MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA JUNE 2023

Issued: 6 July 2023

Directorate: Statistics and Economic Analysis

Highlights:

- **During June 2023, significant rainfall events were confined to the south-western parts of the country, as well as the eastern coastal areas.**
- **The projected closing stocks of wheat for the current 2022/23 marketing year are 536 083 tons, which includes imports of 1,6 million tons. It is also 14,2% 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 2,814 million tons, which is 44,0% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2023/24 marketing year are 11 246 tons, which is 76,0% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2023/24 marketing year are 55 177 tons, which is 24,9% 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 6,3% in May 2023.**
- **The annual percentage change in the PPI for final manufactured goods was lower at 7,3% in May 2023.**
- **May 2023 tractor sales of 655 units were ninety-seven units less than the 752 units sold in May 2022.**

agriculture, land reform & rural development

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Contents

1. Weather conditions

1.1 Rainfall for June 2023

During June 2023, significant rainfall events were confined to the south-western parts of the country, as well as the eastern coastal areas (**Figure 1**). Comparing rainfall totals to the long-term average for June 2023, rainfall received was above-normal over most of the south-western parts of the country, with below-normal rainfall evident over most of the remaining parts of the country (**Figure 2**). (Source: Directorate: Climate Change and Disaster Management of Department: Agriculture, Land Reform and Rural Development)

Figure 1: Rainfall (mm) for June 2023

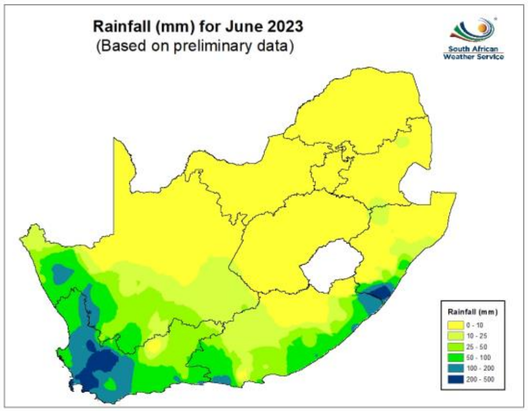
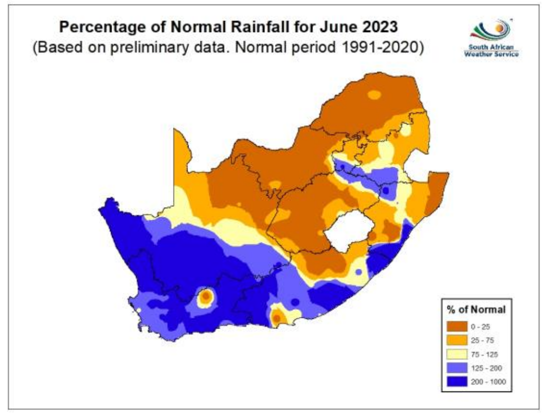


Figure 2: Percentage rainfall for June 2023



1.2 Level of dams

Available information on the level of South Africa's dams on 3 July 2023 indicates that the country has approximately 95% of its full supply capacity (FSC) available, which is 2% less than the from the corresponding period in 2022. The dam levels in the Western Cape (28%), Eastern Cape (10%), 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 Northern Cape (-7%), Gauteng (-2%), Free State (-2%), Limpopo (-1%) and KwaZulu-Natal (-1%) provinces show decreases in 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, 3 July 2023

Province	Net FSC million cubic meters	**03/07/2023 (%)**	Last Year (2022) (%)	% Increase/Decrease 2023 vs. 2022
Eastern Cape	1 729	80	70	10,0
Free State	15 657	99	101	-2,0
Gauteng	128	99	101	-2,0
KwaZulu-Natal	4 910	90	91	-1,0
Kingdom of Lesotho	2 363	98	95	3,0
Kingdom of Eswatini	334	99	100	-1,0
Limpopo	1 480	88	89	-1,0
Mpumalanga	2 539	98	95	3,0
Northern Cape	146	93	100	-7,0
North West	867	90	82	8,0
Western Cape	1 868	88	60	28,0
Total	**32 020**	**95**	**93**	**2,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2023

The revised area planted estimate and fifth production forecast of summer grains for the 2023 season was released by the Crop Estimates Committee (CEC) on 27 June 2023, and is as follows:

Table 2: Commercial summer crops: Area planted and 5th production forecast - 2023 season

CROP	**Area planted 2023 Ha (A)**	**5th 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**	**51 510**	43 400	48 500	6,21
Sorghum	**34 000**	**103 870**	37 200	103 140	0,71
Dry beans	**36 650**	**48 560**	42 900	52 590	-7,66
TOTAL	**4 392 050**	**20 071 950**	4 342 500	18 749 780	7,05

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 less 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 51 510 tons – which is 6,21% or 3 010 tons more than the 48 500 tons of last season. The expected yield is 1,65 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 103 870 tons, which is 0,71% or 730 tons more than the 103 140 tons of the previous season. The expected yield is 3,06 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 sixth production forecast for summer field crops for 2023 will be released on 26 July 2023.

2.2 Winter cereal crops – 2022

The intentions to plant winter cereals for the 2023 season was released by the Crop Estimates Committee (CEC) on 26 April 2023, and is as follows

Table 3: Commercial winter cereals: Intentions to plant - 2023 season

CROP	**Intentions* 2023 Ha (A)**	Area planted 2022 Ha (B)	Final estimate 2022 Tons (C)	Change % (A) ÷ (B)
Wheat	**542 600**	566 800	2 088 590	-4,27
Malting barley	**109 100**	101 000	308 675	8,02
Canola	**127 500**	123 510	210 530	3,23
Cereal oats	**29 600**	27 000	29 900	9,63
Sweet lupines	**11 500**	21 000	15 750	-45,24
Total winter cereals	**820 300**	839 310	2 653 445	-2,26

* Based on conditions at the middle of April 2023

- 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 542 600 ha of **wheat** for the 2023 production season. This is 4,27% or 24 200 ha less than the 566 800 ha planted to wheat in 2022.
- The main producing areas are within the Western Cape with 362 500 ha (67%), followed by the Free State with 77 000 ha (14%) and the Northern Cape with 40 000 ha (7%).
- The expected area planted to **malting barley** is 109 100 ha, which is 8,02% or 8 100 ha more than the 101 000 ha of the previous year. The expected area planted to **canola** is also 127 500 ha, which is 3,23% or 3 990 ha more than the 123 510 ha planted in 2022. Producers intend to plant 29 600 ha of **cereal oats**, which is 9,63 or 2 600 ha more than the 27 000 ha of the previous season. The expected area planted to **sweet lupines** is 11 500 ha, which is 45,24% or 9 500 ha less than the previous season.

Please note that the preliminary area estimate of winter crops for 2023 will be released on 26 July 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

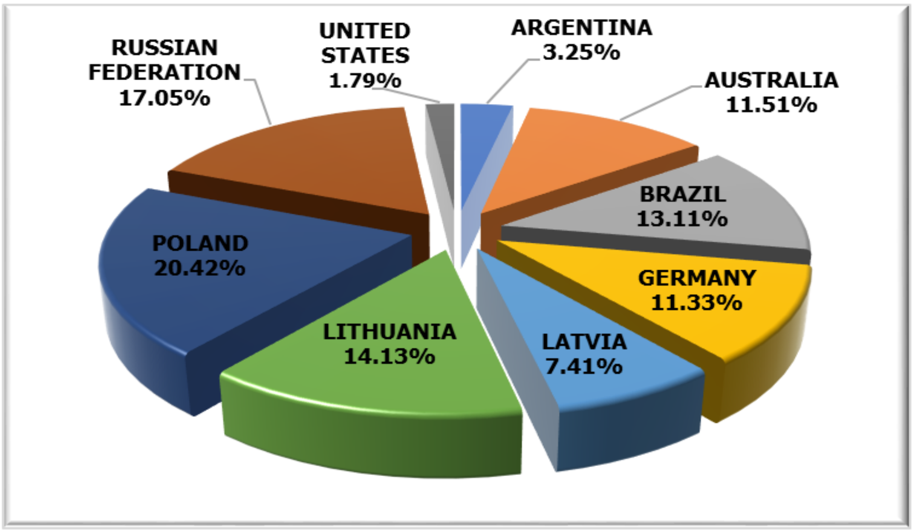
- The preliminary area planted to maize in the non-commercial agricultural sector is estimated at 358 620 ha, which represents a decrease of 5,33%, compared to the 378 800 ha of the previous season. The expected maize crop for this sector is 664 040 tons, which is 0,44% less than the 667 000 tons of 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 JUNE23 Annexure A.

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

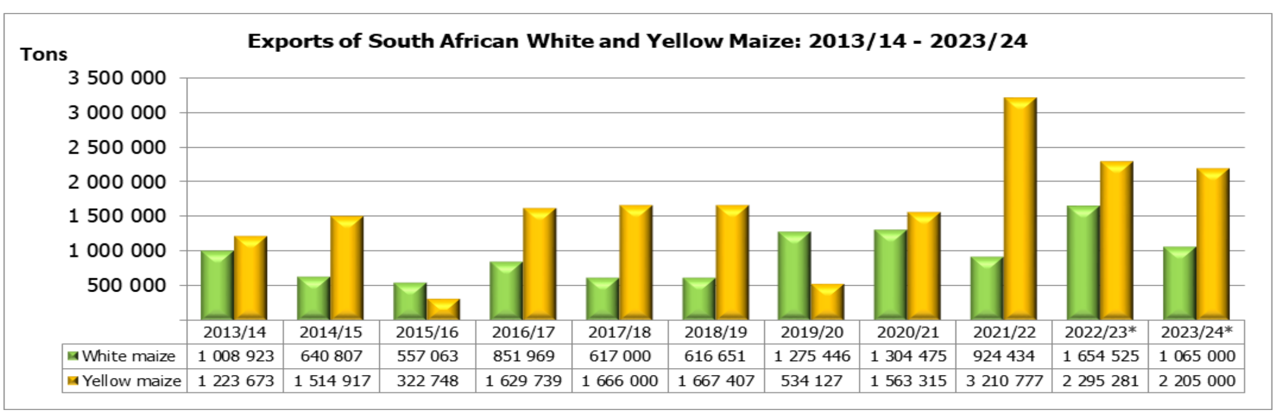
Graph 1: Major countries of wheat imports to South Africa: 2022/23 marketing year



- The progressive wheat imports (human consumption) for the 2022/23 marketing year (1 October 2022 to 30 June 2023) amount to 1,036 million tons, with 20,42% or 211 594 tons from Poland, followed by 17,05% or 176 676 tons from the Russian Federation, 14,13% or 146 485 tons from Lithuania, 13,11% or 135 833 tons from Brazil, 11,51% or 119 250 tons from Australia, 11,33% or 117 449 tons from Germany, 7,41% or 76 832 tons from Latvia, 3,25% or 33 719 tons from Argentina, and only 1,79% or 18 547 tons from the United States. The exports of wheat (human consumption) for the above-mentioned period amount to 209 543 tons, of which 54,22% or 113 612 tons went to the BLNS countries (Botswana, Lesotho, Namibia and Eswatini (Swaziland)), 33,25% or 69 669 tons went to Zimbabwe and only 12,53% or 26 262 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

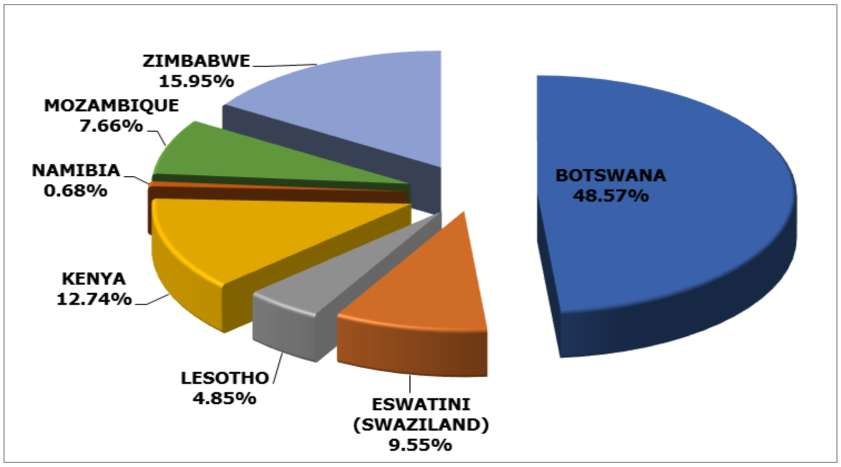


	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23*	2023/24*
White maize	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 304 475	924 434	1 654 525	1 065 000
Yellow maize	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 563 315	3 210 777	2 295 281	2 205 000

*Projection

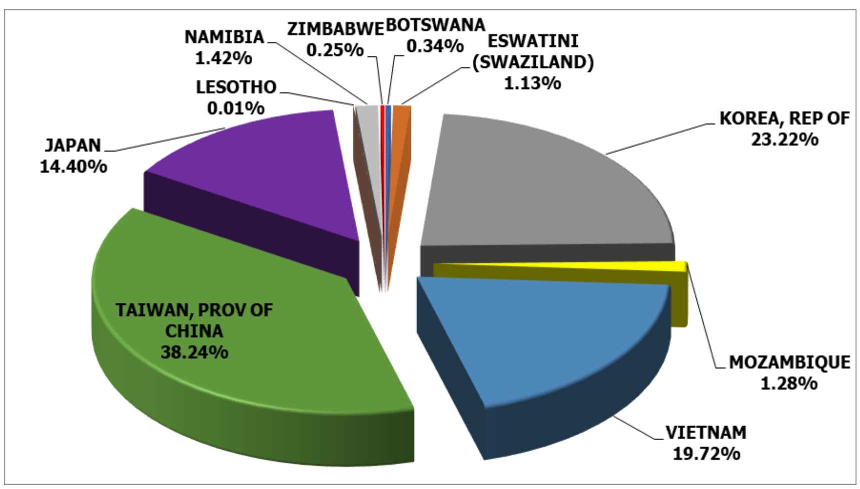
- The exports of white maize for the 2023/24 marketing year are projected at 1,065 million tons, which represents a decrease of 35,63% or 589 525 tons compared to the 1,654 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 2,205 million tons, which represents a decrease of 3,93% or 90 281 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 30 June 2023, progressive white maize exports for the 2023/24 marketing year amount to 106 048 tons, with the main destinations being Botswana (48,57% or 51 505 tons), Zimbabwe (15,95% or 16 912 tons), Kenya (12,74% or 13 508 tons), Eswathini (Swaziland) (9,55% or 10 131 tons), Mozambique (7,66% or 8 122 tons), Lesotho (4,85% or 5 148 tons) and Namibia (0,68% 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 30 June 2023, progressive yellow maize exports for the 2022/23 marketing year amount to 641 676 tons, with the main destinations being Taiwan (38,24% or 245 356 tons), followed by Korea, Republic of (23,22% or 148 971 tons), Vietnam (19,72% or 126 555 tons), Japan (14,40% or 92 385 tons), Namibia (1,42% or 9 111 tons), Mozambique (1,28% or 8 210 tons), Eswathini (Swaziland) (1,13% or 7 240 tons), , Botswana (0,34% or 2 208 tons), Zimbabwe (0,25% or 1 607 tons) and Lesotho (0,01% or 33 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 6,3% in May 2023, down from 6,8% in April 2023. The consumer price index increased by 0,2% month-on-month in May 2023.

- The main contributors to the 6,3% annual inflation rate were:
  - Food and non-alcoholic beverages increased by 11,8% year-on-year and contributed 2,1%;
  - Housing and utilities increased by 4,0% year-on-year and contributed 1,0%;
  - Transport increased by 7,0% year-on-year and contributed 1,0%; and
  - Miscellaneous goods and services increased by 6,3% year-on-year and contributed 0,9%.
- In May the annual inflation rate of goods was 8,0%, down from 9,0% in April; and for services it was 4,7%, unchanged from 4,7% in April.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 7,3% in May 2023, down from 8,6% in April 2023. The producer price index (PPI) increased by 0,6% month-on-month in May 2023.
- The main contributors to the headline PPI annual inflation rate were:
  - Food products, beverages and tobacco products (increased by 7,0% year-on-year and contributed 1,8%);
  - Paper and printed products (increased by 15,5% year-on-year and contributed 1,2%);
  - Transport equipment (increased by 12,8% year-on-year and contributed 1,1%);
  - Coke, petroleum, chemical, rubber, and plastic products (increased by 3,6% year-on-year and contributed 1,0%); and
  - Metals, machinery, equipment, and computing equipment (increased by 6,1% year-on-year and contributed 0,9%).
- The contributors to the headline PPI monthly increase were:
  - Metals, machinery, equipment and computing equipment (increased by 1,2% month-on-month and contributed 0,2%);
  - Food products, beverages and tobacco products (increased by 0,2% month-on-month and contributed 0,1%);
  - Coke, petroleum, chemical, rubber and plastic products (increased by 0,4% month-on-month and contributed 0,1%);
  - Furniture and other manufacturing (increased by 2,1% month-on-month and contributed 0,1%); and
  - Non-metallic mineral products (increased by 1,9% month-on-month and contributed 0,1%).
- The annual percentage change in the PPI for intermediate manufactured goods was 4,4% in May 2023 (compared with 4,6% in April 2023). The index increased by 2,0% month-on-month.
- The main contributors to the annual rate were:
  - Chemicals, rubber and plastic products (1,5%);
  - Basic and fabricated metals (1,5%); and
  - Sawmilling and wood (0,7%).
- 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 15,5% in May 2023 (compared with 13,1% in April 2023). The index increased by 3,8% month-on-month. Electricity contributed 14,4% and water contributed 1,1% to the annual rate. Electricity contributed 3,8% to the monthly rate.
- The annual percentage change in the PPI for mining was 7,2% in May 2023 (compared with 10,5% in April 2023). The index increased by 0,2% month-on-month. The main contributors to the annual rate were gold and other metal ores (3,9%) and coal and gas (2,8%). The main contributor to the monthly rate was non-ferrous metal ores (1,0%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 4,5% in May 2023 (compared with 6,0% in April 2023). The index decreased by 0,3% month-on-month. The main contributors to the annual

rate were fishing (2,0%) and agriculture (1,9%). The main contributor to the monthly rate was agriculture (-0,5%).

4.3 Future contract prices

Table 5: Closing prices on Wednesday, 5 July 2023

	5 July 2023	5 June 2023	% Change
RSA White Maize per ton (July 2023 contract)	R3 574,00	R3 734,00	-4,28
RSA Yellow Maize per ton (July 2023 contract)	R3 635,00	R3 859,00	-5,80
RSA Wheat per ton (July 2023 contract)	R6 515,00	R6 571,00	-0,85
RSA Sunflower seed per ton (July 2023 contract)	R8 910,00	R8 346,00	6,76
RSA Soya-beans per ton (July 2023 contract)	R8 445,00	R7 847,00	7,62
Exchange rate R/$	R18,74	R19,39	-3,35

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- May 2023 tractor sales of 655 units were ninety-seven units less than the 752 units sold in May 2022. On a year-to-date basis tractor sales are now approximately 5% down on last year. Sixty-five combine harvesters were sold in May 2023, twelve units more than the 53 units sold in May 2022. On a year-to-date basis combine harvester sales are now 61% more than last year.
- Tractor sales, particularly of smaller to mid-range units have slowed in recent months. Farmers are showing caution, with more factors affecting their decision making. In addition to crop yields and quality, commodity prices and rand exchange rates, El Niño and load-shedding now need to be taken into consideration when making buying decisions.
- Forecasts for tractor sales for the 2023 calendar year are now 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
	May		Change	May		Change
Equipment class	**2023**	**2022**	%	**2023**	**2022**	%
Tractors	655	752	-12,90	3 125	3 306	-5,47
Combine harvesters	65	53	22,64	263	163	61,35

Source: SAAMA press release, June 2023

PLEASE NOTE: The Food Security Bulletin for July 2023 will be released on **4 August 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