18 483,06	18 663,99	19 062,68
Cabbages	2 269,75	2 061,65	2 617,44	2 695,27	2 722,74
Pumpkins	2 400,33	2 257,70	2 485,99	2 332,78	2 996,09
Carrots	3 535,37	3 373,42	3 878,89	4 025,06	4 243,73
Other	4 571,72	4 776,50	5 189,12	5 430,94	5 874,51

Of the major vegetable types, the prices increased, except for onions that showed a decrease of 7, 5%.



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, 48 kg during 2020/21, approximately 6, 4% lower than the 48, 59 kg of 2019/20.

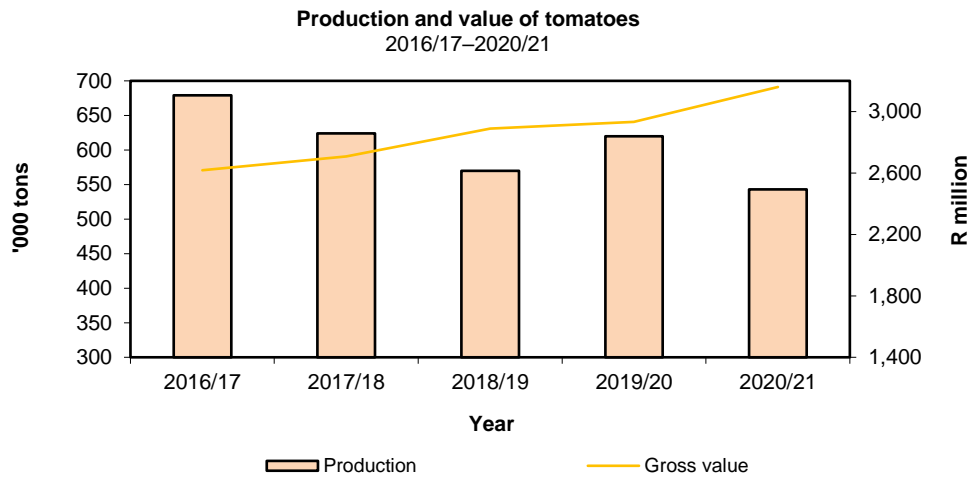
Tomatoes

Production and value

Production of tomatoes decreased by 12, 4%, from 619 584 tons in 2019/20 (July to June) to 542 774 tons in 2020/21.

The gross value of production increased by 7, 7%, from R2 933 million in 2019/20 to R3 160 million in 2020/21.

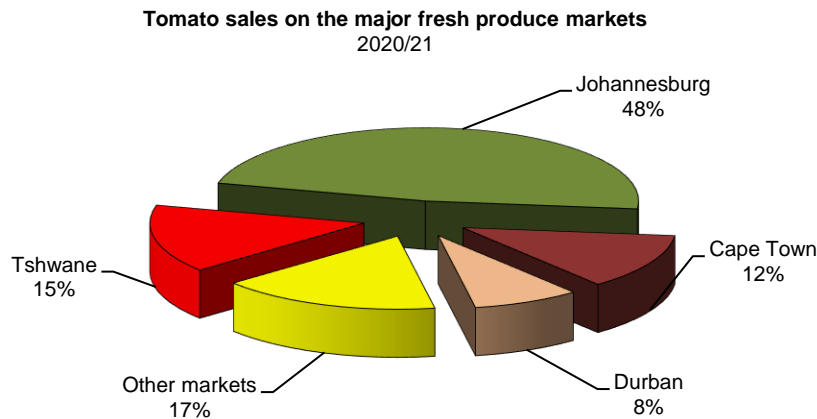
Sales



Sales on fresh produce markets constituted approximately 46, 0% and direct sales approximately 25, 0% of the total volume of tomato sales.

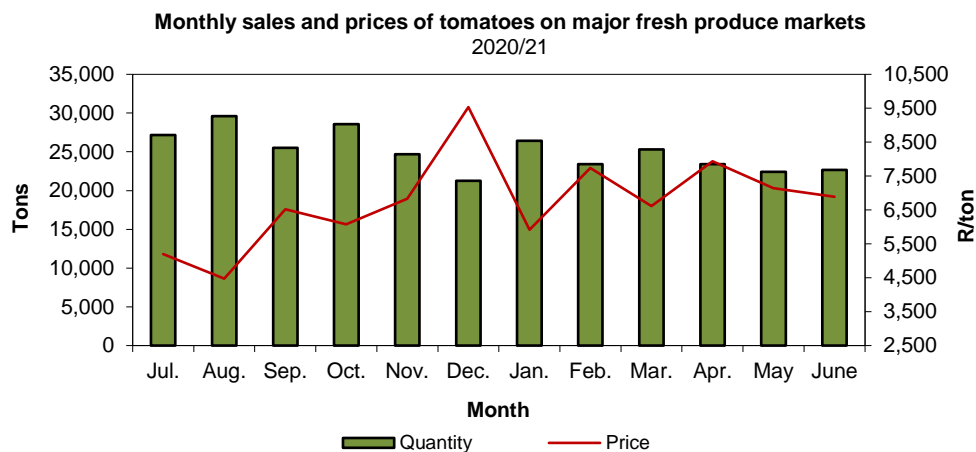
Owing to the geographic distribution and production of tomatoes, a sufficient volume of good quality tomatoes is normally being produced almost throughout the year to meet the daily demand.

The quantity of tomatoes sold on the 19 major fresh produce markets decreased by 17, 1%, from 303 636 tons in 2019/20 to 251 760 tons in 2020/21.



Prices

The average price of tomatoes sold on the major fresh produce markets increased significantly by 30,0%, from R6 627,85 per ton during 2019/20 to R8 619,14 per ton during 2020/21. The increase was mainly the result of a decrease in volumes being offered. Tomatoes are subject to large seasonal price fluctuations; therefore, there is a high price risk involved.



Exports*

The quantity of tomatoes exported decreased by 11, 2%, from 21 482 tons in 2019/20 to 19 083 tons in 2020/21.

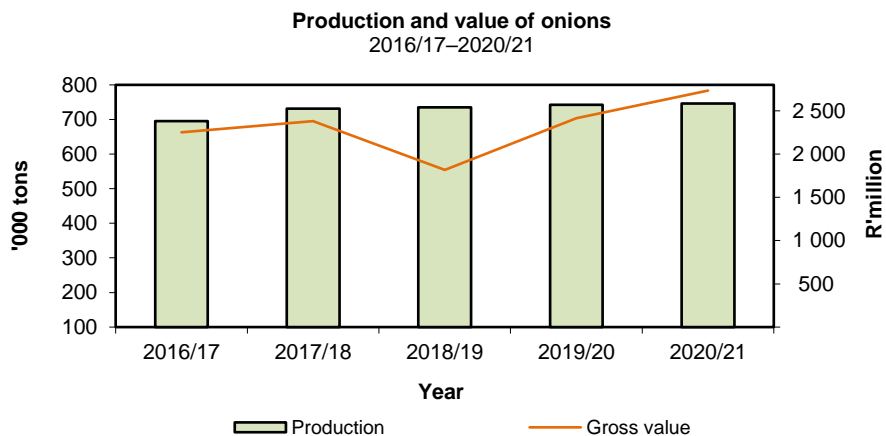
*Source: Customs and Excise

Onions

Production

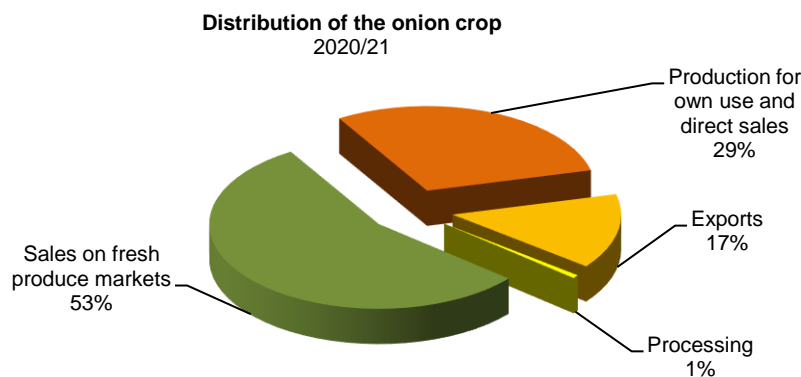
Onions are produced in almost all the provinces of South Africa.

Approximately 712 580 tons of onions were produced during the 2020/21 season (July to June). This is 4, 5% less than the 746 086 tons of the previous season. The industry experienced an average annual increase of 1, 0% in production from 2016/17 to 2020/21.

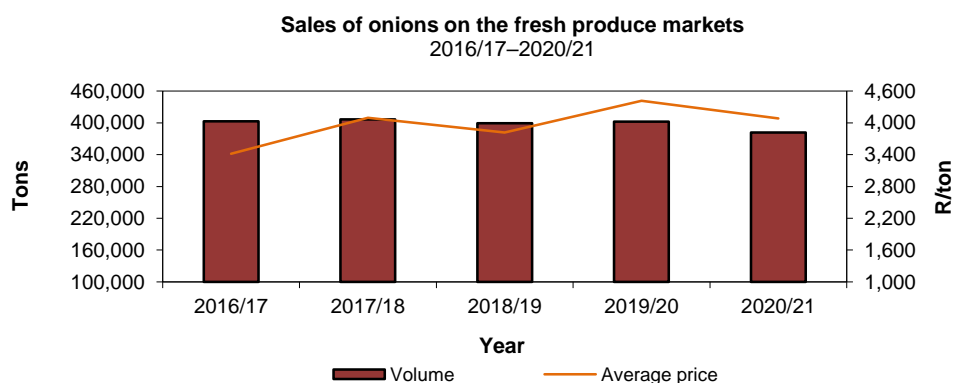


Sales

The fresh produce markets remain an important marketing channel for onions. Approximately 53% of the total production during the 2020/21 season was sold on the major fresh produce markets, while 17% was exported. The remainder comprises of producers' own consumption and direct sales to supermarkets and chain stores (29%) and a small quantity, less than 1%, was sold to processing factories.



The sales of onions on the fresh produce markets decreased by 5, 1%, from 402 215 tons in 2019/20 to 381 765 tons in 2020/21.



Prices

The average price of onions sold on the fresh produce markets decreased by 7, 6%, from R4 416 per ton in 2019/20 to R4 083 per ton in 2020/21.

Processing

Approximately 1% of the total production of onions was taken in for processing during the 2020/21 season. There has been a significant decrease of 28, 4% in the total processing of onions since the 2016/17 season, when 5 557 tons were taken in for processing compared to 3 978 tons in the 2020/21 season. During 2020/21, about 92, 0% was canned and the remaining 8, 0% was frozen.

Exports*

During the 2020/21 season, the volume of onions exported represented approximately 17% of the total onion crop. The volume of exports decreased by 0,4%, from 118 tons in 2019/20 to 120 684 tons during 2020/21. * Source: *Customs and Excise*

Potatoes

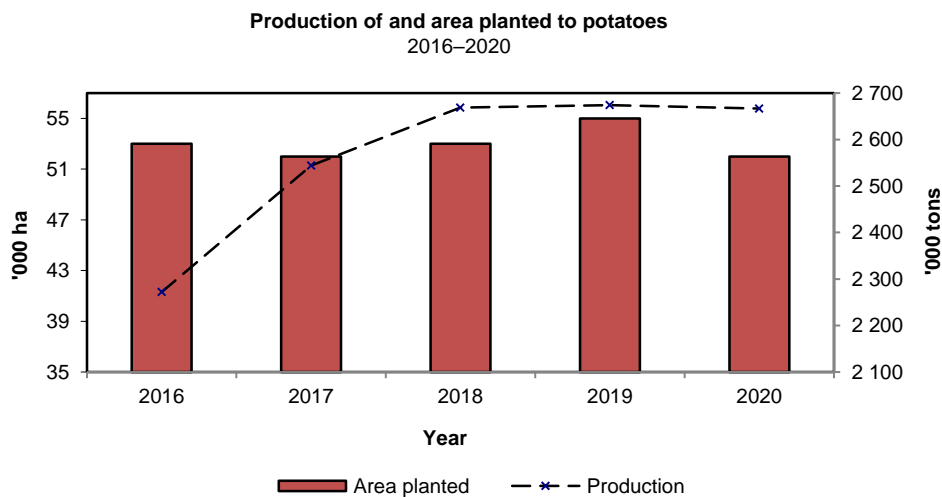
There are 16 distinct potato-production regions in South Africa, which are spread throughout the country. The main regions are situated in the Free State, Western Cape, Limpopo and Mpumalanga. Potatoes are planted at different times because of climate differences in the production areas, resulting in 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 2020 were 51 538 ha, which was 6, 9% lower than the 55 338 ha of the previous year.

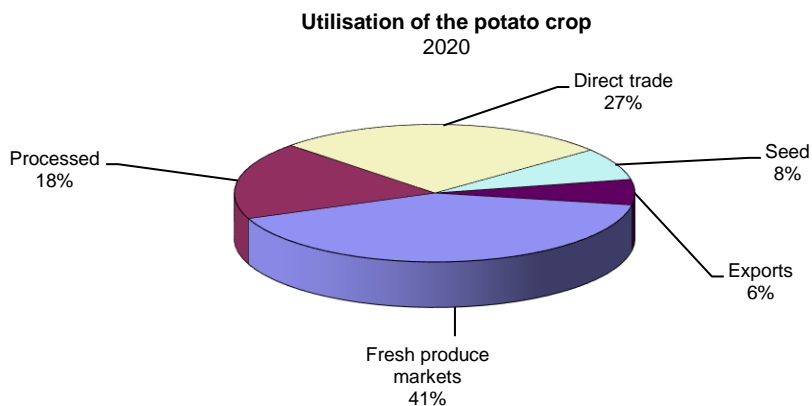
Production

In 2020, the average yield was approximately 5 175 x 10 kg pockets per hectare, compared to 4 832 x 10 kg pockets per hectare in 2019, which is an increase of 7, 1%.



Sales

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

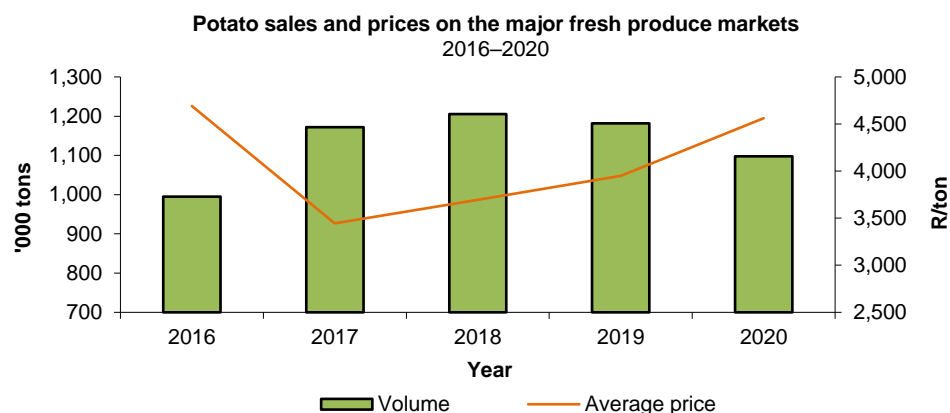


During 2020, approximately 110 million x 10 kg pockets of potatoes were sold on the major fresh produce markets, as against 118 million in 2019—a decrease of 6,8%. The Johannesburg Fresh Produce Market remains the biggest outlet, followed by the Tshwane, Cape Town and Durban markets. During the five years from 2016 to 2020, potato sales on the major fresh produce markets on average showed an increase of approximately 2,3%.

Prices

Between 2016 and 2020, potato prices realised on the major fresh produce markets increased by an average of 3, 4% per annum, from R3 427 per ton in 2016 to R3 948 per ton in 2020.

The average price increased by 6, 8%, from R3 696 per ton in 2019 to R3 948 per ton in 2020.



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 a decrease of 0, 3%, from 488 903 tons in 2019 to 487 664 tons in 2020.

Exports*

In 2020, 159 131 tons, approximately 6, 0% of total local potato production, was exported. The quantities of potatoes exported decreased from 159 535 tons in 2019. During 2020, 90, 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	2016	2017	2018	2019	2020
Total production ('000 tons)	2 272	2 554	2 670	2 674	2 667
Gross human consumption ('000 tons)	1 875	2 108	2 220	2 213	2 203
Per capita consumption (kg p.a.)	33,54	37,29	38,45	37,65	36,94

Prospects

It is expected that there will be a decrease in the production of potatoes in 2021: 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 km², has been negatively affected. This badly affected grazing area represents

53% of all agricultural land in the country and 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.

Foot-and-Mouth disease is still prevalent in some parts of KwaZulu-Natal, as of October 2021, with movement restrictions in place for identified locations. As such, practices for biosecurity are encouraged in order to curb further spread of the disease. Other diseases that continue to affect the industry are African Swine Fever and Brucellosis.

Cattle

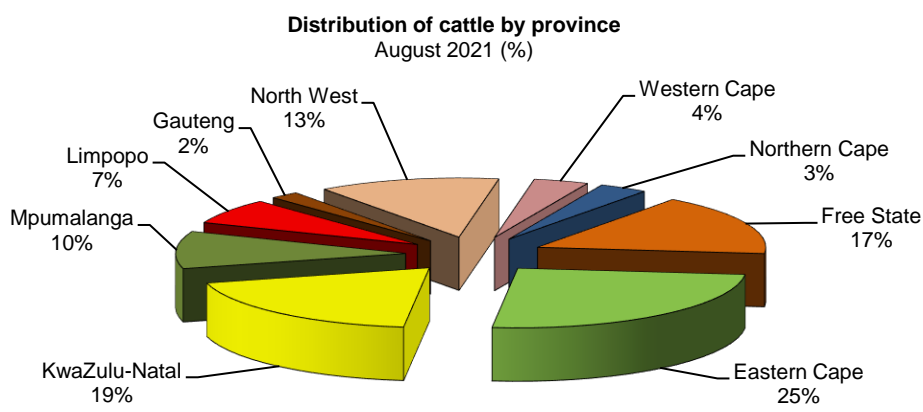
Cattle are found throughout the country, but mainly in the Eastern Cape, KwaZulu-Natal, Free State and North West. Herd sizes vary according to type of cattle, ranging between less than 50 and 300 for dairy cattle, while beef cattle herds range from fairly small (less than 20 head of cattle) to large 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 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 2021 is estimated at 12, 10 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 1, 63% lower than the estimate of 12, 30 million as at the end of August 2020. 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 2017 are estimated as follows:

Province	2017	2018	2019	2020	2021*
	'000 (August)				
Western Cape	518	507	488	466	476
Northern Cape	479	442	433	419	416
Free State	2 179	2 178	2 109	2 054	2 019
Eastern Cape	3 149	3 145	3 082	3 050	3 046
KwaZulu-Natal	2 496	2 481	2 481	2 380	2 316
Mpumalanga	1 326	1 279	1 243	1 248	1 235
Limpopo	981	936	898	860	845
Gauteng	246	246	246	246	246
North West	1 580	1 574	1 578	1 576	1 548
Total	12 954	12 788	12 558	12 299	12 147

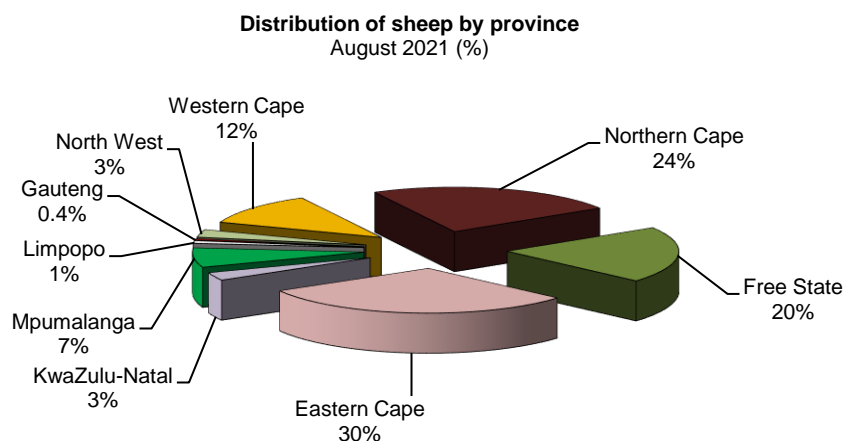
* Preliminary



There are various breeders' organisations representing most international and indigenous cattle breeds. Most of the organisations are affiliated with 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 2021 were estimated at 21, 30 million, 1, 39% lower than the estimated 21, 60 million as at the end of August 2010. For August 2021, the largest numbers of sheep were estimated to be in the Eastern Cape (30%), Northern Cape (24%), Free State (20%) and Western Cape (12%).



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, including Free State.

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, mutton, and 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.

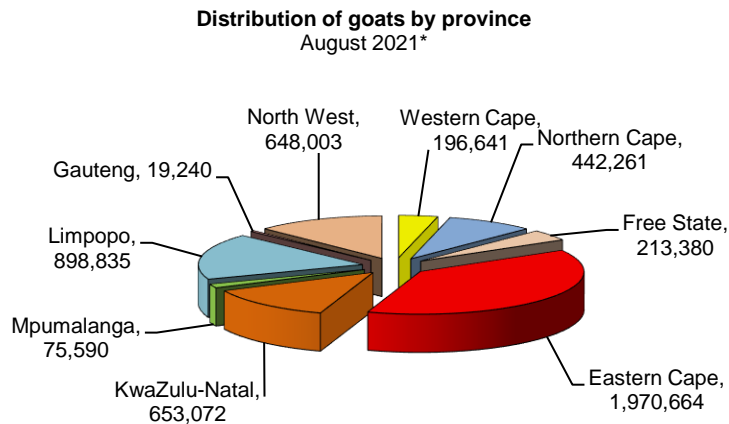
The number of sheep in the various provinces since 2016 was estimated to be as follows:

Province	2017	2018	2019	2020	2021*
	'000 (August)				
Western Cape	2 695	2 663	2 623	2 545	2 502
Northern Cape	5 582	5 496	5 305	5 182	5 059
Free State	4 521	4 510	4 518	4 330	4 340
Eastern Cape	6 622	6 630	6 531	6 513	6 401
KwaZulu-Natal	692	680	656	628	607
Mpumalanga	1 652	1 606	1 554	1 527	1 493
Limpopo	225	213	204	199	192
Gauteng	92	90	87	84	82
North West	608	611	607	596	589
Total	22 689	22 499	22 085	21 604	21 265

* 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, 01% in the number of goats, from 5,170 million in August 2020 to 5,118 million in August 2021.



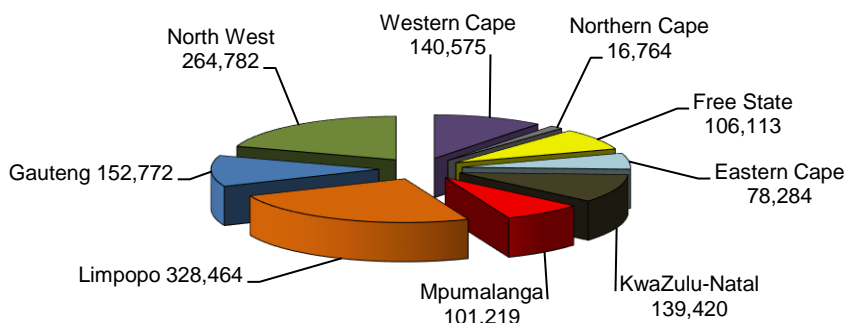
*Preliminary

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 1,357 million in August 2020 to 1,328 million in August 2021, a drop of 2,13%.

Distribution of pigs by province
August 2021*



*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 organisation is also concerned with consumer education, as well as business development for sustainable, economic viability and profit maximisation of producers.

According to SAPPO, most pork meat imports originate from Europe and Brazil, while a number of SA neighbouring countries are export destinations. 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 16, 5% to the gross value of agricultural production in the RSA during 2020/21. 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 12, 6%, sheep (including lambs) slaughtered increased by 7, 1% and pigs slaughtered increased by 13, 8% from 2019/20 to 2020/21.

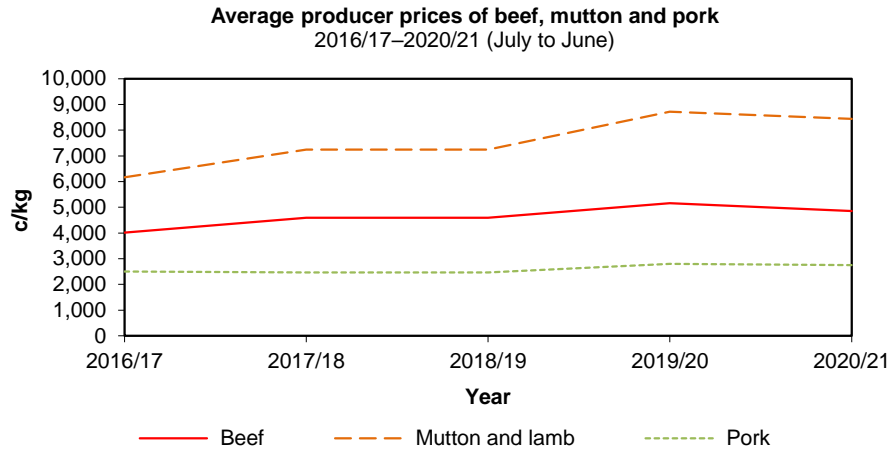
Commercial slaughtering of red meat producing livestock categories over the past five years were as follows:

Year	2016/17	2017/18	2018/19	2019/20	2020/21
Cattle	2 849 013	2 653 789	2 445 125	2 592 605	2 620 720
Sheep and lambs	4 786 154	4 231 571	3 657 328	4 464 864	3 898 790
Pigs	2 704 933	2 927 156	3 025 292	3 281 635	3 396 979

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 2020/21 amounted to R48, 56/kg (average for all classes on all auction markets), which represents a decrease of 5, 9% from the average price of R51, 59/kg for 2019/20.



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 by 3, 2%, from R87, 20/kg in 2019/20 to R84, 39/kg in 2020/21.

The average producer price for pork decreased by 1, 6%, from R27, 98/kg in 2019/20 to R27,54/kg in 2020/21.

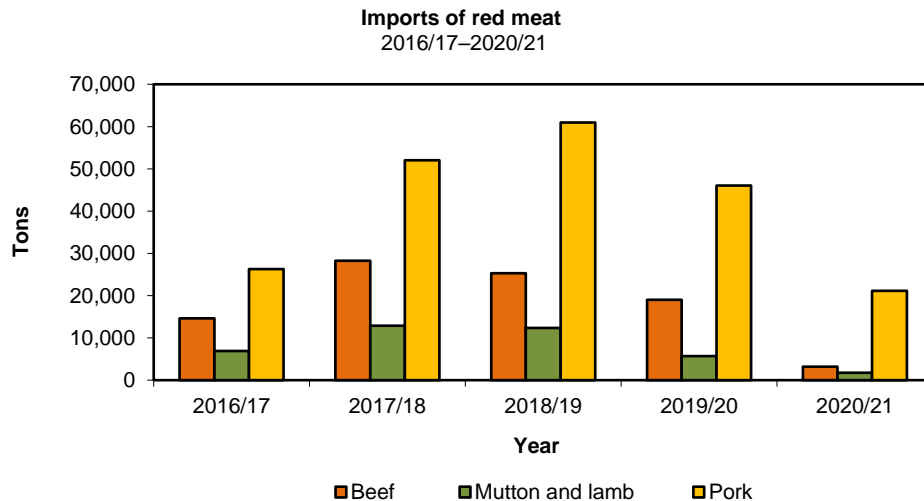
Imports

Imports of red meat decreased by 63, 1%, from 71 328 tons in 2019/20 to 26 339 tons in 2020/21 (61, 4% lower than the average of approximately 68 223 tons for the five years up to 2020/21).

Beef imports amounted to 3 166 tons, which is a decrease of 83, 3% from the 18 985 tons imported during 2019/20 and 82, 5% lower than the five-year average of 18 064 tons up to 2020/21.

Imports of pork amounted to 21 105 tons, a decrease of 54, 2% from the 46 053 tons imported during 2019/20 and 48, 8% higher than the five-year average of 41 284 tons up to 2020/21.

Imports of mutton during 2020/21 amounted to 1 749 tons—an increase of 45, 1% from the 2 359 tons imported the previous year and 77, 9% lower than the average of 7 922 tons for the five years up to 2020/21.



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.

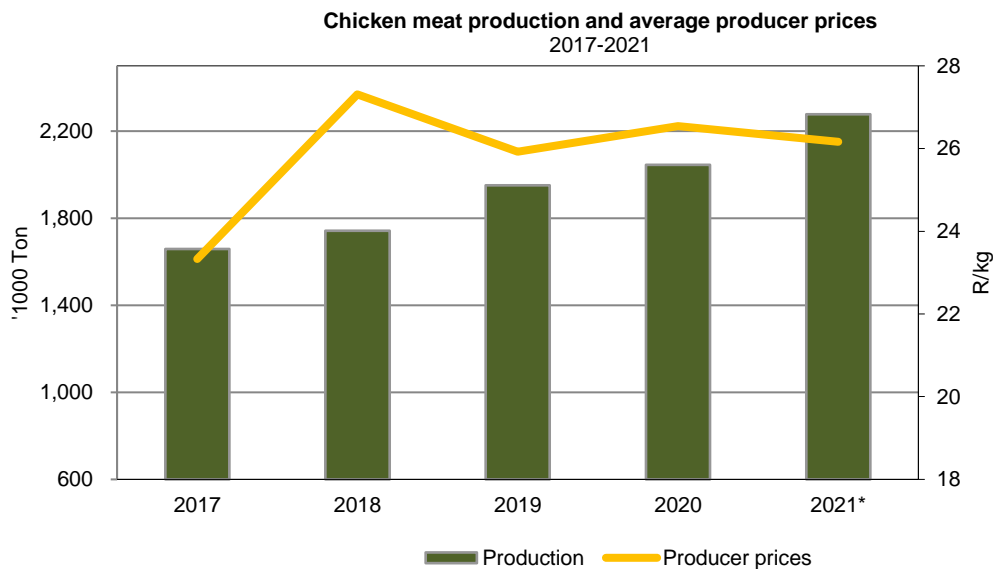
Broiler industry

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 (24, 5%), Mpumalanga (22, 5%), the Northern and Western Cape (14,2%), the Free State (13,4%), Gauteng (9,7%), the Eastern Cape (6,6%), KwaZulu-Natal (5,8%) and Limpopo (3,3%).

In 2020, a total of 1 127 million day-old chicks were hatched, an increase of 4, 5% compared to the previous year. The average number of broilers slaughtered for commercial markets during 2020 was estimated at 1 069, 6 million. This is 5, 1% more than the 1 017, 9 million slaughtered during 2019. Annual production of chicken meat totalled 1,880 million tons in 2020. This includes broilers for commercial markets, production by subsistence farming and meat from the sale of spent broiler breeder hens and cocks and spent hens from the egg industry. During the first six months of 2021, an average of 24, 0 million broilers were slaughtered per week.



* Expected production for 2021 and average producer price for the first nine months of 2021

Prices received by producers

The average weighted basic gross price (before rebates, advertising and distribution costs are deducted) received by producers of broilers decreased by 1, 4%, from R26, 54/kg in 2020 to R26,16/kg in 2021.

Average weighted producer prices of broilers from 2017 to 2021 are as follows:

Year	2017	2018	2019	2020	2021*
	R/kg				
Price of broilers	23,3	27,31	25,92	26,54	26,16

* Preliminary: January to September 2021

Consumption

Consumption of poultry meat accounted for 59, 6% of the total meat consumed (beef, mutton, goat, pork and poultry) in 2020 compared to 62, 5% of the previous year. The per capita consumption of poultry meat decreased slightly by 0, 8%, from 39,1 kg in 2019 to 38,8 kg in 2020.

Per capita consumption of commercially produced poultry meat from 2016 to 2020 is as follows:

Year	2016	2017	2018	2019	2020
	kg/year				
Per capita consumption	38,9	38,1	39,2	39,1	38,8

Imports

In 2020, poultry imports totalled 485 543 tons, a year-on-year decrease of 54 014 tons or 10, 0%. The value of imports amounted to R5, 14 billion.

Brazil was the main country of origin of imports in 2020, accounting for 55, 6%, or 270 100 tons of total poultry imports into South Africa. The EU was the second-largest importer with 18, 7%, followed by the USA with 16, 4%. Ireland and Argentina were at fourth and fifth positions with 7, 2% and 6, 1% of imports, respectively.

Prospects

The forecasting model used to predict broiler breeder bird numbers and number of broilers slaughtered was updated in 2020. The hatcheries projected 24, 0 million chicks per week, which increased by 17, 1% as compared to the 20, 49 million during 2019. Based on the number of day-old parent pulled placed, the size of the breeder laying flock is expected to increase by 2, 3% or 6, 88 million during the first four months of 2021. The broiler industry projected a production of 22, 78 million per week, which is an increase of 13, 6% as compared to 20, 06 million in 2020.

Egg industry

Based on information provided by SAPA, the distribution of layers per province is as follows: Gauteng (33 , 5%), the Free State (15,9%), the Northern and Western Cape (14,0%), KwaZulu-Natal (10,5%), the North West (10,3%), Limpopo (7,5%), Mpumalanga (6,3%) and the Eastern Cape (2,8%).

The number of layers increased by 4, 6%, from 27, 61 million in 2019 to 28, 89 million in 2020. An average flock of 27, 86 million layers is projected for the first four months of 2021, this will be a decrease of 1, 4% compared to the same period in 2020.

The average price received by egg producers during 2021 was 6, 0% more than the average price received during the same period of 2020.

The average weighted producer prices of eggs from 2017 to 2021 are as follows:

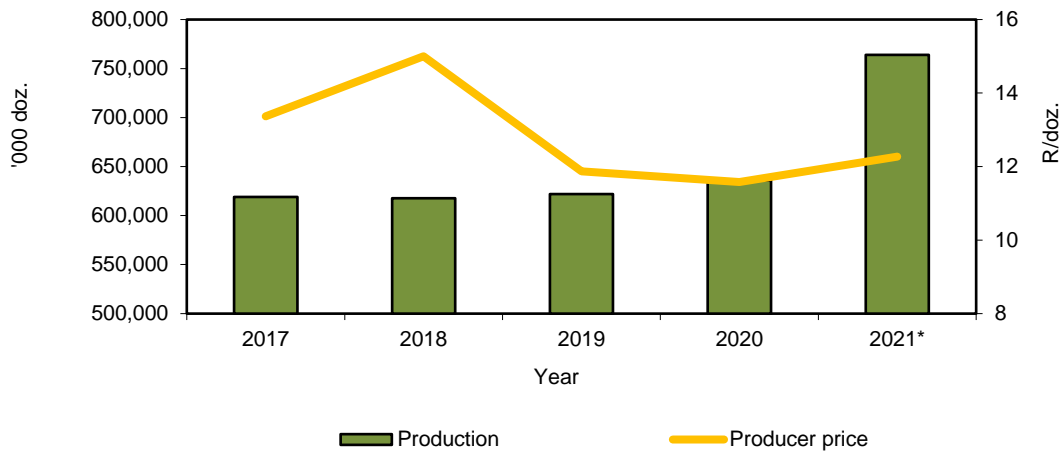
Year	2017	2018	2019	2020	2021*
	R/dozen				
Price of eggs	13,37	15,00	11,87	11,58	12.27

* Preliminary: January to September 2021

Production

Egg production showed a year-on-year increase of 4, 9% in 2020. The average number of cases produced per week was 486 900 compared to 464 291 cases per week in 2019. The total production of eggs for human consumption in 2020 was 764 million dozen, a significant increase of 20, 1% as compared to 636 million dozen of the previous year.

Production of eggs and prices received by producers
2017–2021



* Preliminary: January to September 2021

Consumption

The per capita consumption in 2020 was 159, 0 eggs or 9, 73 kg compared to 152, 9 eggs or 9, 30 kg in 2019. The overwhelming surge in demand for eggs during lockdown helped to alleviate the oversupply. During 2020, the annual turnover was R11, 90 million, an increase of 9, 9% as compared to R10, 83 million in 2019. By the end of 2020, the industry had returned to a more favourable position with reduced imported volumes. Eggs are still an affordable animal protein source compared to meat.

Prospects

New breed standards have been applied to the model and the laying cycle has been extended by four weeks to 72 weeks. These changes resulted in an increase in the estimated size of the national laying flock in terms of the number of cases of eggs produced and the mean egg weight. Hen numbers increased from 27, 61 million at the end of December 2019 by 4, 6%, or 28, 89 million, during the same period of 2020. Consequently, egg production is expected to decrease by 5, 8% or 466 800 cases per week during the first four months of 2021.

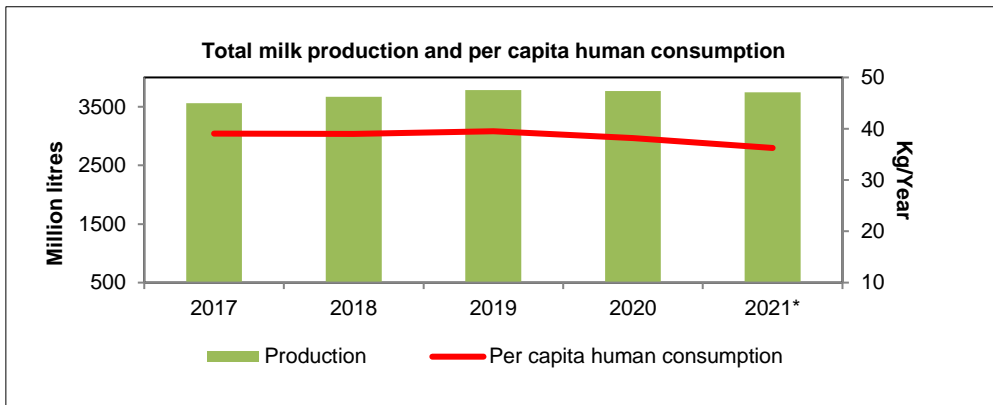
Milk

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 significantly by 43,0% or 781, from 1 834 in January 2015 to 1 053 in January 2021. Commercial milk production showed an increase of 26, 0% despite a decline in the number of milk producers.

In 2020, the Western Cape was the largest milk producer, accounting for 31,0% of the total commercial milk production, KwaZulu-Natal (27,0%), the Eastern Cape (26,2%), Free State (5,9%), Gauteng (4,1%), Mpumalanga (3,2%), North West (2,1%) and Limpopo (0,5%).

South Africa contributed about 0, 4% to global milk production in 2020, however, in terms of the value of agricultural production locally, the milk industry was the seventh largest agricultural industry in 2020. The gross value of milk produced in 2020, including milk for the producer's own consumption and on-farm usage, decreased slightly by 0,6% and amounted to R11 165 million, compared to R11 228 million in 2019. This was largely because of a decrease in volume of production by 0, 6%

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*) decreased by 0, 6% and was estimated at 3 766 million litres in 2020, compared to 3 787 million litres in 2019. The per capita human consumption of milk increased by 0, 4% per year and is estimated at 38 kg on average per year since 2017.

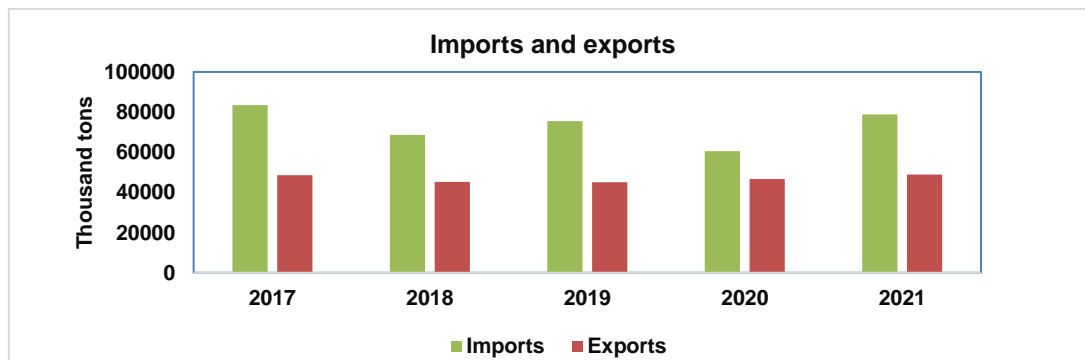


Source: MPO and DAFF

* Preliminary estimate (per capita consumption)

Imports and exports of dairy products

According to the South African Milk Processors' Organisation (SAMPRO), the dairy products imported by South Africa increased by 26, 3% to 76 512 in 2021, compared to 60 579 tons in 2020. The exported dairy products increased by 6, 6% to 49 764 tons in 2021, from 46 695 tons in 2020.



Source: SAMPRO

Prices

Producer prices of milk increased by 14, 9% to R5, 69/ℓ for the first nine months of 2021, compared to R4,95/ℓ during the same period in 2020.

Production season	2017	2018	2019	2020	2021*
Average producer price	4,90	4,50	4,38	5,01	5,69

Source: MPO

*January to September

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 2020/21 with 16,4 million kg, followed by the Free State with 9,9 million kg, the Western Cape with 7,7 million kg, the Northern Cape with 4,6 million kg and Mpumalanga with 2,0 million kg, while 1,7 million kg were produced in the remaining four provinces.

Production

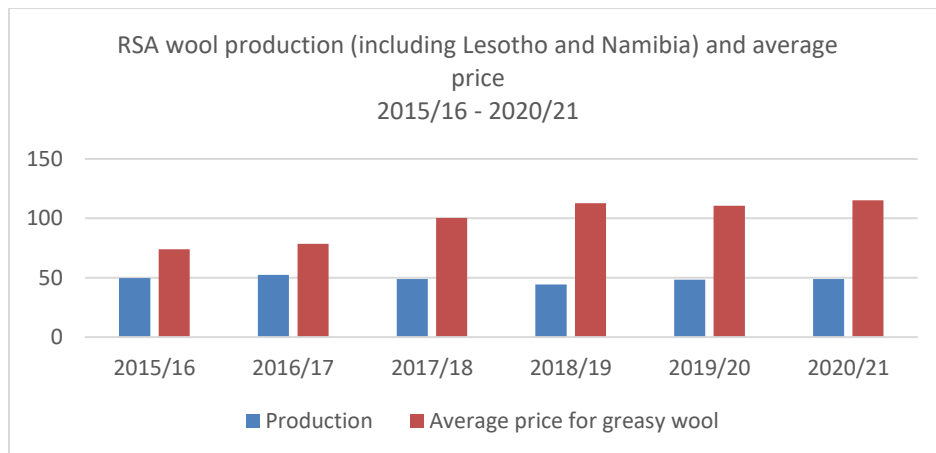
South Africa, like Australia, produces mainly apparel wool, while the bulk of the wool of the other major producers, such as New Zealand, China, Uruguay and Argentina, is the coarse type used in the manufacturing of carpets and interior textiles. The main fibres competing with wool are cotton and man-made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

Total receipts for 2020/21 increased to 48, 9 million kg, which is an increase of 1, 3% from 2019/20. 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.



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. The Wool Trust from funds transferred from the former Wool Board funds Cape Wools.

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 2020/21, the major export destinations for South African wool were as follows:

Wool shipments to the five top export destinations – July 2020 to June 2021								
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	3 574 500	44 017	0	0	0	0	3 574 500	79,0
Czech Republic	535 929	6 498	0	0	0	0	535 929	11,8
Italy	136 492	1 474	5 084	76	0	0	141 576	3,2
Bulgaria	102 946	1 481	0	0	0	0	102 946	2,3
Egypt	75 665	658	0	0	0	0	75 665	1,7

Outlook

Key markets, from China to Northern Europe, have at various times been on the frontline of the pandemic, domestic and global supply chains have been severely disrupted and demand for South African fibre has fallen heavily due to consumer demand change driven down by COVID.

Mohair 2021

Production

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

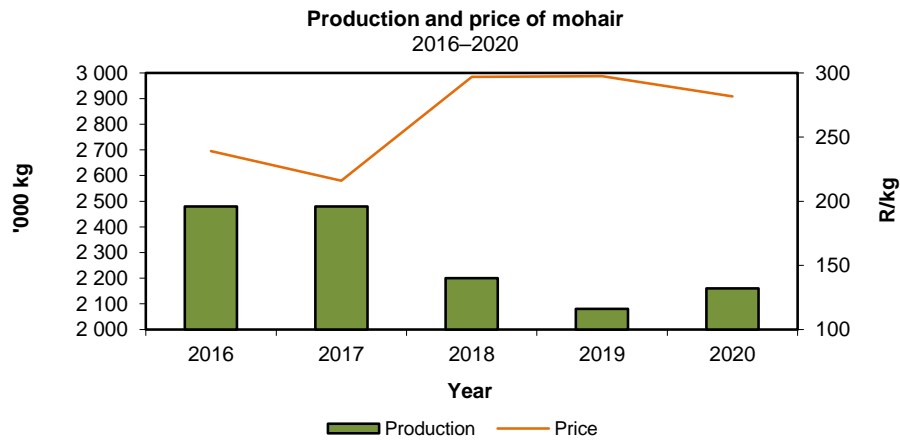
South Africa produces approximately 53% of the world mohair clip. In realising the responsibility involved in being the most reliable source of mohair, Mohair South Africa was established to perform functions aimed at the advancement of the entire mohair industry. Through selective breeding and farming 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 2016 to 2020 is as follows:

Year	2016	2017	2018	2019	2020
	Million kg				
Production	2,5	2,5	2,2	2,1	2,2

Prices



The average auction price of mohair decreased by 5, 3%, from R297, 48/kg in 2019, to R281, 62 in 2020. Although the kid sector experienced some downward pressure, the rest of the clip had good demand. Average auction prices of mohair for the period 2016 to 2020 are as follows:

Year	2016	2017	2018	2019	2020
	R/kg				
Price	239,40	215,70	297,00	297,48	281,62

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. China became the leader in mohair imports from South Africa, followed by Italy.

Mohair exports decreased by 9, 1% from 2019 to 2020 at an estimated 0, 2 million kg.

Year	2016	2017	2018	2019	2020
	Million kg				
Imports	1,3	1,3	1,3	1,3	1,3
Exports	2,3	3,0	3,3	3,3	3,0

Prospects

Further pressure is expected on production volumes during 2020 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

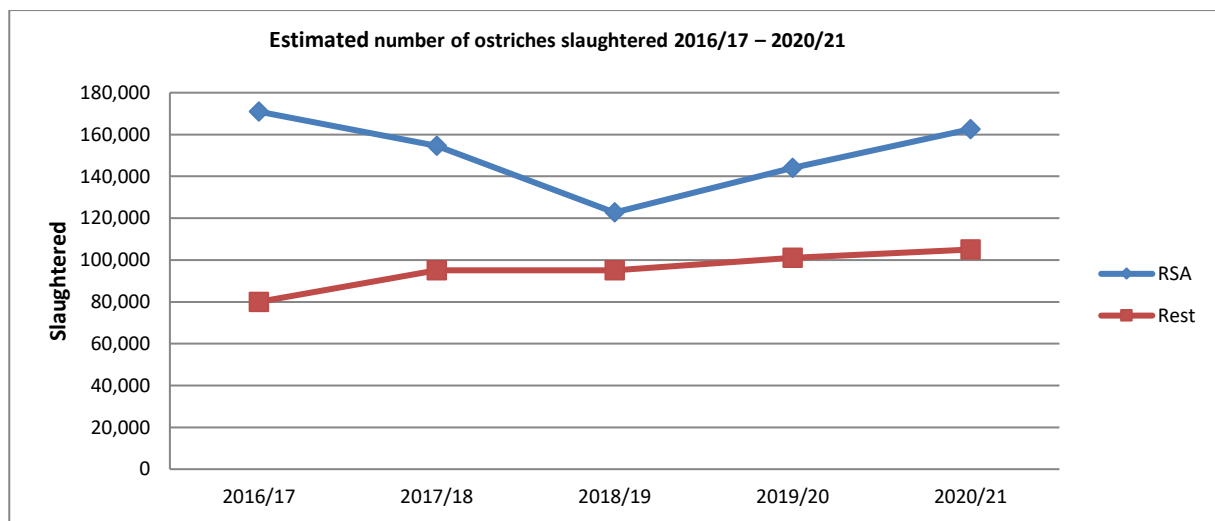
Commercial ostrich farming in the country started in 1864 with large-scale exports of feathers to Europe. The industry flourished during what was referred to as the second ostrich feather boom between 1900 and 1914. At this stage, ostriches were only farmed for their feathers and a handful of feathers were enough to buy a farm. Soon afterwards, the industry virtually collapsed because 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.



According to the SAOBC, the number of ostriches slaughtered worldwide is estimated at ± 267 500 for the 2020/21 production season. 162 535 (61%) 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 due to Covid-19 on the tourism and the hospitality industries. 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 but demand is steadily increasing and prices are rising.

The demand for ostrich leather of very high quality for the fashion industry is good and the activity in other segments of the exotic leather market is slowly returning to the volume before the impact of Covid-19 on these markets. Currently, ±45% of the total income per ostrich will be for leather, ±35% 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 costs 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 partners with the Department of Trade, Industry and Competition in order to try to 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 past two years to prevent further job losses, as the export and movement bans have left the majority of producers in a negative cash flow situation. 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 address all the animal welfare and environmental challenges for the whole production chain. NSF audits all farms, hatcheries and abattoirs; an independent, international and experienced third party auditing firm. 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.

