MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: JANUARY 2021

Issued: 4 February 2021

Directorate: Statistics and Economic Analysis

Highlights:

- **During January 2021 most of the country, excluding the south-western parts, experienced significant rainfall events.**
- **The expected production of wheat for 2020 is 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 411 408 tons, which includes imports of 1,580 million tons. It is also 12,7% more than the previous years' ending stocks.**
- **The preliminary area estimate of maize for 2021 is 2,776 million ha, which is 6,35% more than the 2,611 million ha planted for the previous season.**
- **Projected closing stocks of maize for the current 2020/21 marketing year are 1,662 million tons, which is 66,1% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2020/21 marketing year are 40 968 tons, which is 32,2% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2020/21 marketing year are 73 985 tons, which is 45,3% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2020/21 marketing year are 93 855 tons, which is 32,2% less than the previous years' ending stocks.**
- **The annual percentage change in the CPI was lower at 3,1% in December 2020.**
- **The annual percentage change in the PPI for final manufactured goods was unchanged at 3,0% in December 2020.**
- **December 2020 tractor sales of 432 units were significantly more (24%) than the 349 units sold in December 2019.**

agriculture, land reform & rural development

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1. Weather conditions

1.1 Rainfall for January 2021

During January 2021 most of the country, excluding the south-western parts, experienced significant rainfall events (**Figure 1**). Comparing rainfall totals to the long term average for January 2021, normal to above-normal rainfall was received countrywide except the far south-western region where below-normal rainfall was evident (**Figure 2**). (Source: Directorate: Climate Change and Disaster Management at Department: Agriculture, Land Reform and Rural Development)

Figure 1: Rainfall (mm) for January 2021

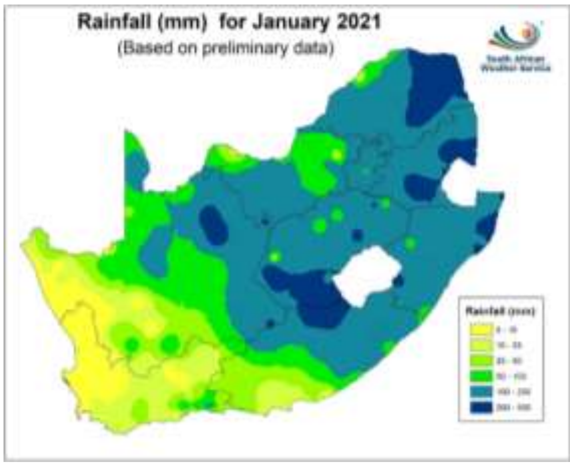
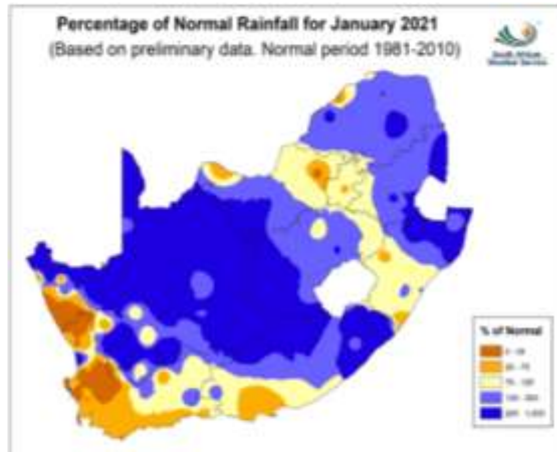


Figure 2: Percentage rainfall for January 2021



1.2 Level of dams

Available information on the level of South Africa's dams on 1 February 2021 indicates that the country has approximately 84% of its full supply capacity (FSC) available, which is significantly more (22%) than the corresponding period in 2020. The dam levels in the Free State, Northern and Western Cape, Limpopo, Eastern Cape, Mupumalanga, KwaZulu-Natal and North West provinces, all show improvements in the full supply capacity as compared to 2020. The remaining province, namely Gauteng show a decrease in the full supply capacity 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, 1 February 2021

Province	Net FSC million cubic meters	01/02/2021 (%)	Last Year (2020) (%)	% Increase/Decrease 2021 vs. 2020
Eastern Cape	1 811	56	49	7,0
Free State	15 657	104	69	35,0
Gauteng	128	98	103	-5,0
KwaZulu-Natal	4 784	63	58	5,0
Lesotho	2 363	55	23	32,0
Limpopo	1 522	71	61	10,0
Mpumalanga	2 539	81	74	7,0
North West	867	68	67	1,0
Northern Cape	147	104	75	29,0
Swaziland	334	67	72	-5,0
Western Cape	1 866	64	52	12,0
Total	**32 018**	**84**	**62**	**22,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2020

The preliminary area planted estimate of summer grains for the 2021 season was released by the Crop Estimates Committee (CEC) on 28 January 2021, and is as follows:

Table 2: Commercial summer crops: Preliminary area planted estimate - 2021 season

CROP	**Area planted 2021 Ha (A)**	Intentions[1] 2021 Ha (B)	Area planted 2020 Ha (C)	Final estimate 2020 Tons (D)	Change 2020 vs 2019 % (A) ÷ (C)
Commercial:					
White maize	**1 701 500**	1 686 100	1 616 300	8 666 310	5,27
Yellow maize	**1 075 000**	1 059 900	994 500	6 741 870	8,09
Total Maize	**2 776 500**	2 746 000	2 610 800	15 408 180	6,35
Sunflower seed	**473 300**	480 500	500 300	785 910	-5,40
Soybeans	**806 000**	785 800	705 000	1 245 500	14,33
Groundnuts	**40 050**	38 000	37 500	50 080	6,80
Sorghum	**43 300**	44 300	42 500	155 560	1,88
Dry beans	**51 650**	54 650	50 150	64 800	2,99
TOTAL	**4 190 800**	4 149 250	3 946 250	17 710 030	6,20

Note: Estimate is for calendar year, e.g. production season 2019/20 = 2020

1) As mid October 2020

- **Commercial maize**: The preliminary area estimate for maize is 2,776 million ha, which is 6,35% or 165 700 ha more than the 2,611 million ha planted for the previous season, and also 1,11% or 30 500 ha more than the intentions to plant figure of 2,746 million ha released in October 2020.
- The preliminary area estimate for **white maize** is 1,702 million ha, which represents an increase of 5,27% or 85 200 ha compared to the 1,616 million ha planted last season. In the case of **yellow maize** the area estimate is 1,075 million ha, which is 8,09% or 80 500 ha more than the 994 500 ha planted last season.
- The preliminary area estimate for **sunflower seed** is 473 300 ha, which is 5,40% or 27 000 ha less than the 500 300 ha planted the previous season.
- It is estimated that 806 000 ha have been planted to **soybeans**, which represents an increase of 14,33% or 101 000 ha compared to the 705 000 ha planted last season. This is the highest area planted to soybeans in the history of SA.
- 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 area estimate for **sorghum** increased slightly by 1,88% or 800 ha, from 42 500 ha to 43 300 ha against the previous season.
- For **dry beans**, the area estimate is 51 650 ha, which is 2,99% or 1 500 ha more than the 50 150 ha planted for the previous season.

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

2.2 Winter cereal crops – 2019

The area planted and sixth production forecast of winter cereals for the 2020 production season was also released by the CEC on 28 January 2021, and is as follows:

Table 3: Commercial winter crops: Area planted and 6th production forecast - 2020 season

CROP	**Area planted 2020 Ha (A)**	**6th forecast 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**	**52 400**	21 000	16 500	217,58
Total	**751 810**	**2 918 302**	766 960	1 991 500	46,54

- The expected production of **wheat** is 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 52 400 tons, which is 217,58% or 35 900 tons more than the previous seasons' crop of 47 400 tons. The expected yield is 2,00 t/ha.

Please note that the area planted and final production estimate of winter cereals for 2020 will be released on 25 February 2021.

2.3 Non-commercial maize

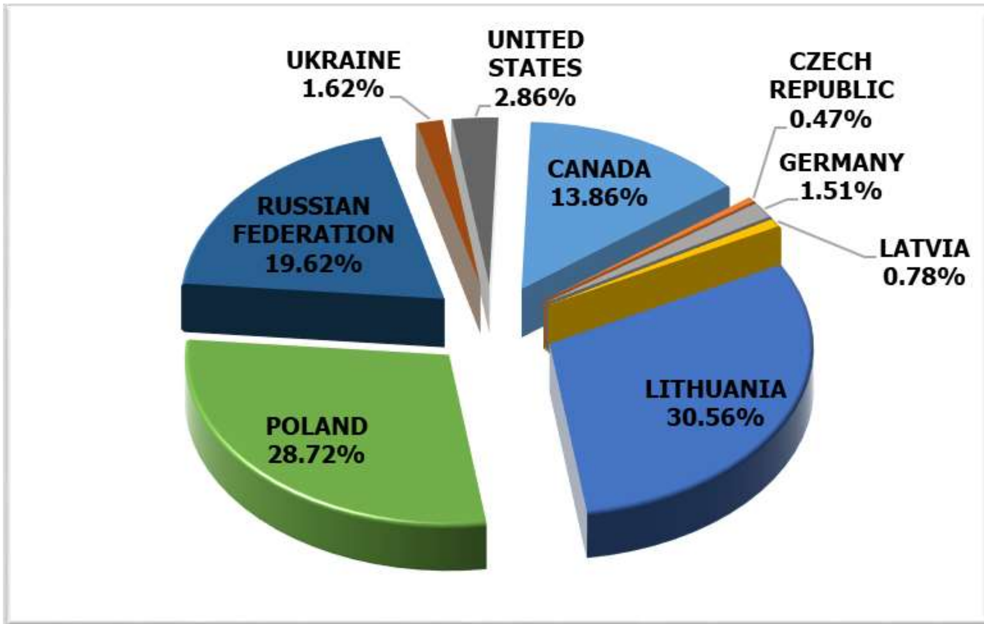
Please nothe that the CEC will release the preliminary area planted and production estimate of the non-commercial maize sector for the 2021 season on 27 May 2021.

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 JAN21 Annexure A.

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

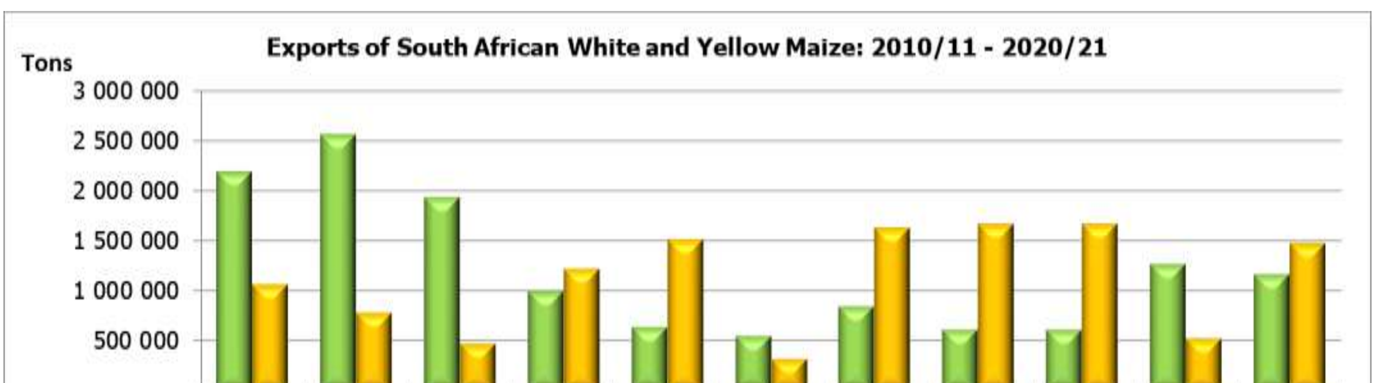
Graph 1: Major countries of wheat imports to South Africa: 2020/21 marketing year



- The progressive wheat imports (human consumption) for the 2020/21 marketing year (26 September 2020 to 29 January 2021) amount to 452 853 tons, with 30,56% or 138 386 tons from Lithuania, followed by 28,72% or 130 042 tons from the Poland, 19,62% or 88 828 tons from Russian Federation, 13,86% or 62 772 tons imported from Canada, 2,86% or 12 972 tons from United States, 1,62% or 7 341 tons from Ukraine, 1,51% or 6 835 tons from Germany, 0,78% or 3 532 tons from Latvia and 0,47% or 2 145 tons from the Czech Republic. The exports of wheat (human consumption) for the above-mentioned period amount to 13 525 tons, of which 61,23% or 8 281 tons went to BLNS countries (Botswana, Lesotho, Namibia and Eswatini (Swaziland)), 22,83% or 3 088 tons to Zimbabwe and only 15,94% or 2 156 tons went to Zambia.

3.2 Exports of white and yellow maize

Graph 2: Exports of South African white and yellow maize for the 2010/11 to 2020/21 marketing year

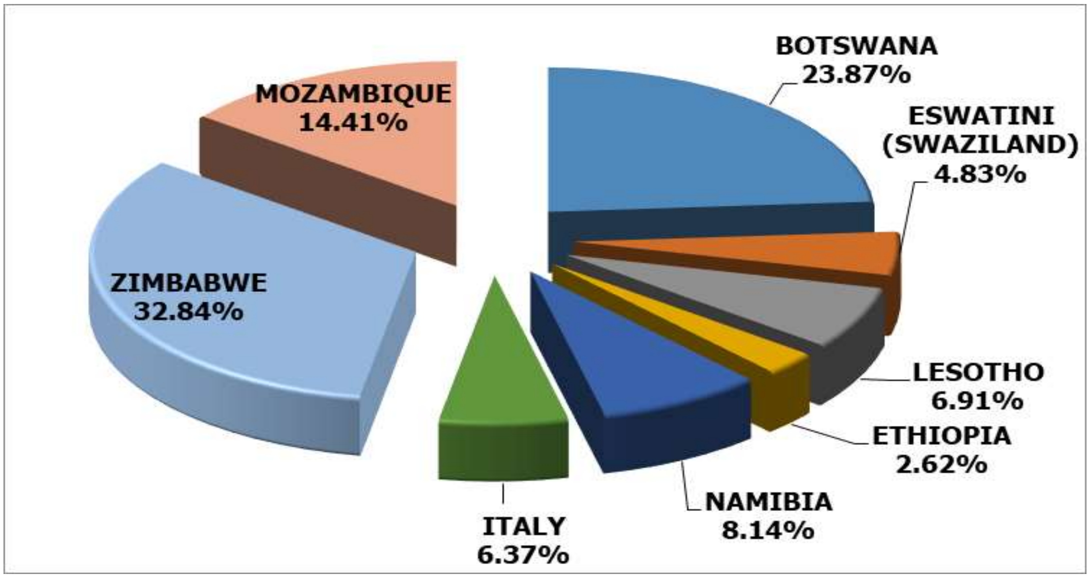


	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*
White maize	2 194 000	2 575 000	1 946 000	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 165 000
Yellow maize	1 068 000	781 000	478 000	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 475 000

*Projection

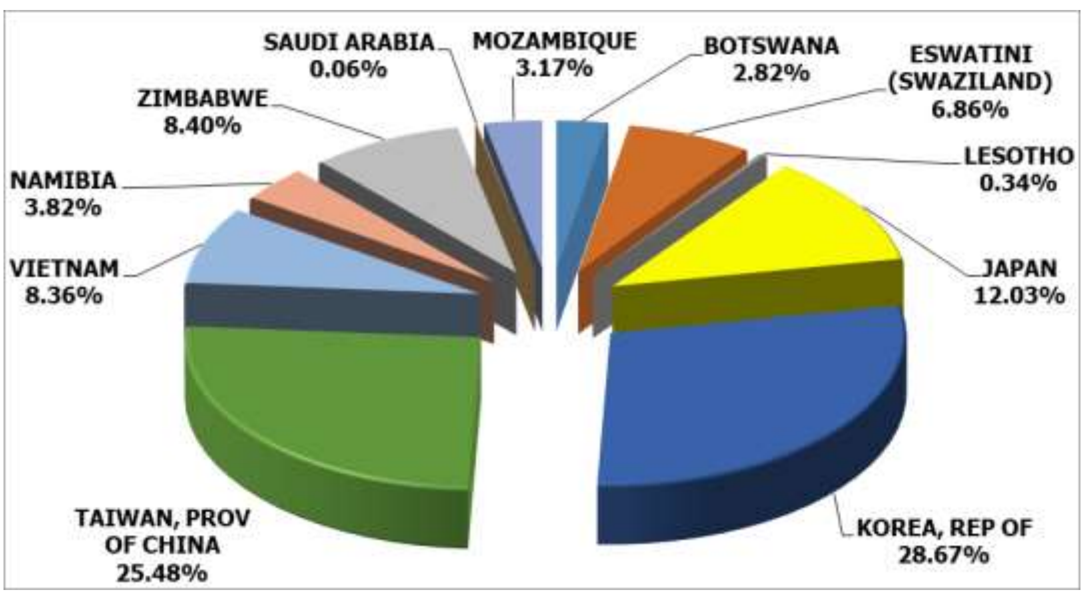
- The exports of white maize for the 2020/21 marketing year are projected at 1,165 million tons, which represents a decrease of 8,66% or 110 446 tons compared to the 1,275 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 1,475 million tons, which represents an increase of 176,15% or 940 873 tons compared to the 534 127 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 29 January 2021, progressive white maize exports for the 2020/21 marketing year amount to 763 020 tons, with the main destinations being Zimbabwe (32,84% or 250 607 tons), followed by Botswana (23,87% or 182 167 tons), Mozambique (14,41% or 109 968 tons), Namibia (8,14% or 62 074 tons), Italy (6,37% or 48 616 tons), Lesotho (6,91% or 52 758 tons), Eswathini (Swaziland) (4,83% or 36 816 tons) and Ethiopia (2,62% 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 29 January 2021, progressive yellow maize exports for the 2020/21 marketing year amount to 1,268 million tons, with the main destinations being Korea, Republic of (28,67% or 363 625 tons), followed by Taiwan, Province of China (25,48% or 323 189 tons), Japan (12,03% or 152 610 tons), Vietnam (8,36% or 106 068 tons), Zimbabwe (8,40% or 106 536 tons), Eswathini (Swaziland) (6,86% or 86 971 tons), Namibia (3,82% or 48 498 tons), Mozambique (3,17% or 40 249 tons), Botswana (2,82% or 35 714 tons), Lesotho (0,34% or 4 273 tons) and Saudi Arabia (0,06% or 780 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 3,1% in December 2020, down from 3,2% in November 2020. The consumer price index increased by 0,2% month-on-month in December 2020.
- The main contributors to the 3,1% annual inflation rate were as follows
    - Food and non-alcoholic beverages increased by 6,0% year-on-year, and contributed 1,0% to the total CPI annual rate of 3,1%;
    - Housing and utilities increased by 2,7% year-on-year, and contributed 0,7%; and
    - Miscellaneous goods and services increased by 7,0% year-on-year, and contributed 1,1%.
- The annual inflation rates for goods and for services were 2,6% and 3,7% respectively.
- Provincial annual inflation rates ranged from 2,8% in Gauteng to 3,7% in Western Cape.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 3,0% in December 2020, unchanged from 3,0% in November 2020. The producer price index increased by 0,2% month-on-month in December 2020.
- The main contributors to the headline PPI annual inflation rate were as follows:
    - Food products, beverages and tobacco products increased by 5,7% year-on-year and contributed 1,9%; and
    - Transport equipment increased by 7,0% year-on-year and contributed 0,7%.
- The main contributor to the headline PPI monthly increase was food products, beverages and tobacco products, which increased by 0,5% month-on-month and contributed 0,2%.
- The annual percentage change in the PPI for intermediate manufactured goods was 6,8% in December 2020 (compared with 4,1% in November 2020). The index increased by 0,9% month-on-month. The main contributors to the annual rate were basic and fabricated metals (5,5%), as well as recycling and manufacturing n.e.c. (1,0%). The main contributor to the monthly rate was chemicals, rubber and plastic products (0,7%).
- The annual percentage change in the PPI for electricity and water was 8,2% in December 2020 (compared with 7,7% in November 2020). The index decreased by 0,4% month-on-month. Electricity contributed 7,2% to the annual rate, and water contributed 1,1%). Electricity contributed -0,4% to the monthly rate.
- The annual percentage change in the PPI for mining was 25,3% in December 2020 (compared with 24,5% in November 2020). The index increased by 1,8% month-on-month. The main contributors to the annual rate were non-ferrous metal ores (14,8%) and gold and other metal ores (8,9%). The main contributor to the monthly rate was coal and gas (1,7%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 9,1% in December 2020 (compared with 12% in November 2020). The index decreased by 0,1% month-on-month. The main contributor to the annual rate was agriculture (9,5%). The main contributor to the monthly rate was fishing (-0,3%).

4.3 Future contract prices

Table 4: Closing prices on Thursday, 4 February 2021

	4 February 2021	4 January 2021	% Change
RSA White Maize per ton (Feb. 2021 contract)	R3 347,00	R3 418,00	-2,08
RSA Yellow Maize per ton (Feb. 2021 contract)	R3 466,00	R3 401,00	1,91
RSA Wheat per ton (Feb. 2021 contract)	R5 167,00	R4 912,00	5,19
RSA Sunflower seed per ton (Feb. 2021 contract)	R9 380,00	R8 764,00	7,03
RSA Soya-beans per ton (Feb. 2021 contract)	R9 900,00	R8 650,00	14,45
Exchange rate R/$	R14,94	R14,54	2,75

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- December 2020 tractor sales of 432 units were significantly more (24%) than the 349 units sold in December 2019. On the full calendar year basis tractor sales were almost 9% more than for the 2019 calendar year. In December 2020 there were three combine harvester sales, the same as in December 2019. For the full calendar year combine harvester sales were 25,0% up on the previous year.
- Market sentiment continues to be very positive. Good crops, in general, good commodity prices and favourable rainfall in most areas are contributing to this. Underlying economic factors, highlighted in the Agribusiness Confidence Index, are also contributing to this positive market sentiment. 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 December 2020	Year-on-year December 2019	Percentage Change %	Year-to-date December 2020	Year-to-date December 2019	Percentage Change %
Tractors	432	349	23,78	5 738	5 269	8,90
Combine harvesters	3	3	0,00	185	148	25,00

Source: SAAMA press release, January 2021

PLEASE NOTE: The Food Security Bulletin for February 2021 will be released on **5 March 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