MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA AUGUST 2022

Issued: 7 September 2022

Directorate: Statistics and Economic Analysis

Highlights:

- **During August 2022, significant rainfall events were limited to the south-western and south-eastern coastal regions of the country.**
- **The projected closing stocks of wheat for the current 2021/22 marketing year are 597 304 tons, which includes imports of 1,535 million tons. It is also 27,8% more than the previous years' ending stocks.**
- **The expected production of wheat for 2022 is 2,179 million tons, which is 4,6% less than the previous seasons' crop of 2,285 million tons.**
- **The projected closing stocks of wheat for the coming 2022/23 marketing year are 694 839 tons, which includes imports of 1,530 million tons. It is also 16,3% more than the previous years' ending stocks.**
- **The expected commercial maize crop for 2022 is 15,004 million tons, which is 8,0% less than the previous season' crop of 16,315 million tons.**
- **Projected closing stocks of maize for the current 2022/23 marketing year are 1,895 million tons, which is 10,8% less than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2022/23 marketing year are 74 452 tons, which is 29,9% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2022/23 marketing year are 71 770 tons, which is 125,8% more than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2022/23 marketing year are 347 087 tons, which is 106,1% more than the previous years' ending stocks.**
- **The annual percentage change in the CPI was higher at 7,8% in July 2022.**
- **The annual percentage change in the PPI for final manufactured goods was higher at 18,0% in July 2022.**
- **August 2022 tractor sales of 792 units were marginally (3%), more than the 766 units sold in August 2021.**

agriculture, land reform & rural development

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1. Weather conditions

1.1 Rainfall for August 2022

During August 2022, significant rainfall events were limited to the south-western and south-eastern coastal regions of the country (**Figure 1**). Comparing rainfall totals to the long-term average for August 2022, rainfall received was below-normal over most of the central and northern parts of the country, while the remainder of the country received above-normal rainfall (**Figure 2**). (Source: Directorate: Climate Change and Disaster Management of Department: Agriculture, Land Reform and Rural Development)

Figure 1: Rainfall (mm) for August 2022

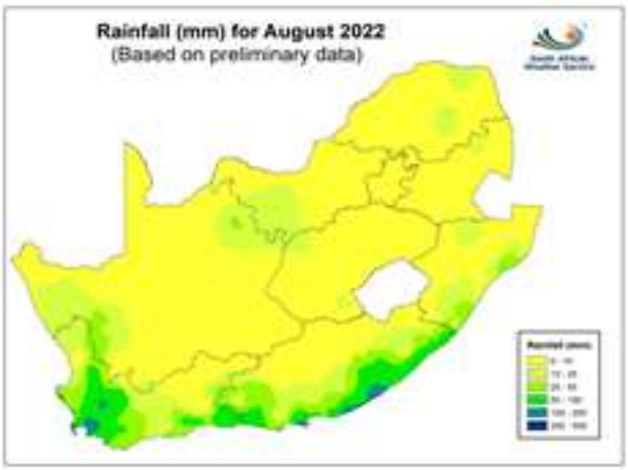
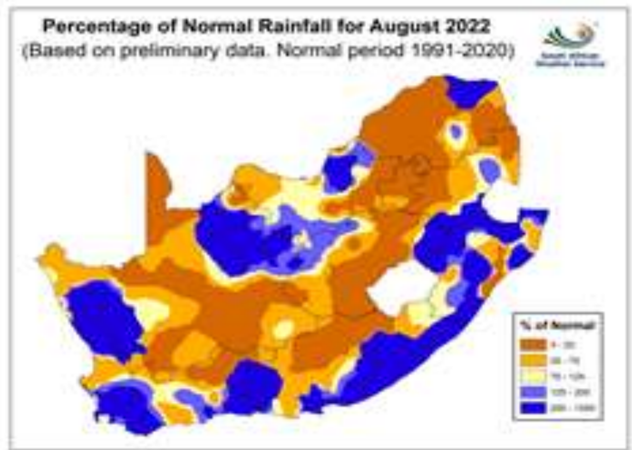


Figure 2: Percentage rainfall for August 2022



1.2 Level of dams

Available information on the level of South Africa's dams on 5 September 2022 indicates that the country has approximately 91% of its full supply capacity (FSC) available, which is 10% more than the corresponding period in 2021. The dam levels in KwaZulu-Natal (20%), Eastern Cape (17%), Mpumalanga (13%), Northern Cape (13%), Free State (6%), Limpopo (6%), Gauteng (1%), and North-West (1%) provinces, all show improvements in the full supply capacity as compared to 2021. However, the Western Cape Province show a 10% decrease in the 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, 5 September 2022

Province	Net FSC million cubic meters	**05/09/2022 (%)**	Last Year (2021) (%)	% Increase/Decrease 2022 vs. 2021
Eastern Cape	1 729	70	53	17,0
Free State	15 657	98	92	6,0
Gauteng	128	97	96	1,0
KwaZulu-Natal	4 910	87	67	20,0
Lesotho	2 363	90	53	37,0
Limpopo	1 480	87	81	6,0
Mpumalanga	2 539	93	80	13,0
North West	867	78	77	1,0
Northern Cape	146	106	93	13,0
Swaziland	334	97	93	4,0
Western Cape	1 866	72	82	-10,0
Total	**32 019**	**91**	**81**	**10,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2022

The area planted and seventh production forecast of summer grains for the 2022 season was released by the Crop Estimates Committee (CEC) on 30 August 2022, and is as follows:

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

CROP	**Area planted** **2022** **Ha** **(A)**	**7th forecast** **2022** **Tons** **(B)**	Area planted 2021 Ha (C)	Final crop 2021 Tons (D)	Change % (B) ÷ (D)
Commercial:					
White maize	**1 575 000**	**7 637 050**	1 691 900	8 600 000	-11,20
Yellow maize	**1 048 000**	**7 367 050**	1 063 500	7 715 000	-4,51
Total Maize	**2 623 000**	**15 004 100**	2 755 400	16 315 000	-8,03
Sunflower seed	**670 700**	**876 050**	477 800	678 000	29,21
Soybeans	**925 300**	**2 172 100**	827 100	1 897 000	14,50
Groundnuts	**43 400**	**49 000**	38 550	64 300	-23,79
Sorghum	**37 200**	**123 700**	49 200	215 000	-42,47
Dry beans	**42 900**	**52 590**	47 390	57 672	-8,81
TOTAL	**4 342 500**	**18 227 540**	4 195 440	19 226 972	-4,94

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 15 004 100 tons, which is 8,03% or 1 310 900 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 5,72 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 7 637 050 tons, which is 11,20% or 962 950 tons less than the 8 600 000 tons of the previous season. The yield for white maize is 4,85 t/ha. In the case of **yellow maize** the production forecast is 7 367 050 tons, which is 4,51% or 347 950 tons less than the 7 715 000 tons of the previous season. The yield for yellow maize is 7,03 t/ha.
- The production forecast for **sunflower seed** is 876 050 tons, which is 29,21% or 198 050 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 1,31 t/ha.
- The production forecast for **soybeans** is 2 172 100 tons, which is 14,50% or 275 100 tons more 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 2,35 t/ha.
- The expected **groundnut** crop has been set at 49 000 tons, which is 23,79% or 15 300 tons less than the previous season of 64 300 tons. For groundnuts, the area estimate is 43 400 ha, with an expected yield of 1,13 t/ha.
- The production forecast for **sorghum** is 123 700 tons, which is 42,47% or 91 300 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 3,33 t/ha.
- The production forecast for **dry beans** is 52 590 tons, which is 8,81% or 5 082 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 1,23 t/ha.

Please note that the eighth production forecast for summer field crops for 2022 will be released on 28 September 2022.

2.2 Winter cereal crops - 2022

The revised area and first production forecast for winter crops for the 2022 production season was also released by the CEC on 30 August 2022, and is as follows:

Table 3: Commercial winter crops: Revised area planted and first production forecast - 2022 season

CROP	**Area planted 2021 Ha (A)**	**1st forecast 2022 Tons (B)**	Area planted 2021 Ha (C)	Final estimate 2021 Tons (D)	Change % (B) ÷ (D)
Wheat	**560 100**	**2 178 935**	523 500	2 285 000	-4,64
Barley*	**101 000**	**370 350**	94 730	334 000	10,88
Canola	**123 360**	**197 880**	100 000	198 100	-0,11
Oats*	**28 150**	**43 880**	36 250	59 000	7,16
Sweet lupines	**21 000**	**21 000**	22 000	28 600	-26,57
TOTAL	**833 610**	**2 812 045**	776 480	2 904 700	-3,19

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

- The expected production of **wheat** is 2,179 million tons, which is 4,64% or 106 065 tons less than the previous seasons' crop of 2,285 million tons, whilst the expected yield is 3,89 t/ha.
- The production forecast for **barley** is 370 350 tons, which is 10,88% or 36 350 tons more than the previous seasons' crop of 334 000 tons. The area planted is estimated at 101 000 ha, while the expected yield is 3,67 t/ha.
- The expected **canola crop** is 197 880 tons, which is 0,11% or 220 tons less than the previous seasons' crop of 198 100 tons. The area estimate for canola is 123 360 ha, with an expected yield of 1,60 t/ha.
- The expected crop for **oats** for the 2022 season is 43 880 tons and the revised area planted is 28 150 ha. The expected yield is 1,56 t/ha.
- In the case of **sweet lupines,** the production forecast is 21 000 tons. The area estimate of sweet lupines is 21 000 ha, with an expected yield of 1,00 t/ha.

Please note that the revised area planted estimate and second production forecast of winter crops for 2022 will be released on 28 September 2022.

2.3 Non-commercial maize - 2022

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

Table 4: Non-commercial maize: 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	**296 950**	**482 000**	276 100	445 335	8,23
Yellow maize	**81 850**	**185 000**	86 800	191 105	-3,19
Maize	**378 800**	**667 000**	362 900	636 440	4,80

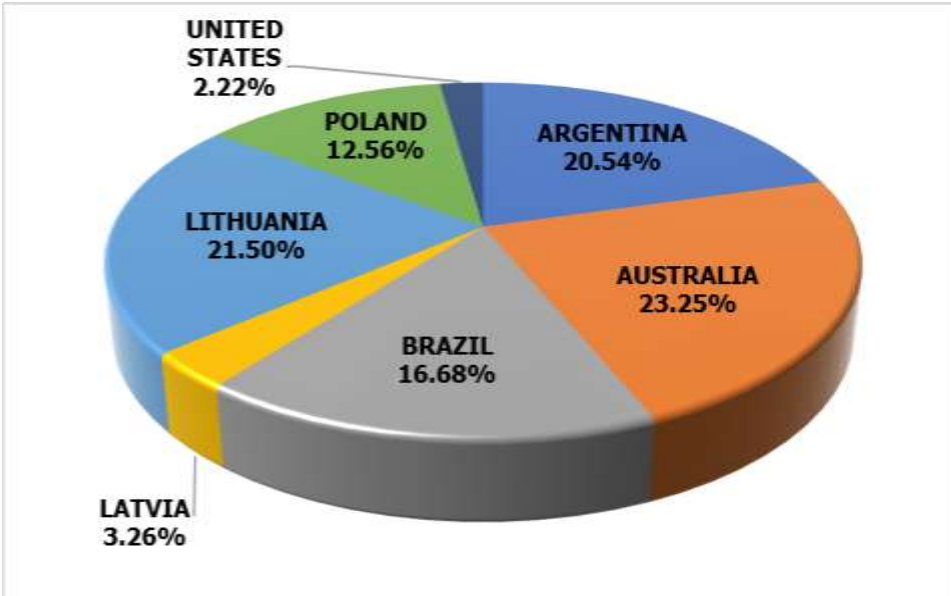
- The area planted to maize in the non-commercial agricultural sector is estimated at 378 800 ha, which represents an increase of 4,38%, compared to the 362 900 ha of the previous season. The expected maize crop for this sector is 667 000 tons, which is 4,80% more than the 636 440 tons of last season. It is important to note that about 47% of the maize produced in the non-commercial sector, is planted in the Eastern Cape, followed by KwaZulu-Natal with 22%.

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 AUG22 Annexure A.

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

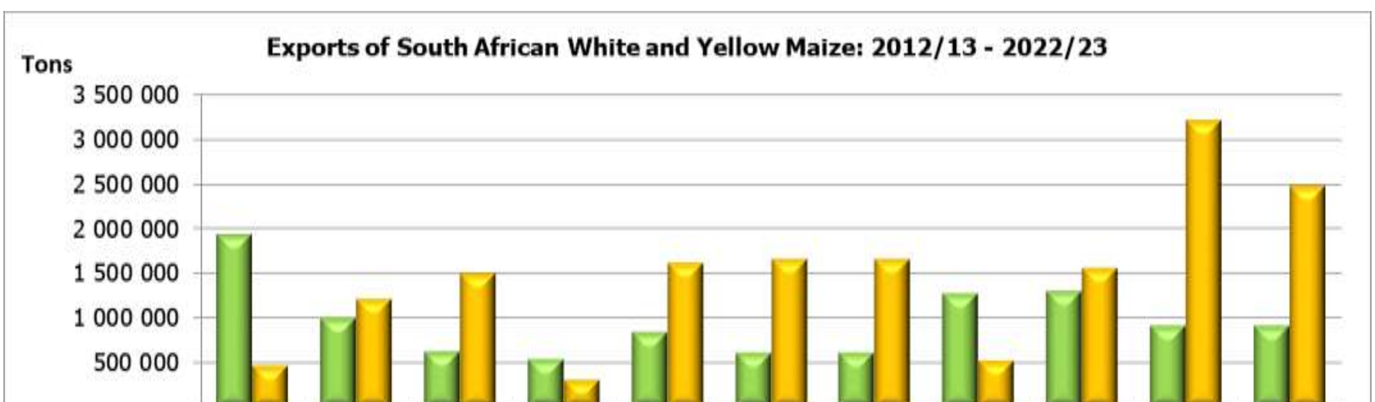
Graph 1: Major countries of wheat imports to South Africa: 2021/22 marketing year



- The progressive wheat imports (human consumption) for the 2021/22 marketing year (25 September 2021 to 26 August 2022) amount to 1,455 million tons, with 23,25% or 338 253 tons from Australia, followed by 21,50% or 312 804 tons from Lithuania, 20,54% or 298 765 tons from Argentina, 16,68% or 242 639 tons from Brazil, 12,56% or 182 714 tons from Poland, 3,26% or 47 391 tons from Latvia and only 2,22% or 32 333 tons from the United States. The exports of wheat (human consumption) for the above-mentioned period amount to 238 729 tons, of which 61,22% or 146 151 tons went to the BLNS countries (Botswana, Lesotho, Namibia and Eswatini (Swaziland)), 22,71% or 54 226 tons to Zimbabwe and only 16,07% or 38 352 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 marketing year

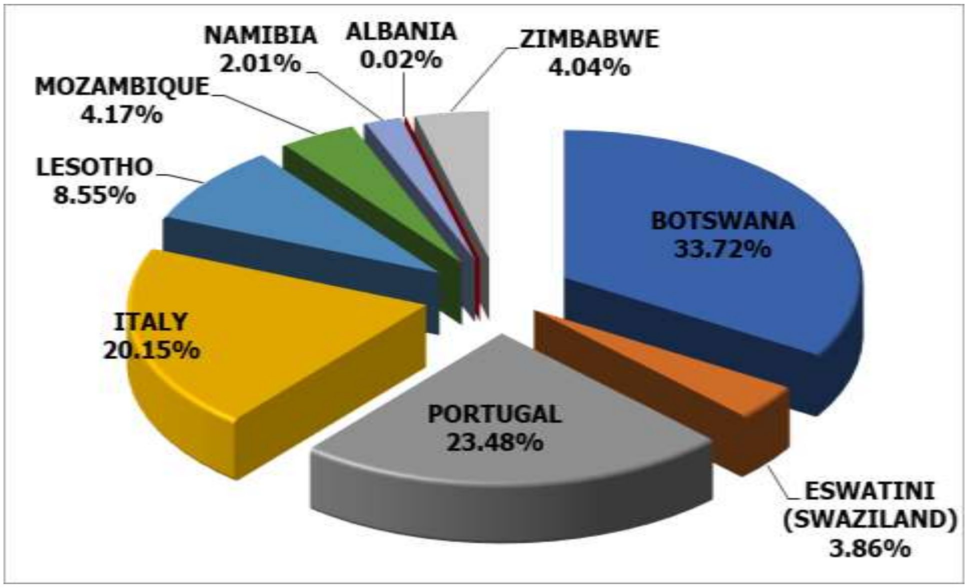


	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23*
White maize	1 946 000	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 304 475	924 434	930 000
Yellow maize	478 000	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 563 315	3 210 777	2 480 000

*Projection

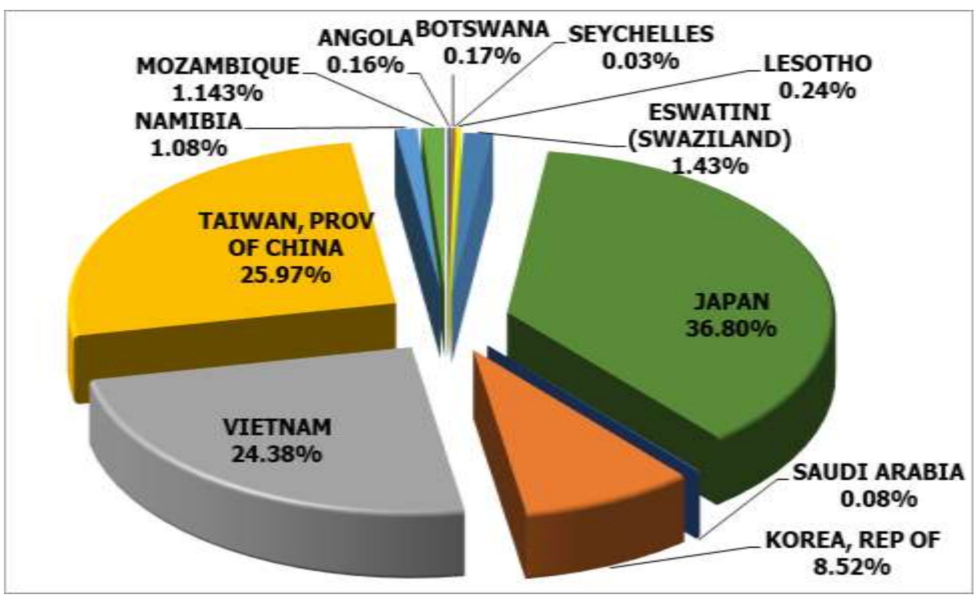
- The exports of white maize for the 2022/23 marketing year are projected at 930 000 tons, which represents a decrease of 0,60% or 5 566 tons compared to the 924 434 tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 2,480 million tons, which represents a decrease of 22,76% or 730 777 tons compared to the 3,211 million tons of the previous marketing year.

Graph 3: Major countries of white maize exports from South Africa: 2022/23 marketing year



- From 30 April to 26 August 2022, progressive white maize exports for the 2022/23 marketing year amount to 223 641 tons, with the main destinations being Botswana (33,72% or 75 415 tons), followed by Portugal (23,48% or 52 500 tons), Italy (20,15% or 45 060 tons), Lesotho (8,55% or 19 120 tons), Mozambique (4,17% or 9 336 tons), Zimbabwe (4,04% or 9 042 tons), Eswathini (Swaziland) (3,86% or 8 625 tons), Namibia (2,01% or 4 501 tons) and Albania (0,02% or 42 tons). The imports of white maize for the mentioned period amount to zero.

Graph 4: Major countries of yellow maize exports from South Africa: 2022/23 marketing year



- From 30 April to 26 August 2022, progressive yellow maize exports for the 2022/23 marketing year amount to 1,231 million tons, with the main destinations being Japan (36,80% or 452 835 tons), followed by Taiwan (25,97% or 319 601 tons), Vietnam (24,38% or 299 971 tons), Korea, Republic of (8,52% or 104 797 tons), Eswathini (Swaziland) (1,43% or 17 542 tons), Mozambique (1,14% or 14 067 tons), Namibia (1,08% or

13 318 tons), Lesotho (0,24% or 2 924 tons), Botswana (0,17% or 2 100 tons), Angola (0,16% or 2 022 tons), Saudi Arabia (0,08% or 990 tons) and Seychelles (0,03% or 347 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 7,8% in July 2022, up from 7,4% in June 2022. The consumer price index increased by 1,5% month-on-month in July 2022.
- The main contributors to the 7,8% annual inflation rate were as follows:
    - Food and non-alcoholic beverages increased by 9,7% year-on-year, and contributed 1,7%;
    - Housing and utilities increased by 4,0% year-on-year, and contributed 1,0%;
    - Transport increased by 25,0% year-on-year, and contributed 3,4%; and
    - Miscellaneous goods and services increased by 3,6% year-on-year, and contributed 0,5%.
- In July the annual inflation rate for goods was 11,5%, up from 11,0% in June; and for services it was 4,2%, up from 3,9% in June.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 18,0% in July 2022, up from 16,2% in June 2022. The producer price index increased by 2,2% month-on-month in July 2022.
- The main contributors to the headline PPI annual inflation rate were as follows:
    - Coke, petroleum, chemical, rubber and plastic products increased by 42,8% year-on-year and contributed 10,5%;
    - Food products, beverages and tobacco products increased by 11,4% year-on-year and contributed 3,0%;
    - Metals, machinery, equipment and computing equipment increased by 11,3% year-on-year and contributed 1,7%; and
    - Paper and printed products increased by 11,1% year-on-year and contributed 1,0%.
- The main contributor to the headline PPI monthly increase was coke, petroleum, chemical, rubber, as well as plastic products, which increased by 6,0% month-on-month and contributed 1,7%.
- The annual percentage change in the PPI for intermediate manufactured goods was 14,7% in July 2022 (compared with 15,2% in June 2022). The index increased by 0,4% month-on-month. The main contributors to the annual rate were basic and fabricated metals (7,1%); chemicals, rubber and plastic products (6,4%); and sawmilling and wood (1,3%). The main contributor to the monthly rate was chemicals, rubber and plastic products (0,8%).
- The annual percentage change in the PPI for electricity and water was 8,0% in July 2022 (compared with 15,2% in June 2022). The index increased by 4,2% month-on-month. Electricity contributed 8,0% to the annual rate and water contributed 0,8%. Electricity contributed 3,6% to the monthly rate and water contributed 0,6%.
- The annual percentage change in the PPI for mining was 21,2% in July 2022 (compared with 21,2% in June 2022). The index increased by 1,2% month-on-month. The main contributors to the annual rate were coal and gas (14,7%), as well as non-ferrous metal ores (9,4%). The main contributors to the monthly rate were coal and gas (1,1%), as well as non-ferrous metal ores (0,9%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 15,0% in July 2022 (compared with 14,9% in June 2022). The index increased by 0,8% month-on-month. The main contributors to the annual rate were agriculture (12,9%) and fishing (1,7%). The contributors to the monthly rate were agriculture (0,7%) and fishing (0,1%).

4.3 Future contract prices

Table 5: Closing prices on Monday, 5 September 2022

	5 September 2022	5 August 2022	% Change
RSA White Maize per ton (Sep. 2022 contract)	R4 641,00	R4 220,00	9,98
RSA Yellow Maize per ton (Sep. 2022 contract)	R4 591,00	R4 220,00	8,79
RSA Wheat per ton (Sep. 2022 contract)	R6 862,00	R7 117,00	-3,58
RSA Sunflower seed per ton (Sep. 2022 contract)	R11 118,00	R10 415,00	6,75
RSA Soya-beans per ton (Sep. 2022 contract)	R9 119,00	R8 720,00	4,58
Exchange rate R/$	R17,25	R16,63	3,73

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- August 2022 tractor sales of 792 units were marginally (3%), more than the 766 units sold in August 2021. Year-to-date tractor sales are now approximately 17% up on last year. Twenty-four combine harvesters were sold in August 2022, 10 units more than the 14 units sold in August 2021. On a year-to-date basis combine harvester sales are now over 50% up on last year.
- Although there seems to be a "flattening out" of the tractor market this month, this can be attributed to two main factors. Firstly, problematical stock levels during the month and, secondly, farmers using their available funding on inputs for the forthcoming summer cropping season.
- Weather prospects and commodity prices continue to be positive, so it is likely that tractor and combine sales will continue at least at 2021 levels. This would take tractor sales to over 8 500 units in the 2022 calendar year and combine sales to 350 units.

Table 6: Agricultural machinery sales

Equipment class	Year-on-year August		Percentage Change %	Year-to-date August		Percentage Change %
	2022	2021		2022	2021	
Tractors	792	766	3,39	5 702	4 862	17,28
Combine harvesters	24	14	71,43	273	178	53,37

Source: SAAMA press release, September 2022

PLEASE NOTE: The Food Security Bulletin for September 2022 will be released on **7 October 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