MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA MARCH 2022

Issued: 6 April 2022

Directorate: Statistics and Economic Analysis

Highlights:

- **During March 2022, significant and widespread rainfall events were reported over the country, with the exception of the extreme western parts and the southern coastal areas.**
- **The projected closing stocks of wheat for the current 2021/22 marketing year are 622 509 tons, which includes imports of 1,475 million tons. It is also 33,2% more than the previous years' ending stocks.**
- **The expected commercial maize crop for 2022 is 14 684 050 tons, which is 10,0% less than the previous season (2021).**
- **Projected closing stocks of maize for the current 2021/22 marketing year are 2,628 million tons, which is 24,2% more than the previous years' ending stocks.**
- **Projected closing stocks of maize for the coming 2022/23 marketing year are 1,913 million tons, which is 27,2% less than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2021/22 marketing year are 106 123 tons, which is 104,9% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the coming 2022/23 marketing year are 94 878 tons, which is 10,6% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2021/22 marketing year are 31 786 tons, which is 47,9% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for coming 2022/23 marketing year are 137 466 tons, which is 332,5% more than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2021/22 marketing year are 169 710 tons, which is 268,5% more than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the coming 2022/23 marketing year are 250 660 tons, which is 47,7% more than the previous years' ending stocks.**
- **The annual percentage change in the CPI was unchanged at 5,7% in February 2022.**
- **The annual percentage change in the PPI for final manufactured goods was higher at 10,5% in February 2022.**
- **February 2022 tractor sales of 798 units were 20% more than the 665 units sold in February 2021.**

agriculture, land reform & rural development

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1) Weather conditions

1.1 Rainfall for March 2022

During March 2022, significant and widespread rainfall events were reported over the country, with the exception of the extreme western parts and the southern coastal areas (**Figure 1**). Comparing rainfall totals to the long term average for March 2022, the rainfall received was near-normal to above-normal over most of the western half of the country, as well as isolated areas of the Eastern Cape and KwaZulu-Natal, while the northern parts of the country received near-normal to below-normal rainfall (**Figure 2**). (Source: Directorate: Climate Change and Disaster Management at Department: Agriculture, Land Reform and Rural Development)

Figure 1: Rainfall (mm) for March 2022

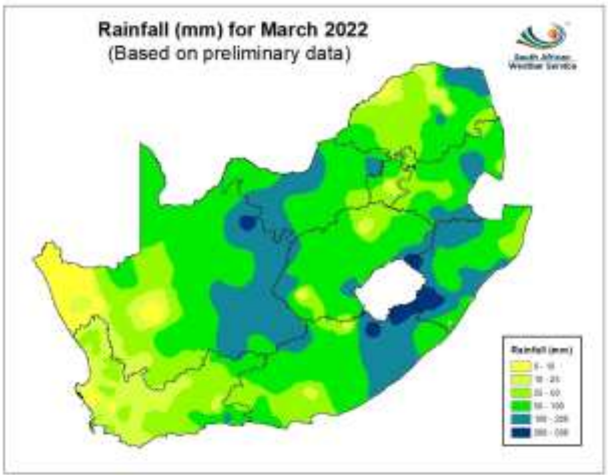
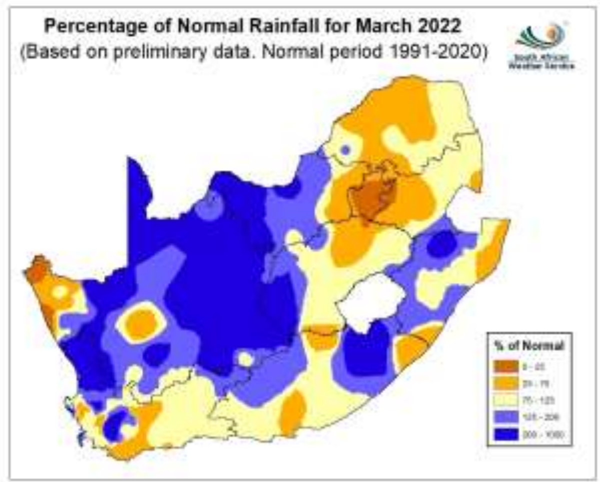


Figure 2: Percentage rainfall for March 2022



1.2 Level of dams

Available information on the level of South Africa's dams on 28 February 2022 indicates that the country has approximately 92% of its full supply capacity (FSC) available, which is 7% more than the corresponding period in 2021. The dam levels in KwaZulu-Natal (22%), Western Cape (9%), Eastern Cape (7%), Northern Cape (6%), Mpumalanga (5%), Free State (2%) and Limpopo (1%) show improvements in the full supply capacity as compared to 2021. The Gauteng Province remains unchanged and does not show any improvement. However, the North West Province (-10%) shows a decrease in 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, 28 February 2022

Province	Net FSC million cubic meters	28/02/2022 (%)	Last Year (2021) (%)	% Increase/Decrease 2022 vs. 2021
Eastern Cape	1 824	63	56	7,0
Free State	15 657	102	100	2,0
Gauteng	128	101	101	0,0
KwaZulu-Natal	4 912	88	66	22,0
Lesotho	2 363	89	64	25,0
Limpopo	1 480	88	87	1,0
Mpumalanga	2 539	93	88	5,0
North West	867	73	83	-10,0
Northern Cape	147	108	102	6,0
Swaziland	334	100	101	-1,0
Western Cape	1 866	66	57	9,0
Total	**32 117**	**92**	**85**	**7,0**

Source: Department of Water and Sanitation

Due to a technical error on the Department of Water and Sanitation website, the latest level of dams report is not available.

2. Grain production

2.1 Summer grain crops - 2022

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

Table 2: Commercial summer crops: Revised area planted and second production forecast - 2022 season

CROP	**Area planted 2022 Ha (A)**	**2nd forecast 2022 Tons (B)**	Area planted 2021 Ha (C)	Final crop 2021 Tons (D)	Change % (B) ÷ (D)
Commercial:					
White maize	**1 575 000**	**7 569 550**	1 691 900	8 600 000	-11,98
Yellow maize	**1 048 000**	**7 114 500**	1 063 500	7 715 000	-7,78
Total Maize	**2 623 000**	**14 684 050**	2 755 400	16 315 000	-10,00
Sunflower seed	**670 700**	**959 450**	477 800	678 000	41,51
Soybeans	**925 300**	**1 885 850**	827 100	1 897 000	-0,59
Groundnuts	**43 400**	**74 250**	38 550	64 300	15,47
Sorghum	**37 200**	**137 220**	49 200	215 000	-36,18
Dry beans	**42 900**	**59 690**	47 390	57 672	3,50
TOTAL	**4 342 500**	**17 800 510**	4 195 440	19 226 972	-7,42

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

- The revised area estimate for maize is 2 623 000 ha, which is 4,81% or 132 400 ha less than the 2 755 400 ha planted for the previous season.
- The expected **commercial maize crop** is 14 684 050 tons, which is 10,00% or 1 630 950 tons less than the 16 315 000 tons of the previous season (2021). The yield for maize is 5,60 t/ha.
- The area estimate for **white maize** is 1 575 000 ha, which represents a decrease of 6,91% or 116 900 ha compared to the 1 691 900 ha planted last season. The production forecast of white maize is 7 569 550 tons, which is 11,98% or 1 030 450 tons less than the 8 600 000 tons of last season. The yield for white maize is 4,81 t/ha.
- In the case of **yellow maize,** the area estimate is 1 048 000 ha, which is 1,46% or 15 500 ha less than the 1 063 500 ha planted last season. The yellow maize production forecast is 7 114 500 tons, which is 7,78% or 600 500 tons less than the 7 715 000 tons of last season. The yield for yellow maize is 6,79 t/ha.
- The revised area estimate for **sunflower seed** is 670 700 ha, which is 40,37% or 192 900 ha more than the 477 800 ha planted the previous season. The production forecast for sunflower seed is 959 450 tons, which is 41,51% or 281 450 tons more than the 678 000 tons of the previous season. The expected yield is 1,43 t/ha.
- It is estimated that 925 300 ha have been planted to **soybeans**, which represents an increase of 11,87% or 98 200 ha compared to the 827 100 ha planted last season. The production forecast is 1 885 850 tons, which is 0,59% or 11 150 tons less than the 1 897 000 tons of the previous season. The expected yield is 2,04 t/ha.
- For **groundnuts**, the area estimate is 43 400 ha, which is 12,58% or 4 850 ha more than the 38 550 ha planted for the previous season. The expected crop is 74 250 tons – which is 15,47% or 9 950 tons more than the 64 300 tons of last season. The expected yield is 1,71 t/ha.
- The area estimate for **sorghum** decreased by 24,39% or 12 000 ha, from 49 200 ha to 37 200 ha against the previous season. The production forecast for sorghum is 137 220 tons, which is 36,18% or 77 780 tons less than the 215 000 tons of the previous season. The expected yield is 3,69 t/ha.
- For **dry beans**, the area estimate is 42 900 ha, which is 9,47% or 4 490 ha less the 47 390 ha planted for the previous season. The production forecast is 59 690 tons, which is 3,50% or 2 018 tons more than the 57 672 tons of the previous season. The expected yield is 1,39 t/ha.

Please note that the third production forecast for summer field crops for 2022 will be released on 26 April 2022.

2.2 Winter cereal crops – 2021

Please note that the intentions to plant winter cereals for 2022 will be released on 26 April 2022.

2.3 Non-commercial maize

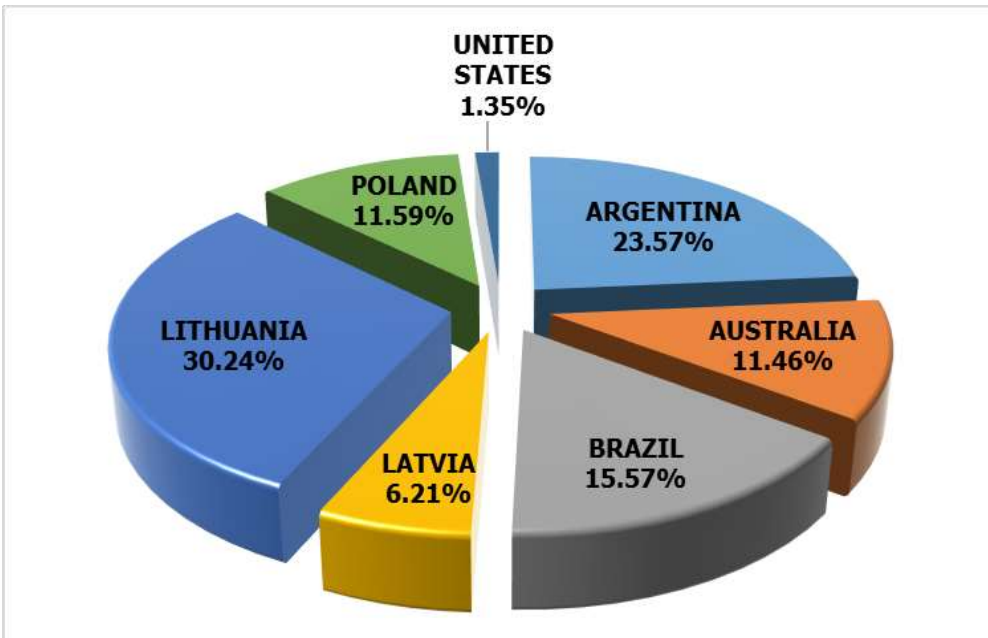
Please note that the CEC will release the preliminary area planted and production estimate of the non-commercial maize sector for the 2022 season on 26 May 2022.

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 MAR22 Annexure A.

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

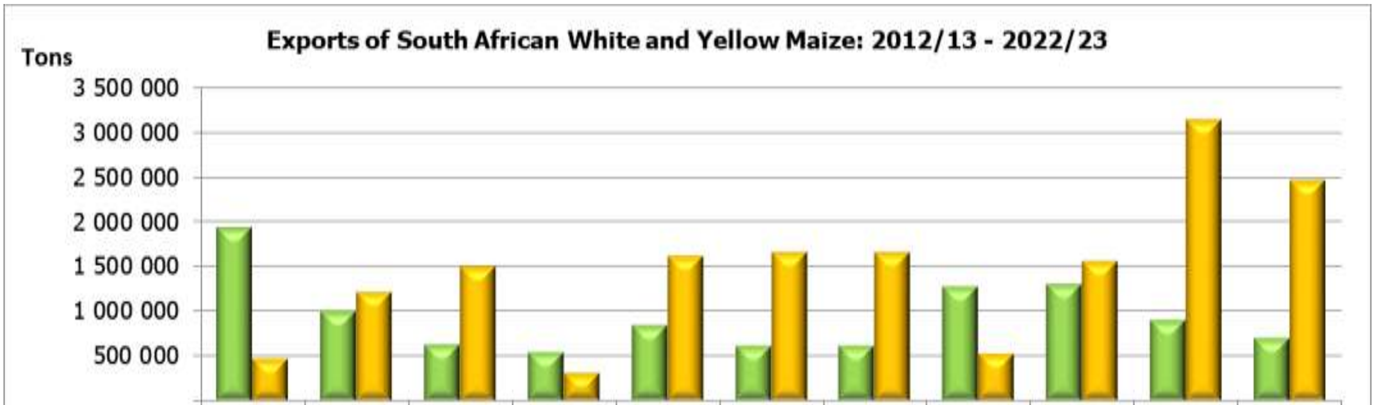
Graph 1: Major countries of wheat imports to South Africa: 2021/22 marketing year



- The progressive wheat imports (human consumption) for the 2021/22 marketing year (25 September 2021 to 25 March 2022) amount to 762 989 tons, with 30,24% or 230 749 tons from Lithuania, followed by 23,57% or 179 874 tons from Argentina, 15,57% or 118 786 tons from Brazil, 11,59% or 88 393 tons from Poland, 11,46% or 87 464 tons from Australia, 6,21% or 47 391 tons from Latvia and only 1,35% or 10 332 tons from the United States. The exports of wheat (human consumption) for the above-mentioned period amount to 91 826 tons, of which 82,04% or 75 337 tons went to the BLNS countries (Botswana, Lesotho, Namibia and Eswatini (Swaziland)), 12,39% or 11 373 tons to Zimbabwe and only 5,57% or 5 116 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

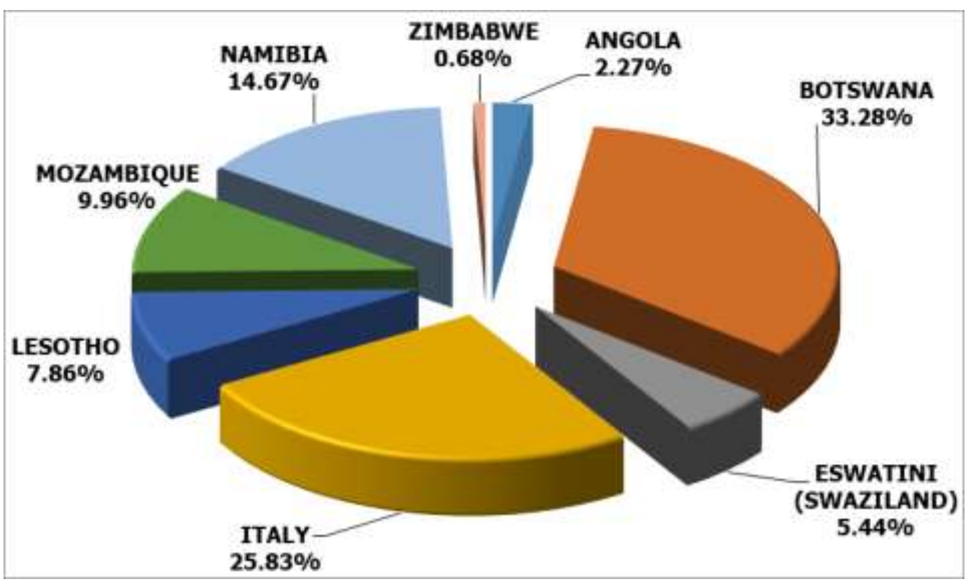


	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22*	2022/23*
White maize	1 946 000	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 304 475	915 000	710 000
Yellow maize	478 000	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 563 315	3 145 000	2 465 000

*Projection

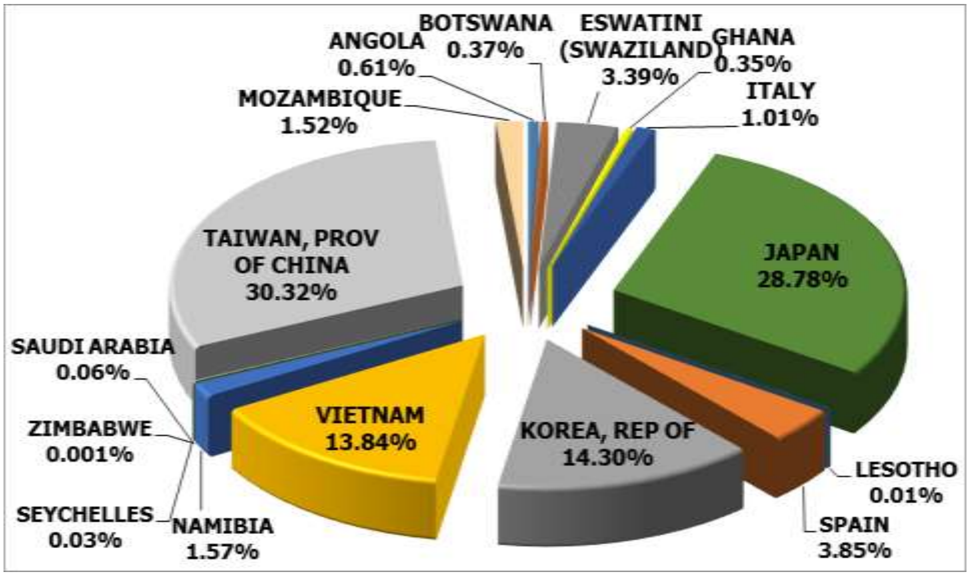
- The exports of white maize for the 2021/22 marketing year are projected at 915 000 tons, which represents a decrease of 29,86% or 389 475 tons compared to the 1,304 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 3,145 million tons, which represents an increase of 101,18% or 1,582 million tons compared to the 3,145 million tons of the previous marketing year.
- The exports of white maize for the 2022/23 marketing year are projected at 710 000 tons, which represents a decrease of 22,40% or 205 000 tons compared to the 915 000 tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 2,465 million tons, which represents a decrease of 21,62% or 680 000 tons compared to the 3,145 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 2021 to 25 March 2022, progressive white maize exports for the 2021/22 marketing year amount to 675 601 tons, with the main destinations being Botswana (33,28% or 224 868 tons), followed by Italy (25,83% or 174 509 tons), Namibia (14,67% or 99 127 tons), Mozambique (9,96% or 67 298 tons), Lesotho (7,86% or 53 126 tons), Eswathini (Swaziland) (5,44% or 36 741 tons), Angola (2,27% of 15 316 tons) and Zimbabwe (0,68% or 4 616 tons). The imports of white maize for the mentioned period amount to 7 583 tons, all from Zambia.

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



- From 1 May 2021 to 25 March 2022, progressive yellow maize exports for the 2021/22 marketing year amount to 2,689 million tons, with the main destinations being Taiwan (30,32% or 815 318 tons), followed by Japan (28,78% or 774 070 tons), Korea, Republic of (14,30% or 384 609 tons), Vietnam (13,84% or 372 161tons), Spain (3,85% or 103 410 tons), Eswathini (Swaziland) (3,39% or 91 268 tons), Namibia (1,57% or 42 146 tons), Mozambique (1,52% or 40 759 tons), Italy (1,01% or 27 150 tons), Angola (0,61% or 16 308 tons), Botswana (0,37% or 9 853 tons), Ghana (0,35% or 9 505 tons), Saudi Arabia (0,06% or 1 665 tons), Seychelles (0,03% or 769 tons), Lesotho (0,01% or 297 tons) and Zimbabwe (0,001% 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 5,7% in February 2022, unchanged from 5,7% in January 2022. The consumer price index increased by 0,6% month-on-month in February 2022.
- The main contributors to the 5,7% annual inflation rate were as follows:
  - Food and non-alcoholic beverages increased by 6,4% year-on-year, and contributed 1,1% to the total CPI annual rate of 5,7%;
  - Housing and utilities increased by 4,4% year-on-year, and contributed 1,1%;
  - Transport increased by 14,3% year-on-year, and contributed 1,9%; and
  - Miscellaneous goods and services increased by 3,2% year-on-year, and contributed 0,5%.
- In February the annual inflation rate for goods was 8,1%, unchanged from January; and for services it was 3,1%, down from 3,4% in January.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 10,5% in February 2022, up from 10,1% in January 2022. The producer price index increased by 1,1% month-on-month in February 2022.
- The main contributors to the headline PPI annual inflation rate were as follows:
  - Coke, petroleum, chemical, rubber and plastic products increased by 22,6% year-on-year and contributed 5,3%;
  - Metals, machinery, equipment and computing equipment increased by 12,5% year-on-year and contributed 1,8%; and
  - Food products, beverages and tobacco products increased by 6,2% year-on-year and contributed 1,6%.

- The main contributor to the headline PPI monthly increase was coke, petroleum, chemical, rubber and plastic products, which increased by 2,7% month-on-month and contributed 0,7%.
- The annual percentage change in the PPI for intermediate manufactured goods was 19,3% in February 2022 (compared with 21,0% in January 2022). The index increased by 0,5% month-on-month. The main contributors to the annual rate were basic and fabricated metals (9,5%), as well as chemicals, rubber and plastic products (9,0%) and sawmilling and wood (1,3%). The main contributor to the monthly rate was basic and fabricated metals (1,4%).
- The annual percentage change in the PPI for electricity and water was 12,9% in February 2022 (compared with 16,1% in January 2022). The index increased by 0,1% month-on-month. Electricity contributed 11,7% to the annual rate, and water contributed 0,9%. Electricity contributed 0,1% to the monthly rate.
- The annual percentage change in the PPI for mining was 6,4% in February 2022 (compared with 6,4% in January 2022). The index increased by 4,0% month-on-month. The main contributors to the annual rate were coal and gas (6,0 percentage points) and non-ferrous metal ores (1,4%). The main contributors to the monthly rate were non-ferrous metal ores (2,1%) and coal and gas (1,3%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 8,0% in February 2022 (compared with 6,9% in January 2022). The index decreased by 1,0% month-on-month. The main contributor to the annual rate was agriculture (7,5%). The main contributor to the monthly rate was agriculture (-1,0%).

4.3 Future contract prices

Table 3: Closing prices on Monday, 4 April 2022

	4 April 2022	4 March 2022	% Change
RSA White Maize per ton (Apr. 2022 contract)	R3 969,00	R3 923,00	1,17
RSA Yellow Maize per ton (Apr. 2022 contract)	R4 116,00	R4 088,00	0,68
RSA Wheat per ton (Apr. 2022 contract)	R6 695,00	R6 324,00	5,87
RSA Sunflower seed per ton (Apr. 2022 contract)	R10 621,00	R9 713,00	9,35
RSA Soya-beans per ton (Apr. 2022 contract)	R8 343,00	R9 310,00	-10,39
Exchange rate R/$	R14,62	R15,34	-4,69

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- February 2022 tractor sales of 798 units were 20% more than the 665 units sold in February 2021. Year-to-date tractor sales are now also 20% up on 2021. Nineteen combine harvesters were sold in February 2022, five units more than the 14 units sold in February 2021. On a year-to-date basis combine harvester sales are now 21% up on last year.
- The second production forecast of the current maize crop by the Crop Estimates Committee is 14,75 million tons. Although this is 10% less than last season, it is still in line with the current five-year average maize crop of 14,4 million tons. Overall sentiment in the market is still positive. The current problem between Russia and the Ukraine is clearly going to have far-reaching influences on several facets of the South African agricultural and agricultural machinery industries. However, it will be some time before we will be able to evaluate these effects. Industry forecasts for the 2022 calendar year are that tractor sales will be similar to those in 2021, with combine harvester sales approximately 10% lower than last year.

Table 4: Agricultural machinery sales

Equipment class	Year-on-year February		Percentage Change %	Year-to-date February		Percentage Change %
	2022	2021		2022	2021	
Tractors	798	665	20,00	1 357	1 130	20,09
Combine harvesters	19	14	35,71	23	19	21,06

Source: SAAMA press release, March 2022

PLEASE NOTE: The Food Security Bulletin for April 2022 will be released on **6 May 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