MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA JULY 2022

Issued: 5 August 2022

Directorate: Statistics and Economic Analysis

Highlights:

- **During July 2022, significant rainfall was limited to the southern and western parts of the Western Cape Province and the northern parts of the Eastern Cape Province.**
- **The preliminary area estimate for wheat is 553 900 ha, which is 5,8% or more than the 523 500 ha planted for the previous season.**
- **The projected closing stocks of wheat for the current 2021/22 marketing year are 554 304 tons, which includes imports of 1,475 million tons. It is also 18,6% more than the previous years' ending stocks.**
- **The expected commercial maize crop for 2022 is 14,714 million tons, which is 9,8% less than the previous season (2021).**
- **Projected closing stocks of maize for the current 2022/23 marketing year are 1,650 million tons, which is 22,3% less than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2022/23 marketing year are 91 202 tons, which is 14,1% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2022/23 marketing year are 102 520 tons, which is 222,5% more than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2022/23 marketing year are 376 837 tons, which is 123,8% more than the previous years' ending stocks.**
- **The annual percentage change in the CPI was higher at 7,4% in June 2022. This is the highest rate since May 2009 when the rate was 8,0%.**
- **The annual percentage change in the PPI for final manufactured goods was higher at 16,2% in June 2022.**
- **June 2022 tractor sales of 824 units were significantly more (26%) than the 652 units sold in June 2021.**

agriculture, land reform & rural development

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1. Weather conditions

1.1 Rainfall for July 2022

During July 2022, significant rainfall was limited to the southern and western parts of the Western Cape Province and the northern parts of the Eastern Cape Province (**Figure 1**). Comparing rainfall totals to the long-term average for July 2022, rainfall received was below-normal over most parts of the country with above-normal rainfall limited to only the southern parts of Limpopo, isolated areas of North West, the western parts of Mpumalanga, the northern parts of Eastern Cape and the central parts of the Free State Province (**Figure 2**). (Source: Directorate: Climate Change and Disaster Management at Department: Agriculture, Land Reform and Rural Development)

Figure 1: Rainfall (mm) for July 2022

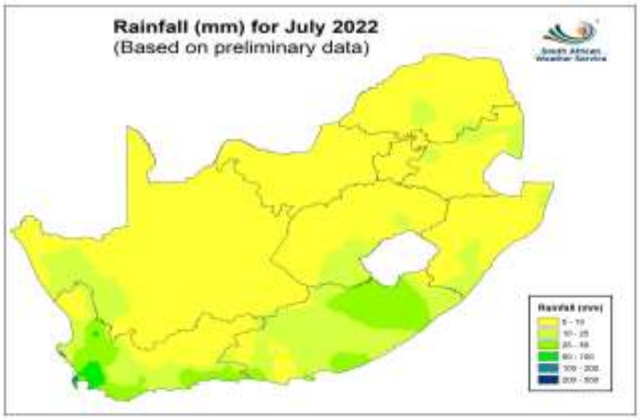
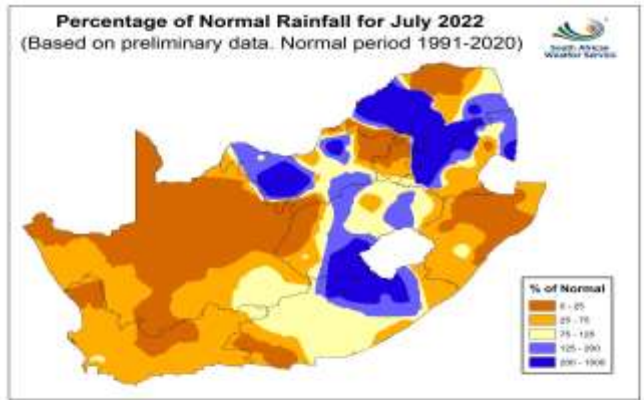


Figure 2: Percentage rainfall for July 2022



1.2 Level of dams

Available information on the level of South Africa's dams on 2 August 2022 indicates that the country has approximately 93% of its full supply capacity (FSC) available, which is 11% more than the corresponding period in 2021. The dam levels in KwaZulu-Natal (20%), Eastern Cape (17%), Mpumalanga (12%), Northern Cape (12%), Free State (6%), Limpopo (5%), and Gauteng (4%) provinces, all show improvements in the full supply capacity as compared to 2021. However, the Western Cape Province show a 13% decrease in the full supply capacity as compared to 2021 and the North West Province show no change 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, 2 August 2022

Province	Net FSC million cubic meters	**02/08/2022 (%)**	Last Year (2021) (%)	% Increase/Decrease 2022 vs. 2021
Eastern Cape	1 729	70	53	17,0
Free State	15 657	100	94	6,0
Gauteng	128	101	97	4,0
KwaZulu-Natal	4 912	89	69	20,0
Lesotho	2 363	93	55	38,0
Limpopo	1 480	88	83	5,0
Mpumalanga	2 539	95	83	12,0
North West	867	80	80	-
Northern Cape	146	105	93	12,0
Swaziland	334	100	99	1,0
Western Cape	1 866	64	77	-13,0
Total	**32 021**	**93**	**82**	**11,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2022

The area planted and sixth production forecast of summer grains for the 2022 season was released by the Crop Estimates Committee (CEC) on 27 July 2022, and is as follows:

Table 2: Commercial summer crops: Area planted and sixth production forecast - 2022 season

CROP	**Area planted** **2022** **Ha** **(A)**	**6th forecast** **2022** **Tons** **(B)**	Area planted 2021 Ha (C)	Final crop 2021 Tons (D)	Change % (B) ÷ (D)
Commercial:					
White maize	**1 575 000**	**7 470 400**	1 691 900	8 600 000	-13,13
Yellow maize	**1 048 000**	**7 243 400**	1 063 500	7 715 000	-6,11
Total Maize	**2 623 000**	**14 713 800**	2 755 400	16 315 000	-9,81
Sunflower seed	**670 700**	**922 750**	477 800	678 000	36,10
Soybeans	**925 300**	**2 151 350**	827 100	1 897 000	13,41
Groundnuts	**43 400**	**49 000**	38 550	64 300	-23,79
Sorghum	**37 200**	**136 200**	49 200	215 000	-36,65
Dry beans	**42 900**	**51 720**	47 390	57 672	-10,32
TOTAL	**4 342 500**	**18 024 820**	4 195 440	19 226 972	-6,25

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

- The size of the expected **commercial maize crop** has been set at 14 713 800 tons, which is 9,81% or 1 601 200 tons less than the previous season of 16 315 000 tons. The area estimate for maize is 2 623 000 ha, while the expected yield is 5,61 t/ha.
- The three main maize producing areas, namely the Free State, Mpumalanga and North West provinces are expected to produce 82% of the 2022 crop.
- The area estimate for white maize is 1 575 000 ha and for yellow maize the area estimate is 1 048 000 ha.
- The production forecast of **white maize** is 7 470 400 tons, which is 13,13% or 1 129 600 tons less than the 8 600 000 tons of the previous season. The yield for white maize is 4,74 t/ha. In the case of **yellow maize** the production forecast is 7 243 400 tons, which is 6,11% or 471 600 tons less than the 7 715 000 tons of the previous season. The yield for yellow maize is 6,91 t/ha.
- The production forecast for **sunflower seed** is 922 750 tons, which is 36,10% or 244 750 tons more than the previous season's crop of 678 000 tons. The area estimate for sunflower seed is 670 700 ha, while the expected yield is 1,38 t/ha.
- The production forecast for **soybeans** is 2 151 350 tons, which is 13,41% or 254 350 tons more than the 1 897 000 tons of the previous season. The estimated area planted to soybeans is 925 300 ha and the expected yield is 2,33 t/ha.
- The expected **groundnut** crop has been set at 49 000 tons, which is 23,79% or 15 300 tons less than the previous season of 64 300 tons. For groundnuts, the area estimate is 43 400 ha, with an expected yield of 1,13 t/ha.
- The production forecast for **sorghum** is 136 200 tons, which is 36,65% or 78 800 tons less than the 215 000 tons of the previous season. The area estimate for sorghum is 37 200 ha and the expected yield is 3,66 t/ha.
- The production forecast for **dry beans** is 51 720 tons, which is 10,32% or 5 952 tons less than the 57 672 tons of the previous season. The area estimate of dry beans is 42 900 ha, with an expected yield of 1,21 t/ha.

Please note that the seventh production forecast for summer field crops for 2022 will be released on 30 August 2022.

2.2 Winter cereal crops - 2022

The preliminary area estimate for winter crops for the 2022 production season was released by the CEC on 27 July 2022, and is as follows:

Table 3: Commercial winter crops: Preliminary area planted estimate - 2022 season

CROP	**Area planted 2021 Ha (A)**	Intentions* 2022 Ha (B)	Area planted 2021 Ha (C)	Final estimate 2021 Tons (D)	Change % (A) ÷ (C)
Wheat	**553 900**	538 350	523 500	2 285 000	5,81
Malting barley	**106 600**	109 100	94 730	334 000	12,53
Canola	**121 200**	120 000	100 000	198 100	21,20
Cereal oats	**30 150**	29 150	36 250	59 000	-16,83
Sweet lupines	**30 000**	25 000	22 000	28 600	36,36
TOTAL	**841 850**	821 600	776 480	2 904 700	8,42

*Based on conditions at mid-April 2022.

- The preliminary area estimate for **wheat** is 553 900 ha, which is 5,81% or 30 400 ha more than the 523 500 ha planted for the previous season.
- The main producing areas are within the Western Cape with 350 000 ha (65%), followed by the Free State with 95 000 ha (17%) and the Northern Cape with 35 250 ha (7%).
- The preliminary area estimate for **barley** is 106 600 ha, which is 12,53% or 11 870 ha more than the 94 730 ha of last season. The area planted to **canola** is 121 200 ha, which is 21,20% or 21 200 ha more than the 100 000 ha planted for the previous season.
- The preliminary area estimate for **oats** for the 2022 season is 30 150 ha and for **sweet lupines** 30 000 ha.

Please note that the revised area planted estimate and first production forecast of winter crops for 2022 will be released on 30 August 2022.

2.3 Non-commercial maize - 2022

The CEC also release the area planted and production estimate of the non-commercial maize sector for the 2022 season on 26 May 2022.

Table 4: Non-commercial maize: Area planted and production estimate - 2022 season

CROP	**Area planted 2022 Ha (A)**	**Production 2022 Tons (B)**	Area planted 2021 Ha (C)	Final crop 2021 Tons (D)	Change % (B) ÷ (D)
Non-commercial agriculture:					
White maize	**296 950**	**482 000**	276 100	445 335	8,23
Yellow maize	**81 850**	**185 000**	86 800	191 105	-3,19
Maize	**378 800**	**667 000**	362 900	636 440	4,80

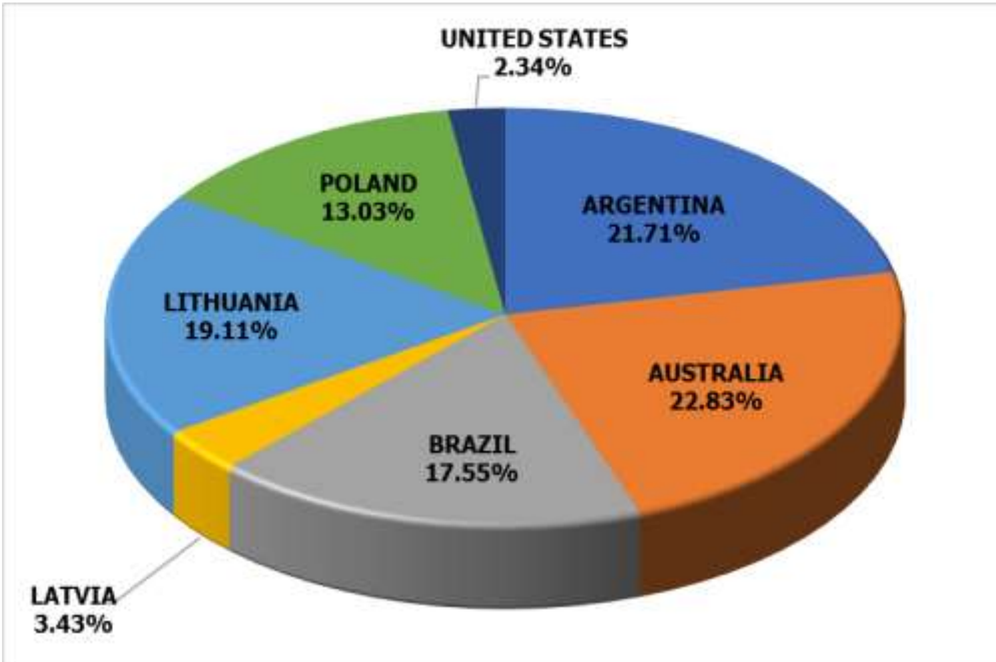
- The area planted to maize in the non-commercial agricultural sector is estimated at 378 800 ha, which represents an increase of 4,38%, compared to the 362 900 ha of the previous season. The expected maize crop for this sector is 667 000 tons, which is 4,80% more than the 636 440 tons of last season. It is important to note that about 47% of the maize produced in the non-commercial sector, is planted in the Eastern Cape, followed by KwaZulu-Natal with 22%.

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 JULY22 Annexure A.

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

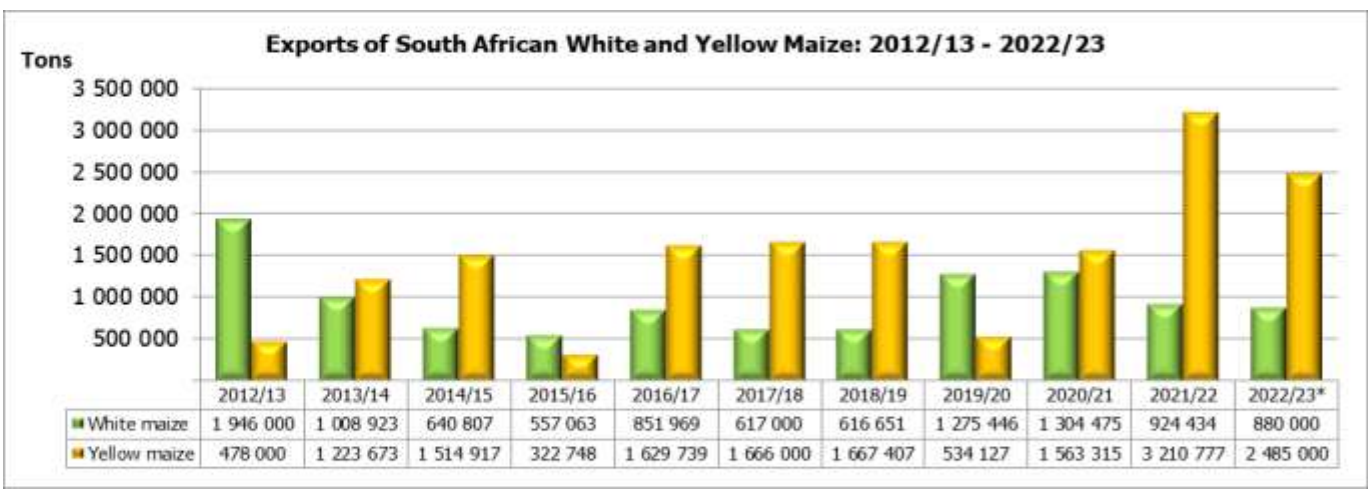
Graph 1: Major countries of wheat imports to South Africa: 2021/22 marketing year



- The progressive wheat imports (human consumption) for the 2021/22 marketing year (25 September 2021 to 29 July 2022) amount to 1 382 353 tons, with 22,83% or 315 552 tons from Australia, followed by 21,71% or 300 129 tons from Argentina, 19,11% or 264 128 tons from Lithuania, 17,55% or 242 639 tons from Brazil, 13,03% or 180 181 tons from Poland, 3,43% or 47 391 tons from Latvia and only 2,34% or 32 333 tons from the United States. The exports of wheat (human consumption) for the above-mentioned period amount to 217 659 tons, of which 60,68% or 132 070 tons went to the BLNS countries (Botswana, Lesotho, Namibia and Eswatini (Swaziland)), 23,51% or 51 181 tons to Zimbabwe and only 15,81% or 34 408 tons went to Zambia.

3.2 Exports of South African white and yellow maize

Graph 2: Exports of South African white and yellow maize: 2012/13 - 2022/23

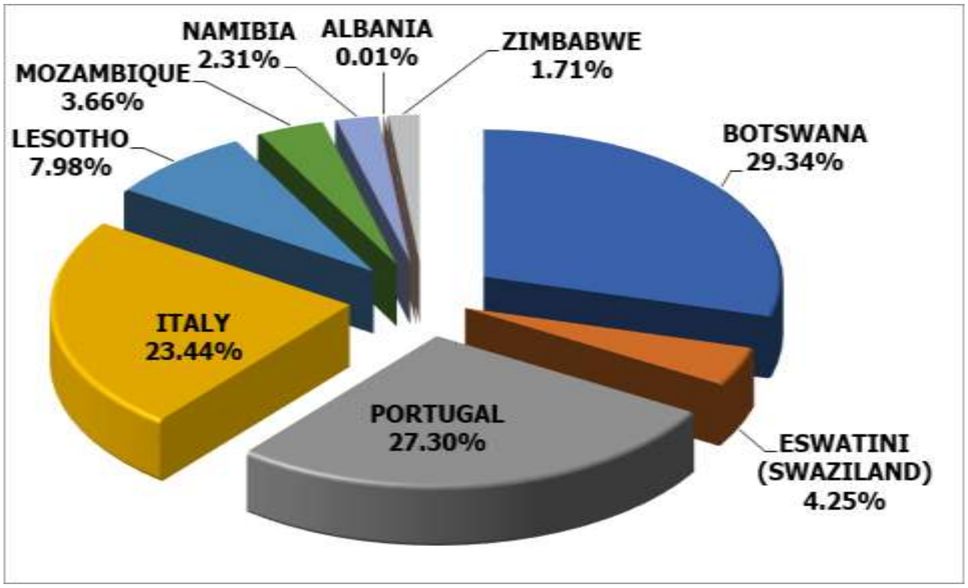


	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23*
White maize	1 946 000	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 304 475	924 434	880 000
Yellow maize	478 000	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 563 315	3 210 777	2 485 000

*Projection

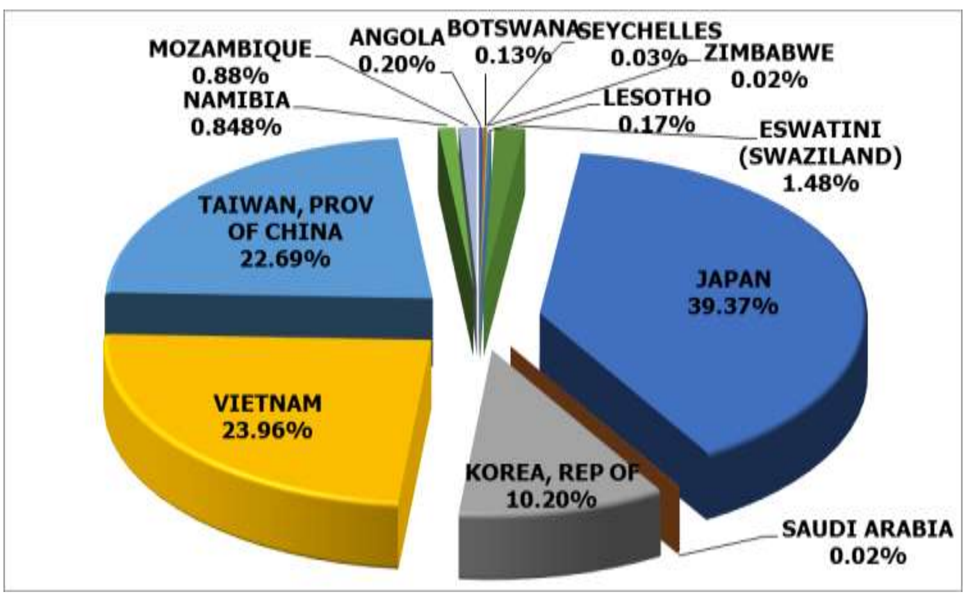
- The exports of white maize for the 2022/23 marketing year are projected at 880 000 tons, which represents a decrease of 4,81% or 44 434 tons compared to the 924 434 tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 2,485 million tons, which represents a decrease of 22,60% or 725 777 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 to 29 July 2022, progressive white maize exports for the 2022/23 marketing year amount to 192 275 tons, with the main destinations being Botswana (29,34% or 56 411 tons), followed by Portugal (27,30% or 52 500 tons), Italy (23,44% or 45 060 tons), Lesotho (7,98% or 15 345 tons), Eswathini (Swaziland) (4,25% or 8 176 tons), Mozambique (3,66% or 7 030 tons), Namibia (2,31% or 4 444 tons), Zimbabwe (1,71% or 3 288 tons) and Albania (0,01% or 21 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 to 29 July 2022, progressive yellow maize exports for the 2022/23 marketing year amount to 1,027 million tons, with the main destinations being Japan (39,37% or 404 523 tons), followed by Vietnam (23,96% or 246 170 tons), Taiwan (22,69% or 233 168 tons), Korea, Republic of (10,20% or 104 797 tons), Eswathini (Swaziland) (1,48% or 15 209 tons), Mozambique (0,88% or 9 023 tons), Namibia (0,85% or 8 713 tons), Angola (0,20% or 2 022 tons), Lesotho (0,17% or 1 769 tons), Botswana (0,13% or 1 333 tons), Seychelles (0,03% or 347 tons), Saudi Arabia (0,02% or 220 tons) and Zimbabwe (0,02% or 167 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 7,4% in June 2022, up from 6,5% in May 2022. This is the highest rate since May 2009 when the rate was 8,0%. The consumer price index increased by 1,1% month-on-month in June 2022.
- The main contributors to the 7,4% annual inflation rate were as follows:
    - Food and non-alcoholic beverages increased by 8,6% year-on-year, and contributed 1,5% to the total CPI annual rate of 7,4%;
    - Housing and utilities increased by 5,1% year-on-year, and contributed 1,2%;
    - Transport increased by 20,0% year-on-year, and contributed 2,7%; and
    - Miscellaneous goods and services increased by 4,0% year-on-year, and contributed 0,6%.
- In June the annual inflation rate for goods was 11,0%, up from 9,5% in May; and for services it was 3,9%, up from 3,6% in May.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 16,2% in June 2022, up from 14,7% in May 2022. The producer price index increased by 2,1% month-on-month in June 2022.
- The main contributors to the headline PPI annual inflation rate were as follows:
    - Coke, petroleum, chemical, rubber and plastic products increased by 37,2% year-on-year and contributed 9,1%;
    - Food products, beverages and tobacco products increased by 10,1% year-on-year and contributed 2,6%; and
    - Metals, machinery, equipment and computing equipment increased by 14,0% year-on-year and contributed 2,1%.
- The main contributor to the headline PPI monthly increase was coke, petroleum, chemical, rubber and plastic products, which increased by 4,9% month-on-month and contributed 1,4%.
- The annual percentage change in the PPI for intermediate manufactured goods was 15,2% in June 2022 (compared with 15,6% in May 2022). The index increased by 0,7% month-on-month. The main contributors to the annual rate were basic and fabricated metals (7,8%), chemicals, rubber and plastic products (4,8 %), as well as sawmilling and wood (1,9%). The main contributor to the monthly rate was chemicals, rubber and plastic products (1,5%).
- The annual percentage change in the PPI for electricity and water was 15,2% in June 2022 (compared with 12,9% in May 2022). The index increased by 37,0% month-on-month. Electricity contributed 15,2% to the annual rate and water contributed 0,6%. Electricity contributed 37,0% to the monthly rate.
- The annual percentage change in the PPI for mining was 21,2% in June 2022 (compared with 17,7% in May 2022). The index increased by 1,6% month-on-month. The main contributors to the annual rate were coal and gas (14,2%), as well as non-ferrous metal ores (8,0%). The main contributors to the monthly rate were coal and gas (2,1%) and stone quarrying, clay and diamonds (0,7%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 14,9% in June 2022 (compared with 18,9% in May 2022). The index decreased by 0,8% month-on-month. The contributors to the annual rate were agriculture (12,7%), fishing (1,6%) and forestry (0,7%). The contributor to the monthly rate was agriculture (-0,8%).

4.3 Future contract prices

Table 5: Closing prices on Thursday, 4 August 2022

	4 August 2022	4 July 2022	% Change
RSA White Maize per ton (Aug. 2022 contract)	R4 161,00	R4 325,00	-3,79
RSA Yellow Maize per ton (Aug. 2022 contract)	R4 156,00	R4 302,00	-3,39
RSA Wheat per ton (Aug. 2022 contract)	R7 165,00	R7 525,00	-4,78
RSA Sunflower seed per ton (Aug. 2022 contract)	R10 200,00	R10 700,00	-4,67
RSA Soya-beans per ton (Aug. 2022 contract)	R8 454,00	R8 478,00	-0,28
Exchange rate R/$	R16,72	R16,28	2,70

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- June 2022 tractor sales of 824 units were significantly more (26%) than the 652 units sold in June 2021. Year-to-date tractor sales are now almost 18% up on last year. Fifty combine harvesters were sold in June 2022, 20 units more than the 30 units sold in June 2021. On a year-to-date basis combine harvester sales are now almost 37% up on last year.
- June tractor and combine harvester sales were very encouraging. In many cases longer stock leadtimes and availability have been affecting sales and it is likely that this will continue in the short term. Nevertheless, with good crops and the good commodity prices prevailing, farmers are in a good position to be able to invest in new equipment.
- With the continuing good sales, it looks as though tractor sales will go over 8 000 units this year. The last time this level of sales was reached was in 1983, almost 40 years ago. Similarly, combine harvester sales look as though they will go over 300 units this year.

Table 6: Agricultural machinery sales

<table>
<tr><th rowspan="3">Equipment class</th><th colspan="2">Year-on-year</th><th rowspan="3">Percentage Change %</th><th colspan="2">Year-to-date</th><th rowspan="3">Percentage Change %</th></tr>
<tr><th colspan="2">June</th><th colspan="2">June</th></tr>
<tr><th>2022</th><th>2021</th><th>2022</th><th>2021</th></tr>
<tr><td>Tractors</td><td>824</td><td>652</td><td>26,38</td><td>4 130</td><td>3 504</td><td>17,87</td></tr>
<tr><td>Combine harvesters</td><td>50</td><td>30</td><td>66,67</td><td>213</td><td>156</td><td>36,54</td></tr>
</table>

Source: SAAMA press release, July 2022

PLEASE NOTE: The Food Security Bulletin for August 2022 will be released on **7 September 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
- 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