MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: DECEMBER 2021

Issued: 17 January 2022

Directorate: Statistics and Economic Analysis

Highlights:

- **During December 2021, significant rainfall events were limited to the central and eastern half of the country.**
- **The expected production of wheat for 2021 is 2,153 million tons, which is 1,6% more than the previous season.**
- **The projected closing stocks of wheat for the current 2021/22 marketing year are 583 239 tons, which includes imports of 1,525 million tons. It is also 24,8% more than the previous years' ending stocks.**
- **The expected commercial maize crop for 2021 is 16,234 million tons, which is 6,1% more than the previous season.**
- **Projected closing stocks of maize for the current 2021/22 marketing year are 2,655 million tons, which is 25,4% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2021/22 marketing year are 108 895 tons, which is 125,7% more than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2021/22 marketing year are 34 604 tons, which is 43,2% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2021/22 marketing year are 206 253 tons, which is 347,9% more than the previous years' ending stocks.**
- **The annual percentage change in the CPI was higher at 5,5% in November 2021.**
- **The annual percentage change in the PPI for final manufactured goods was higher at 9,6% in November 2021.**
- **December 2021 tractor sales of 660 units were almost 44% more than the 460 units sold in December 2020.**

agriculture, land reform & rural development

Department: Agriculture, Land Reform and Rural Development

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Contents

1. Weather conditions

1.1 Rainfall for December 2021

During December 2021, significant rainfall events were limited to the central and eastern half of the country (**Figure 1**). Comparing rainfall totals to the long term average for December 2021, rainfall received was above-normal for most of the country with isolated areas of near-normal rainfall evident in certain areas (**Figure 2**). (Source: Directorate: Climate Change and Disaster Management at Department: Agriculture, Land Reform and Rural Development)

Figure 1: Rainfall (mm) for December 2021

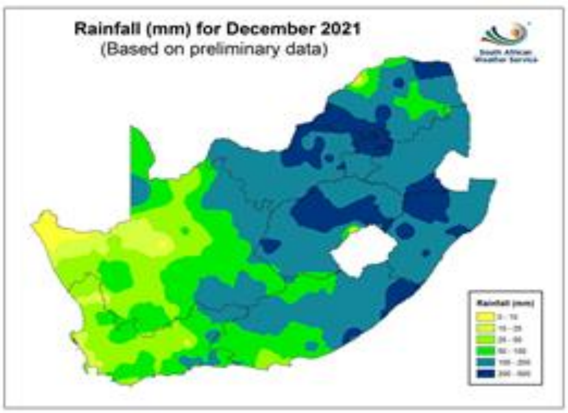
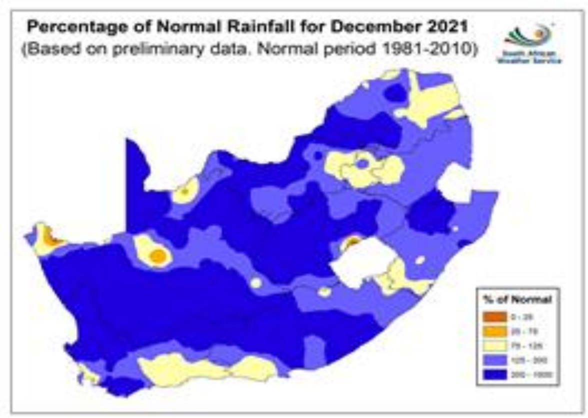


Figure 2: Percentage rainfall for December 2021



1.2 Level of dams

Available information on the level of South Africa's dams on 11 January 2022 indicates that the country has approximately 92% of its full supply capacity (FSC) available, which is 20% more than the corresponding period in 2021. The dam levels in Limpopo (25%), Mpumalanga (24%), KwaZulu-Natal (19%), Free State (18%), North West (11%), Northern Cape (10%), Western Cape and Eastern Cape (9%) and Gauteng province (5%), all show improvements 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, 11 January 2022

Province	Net FSC million cubic meters	**11/01/2022 (%)**	Last Year (2021) (%)	% Increase/Decrease 2022 vs. 2021
Eastern Cape	1 824	62	53	9,0
Free State	15 657	104	86	18,0
Gauteng	128	104	99	5,0
KwaZulu-Natal	4 912	79	60	19,0
Lesotho	2 363	87	40	47,0
Limpopo	1 480	87	62	25,0
Mpumalanga	2 539	91	67	24,0
North West	867	75	64	11,0
Northern Cape	146	107	97	10,0
Swaziland	334	100	37	63,0
Western Cape	1 866	79	70	9,0
Total	**32 116**	**92**	**72**	**20,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2021

The area planted and final production estimate of summer grains for the 2021 season was released by the Crop Estimates Committee (CEC) on 25 November 2021, and is as follows:

Table 2: Commercial summer crops: Area planted and final production estimate - 2021 season

CROP	**Area planted 2021 Ha (A)**	**Final estimate 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**	**8 608 815**	1 616 300	8 547 500	0,72
Yellow maize	**1 063 500**	**7 625 450**	994 500	6 752 500	12,93
Total Maize	**2 755 400**	**16 234 265**	2 610 800	15 300 000	6,11
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**	**59 950**	37 500	50 080	19,71
Sorghum	**49 200**	**213 645**	42 500	158 000	35,22
Dry beans	**47 390**	**57 672**	50 150	64 800	-11,00
TOTAL	**4 195 440**	**19 133 222**	3 946 250	17 606 880	8,67

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 16 234 265 tons, which is 6,11% or 934 265 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 5,89 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 8 608 815 tons, which is 0,72% or 61 315 tons more than the 8 547 500 tons of last season. The yield for white maize is 5,09 t/ha. In the case of **yellow maize** the production forecast is 7 625 450 tons, which is 12,93% or 872 950 tons more than the 6 752 500 tons of the previous season. The yield for yellow maize is 7,17 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 59 950 tons – which is 19,71% or 9 870 tons more than the 50 080 tons of last season. For groundnuts, the area estimate is 38 550 ha, with an expected yield of 1,56 t/ha.
- The production forecast for **sorghum** increased by 35,22% or 55 645 tons, from 158 000 tons to 213 645 tons. The area estimate for sorghum is 49 200 ha and the expected yield is 4,34 t/ha.
- In the case of **dry beans**, the production forecast is 57 672 tons, which is 11,00% or 7 128 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 1,22 t/ha.

Please note that the preliminary area planted estimate for summer field crops for 2022 will be released on 27 January 2022.

2.2 Winter cereal crops – 2021

The area estimate and fifth production forecast of winter cereals for the 2021 production season was also released by the CEC on 15 December 2021, and is as follows:

Table 3: Commercial winter crops: Area planted and fifth production forecast: 2021 season

CROP	**Area planted 2021 Ha (A)**	**5th forecast 2021 Tons (B)**	Area planted 2020 Ha (C)	Final crop 2020 Tons (D)	Change % (B) ÷ (D)
Commercial:					
Wheat	**523 500**	**2 153 435**	509 800	2 120 000	1,58
Malting barley	**94 730**	**339 800**	141 690	588 000	-42,21
Canola	**100 000**	**190 000**	74 120	165 200	15,01
Cereal oats	**36 250**	**80 450**	26 200	57 000	41,14
Sweet lupines	**22 000**	**29 700**	N/a	N/a	-

- The expected production of **wheat** is 2 153 435 tons, which is 1,58% or 33 435 tons more than the previous seasons' crop of 2,120 million tons, whilst the expected yield is 4,11 t/ha. This is the largest expected wheat crop produced since 2002, when it was 2,427 mill. tons.
- The production forecast for **malting barley** is 339 800 tons, which is 42,21% or 248 200 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 3,59 t/ha.
- The expected **canola crop** is 190 000 tons, which is 15,01% or 24 800 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 1,90 t/ha.
- The expected crop for **oats (cereals)** for the 2021 season is 80 450 tons, which is 41,14% or 23 450 tons more than the 57 000 tons of the previous season. The area planted is 36 250 ha, while the expected yield is 2,22 t/ha.
- In the case of **sweet lupines**, the production forecast is 29 700 tons. The area estimate of sweet lupines is 22 000 ha, with an expected yield of 1,35 t/ha.

Please note that the sixth production forecast for winter cereals for 2021 will be released on 27 January 2022.

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

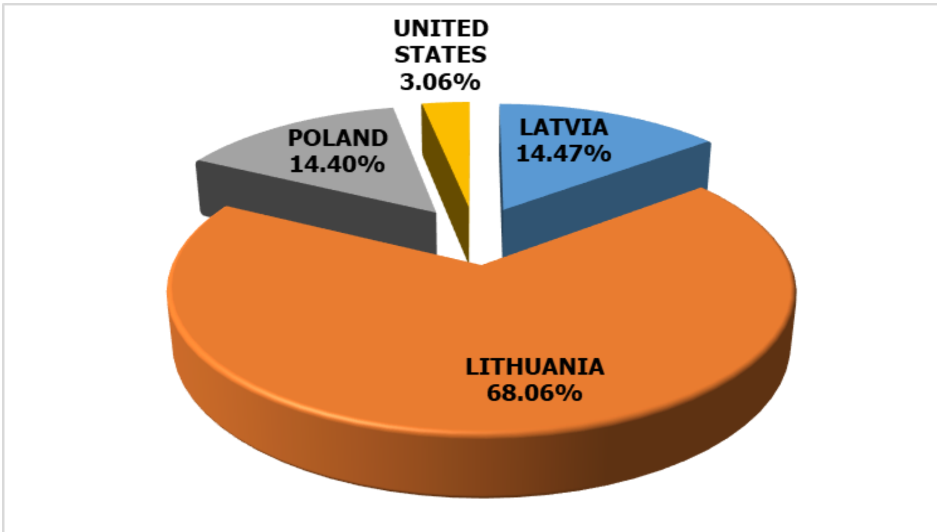
- The preliminary area planted to maize in the non-commercial agricultural sector is estimated at 362 900 ha, which represents an increase of 22,00%, compared to the 297 460 ha of the previous season. The expected maize crop for this sector is 636 440 tons, which is 17,09% more than the 543 545 tons 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 DEC21 Annexure A.

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

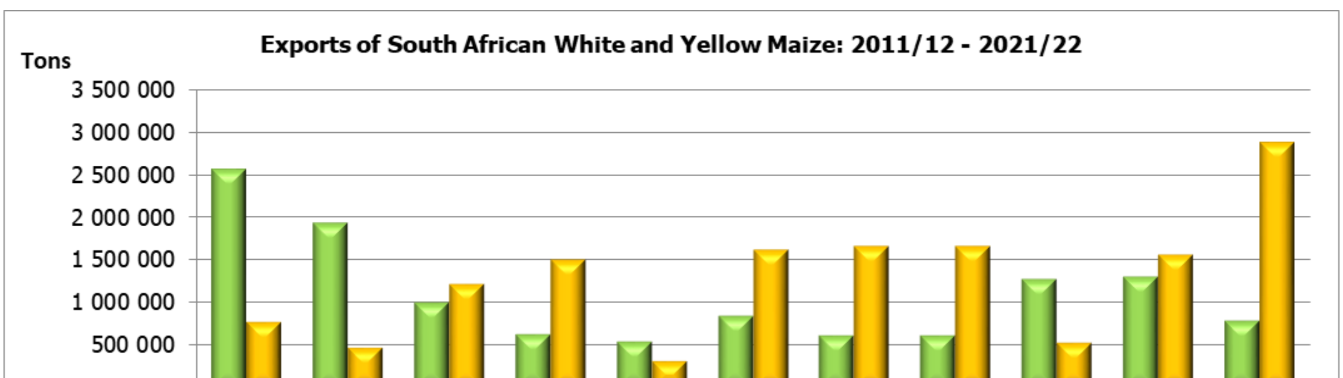
Graph 1: Major countries of wheat imports to South Africa: 2021/22 marketing year



- The progressive wheat imports (human consumption) for the 2021/22 marketing year (25 September 2021 to 7 January 2022) amount to 342 786 tons, with 68,08% or 233 297 tons from Lithuania, followed by 14,47% or 49 609 tons from Poland, 14,40% or 49 362 tons from Latvia and only 3,06% or 10 500 tons from the United States. The exports of wheat (human consumption) for the above-mentioned period amount to 27 391 tons, of which 99,13% or 27 154 tons went to the BLNS countries (Botswana, Lesotho, Namibia and Eswatini (Swaziland)) and only 0,87% or 237 tons went to Zimbabwe.

3.2 Exports of South African white and yellow maize

Graph 2: Exports of South African white and yellow maize: 2011/12 - 2021/22

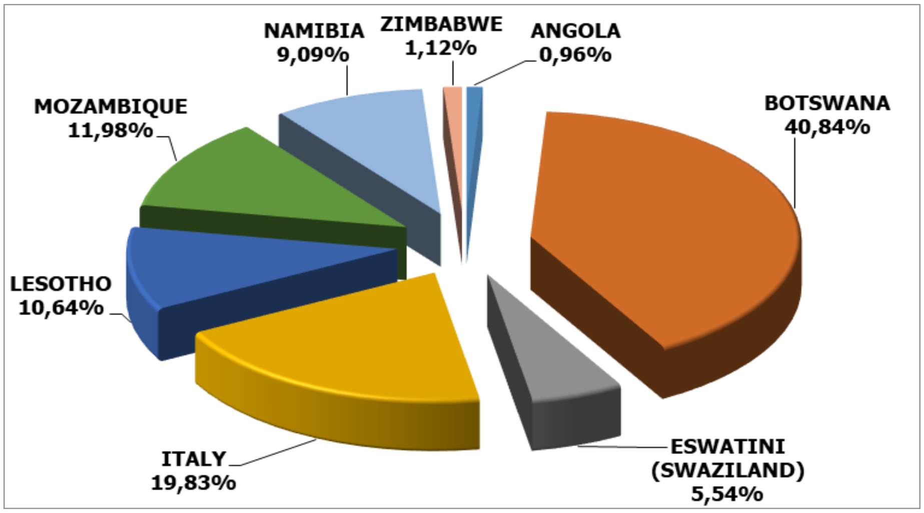


	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*	2021/22*
White maize	2 575 000	1 946 000	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 304 475	795 000
Yellow maize	781 000	478 000	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 563 315	2 890 000

*Projection

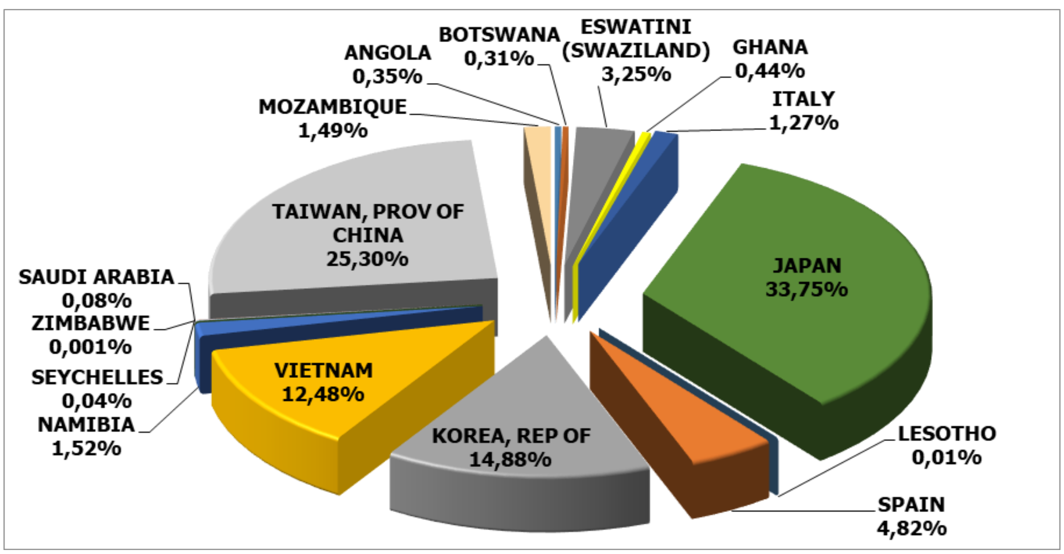
- The exports of white maize for the 2021/22 marketing year are projected at 795 000 tons, which represents a decrease of 39,06% or 509 475 tons compared to the 1,304 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 2,890 million tons, which represents an increase of 84,86% or 1,327 million 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 2021 to 7 January 2022, progressive white maize exports for the 2021/22 marketing year amount to 413 456 tons, with the main destinations being Botswana (40,84% or 168 845 tons), followed by Italy (19,83% or 81 995 tons), Mozambique (11,98% or 49 534 tons), Lesotho (10,64% or 43 990 tons), Namibia (9,09% or 37 595 tons), Eswathini (Swaziland) (5,54% or 22 918 tons), Zimbabwe (1,12% or 4 616 tons), and Angola (0,96% of 3 963 tons). The imports of white maize for the mentioned period amount to 7 278 tons, all from Zambia.

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



- From 1 May 2021 to 7 January 2022, progressive yellow maize exports for the 2021/22 marketing year amount to 2,144 million tons, with the main destinations being Japan (33,75% or 723 420 tons), followed by Taiwan (25,30% or 542 380 tons), Korea, Republic of (14,88% or 319 054 tons), Vietnam (12,48% or 267 558 tons), Spain (4,82% or 103 410 tons), Eswathini (Swaziland) (3,25% or 69 645 tons), Namibia (1,52% or 32 620 tons), Mozambique (1,49% or 31 887 tons), Italy (1,27% or 27 150 tons), Ghana (0,44% or 9 505 tons), Angola (0,35% or 7 538 tons), Botswana (0,31% or 6 705 tons), Saudi Arabia (0,08% or 1 665 tons), Seychelles (0,04% or 769 tons), Lesotho (0,01% or 270 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 5,5% in November 2021, up from 5,0% in October 2021. The consumer price index increased by 0,5% month-on-month in November 2021.
- The main contributors to the 5,5% annual inflation rate were as follows:
  - Food and non-alcoholic beverages increased by 5,5% year-on-year, and contributed 1,0% to the total CPI annual rate of 5,5%;
  - Housing and utilities increased by 3,9% year-on-year, and contributed 1,0%;
  - Transport increased by 15,0% year-on-year, and contributed 2,1%; and
  - Miscellaneous goods and services increased by 4,2% year-on-year, and contributed 0,7%.
- In November the annual inflation rate for goods was 7,9%, up from 7,1% in October; and for services it was 3,1%, up from 3,0% in October.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 9,6% in November 2021, up from 8,1% in October 2021. The producer price index increased by 1,4% month-on-month in November 2021.
- The main contributors to the headline PPI annual inflation rate were as follows:
  - Coke, petroleum, chemical, rubber and plastic products increased by 22,8% year-on-year and contributed 4,5%;
  - Food products, beverages and tobacco products increased by 5,4% year-on-year and contributed 2,0%; and
  - Metals, machinery, equipment and computing equipment increased by 12,6% year-on-year and contributed 1,8%.
- The main contributor to the headline PPI monthly increase was coke, petroleum, chemical, rubber and plastic products, which increased by 4,0% month-on-month and contributed 0,9%.
- The annual percentage change in the PPI for intermediate manufactured goods was 23,1% in November 2021 (compared with 20,4% in October 2021). The index increased by 1,9% month-on-month. The main contributors to the annual rate were chemicals, rubber and plastic products (10,9%), basic and fabricated metals (8,5%), as well as sawmilling and wood (3,0%). The main contributors to the monthly rate were basic and fabricated metals (1,2%), as well as chemicals, rubber and plastic products (0,7%).
- The annual percentage change in the PPI for electricity and water was 16,7% in November 2021 (compared with 14,4% in October 2021). The index increased by 2,0% month-on-month. Electricity contributed 16,1% to the annual rate and water contributed 0,7%. Electricity contributed 2,1% to the monthly rate.
- The annual percentage change in the PPI for mining was 7,0% in November 2021 (compared with 4,8% in October 2021). The index decreased by 0,6% month-on-month. The main contributors to the annual rate were coal and gas (5,4%) and non-ferrous metal ores (4,9%). These increases were mainly counteracted by gold and other metal ores (-1,8%). The main contributor to the monthly rate was coal and gas (-1,1%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 7,2% in November 2021 (compared with 8,6% in October 2021). The index increased by 0,8% month-on-month. The main contributor to the annual rate was agriculture (7,0%). The contributors to the monthly rate were agriculture (0,5%), fishing (0,2%) and forestry (0,1%).

4.3 Future contract prices

Table 5: Closing prices on Friday, 14 January 2022

	14 January 2022	14 December 2021	% Change
RSA White Maize per ton (Jan. 2022 contract)	R3 619,00	R3 520,00	2,81
RSA Yellow Maize per ton (Jan. 2022 contract)	R3 711,00	R3 867,00	-4,03
RSA Wheat per ton (Jan. 2022 contract)	R5 782,00	R6 134,00	-5,74
RSA Sunflower seed per ton (Jan. 2022 contract)	R10 500,00	R11 370,00	-7,65
RSA Soya-beans per ton (Jan. 2022 contract)	R8 102,00	R7 595,00	6,68
Exchange rate R/$	R15,32	R16,04	-4,49

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- December 2021 tractor sales of 660 units were almost 44% more than the 460 units sold in December 2020. Overall tractor sales in 2021 were 26% up on 2020. December 2021 combine harvester sales of 18 units were 15 units more than the three units sold in December 2020. For the 2021 calendar year overall sales of 268 units were almost 45% more than the 185 units sold in 2020.
- Initial indications are that the size of the maize crop currently on the land will be similar to what it was last year. At this stage of the season, it is difficult to assess possible damage due to excessive rain in some areas. Nevertheless, prospects are good. Initial industry forecasts for the 2022 calendar year are that tractor sales will be similar to those in 2021, with combine harvester sales between 5 and 10% lower than last year.

Table 6: Agricultural machinery sales

	Year-on-year December		Percentage Change %	Year-to-date December		Percentage Change %
Equipment class	**2021**	**2020**		**2021**	**2020**	
Tractors	660	460	43,48	7 640	6 046	26,36
Combine harvesters	18	3	500,00	268	185	44,86

Source: SAAMA press release, January 2022

PLEASE NOTE: The Food Security Bulletin for January 2022 will be released on **4 February 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
- 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