MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA APRIL 2022

Issued: 6 May 2022

Directorate: Statistics and Economic Analysis

Highlights:

- **According to the latest Seasonal Climate Watch of the South African Weather Service for the period May to September 2022, the El Niño-Southern Oscillation (ENSO) is currently in a La Niña state.**
- **The projected closing stocks of wheat for the current 2021/22 marketing year are 607 509 tons, which includes imports of 1,475 million tons. It is also 30,0% more than the previous years' ending stocks.**
- **Early indications are that producers intend to plant 538 350 ha of wheat for the 2022 production season, which is 2,8% more than the 523 500 ha planted to wheat in 2021.**
- **The expected commercial maize crop for 2022 is 14,723 million tons, which is 10,0% less than the previous season (2021).**
- **Projected closing stocks of maize for the 2021/22 marketing year are 2,078 million tons, which is 1,8% less than the previous years' ending stocks.**
- **Projected closing stocks of maize for the current 2022/23 marketing year are 1,692 million tons, which is 18,6% less than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2022/23 marketing year are 92 472 tons, which is 12,9% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2022/23 marketing year are 140 920 tons, which is 343,3% more than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2022/23 marketing year are 234 337 tons, which is 39,2% more than the previous years' ending stocks.**
- **The annual percentage change in the CPI was higher at 5,9% in March 2022.**
- **The annual percentage change in the PPI for final manufactured goods was higher at 11,9% in March 2022.**
- **March tractor sales of 641 units were 5% more than the 611 units sold in March 2021.**

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1. Weather conditions

1.1 Seasonal Climate Watch

According to the latest Seasonal Climate Watch of the South African Weather Service for the period May to September 2022, the El Niño-Southern Oscillation (ENSO) is currently in a La Niña state. However, forecasts indicate that it will likely return to a neutral state during the coming seasons. During autumn and winter, the presence of ENSO has less of an impact. Thus, the presence of the current La Niña event is not expected to have any significant impact on rainfall in the coming seasons.

The multi-model rainfall forecast indicates below-normal rainfall for most parts of the country except for the central and eastern coastal areas in early winter (May-June-July) and the eastern coastal areas during mid-and late-winter (June-July-August and July-August-September). Both maximum and minimum temperatures are expected to be above-normal for most of the country, except for parts of the Northern and Eastern Cape where below-normal temperatures are expected.

Summary implications for the agricultural sector:

Below-normal rainfall is expected for most parts of the country except for the central and eastern coastal areas in early winter and the eastern coastal areas during mid- and late-winter. However, the south-western part, which normally receives significant rainfall during the winter season, is expected to receive mostly below-normal rainfall during this period. Therefore, the relevant decision makers are encouraged to advise farmers in these regions to practice soil and water conservation, proper water harvesting and storage, and other appropriate farming practices.

1.2 Level of dams

Available information on the level of South Africa's dams on 2 May 2022 indicates that the country has approximately 95% of its full supply capacity (FSC) available, which is 10% more than the corresponding period in 2021. The dam levels in KwaZulu-Natal (19%), Northern Cape (15%), Eastern Cape (12%), Mpumalanga (8%), Free State (7%), Western Cape (6%), Gauteng (2%) and Limpopo (2%) show improvements in the full supply capacity as compared to 2021. However, the North West Province (-3%) shows a decrease in full supply capacity as compared to 2021. The provincial distribution of South Africa's water supply including Lesotho and Swaziland is contained in **Table 1** below.

Table 1: Level of dams, 2 May 2022

Province	Net FSC million cubic meters	2/05/2022 (%)	Last Year (2021) (%)	% Increase/Decrease 2022 vs. 2021
Eastern Cape	1 824	67	55	12,0
Free State	15 657	105	98	7,0
Gauteng	128	102	100	2,0
KwaZulu-Natal	4 912	93	74	19,0
Lesotho	2 363	97	64	33,0
Limpopo	1 480	89	87	2,0
Mpumalanga	2 539	95	87	8,0
North West	867	80	83	-3,0
Northern Cape	146	112	97	15,0
Swaziland	334	100	100	0,0
Western Cape	1 866	54	48	6,0
Total	**32 116**	**95**	**85**	**10,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2022

The area planted and third production forecast of summer grains for the 2022 season was released by the Crop Estimates Committee (CEC) on 26 April 2022, and is as follows:

Table 2: Commercial summer crops: Area planted and third production forecast - 2022 season

CROP	**Area planted 2022 Ha (A)**	**3rd forecast 2022 Tons (B)**	Area planted 2021 Ha (C)	Final crop 2021 Tons (D)	Change % (B) ÷ (D)
Commercial:					
White maize	**1 575 000**	**7 553 050**	1 691 900	8 600 000	-12,17
Yellow maize	**1 048 000**	**7 170 300**	1 063 500	7 715 000	-7,06
Total Maize	**2 623 000**	**14 723 350**	2 755 400	16 315 000	-9,76
Sunflower seed	**670 700**	**963 000**	477 800	678 000	42,04
Soybeans	**925 300**	**1 885 850**	827 100	1 897 000	-0,59
Groundnuts	**43 400**	**70 400**	38 550	64 300	9,49
Sorghum	**37 200**	**137 220**	49 200	215 000	-36,18
Dry beans	**42 900**	**55 995**	47 390	57 672	-2,91
TOTAL	**4 342 500**	**17 835 815**	4 195 440	19 226 972	-7,24

Note: Estimate is for calendar year, e.g. production season 2021/22 = 2022

- The size of the expected **commercial maize crop** has been set at 14 723 350 tons, which is 9,76% or 1 591 650 tons less than the previous season of 16 315 000 tons. The area estimate for maize is 2 623 000 ha, while the expected yield is 5,61 t/ha.
- The three main maize producing areas, namely the Free State, Mpumalanga and North West provinces are expected to produce 82% of the 2022 crop.
- The area estimate for white maize is 1 575 000 ha and for yellow maize the area estimate is 1 048 000 ha.
- The production forecast of **white maize** is 7 553 050 tons, which is 12,17% or 1 046 950 tons less than the 8 600 000 tons of the previous season. The yield for white maize is 4,80 t/ha. In the case of **yellow maize** the production forecast is 7 170 300 tons, which is 7,06% or 544 700 tons less than the 7 715 000 tons of the previous season. The yield for yellow maize is 6,84 t/ha.
- The production forecast for **sunflower seed** is 963 000 tons, which is 42,04% or 285 000 tons more than the previous season's crop of 678 000 tons. The area estimate for sunflower seed is 670 700 ha, while the expected yield is 1,44 t/ha.
- The production forecast for **soybeans** is 1 885 850 tons, which is 0,59% or 11 150 tons less than the 1 897 000 tons of the previous season. The estimated area planted to soybeans is 925 300 ha and the expected yield is 2,04 t/ha.
- The expected **groundnut** crop has been set at 70 400 tons, which is 9,49% or 6 100 tons more than the previous season of 64 300 tons. For groundnuts, the area estimate is 43 400 ha, with an expected yield of 1,62 t/ha.
- The production forecast for **sorghum** is 137 220 tons, which is 36,18% or 77 780 tons less than the 215 000 tons of the previous season. The area estimate for sorghum is 37 200 ha and the expected yield is 3,69 t/ha.
- The production forecast for **dry beans** is 55 995 tons, which is 2,91% or 1 677 tons less than the 57 672 tons of the previous season. The area estimate of dry beans is 42 900 ha, with an expected yield of 1,31 t/ha.

Please note that the fourth production forecast for summer field crops for 2022 will be released on 26 May 2022.

2.2 Winter cereal crops - 2022

The intentions to plant winter crops for the 2022 production season was also released by the CEC on 26 April 2022, and is as follows:

Table 3: Commercial winter crops: Intentions to plant - 2022 season

CROP	**Intentions* 2022 Ha (A)**	Area planted 2021 Ha (B)	Final estimate 2021 Tons (C)	Change % (A) ÷ (B)
Wheat	**538 350**	523 500	2 257 205	2,84
Malting barley	**109 100**	94 730	331 100	15,17
Canola	**120 000**	100 000	197 000	20,00
Cereal oats	**29 150**	36 250	69 950	-19,59
Sweet lupines	**25 000**	22 000	28 600	13,64
TOTAL	**821 600**	776 480	2 883 855	5,81

*Based on conditions at mid-April 2022.

- The figures for **wheat** represent the total number of hectares that are intended to be planted for grain, excluding any hectares that will be planted for fodder and grazing. Early indications are that producers intend to plant 538 350 ha of wheat for the 2022 production season. This is 2,84% or 14 850 ha more than the 523 500 ha planted to wheat in 2021.
- The main producing areas are within the Western Cape with 350 000 ha (65%), followed by the Free State with 95 000 ha (18%) and the Northern Cape with 35 250 ha (7%).
- The expected area planted to **malting barley** is 109 100 ha, which is 15,17% or 14 370 ha more than the 94 730 ha of the previous year. The expected area planted to **canola** is also 120 000 ha, which is 20,00% or 20 000 ha more than the 100 000 ha planted in 2021. Producers intend to plant 29 150 ha of **cereal oats**, which is 19,59% or 7 100 ha less than the 36 250 ha of the previous season. The expected area planted to **sweet lupines** is 25 000 ha.

Please note that the preliminary area estimate of winter crops for 2022 will be released on 27 July 2022.

2.3 Non-commercial maize - 2022

The CEC also release the preliminary area planted and production estimate of the non-commercial maize sector for the 2022 season on 26 April 2022.

Table 4: Non-commercial maize: Preliminary area planted and production estimate - 2022 season

CROP	**Area planted 2022 Ha (A)**	**Production 2022 Tons (B)**	Area planted 2021 Ha (C)	Final crop 2021 Tons (D)	Change % (B) ÷ (D)
Non-commercial agriculture:					
White maize	**279 240**	**461 080**	276 100	445 335	3,54
Yellow maize	**88 800**	**195 145**	86 800	191 105	2,11
Maize	**368 040**	**656 225**	362 900	636 440	3,11

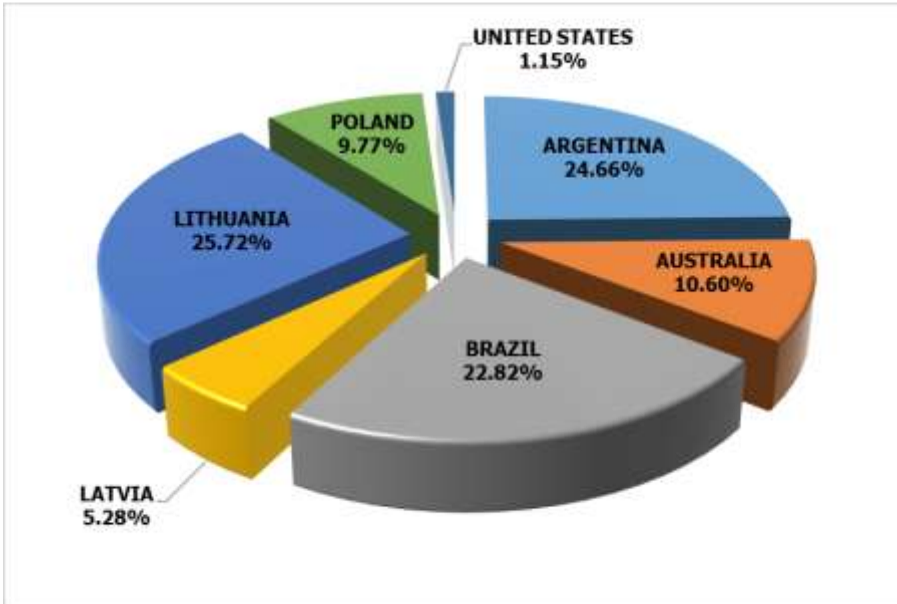
- The preliminary area planted to maize in the non-commercial agricultural sector is estimated at 368 040 ha, which represents an increase of 1,42%, compared to the 362 900 ha of the previous season. The expected maize crop for this sector is 656 225 tons, which is 3,11% more than the 636 440 tons of last season. It is important to note that about 51% of the maize produced in the non-commercial sector, is planted in the Eastern Cape, followed by KwaZulu-Natal with 23%.

3. Cereal balance sheets

For the latest Cereal Balance Sheets (supply and demand tables) on maize, wheat, sorghum, sunflower seed and soybeans please refer to the attachment called FSB APR22 Annexure A.

3.1 Imports and exports of wheat for the 2021/22 marketing year

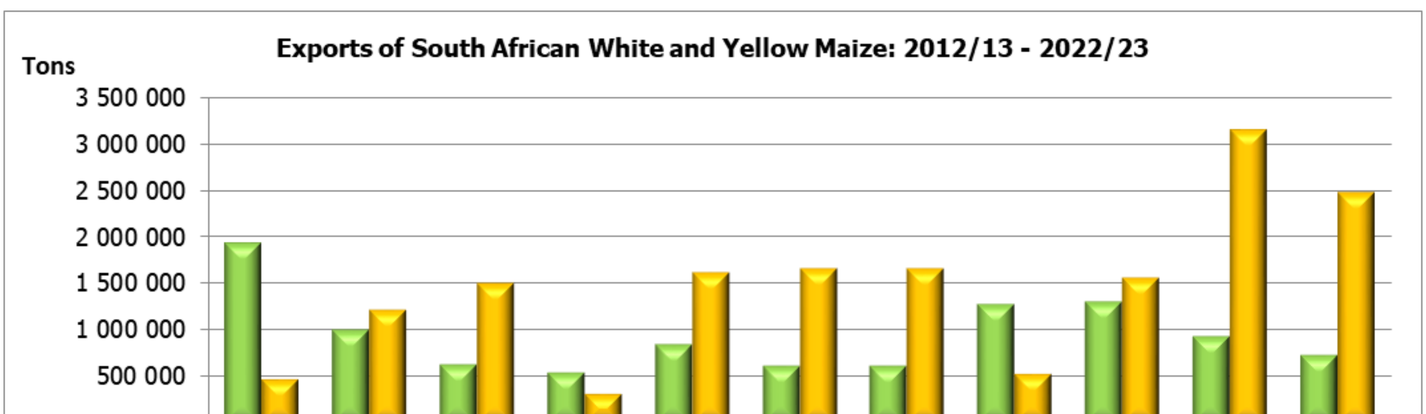
Graph 1: Major countries of wheat imports to South Africa: 2021/22 marketing year



- The progressive wheat imports (human consumption) for the 2021/22 marketing year (25 September 2021 to 22 April 2022) amount to 897 123 tons, with 25,72% or 230 749 tons from Lithuania, followed by 24,66% or 221 222 tons from Argentina, 22,82% or 204 700 tons from Brazil, 10,60% or 95 117 tons from Australia, 9,77% or 87 612 tons from Poland, 5,28% or 47 391 tons from Latvia and only 1,15% or 10 332 tons from the United States. The exports of wheat (human consumption) for the above-mentioned period amount to 114 964 tons, of which 77,11% or 88 647 tons went to the BLNS countries (Botswana, Lesotho, Namibia and Eswatini (Swaziland)), 14,71% or 16 914 tons to Zimbabwe and only 8,18% or 9 403 tons went to Zambia.

3.2 Exports of South African white and yellow maize

Graph 2: Exports of South African white and yellow maize: 2012/13 - 2022/23

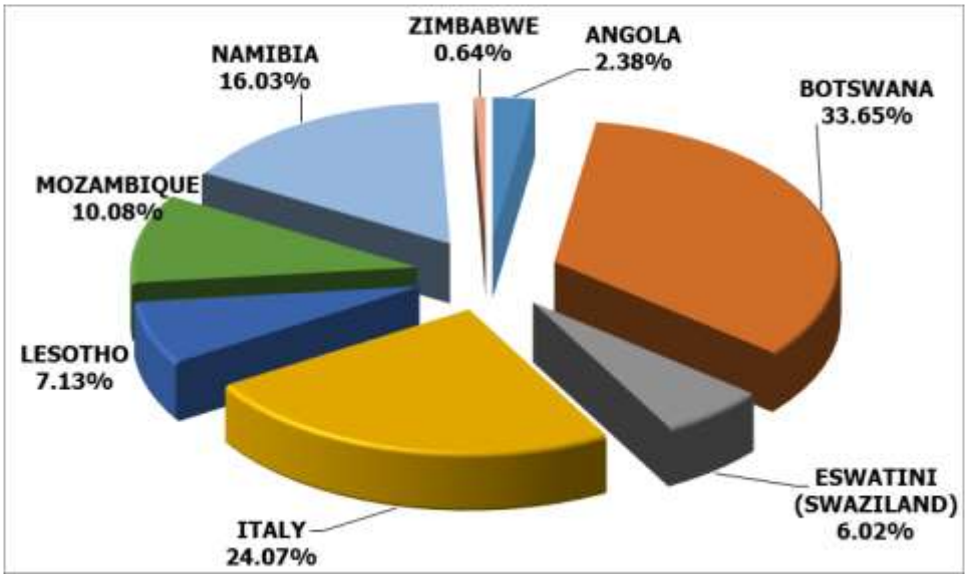


	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22*	2022/23*
White maize	1 946 000	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 304 475	932 000	730 000
Yellow maize	478 000	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 563 315	3 160 000	2 485 000

*Projection

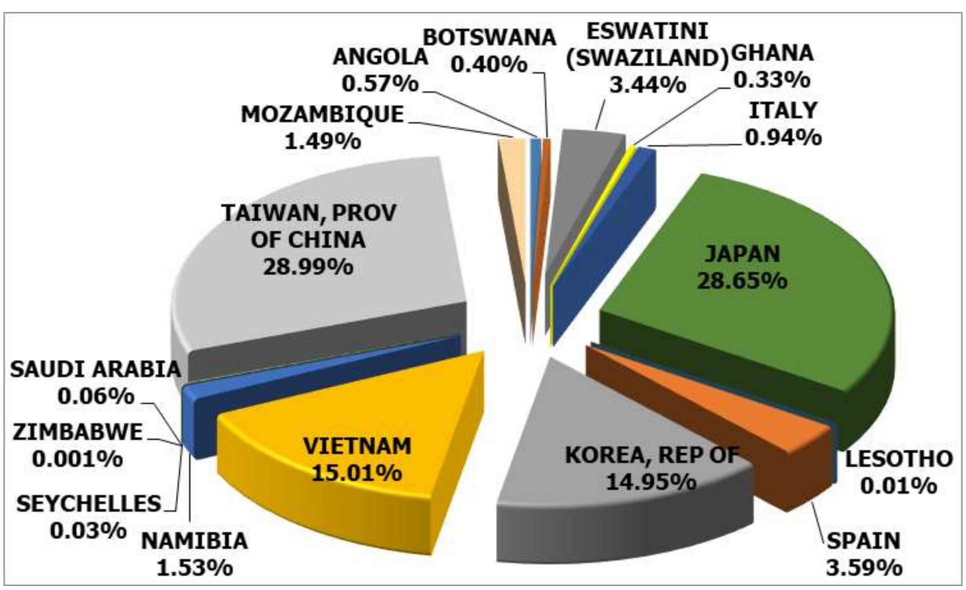
- The exports of white maize for the 2021/22 marketing year are projected at 932 000 tons, which represents a decrease of 28,55% or 372 475 tons compared to the 1,304 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 3,160 million tons, which represents an increase of 102,13% or 1,597 million tons compared to the 1,563 million tons of the previous marketing year.
- The exports of white maize for the 2022/23 marketing year are projected at 730 000 tons, which represents a decrease of 21,67% or 202 000 tons compared to the 932 000 tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 2,485 million tons, which represents a decrease of 21,36% or 675 000 tons compared to the 3,160 million tons of the previous marketing year.

Graph 3: Major countries of white maize exports from South Africa: 2021/22 marketing year



- From 1 May 2021 to 22 April 2022, progressive white maize exports for the 2021/22 marketing year amount to 724 598 tons, with the main destinations being Botswana (33,65% or 243 807 tons), followed by Italy (24,07% or 174 382 tons), Namibia (16,03% or 116 174 tons), Mozambique (10,08% or 73 016 tons), Lesotho (7,13% or 51 700 tons), Eswathini (Swaziland) (6,02% or 43 639 tons), Angola (2,38% of 17 264 tons) and Zimbabwe (0,64% or 4 616 tons). The imports of white maize for the mentioned period amount to 7 583 tons, all from Zambia.

Graph 4: Major countries of yellow maize exports from South Africa: 2021/22 marketing year



- From 1 May 2021 to 22 April 2022, progressive yellow maize exports for the 2021/22 marketing year amount to 2,879 million tons, with the main destinations being Taiwan (28,99% or 834 524 tons), followed by Japan (28,65% or 824 823 tons), Korea, Republic of (14,95% or 430 395 tons), Vietnam (15,01% or 432 110 tons), Spain (3,59% or 103 410 tons), Eswathini (Swaziland) (3,44% or 99 070 tons), Namibia (1,53% or 44 097 tons), Mozambique (1,49% or 42 957 tons), Italy (0,94% or 27 150 tons), Angola (0,57% or 16 448 tons), Botswana (0,40% or 11 468 tons), Ghana (0,33% or 9 505 tons), Saudi Arabia (0,06% or 1 665 tons), Seychelles (0,03% or 769 tons), Lesotho (0,01% or 325 tons) and Zimbabwe (0,001% or 27 tons). The imports of yellow maize for the mentioned period amount to zero.

4. Market information

4.1 Consumer Price Index (CPI)

- Annual consumer price inflation was 5,9% in March 2022, up from 5,7% in February 2022. The consumer price index increased by 1,0% month-on-month in March 2022.
- The main contributors to the 5,9% annual inflation rate were as follows:
    - Food and non-alcoholic beverages increased by 6,2% year-on-year, and contributed 1,1% to the total CPI annual rate of 5,9%;
    - Housing and utilities increased by 4,8% year-on-year, and contributed 1,2%;
    - Transport increased by 15,7% year-on-year, and contributed 2,1%; and
    - Miscellaneous goods and services increased by 3,2% year-on-year, and contributed 0,5%.
- In March the annual inflation rate for goods was 8,7%, up from 8,1% in February; and for services it was 3,4%, up from 3,1% in February.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 11,9% in March 2022, up from 10,5% in February 2022. The producer price index increased by 2,5% month-on-month in March 2022.
- The main contributors to the headline PPI annual inflation rate were as follows:
    - Coke, petroleum, chemical, rubber and plastic products increased by 26,8% year-on-year and contributed 6,4%;
    - Food products, beverages and tobacco products increased by 7,6% year-on-year and contributed 2,0%; and
    - Metals, machinery, equipment and computing equipment increased by 13,0% year-on-year and contributed 1,9%.
- The main contributors to the headline PPI monthly increase were coke, petroleum, chemical, rubber and plastic products, which increased by 6,2% month-on-month and contributed 1,6%; and food products, beverages and tobacco products, which increased by 2,6% month-on-month and contributed 0,7%.
- The annual percentage change in the PPI for intermediate manufactured goods was 18,6% in March 2022 (compared with 19,3% in February 2022). The index increased by 0,4% month-on-month. The main contributors to the annual rate were basic and fabricated metals (10,0%), chemicals, rubber and plastic products (7,6%), as well as sawmilling and wood (1,6%). The main contributors to the monthly rate were basic and fabricated metals (0,7%), as well as sawmilling and wood (0,4%).
- The annual percentage change in the PPI for electricity and water was 13,8% in March 2022 (compared with 12,9% in February 2022). The index decreased by 0,3% month-on-month. Electricity contributed 12,6% to the annual rate and water contributed 0,9%. Electricity contributed -0,3% to the monthly rate.
- The annual percentage change in the PPI for mining was 7,7% in March 2022 (compared with 6,4% in February 2022). The index increased by 4,3% month-on-month. The main contributors to the annual rate were coal and gas (6,1%) and non-ferrous metal ores (1,2%). The main contributors to the monthly rate were non-ferrous metal ores (2,6%), gold and other metal ores (1,2%) and coal and gas (1,1%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 14,9% in March 2022 (compared with 8,0% in February 2022). The index increased by 3,9% month-on-month. The contributors to

the annual rate were agriculture (14,0%), fishing (0,5%) and forestry (0,4%). The main contributor to the monthly rate was agriculture (3,8%).

4.3 Future contract prices

Table 5: Closing prices on Thursday, 5 May 2022

	5 May 2022	5 April 2022	% Change
RSA White Maize per ton (May 2022 contract)	R4 443,00	R4 091,00	8,60
RSA Yellow Maize per ton (May 2022 contract)	R4 572,00	R4 238,00	7,88
RSA Wheat per ton (May 2022 contract)	R7 403,00	R6 772,00	9,32
RSA Sunflower seed per ton (May 2022 contract)	R10 435,00	R10 704,00	-2,51
RSA Soya-beans per ton (May 2022 contract)	R9 100,00	R8 425,00	8,01
Exchange rate R/$	R15,82	R14,53	8,88

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- March tractor sales of 641 units were 5% more than the 611 units sold in March 2021. Year-to-date tractor sales are now almost 15% up on last year. Forty-three combine harvesters were sold in March, 14 units more than the 29 units sold in March 2021. On a year-to-date basis combine harvester sales are now 37% up on last year.
- With good crops on the land and good commodity prices, market demand for agricultural equipment continues to be encouraging. In certain cases, equipment supply issues prevail, which means that the availability of some machines may be delayed. Farmers are facing supply issues as well, particularly concerning seed and fertilizer availability and input costs that have risen in response to worldwide supply and demand.
- Industry forecasts for the 2022 calendar year are that tractor and combine harvester sales will be similar to those in 2021.

Table 6: Agricultural machinery sales

Equipment class	Year-on-year March		Percentage Change %	Year-to-date March		Percentage Change %
	2022	2021		2022	2021	
Tractors	641	611	4,91	1 995	1 741	14,59
Combine harvesters	43	29	48,28	66	48	37,50

Source: SAAMA press release, April 2022

PLEASE NOTE: The Food Security Bulletin for May 2022 will be released on **6 June 2022**.

5. Acknowledgements

The Directorate: Statistics and Economic Analysis makes use of information sourced from various institutions and organisations within South Africa in order to compile the monthly report on South Africa's Food Security Situation. This report has been compiled with the aid of information and reports sourced from the following institutions and organisations:

- Agbiz
- Agfacts
- BVG Commodities (Pty) Limited
- Department of Water and Sanitation
- Directorate: Climate Change and Disaster Management at DAFF
- Grain South Africa (Grain SA)
- IGC Grain Market Report
- National Agricultural Marketing Council (NAMC)
- South African Agricultural Machinery Association (SAAMA)
- South African Futures Exchange (SAFEX)
- Statistics South Africa (Stats SA)
- The South African Supply and Demand Estimates Report (SASDE)
- The South African Grain Information Service (SAGIS)
- The South African Weather Service (WeatherSA)
- USDA Foreign Service