# MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: JANUARY 2022

**Issued: 4 February 2022**

**Directorate: Statistics and Economic Analysis**

**Highlights:**

- **During January 2022, significant and widespread rainfall events were reported all over the country with the exception of the south-western parts and the southern coastal areas.**
- **The expected production of wheat for 2021 is 2,210 million tons, which is 4,2% more than the previous season.**
- **The projected closing stocks of wheat for the current 2021/22 marketing year are 583 559 tons, which includes imports of 1,475 million tons. It is also 24,8% more than the previous years' ending stocks.**
- **The preliminary area estimate for maize is 2,610 million ha, which is 5,29% less than the 2,755 million ha planted for the previous season.**
- **Projected closing stocks of maize for the current 2021/22 marketing year are 2,607 million tons, which is 23,2% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2021/22 marketing year are 109 015 tons, which is 110,5% more than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2021/22 marketing year are 26 864 tons, which is 55,9% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2021/22 marketing year are 182 093 tons, which is 295,4% more than the previous years' ending stocks.**
- **The annual percentage change in the CPI was higher at 5,9% in December 2021.**
- **The annual percentage change in the PPI for final manufactured goods was higher at 10,9% in December 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

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# 1) Weather conditions

## 1.1 Rainfall for January 2022

During January 2022, significant and widespread rainfall events were reported all over the country with the exception of the south-western parts and the southern coastal areas (**Figure 1**). Comparing rainfall totals to the long term average for January 2022, rainfall received was near-normal to below-normal over most of the Western Cape, the southern and eastern coastal areas, as well as some central to northern parts of the country (**Figure 2**). The Northern Cape, parts of the Free State and North West, as well as some of the eastern parts of the country received above-normal rainfall for the mentioned period. (Source: Directorate: Climate Change and Disaster Management at Department: Agriculture, Land Reform and Rural Development)

**Figure 1: Rainfall (mm) for January 2022**

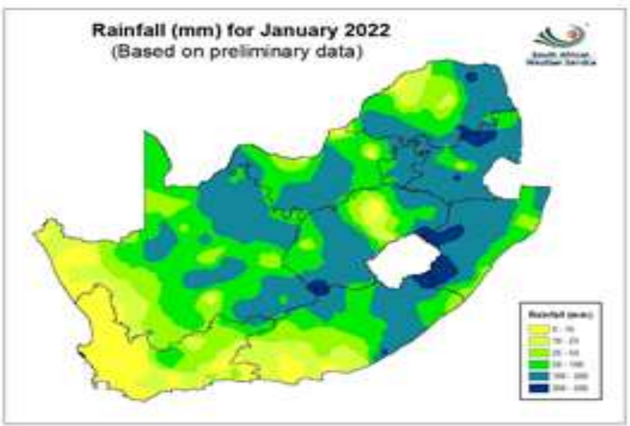
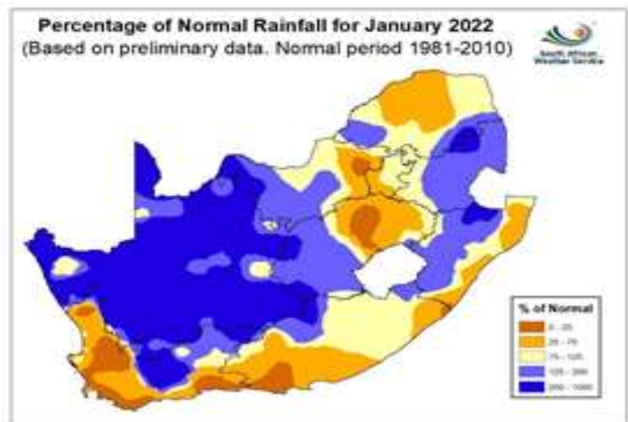



**Figure 2: Percentage rainfall for January 2022**




## 1.2 Level of dams

Available information on the level of South Africa's dams on 31 January 2022 indicates that the country has approximately 94% of its full supply capacity (FSC) available, which is 11% more than the corresponding period in 2021. The dam levels in KwaZulu-Natal (22%), Limpopo (18%), Mpumalanga (16%), Western Cape (10%), North West (9%), Eastern Cape (6%), Gauteng province (5%), Free State (3%) and Northern Cape (1%) 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, 31 January 2022**

| **Province** | Net FSC million cubic meters | **31/01/2022 (%)** | Last Year (2021) (%) | % Increase/Decrease 2022 vs. 2021 |
|---|---|---|---|---|
| **Eastern Cape** | 1 824 | 62 | 56 | 6,0 |
| **Free State** | 15 657 | 104 | 101 | 3,0 |
| **Gauteng** | 128 | 102 | 97 | 5,0 |
| **KwaZulu-Natal** | 4 912 | 85 | 63 | 22,0 |
| **Lesotho** | 2 363 | 89 | 55 | 34,0 |
| **Limpopo** | 1 480 | 89 | 71 | 18,0 |
| **Mpumalanga** | 2 539 | 93 | 77 | 16,0 |
| **North West** | 867 | 76 | 67 | 9,0 |
| **Northern Cape** | 147 | 110 | 109 | 1,0 |
| **Swaziland** | 334 | 100 | 64 | 36,0 |
| **Western Cape** | 1 866 | 74 | 64 | 10,0 |
| **Total** | **32 117** | **94** | **83** | **11,0** |

*Source: Department of Water and Sanitation*

## 2. Grain production

### 2.1 Summer grain crops - 2022

The preliminary area planted estimate of summer grains for the 2022 season was released by the Crop Estimates Committee (CEC) on 27 January 2022, and is as follows:

**Table 2: Commercial summer crops: Preliminary area planted estimate - 2022 season**

| CROP | **Area planted 2022 Ha (A)** | Intentions[1] 2022 Tons (B) | Area planted 2021 Ha (C) | Final estimate 2021 Tons (D) | Change 2022 vs 2021 % (A) ÷ (C) |
|---|---|---|---|---|---|
| **Commercial:** | | | | | |
| White maize | **1 575 700** | 1 644 200 | 1 691 900 | 8 608 815 | -6,87 |
| Yellow maize | **1 034 000** | 1 081 000 | 1 063 500 | 7 625 450 | -2,77 |
| Total Maize | **2 609 700** | 2 725 200 | 2 755 400 | 16 234 265 | -5,29 |
| Sunflower seed | **580 000** | 555 800 | 477 800 | 677 240 | 21,39 |
| Soybeans | **910 000** | 924 800 | 827 100 | 1 890 450 | 10,02 |
| Groundnuts | **34 000** | 37 000 | 38 550 | 59 950 | -11,80 |
| Sorghum | **35 000** | 45 000 | 49 200 | 213 645 | -28,86 |
| Dry beans | **42 450** | 54 250 | 47 390 | 57 672 | -10,42 |
| TOTAL | **4 211 150** | 4 342 050 | 4 195 440 | 19 133 222 | 0,37 |

Note: Estimate is for calendar year, e.g. production season 2021/22 = 2022
1. As mid October 2021

- The preliminary area estimate for **maize** is 2,610 million ha, which is 5,29% or 145 700 ha less than the 2,755 million ha planted for the previous season, and also 4,24% or 115 500 ha less than the intentions to plant figure of 2,725 million ha released in October 2021.
- The preliminary area estimate for **white maize** is 1,576 million ha, which represents a decrease of 6,87% or 116 200 ha compared to the 1,692 million ha planted last season. In the case of **yellow maize** the area estimate is 1,034 million ha, which is 2,77% or 29 500 ha less than the 1,064 million ha planted last season.
- The preliminary area estimate for **sunflower seed** is 580 000 ha, which is 21,39% or 102 200 ha more than the 477 800 ha planted the previous season.
- It is estimated that 910 000 ha have been planted to **soybeans**, which represents an increase of 10,02% or 82 900 ha compared to the 827 100 ha planted last season. This is the highest area planted to soybeans in the history of SA.
- For **groundnuts**, the area estimate is 34 000 ha, which is 11,80% or 4 550 ha less than the 38 550 ha planted for the previous season.
- The area estimate for **sorghum** decreased by 28,86% or 14 200 ha, from 49 200 ha to 35 000 ha against the previous season.
- For **dry beans**, the area estimate is 42 450 ha, which is 10,42% or 4 940 ha less than the 47 390 ha planted for the previous season.

*Please note that the revised area planted and first production forecast for summer field crops for 2022 will be released on 28 February 2022.*

### 2.2 Winter cereal crops – 2021

The area estimate and sixth production forecast of winter cereals for the 2021 production season was also released by the CEC on 27 January 2022, and is as follows:

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

| CROP | **Area planted 2021 Ha (A)** | **6th forecast 2021 Tons (B)** | Area planted 2020 Ha (C) | Final crop 2020 Tons (D) | Change % (B) ÷ (D) |
|---|---|---|---|---|---|
| **Commercial:** | | | | | |
| Wheat | **523 500** | **2 209 255** | 509 800 | 2 120 000 | 4,21 |
| Malting barley | **94 730** | **331 100** | 141 690 | 588 000 | -43,69 |
| Canola | **100 000** | **197 000** | 74 120 | 165 200 | 19,25 |
| Cereal oats | **36 250** | **69 950** | 26 200 | 57 000 | 22,72 |
| Sweet lupines | **22 000** | **28 600** | N/a | N/a | - |

- The expected production of **wheat** is 2 209 255 tons, which is 4,21% or 89 255 tons more than the previous seasons' crop of 2,120 million tons, whilst the expected yield is 4,22 t/ha. This is the largest expected wheat crop produced since 2002, when it was 2,427 million tons.
- The production forecast for **malting barley** is 331 100 tons, which is 43,69% or 256 900 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 3,50 t/ha.
- The expected **canola crop** is 197 000 tons, which is 19,25% or 31 800 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 1,97 t/ha.
- The expected crop for **oats (cereals)** for the 2021 season is 69 950 tons, which is 22,72% or 12 950 tons more than the 57 000 tons of the previous season. The area planted is 36 250 ha, while the expected yield is 1,93 t/ha.
- In the case of **sweet lupines**, the production forecast is 28 600 tons. The area estimate of sweet lupines is 22 000 ha, with an expected yield of 1,30 t/ha.

*Please note that the final production estimate for winter cereals for 2021 will be released on 28 February 2022.*

### 2.3 Non-commercial maize

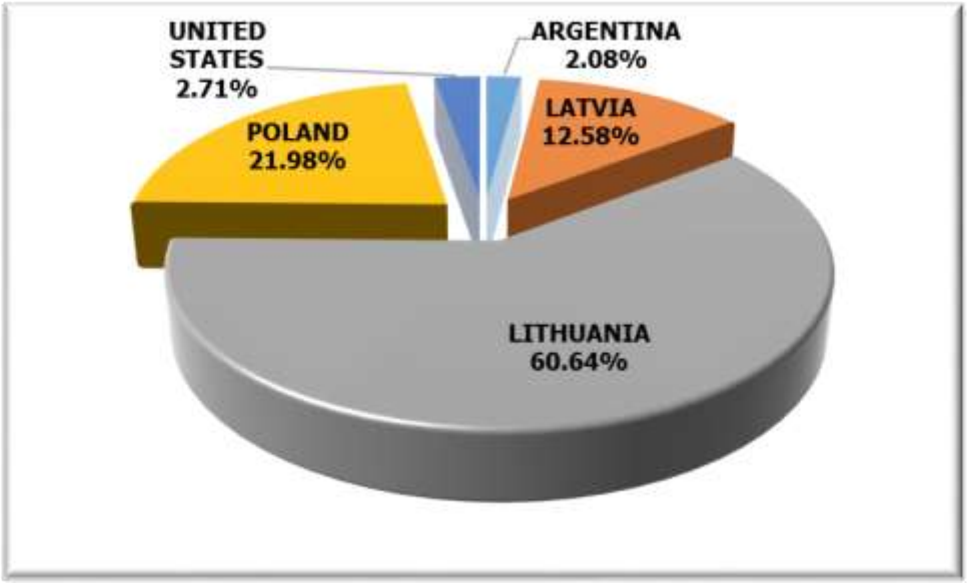
Please nothe that the CEC will release the preliminary area planted and production estimate of the non-commercial maize sector for the 2022 season on 26 May 2022.

## 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 JAN22 Annexure A.

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

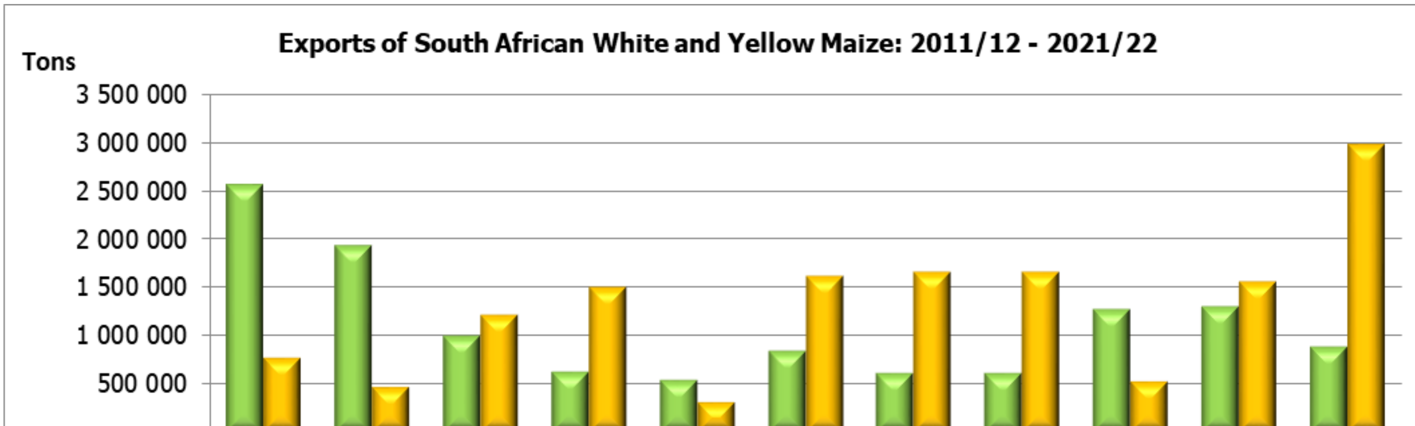
**Graph 1: Major countries of wheat imports to South Africa: 2021/22 marketing year**




- The progressive wheat imports (human consumption) for the 2021/22 marketing year (25 September 2021 to 28 January 2022) amount to 380 918 tons, with 60,64% or 230 998 tons from Lithuania, followed by 21,98% or 83 740 tons from Poland, 12,58% or 47 930 tons from Latvia, 2,71% or 10 332 tons from the United States and only 2,08% or 7 918 tons from Argentina. The exports of wheat (human consumption) for the above-mentioned period amount to 46 496 tons, of which 89,50% or 41 615 tons went to the BLNS countries (Botswana, Lesotho, Namibia and Eswatini (Swaziland)) and only 10,50% or 4 881 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**

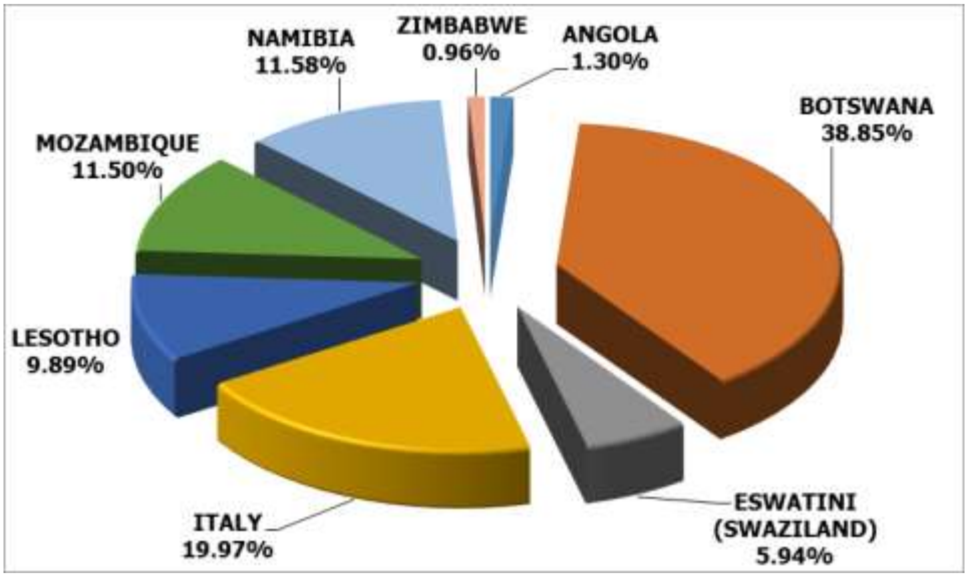



| | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21* | 2021/22* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| White maize | 2 575 000 | 1 946 000 | 1 008 923 | 640 807 | 557 063 | 851 969 | 617 000 | 616 651 | 1 275 446 | 1 304 475 | 898 000 |
| 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 | 2 990 000 |

*Projection

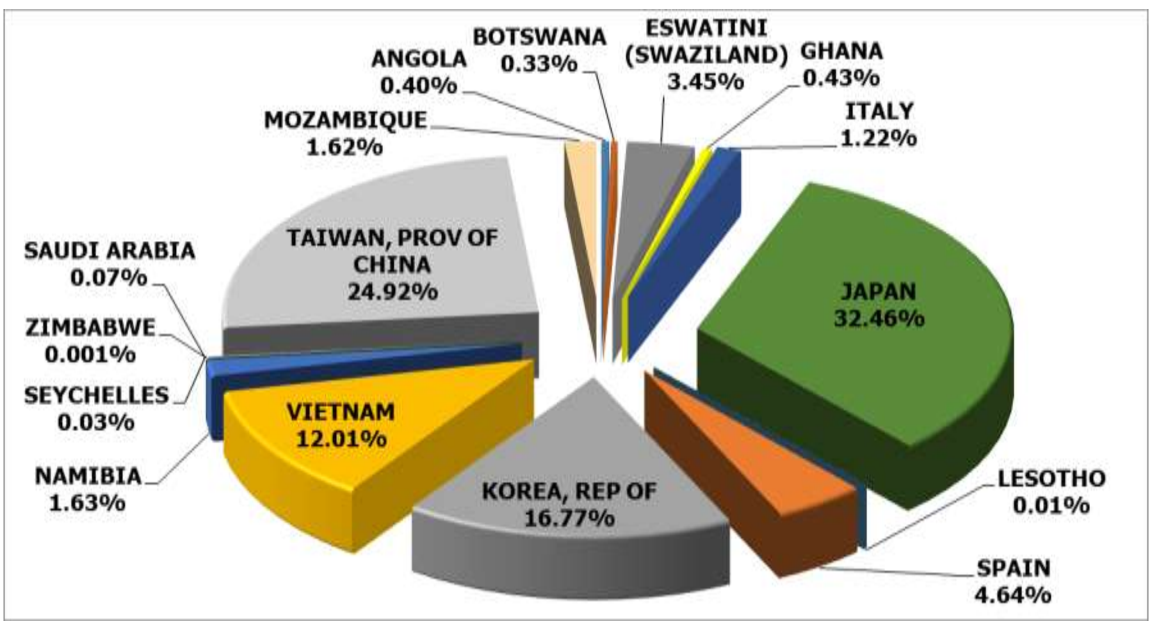
- The exports of white maize for the 2021/22 marketing year are projected at 898 000 tons, which represents a decrease of 31,16% or 406 475 tons compared to the 1,304 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 2,990 million tons, which represents an increase of 91,26% or 1,427 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 28 January 2022, progressive white maize exports for the 2021/22 marketing year amount to 480 916 tons, with the main destinations being Botswana (38,85% or 186 856 tons), followed by Italy (19,97% or 96 023 tons), Namibia (11,58% or 55 710 tons), Mozambique (11,50% or 55 306 tons), Lesotho (9,89% or 47 577 tons), Eswathini (Swaziland) (5,94% or 28 557 tons), Zimbabwe (0,96% or 4 616 tons), and Angola (1,30% of 6 271 tons). The imports of white maize for the mentioned period amount to 7 248 tons, all from Zambia.

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




- From 1 May 2021 to 28 January 2022, progressive yellow maize exports for the 2021/22 marketing year amount to 2,228 million tons, with the main destinations being Japan (32,46% or 723 420 tons), followed by Taiwan (24,92% or 555 440 tons), Korea, Republic of (16,77% or 373 803 tons), Vietnam (12,01% or 267 558 tons), Spain (4,64% or 103 410 tons), Eswathini (Swaziland) (3,45% or 76 918 tons), Namibia (1,63% or 36 240 tons), Mozambique (1,62% or 36 100 tons), Italy (1,22% or 27 150 tons), Ghana (0,43% or 9 505 tons), Angola (0,40% or 8 978 tons), Botswana (0,33% or 7 316 tons), Saudi Arabia (0,07% or 1 665 tons), Seychelles (0,03% or 769 tons), Lesotho (0,01% or 265 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 5,9% in December 2021, up from 5,5% in November 2021. This is the highest annual increase since March 2017 when the rate was 6,1%. The consumer price index increased by 0,6% month-on-month in December 2021.
- The main contributors to the 5,9% annual inflation rate were as follows:
  - Food and non-alcoholic beverages increased by 5,5% year-on-year, and contributed 1,0%;
  - Housing and utilities increased by 4,2% year-on-year, and contributed 1,0%;
  - Transport increased by 16,8% year-on-year, and contributed 2,3%; and
  - Miscellaneous goods and services increased by 4,3% year-on-year, and contributed 0,7%.
- In December the annual inflation rate for goods was 8,5%, up from 7,9% in November; and for services it was 3,3%, up from 3,1% in November.

## 4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 10,8% in December 2021, up from 9,6% in November 2021. The producer price index increased by 1,3% month-on-month in December 2021.
- The main contributors to the headline PPI annual inflation rate were as follows:
  - Coke, petroleum, chemical, rubber and plastic products increased by 25,8% year-on-year and contributed 5,0%;
  - Food products, beverages and tobacco products increased by 5,7% year-on-year and contributed 2,1%; and
  - Metals, machinery, equipment and computing equipment increased by 12% year-on-year and contributed 1,7%.
- The main contributors to the headline PPI monthly increase were coke, petroleum, chemical, rubber and plastic products, which increased by 2,4% month-on-month and contributed 0,5%, as well as food products, beverages and tobacco products, which increased by 0,8% month-on-month and contributed 0,3%.
- The annual percentage change in the PPI for intermediate manufactured goods was 23,1% in December 2021 (compared with 23,1% in November 2021). The index increased by 0,9% month-on-month. The main contributors to the annual rate were chemicals, rubber and plastic products (10,6%), basic and fabricated metals (8,8%), as well as sawmilling and wood (3,1%). The main contributors to the monthly rate were chemicals, rubber and plastic products (0,4%), as well as basic and fabricated metals (0,4%).
- The annual percentage change in the PPI for electricity and water was 15,4% in December 2021 (compared with 16,7% in November 2021). The index decreased by 1,5% month-on-month. Electricity contributed 14,7% to the annual rate, and water contributed 0,7%. Electricity contributed -1,6% to the monthly rate.
- The annual percentage change in the PPI for mining was 5,9% in December 2021 (compared with 7,0% in November 2021). The index increased by 0,8% month-on-month. The main contributors to the annual rate were non-ferrous metal ores (4,6%) and coal and gas (3,0%). The main contributor to the monthly rate was stone quarrying, clay and diamonds (1,8%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 8,4% in December 2021 (compared with 7,2% in November 2021). The index increased by 1,0% month-on-month. The main contributor to the annual rate was agriculture (8,0%). The main contributor to the monthly rate was agriculture (1,4%).

## 4.3 Future contract prices

**Table 4: Closing prices on Thursday, 3 February 2022**

| | 3 February 2022 | 3 January 2022 | % Change |
|---|---|---|---|
| **RSA White Maize per ton (Feb. 2022 contract)** | R3 655,00 | R3 717,00 | -1,67 |
| **RSA Yellow Maize per ton (Feb. 2022 contract)** | R3 798,00 | R3 915,00 | -2,99 |
| **RSA Wheat per ton (Feb. 2022 contract)** | R5 853,00 | R6 066,00 | -3,51 |
| **RSA Sunflower seed per ton (Feb. 2022 contract)** | R10 350,00 | R10 794,00 | -4,11 |
| **RSA Soya-beans per ton (Feb. 2022 contract)** | R8 649,00 | R7 930,00 | 9,07 |
| **Exchange rate R/$** | R15,36 | R15,83 | -2,97 |

*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 5: Agricultural machinery sales**

| Equipment class | Year-on-year December | | Percentage Change % | Year-to-date December | | Percentage Change % |
|---|---|---|---|---|---|---|
| | 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 February 2022 will be released on **7 March 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