MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: MARCH 2021

Issued: 9 April 2021

Directorate: Statistics and Economic Analysis

Highlights:

- **During March 2021 significant rainfall events were experienced over the majority of the country.**
- **The production of wheat for 2020 is estimated at 2,109 million tons, which is 37,4% more than the previous seasons' crop of 1,535 million tons.**
- **The projected closing stocks of wheat for the current 2020/21 marketing year are 411 208 tons, which includes imports of 1,580 million tons. It is also 12,7% more than the previous years' ending stocks.**
- **The expected commercial maize crop is 15,922 million tons, which is 4,1% more than the 15,300 million tons of the previous season (2020).**
- **Projected closing stocks of maize for the current 2020/21 marketing year are 1,646 million tons, which is 64,5% more than the previous years' ending stocks.**
- **Projected closing stocks of maize for the coming 2021/22 marketing year are 2,598 million tons, which is 57,8% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2021/22 marketing year are 64 720 tons, which is 23,8% more than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2021/22 marketing year are 52 630 tons, which is 14,7% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2021/22 marketing year are 149 246 tons, which is 212,9% more than the previous years' ending stocks.**
- **The annual percentage change in the CPI was lower at 2,9% in February 2021.**
- **The annual percentage change in the PPI for final manufactured goods was higher at 4,0% in February 2021.**
- **March 2021 tractor sales of 601 units were almost 30% more than the 463 units sold in March 2020.**

agriculture, land reform & rural development

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1. Weather conditions

1.1 Rainfall for March 2021

During March 2021 significant rainfall events were experienced over the majority of the country (**Figure 1**). Comparing rainfall totals to the long term average for March 2021, below-normal rainfall was received but normal to above-normal over parts of the central and western regions of the country (**Figure 2**). Some areas in KwaZulu-Natal and Limpopo also received normal rainfall. (Source: Directorate: Climate Change and Disaster Management at Department: Agriculture, Land Reform and Rural Development)

Figure 1: Rainfall (mm) for March 2021

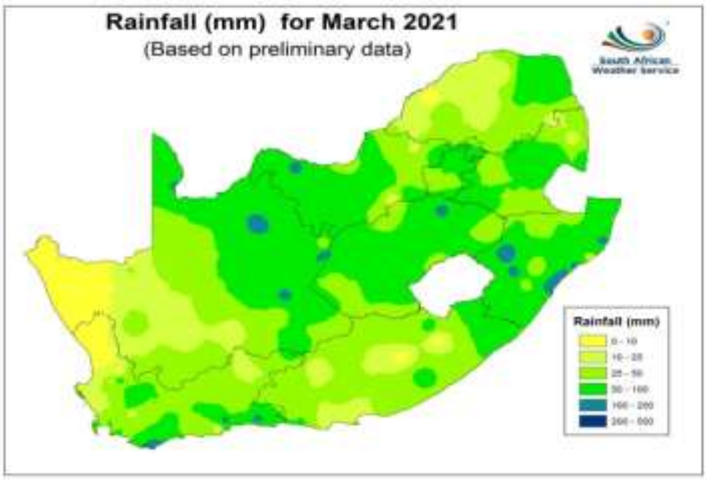
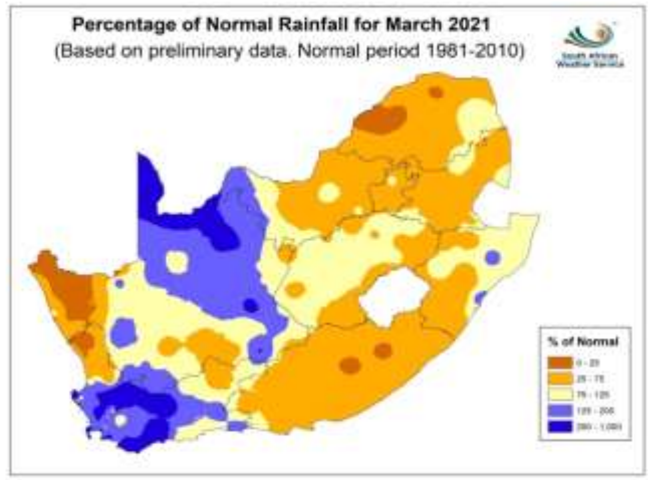


Figure 2: Percentage rainfall for March 2021



1.2 Level of dams

Available information on the level of South Africa's dams on 6 April 2021 indicates that the country has approximately 86% of its full supply capacity (FSC) available, which is significantly more (19%) than the corresponding period in 2020. The dam levels in the Free State (23%), Limpopo (18%), Mpumalanga (14%), both KwaZulu-Natal and Western Cape provinces (12%), North West (11%) and Northern Cape province (7%) all show improvements in the full supply capacity as compared to 2020. Only the Eastern Cape and Gauteng provinces both show a slight decrease of -1%. The provincial distribution of South Africa's water supply including Lesotho and Swaziland is contained in **Table 1** below.

Table 1: Level of dams, 6 April 2021

Province	Net FSC million cubic meters	**06/04/2021 (%)**	Last Year (2020) (%)	% Increase/Decrease 2021 vs. 2020
Eastern Cape	1 823	55	56	-1,0
Free State	15 657	100	77	23,0
Gauteng	128	100	101	-1,0
KwaZulu-Natal	4 784	73	61	12,0
Lesotho	2 363	65	26	39,0
Limpopo	1 480	88	70	18,0
Mpumalanga	2 539	89	75	14,0
North West	867	82	71	11,0
Northern Cape	147	102	95	7,0
Swaziland	334	100	78	22,0
Western Cape	1 866	52	40	12,0
Total	**31 987**	**86**	**67**	**19,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2020

The revised area planted and second production forecast of summer grains for the 2021 season was released by the Crop Estimates Committee (CEC) on 25 March 2021, and is as follows:

Table 2: Commercial summer crops: Revised area planted and 2nd production forecast - 2021 season

CROP	**Area planted 2021 Ha (A)**	**2nd forecast 2021 Tons (B)**	Area planted 2020 Ha (C)	Final estimate 2020 Tons (D)	Change 2021 vs 2020 % (B) ÷ (D)
Commercial:					
White maize	**1 691 900**	**8 795 890**	1 616 300	8 547 500	2,91
Yellow maize	**1 063 500**	**7 125 900**	994 500	6 752 500	5,53
Total Maize	**2 755 400**	**15 921 790**	2 610 800	15 300 000	4,06
Sunflower seed	**477 800**	**696 290**	500 300	788 500	-11,69
Soybeans	**827 100**	**1 728 150**	705 000	1 245 500	38,75
Groundnuts	**38 550**	**57 900**	37 500	50 080	15,62
Sorghum	**49 200**	**187 670**	42 500	158 000	18,78
Dry beans	**48 890**	**62 117**	50 150	64 800	-4,14
TOTAL	**4 196 940**	**18 653 917**	3 946 250	17 606 880	5,95

Note: Estimate is for calendar year, e.g. production season 2020/21 = 2021

- **Commercial maize**: The revised area estimate for maize is 2 755 400 ha, which is 5,54% or 144 600 ha more than the 2 610 800 ha planted for the previous season.
- The expected commercial maize crop is 15 921 790 tons, which is 4,06% or 621 790 tons more than the 15 300 000 tons of the previous season (2020). The yield for maize is 5,78 t/ha. This is the second largest expected maize crop ever produced in the RSA.
- The area estimate for **white maize** is 1 691 900 ha, which represents an increase of 4,68% or 75 600 ha compared to the 1 616 300 ha planted last season. The production forecast of white maize is 8 795 890 tons, which is 2,91% or 248 390 tons more than the 8 547 500 tons of last season. The yield for white maize is 5,20 t/ha.
- In the case of **yellow maize,** the area estimate is 1 063 500 ha, which is 6,94% or 69 000 ha more than the 994 500 ha planted last season. The yellow maize production forecast is 7 125 900 tons, which is 5,53% or 373 400 tons more than the 6 752 500 tons of last season. The yield for yellow maize is 6,70 t/ha.
- The revised area estimate for sunflower seed is 477 800 ha, which is 4,50% or 22 500 ha less than the 500 300 ha planted the previous season. The production forecast for sunflower seed is 696 290 tons, which is 11,69% or 92 210 tons less than the 788 500 tons of the previous season. The expected yield is 1,46 t/ha.
- It is estimated that 827 100 ha have been planted to **soybeans**, which represents an increase of 17,32% or 122 100 ha compared to the 705 000 ha planted last season. The production forecast is 1 728 150 tons, which is 38,75% or 482 650 tons more than the 1 245 500 tons of the previous season. The expected yield is 2,09 t/ha. This is the largest expected soybeans crop ever produced in the RSA.
- For **groundnuts**, the revised area estimate is 38 550 ha, which is 2,80% or 1 050 ha more than the 37 500 ha planted for the previous season. The expected crop is 57 900 tons – which is 15,62% or 7 820 tons more than the 50 080 tons of last season. The expected yield is 1,50 t/ha.

- The area estimate for **sorghum** increased by 15,76% or 6 700 ha, from 42 500 ha to 49 200 ha against the previous season. The production forecast for sorghum is 187 670 tons, which is 18,78% or 29 670 tons more than the 158 000 tons of the previous season. The expected yield is 3,81 t/ha.
- For **dry beans**, the area estimate is 48 890 ha, which is 2,51% or 1 260 ha less than the 50 150 ha planted for the previous season. The production forecast is 62 117 tons, which is 4,14% or 2 683 tons less than the 64 800 tons of the previous season. The expected yield is 1,27 t/ha.

Please note that the area estimate and third production forecast for summer field crops for 2021 will be released on 29 April 2021.

2.2 Winter cereal crops – 2019

Please note that the intentions to plant winter cereals for 2021 will be released on 29 April 2021.

2.3 Non-commercial maize

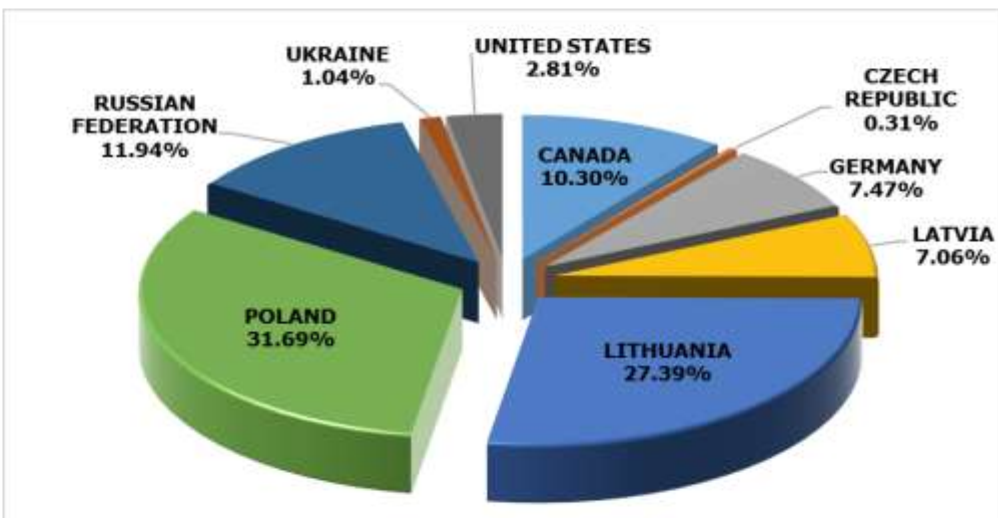
Please nothe that the CEC will release the preliminary area planted and production estimate of the non-commercial maize sector for the 2021 season on 27 May 2021.

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 MAR21 Annexure A.

3.1 Imports and exports of wheat for the 2020/21 marketing year

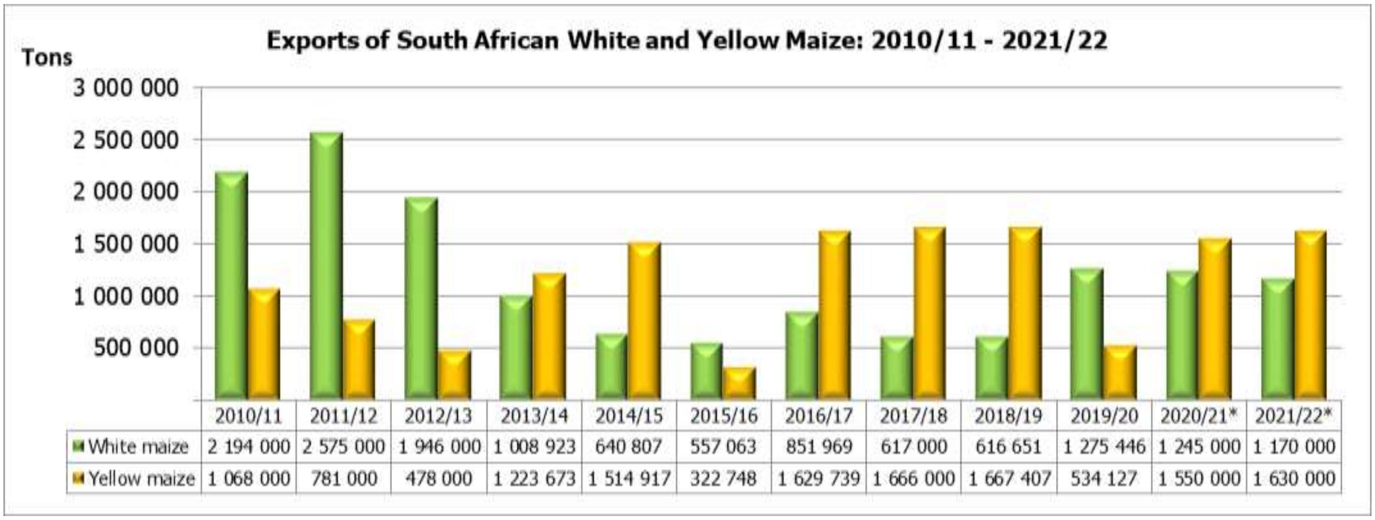
Graph 1: Major countries of wheat imports to South Africa: 2020/21 marketing year



- The progressive wheat imports (human consumption) for the 2020/21 marketing year (26 September 2020 to 26 March 2021) amount to 705 843 tons, with 31,69% or 223 682 tons from Poland, followed by 27,39% or 193 321 tons from the Lithuania, 11,94% or 84 265 tons from Russian Federation, 10,30% or 72 734 tons imported from Canada, 7,47% or 52 712 tons from Germany, 7,06% or 49 827 tons from Latvia, 2,81% or 19 806 tons from United States, 1,04% or 7 341 tons from Ukraine and 0,31% or 2 155 tons from the Czech Republic. The exports of wheat (human consumption) for the above-mentioned period amount to 42 017 tons, of which 69,32% or 29 125 tons went to BLNS countries (Botswana, Lesotho, Namibia and Eswatini (Swaziland)), 18,65% or 7 838 tons to Zambia, 9,62% or 4 044 tons to Zimbabwe and only 2,40% or 1 010 tons went to Mozambique.

- ### 3.2 Exports of white and yellow maize

Graph 2: Exports of South African white and yellow maize for the 2010/11 to 2021/22 marketing year

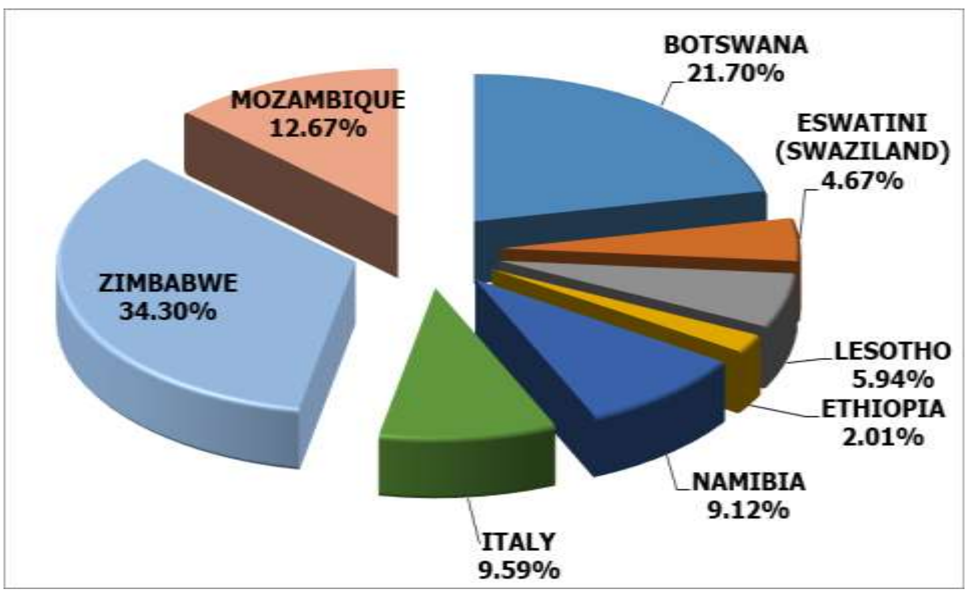


	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*	2021/22*
White maize	2 194 000	2 575 000	1 946 000	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 245 000	1 170 000
Yellow maize	1 068 000	781 000	478 000	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 550 000	1 630 000

*Projection

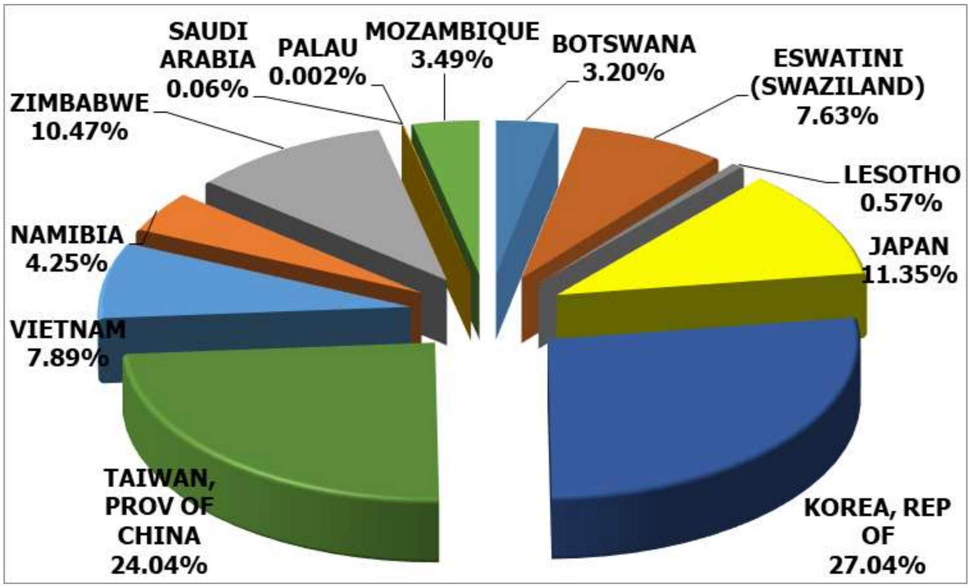
- The exports of white maize for the 2020/21 marketing year are projected at 1,245 million tons, which represents a decrease of 2,39% or 30 446 tons compared to the 1,275 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 1,550 million tons, which represents an increase of 190,19% or 1,016 million tons compared to the 534 127 tons of the previous marketing year.
- The exports of white maize for the 2021/22 marketing year are projected at 1,170 million tons, which represents a decrease of 6,02% or 75 000 tons compared to the 1,245 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 1,630 million tons, which represents an increase of 5,16% or 80 000 tons compared to the 1,550 million tons of the previous marketing year.

Graph 3: Major countries of white maize exports from South Africa: 2020/21 marketing year



- From 25 April 2020 to 26 March 2021, progressive white maize exports for the 2020/21 marketing year amount to 993 376 tons, with the main destinations being Zimbabwe (34,30% or 340 745 tons), followed by Botswana (21,70% or 215 543 tons), Mozambique (12,67% or 125 897 tons), Italy (9,59% or 95 251 tons), Namibia (9,12% or 90 598 tons), Lesotho (5,94% or 58 956 tons), Eswathini (Swaziland) (4,67% or 46 363 tons) and Ethiopia (2,01% or 20 014 tons). The imports of white maize for the mentioned period amount to zero.

Graph 4: Major countries of yellow maize exports from South Africa: 2020/21 marketing year



- From 25 April 2020 to 26 March 2021, progressive yellow maize exports for the 2020/21 marketing year amount to 1,345 million tons, with the main destinations being Korea, Republic of (27,04% or 363 625 tons), followed by Taiwan, Province of China (24,04% or 323 189 tons), Japan (11,35% or 152 610 tons), Zimbabwe (10,47% or 140 805 tons), Vietnam (7,89% or 106 068 tons), Eswathini (Swaziland) (7,63% or 102 637 tons), Namibia (4,25% or 57 213 tons), Mozambique (3,49% or 46 992 tons), Botswana (3,20% or 43 043 tons), Lesotho (0,57% or 7 624tons), Saudi Arabia (0,06% or 780 tons) and Palau (0,002% or 21 tons). The imports of yellow maize for the mentioned period is 463 tons from Ukraine.

4. Market information

4.1 Consumer Price Index (CPI)

- Annual consumer price inflation was 2,9% in February 2021, down from 3,2% in January 2021. The consumer price index increased by 0,7% month-on-month in February 2021.
- The main contributors to the 2,9% annual inflation rate were as follows:
  - Food and non-alcoholic beverages increased by 5,2% year-on-year, and contributed 0,9% to the total CPI annual rate of 2,9%;
  - Housing and utilities increased by 2,6% year-on-year, and contributed 0,6%; and
  - Miscellaneous goods and services increased by 3,9% year-on-year, and contributed 0,6%.
- The annual inflation rates for goods and services were 3,1% and 2,7% respectively. Provincial annual inflation rates ranged from 2,7% in Gauteng and Mpumalanga to 3,3% in North West.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 4,0% in February 2021, up from 3,5% in January 2021. The producer price index increased by 0,7% month-on-month in February 2021.
- The main contributors to the headline PPI annual inflation rate were as follows:
  - Food products, beverages and tobacco products increased by 5,5% year-on-year and contributed 1,9%;
  - Metals, machinery, equipment and computing equipment increased by 5,1% year-on-year and contributed 0,7%; and
  - Transport equipment increased by 5,2% year-on-year and contributed 0,5%.
- The main contributor to the headline PPI monthly increase was coke, petroleum, chemical, rubber, as well as plastic products, which increased by 1,9% month-on-month and contributed 0,4%.

- The annual percentage change in the PPI for intermediate manufactured goods was 9,9% in February 2021 (compared with 8,6% in January 2021). The index increased by 2,0% month-on-month. The main contributors to the annual rate were basic and fabricated metals (6,5%), as well as chemicals, rubber and plastic products (3,0%). The main contributors to the monthly rate were basic and fabricated metals (1,0%), as well as chemicals, rubber and plastic products (0,9%).
- The annual percentage change in the PPI for electricity and water was 9,2% in February 2021 (compared with 8,7% in January 2021). The index increased by 2,9% month-on-month. Electricity contributed 8,2% to the annual rate, and water contributed 1,0%. Electricity contributed 3,0% to the monthly rate.
- The annual percentage change in the PPI for mining was 11,5% in February 2021 (compared with 22,9% in January 2021). The index increased by 4,0% month-on-month. The main contributors to the annual rate were gold and other metal ores (7,3%), as well as non-ferrous metal ores (5,3%). The main contributor to the monthly rate was non-ferrous metal ores (3,9%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 10,0% in February 2021 (compared with 11,3% in January 2021). The index decreased by 2,1% month-on-month. The main contributor to the annual rate was agriculture (10,4%). The main contributor to the monthly rate was agriculture (-2,0%).

4.3 Future contract prices

Table 3: Closing prices on Thursday, 8 April 2021

	8 April 2021	8 March 2021	% Change
RSA White Maize per ton (Apr. 2021 contract)	R3 092,00	R3 366,00	-8,14
RSA Yellow Maize per ton (Apr. 2021 contract)	R3 259,00	R3 426,00	-4,87
RSA Wheat per ton (Apr. 2021 contract)	R4 860,00	R5 345,00	-9,07
RSA Sunflower seed per ton (Apr. 2021 contract)	R8 354,00	R8 644,00	-3,35
RSA Soya-beans per ton (Apr. 2021 contract)	R7 086,00	R8 000,00	-11,43
Exchange rate R/$	R14,51	R15,51	-6,45

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- March 2021 tractor sales of 601 units were almost 30% more than the 463 units sold in March 2020. Year-to-date tractor sales are almost 29% up on last year. In March 2021 there were 27 combine harvester sales, one more than the 26 units sold in March 2020. On a year-to-date basis combine harvester sales are now 6% down on last year.
- Market sentiment continues, as it has been in the past few months, to be positive. Good crops are currently being harvested, although in some areas there are quality problems. Commodity prices, in general, are good and with the good yields this season, production income should be good. Agricultural machinery sales prospects remain positive for the rest of the year. Estimates for the 2021 calendar year are quite encouraging, with tractor sales likely be up to 15% higher than in 2020.

Table 4: Agricultural machinery sales

Equipment class	Year-on-year March 2021	Year-on-year March 2020	Percentage Change %	Year-to-date March 2021	Year-to-date March 2020	Percentage Change %
Tractors	601	463	29,81	1 694	1 316	28,72
Combine harvesters	27	26	3,85	46	49	-6,12

Source: SAAMA press release, April 2021

PLEASE NOTE: The Food Security Bulletin for April 2021 will be released on **7 May 2021**.

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
- Farmer's Weekly
- Grain South Africa (GrainSA)
- IGC Grain Market Report
- National Agricultural Marketing Council (NAMC)
- South African Agricultural Machinery Association (SAAMA)
- South African Futures Exchange (SAFEX)
- South African Reserve Bank
- 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