MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: JULY 2021

Issued: 5 August 2021

Directorate: Statistics and Economic Analysis

Highlights:

- **During July, significant rainfall events were limited to the winter rainfall areas, as well as the southern coastal areas.**
- **The projected closing stocks of wheat for the current 2020/21 marketing year are 537 208 tons, which includes imports of 1,580 million tons. It is also 47,2% more than the previous years' ending stocks.**
- **The preliminary area estimate for wheat is 516 000 ha, which is 1,2% more than the 509 800 ha planted for the previous season.**
- **The expected commercial maize crop is 16,431 million tons, which is 7,4% more than the previous season.**
- **Projected closing stocks of maize for the current 2021/22 marketing year are 3,372 million tons, which is 59,3% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2021/22 marketing year are 89 365 tons, which is 72,5% more than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2021/22 marketing year are 47 604 tons, which is 21,9% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2021/22 marketing year are 330 603 tons, which is 617,9% more than the previous years' ending stocks.**
- **The annual percentage change in the CPI was lower at 4,9% in June 2021.**
- **The annual percentage change in the PPI for final manufactured goods was higher at 7,7% in June 2021.**
- **July 2021 tractor sales of 549 units were almost 17% more than the 470 units sold in July 2020.**

agriculture, land reform & rural development

Department: Agriculture, Land Reform and Rural Development

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1. Weather conditions

1.1 Rainfall for July 2021

During July, significant rainfall events were limited to the winter rainfall areas, as well as the southern coastal areas (**Figure 1**). Comparing rainfall totals to the long term average for July, the winter rainfall areas received normal rainfall with isolated areas of above-normal rainfall along the south coast (**Figure 2**). The remainder of the country received below-normal rainfall. (Source: Directorate: Climate Change and Disaster Management at Department: Agriculture, Land Reform and Rural Development)

Figure 1: Rainfall (mm) for July 2021

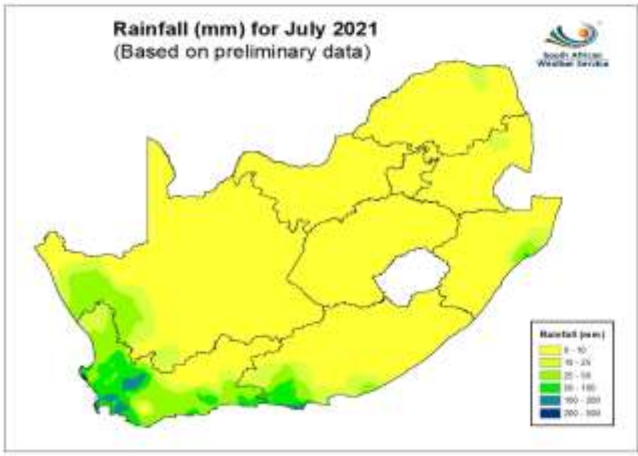
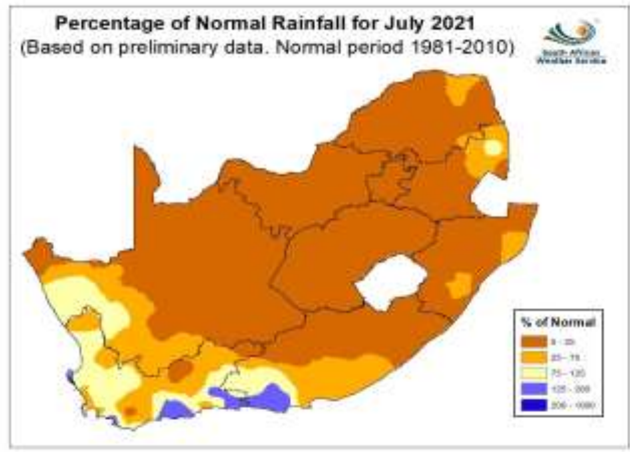


Figure 2: Percentage rainfall for July 2021



1.2 Level of dams

Available information on the level of South Africa's dams on 2 August 2021 indicates that the country has approximately 82% of its full supply capacity (FSC) available, which is 14% more than the corresponding period in 2020. The dam levels in the Limpopo (18%), Western Cape (16%), Free State (14%), Mpumalanga (12%), North West (11%) and KwaZulu-Natal (10%) provinces, all show improvements in the full supply capacity as compared to 2020. Gauteng and the Northern Cape provinces show decreases of 3% and 1%, respectively in the full supply capacity as compared to 2020. The Eastern Cape show no change 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, 2 August 2021

Province	Net FSC million cubic meters	**02/08/2021 (%)**	Last Year (2020) (%)	% Increase/Decrease 2021 vs. 2020
Eastern Cape	1 824	51	51	-
Free State	15 657	94	80	14,0
Gauteng	128	97	100	-3,0
KwaZulu-Natal	4 912	69	59	10,0
Lesotho	2 363	55	22	33,0
Limpopo	1 480	83	65	18,0
Mpumalanga	2 539	83	71	12,0
North West	867	80	69	11,0
Northern Cape	147	89	90	-1,0
Swaziland	334	99	73	26,0
Western Cape	1 866	77	61	16,0
Total	**32 117**	**82**	**68**	**14,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2021

The area planted and sixth production forecast of summer grains for the 2021 season was released by the Crop Estimates Committee (CEC) on 28 July 2021, and is as follows:

Table 2: Commercial summer crops: Area planted and 6th production forecast - 2021 season

CROP	**Area planted 2021 Ha (A)**	**6th forecast 2021 Tons (B)**	Area planted 2020 Ha (C)	Final estimate 2020 Tons (D)	Change 2021 vs 2020 % (B) ÷ (D)
Commercial:					
White maize	**1 691 900**	**8 936 815**	1 616 300	8 547 500	4,55
Yellow maize	**1 063 500**	**7 494 300**	994 500	6 752 500	10,99
Total Maize	**2 755 400**	**16 431 115**	2 610 800	15 300 000	7,39
Sunflower seed	**477 800**	**677 240**	500 300	788 500	-14,11
Soybeans	**827 100**	**1 918 150**	705 000	1 245 500	54,01
Groundnuts	**38 550**	**58 900**	37 500	50 080	17,61
Sorghum	**49 200**	**203 980**	42 500	158 000	29,10
Dry beans	**47 390**	**56 577**	50 150	64 800	-12,69
TOTAL	**4 195 440**	**19 345 962**	3 946 250	17 606 880	9,88

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

- The size of the expected commercial maize crop has been set at 16 431 115 tons, which is 7,39% or 1 131 115 tons more than the previous season of 15 300 000 tons. The area estimate for maize is 2 755 400 ha, while the expected yield is 5,96 t/ha.
- The three main maize producing areas, namely the Free State, Mpumalanga and North West provinces is expected to produce 84% of the 2021 crop.
- The area estimate for white maize is 1,691 900 ha and for yellow maize the area estimate is 1 063 500 ha.
- The production forecast of white maize is 8 936 815 tons, which is 4,55% or 389 315 tons more than the 8 547 500 tons of last season. The yield for white maize is 5,28 t/ha. In the case of yellow maize the production forecast is 7 494 300 tons, which is 10,99% or 741 800 tons more than the 6 752 500 tons of the previous season. The yield for yellow maize is 7,05 t/ha.
- The production forecast for sunflower seed is 677 240 tons, which is 14,11% or 111 260 tons less than the 788 500 tons of the previous season. The area estimate for sunflower seed is 477 800 ha, while the expected yield is 1,42 t/ha.
- The production forecast for soybeans is 1 918 150 tons, which is 54,01% or 672 650 tons more than the 1 245 500 tons of the previous season. The estimated area planted to soybeans is 827 100 ha and the expected yield is 2,32 t/ha.
- The expected groundnut crop is 58 900 tons – which is 17,61% or 8 820 tons more than the 50 080 tons of last season. For groundnuts, the area estimate is 38 550 ha, with an expected yield of 1,53 t/ha.
- The production forecast for sorghum increased by 29,10% or 45 980 tons, from 158 000 tons to 203 980 tons. The area estimate for sorghum is 49 200 ha and the expected yield is 4,15 t/ha.
- In the case of dry beans, the production forecast is 56 577 tons, which is 12,69% or 8 223 tons less than the 64 800 tons of the previous season. The area estimate of dry beans is 47 390 ha, with an expected yield of 1,19 t/ha.

Please note that the seventh production forecast for summer field crops for 2021 will be released on 26 August 2021.

2.2 Winter cereal crops – 2021

The preliminary area estimate for winter cereals for the 2021 production season was also released by the CEC on 28 July 2021, and is as follows:

Table 3: Commercial winter crops: Preliminary area planted estimate: 2021 season

CROP	**Area planted 2021 Ha (A)**	Intentions* Mid April 2021 Ha (B)	Area planted 2020 Ha (C)	Final crop 2020 Tons (D)	Change % (A) ÷ (C)
Commercial:					
Wheat	**516 000**	512 500	509 800	2 120 000	1,22
Malting barley	**100 530**	95 000	141 690	588 000	-29,05
Canola	**96 000**	95 000	74 120	165 200	29,52
Cereal oats	**30 350**	34 500	26 200	57 000	15,84
Sweet lupines	**22 300**	20 000	N/a	N/a	23,20

* Intentions based on conditions at the middle of April 2021

- The preliminary area estimate for **wheat** is 516 000 ha, which is 1,22% or 6 200 ha more than the 509 800 ha planted for the previous season. An estimated 355 000 ha is planted in the Western Cape, which is 29 000 ha more than the 326 000 ha planted for the previous season. In the Free State, 71 500 ha is planted, which is 22 500 ha less than the 94 000 ha planted for the previous season. The area planted in the Northern Cape is 35 500 ha, which is 1 500 ha less than the previous season.
- The preliminary area estimate for **malting barley** is 100 530 ha, which is 29,05% or 41 160 ha less than the 141 690 ha of last season. The area planted to **canola** is 96 000 ha, which is 29,52% or 21 880 ha more than the 74 120 ha planted for the previous season.
- The preliminary area estimate for **oats** for the 2021 season is 30 350 ha and for sweet lupines 22 300 ha.

Please note that the revised area planted estimate and first production forecast for winter cereals for 2021 will be released on 26 August 2021.

2.3 Non-commercial maize

The CEC released the area planted and production estimate of the non-commercial maize sector for the 2021 season on 28 July 2021.

Table 4: Non-commercial maize – Area planted and production estimate: 2021

CROP	**Area planted 2021 Ha (A)**	**Production 2021 Tons (B)**	Area planted 2020 Ha (C)	Final crop 2020 Tons (D)	Change % (B) ÷ (D)
Non-commercial agriculture:					
White maize	**276 100**	**445 335**	221 945	375 295	18,66
Yellow maize	**86 800**	**191 105**	75 515	168 250	13,58
Maize	**362 900**	**636 440**	297 460	543 545	17,09

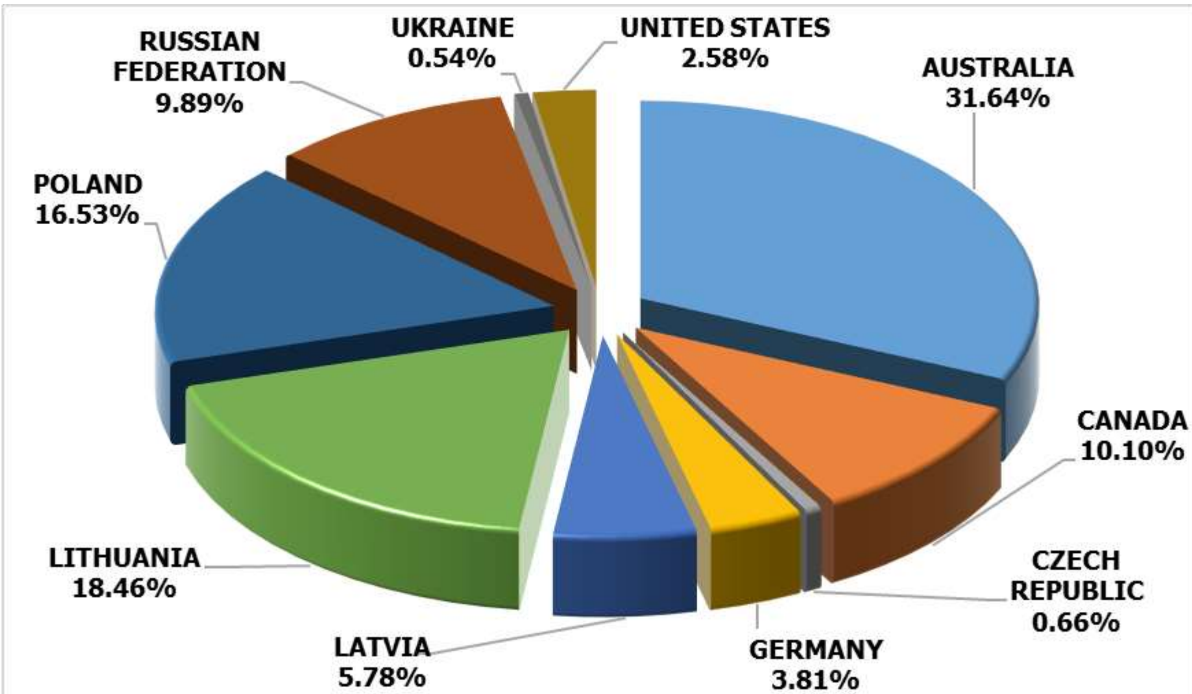
- The preliminary area planted to maize in the non-commercial agricultural sector is estimated at 362 900 ha, which represents an increase of 22,00%, compared to the 297 460 ha of the previous season. The expected maize crop for this sector is 636 440 tons, which is 17,09% more than the 543 545 tons of last season. It is important to note that about 53% of the maize produced in the non-commercial sector, is planted in the Eastern Cape, followed by KwaZulu-Natal with 23%.

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 JULY21 Annexure A.

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

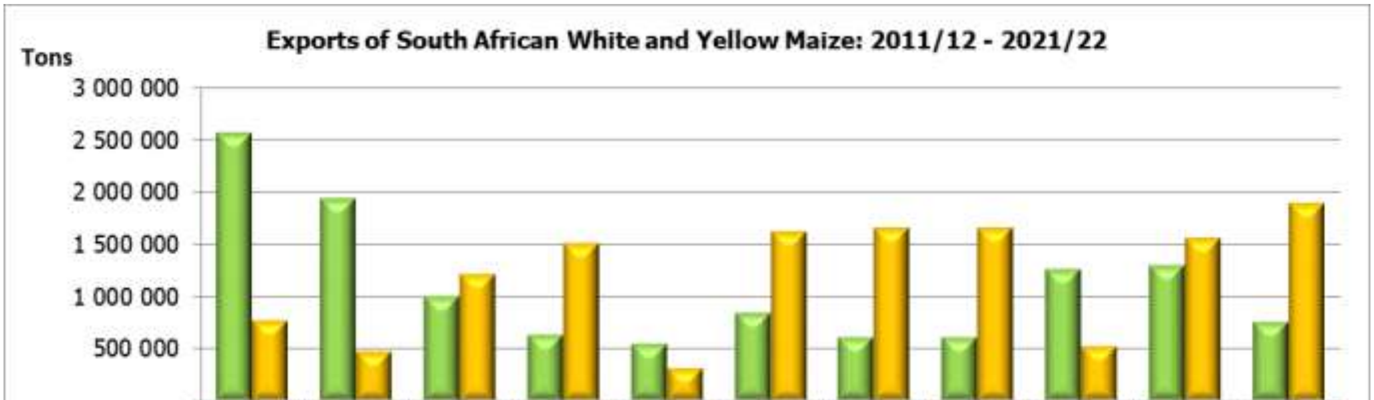
Graph 1: Major countries of wheat imports to South Africa: 2020/21 marketing year



- The progressive wheat imports (human consumption) for the 2020/21 marketing year (26 September 2020 to 23 July 2021) amount to 1,350 million tons, with 31,64% or 427 013 tons from Australia, followed by 18,46% or 249 153 tons from the Lithuania, 16,53% or 223 044 tons from Poland, 10,10% or 136 338 tons from Canada, 9,89% or 133 446 tons imported from Russian Federation, 5,78% or 77 997 tons from Latvia, 3,81% or 51 461 tons from Germany, 2,58% or 34 757 tons from United States, 0,66% or 8 965 tons from the Czech Republic and 0,54% or 7 341 tons from Ukraine. The exports of wheat (human consumption) for the above-mentioned period amount to 77 533 tons, of which 61,21% or 47 457 tons went to BLNS countries (Botswana, Lesotho, Namibia and Eswatini (Swaziland)), 31,46% or 24 393 tons to Zambia, 6,03% or 4 673 tons to Zimbabwe and only 1,30% 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 2011/12 to 2021/22 marketing year

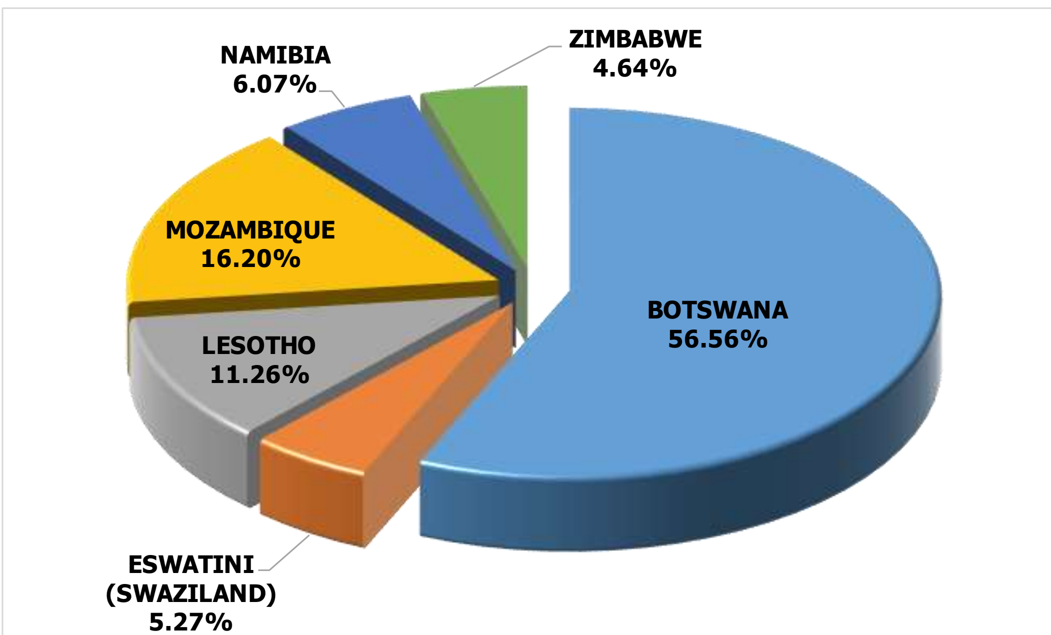


	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*	2021/22*
White maize	2 575 000	1 946 000	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 304 475	770 000
Yellow maize	781 000	478 000	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 563 315	1 895 000

*Projection

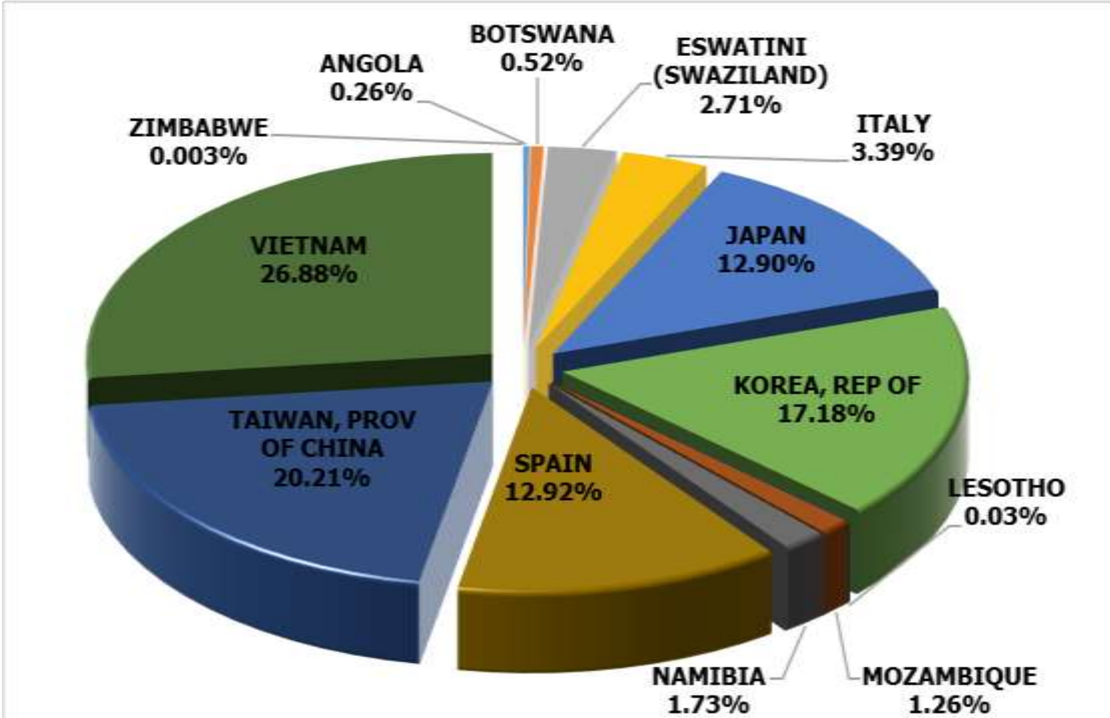
- The exports of white maize for the 2021/22 marketing year are projected at 770 000 tons, which represents a decrease of 40,97% or 534 475 tons compared to the 1,304 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 1,895 million tons, which represents an increase of 21,22% or 331 685 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 to 23 July 2021, progressive white maize exports for the 2021/22 marketing year amount to 99 453 tons, with the main destinations being Botswana (56,56% or 56 255 tons), followed by Mozambique (16,20% or 16 113 tons), Lesotho (11,26% or 11 199 tons), Namibia (6,07% or 6 032 tons), Eswathini (Swaziland) (5,27% or 5 238 tons) and Zimbabwe (4,64% or 4 616 tons). The imports of white maize for the mentioned period amount to 2 529 tons, all from Zambia.

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



- From 1 May to 23 July 2021, progressive yellow maize exports for the 2021/22 marketing year amount to 800 203 tons, with the main destinations being Vietnam (26,88% or 215 058 tons), followed by Taiwan (20,21% or 161 700 tons), Korea, Republic of (17,18% or 137 500 tons), Spain (12,92% or 103 410 tons), Japan (12,90% or 103240), Italy (3,39% or 27 170 tons), Eswathini (Swaziland) (2,71% or 21 711 tons), Namibia (1,73% or 13 816 tons), Mozambique (1,26% or 10 061 tons), Botswana (0,52% or 4 175 tons), Angola (0,26% or 2 098 tons), Lesotho (0,03% or 257 tons) and Zimbabwe (0,003% 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 4,9% in June 2021, down from 5,2% in May 2021. The consumer price index increased by 0,2% month-on-month in June 2021.
- The main contributors to the 4,9% annual inflation rate were as follows:
    - Food and non-alcoholic beverages increased by 6,7% year-on-year, and contributed 1,2% to the total CPI annual rate of 4,9%;
    - Housing and utilities increased by 2,6% year-on-year, and contributed 0,6%;
    - Transport increased by 12,3% year-on-year, and contributed 1,7%; and
    - Miscellaneous goods and services increased by 4,1% year-on-year, and contributed 0,7%.
- In June the annual inflation rate for goods was 7,1%, down from 8,0% in May; and for services it was 2,9%, up from 2,7% in May.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 7,7% in June 2021, up from 7,4% in May 2021. The producer price index increased by 0,8% month-on-month in June 2021.
- The main contributors to the headline PPI annual inflation rate were:
    - Coke, petroleum, chemical, rubber and plastic products increased by 15% year-on-year and contributed 2,9%;
    - Food products, beverages and tobacco products increased by 6,3% year-on-year and contributed 2,3%; and

- Metals, machinery, equipment and computing equipment increased by 8,4% year-on-year and contributed 1,2%.

- The main contributors to the headline PPI monthly increase were transport equipment, which increased by 3,2% month-on-month and contributed 0,3%; metals, machinery, equipment and computing equipment, which increased by 1,6% month-on-month and contributed 0,2%; and coke, petroleum, chemical, rubber and plastic products, which increased by 0,7% month-on-month and contributed 0,2%.
- The annual percentage change in the PPI for intermediate manufactured goods was 16,4% in June 2021 (compared with 15,2% in May 2021). The index increased by 1,1% month-on-month. The main contributors to the annual rate were basic and fabricated metals (7,8%) and chemicals, rubber and plastic products (7,1%). The main contributor to the monthly rate was basic and fabricated metals (1,1%).
- The annual percentage change in the PPI for electricity and water was 10,5% in June 2021 (compared with 8,9% in May 2021). The index increased by 34,3% month-on-month. Electricity contributed 9,8% to the annual rate, and water contributed 0,6%. Electricity contributed 34,3% to the monthly rate.
- The annual percentage change in the PPI for mining was 20,6% in June 2021 (compared with 21,7% in May 2021). The index decreased by 1,4% month-on-month. The main contributors to the annual rate were non-ferrous metal ores (13,4%), gold and other metal ores (3,3%) and coal and gas (2,5%). The main contributor to the monthly rate was non-ferrous metal ores (-1,7%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 13,3% in June 2021 (compared with 9,4% in May 2021). The index increased by 2,7% month-on-month. The main contributor to the annual rate was agriculture (14,6%). The main contributor to the monthly rate was agriculture (2,5%).

4.3 Future contract prices

Table 5: Closing prices on Thursday, 5 August 2021

	5 August 2021	5 July 2021	% Change
RSA White Maize per ton (Aug. 2021 contract)	R3 177,00	R3 266,00	-2,72
RSA Yellow Maize per ton (Aug. 2021contract)	R3 325,00	R3 425,00	-2,92
RSA Wheat per ton (Aug. 2021contract)	R5 212,00	R5 110,00	2,00
RSA Sunflower seed per ton (Aug. 2021 contract)	R9 159,00	R8 580,00	6,75
RSA Soya-beans per ton (Aug. 2021 contract)	R7 282,00	R7 470,00	-2,52
Exchange rate R/$	R14,35	R14,24	0,77

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- July 2021 tractor sales of 549 units were almost 17% more than the 470 units sold in July 2020. Year-to-date tractor sales are now almost 26% up on last year. Eight combine harvesters were sold in July 2021, three units less than the eleven units sold in July 2020. On a year-to-date basis combine harvester sales are now almost 27% up on last year.
- Most of the summer crop harvesting has now been completed and farmers are planning ahead for the forthcoming summer crop season. Winter crop prospects still look encouraging. Many farmers have taken the opportunity of good crops and good commodity prices to replace ageing equipment and this is likely to continue for the rest of the year. Forecasts for the remainder of the year indicate that tractor sales for the 2021 calendar will be between 15 and 20% up on last year.

Table 6: Agricultural machinery sales

	Year-on-year		Percentage	Year-to-date		Percentage
	July		Change	July		Change
Equipment class	**2021**	**2020**	**%**	**2021**	**2020**	**%**
Tractors	549	470	16,81	3 934	3 129	25,73
Combine harvesters	8	11	-27,27	162	128	26,56

Source: SAAMA press release, August 2021

PLEASE NOTE: The Food Security Bulletin for August 2021 will be released on **7 September 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