MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA JUNE 2022

Issued: 6 July 2022

Directorate: Statistics and Economic Analysis

Highlights:

- **During June, significant rainfall events were limited to the western parts of the Western Cape Province.**
- **The projected closing stocks of wheat for the current 2021/22 marketing year are 580 304 tons, which includes imports of 1,475 million tons. It is also 24,2% more than the previous years' ending stocks.**
- **The expected commercial maize crop for 2022 is 14,679 million tons, which is 10,0% less than the previous season (2021).**
- **Projected closing stocks of maize for the current 2022/23 marketing year are 1,619 million tons, which is 23,8% less than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2022/23 marketing year are 98 372 tons, which is 7,3% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2022/23 marketing year are 139 100 tons, which is 337,6% more than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2022/23 marketing year are 377 837 tons, which is 124,4% more than the previous years' ending stocks.**
- **The annual percentage change in the CPI was higher unchanged 6,5% in May 2022. This is the highest rate since January 2017 when the rate was 6,6%.**
- **The annual percentage change in the PPI for final manufactured goods was higher at 14,7% in May 2022.**
- **May 2022 tractor sales of 752 units were significantly, almost 36%, more than the 554 units sold in May 2021.**

agriculture, land reform & rural development

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1. Weather conditions

1.1 Rainfall for June 2022

During June, significant rainfall events were limited to the western parts of the Western Cape Province (**Figure 1**). Comparing rainfall totals to the long term average for June, the winter rainfall regions received normal rainfall but below-normal rainfall was evident along the west coast of the Northern Cape and adjacent interior (**Figure 2**). Most of the Northern Cape, as well as the northern parts of the country received above-normal rainfall, while the remainder of the country received below normal-rainfall for the mentioned period. (Source: Directorate: Climate Change and Disaster Management at Department: Agriculture, Land Reform and Rural Development)

Figure 1: Rainfall (mm) for June 2022

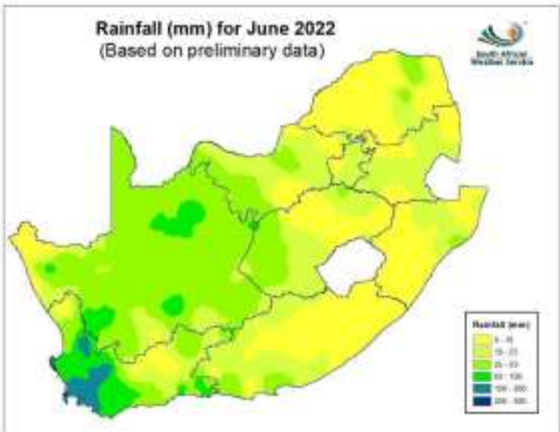
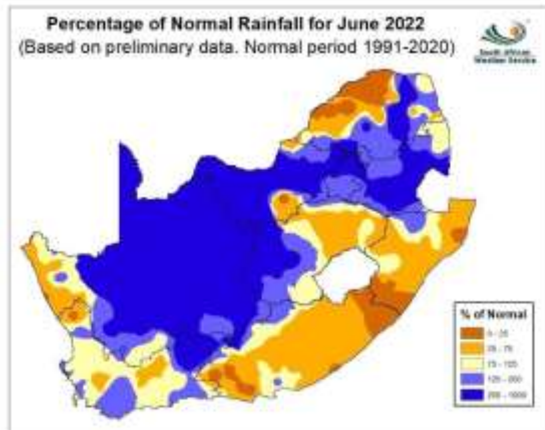


Figure 2: Percentage rainfall for June 2022



1.2 Level of dams

Available information on the level of South Africa's dams on 4 July 2022 indicates that the country has approximately 93% of its full supply capacity (FSC) available, which is 9% more than the corresponding period in 2021. The dam levels in KwaZulu-Natal (37%), Limpopo (19%), Eastern Cape (17%), North West Province (11%), Free State (5%), Mpumalanga (4%) and Gauteng (3%) provinces, all show improvements in the full supply capacity as compared to 2021. However, the Western Cape Province show a 6% decrease in the full supply capacity as compared to 2021 and the Northern Cape 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, 4 July 2022

Province	Net FSC million cubic meters	**4/07/2022 (%)**	Last Year (2021) (%)	% Increase/Decrease 2022 vs. 2021
Eastern Cape	1 729	70	53	17,0
Free State	15 657	101	96	5,0
Gauteng	128	101	98	3,0
KwaZulu-Natal	2 363	95	58	37,0
Lesotho	334	100	100	-
Limpopo	4 912	90	71	19,0
Mpumalanga	1 480	89	85	4,0
North West	2 539	95	84	11,0
Northern Cape	867	81	81	-
Swaziland	147	108	92	16,0
Western Cape	1 866	61	67	-6,0
Total	**32 022**	**93**	**84**	**9,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2022

The area planted and fifth production forecast of summer grains for the 2022 season was released by the Crop Estimates Committee (CEC) on 28 June 2022, and is as follows:

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

CROP	**Area planted** **2022** **Ha** **(A)**	**5th 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**	**7 208 400**	1 063 500	7 715 000	-6,57
Total Maize	**2 623 000**	**14 678 800**	2 755 400	16 315 000	-10,03
Sunflower seed	**670 700**	**961 350**	477 800	678 000	41,79
Soybeans	**925 300**	**2 091 350**	827 100	1 897 000	10,25
Groundnuts	**43 400**	**54 900**	38 550	64 300	-14,62
Sorghum	**37 200**	**140 820**	49 200	215 000	-34,50
Dry beans	**42 900**	**53 565**	47 390	57 672	-7,12
TOTAL	**4 342 500**	**17 980 785**	4 195 440	19 226 972	-6,48

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 14 678 800 tons, which is 10,03% or 1 636 200 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 5,60 t/ha.
- The three main maize producing areas, namely the Free State, Mpumalanga and North West provinces are expected to produce 81% 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 7 208 400 tons, which is 6,57% or 506 600 tons less than the 7 715 000 tons of the previous season. The yield for yellow maize is 6,88 t/ha.
- The production forecast for **sunflower seed** is 961 350 tons, which is 41,79% or 283 350 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 1,43 t/ha.
- The production forecast for **soybeans** is 2 091 350 tons, which is 10,25% or 194 350 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 2,26 t/ha.
- The expected **groundnut** crop has been set at 54 900 tons, which is 14,62% or 9 400 tons less than the previous season of 64 300 tons. For groundnuts, the area estimate is 43 400 ha, with an expected yield of 1,26 t/ha.
- The production forecast for **sorghum** is 140 820 tons, which is 34,50% or 74 180 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 3,79 t/ha.
- The production forecast for **dry beans** is 53 565 tons, which is 7,12% or 4 107 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 1,25 t/ha.

Please note that the sixth production forecast for summer field crops for 2022 will be released on 27 July 2022.

2.2 Winter cereal crops - 2022

The intentions to plant winter crops for the 2022 production season was released by the CEC on 26 April 2022, and is as follows:

Table 3: Commercial winter crops: Intentions to plant - 2022 season

CROP	**Intentions* 2022 Ha (A)**	Area planted 2021 Ha (B)	Final estimate 2021 Tons (C)	Change % (A) ÷ (B)
Wheat	**538 350**	523 500	2 257 205	2,84
Malting barley	**109 100**	94 730	331 100	15,17
Canola	**120 000**	100 000	197 000	20,00
Cereal oats	**29 150**	36 250	69 950	-19,59
Sweet lupines	**25 000**	22 000	28 600	13,64
TOTAL	**821 600**	776 480	2 883 855	5,81

*Based on conditions at mid-April 2022.

- The figures for **wheat** represent the total number of hectares that are intended to be planted for grain, excluding any hectares that will be planted for fodder and grazing. Early indications are that producers intend to plant 538 350 ha of wheat for the 2022 production season. This is 2,84% or 14 850 ha more than the 523 500 ha planted to wheat in 2021.
- The main producing areas are within the Western Cape with 350 000 ha (65%), followed by the Free State with 95 000 ha (18%) and the Northern Cape with 35 250 ha (7%).
- The expected area planted to **malting barley** is 109 100 ha, which is 15,17% or 14 370 ha more than the 94 730 ha of the previous year. The expected area planted to **canola** is also 120 000 ha, which is 20,00% or 20 000 ha more than the 100 000 ha planted in 2021. Producers intend to plant 29 150 ha of **cereal oats**, which is 19,59% or 7 100 ha less than the 36 250 ha of the previous season. The expected area planted to **sweet lupines** is 25 000 ha, which is 13,64% or 3 000 ha more than the 22 000 ha planted in 2021.

Please note that the preliminary area estimate of winter crops for 2022 will be released on 27 July 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

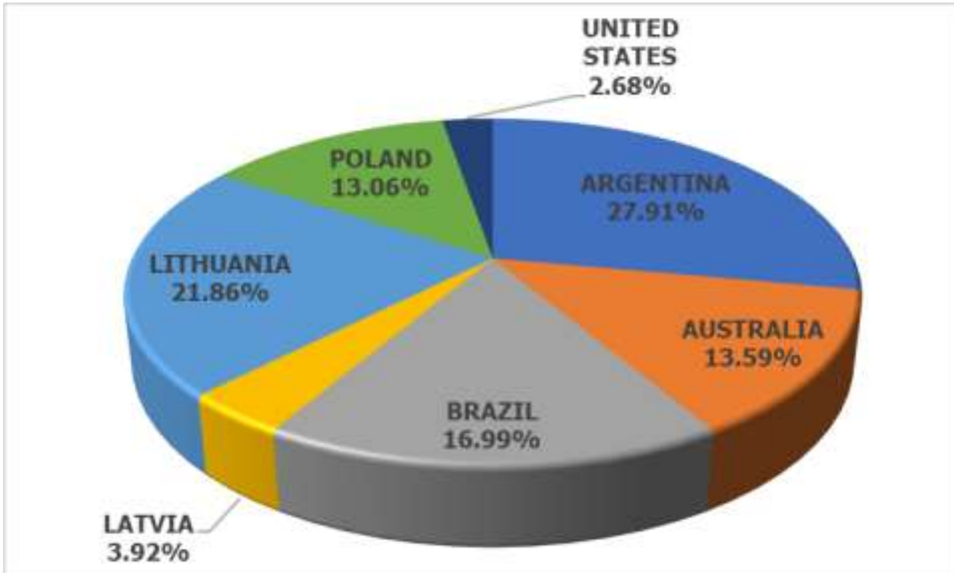
- The area planted to maize in the non-commercial agricultural sector is estimated at 378 800 ha, which represents an increase of 4,38%, compared to the 362 900 ha of the previous season. The expected maize crop for this sector is 667 000 tons, which is 4,80% more than the 636 440 tons of last season. 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 JUNE22 Annexure A.

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

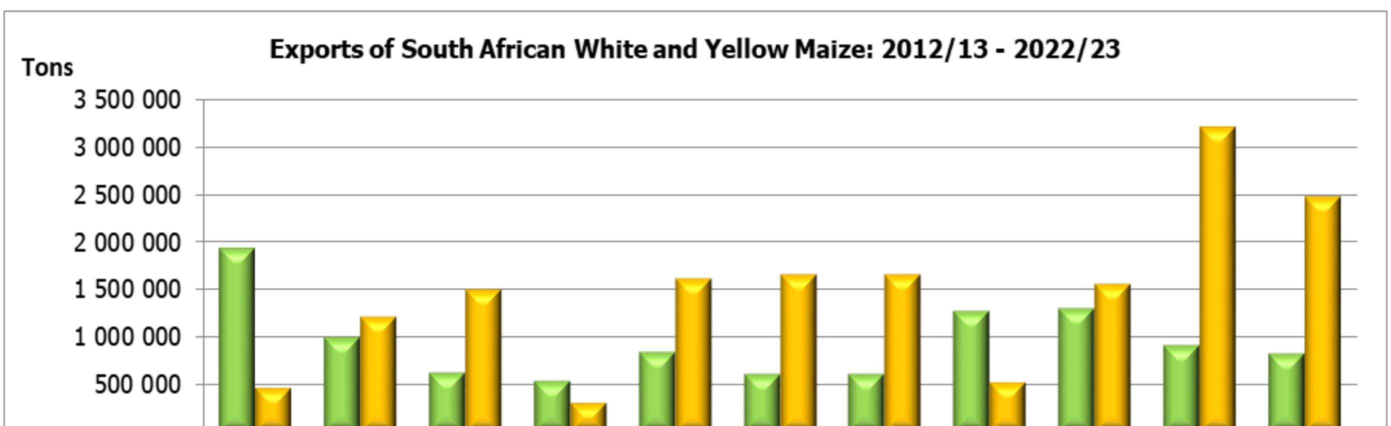
Graph 1: Major countries of wheat imports to South Africa: 2021/22 marketing year



- The progressive wheat imports (human consumption) for the 2021/22 marketing year (25 September 2021 to 24 June 2022) amount to 1 208 435 tons, with 27,91% or 337 240 tons from Argentina, followed by 21,86% or 264 128 tons from Lithuania, 16,99% or 205 302 tons from Brazil, 13,59% or 164 193 tons from Australia, 13,06% or 157 848 tons from Poland, 3,92% or 47 391 tons from Latvia and only 2,68% or 32 333 tons from the United States. The exports of wheat (human consumption) for the above-mentioned period amount to 177 585 tons, of which 63,93% or 113 534 tons went to the BLNS countries (Botswana, Lesotho, Namibia and Eswatini (Swaziland)), 24,08% or 42 758 tons to Zimbabwe and only 11,99% or 21 293 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

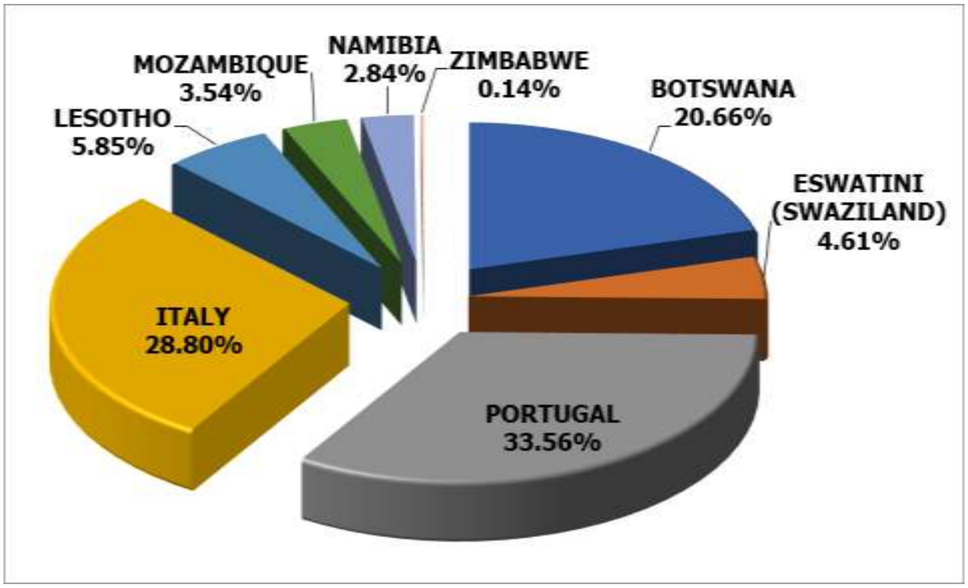


	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23*
White maize	1 946 000	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 304 475	924 434	830 000
Yellow maize	478 000	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 563 315	3 210 777	2 485 000

*Projection

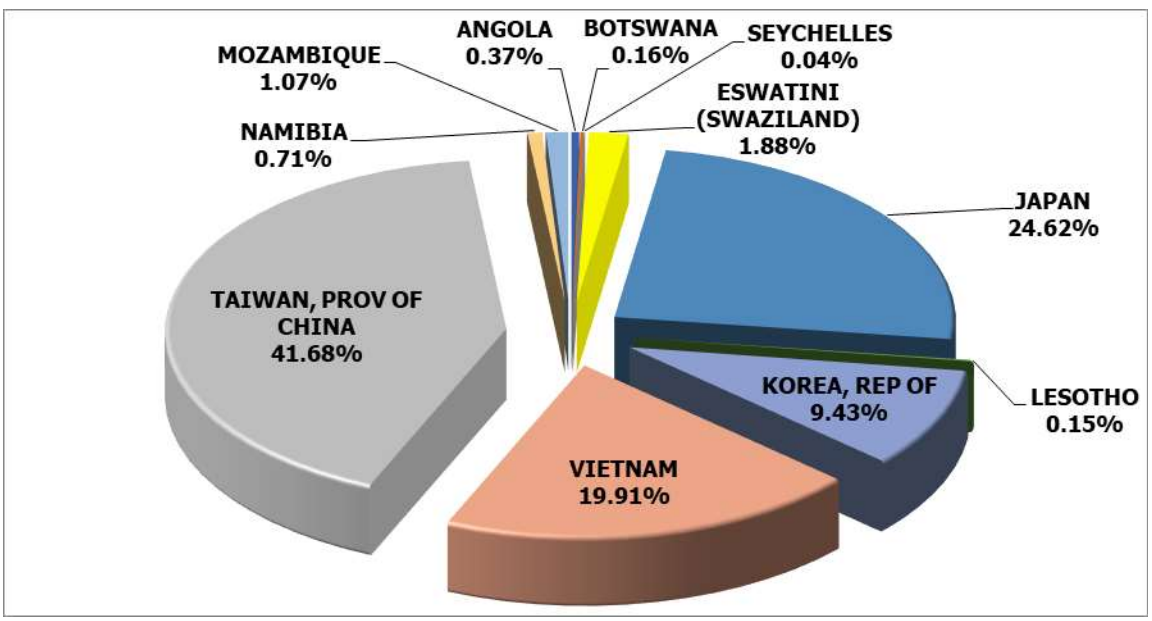
- The exports of white maize for the 2022/23 marketing year are projected at 830 000 tons, which represents a decrease of 10,22% or 94 434 tons compared to the 924 434 tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 2,485 million tons, which represents 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 24 June 2022, progressive white maize exports for the 2022/23 marketing year amount to 156 457 tons, with the main destinations being Portugal (33,56% or 52 500 tons), followed by Italy (28,80% or 45 060 tons), Botswana (20,66% or 32 328 tons), Lesotho (5,85% or 9 153 tons), Eswathini (Swaziland) (4,61% or 7 219 tons), Mozambique (3,54% or 5 540 tons), Namibia (2,84% or 4 444 tons) and Zimbabwe (0,14% or 213 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 24 June 2022, progressive yellow maize exports for the 2022/23 marketing year amount to 552 421 tons, with the main destinations being Taiwan (41,68% or 230 235 tons), followed by Japan (24,62% or 136 021 tons), Vietnam (19,91% or 109 970 tons), Korea, Republic of (9,43% or 52 075 tons), Eswathini (Swaziland) (1,88% or 10 384 tons), Mozambique (1,07% or 5 896 tons), Namibia (0,71% or 3 900 tons), Angola (0,37% or 2 022 tons), Botswana (0,16% or 904 tons), Lesotho (0,15% or 806 tons) and Seychelles (0,04% or 208 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 6,5% in May 2022, up from 5,9% in April 2022. This is the highest rate since January 2017 when the rate was 6,6%. The consumer price index increased by 0,7% month-on-month in May 2022.
- The main contributors to the 6,5% annual inflation rate were as follows:
    - Food and non-alcoholic beverages increased by 7,6% year-on-year, and contributed 1,3% to the total CPI annual rate of 6,5%;
    - Housing and utilities increased by 4,9% year-on-year, and contributed 1,2%;
    - Transport increased by 15,7% year-on-year, and contributed 2,1%; and
    - Miscellaneous goods and services increased by 3,9% year-on-year, and contributed 0,6%.
- In May the annual inflation rate for goods was 9,5%, up from 8,5% in April; and for services it was 3,6%, up from 3,5% in April.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 14,7% in May 2022, up from 13,1% in April 2022. The producer price index increased by 1,8% month-on-month in May 2022.
- The main contributors to the headline PPI annual inflation rate were as follows:
    - Coke, petroleum, chemical, rubber and plastic products increased by 31,7% year-on-year and contributed 7,7%;
    - Food products, beverages and tobacco products increased by 9,7% year-on-year and contributed 2,6%; and
    - Metals, machinery, equipment and computing equipment increased by 15,9% year-on-year and contributed 2,3%.
- The main contributors to the headline PPI monthly increase were coke, petroleum, chemical, rubber and plastic products, which increased by 2,8% month-on-month and contributed 0,8%; and food products, beverages and tobacco products, which increased by 1,5% month-on-month and contributed 0,4%.
- The annual percentage change in the PPI for intermediate manufactured goods was 15,6% in May 2022 (compared with 17,6% in April 2022). The index increased by 2,1% month-on-month. The main contributors to the annual rate were basic and fabricated metals (10,4%), chemicals, rubber and plastic products (3,2%), as well as sawmilling and wood (1,7%). The main contributor to the monthly rate was basic and fabricated metals (1,9%).
- The annual percentage change in the PPI for electricity and water was 12,9% in May 2022 (compared with 12,8% in April 2022). The index increased by 1,7% month-on-month. Electricity contributed 11,8% to the annual rate and water contributed 0,8%. Electricity contributed 1,6% to the monthly rate
- The annual percentage change in the PPI for mining was 17,7% in May 2022 (compared with 10,9% in April 2022). The index increased by 3,3% month-on-month. The main contributors to the annual rate were coal and gas (11,1%), as well as non-ferrous metal ores (7,3%). The main contributors to the monthly rate were coal and gas (2,3%), as well as non-ferrous metal ores (1,7%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 18,9% in May 2022 (compared with 17,8% in April 2022). The index increased by 1,1% month-on-month. The contributors to the annual rate were agriculture (16,5%), fishing (1,7%) and forestry (0,7%). The contributors to the monthly rate were agriculture (0,7%) and fishing (0,4%).

4.3 Future contract prices

Table 5: Closing prices on Wednesday, 6 July 2022

	6 July 2022	6 June 2022	% Change
RSA White Maize per ton (July 2022 contract)	R4 196,00	R4 432,00	-5,32
RSA Yellow Maize per ton (July 2022 contract)	R4 170,00	R4 490,00	-7,13
RSA Wheat per ton (July 2022 contract)	R7 420,00	R8 093,00	-8,32
RSA Sunflower seed per ton (July 2022 contract)	R10 090,00	R11 025,00	-8,48
RSA Soya-beans per ton (July 2022 contract)	R7 980,00	R9 136,00	-12,65
Exchange rate R/$	R16,72	R15,35	8,92

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- May 2022 tractor sales of 752 units were significantly, almost 36%, more than the 554 units sold in May 2021. Year-to-date tractor sales are now almost 16% up on last year. Fifty-three combine harvesters were sold in May 2022, 18 units more than the 35 units sold in May 2021. On a year-to-date basis combine harvester sales are now 29% up on last year.
- Although May sales were encouraging, the market is still being affected by international stock availability and delays at ports, particularly Durban, as a consequence of the local floods. Farmers are currently harvesting. Although yields are good, harvesting is proving to be challenging in some areas where lands are waterlogged. Commodity prices are holding up well and this should help with the increased input prices of fertilizer, fuel and seed which farmers will face for the forthcoming summer cropping season.
- Industry forecasts for the 2022 calendar year are that tractor and combine harvester sales will be similar to those in 2021.

Table 6: Agricultural machinery sales

Equipment class	Year-on-year May 2022	Year-on-year May 2021	Percentage Change %	Year-to-date May 2022	Year-to-date May 2021	Percentage Change %
Tractors	752	554	35,74	3 306	2 852	15,92
Combine harvesters	53	35	51,43	163	126	29,36

Source: SAAMA press release, June 2022

PLEASE NOTE: The Food Security Bulletin for July 2022 will be released on **5 August 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