MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: FEBRUARY 2021

Issued: 5 March 2021

Directorate: Statistics and Economic Analysis

Highlights:

- **During February 2021 significant rainfall events were experienced over the central and eastern half of the country.**
- **The production of wheat for 2020 is estimated at 2,109 million tons, which is 37,4% more than the previous seasons' crop of 1,535 million tons.**
- **The projected closing stocks of wheat for the current 2020/21 marketing year are 410 908 tons, which includes imports of 1,580 million tons. It is also 12,6% more than the previous years' ending stocks.**
- **The expected commercial maize crop is 15,849 million tons, which is 3,59% more than the 15,300 million tons of the previous season (2020).**
- **Projected closing stocks of maize for the current 2020/21 marketing year are 1,576 million tons, which is 57,5% more than the previous years' ending stocks.**
- **Projected closing stocks of maize for the coming 2021/22 marketing year are 2,455 million tons, which is 55,7% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2020/21 marketing year are 48 238 tons, which is 20,2% less than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the coming 2021/22 marketing year are 44 418 tons, which is 7,9% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2020/21 marketing year are 67 975 tons, which is 49,8% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for coming 2021/22 marketing year are 55 065 tons, which is 19,0% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2020/21 marketing year are 74 455 tons, which is 46,2% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the coming 2021/22 marketing year are 129 755 tons, which is 74,3% more than the previous years' ending stocks.**
- **The annual percentage change in the CPI was higher at 3,2% in January 2021.**
- **The annual percentage change in the PPI for final manufactured goods was higher at 3,5% in January 2021.**
- **January 2021 tractor sales of 445 units were significantly more (27,9%) than the 348 units sold in January 2020.**

agriculture, land reform & rural development

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1. Weather conditions

1.1 Rainfall for February 2021

During February 2021 significant rainfall events were experienced over the central and eastern half of the country (**Figure 1**). Comparing rainfall totals to the long term average for February 2021, normal to above-normal rainfall was received over the central and eastern half of the country while the western half received below-normal rainfall (**Figure 2**). (Source: Directorate: Climate Change and Disaster Management at Department: Agriculture, Land Reform and Rural Development)

Figure 1: Rainfall (mm) for February 2021

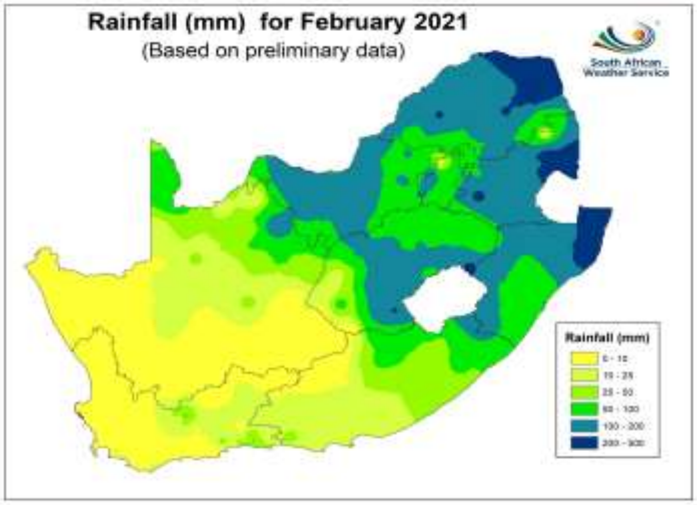
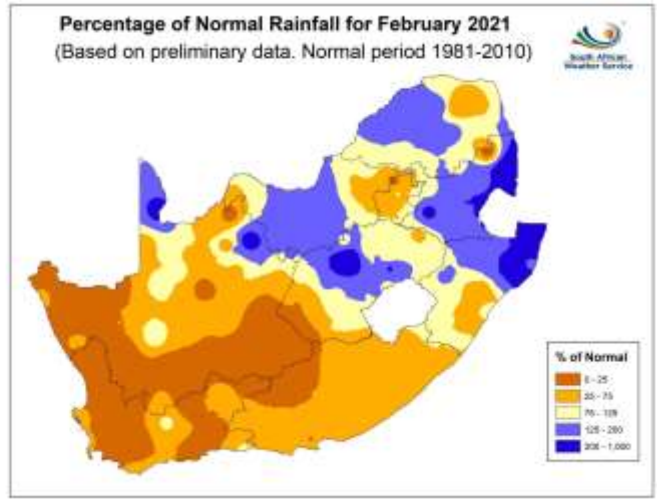


Figure 2: Percentage rainfall for February 2021



1.2 Level of dams

Available information on the level of South Africa's dams on 1 March 2021 indicates that the country has approximately 86% of its full supply capacity (FSC) available, which is significantly more (21%) than the corresponding period in 2020. The dam levels in all provinces in the country all show improvements 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, 1 March 2021

Province	Net FSC million cubic meters	**01/03/2021 (%)**	Last Year (2020) (%)	% Increase/Decrease 2021 vs. 2020
Eastern Cape	1 823	56	52	4,0
Free State	15 657	100	74	26,0
Gauteng	128	101	99	2,0
KwaZulu-Natal	4 784	72	61	11,0
Lesotho	2 363	65	26	39,0
Limpopo	1 480	88	70	18,0
Mpumalanga	2 539	89	75	14,0
North West	867	83	67	16,0
Northern Cape	147	102	91	11,0
Swaziland	334	101	79	22,0
Western Cape	1 866	58	46	12,0
Total	**31 987**	**86**	**65**	**21,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2020

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

Table 2: Commercial summer crops: Revised area planted and 1st production forecast - 2021 season

CROP	**Area planted 2021 Ha (A)**	**1st forecast 2021 Tons (B)**	Area planted 2020 Ha (C)	Final estimate 2020 Tons (D)	Change 2021 vs 2020 % (B) ÷ (D)
Commercial:					
White maize	**1 682 400**	**8 799 360**	1 616 300	8 547 500	2,95
Yellow maize	**1 068 500**	**7 049 600**	994 500	6 752 500	4,40
Total Maize	**2 750 900**	**15 848 960**	2 610 800	15 300 000	3,59
Sunflower seed	**474 800**	**712 940**	500 300	788 500	-9,58
Soybeans	**826 500**	**1 620 900**	705 000	1 245 500	30,14
Groundnuts	**40 050**	**58 425**	37 500	50 080	16,66
Sorghum	**46 200**	**170 590**	42 500	158 000	7,97
Dry beans	**51 990**	**65 467**	50 150	64 800	1,03
TOTAL	**4 190 440**	**18 477 282**	3 946 250	17 606 880	4,94

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

- **Commercial maize**: The revised area estimate for maize is 2 750 900 ha, which is 5,37% or 140 100 ha more than the 2 610 800 ha planted for the previous season, and 0,92% or 25 600 ha less than the preliminary area estimate of 2 776 500 ha released in January 2021.
- The expected commercial maize crop is 15 848 960 tons, which is 3,59% or 548 960 tons more than the 15 300 000 tons of the previous season (2020). The yield for maize is 5,76 t/ha. This is the second largest expected maize crop ever produced in the RSA.
- The area estimate for **white maize** is 1 682 400 ha, which represents an increase of 4,09% or 66 100 ha compared to the 1 616 300 ha planted last season. The production forecast of white maize is 8 799 360 tons, which is 2,95% or 251 860 tons more than the 8 547 500 tons of last season. The yield for white maize is 5,23 t/ha.
- In the case of **yellow maize,** the area estimate is 1 068 500 ha, which is 7,44% or 74 000 ha more than the 994 500 ha planted last season. The yellow maize production forecast is 7 049 600 tons, which is 4,40% or 297 100 tons more than the 6 752 500 tons of last season. The yield for yellow maize is 6,60 t/ha.
- The revised area estimate for sunflower seed is 474 800 ha, which is 5,10% or 25 500 ha less than the 500 300 ha planted the previous season. The production forecast for sunflower seed is 712 940 tons, which is 9,58% or 75 560 tons less than the 788 500 tons of the previous season. The expected yield is 1,50 t/ha.
- It is estimated that 826 500 ha have been planted to **soybeans**, which represents an increase of 17,23% or 121 500 ha compared to the 705 000 ha planted last season. The production forecast is 1 620 900 tons, which is 30,14% or 375 400 tons more than the 1 245 500 tons of the previous season. The expected yield is 1,96 t/ha. This is the largest expected soybeans crop ever produced in the RSA..

- For **groundnuts**, the area estimate is 40 050 ha, which is 6,80% or 2 550 ha more than the 37 500 ha planted for the previous season. The expected crop is 58 425 tons – which is 16,66% or 8 345 tons more than the 50 080 tons of last season. The expected yield is 1,46 t/ha.
- The area estimate for **sorghum** increased by 8,71% or 3 700 ha, from 42 500 ha to 46 200 ha against the previous season. The production forecast for sorghum is 170 590 tons, which is 7,97% or 12 590 tons more than the 158 000 tons of the previous season. The expected yield is 3,69 t/ha.
- For **dry beans**, the area estimate is 51 990 ha, which is 3,67% or 1 840 ha more the 50 150 ha planted for the previous season. The production forecast is 65 467 tons, which is 1,03% or 667 tons more than the 64 800 tons of the previous season. The expected yield is 1,26 t/ha.

Please note that the revised area estimate and second production forecast for summer field crops for 2021 will be released on 25 March 2021.

2.2 Winter cereal crops – 2019

The area planted and final production estimate of winter cereals for the 2020 production season was also released by the CEC on 25 February 2021, and is as follows:

Table 3: Commercial winter crops: Area planted and final production estimate - 2020 season

CROP	**Area planted 2020 Ha (A)**	**Final estimate 2020 Tons (B)**	Area planted 2019 Ha (C)	Final crop 2019 Tons (D)	Change % (B) ÷ (D)
Wheat	**509 800**	**2 109 100**	540 000	1 535 000	37,40
Malting barley	**141 690**	**589 846**	131 960	345 000	70,97
Canola	**74 120**	**166 956**	74 000	95 000	75,74
Cereal oats	**26 200**	**56 150**	21 000	16 500	240,30
Total	**751 810**	**2 922 052**	766 960	1 991 500	46,73

- The production of **wheat** is estimated at 2,109 million tons, which is 37,40% or 574 100 tons more than the previous seasons' crop of 1,535 million tons, whilst the expected yield is 4,14 t/ha. This is the largest expected wheat crop since the 2,130 million tons of the 2008 season.
- The expected production in the Western Cape is 1,092 million tons (52%), which is 442 100 tons more than the 650 000 tons produced in the previous season. In the Free State, the expected production is 413 600 tons (20%), which is 97 000 tons more than the previous seasons' crop of 326 000 tons. In the Northern Cape, 271 950 tons (13%) is expected to be produced – 9 450 tons more than the 262 500 tons produced in the previous season.
- The production forecast for **malting barley** is 589 846 tons, which is 70,97% or 244 846 tons more than the previous seasons' crop of 345 000 tons. The area planted is estimated at 141 690 ha, while the expected yield is 4,16 t/ha.
- The expected **canola crop** is 166 956 tons, which is 75,74% or 71 956 tons more than the previous seasons' crop of 95 000 tons. The area estimate for canola is 74 120 ha, with an expected yield of 2,25 t/ha.
- The area estimate for **oats (cereals)** for the 2020 season is 26 200 ha and the expected crop is 56 150 tons, which is 240,30% or 39 650 tons more than the previous seasons' crop of 47 400 tons. The expected yield is 2,14 t/ha.

Please note that the intentions to plant winter cereals for 2021 will be released on 29 April 2021.

2.3 Non-commercial maize

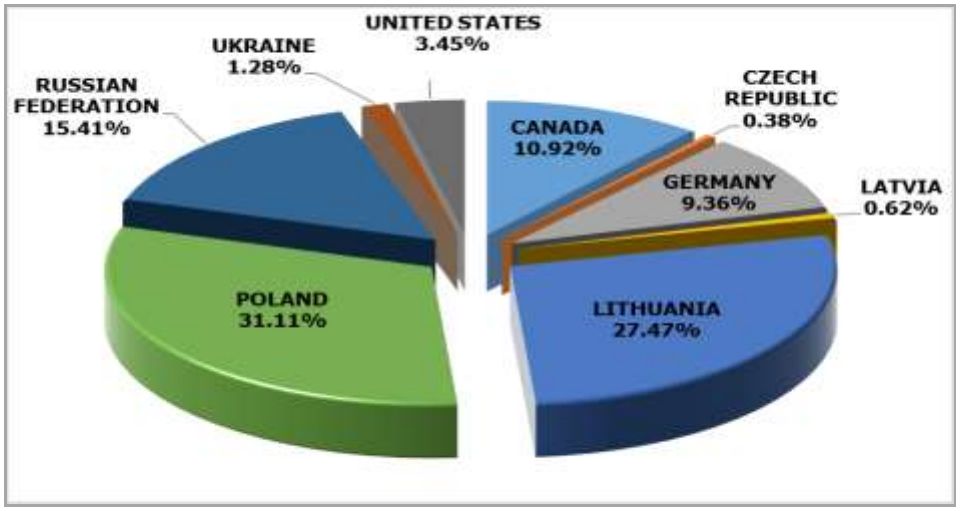
Please nothe that the CEC will release the preliminary area planted and production estimate of the non-commercial maize sector for the 2021 season on 27 May 2021.

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 FEB21 Annexure A.

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

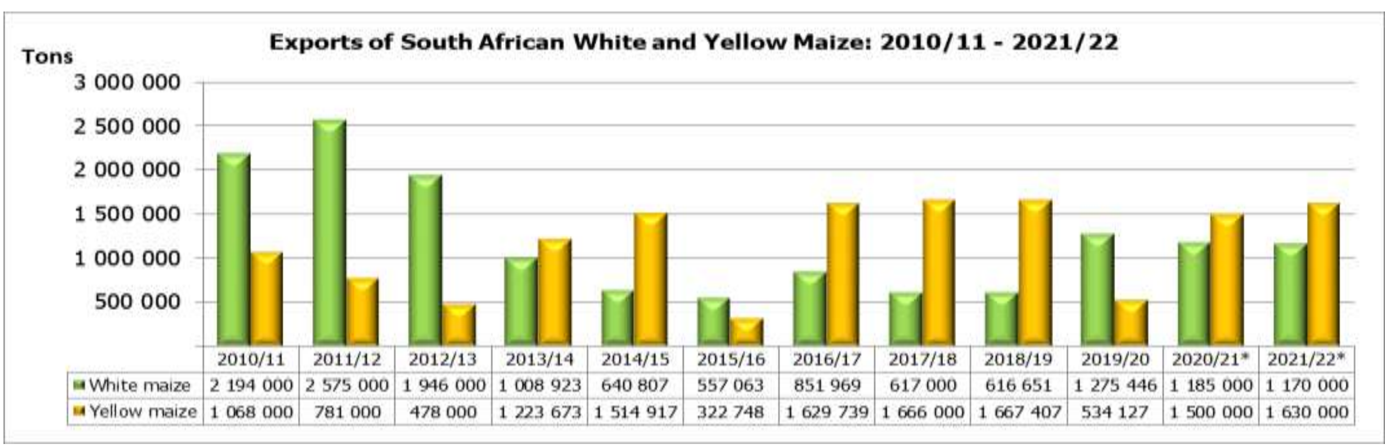
Graph 1: Major countries of wheat imports to South Africa: 2020/21 marketing year



- The progressive wheat imports (human consumption) for the 2020/21 marketing year (26 September 2020 to 26 February 2021) amount to 573 754 tons, with 31,11% or 178 504 tons from Poland, followed by 27,47% or 157 620 tons from the Lithuania, 15,41% or 88 418 tons from Russian Federation, 10,92% or 62 681 tons imported from Canada, 9,36% or 53 697 tons from Germany, 3,45% or 19 806 tons from United States, 1,28% or 7 341 tons from Ukraine, 0,62% or 3 532 tons from Latvia and 0,38% or 2 155 tons from the Czech Republic. The exports of wheat (human consumption) for the above-mentioned period amount to 28 098 tons, of which 71,11% or 19 981 tons went to BLNS countries (Botswana, Lesotho, Namibia and Eswatini (Swaziland)), 14,02% or 3 939 tons to Zimbabwe, 11,27% or 3 168 tons to Zambia and only 3,59% 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 2010/11 to 2021/22 marketing year

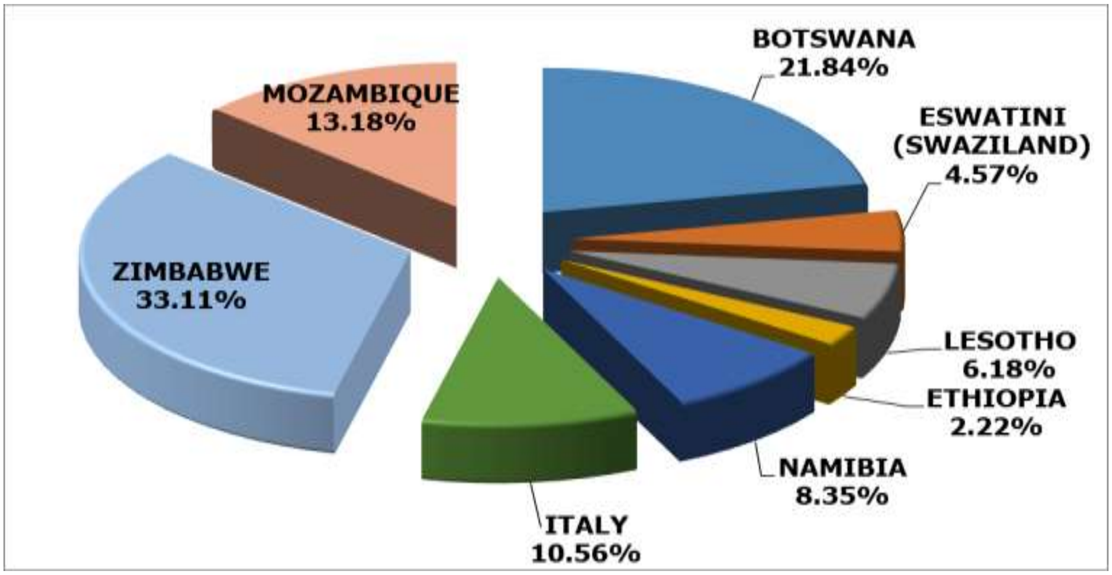


	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*	2021/22*
White maize	2 194 000	2 575 000	1 946 000	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 185 000	1 170 000
Yellow maize	1 068 000	781 000	478 000	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 500 000	1 630 000

*Projection

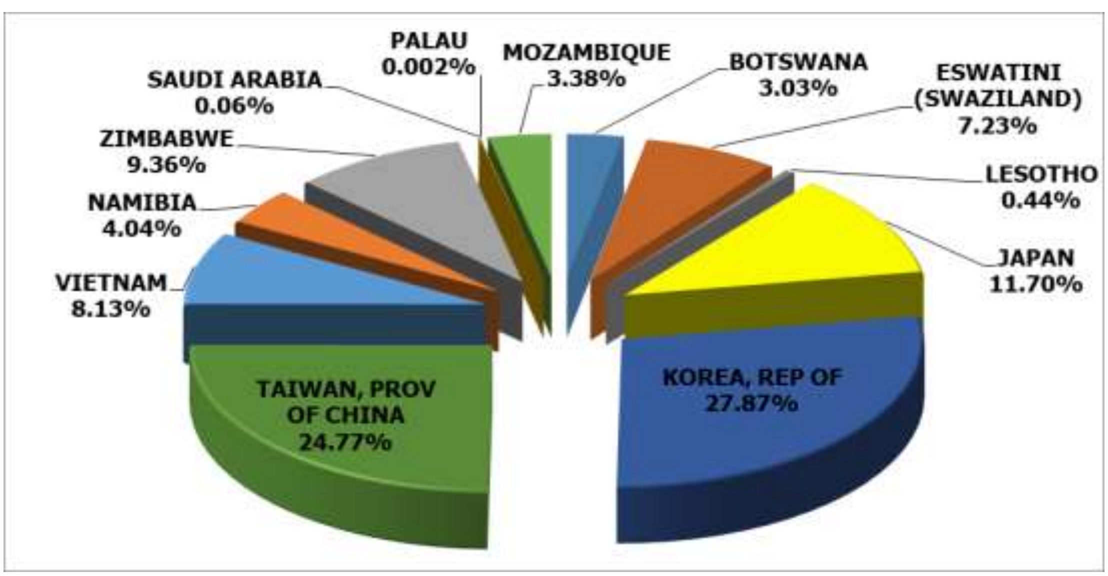
- The exports of white maize for the 2020/21 marketing year are projected at 1,185 million tons, which represents a decrease of 7,09% or 90 446 tons compared to the 1,275 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 1,500 million tons, which represents an increase of 180,83% or 965 873 tons compared to the 534 127 tons of the previous marketing year.
- The exports of white maize for the 2021/22 marketing year are projected at 1,170 million tons, which represents a decrease of 1,27% or 15 000 tons compared to the 1,185 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 1,630 million tons, which represents an increase of 8,67% or 130 000 tons compared to the 1,500 tons of the previous marketing year.

Graph 3: Major countries of white maize exports from South Africa: 2020/21 marketing year



- From 25 April 2020 to 26 February 2021, progressive white maize exports for the 2020/21 marketing year amount to 902 408 tons, with the main destinations being Zimbabwe (33,11% or 298 809 tons), followed by Botswana (21,84% or 197 104 tons), Mozambique (13,18% or 118 975 tons), Italy (10,56% or 95 252 tons), Namibia (8,35% or 75 323 tons), Lesotho (6,18% or 55 733 tons), Eswathini (Swaziland) (4,57% or 41 198 tons) and Ethiopia (2,22% or 20 014 tons). The imports of white maize for the mentioned period amount to zero.

Graph 4: Major countries of yellow maize exports from South Africa: 2020/21 marketing year



- From 25 April 2020 to 26 February 2021, progressive yellow maize exports for the 2020/21 marketing year amount to 1,305 million tons, with the main destinations being Korea, Republic of (27,87% or 363 625 tons), followed by Taiwan, Province of China (24,77% or 323 189 tons), Japan (11,70% or 152 610 tons), Zimbabwe (9,36% or 122 160 tons), Vietnam (8,13% or 106 068 tons), Eswathini (Swaziland) (7,23% or 94 301 tons), Namibia (4,04% or 52 742 tons), Mozambique (3,38% or 44 082 tons), Botswana (3,03% or 39 563 tons), Lesotho (0,44% or 5 719 tons), Saudi Arabia (0,06% or 780 tons) and Palau (0,002% or 21 tons). The imports of yellow maize for the mentioned period is 463 tons from Ukraine.

4. Market information

4.1 Consumer Price Index (CPI)

- Annual consumer price inflation was 3,2% in January 2021, up from 3,1% in December 2020. The consumer price index increased by 0,3% month-on-month in January 2021.
- The main contributors to the 3,2% annual inflation rate were as follows:
    - Food and non-alcoholic beverages increased by 5,4% year-on-year, and contributed 0,9% to the total CPI annual rate of 3,2%;
    - Housing and utilities increased by 2,6% year-on-year, and contributed 0,6%; and
    - Miscellaneous goods and services increased by 6,5% year-on-year, and contributed 1,0%.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 3,5% in January 2021, up from 3,0% in December 2020. The producer price index increased by 0,8% month-on-month in January 2021.
- The main contributors to the headline PPI annual inflation rate were as follows:
    - Food products, beverages and tobacco products increased by 5,9% year-on-year and contributed 2,1%;
    - Metals, machinery, equipment and computing equipment increased by 4,4% year-on-year and contributed 0,6%; and
    - Transport equipment increased by 6,5% year-on-year and contributed 0,6%.
- The main contributor to the headline PPI monthly increase was coke, petroleum, chemical, rubber and plastic products, which increased by 2,3% month-on-month and contributed 0,4%.
- The annual percentage change in the PPI for intermediate manufactured goods was 8,6% in January 2021 (compared with 6,8% in December 2020). The index increased by 2,4% month-on-month. The main contributors to the annual rate were basic and fabricated metals (6,3%), as well as chemicals, rubber and plastic products (1,6%). The main contributors to the monthly rate were basic and fabricated metals (1,4%), as well as chemicals, rubber and plastic products (1,0%).
- The annual percentage change in the PPI for electricity and water was 8,7% in January 2021 (compared with 8,2% in December 2020). The index decreased by 1,1% month-on-month. Electricity contributed 7,6% to the annual rate, and water contributed 1,0%. Electricity contributed -1,1% to the monthly rate.
- The annual percentage change in the PPI for mining was 22,9% in January 2021 (compared with 25,3% in December 2020). The index increased by 4,3% month-on-month. The main contributors to the annual rate were non-ferrous metal ores (10,4%), as well as gold and other metal ores (10,2%). The main contributors to the monthly rate were gold and other metal ores (2,3%), as well as non-ferrous metal ores (2,2%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 11,3% in January 2021 (compared with 9,1% in December 2020). The index increased by 1,5% month-on-month. The main contributor to the annual rate was agriculture (11,8%). The contributor to the monthly rate was agriculture (1,5%).

4.3 Future contract prices

Table 4: Closing prices on Thursday, 4 March 2021

	4 March 2021	4 February 2021	% Change
RSA White Maize per ton (Mar. 2021 contract)	R3 245,00	R3 252,00	-0,22
RSA Yellow Maize per ton (Mar. 2021 contract)	R3 336,00	R3 402,00	-1,94
RSA Wheat per ton (Mar. 2021 contract)	R5 250,00	R5 204,00	0,88
RSA Sunflower seed per ton (Mar. 2021 contract)	R9 660,00	R9 260,00	4,32
RSA Soya-beans per ton (Mar. 2021 contract)	R8 880,00	R8 732,00	1,69
Exchange rate R/$	R15,08	R14,94	0,94

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- January 2021 tractor sales of 445 units were significantly more (27,9%) than the 348 units sold in January 2020. In January 2021 there were five combine harvester sales, the same as in January 2020.
- Market sentiment continues to be very positive. Good crops, in general, good commodity prices and favourable rainfall in most areas are contributing to this. There are still quite a few variables which may affect summer crops, so there is some caution in the industry. Nevertheless, prospects look good in the short- to medium-term. Initial estimates for the 2021 calendar year are quite encouraging, with sales likely be up to 10% higher than in 2020.

Table 5: Agricultural machinery sales

Equipment class	Year-on-year January		Percentage Change %	Year-to-date January		Percentage Change %
	2021	2020		2021	2020	
Tractors	445	348	27,87	445	348	27,87
Combine harvesters	5	5	-	5	5	-

Source: SAAMA press release, February 2021

PLEASE NOTE: The Food Security Bulletin for March 2021 will be released on **9 April 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