MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA DECEMBER 2022

Issued: 13 January 2023

Directorate: Statistics and Economic Analysis

Highlights:

- **During December, significant rainfall events were limited to the central and eastern parts of the country.**
- **The expected production of wheat for 2022 is 2,249 million tons, which is 1,6% less than the previous seasons' crop of 2,285 million tons.**
- **The projected closing stocks of wheat for the current 2022/23 marketing year are 651 178 tons, which includes imports of 1,45 million tons. It is also 4,2% more than the previous years' ending stocks.**
- **The expected commercial maize crop for 2022 is 15,387 million tons, which is 5,7% less than the previous season' crop of 16,315 million tons.**
- **Projected closing stocks of maize for the current 2022/23 marketing year are 2,158 million tons, which is 1,6% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2022/23 marketing year are 42 967 tons, which is 59,5% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2022/23 marketing year are 59 140 tons, which is 86,0% more than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2022/23 marketing year are 190 637 tons, which is 13,2% more than the previous years' ending stocks.**
- **The annual percentage change in the CPI was lower at 7,4% in November 2022.**
- **The annual percentage change in the PPI for final manufactured goods was lower at 15,0% in November 2022.**
- **After record tractor sales in October, November 2022 sales of 704 units were approximately 5% less than the 742 units sold in November 2021.**

agriculture, land reform & rural development

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1. Weather conditions

1.1 Rainfall for December 2022

During December, significant rainfall events were limited to the central and eastern parts of the country (**Figure 1**). Comparing rainfall totals to the long-term average for December, rainfall received was normal over the central interior becoming above-normal over the remainder of the country (**Figure 2**). However, over the extreme north-eastern parts of the Northern Cape below-normal rainfall was evident. (Source: Directorate: Climate Change and Disaster Management of Department: Agriculture, Land Reform and Rural Development)

Figure 1: Rainfall (mm) for December 2022

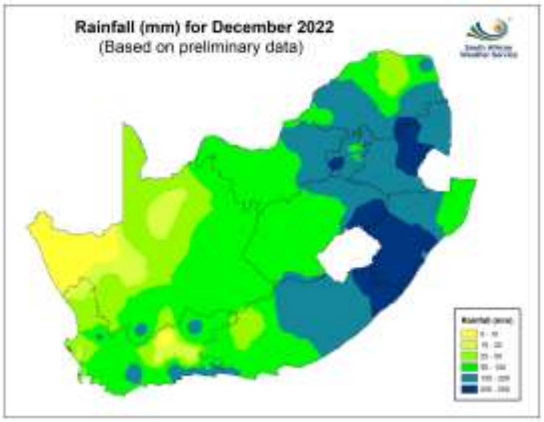
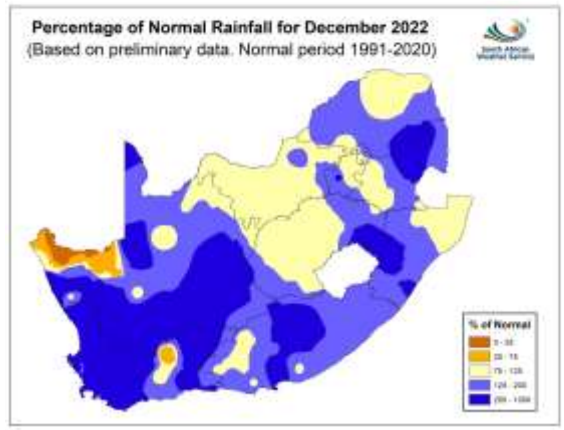


Figure 2: Percentage rainfall for December 2022



1.2 Level of dams

Available information on the level of South Africa's dams on 9 January 2023 indicates that the country has approximately 95% of its full supply capacity (FSC) available, which is only 2% more than the corresponding period in 2022. The dam levels in the Eastern Cape (14%), KwaZulu-Natal and North West (12%, each), Mpumalanga (6%) provinces all show improvements in the full supply capacity as compared to 2022. However, the Western Cape Province, Northern Cape, Free State and Gauteng provinces all show a 19%, 8%, 3% and 2% decrease, respectively in the full supply capacity as compared to 2022, while Limpopo Province remained unchanged for the 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, 9 January 2023

Province	Net FSC million cubic meters	**09/01/2023 (%)**	Last Year (2022) (%)	% Increase/Decrease 2023 vs. 2022
Eastern Cape	1 729	79	65	14,0
Free State	15 657	101	104	-3,0
Gauteng	128	102	104	-2,0
KwaZulu-Natal	4 910	91	79	12,0
Kingdom of Lesotho	2 363	102	86	16,0
Limpopo	1 480	87	87	-
Mpumalanga	2 539	97	91	6,0
North West	867	87	75	12,0
Northern Cape	147	99	107	-8,0
Kingdom of Eswatini	334	100	100	-
Western Cape	1 866	60	79	-19,0
Total	**32 019**	**95**	**93**	**2,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2022

The area planted and final production estimate of summer grains for the 2022 season was released by the Crop Estimates Committee (CEC) on 29 November 2022, and is as follows:

Table 2: Commercial summer crops: Area planted and final production estimate - 2022 season

CROP	**Area planted 2022 Ha (A)**	**Final estimate 2022 Tons (B)**	Area planted 2021 Ha (C)	Final crop 2021 Tons (D)	Change % (B) ÷ (D)
Commercial:					
White maize	**1 575 000**	**7 789 750**	1 691 900	8 600 000	-9,42
Yellow maize	**1 048 000**	**7 597 450**	1 063 500	7 715 000	-1,52
Total Maize	**2 623 000**	**15 387 100**	2 755 400	16 315 000	-5,69
Sunflower seed	**670 700**	**845 550**	477 800	678 000	24,71
Soybeans	**925 300**	**2 201 000**	827 100	1 897 000	16,03
Groundnuts	**43 400**	**49 000**	38 550	64 300	-23,79
Sorghum	**37 200**	**103 140**	49 200	215 000	-52,03
Dry beans	**42 900**	**52 590**	47 390	57 672	-8,81
TOTAL	**4 342 500**	**18 638 480**	4 195 440	19 226 972	-3,06

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 15 387 200 tons, which is 5,69% or 927 800 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 5,87 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 7 789 750 tons, which is 9,42% or 810 250 tons less than the 8 600 000 tons of the previous season. The yield for white maize is 4,95 t/ha. In the case of **yellow maize** the production forecast is 7 597 450 tons, which is 1,52% or 117 550 tons less than the 7 715 000 tons of the previous season. The yield for yellow maize is 7,25 t/ha.
- The production forecast for **sunflower seed** is 845 550 tons, which is 24,71% or 167 550 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 1,26 t/ha.
- The production forecast for **soybeans** is 2 201 000 tons, which is 16,03% or 304 000 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 2,38 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 103 140 tons, which is 52,03% or 111 860 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 2,77 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 preliminary area estimate for summer field crops for 2023 will be released on 26 January 2023.

2.2 Winter cereal crops - 2022

The area planted and fifth production forecast for winter crops for the 2022 production season was also released by the CEC on 21 December 2022, and is as follows:

Table 3: Commercial winter crops: Area planted and fifth production forecast - 2022 season

CROP	**Area planted 2021 Ha (A)**	**5th forecast 2022 Tons (B)**	Area planted 2021 Ha (C)	Final estimate 2021 Tons (D)	Change % (B) ÷ (D)
Wheat	**566 800**	**2 248 795**	523 500	2 285 000	-1,58
Barley*	**101 000**	**356 850**	94 730	334 000	6,84
Canola	**123 510**	**210 530**	100 000	198 100	6,27
Oats*	**27 000**	**37 700**	36 250	59 000	-36,10
Sweet lupines	**21 000**	**15 750**	22 000	28 600	-44,93
TOTAL	**839 310**	**2 869 625**	776 480	2 904 700	-1,21

* 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 2,249 million tons, which is 1,58% or 36 205 tons less than the previous seasons' crop of 2,285 million tons. The area planted is estimated at 566 800 ha, whilst the expected yield is 3,97 t/ha.
- The production forecast for **barley** is 356 850 tons, which is 6,84% or 22 850 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 3,53 t/ha.
- The expected **canola crop** is 210 530 tons, which is 6,27% or 12 430 tons more than the previous seasons' crop of 198 100 tons. The area estimate for canola is 123 510 ha, with an expected yield of 1,70 t/ha.
- The expected crop for **oats** for the 2022 season is 37 700 tons and the area planted is 27 000 ha. The expected yield is 1,40 t/ha.
- In the case of **sweet lupines,** the production forecast is 15 750 tons. The area estimate of sweet lupines is 21 000 ha, with an expected yield of 0,75 t/ha.

Please note that the area planted estimate and sixth production forecast of winter crops for 2022 will be released on 26 January 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

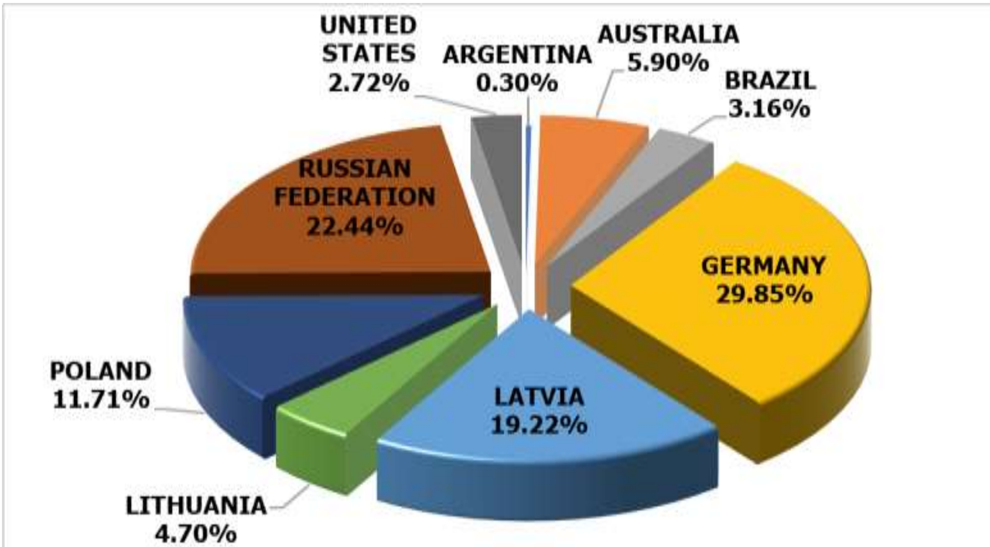
- The area planted to maize in the non-commercial agricultural sector is estimated at 378 800 ha, which represents an increase of 4,38%, compared to the 362 900 ha of the previous season. The expected maize crop for this sector is 667 000 tons, which is 4,80% more than the 636 440 tons of last season. 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 DEC22 Annexure A.

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

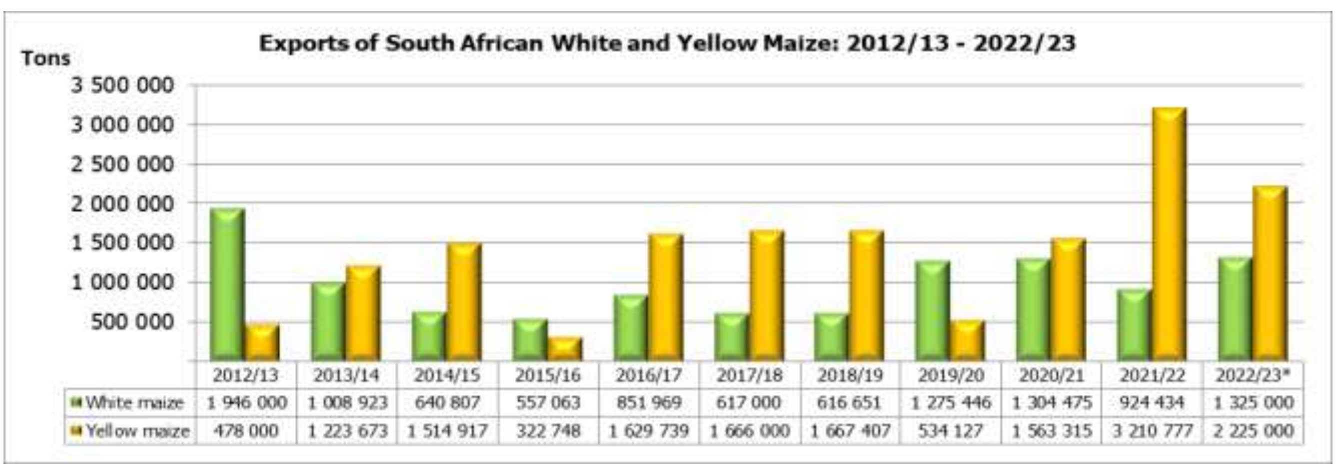
Graph 1: Major countries of wheat imports to South Africa: 2022/23 marketing year



- The progressive wheat imports (human consumption) for the 2022/23 marketing year (1 October 2022 to 06 January 2023) amount to 399 989 tons, with 29,85% or 119 397 tons from Germany, followed by 22,44% or 89 753 tons from the Russian Federation, 19,22% or 76 873 tons from Latvia, 11,71% or 46 857 tons from Poland, 5,90% or 23 589 tons from Australia, 4,70% or 18 814 tons from Lithuania, 3,16% or 12 638 tons from Brazil, 2,72% or 10 884 tons from the United States and only 0,30% or 1 184 tons from Argentina. The exports of wheat (human consumption) for the the above-mentioned period amount to 47 953 tons, of which 65,83% or 31 568 tons went to the BLNS countries (Botswana, Lesotho, Namibia and Eswatini (Swaziland)) and only 34,17% or 16 385 tons went to Zimbabwe.

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

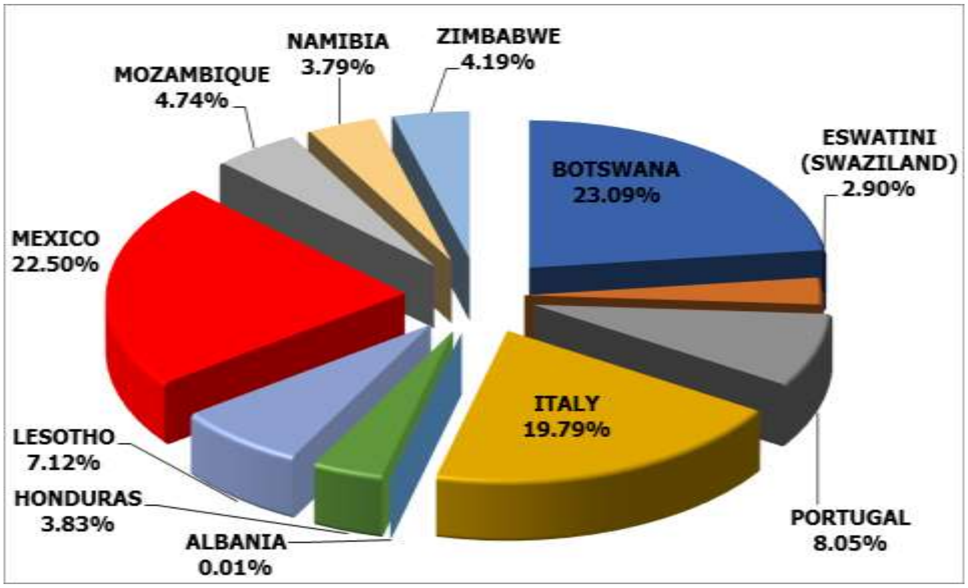


	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23*
White maize	1 946 000	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 304 475	924 434	1 325 000
Yellow maize	478 000	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 563 315	3 210 777	2 225 000

*Projection

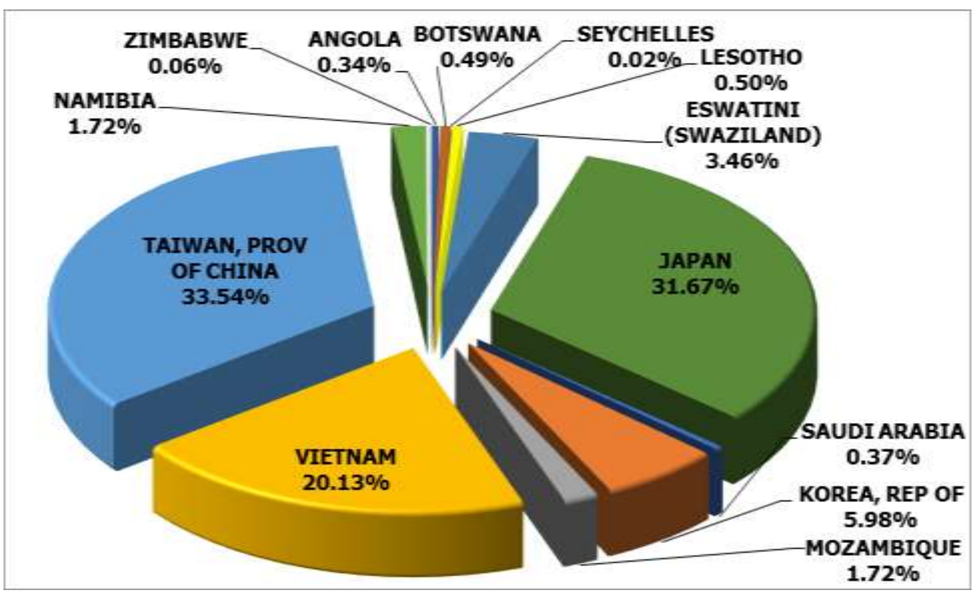
- The exports of white maize for the 2022/23 marketing year are projected at 1,325 million tons, which represents an increase of 43,33% or 400 566 tons compared to the 924 434 tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 2,225 million tons, which represents a decrease of 30,70% or 985 777 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 2022 to 6 January 2023, progressive white maize exports for the 2022/23 marketing year amount to 652 301 tons, with the main destinations being Botswana (23,09% or 150 600 tons), followed by Mexico (22,50% or 146 757 tons), Italy (19,79% or 129 060 tons), Portugal (8,05% or 52 500 tons), Lesotho (7,12% or 46 443 tons), Mozambique (4,74% or 30 892 tons), Zimbabwe (4,19% or 27 327 tons), Honduras (3,83% or 25 000 tons), Namibia (3,79% or 24 752 tons), Eswathini (Swaziland) (2,90% or 18 928 tons), and Albania (0,01% 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 2022 to 6 January 2023, progressive yellow maize exports for the 2022/23 marketing year amount to 1,752 million tons, with the main destinations being Taiwan (33,54% or 587 798 tons), followed by Japan (31,67% or 555 000 tons), Vietnam (20,13% or 352 689 tons), Korea, Republic of (5,98% or 104 797 tons), Eswathini (Swaziland) (3,46% or 60 690 tons), Mozambique (1,72% or 30 073 tons), Namibia (1,72% or 30 072 tons), Lesotho (0,50% or 8 753 tons), Botswana (0,49% or 8 626 tons), Saudi Arabia

(0,37% or 6 432 tons), Angola (0,34% or 5 983 tons), Zimbabwe (0,06% or 1 079 tons) and Seychelles (0,02% 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 7,4% in November 2022, down from 7,6% in October 2022. The consumer price index increased by 0,3% month-on-month in November 2022.
- The main contributors to the 7,4% annual inflation rate were:
  - Food and non-alcoholic beverages increased by 12,5% year-on-year, and contributed 2,1% to the total CPI annual rate of 7,4%;
  - Housing and utilities increased by 4,3% year-on-year, and contributed 1,1%;
  - Transport increased by 15,3% year-on-year, and contributed 2,2%; and
  - Miscellaneous goods and services increased by 4,8% year-on-year, and contributed 0,7%.
- In November the annual inflation rate for goods was 10,4%, down from 10,5% in October; and for services it was 4,5%, down from 4,6% in October.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 15,0% in November 2022, down from 16,0% in October 2022. The producer price index increased by 0,5% month-on-month in November 2022.
- The main contributors to the headline PPI annual inflation rate were:
  - Coke, petroleum, chemical, rubber and plastic products increased by 28,6% year-on-year and contributed 7,4%;
  - Food products, beverages and tobacco products increased by 10,7% year-on-year and contributed 2,7%;
  - Paper and printed products increased by 18,4% year-on-year and contributed 1,5%; and
  - Metals, machinery, equipment and computing equipment increased by 9,4% year-on-year and contributed 1,4%.
- The main contributor to the headline PPI monthly increase was coke, petroleum, chemical, rubber and plastic products, which increased by 1,4% month-on-month and contributed 0,4%.
- The annual percentage change in the PPI for intermediate manufactured goods was 8,6% in November 2022 (compared with 11,2% in October 2022). The index decreased by 0,5% month-on-month. The main contributors to the annual rate were basic and fabricated metals (4,2%); chemicals, rubber and plastic products (3,0%); and sawmilling and wood (1,1%). The main contributor to the monthly rate was basic and fabricated metals (-0,3%).
- The annual percentage change in the PPI for electricity and water was 7,9% in November 2022 (compared with 10,1% in October 2022). The index remained unchanged month-on-month. Electricity contributed 6,8% to the annual rate and water contributed 1,1% to the annual rate.
- The annual percentage change in the PPI for mining was 24,3% in November 2022 (compared with 27,2% in October 2022). The index decreased by 2,9% month-on-month. The main contributors to the annual rate were coal and gas (15,2%); non-ferrous metal ores (6,5%); and stone quarrying, clay and diamonds (1,5%). The main contributors to the monthly rate were coal and gas (-2,2%) and non-ferrous metal ores (-0,9%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 17,4% in November 2022 (compared with 14,7% in October 2022). The index increased by 3,1% month-on-month. The main contributors to the annual rate were agriculture (15,5%) and fishing (1,4%). The contributor to the monthly rate was agriculture (3,2%).

4.3 Future contract prices

Table 5: Closing prices on Thursday, 12 January 2023

	12 January 2023	12 December 2022	% Change
RSA White Maize per ton (Jan. 2023 contract)	R4 447,00	R4 921,00	-9,63
RSA Yellow Maize per ton (Jan. 2023 contract)	R4 404,00	R4 806,00	-8,36
RSA Wheat per ton (Jan. 2023 contract)	R6 455,00	R6 696,00	-3,60
RSA Sunflower seed per ton (Jan. 2023 contract)	R11 850,00	R11 024,00	7,49
RSA Soya-beans per ton (Jan. 2023 contract)	R10 050,00	R10 597,00	-5,16
Exchange rate R/$	R16,89	R17,48	-3,38

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- After record tractor sales in October, November 2022 sales of 704 units were approximately 5% less than the 742 units sold in November 2021. Year-to-date tractor sales are now approximately 17% up on 2021. Twenty-three combine harvesters were sold in November 2022, 15 units more than the eight units sold in November 2021. On a year-to-date basis combine harvester sales are now almost 38% up on 2021.
- The lower tractors sales in November do not necessarily indicate a lower demand for tractors but could be due to low availability of stock in some cases. Most companies have reported intermittent stock supply during the year. Market fundamentals, in terms of summer and winter crop prospects, look encouraging and commodity prices are holding up. This certainly augers well for the short-term.
- Expectations are that tractor sales for the 2022 calendar year will be over 9 000 units and combine harvester sales over 350 units.

Table 6: Agricultural machinery sales

Equipment class	Year-on-year November		Percentage Change %	Year-to-date November		Percentage Change %
	2022	2021		2022	2021	
Tractors	704	742	-5,12	8 451	7 208	17,24
Combine harvesters	23	8	187,50	347	252	37,70

Source: SAAMA press release, December 2022

PLEASE NOTE: The Food Security Bulletin for January 2023 will be released on **3 February 2023**.

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