MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA JANUARY 2023

Issued: 3 February 2023

Directorate: Statistics and Economic Analysis

Highlights:

- **According to the latest ENSO outlook, a transition from La Niña to ENSO-neutral is anticipated during the February-April 2023 season.**
- **The expected production of wheat for 2022 is 2,176 million tons, which is 4,8% 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 583 923 tons, which includes imports of 1,45 million tons. It is also 6,6% less than the previous years' ending stocks.**
- **The preliminary area estimate for maize for 2023 is 2,544 million ha, which is 3,0% less than the 2,623 million ha planted for the previous season.**
- **The 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 2,138 million tons, which is 0,6% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2022/23 marketing year are 42 917 tons, which is 59,6% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2022/23 marketing year are 59 970 tons, which is 88,6% more than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2022/23 marketing year are 183 137 tons, which is 8,8% more than the previous years' ending stocks.**
- **The annual percentage change in the CPI was lower at 7,2% in December 2022.**
- **The annual percentage change in the PPI for final manufactured goods was lower at 13,5% in December 2022.**
- **December 2022 tractor sales of 730 units were approximately 10% more than the 660 units sold in December 2021. Tractor sales in 2022 were almost 17% more than the previous year's sales and the highest annual sales for the past 40 years.**

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1. Weather conditions

1.1 EL NIÑO/SOUTHERN OSCILLATION (ENSO)

According to the latest ENSO outlook of the Climate Prediction Centre, below-average sea surface temperatures (SSTs) weakened over the equatorial Pacific Ocean during December 2022. The subsurface temperature anomalies also weakened substantially, but below-average subsurface temperatures persisted near the surface and at depth in the eastern equatorial Pacific Ocean. Low-level easterly wind and upper-level westerly wind anomalies remained across most of the equatorial Pacific. Suppressed convection persisted over the western and central tropical Pacific, while enhanced convection was observed around Indonesia. Overall, the coupled ocean-atmosphere system continued to reflect La Niña. The most recent IRI plume predicts that La Niña will transition to ENSO-neutral during the Northern Hemisphere winter 2022-23. However, lower accuracy during times of transition means that uncertainty remains high. In summary, a transition from La Niña to ENSO-neutral is anticipated during the February-April 2023 season and by March-May 2023, the chance for ENSO-neutral is 82% (Figure 1).

Figure 1: Official ENSO probabilities for the Niňo 3.4 sea surface temperature index

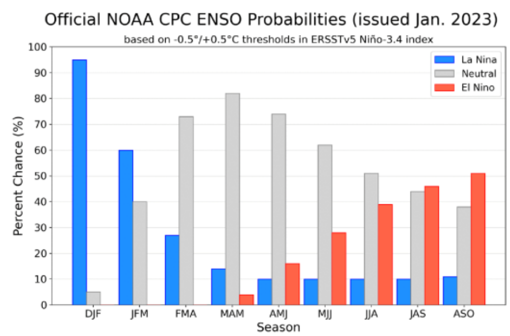


Figure 7. Official ENSO probabilities for the Niño 3.4 sea surface temperature index (5°N-5°S, 120°W-170°W). Figure updated 12 January 2023.

1.2 Level of dams

Available information on the level of South Africa's dams on 30 January 2023 indicates that the country has approximately 93% of its full supply capacity (FSC) available, which is the same compared to the corresponding period in 2022. The dam levels in the Eastern Cape (12%), KwaZulu-Natal (10%), North West (7%), Mpumalanga (4%) provinces all show improvements in the full supply capacity as compared to 2022. However, the Gauteng, Limpopo, Free State, Northern Cape and the Western Cape Province provinces all show a 2%, 4%, 5%, 7% and 19% decrease, respectively in the full supply capacity as compared to 2022 for the above 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, 30 January 2023

Province	Net FSC million cubic meters	**30/01/2023 (%)**	Last Year (2022) (%)	% Increase/Decrease 2023 vs. 2022
Eastern Cape	1 729	77	65	12,0
Free State	15 657	99	104	-5,0
Gauteng	128	100	102	-2,0
KwaZulu-Natal	4 910	91	81	10,0
Kingdom of Lesotho	2 363	100	89	11,0
Limpopo	1 480	85	89	-4,0
Mpumalanga	2 539	97	93	4,0
North West	867	82	75	7,0
Northern Cape	147	96	103	-7,0
Kingdom of Eswatini	334	99	100	-1,0
Western Cape	1 866	55	74	-19,0
Total	**32 020**	**93**	**93**	**0,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2023

The preliminary area planted estimate of summer grains for the 2023 season was released by the Crop Estimates Committee (CEC) on 26 January 2023, and is as follows:

Table 2: Commercial summer crops: Preliminary area planted estimate - 2023 season

CROP	**Area planted 2023 Ha (A)**	Intentions[1)] 2023 Ha (B)	Area planted 2022 Ha (C)	Final estimate 2022 Tons (D)	Change % (B) ÷ (C)
Commercial:					
White maize	**1 476 000**	1 502 000	1 575 000	7 789 750	-6,29
Yellow maize	**1 068 000**	1 089 000	1 048 000	7 597 450	1,91
Total Maize	**2 544 000**	2 591 000	2 623 000	15 387 100	-3,01
Sunflower seed	**568 550**	580 500	670 700	845 550	-15,23
Soybeans	**1 099 500**	1 075 000	925 300	2 201 000	18,83
Groundnuts	**31 200**	34 500	43 400	49 000	-28,11
Sorghum	**34 000**	33 100	37 200	103 140	-8,60
Dry beans	**34 500**	37 200	42 900	52 590	-19,58
TOTAL	**4 311 750**	4 351 300	4 342 500	18 638 480	-0,71

Note: Estimate is for calendar year, e.g. production season 2022/23 = 2023
1) As mid October 2022

- The preliminary area estimate for **maize** is 2,544 million ha, which is 3,01% or 79 000 ha less than the 2,623 million ha planted for the previous season, and also 1,81% or 47 000 ha less than the intentions to plant figure of 2,591 million ha released in October 2022.
- The preliminary area estimate for **white maize** is 1,476 million ha, which represents a decrease of 6,29% or 99 000 ha compared to the 1,575 million ha planted last season. In the case of **yellow maize** the area estimate is 1,068 million ha, which is 1,91% or 20 000 ha less than the 1,048 million ha planted last season.
- The preliminary area estimate for **sunflower seed** is 568 550 ha, which is 15,23% or 102 150 ha less than the 670 700 ha planted the previous season.
- It is estimated that 1,1 mill. ha have been planted to **soybeans**, which represents an increase of 18,83% or 174 200 ha compared to the 925 300 ha planted last season. This is the highest area planted to soybeans in the history of SA.
- For **groundnuts**, the area estimate is 31 200 ha, which is 28,11% or 12 200 ha less than the 43 400 ha planted for the previous season.
- The area estimate for **sorghum** decreased by 8,60% or 3 200 ha, from 37 200 ha to 34 000 ha against the previous season.
- For **dry beans**, the area estimate is 34 500 ha, which is 19,58% or 8 400 ha less than the 42 900 ha planted for the previous season.

Please note that the revised area planted and production figures, which will be released by the Crop Estimates Committee on 28 February 2023.

2.2 Winter cereal crops - 2022

The area planted and sixth production forecast for winter crops for the 2022 production season was also released by the CEC on 26 January 2023, and is as follows:

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

CROP	**Area planted 2021 Ha (A)**	**6th forecast 2022 Tons (B)**	Area planted 2021 Ha (C)	Final estimate 2021 Tons (D)	Change % (B) ÷ (D)
Wheat	**566 800**	**2 176 540**	523 500	2 285 000	-4,75
Barley*	**101 000**	**337 650**	94 730	334 000	1,09
Canola	**123 510**	**210 530**	100 000	198 100	6,27
Oats*	**27 000**	**33 800**	36 250	59 000	-42,71
Sweet lupines	**21 000**	**15 750**	22 000	28 600	-44,93
TOTAL	**839 310**	**2 774 270**	776 480	2 904 700	-4,49

* 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 2,176 million tons, which is 4,75% or 108 460 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 3,84 t/ha.
- The production forecast for **barley** is 337 650 tons, which is 1,09% or 3 650 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 3,34 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 33 800 tons and the area planted is 27 000 ha. The expected yield is 1,25 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 and final production estimate of winter crops for 2023 will be released on 28 February 2022.

2.3 Non-commercial maize - 2023

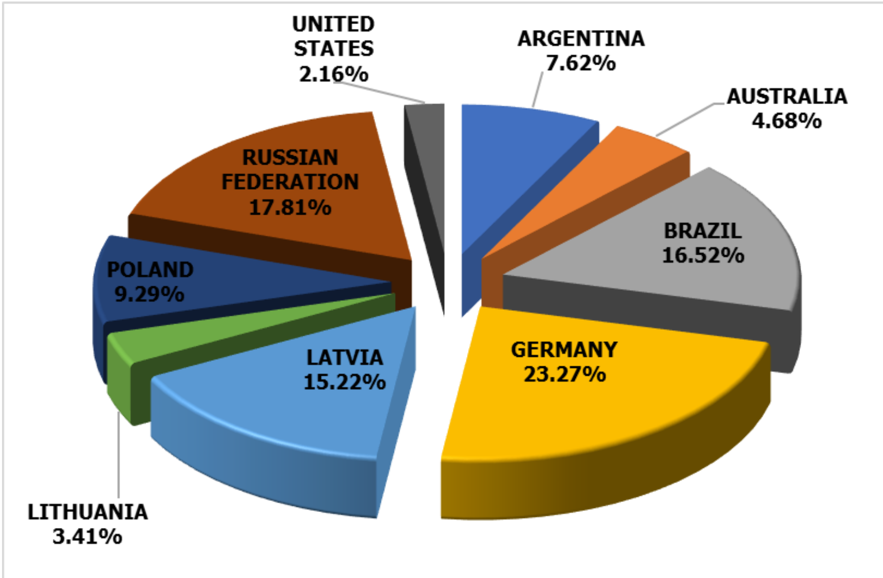
The CEC will release the area planted and production estimate of the non-commercial maize sector for the 2023 season on 25 May 2023.

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 JAN23 Annexure A.

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

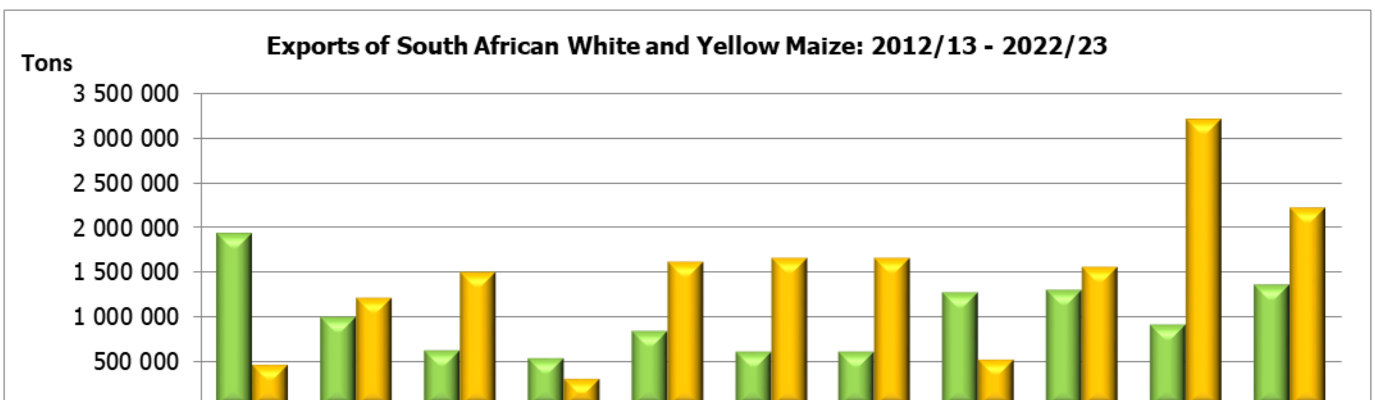
Graph 1: Major countries of wheat imports to South Africa: 2022/23 marketing year



- The progressive wheat imports (human consumption) for the 2022/23 marketing year (1 October 2022 to 27 January 2023) amount to 504 210 tons, with 23,27% or 117 326 tons from Germany, followed by 17,81% or 89 818 tons from the Russian Federation, 16,52% or 83 316 tons from Brazil, 15,22% or 76 754 tons from Latvia, 9,29% or 46 857 tons from Poland, 7,62% or 38 444 tons from Argentina, 4,68% or 23 605 tons from Australia, 3,41% or 17 206 tons from Lithuania and only 2,16% or 10 884 tons from the United States. The exports of wheat (human consumption) for the the above-mentioned period amount to 65 933 tons, of which 65,34% or 43 082 tons went to the BLNS countries (Botswana, Lesotho, Namibia and Eswatini (Swaziland)) and only 34,66% or 22 851 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

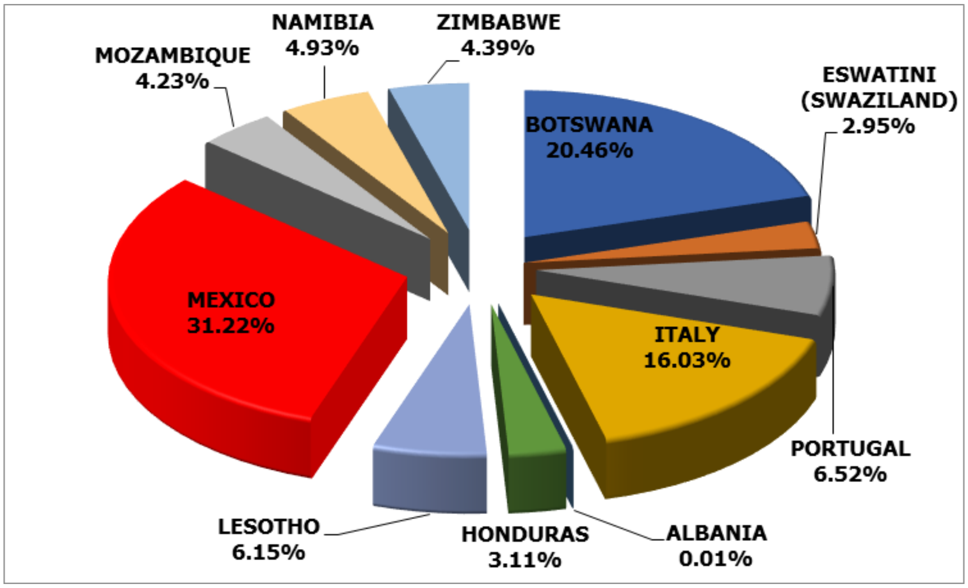


	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23*
White maize	1 946 000	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 304 475	924 434	1 370 000
Yellow maize	478 000	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 563 315	3 210 777	2 225 000

*Projection

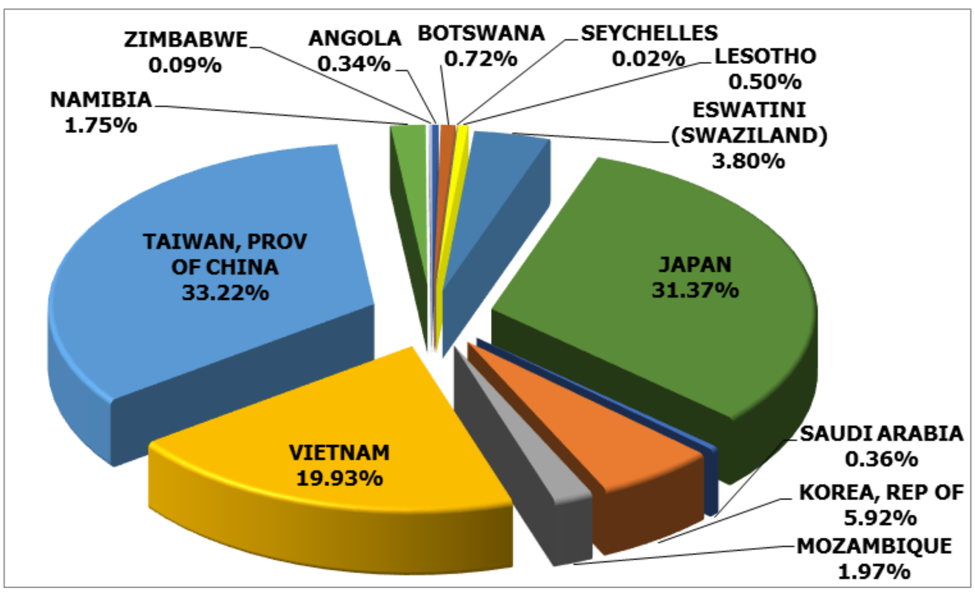
- The exports of white maize for the 2022/23 marketing year are projected at 1,370 million tons, which represents an increase of 48,20% or 445 566 tons compared to the 924 434 tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 2,225 million tons, which 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 27 January 2023, progressive white maize exports for the 2022/23 marketing year amount to 805 141 tons, with the main destinations being Mexico (31,22% or 251 393 tons), Italy (16,03% or 129 060 tons) followed by Botswana (20,46% or 164 749 tons), Portugal (6,52% or 52 500 tons), Lesotho (6,15% or 49 534 tons), Namibia (4,93% or 39 699 tons), Zimbabwe (4,39% or 35 365 tons), Mozambique (4,23% or 34 062 tons), Honduras (3,11% or 25 000 tons), Eswathini (Swaziland) (2,95% or 23 737 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 27 January 2023, progressive yellow maize exports for the 2022/23 marketing year amount to 1,769 million tons, with the main destinations being Taiwan (33,22% or 587 797 tons), followed by Japan (31,37% or 555 000 tons), Vietnam (19,93% or 352 689 tons), Korea, Republic of (5,92% or 104 797 tons), Eswathini (Swaziland) (3,80% or 67 297 tons), Mozambique (1,97% or 34 882 tons), Namibia (1,75% or 31 004 tons), Botswana (0,72% or 12 739 tons), Lesotho (0,50% or 8 800 tons), Saudi Arabia (0,36% or 6 432 tons), Angola (0,34% or 5 983 tons), Zimbabwe (0,09% or 1 510 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 7,2% in December 2022, down from 7,4% in November 2022. The consumer price index increased by 0,4% month-on-month in December 2022.
- The main contributors to the 7,2% annual inflation rate were:
  - Food and non-alcoholic beverages increased by 12,4% year-on-year, and contributed 2,1% to the total CPI annual rate of 7,2%;
  - Housing and utilities increased by 4,1% year-on-year, and contributed 1,0%;
  - Transport increased by 13,9% year-on-year, and contributed 2,0%; and
  - Miscellaneous goods and services increased by 4,9% year-on-year, and contributed 0,7%.
- In December the annual inflation rate for goods was 10,1%, down from 10,4% in November; and for services it was 4,3%, down from 4,5% in November.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 13,5% in December 2022, down from 15,0% in November 2022. The producer price index remained unchanged month-on-month in December 2022.
- The main contributors to the headline PPI annual inflation rate were:
  - Coke, petroleum, chemical, rubber and plastic products increased by 24,5% year-on-year and contributed 6,4%;
  - Food products, beverages and tobacco products increased by 10,1% year-on-year and contributed 2,6%;
  - Metals, machinery, equipment and computing equipment increased by 9,2% year-on-year and contributed 1,4%; and
  - Paper and printed products increased by 16,0% year-on-year and contributed 1,3%.
- The annual percentage change in the PPI for intermediate manufactured goods was 8,0% in December 2022 (compared with 8,6% in November 2022). The index increased by 0,4% month-on-month. The main contributors to the annual rate were basic and fabricated metals (3,7%); chemicals, rubber and plastic products (2,7%); and sawmilling and wood (1,1%). The main contributor to the monthly rate was chemicals, rubber and plastic products (0,2%).
- The annual percentage change in the PPI for electricity and water was 9,8% in December 2022 (compared with 7,9% in November 2022). The index increased by 0,2% month-on-month. Electricity contributed 8,7% to the annual rate and water contributed 1,1% to the annual rate. Electricity contributed 0,2% to the monthly rate.
- The annual percentage change in the PPI for mining was 27,3% in December 2022 (compared with 24,3% in November 2022). The index increased by 3,2% month-on-month. The main contributors to the annual rate were coal and gas (15,3%); non-ferrous metal ores (9,0%); and gold and other metal ores (2,4%). The main contributor to the monthly rate was non-ferrous metal ores (2,0%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 16,0% in December 2022 (compared with 17,4% in November 2022). The index decreased by 0,2% month-on-month. The main contributors to the annual rate were agriculture (13,6%) and fishing (1,7%). The main contributor to the monthly rate was agriculture (-0,3%).

4.3 Future contract prices

Table 4: Closing prices on Friday, 3 February 2023

	3 February 2023	3 January 2023	% Change
RSA White Maize per ton (Feb. 2023 contract)	R4 370,00	R4 762,00	-8,23
RSA Yellow Maize per ton (Feb. 2023 contract)	R4 372,00	R4 664,00	-6,26
RSA Wheat per ton (Feb. 2023 contract)	R6 655,00	R6 694,00	-0,58
RSA Sunflower seed per ton (Feb. 2023 contract)	R11 600,00	R11 162,00	3,92
RSA Soya-beans per ton (Feb. 2023 contract)	R9 515,00	R10 737,00	-11,38
Exchange rate R/$	R17,11	R17,09	0,12

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- December 2022 tractor sales of 730 units were approximately 10% more than the 660 units sold in December 2021. Tractor sales in 2022 were almost 17% up on the previous year's sales and the highest annual sales for the past 40 years.
- Twenty-six combine harvesters were sold in December 2022, eight units more than the eighteen units sold in December 2021. For the 2022 calendar year combine harvester sales were 373 units, 38% more than in the previous year. This is the highest annual sales figure since 1985. Market fundamentals, in terms of summer and winter crop prospects, look encouraging and commodity prices are holding up well. This certainly augers well for the short-term, or at least until mid-2023.
- Expectations for the 2023 calendar year are that tractor and combine harvester sales will fall back to levels similar to those in 2021.

Table 5: Agricultural machinery sales

Equipment class	Year-on-year December 2022	Year-on-year December 2021	Percentage Change %	Year-to-date December 2022	Year-to-date December 2021	Percentage Change %
Tractors	730	660	10,61	9 181	7 868	16,69
Combine harvesters	26	18	44,44	373	270	38,15

Source: SAAMA press release, January 2022

PLEASE NOTE: The Food Security Bulletin for February 2023 will be released on **7 March 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