MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: AUGUST 2021

Issued: 7 September 2021

Directorate: Statistics and Economic Analysis

Highlights:

- **During August 2021, significant rainfall events were limited to the winter rainfall regions, as well as parts of the Free State and KwaZulu-Natal provinces.**
- **The projected closing stocks of wheat for the current 2020/21 marketing year are 563 608 tons, which includes imports of 1,580 million tons. It is also 54,4% more than the previous years' ending stocks.**
- **The expected production of wheat for 2021 is 2,086 million tons, which is 1,60% less than the previous season.**
- **The projected closing stocks of wheat for the coming 2021/22 marketing year are 602 243 tons, which includes imports of 1,500 million tons. It is also 6,8% more than the previous years' ending stocks.**
- **The expected commercial maize crop for 2021 is 16,316 million tons, which is 6,6% more than the previous season.**
- **Projected closing stocks of maize for the current 2021/22 marketing year are 3,336 million tons, which is 57,6% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2021/22 marketing year are 99 265 tons, which is 91,6% more than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2021/22 marketing year are 47 504 tons, which is 22,1% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2021/22 marketing year are 302 503 tons, which is 556,8% more than the previous years' ending stocks.**
- **The annual percentage change in the CPI was lower at 4,6% in July 2021.**
- **The annual percentage change in the PPI for final manufactured goods was lower at 7,1% in July 2021.**
- **August 2021 tractor sales of 724 units were almost 56% more than the 465 units sold in August 2020.**

agriculture, land reform & rural development

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1. Weather conditions

1.1 Rainfall for August 2021

During August 2021, significant rainfall events were limited to the winter rainfall regions, as well as parts of the Free State and KwaZulu-Natal provinces **(Figure 1)**. Comparing rainfall totals to the long term average for August, the south-western parts of the country received normal rainfall with isolated areas of above-normal rainfall evident (**Figure 2**). Some of the central regions of the country, as well as the KwaZulu-Natal Province and isolated regions in the north-eastern parts of the country also received above-normal rainfall. Below-normal rainfall prevailed for the remainder of the country. (Source: Directorate: Climate Change and Disaster Management at Department: Agriculture, Land Reform and Rural Development)

Figure 1: Rainfall (mm) for August 2021

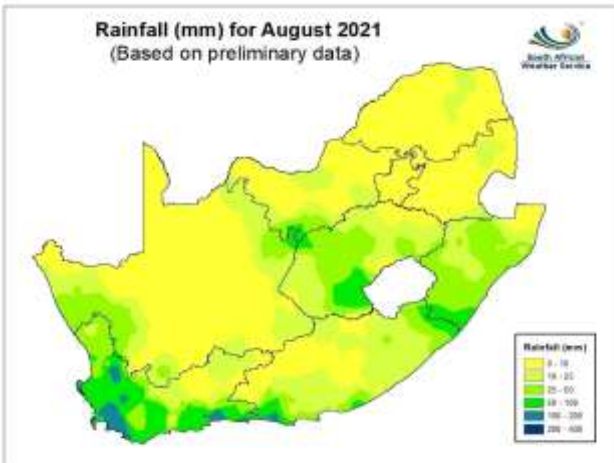
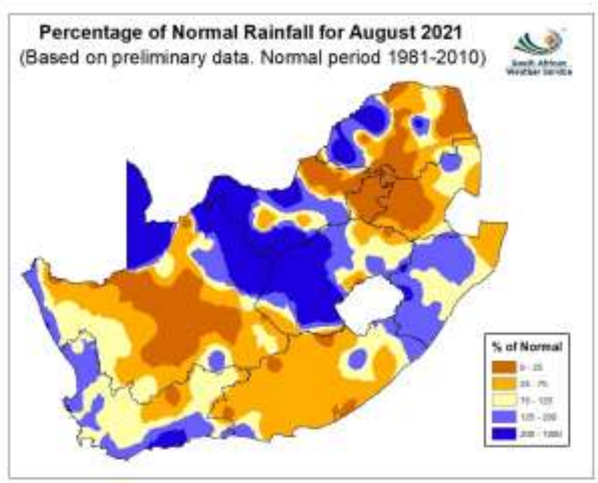


Figure 2: Percentage rainfall for August 2021



1.2 Level of dams

Available information on the level of South Africa's dams on 30 August 2021 indicates that the country has approximately 82% of its full supply capacity (FSC) available, which is 14% more than the corresponding period in 2020. The dam levels in the Limpopo (19%), Free State (14%), North West (12%), Mpumalanga (11%) KwaZulu-Natal (10%), Western Cape (9%), Northern Cape (3%) and Eastern Cape (1%) provinces, all show improvements in the full supply capacity as compared to 2020. Only the Gauteng Province shows a decrease of 4% in the full supply capacity as compared to 2020. The provincial distribution of South Africa's water supply including Lesotho and Swaziland is contained in **Table 1** below.

Table 1: Level of dams, 30 August 2021

Province	Net FSC million cubic meters	30/08/2021 (%)	Last Year (2020) (%)	% Increase/Decrease 2021 vs. 2020
Eastern Cape	1 824	51	50	1,0
Free State	15 657	92	78	14,0
Gauteng	128	95	99	-4,0
KwaZulu-Natal	4 912	67	57	10,0
Lesotho	2 363	53	20	33,0
Limpopo	1 480	82	63	19,0
Mpumalanga	2 539	80	69	11,0
North West	867	78	66	12,0
Northern Cape	147	96	93	3,0
Swaziland	334	94	67	27,0
Western Cape	1 866	81	72	9,0
Total	**32 117**	**81**	**67**	**14,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2021

The area planted and seventh production forecast of summer grains for the 2021 season was released by the Crop Estimates Committee (CEC) on 30 August 2021, and is as follows:

Table 2: Commercial summer crops: Area planted and 7th production forecast - 2021 season

CROP	**Area planted 2021 Ha (A)**	**7th forecast 2021 Tons (B)**	Area planted 2020 Ha (C)	Final estimate 2020 Tons (D)	Change 2021 vs 2020 % (B) ÷ (D)
Commercial:					
White maize	**1 691 900**	**8 764 565**	1 616 300	8 547 500	2,54
Yellow maize	**1 063 500**	**7 551 700**	994 500	6 752 500	11,84
Total Maize	**2 755 400**	**16 316 265**	2 610 800	15 300 000	6,64
Sunflower seed	**477 800**	**677 240**	500 300	788 500	-14,11
Soybeans	**827 100**	**1 890 450**	705 000	1 245 500	51,78
Groundnuts	**38 550**	**58 900**	37 500	50 080	17,61
Sorghum	**49 200**	**203 980**	42 500	158 000	29,10
Dry beans	**47 390**	**56 577**	50 150	64 800	-12,69
TOTAL	**4 195 440**	**19 203 412**	3 946 250	17 606 880	9,07

Note: Estimate is for calendar year, e.g. production season 2020/21 = 2021

- The size of the expected **commercial maize** crop has been set at 16 316 265 tons, which is 6,64% or 1 016 265 tons more than the previous season of 15 300 000 tons. The area estimate for maize is 2 755 400 ha, while the expected yield is 5,92 t/ha.
- The three main maize producing areas, namely the Free State, Mpumalanga and North West provinces is expected to produce 84% of the 2021 crop.
- The area estimate for white maize is 1 691 900 ha and for yellow maize the area estimate is 1 063 500 ha.
- The production forecast of **white maize** is 8 764 565 tons, which is 2,54% or 217 065 tons more than the 8 547 500 tons of last season. The yield for white maize is 5,18 t/ha. In the case of **yellow maize** the production forecast is 7 551 700 tons, which is 11,84 or 799 200 tons more than the 6 752 500 tons of the previous season. The yield for yellow maize is 7,10 t/ha.
- The production forecast for **sunflower seed** is 677 240 tons, which is 14,11% or 111 260 tons less than the 788 500 tons of the previous season. The area estimate for sunflower seed is 477 800 ha, while the expected yield is 1,42 t/ha.
- The production forecast for **soybeans** is 1 890 450 tons, which is 51,78% or 644 950 tons more than the 1 245 500 tons of the previous season. The estimated area planted to soybeans is 827 100 ha and the expected yield is 2,29 t/ha.
- The expected **groundnut** crop is 58 900 tons – which is 17,61% or 8 820 tons more than the 50 080 tons of last season. For groundnuts, the area estimate is 38 550 ha, with an expected yield of 1,53 t/ha.
- The production forecast for **sorghum** increased by 29,10% or 45 980 tons, from 158 000 tons to 203 980 tons. The area estimate for sorghum is 49 200 ha and the expected yield is 4,15 t/ha.
- In the case of **dry beans**, the production forecast is 56 577 tons, which is 12,69% or 8 223 tons less than the 64 800 tons of the previous season. The area estimate of dry beans is 47 390 ha, with an expected yield of 1,19 t/ha.

Please note that the eighth production forecast for summer field crops for 2021 will be released on 29 September 2021.

2.2 Winter cereal crops – 2021

The revised area planted and first production forecast of winter cereals for the 2021 production season was also released by the CEC on 30 August 2021, and is as follows:

Table 3: Commercial winter crops: Revised area planted and first production forecast: 2021 season

CROP	**Area planted 2021 Ha (A)**	**1st forecast 2021 Tons (B)**	Area planted 2020 Ha (C)	Final crop 2020 Tons (D)	Change % (A) ÷ (C)
Commercial:					
Wheat	**521 500**	**2 086 135**	509 800	2 120 000	-1,60
Malting barley	**94 730**	**356 700**	141 690	588 000	-39,34
Canola	**100 000**	**195 000**	74 120	165 200	18,04
Cereal oats	**35 150**	**79 253**	26 200	57 000	7,16
Sweet lupines	**22 000**	**30 800**	N/a	N/a	26,05

* Intentions based on conditions at the middle of April 2021

- The expected production of **wheat** is 2,086 million tons, which is 1,60% or 33 865 tons less than the previous seasons' crop of 2,120 million tons, whilst the expected yield is 4,00 t/ha.
- The expected production in the Western Cape is 1,134 million tons (54%), which is 31 000 tons more than the 1,103 million tons produced in the previous season. In the Free State, the expected production is 333 200 tons (16%), which is 80 400 tons less than the previous seasons' crop of 413 600 tons. In the Northern Cape, 259 150 tons (12%) is expected to be produced – 12 800 tons less than the 271 950 tons produced in the previous season.
- The area estimate for wheat was revised to 521 500 ha, which is 11 700 ha more than the 509 800 ha of the previous season. An estimated 360 000 ha or 69 % is planted in the Western Cape, 68 000 ha or 13 % in the Free State and 35 500 ha or 7 % in the Northern Cape.
- The production forecast for **malting barley** is 356 700 tons, which is 39,34% or 231 300 tons less than the previous seasons' crop of 588 000 tons. The area planted is estimated at 94 730 ha, while the expected yield is 3,77 t/ha.
- The expected **canola crop** is 195 000 tons, which is 18,04% or 29 800 tons more than the previous seasons' crop of 165 200 tons. The area estimate for canola is 100 000 ha, with an expected yield of 1,95 t/ha.
- The expected crop for **oats (cereals)** for the 2021 season is 79 253 tons and the revised area planted is 35 150 ha. The expected yield is 2,25 t/ha.
- In the case of **sweet lupines,** the production forecast is 30 800 tons. The area estimate of sweet lupines is 22 000 ha, with an expected yield of 1,40 t/ha.

Please note that the area planted and second production forecast for winter cereals for 2021 will be released on 29 September 2021.

2.3 Non-commercial maize

The CEC released the area planted and production estimate of the non-commercial maize sector for the 2021 season on 28 July 2021.

Table 4: Non-commercial maize – Area planted and production estimate: 2021

CROP	**Area planted** **2021** **Ha** **(A)**	**Production** **2021** **Tons** **(B)**	Area planted 2020 Ha (C)	Final crop 2020 Tons (D)	Change % (B) ÷ (D)
Non-commercial agriculture:					
White maize	**276 100**	**445 335**	221 945	375 295	18,66
Yellow maize	**86 800**	**191 105**	75 515	168 250	13,58
Maize	**362 900**	**636 440**	297 460	543 545	17,09

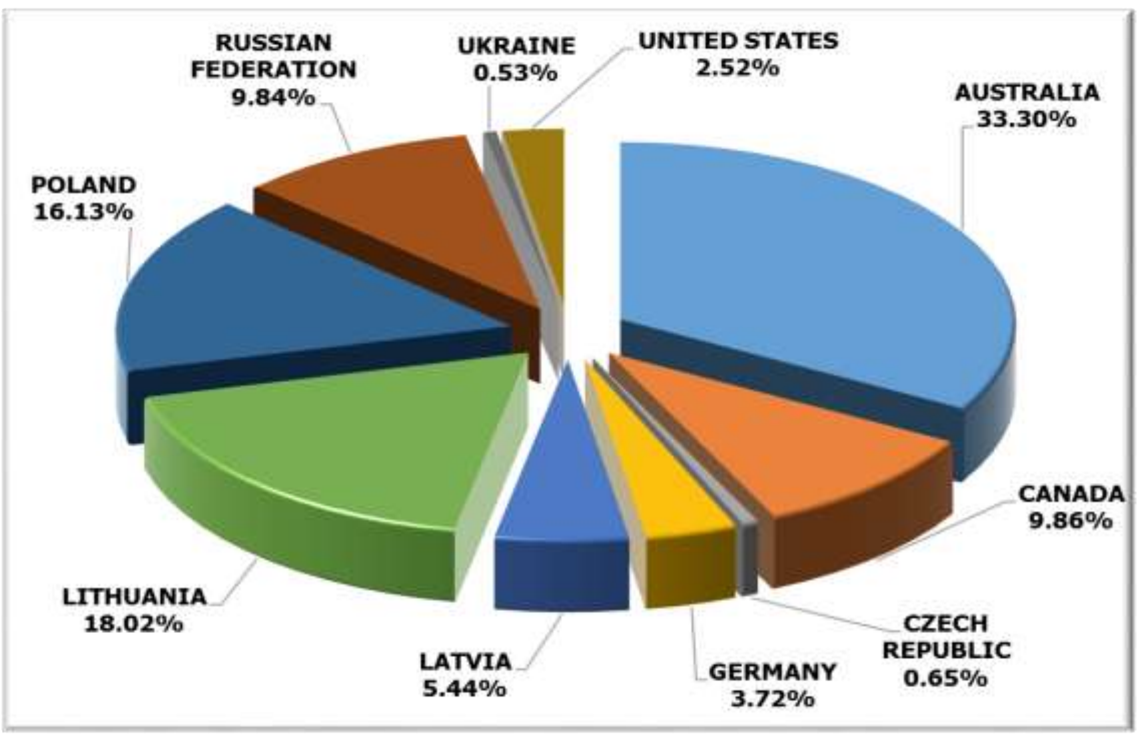
- The preliminary area planted to maize in the non-commercial agricultural sector is estimated at 362 900 ha, which represents an increase of 22,00%, compared to the 297 460 ha of the previous season. The expected maize crop for this sector is 636 440 tons, which is 17,09% more than the 543 545 tons of last season. It is important to note that about 53% 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 AUG21 Annexure A.

3.1 Imports and exports of wheat for the 2020/21 marketing year

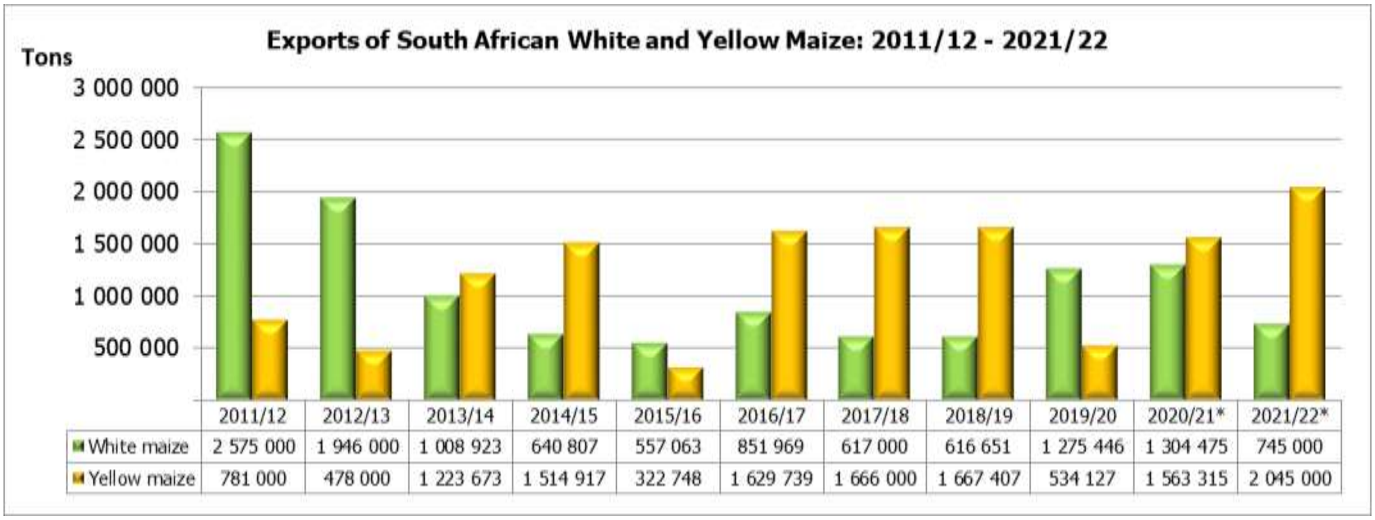
Graph 1: Major countries of wheat imports to South Africa: 2020/21 marketing year



- The progressive wheat imports (human consumption) for the 2020/21 marketing year (26 September 2020 to 27 August 2021) amount to 1,383 million tons, with 33,30% or 460 439 tons from Australia, followed by 18,02% or 249 153 tons from the Lithuania, 16,13% or 223 044 tons from Poland, 9,86% or 136 336 tons from Canada, 9,84% or 136 017 tons imported from Russian Federation, 5,44% or 75 267 tons from Latvia, 3,72% or 51 461 tons from Germany, 2,52% or 34 874 tons from United States, 0,65% or 8 965 tons from the Czech Republic and 0,53% or 7 341 tons from Ukraine. The exports of wheat (human consumption) for the above-mentioned period amount to 84 139 tons, of which 63,48% or 53 410 tons went to BLNS countries (Botswana, Lesotho, Namibia and Eswatini (Swaziland)), 29,44% or 24 770 tons to Zambia, 5,88% or 4 949 tons to Zimbabwe and only 1,20% or 1 010 tons went to Mozambique.

- **3.2 Exports of white and yellow maize**

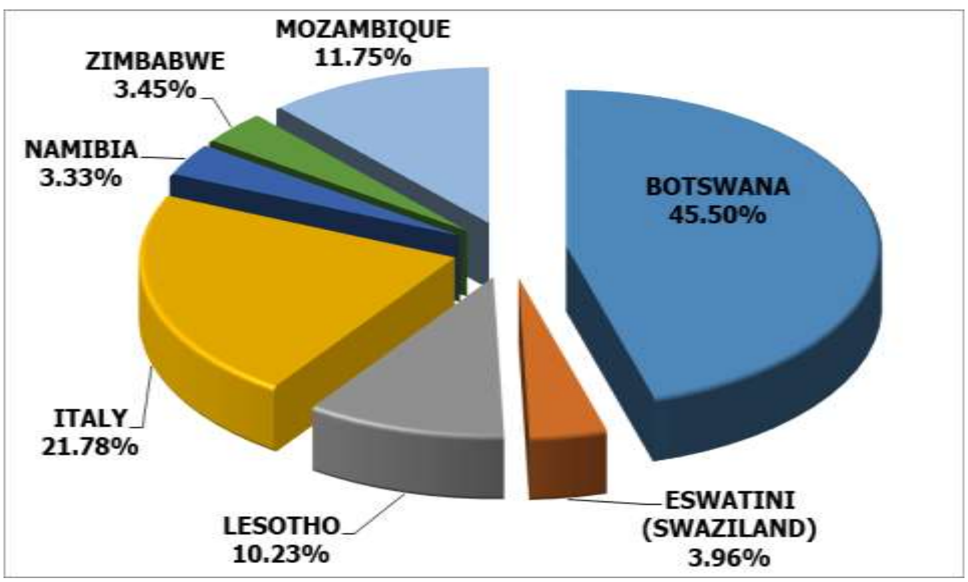
Graph 2: Exports of South African white and yellow maize for the 2011/12 to 2021/22 marketing year



*Projection

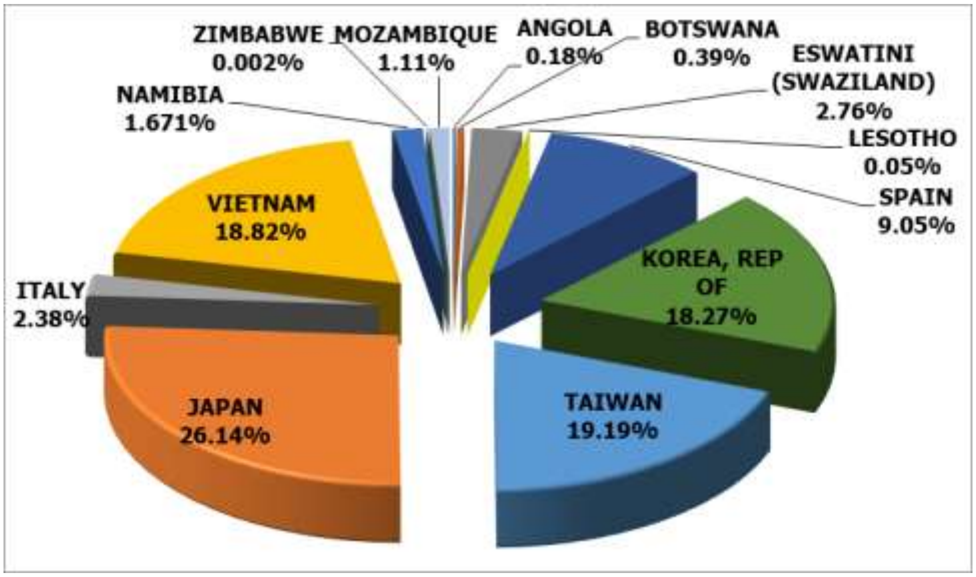
- The exports of white maize for the 2021/22 marketing year are projected at 745 000 tons, which represents a decrease of 42,89% or 559 475 tons compared to the 1,304 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 2,045 million tons, which represents an increase of 30,81% or 481 685 tons compared to the 1,563 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 to 27 August 2021, progressive white maize exports for the 2021/22 marketing year amount to 181 098 tons, with the main destinations being Botswana (45,50% or 82 404 tons), followed by Italy (21,78% or 39 447 tons), Mozambique (11,75% or 21 273 tons), Lesotho (10,23% or 18 523 tons), Eswathini (Swaziland) (3,96% or 7 168 tons), Zimbabwe (3,45% or 6 251 tons) and Namibia (3,33% or 6 032 tons). The imports of white maize for the mentioned period amount to 3 348 tons, all from Zambia.

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



- From 1 May to 27 August 2021, progressive yellow maize exports for the 2021/22 marketing year amount to 1,143 million tons, with the main destinations being Japan (26,14% or 298 741), followed by Taiwan (19,19% or 219 289 tons), Vietnam (18,82% or 215 058 tons), Korea, Republic of (18,27% or 208 796 tons), Spain (9,05% or 103 410 tons), Eswathini (Swaziland) (2,76% or 31 545 tons), Italy (2,38% or 27 150 tons), Namibia (1,67% or 19 098 tons), Mozambique (1,11% or 12 712 tons), Botswana (0,39% or 4 479 tons), Angola (0,18% or 2 098 tons), Lesotho (0,05% or 577 tons) and Zimbabwe (0,002% 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 4,6% in July 2021, down from 4,9% in June 2021. The consumer price index increased by 1,1% month-on-month in July 2021.
- The main contributors to the 4,6% annual inflation rate were as follows:
  - Food and non-alcoholic beverages increased by 6,7% year-on-year, and contributed 1,1% to the total CPI annual rate of 4,6%;
  - Housing and utilities increased by 3,8% year-on-year, and contributed 0,9%;
  - Transport increased by 8,0% year-on-year, and contributed 1,1%; and
  - Miscellaneous goods and services increased by 4,2% year-on-year, and contributed 0,7%.
- In July the annual inflation rate for goods was 6,7%, down from 7,1% in June; and for services it was 2,7%, down from 2,9% in June.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 7,1% in July 2021, down from 7,7% in June 2021. The producer price index increased by 0,7% month-on-month in July 2021.
- The main contributors to the headline PPI annual inflation rate were:
  - Coke, petroleum, chemical, rubber and plastic products increased by 11,7% year-on-year and contributed 2,4%;
  - Food products, beverages and tobacco products increased by 6,1% year-on-year and contributed 2,2%; and
  - Metals, machinery, equipment and computing equipment increased by 9,1% year-on-year and contributed 1,3%.

- The main contributor to the headline PPI monthly increase was coke, petroleum, chemical, rubber and plastic products, which increased by 1,9% month-on-month and contributed 0,4%.
- The annual percentage change in the PPI for intermediate manufactured goods was 17,6% in July 2021 (compared with 16,4% in June 2021). The index increased by 0,8% month-on-month. The main contributors to the annual rate were basic and fabricated metals (7,8%), chemicals, rubber and plastic products (6,6%), as well as sawmilling and wood (2,1%). The main contributor to the monthly rate was sawmilling and wood (0,9%).
- The annual percentage change in the PPI for electricity and water was 13,9% in July 2021 (compared with 10,5% in June 2021). The index increased by 11,2% month-on-month. Electricity contributed 13,3% to the annual rate, and water contributed 0,5%. Electricity contributed 10,8% to the monthly rate, and water contributed 0,4%.
- The annual percentage change in the PPI for mining was 15,3% in July 2021 (compared with 20,6% in June 2021). The index increased by 1,1% month-on-month. The main contributors to the annual rate were non-ferrous metal ores (9,8%), coal and gas (3,4%) and gold and other metal ores (2,7%). The main contributors to the monthly rate were gold and other metal ores (0,7%), as well as coal and gas (0,6%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 11,3% in July 2021 (compared with 13,3% in June 2021). The index increased by 0,7% month-on-month. The main contributor to the annual rate was agriculture (12,7%). The contributors to the monthly rate were agriculture (0,6%) and forestry (0,1%).

4.3 Future contract prices

Table 5: Closing prices on Monday, 6 September 2021

	6 September 2021	6 August 2021	% Change
RSA White Maize per ton (Sep. 2021 contract)	R2 997,00	R3 275,00	-8,49
RSA Yellow Maize per ton (Sep. 2021contract)	R3 172,00	R3 420,00	-7,25
RSA Wheat per ton (Sep. 2021contract)	R6 000,00	R5 260,00	14,07
RSA Sunflower seed per ton (Sep. 2021 contract)	R9 640,00	R9 260,00	4,10
RSA Soya-beans per ton (Sep. 2021 contract)	R7 497,00	R7 550,00	-0,70
Exchange rate R/$	R14,26	R14,48	-1,52

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- August 2021 tractor sales of 724 units were almost 56% more than the 465 units sold in August 2020. Year-to-date tractor sales are now almost 30% up on last year. Fourteen combine harvesters were sold in August 2021, one unit more than the thirteen units sold in August 2020. On a year-to-date basis combine harvester sales are now almost 25% up on last year.
- Sentiment in the market is still very positive. Good summer crops and good prospects for winter crops contribute to this. However, summer-crop farmers face increased input costs for their forthcoming plantings and this might affect machinery sales. Nevertheless, forecasts for the remainder of the year indicate that tractor sales for the 2021 calendar will be between 15 and 20% up on last year.

Table 6: Agricultural machinery sales

	Year-on-year		Percentage	Year-to-date		Percentage
	August		Change	August		Change
Equipment class	2021	2020	%	2021	2020	%
Tractors	724	465	55,70	4 658	3 594	29,60
Combine harvesters	14	13	7,69	176	141	24,82

Source: SAAMA press release, September 2021

PLEASE NOTE: The Food Security Bulletin for September 2021 will be released on **8 October 2021**.

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
- Farmer's Weekly
- Grain South Africa (GrainSA)
- IGC Grain Market Report
- National Agricultural Marketing Council (NAMC)
- South African Agricultural Machinery Association (SAAMA)
- South African Futures Exchange (SAFEX)
- South African Reserve Bank
- 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