MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA JULY 2023

Issued: 4 August 2023

Directorate: Statistics and Economic Analysis

Highlights:

- **During July 2023, significant rainfall was confined to the eastern and southern coastal area of the country, as well as over the eastern parts of the Mpumalanga and Limpopo provinces.**
- **The projected closing stocks of wheat for the current 2022/23 marketing year are 513 883 tons, which includes imports of 1,6 million tons. It is also 17,8% less than the previous years' ending stocks.**
- **The expected commercial maize crop for 2023 is 16,354 million tons, which is 5,7% more than the 15,470 million tons for the previous season.**
- **Projected closing stocks of maize for the current 2023/24 marketing year are 2,849 million tons, which is 45,8% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2023/24 marketing year are 10 441 tons, which is 77,8% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2023/24 marketing year are 53 727 tons, which is 26,9% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2023/24 marketing year are 491 747 tons, which is 186,1% more than the previous years' ending stocks.**
- **The annual percentage change in the CPI was lower at 5,4% in June 2023.**
- **The annual percentage change in the PPI for final manufactured goods was lower at 4,8% in June 2023.**
- **June 2023 tractor sales of 930 units were almost 13% more than the 824 units sold in June 2022.**

agriculture, land reform & rural development

Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

Enquiries: Marda Scheepers or Queen Makgoka

Directorate: Statistics and Economic Analysis

Tel: +27 12 319 8033/8164

Email:MardaS@dalrrd.gov.za or QueenS@dalrrd.gov.za

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1. Weather conditions

1.1 Rainfall for July 2023

During July 2023, significant rainfall was confined to the eastern and southern coastal area of the country, as well as over the eastern parts of the Mpumalanga and Limpopo provinces (**Figure 1**). Comparing rainfall totals to the long-term average for July, rainfall received was near-normal to below-normal over most parts of the country with above normal-rainfall mainly evident over the eastern parts of the country, as well as over parts of the Free State and Eastern Cape provinces (**Figure 2**). (Source: Directorate: Climate Change and Disaster Management of Department: Agriculture, Land Reform and Rural Development)

Figure 1: Rainfall (mm) for June 2023

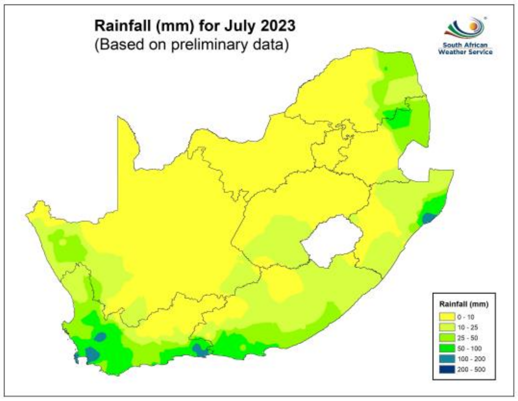
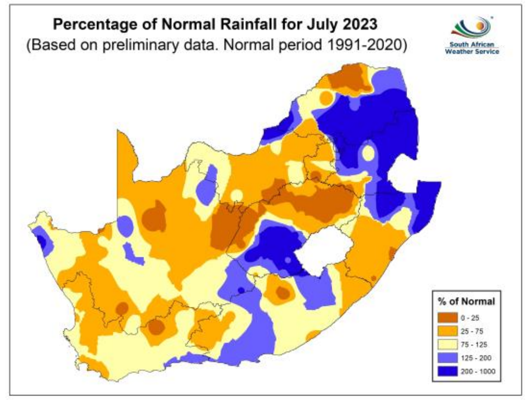


Figure 2: Percentage rainfall for June 2023



1.2 Level of dams

Available information on the level of South Africa's dams on 31 July 2023 indicates that the country has approximately 94% of its full supply capacity (FSC) available, which is only 1% less than the corresponding period in 2022. The dam levels in the Western Cape (28%), Eastern Cape (11%), and North West (8%) provinces, as well as the Mpumalanga Province (3%) all show improvements in the full supply capacity as compared to 2022. However, the Gauteng (-4%), Northern Cape (-2%), Free State (-2%) and KwaZulu-Natal (-1%) provinces show decreases in full supply capacity, while the Limpopo province remained unchanged 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, 31 July 2023

Province	Net FSC million cubic meters	**31/07/2023 (%)**	Last Year (2022) (%)	% Increase/Decrease 2023 vs. 2022
Eastern Cape	1 729	81	70	11,0
Free State	15 657	98	100	-2,0
Gauteng	128	97	101	-4,0
KwaZulu-Natal	4 910	89	90	-1,0
Kingdom of Lesotho	2 363	95	93	2,0
Kingdom of Eswatini	334	100	100	0,0
Limpopo	1 480	88	88	0,0
Mpumalanga	2 539	98	95	3,0
Northern Cape	146	95	97	-2,0
North West	867	89	81	8,0
Western Cape	1 868	91	63	28,0
Total	**32 020**	**94**	**93**	**1,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2023

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

Table 2: Commercial summer crops: Area planted and 6th production forecast - 2023 season

CROP	**Area planted 2023 Ha (A)**	**6th forecast 2023 Tons (B)**	Area planted 2022 Ha (C)	Final estimate 2022 Tons (D)	Change % (B) ÷ (D)
Commercial:					
White maize	**1 521 300**	**8 637 950**	1 575 000	7 850 000	10,04
Yellow maize	**1 064 800**	**7 716 150**	1 048 000	7 620 000	1,26
Total Maize	**2 586 100**	**16 354 100**	2 623 000	15 470 000	5,71
Sunflower seed	**555 700**	**758 610**	670 700	845 550	-10,28
Soybeans	**1 148 300**	**2 755 300**	925 300	2 230 000	23,56
Groundnuts	**31 300**	**51 910**	43 400	48 500	7,03
Sorghum	**34 000**	**100 525**	37 200	103 140	-2,54
Dry beans	**36 650**	**48 560**	42 900	52 590	-7,66
TOTAL	**4 392 050**	**20 069 005**	4 342 500	18 749 780	7,04

Note: Estimate is for calendar year, e.g. production season 2022/23 = 2023

- The revised area estimate for maize is 2 586 100 ha, which is 1,41% or 36 900 ha less than the 2 623 000 ha planted for the previous season.
- The expected **commercial maize crop** is 16 354 100 tons, which is 5,71% or 884 100 tons more than the 15 470 000 tons of the previous season (2022). The yield for maize is 6,32 t/ha.
- The area estimate for **white maize** is 1 521 300 ha, which represents a decrease of 3,41% or 53 700 ha compared to the 1 575 000 ha planted last season. The production forecast of white maize is 8 637 950 tons, which is 10,04% or 787 950 tons more than the 7 850 000 tons of last season. The yield for white maize is 5,68 t/ha.
- In the case of **yellow maize,** the area estimate is 1 064 800 ha, which is 1,60% or 16 800 ha more than the 1 048 000 ha planted last season. The yellow maize production forecast is 7 716 150 tons, which is 1,26% or 96 150 tons more than the 7 620 000 tons of last season. The yield for yellow maize is 7,25 t/ha.
- The area estimate for **sunflower seed** is 555 700 ha, which is 17,15% or 115 000 ha less than the 670 700 ha planted the previous season. The production forecast for sunflower seed is 758 610 tons, which is 10,28% or 86 940 tons less than the 845 550 tons of the previous season. The expected yield is 1,37 t/ha.
- It is estimated that 1 148 300 ha have been planted to **soybeans**, which represents an increase of 24,10% or 223 000 ha compared to the 925 300 ha planted last season. The production forecast is 2 755 300 tons, which is 23,56% or 525 300 tons more than the 2 230 000 tons of the previous season. The expected yield is 2,40 t/ha.
- For **groundnuts**, the area estimate is 31 300 ha, which is 27,88% or 12 100 ha less than the 43 400 ha planted for the previous season. The expected crop is 51 910 tons – which is 7,03% or 3 410 tons more than the 48 500 tons of last season. The expected yield is 1,66 t/ha.
- 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. The production forecast for sorghum is 100 525 tons, which is 2,54% or 2 615 tons less than the 103 140 tons of the previous season. The expected yield is 2,96 t/ha.

- For **dry beans**, the area estimate is 36 650 ha, which is 14,57% or 6 250 ha less the 42 900 ha planted for the previous season. The production forecast is 48 560 tons, which is 7,66% or 4 030 tons less than the 52 590 tons of the previous season. The expected yield is 1,32 t/ha.

Please note that the seventh production forecast for summer field crops for 2023 will be released on 29 August 2023.

2.2 Winter cereal crops – 2022

The preliminary area estimate for winter cereals for the 2023 season was also released by the Crop Estimates Committee (CEC) on 26 July 2023, and is as follows

Table 3: Commercial winter cereals: Preliminary area planted - 2023 season

CROP	**Area planted 2023 Ha (A)**	Intentions* 2023 Ha (B)	Area planted 2022 Ha (C)	Final estimate 2022 Tons (D)	Change % (A) ÷ (C)
Commercial:					
Wheat	**532 300**	542 600	566 800	2 110 000	-6,09
Malting barley	**109 600**	109 100	101 000	302 000	8,51
Canola	**128 100**	127 500	123 510	210 000	3,72
Cereal oats	**26 000**	29 600	27 000	27 550	-3,70
Sweet lupines	**18 000**	11 500	21 000	15 750	-14,29
Total winter cereals	**814 000**	820 300	839 310	2 665 300	-3,02

* Based on conditions at the middle of April 2023
Commercial only. Excluding barley or oats used as pasture, silage, hay and/or on the farm as fodder for livestock

- The preliminary area estimate for **wheat** is 532 300 ha, which is 6,09% or 34 500 ha less than the 566 800 ha planted for the previous season.
- The preliminary area estimate for **barley** is 109 600 ha, which is 8,51% or 8 600 ha more than the 101 000 ha of last season.
- The area planted to **canola** is 128 100 ha, which is 3,72% or 4 590 ha more than the 123 510 ha planted for the previous season.
- The preliminary area estimate for **oats** for the 2023 season is 26 000 ha, a decrease of 3,70% or 1 000 ha compared to the 2022 plantings. The area planted to **sweet lupines** is 18 000 ha, a decrease of 14,29% or 3 000 ha compared to the 2022 plantings.

Please note that the revised area planted estimate and first production forecast for winter cereals for 2023 will be released on 29 August 2023.

2.3 Non-commercial maize - 2023

The CEC released the preliminary area planted and production estimate of the non-commercial maize sector for the 2023 season on 26 April 2023.

Table 4: Non-commercial maize: Preliminary area planted and production estimate - 2023 season

CROP	**Area planted 2023 Ha (A)**	**Production 2023 Tons (B)**	Area planted 2022 Ha (C)	Final crop 2022 Tons (D)	Change % (B) ÷ (D)
Non-commercial agriculture:					
White maize	**278 655**	**472 765**	296 950	482 000	-1,92
Yellow maize	**79 965**	**191 275**	81 850	185 000	3,39
Maize	**358 620**	**664 040**	378 800	667 000	-0,44

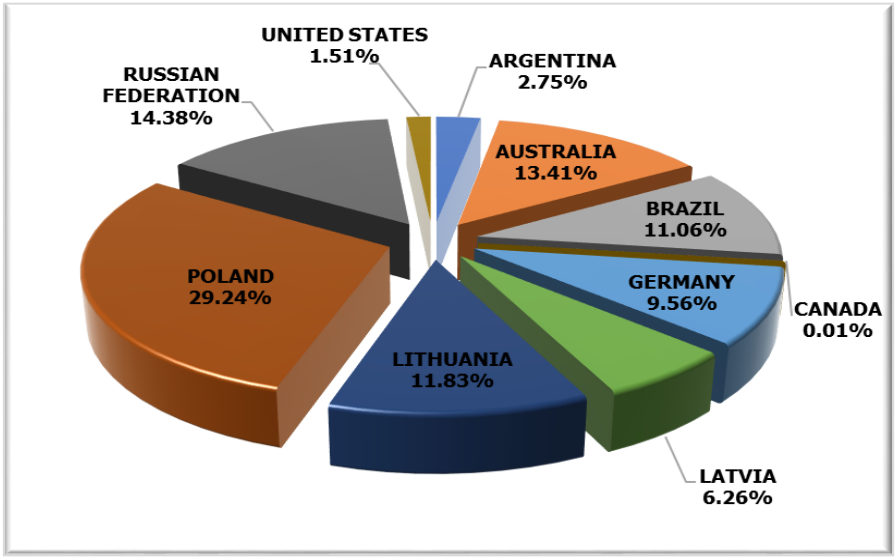
- The preliminary area planted to maize in the non-commercial agricultural sector is estimated at 358 620 ha, which represents a decrease of 5,33%, compared to the 378 800 ha of the previous season. The expected maize crop for this sector is 664 040 tons, which is 0,44% less than the 667 000 tons of last season. It is important to note that about 48% of the maize produced in the non-commercial sector, is planted in the Eastern Cape, followed by KwaZulu-Natal with 21%.

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 JULY23 Annexure A.

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

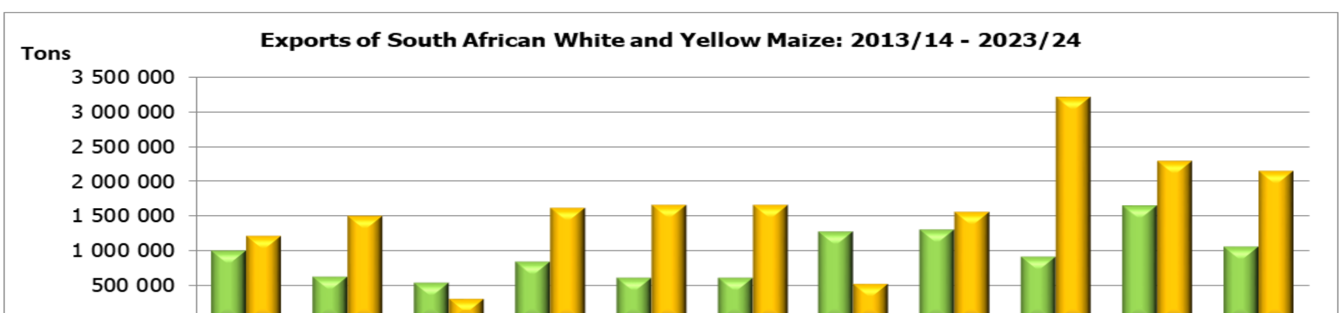
Graph 1: Major countries of wheat imports to South Africa: 2022/23 marketing year



- The progressive wheat imports (human consumption) for the 2022/23 marketing year (1 October 2022 to 28 July 2023) amount to 1,228 million tons, with 29,24% or 359 070 tons from Poland, followed by 14,38% or 176 588 tons from the Russian Federation, 13,41% or 164 678 tons from Australia, 11,83% or 145 216 tons from Lithuania, 11,06% or 135 833 tons from Brazil, 9,56% or 117 449 tons from Germany, 6,26% or 76 832 tons from Latvia, 2,75% or 33 719 tons from Argentina, 1,51% or 18 547 tons from the United States and only 0,01% or 84 tons from Canada. The exports of wheat (human consumption) for the above-mentioned period amount to 228 955 tons, of which 50,61% or 115 885 tons went to the BLNS countries (Botswana, Lesotho, Namibia and Eswatini (Swaziland)), 31,88% or 72 982 tons went to Zimbabwe and only 17,51% or 44 088 tons went to Zambia.

3.2 Exports of South African white and yellow maize

Graph 2: Exports of South African white and yellow maize: 2013/14 - 2023/24 marketing year

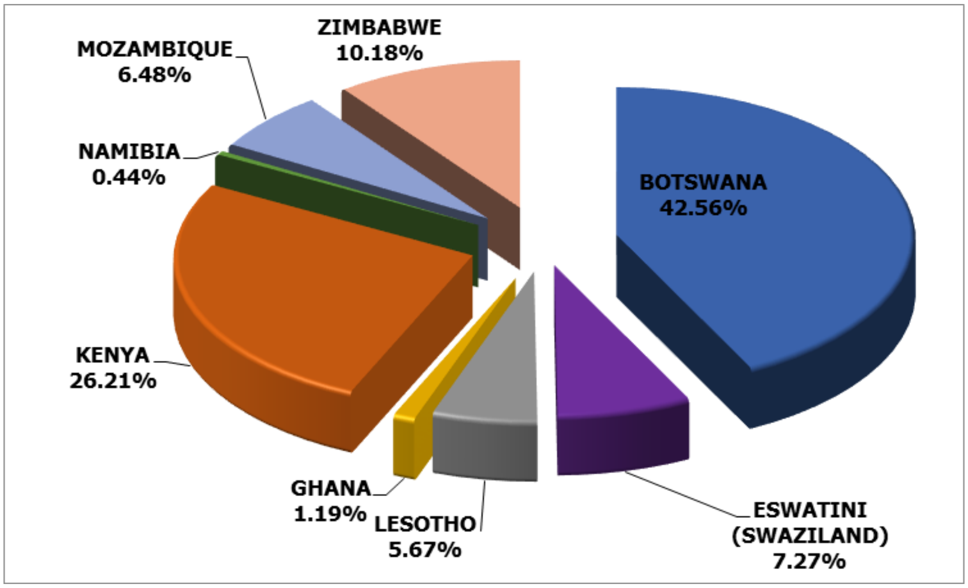


	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23*	2023/24*
White maize	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 304 475	924 434	1 654 525	1 065 000
Yellow maize	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 563 315	3 210 777	2 295 281	2 155 000

*Projection

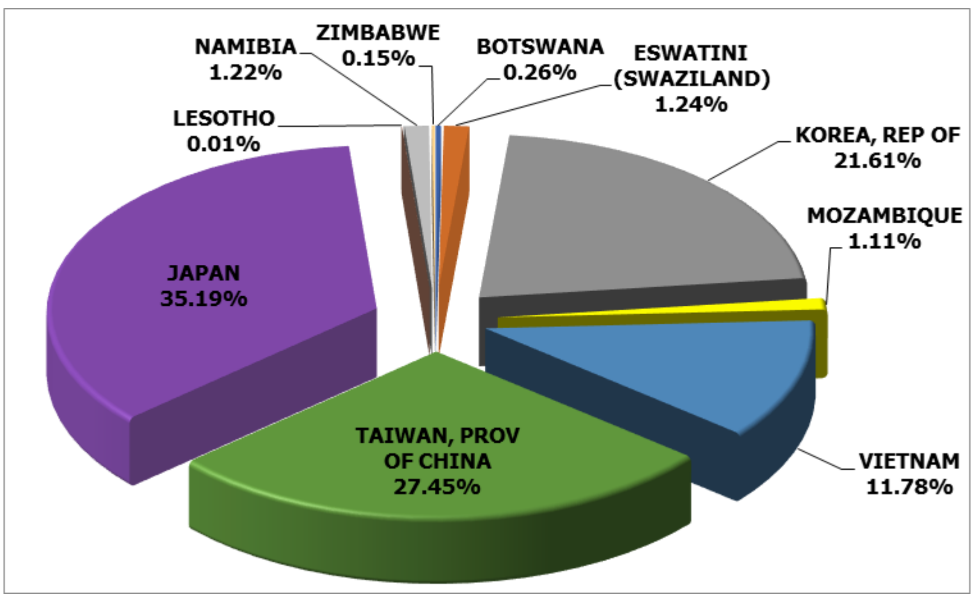
- The exports of white maize for the 2023/24 marketing year are projected at 1,065 million tons, which represents a decrease of 35,63% or 589 525 tons compared to the 1,654 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 2,155 million tons, which represents a decrease of 6,11% or 140 281 tons compared to the 2,295 million tons of the previous marketing year.

Graph 3: Major countries of white maize exports from South Africa: 2023/24 marketing year



- From 29 April to 28 July 2023, progressive white maize exports for the 2023/24 marketing year amount to 164 977 tons, with the main destinations being Botswana (42,56% or 70 208 tons), followed by Kenya (26,21% or 43 242 tons), Zimbabwe (10,18% or 16 799 tons), Eswathini (Swaziland) (7,27% or 11 990 tons), Mozambique (6,48% or 10 688 tons), Lesotho (5,67% or 9 361 tons), Ghana (1,19% or 1 967 tons) and Namibia (0,44% or 722 tons). The imports of white maize for the mentioned period amount to zero.

Graph 4: Major countries of yellow maize exports from South Africa: 2023/24 marketing year



- From 29 April to 28 July 2023, progressive yellow maize exports for the 2022/23 marketing year amount to 1,074 million tons, with the main destinations being Japan (35,19% or 378 123 tons), followed by Taiwan (27,45% or 294 922 tons), Republic of (21,61% or 232 202 tons), Vietnam (11,78% or 126 555 tons), Eswathini (Swaziland) (1,24% or 13 307 tons), Namibia (1,22% or 13 061 tons), Mozambique (1,11% or 11 933 tons), Botswana (0,26% or 2 774 tons), Zimbabwe (0,15% or 1 607 tons) and Lesotho (0,01% or 61 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 5,4% in June 2023, down from 6,3% in May 2023. The CPI increased by 0,2% month-on-month in June 2023.
- The main contributors to the 5,4% annual inflation rate were:
    - Food and non-alcoholic beverages increased by 11,0% year-on-year and contributed 1,9%;
    - Housing and utilities increased by 4,2% year-on-year and contributed 1,0%; and
    - Miscellaneous goods and services increased by 6,4% year-on-year and contributed 0,9%.
- In June the annual inflation rate of goods was 6,3%, down from 8,0% in May; and for services it was 4,5%, down from 4,6% in May.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 4,8% in June 2023, down from 7,3% in May 2023. The producer price index (PPI) decreased by 0,3% month-on-month in June 2023.
- The main contributors to the headline PPI annual inflation rate were:
    - Food products, beverages and tobacco products (increased by 6,4% year-on-year and contributed 1,6%);
    - Paper and printed products (increased by 14,5% year-on-year and contributed 1,2%);
    - Transport equipment (increased by 11,3% year-on-year and contributed 1,0%); and
    - Metals, machinery, equipment and computing equipment (increased by 6,2% year-on-year and contributed 0,9%).
- The main contributor to the headline PPI monthly decrease was coke, petroleum, chemical, rubber and plastic products (decreased by 1,6% month-on-month and contributed -0,4%).
- The annual percentage change in the PPI for intermediate manufactured goods was 2,4% in June 2023 (compared with 4,4% in May 2023). The index decreased by 1,3% month-on-month.
- The main contributors to the annual rate were:
    - Basic and fabricated metals (1,3%);
    - Sawmilling and wood (0,5%); and
    - Recycling and manufacturing n.e.c. (0,4 %).
- 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 13,6% in June 2023 (compared with 15,5% in May 2023). The index increased by 34,8% month-on-month. Electricity contributed 12,5% and water contributed 0,8% to the annual rate. Electricity contributed 34,7% to the monthly rate.
- The annual percentage change in the PPI for mining was 2,8% in June 2023 (compared with 7,2% in May 2023). The index decreased by 2,6% month-on-month.
- The main positive contributors to the annual rate were:
    - Gold and other metal ores (3,3%);
    - Coal and gas (0,9%); and
    - Stone and quarrying, clay and diamonds (0,9%).
- The main contributor to the monthly rate was non-ferrous metal ores (-1,9%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 6,2% in June 2023 (compared with 4,5% in May 2023). The index increased by 0,8% month-on-month. The main contributors to the annual rate were agriculture (3,5%) and fishing (2,3%). The main contributor to the monthly rate was agriculture (0,8%).

4.3 Future contract prices

Table 5: Closing prices on Thursday, 3 August 2023

	3 August 2023	3 July 2023	% Change
RSA White Maize per ton (Aug. 2023 contract)	R3 674,00	R3 565,00	3,06
RSA Yellow Maize per ton (Aug. 2023 contract)	R3 679,00	R3 628,00	1,41
RSA Wheat per ton (Aug. 2023 contract)	R6 582,00	R6 656,00	-1,11
RSA Sunflower seed per ton (Aug. 2023 contract)	R9 300,00	R8 679,00	7,16
RSA Soya-beans per ton (Aug. 2023 contract)	R8 947,00	R8 422,00	6,23
Exchange rate R/$	R18,60	R18,75	-0,80

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- June 2023 tractor sales of 930 units were almost 13% more than the 824 units sold in June 2022. On a year-to-date basis tractor sales are now approximately 2% down on last year. Sixty-four combine harvesters were sold in June 2023, fourteen units more than the 50 units sold in June 2022. On a year-to-date basis combine harvester sales are now approximately 53% more than last year.
- Although May tractor sales were lower than expected, June sales were good. Farmers are still showing caution, watching their crop yields and quality as they finalise their harvesting. The recent weakening of the rand has had the effect of some farmers bringing forward their buying decisions as they hope to buy up older, cheaper priced, stock. Forecasts for tractor sales for the 2023 calendar year are that it will be between 10 and 15% down on last year.
- Combine harvester sales are still very buoyant and it is likely that sales for the 2023 calendar year will be between 10 and 20% up on last year.

Table 6: Agricultural machinery sales

	Year-on-year		Percentage	Year-to-date		Percentage
	June		Change	June		Change
Equipment class	**2023**	**2022**	%	**2023**	**2022**	%
Tractors	930	824	12,86	4 055	4 130	-1,82
Combine harvesters	64	50	28,00	327	213	53,52

Source: SAAMA press release, July 2023

PLEASE NOTE: The Food Security Bulletin for August 2023 will be released on **5 September 2023**.

5. Acknowledgements

The Directorate: Statistics and Economic Analysis makes use of information sourced from various institutions and organisations within South Africa 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