# MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA AUGUST 2023

**Issued: 6 September 2023**

**Directorate: Statistics and Economic Analysis**

**Highlights:**

- **During August 2023, significant rainfall was confined to the south-western parts of the country.**
- **The projected closing stocks of wheat for the current 2022/23 marketing year are 516 983 tons, which includes imports of 1,650 million tons. It is also 17,3% less than the previous years' ending stocks.**
- **The expected production of wheat is 2,142 million tons, which is 1,50% more than the previous seasons' crop of 2,110 million tons.**
- **The projected closing stocks of wheat for the coming 2023/24 marketing year are 453 508 tons, which includes imports of 1,600 million tons. It is also 12,3% less than the previous years' ending stocks.**
- **The expected commercial maize crop for 2023 is 16,410 million tons, which is 6,1% more than the 15,470 million tons for the previous season.**
- **Projected closing stocks of maize for the current 2023/24 marketing year are 2,840 million tons, which is 45,4% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2023/24 marketing year are 31 466 tons, which is 33,0% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2023/24 marketing year are 72 307 tons, which is 1,6% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2023/24 marketing year are 460 147 tons, which is 167,7% more than the previous years' ending stocks.**
- **The annual percentage change in the CPI was lower at 4,7% in July 2023.**
- **The annual percentage change in the PPI for final manufactured goods was lower at 2,7% in July 2023.**
- **July 2023 tractor sales of 660 units were 15% less than the 777 units sold in July 2022.**

agriculture, land reform & rural development

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

Enquiries: Marda Scheepers or Queen Makgoka

Directorate: Statistics and Economic Analysis

Tel: +27 12 319 8033/8164

Email:MardaS@dalrrd.gov.za or QueenS@dalrrd.gov.za

## Contents

1. **Weather conditions** 3

2. **Grain production** 4

   2.1 **Summer grain crops - 2023** 4

   2.2 **Winter cereal crops – 2022** 5

   2.3 **Non-commercial maize - 2023** 5

3. **Cereal balance sheets** 6

4. **Market information** 8

   4.1 **Consumer Price Index (CPI)** 8

   4.2 **Producer Price Index (PPI)** 8

   4.3 **Future contract prices** 9

   4.4 **Agricultural machinery sales** 9

5. **Acknowledgements** 10

## 1. Weather conditions

### 1.1 Rainfall for August 2023

During August 2023, significant rainfall was confined to the south-western parts of the country (**Figure 1**). Comparing rainfall totals to the long-term average for August, rainfall received was below-normal countrywide with isolated areas of above-normal rainfall in the Limpopo Province (**Figure 2**). (Source: Directorate: Climate Change and Disaster Management of Department: Agriculture, Land Reform and Rural Development)

**Figure 1: Rainfall (mm) for August 2023**

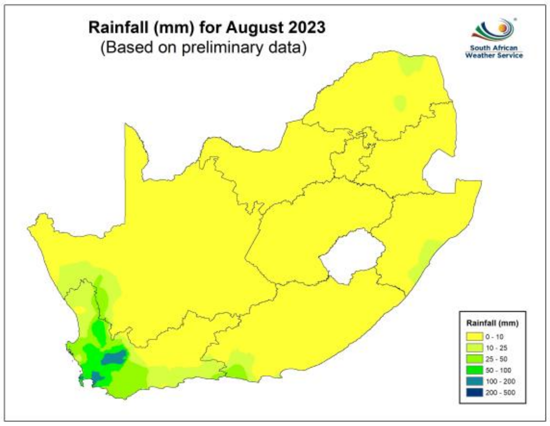
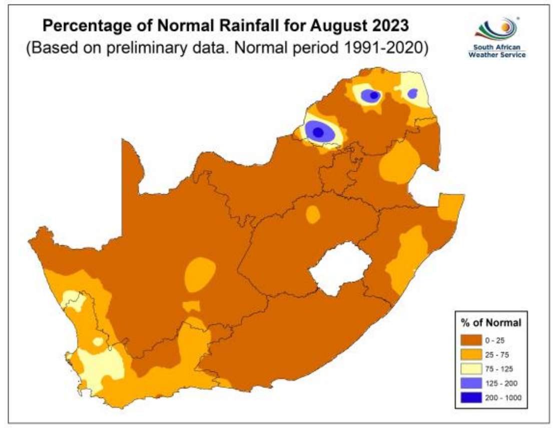



**Figure 2: Percentage rainfall for August 2023**




### 1.2 Level of dams

Available information on the level of South Africa's dams on 4 September 2023 indicates that the country has approximately 92% of its full supply capacity (FSC) available, which is only 1% more than the corresponding period in 2022. The dam levels in the Western Cape (21%), Eastern Cape (10%), North West (8%), and Mpumalanga provinces (3%) all show improvements in the full supply capacity as compared to 2022. However, the Northern Cape (-8%), Free State (-3%), Gauteng (-1%), and Limpopo provinces (-1%), all show decreases in full supply capacity, while the KwaZulu-Natal Province remained unchanged in the full supply capacity as compared to 2022 for the above-mentioned period. The provincial distribution of South Africa's water supply including Lesotho and Swaziland is contained in **Table 1** below.

**Table 1: Level of dams, 4 September 2023**

| **Province** | Net FSC million cubic meters | **04/09/2023 (%)** | Last Year (2022) (%) | % Increase/Decrease 2023 vs. 2022 |
|---|---|---|---|---|
| **Eastern Cape** | 1 729 | 80 | 70 | 10,0 |
| **Free State** | 15 657 | 95 | 98 | -3,0 |
| **Gauteng** | 128 | 97 | 98 | -1,0 |
| **KwaZulu-Natal** | 4 910 | 88 | 88 | 0,0 |
| **Kingdom of Lesotho** | 2 363 | 92 | 90 | 2,0 |
| **Kingdom of Eswatini** | 334 | 99 | 97 | 2,0 |
| **Limpopo** | 1 480 | 86 | 87 | -1,0 |
| **Mpumalanga** | 2 539 | 96 | 93 | 3,0 |
| **Northern Cape** | 146 | 89 | 97 | -8,0 |
| **North West** | 867 | 87 | 79 | 8,0 |
| **Western Cape** | 1 868 | 93 | 72 | 21,0 |
| **Total** | **32 021** | **92** | **91** | **1,0** |

*Source: Department of Water and Sanitation*

## 2. Grain production

### 2.1 Summer grain crops - 2023

The revised area planted estimate and seventh production forecast of summer grains for the 2023 season was released by the Crop Estimates Committee (CEC) on 29 August 2023, and is as follows:

**Table 2: Commercial summer crops: Area planted and 7th production forecast - 2023 season**

| CROP | **Area planted 2023 Ha (A)** | **7th forecast 2023 Tons (B)** | Area planted 2022 Ha (C) | Final estimate 2022 Tons (D) | Change % (B) ÷ (D) |
|---|---|---|---|---|---|
| **Commercial:** | | | | | |
| White maize | **1 521 300** | **8 637 950** | 1 575 000 | 7 850 000 | 10,04 |
| Yellow maize | **1 064 800** | **7 771 550** | 1 048 000 | 7 620 000 | 1,99 |
| Total Maize | **2 586 100** | **16 409 500** | 2 623 000 | 15 470 000 | 6,07 |
| Sunflower seed | **555 700** | **743 610** | 670 700 | 845 550 | -12,06 |
| Soybeans | **1 148 300** | **2 755 300** | 925 300 | 2 230 000 | 23,56 |
| Groundnuts | **31 300** | **51 910** | 43 400 | 48 500 | 7,03 |
| Sorghum | **34 000** | **97 740** | 37 200 | 103 140 | -5,24 |
| Dry beans | **36 650** | **50 260** | 42 900 | 52 590 | -4,43 |
| TOTAL | **4 392 050** | **20 108 320** | 4 342 500 | 18 749 780 | 7,24 |

Note: Estimate is for calendar year, e.g. production season 2022/23 = 2023

- The revised area estimate for maize is 2 586 100 ha, which is 1,41% or 36 900 ha less than the 2 623 000 ha planted for the previous season.
- The expected **commercial maize crop** is 16 409 500 tons, which is 6,07% or 939 500 tons more than the 15 470 000 tons of the previous season (2022). The yield for maize is 6,35 t/ha.
- The area estimate for **white maize** is 1 521 300 ha, which represents a decrease of 3,41% or 53 700 ha compared to the 1 575 000 ha planted last season. The production forecast of white maize is 8 637 950 tons, which is 10,04% or 787 950 tons more than the 7 850 000 tons of last season. The yield for white maize is 5,68 t/ha.
- In the case of **yellow maize,** the area estimate is 1 064 800 ha, which is 1,60% or 16 800 ha more than the 1 048 000 ha planted last season. The yellow maize production forecast is 7 771 550 tons, which is 1,99% or 151 550 tons more than the 7 620 000 tons of last season. The yield for yellow maize is 7,30 t/ha.
- The area estimate for **sunflower seed** is 555 700 ha, which is 17,15% or 115 000 ha less than the 670 700 ha planted the previous season. The production forecast for sunflower seed is 743 610 tons, which is 12,06% or 101 940 tons less than the 845 550 tons of the previous season. The expected yield is 1,34 t/ha.
- It is estimated that 1 148 300 ha have been planted to **soybeans**, which represents an increase of 24,10% or 223 000 ha compared to the 925 300 ha planted last season. The production forecast is 2 755 300 tons, which is 23,56% or 525 300 tons more than the 2 230 000 tons of the previous season. The expected yield is 2,40 t/ha.
- For **groundnuts**, the area estimate is 31 300 ha, which is 27,88% or 12 100 ha less than the 43 400 ha planted for the previous season. The expected crop is 51 910 tons – which is 7,03% or 3 410 tons more than the 48 500 tons of last season. The expected yield is 1,66 t/ha.
- The area estimate for **sorghum** decreased by 8,60% or 3 200 ha, from 37 200 ha to 34 000 ha against the previous season. The production forecast for sorghum is 97 740 tons, which is 5,24% or 5 400 tons less than the 103 140 tons of the previous season. The expected yield is 2,87 t/ha.

- For **dry beans**, the area estimate is 36 650 ha, which is 14,57% or 6 250 ha less the 42 900 ha planted for the previous season. The production forecast is 50 260 tons, which is 4,43% or 2 330 tons less than the 52 590 tons of the previous season. The expected yield is 1,37 t/ha.

*Please note that the eighth production forecast for summer field crops for 2023 will be released on 27 September 2023.*

## 2.2 Winter cereal crops – 2022

The revised area estimate and first production forecast for winter cereals for the 2023 season was also released by the Crop Estimates Committee (CEC) on 29 August 2023, and is as follows

**Table 3: Commercial winter cereals: Revised area planted and 1st production forecast - 2023 season**

| CROP | **Area planted 2023 Ha (A)** | **1st Forecast 2023 Tons (B)** | Area planted 2022 Ha (C) | Final estimate 2022 Tons (D) | Change % (B) ÷ (D) |
|---|---|---|---|---|---|
| **Commercial:** | | | | | |
| Wheat | **537 050** | **2 141 625** | 566 800 | 2 110 000 | 1,50 |
| Malting barley* | **104 600** | **380 020** | 101 000 | 302 000 | 25,83 |
| Canola | **131 200** | **243 950** | 123 510 | 210 000 | 16,17 |
| Cereal oats* | **30 000** | **60 200** | 27 000 | 27 550 | 118,51 |
| Sweet lupines | **16 000** | **19 200** | 21 000 | 15 750 | 21,90 |
| Total winter cereals | **818 850** | **2 844 995** | 839 310 | 2 665 300 | 6,74 |

* Commercial only. Excluding barley or oats used as pasture, silage, hay and/or on the farm as fodder for livestock

- The area estimate for **wheat** is 537 050 ha, which is 5,25% or 29 750 ha less than the 566 800 ha planted for the previous season. The expected production of wheat is 2,142 million tons, which is 1,50% or 31 625 tons more than the previous seasons' crop of 2,110 million tons, whilst the expected yield is 3,99 t/ha.
- The area estimate for **barley** is 104 600 ha, which is 3,56% or 3 600 ha more than the 101 000 ha of last season. The production forecast for **barley** is 380 020 tons, which is 25,83% or 78 020 tons more than the previous seasons' crop of 302 000 tons. The expected yield is 3,63 t/ha.
- The area planted to **canola** is 131 200 ha, which is 6,23% or 7 690 ha more than the 123 510 ha planted for the previous season. The expected **canola crop** is 243 950 tons, which is 16,17% or 33 950 tons more than the previous seasons' crop of 210 000 tons. The expected yield is 1,86 t/ha.
- The expected crop for **oats** for the 2023 season is 60 200 tons and the area planted is 30 000 ha. The expected yield is 2,01 t/ha. In the case of **sweet lupines,** the production forecast is 19 200 tons. The area estimate of sweet lupines is 16 000 ha, with an expected yield of 1,20 t/ha.

*Please note that the revised area planted estimate and second production forecast for winter cereals for 2023 will be released on 27 September 2023.*

## 2.3 Non-commercial maize - 2023

The CEC released the preliminary area planted and production estimate of the non-commercial maize sector for the 2023 season on 26 April 2023.

**Table 4: Non-commercial maize: Preliminary area planted and production estimate - 2023 season**

| CROP | **Area planted 2023 Ha (A)** | **Production 2023 Tons (B)** | Area planted 2022 Ha (C) | Final crop 2022 Tons (D) | Change % (B) ÷ (D) |
|---|---|---|---|---|---|
| Non-commercial agriculture: | | | | | |
| White maize | **278 655** | **472 765** | 296 950 | 482 000 | -1,92 |
| Yellow maize | **79 965** | **191 275** | 81 850 | 185 000 | 3,39 |
| Maize | **358 620** | **664 040** | 378 800 | 667 000 | -0,44 |

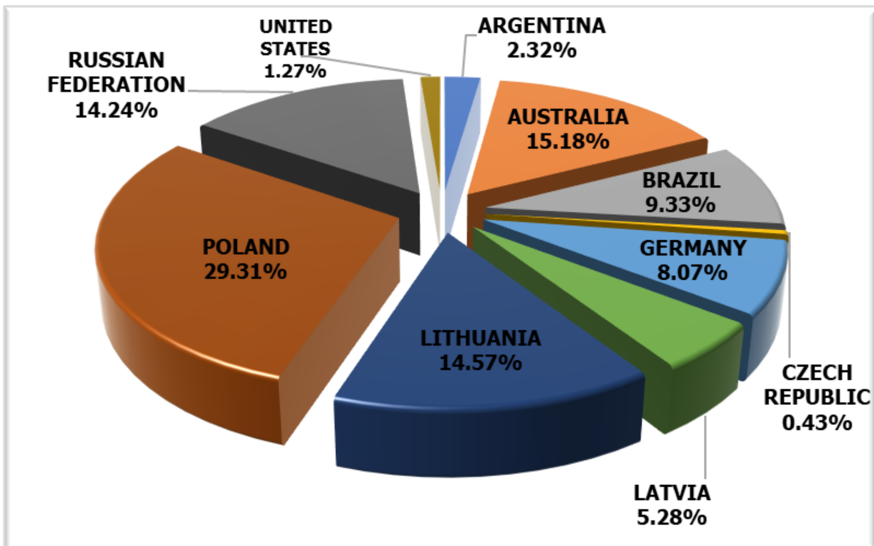
- The preliminary area planted to maize in the non-commercial agricultural sector is estimated at 358 620 ha, which represents a decrease of 5,33%, compared to the 378 800 ha of the previous season. The expected maize crop for this sector is 664 040 tons, which is 0,44% less than the 667 000 tons of last season. It is important to note that about 48% of the maize produced in the non-commercial sector, is planted in the Eastern Cape, followed by KwaZulu-Natal with 21%.

## 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 AUG23 Annexure A.

### 3.1 Imports and exports of wheat for the 2022/23 marketing year

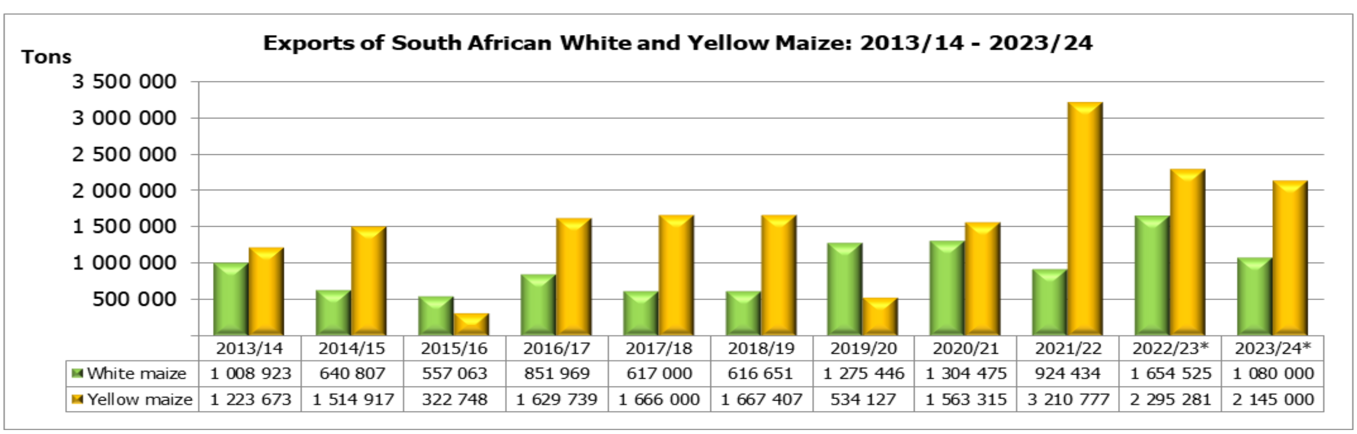
**Graph 1: Major countries of wheat imports to South Africa: 2022/23 marketing year**




- The progressive wheat imports (human consumption) for the 2022/23 marketing year (1 October 2022 to 25 August 2023) amount to 1,456 million tons, with 29,31% or 426 763 tons from Poland, followed by 15,18% or 221 047 tons from Australia, 14,57% or 212 114 tons from Lithuania, 14,24% or 207 313 tons from the Russian Federation, 9,33% or 135 833 tons from Brazil, 8,07% or 117 449 tons from Germany, 5,28% or 76 832 tons from Latvia, 2,32% or 33 719 tons from Argentina, 1,27% or 18 547 tons from the United States and only 0,43% or 6 249 tons from Czech republic. The exports of wheat (human consumption) for the above-mentioned period amount to 243 084 tons, of which 48,81% or 118 653 tons went to the BLNS countries (Botswana, Lesotho, Namibia and Eswatini (Swaziland)), 32,95% or 80 104 tons went to Zimbabwe and only 18,24% or 44 327 tons went to Zambia.

### 3.2 Exports of South African white and yellow maize

**Graph 2: Exports of South African white and yellow maize: 2013/14 - 2023/24 marketing year**

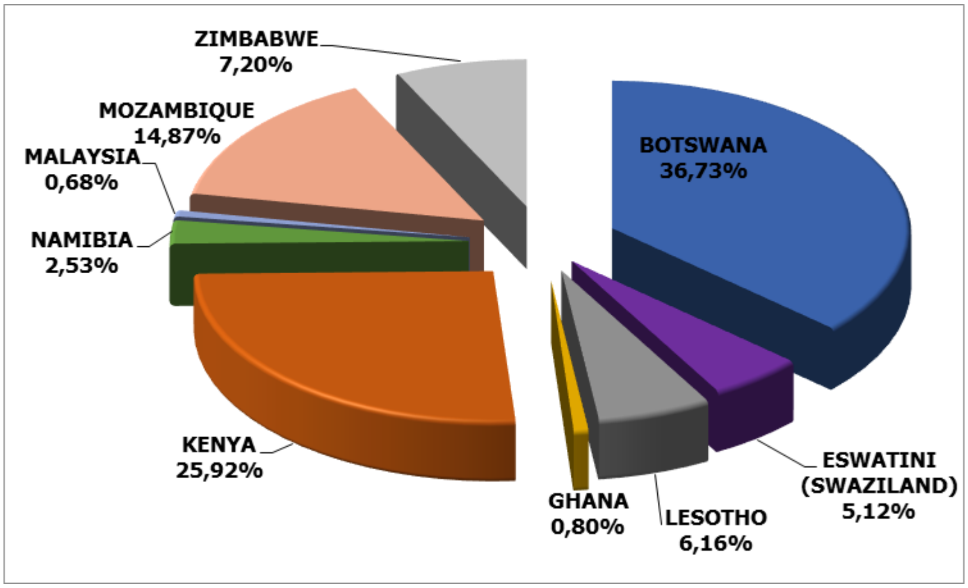



| | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23* | 2023/24* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| White maize | 1 008 923 | 640 807 | 557 063 | 851 969 | 617 000 | 616 651 | 1 275 446 | 1 304 475 | 924 434 | 1 654 525 | 1 080 000 |
| Yellow maize | 1 223 673 | 1 514 917 | 322 748 | 1 629 739 | 1 666 000 | 1 667 407 | 534 127 | 1 563 315 | 3 210 777 | 2 295 281 | 2 145 000 |

*Projection

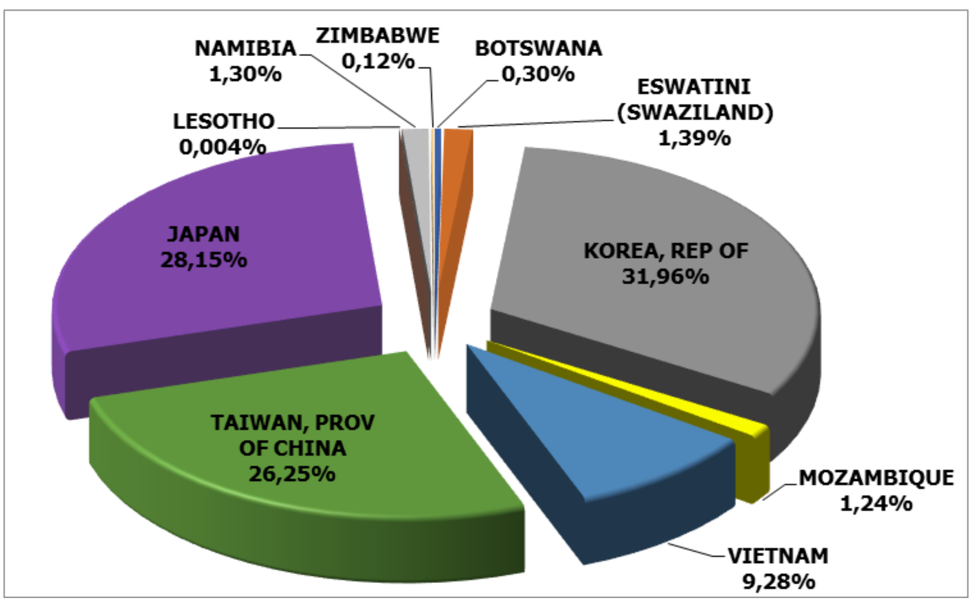
- The exports of white maize for the 2023/24 marketing year are projected at 1,080 million tons, which represents a decrease of 34,72% or 574 525 tons compared to the 1,654 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 2,145 million tons, which represents a decrease of 6,55% or 150 281 tons compared to the 2,295 million tons of the previous marketing year.

**Graph 3: Major countries of white maize exports from South Africa: 2023/24 marketing year**




- From 29 April to 25 August 2023, progressive white maize exports for the 2023/24 marketing year amount to 246 653 tons, with the main destinations being Botswana (36,73% or 90 593 tons), followed by Kenya (25,92% or 63 927 tons), Mozambique (14,87% or 36 668 tons), Zimbabwe (7,20% or 17 764 tons), Lesotho (6,16% or 15 185 tons), Eswathini (Swaziland) (5,12% or 12 626 tons), Namibia (2,53% or 6 243 tons), Ghana (0,80% or 1 967 tons) and Malaysia (0,68% or 1 680 tons). The imports of white maize for the mentioned period amount to zero.

**Graph 4: Major countries of yellow maize exports from South Africa: 2023/24 marketing year**




- From 29 April to 25 August 2023, progressive yellow maize exports for the 2022/23 marketing year amount to 1,364 million tons, with the main destinations being Republic of Korea (31,96% or 436 049 tons), followed by Japan (28,15% or 383 993 tons), Taiwan (26,25% or 358 139 tons), Vietnam (9,28% or 126 555 tons), Eswathini (Swaziland) (1,39% or 18 964 tons), Namibia (1,30% or 17 794 tons), Mozambique (1,24% or

16 943 tons), Botswana (0,30% or 4 130 tons), Zimbabwe (0,12% or 1 622 tons) and Lesotho (0,004% or 60 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 4,7% in July 2023, down from 5,4% in June 2023. The CPI increased by 0,9% month-on-month in July 2023.
- The main contributors to the 4,7% annual inflation rate were:
  - Food and non-alcoholic beverages increased by 9,9% year-on-year and contributed 1,7%;
  - Housing and utilities increased by 5,1% year-on-year and contributed 1,2%; and
  - Miscellaneous goods and services increased by 6,3% year-on-year and contributed 0,9%.
- In July the annual inflation rate for goods was 5,5%, down from 6,3% in June; and for services it was 4,0%, down from 4,5% in June.

## 4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 2,7% in July 2023, down from 4,8% in June 2023. The producer price index (PPI) increased by 0,2% month-on-month in July 2023.
- The main contributors to the headline PPI annual inflation rate were:
  - Food products, beverages and tobacco products (increased by 5,8% year-on-year and contributed 1,5%);
  - Metals, machinery, equipment and computing equipment (increased by 9,0% year-on-year and contributed 1,3%);
  - Paper and printed products (increased by 10,6% year-on-year and contributed 0,8%);
  - Transport equipment (increased by 9,6% year-on-year and contributed 0,8%); and
  - Coke, petroleum, chemical, rubber and plastic products (decreased by 8,3% and contributed -2,5%).
- The main contributor to the headline PPI monthly increase was metals, machinery, equipment and computing equipment (increased by 1,2% month-on-month and contributed 0,2%).
- The annual percentage change in the PPI for intermediate manufactured goods was -0,1% in July 2023 (compared with 2,4% in June 2023). The index decreased by 2,0% month-on-month. The main negative contributor to the annual rate was chemicals, rubber and plastic products (-0,8%). The main negative contributor to the monthly rate was basic and fabricated metals (-1,8%).
- The annual percentage change in the PPI for electricity and water was 18,3% in July 2023 (compared with 13,6% in June 2023). The index increased by 8,5% month-on-month. Electricity contributed 17,1% and water contributed 0,9% to the annual rate. Electricity contributed 7,9% to the monthly rate and water contributed 0,6%.
- The annual percentage change in the PPI for mining was -0,5% in July 2023 (compared with 2,8% in June 2023). The index decreased by 2,0% month-on-month. The main negative contributor to the annual rate was non-ferrous metal ores (-6,1%). The main negative contributor to the monthly rate was non-ferrous metal ores (-2,1%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 6,5% in July 2023 (compared with 6,2% in June 2023). The index increased by 1,1% month-on-month. The main contributors to the annual rate were agriculture (4,1%) and fishing (2,0%). The main contributor to the monthly rate was agriculture (1,3%).

### 4.3 Future contract prices

**Table 5: Closing prices on Monday, 4 September 2023**

| | 4 September 2023 | 4 August 2023 | % Change |
|---|---|---|---|
| **RSA White Maize per ton (Sep. 2023 contract)** | R3 667,00 | R3 727,00 | -1,61 |
| **RSA Yellow Maize per ton (Sep. 2023 contract)** | R3 650,00 | R3 747,00 | -2,59 |
| **RSA Wheat per ton (Sep. 2023 contract)** | R6 531,00 | R6 545,00 | -0,21 |
| **RSA Sunflower seed per ton (Sep. 2023 contract)** | R8 972,00 | R9 581,00 | -6,36 |
| **RSA Soya-beans per ton (Sep. 2023 contract)** | R9 509,00 | R9 176,00 | 3,63 |
| **Exchange rate R/$** | R18,91 | R18,65 | 1,39 |

*Source: JSE/SAFEX*

### 4.4 Agricultural machinery sales

- July 2023 tractor sales of 660 units were 15% less than the 777 units sold in July 2022. On a year-to-date basis tractor sales are now approximately 4% down on last year. Thirty-two combine harvesters were sold in July 2023, four units less than the 36 units sold in July 2022. On a year-to-date basis combine harvester sales are now 44% more than last year.
- As summer crop harvesting comes to an end and farmers are looking ahead to preparations for the new summer-cropping season and winter crop harvesting, a note of caution has entered the market. Expectations of the El Niño phenomenon and the uncertainty of the possible severity of this are adding to this caution. It is likely, therefore, that lower sales will prevail until the course of the forthcoming summer rainfall season is known. Nevertheless, forecasts for tractor sales for the 2023 calendar year are still that they will be between 10 and 15% down on last year.
- Combine harvester sales are still very buoyant and it is likely that sales for the 2023 calendar year will be between 10 and 20% up on last year.

**Table 6: Agricultural machinery sales**

| | Year-on-year | | Percentage Change % | Year-to-date | | Percentage Change % |
|---|---|---|---|---|---|---|
| | July | | | July | | |
| **Equipment class** | **2023** | **2022** | | **2023** | **2022** | |
| Tractors | 660 | 777 | -15,06 | 4 715 | 4 907 | -3,91 |
| Combine harvesters | 32 | 36 | -11,11 | 359 | 249 | 44,18 |

*Source: SAAMA press release, Aug 2023*

**PLEASE NOTE:** The Food Security Bulletin for September 2023 will be released on **6 October 2023**.

## 5. Acknowledgements

The Directorate: Statistics and Economic Analysis makes use of information sourced from various institutions and organisations within South Africa 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