MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: MAY 2021

Issued: 7 June 2021

Directorate: Statistics and Economic Analysis

Highlights:

- **During May 2021 significant rainfall events were limited to the south-western parts of the country.**
- **The projected closing stocks of wheat for the current 2020/21 marketing year are 419 508 tons, which includes imports of 1,580 million tons. It is also 15,0% more than the previous years' ending stocks.**
- **The expected commercial maize crop is 16,180 million tons, which is 5,8% more than the previous season.**
- **Projected closing stocks of maize for the current 2021/22 marketing year are 3,124 million tons, which is 47,6% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2021/22 marketing year are 62 470 tons, which is 20,6% more than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2021/22 marketing year are 52 304 tons, which is 14,2% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2021/22 marketing year are 213 103 tons, which is 362,7% more than the previous years' ending stocks.**
- **The annual percentage change in the CPI was higher at 4,4% in April 2021.**
- **The annual percentage change in the PPI for final manufactured goods was higher at 6,7% in April 2021.**
- **April 2021 tractor sales of 540 units were almost 23% more than the 440 units sold in April 2020.**

agriculture, land reform & rural development

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1. Weather conditions

1.1 Rainfall for May 2021

During May 2021 significant rainfall events were limited to the south-western parts of the country (**Figure 1**). Comparing rainfall totals to the long term average for May 2021, below-normal rainfall was received in many areas, but normal to above-normal rainfall was mainly evident over the southern and south-western parts of the country (**Figure 2**). (Source: Directorate: Climate Change and Disaster Management at Department: Agriculture, Land Reform and Rural Development)

Figure 1: Rainfall (mm) for May 2020

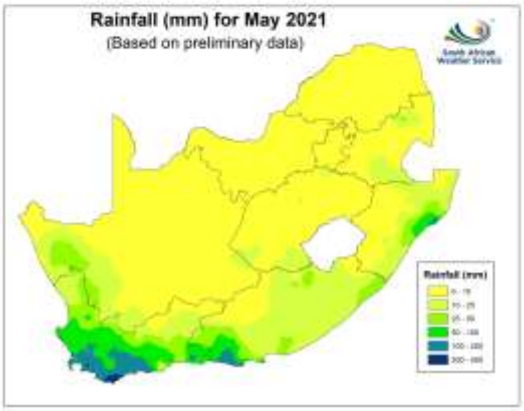
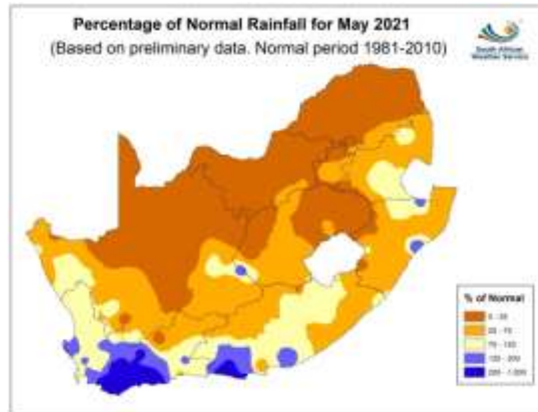


Figure 2: Percentage rainfall for May 2020



1.2 Level of dams

Available information on the level of South Africa's dams on 31 May 2021 indicates that the country has approximately 84% of its full supply capacity (FSC) available, which is 14% more than the corresponding period in 2020. The dam levels in the Limpopo (18%), Western Cape (17%), Free State (13%), Mpumalanga (12%), North West (11%) and KwaZulu-Natal (10%) provinces, all show improvements in the full supply capacity as compared to 2020. The Northern and Eastern Cape, as well as Gauteng provinces show decreases of 6%, 2% and 1%, respectively in the full supply capacity as compared to 2020. 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 May 2021

Province	Net FSC million cubic meters	**31/05/2021 (%)**	Last Year (2020) (%)	% Increase/Decrease 2021 vs. 2020
Eastern Cape	1 824	53	55	-2,0
Free State	15 657	97	84	13,0
Gauteng	128	99	100	-1,0
KwaZulu-Natal	4 912	73	63	10,0
Lesotho	2 363	62	28	34,0
Limpopo	1 480	87	69	18,0
Mpumalanga	2 539	86	74	12,0
North West	867	82	71	11,0
Northern Cape	147	88	94	-6,0
Swaziland	334	99	79	20,0
Western Cape	1 866	54	37	17,0
Total	**32 117**	**84**	**70**	**14,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2020

The area planted and fourth production forecast of summer grains for the 2021 season was released by the Crop Estimates Committee (CEC) on 27 May 2021, and is as follows:

Table 2: Commercial summer crops: Area planted and 4th production forecast - 2021 season

CROP	**Area planted 2021 Ha (A)**	**4th 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**	**8 982 190**	1 616 300	8 547 500	5,09
Yellow maize	**1 063 500**	**7 198 150**	994 500	6 752 500	6,60
Total Maize	**2 755 400**	**16 180 340**	2 610 800	15 300 000	5,75
Sunflower seed	**477 800**	**716 240**	500 300	788 500	-9,16
Soybeans	**827 100**	**1 918 150**	705 000	1 245 500	54,01
Groundnuts	**38 550**	**57 900**	37 500	50 080	15,62
Sorghum	**49 200**	**195 035**	42 500	158 000	23,44
Dry beans	**47 390**	**56 577**	50 150	64 800	-12,69
TOTAL	**4 195 440**	**19 124 242**	3 946 250	17 606 880	8,62

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

- **Commercial maize**: The 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 16 180 340 tons, which is 5,75% or 880 340 tons more than the 15 300 000 tons of the previous season (2020). The yield for maize is 5,87 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 8 982 190 tons, which is 5,09% or 434 690 tons more than the 8 547 500 tons of last season. The yield for white maize is 5,31 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 7 198 150 tons, which is 6,60% or 445 650 tons more than the 6 752 500 tons of last season. The yield for yellow maize is 6,77 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 716 240 tons, which is 9,16% or 72 260 tons less than the 788 500 tons of the previous season. The expected yield is 1,50 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 1 918 150 tons, which is 54,01% or 672 650 tons more than the 1 245 500 tons of the previous season. The expected yield is 2,32 t/ha. This is the largest expected soybeans crop ever produced in the RSA.
- For **groundnuts**, the 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 195 035 tons, which is 23,44% or 37 035 tons more than the 158 000 tons of the previous season. The expected yield is 3,96 t/ha.

- For **dry beans**, the area estimate is 47 390 ha, which is 5,50% or 2 760 ha less than the 50 150 ha planted for the previous season. The production forecast is 56 5777 tons, which is 12,69% or 8 223 tons less than the 64 800 tons of the previous season. The expected yield is 1,19 t/ha.

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

2.2 Winter cereal crops – 2019

Please note that the preliminary area estimate of winter crops for 2021 will be released on 28 July 2021.

2.3 Non-commercial maize

The CEC released the preliminary area planted and production estimate of the non-commercial maize sector for the 2021 season on 29 April 2021.

Table 3: Non-commercial maize – Preliminary area planted and production estimate: 2021

CROP	**Area planted 2021 Ha (A)**	**Production 2021 Tons (B)**	Area planted 2020 Ha (C)	Final crop 2020 Tons (D)	Change % (B) ÷ (D)
Non-commercial agriculture					
White maize	**236 600**	**399 330**	221 945	375 295	6,40
Yellow maize	**82 860**	**187 320**	75 515	168 250	11,33
Maize	**319 460**	**586 650**	297 460	543 545	7,93

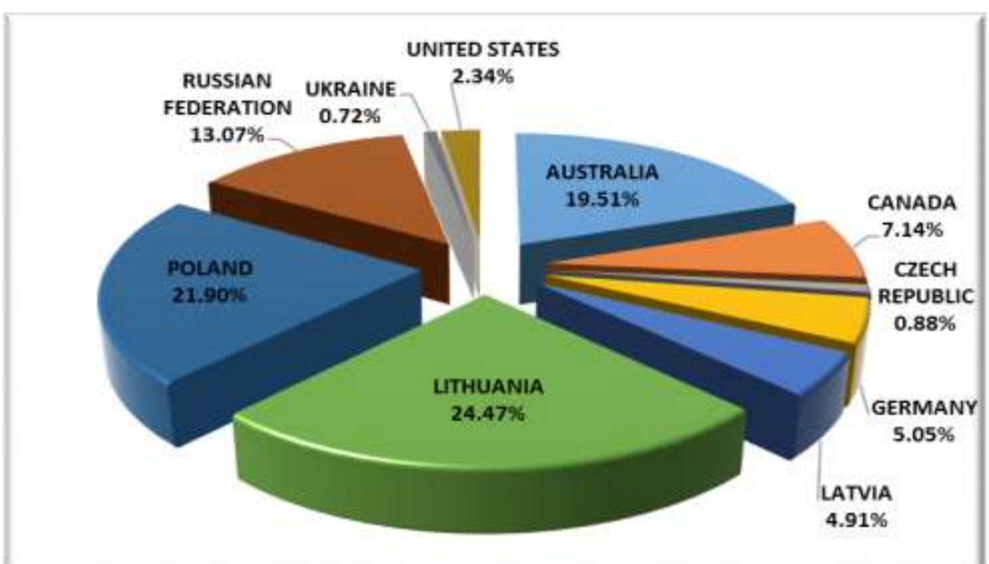
- The preliminary area planted to maize in the non-commercial agricultural sector is estimated at 319 460 ha, which represents an increase of 7,40%, compared to the 297 460 ha of the previous season. The expected maize crop for this sector is 586 650 tons, which is 7,93% more than the 543 545 tons of last season. It is important to note that about 45% of the maize produced in the non-commercial sector, is planted in the Eastern Cape, followed by KwaZulu-Natal with 28%.

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 MAY21 Annexure A.

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

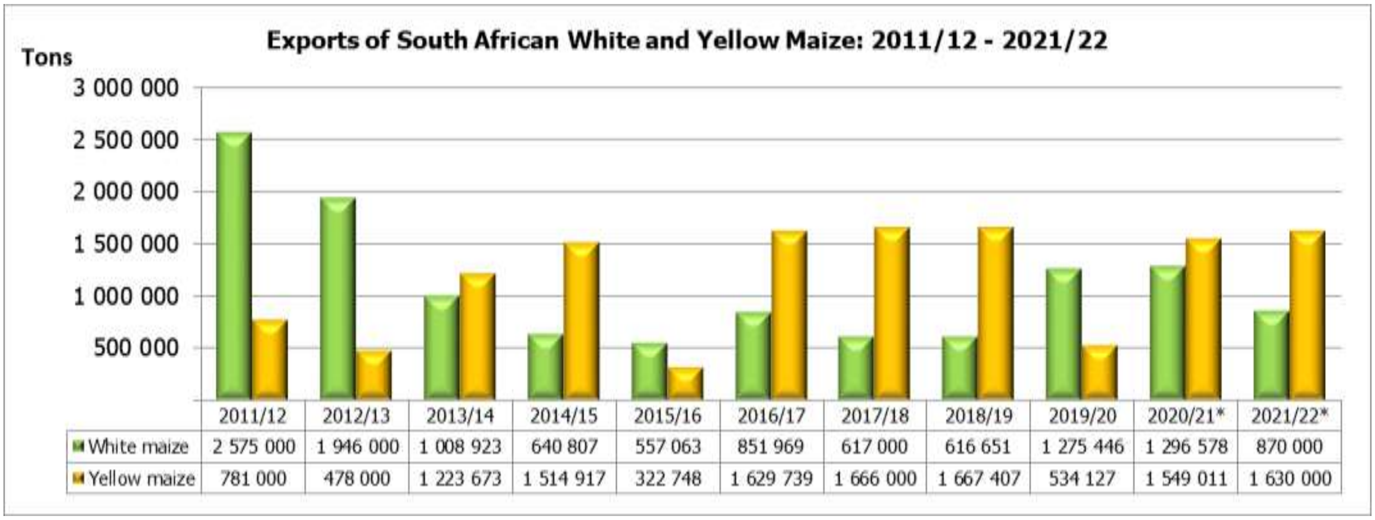
Graph 1: Major countries of wheat imports to South Africa: 2020/21 marketing year



- The progressive wheat imports (human consumption) for the 2020/21 marketing year (26 September 2020 to 28 May 2021) amount to 1,019 million tons, with 24,47% or 249 194 tons from the Lithuania, followed by 21,90% or 223 044 tons from Poland, 19,51% or 198 765 tons from Australia, 13,07% or 133 147 tons from Russian Federation, 7,14% or 72 773 tons imported from Canada, 5,05% or 51 461 tons from Germany, 4,91% or 50 006 tons from Latvia, 2,34% or 23 866 tons from United States, 0,88% or 8 965 tons from the Czech Republic and 0,72% or 7 341 tons from Ukraine. The exports of wheat (human consumption) for the above-mentioned period amount to 66 400 tons, of which 64,39% or 42 757 tons went to BLNS countries (Botswana, Lesotho, Namibia and Eswatini (Swaziland)), 27,61% or 18 336 tons to Zambia, 6,47% or 4 297 tons to Zimbabwe and only 1,52% 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 2011/12 to 2021/22 marketing year

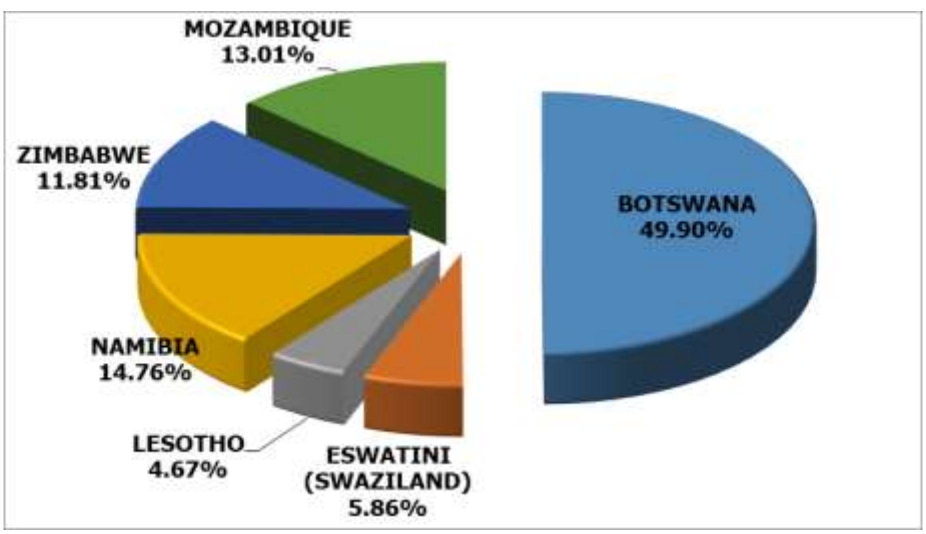


	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*	2021/22*
White maize	2 575 000	1 946 000	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 296 578	870 000
Yellow maize	781 000	478 000	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 549 011	1 630 000

*Projection

- The exports of white maize for the 2021/22 marketing year are projected at 870 000 tons, which represents a decrease of 32,90% or 426 578 tons compared to the 1,296 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 5,23% or 80 989 tons compared to the 1,549 million tons of the previous marketing year.

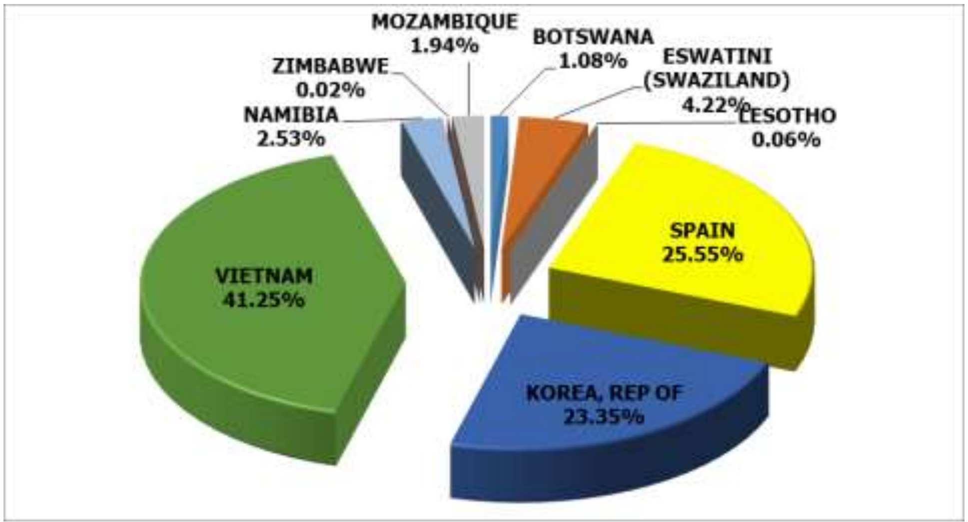
Graph 3: Major countries of white maize exports from South Africa: 2021/22 marketing year



- From 1 May to 28 May 2021, progressive white maize exports for the 2021/22 marketing year amount to 38 432 tons, with the main destinations being Botswana (49,90% or 19 176 tons), followed by Namibia (14,76% or 5 673 tons), Mozambique (13,01% or 5 000 tons), Zimbabwe (11,81% or 4 537 tons), Eswathini

(Swaziland) (5,86% or 2 251 tons) and Lesotho (4,67% or 1 795 tons). The imports of white maize for the mentioned period amount to zero.

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



- From 1 May to 28 May 2021, progressive yellow maize exports for the 2021/22 marketing year amount to 194 902 tons, with the main destinations being Vietnam (41,25% or 80 404 tons), followed by Spain (25,55% or 49 800 tons), Korea, Republic of (23,35% or 45 500 tons), Eswathini (Swaziland) (4,22% or 8 217 tons), Namibia (2,53% or 4 928 tons), Mozambique (1,94% or 3 786 tons), Botswana (1,08% or 2 098 tons), Lesotho (0,06% or 122 tons) and Zimbabwe (0,02% or 47 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 4,4% in April 2021, up from 3,2% in March 2021. The consumer price index increased by 0,7% month-on-month in April 2021.
- The main contributors to the 4,4% annual inflation rate were as follows:
  - Food and non-alcoholic beverages increased by 6,3% year-on-year, and contributed 1,1% to the total CPI annual rate of 4,4%;
  - Housing and utilities increased by 2,3% year-on-year, and contributed 0,6%;
  - Transport increased by 10,6% year-on-year, and contributed 1,5%; and
  - Miscellaneous goods and services increased by 4,0% year-on-year, and contributed 0,7%.
- The annual inflation rates for goods and for services were 6,4% and 2,7% respectively. Provincial annual inflation rates ranged from 4,2% in Northern Cape and Mpumalanga to 4,9% in North West.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 6,7% in April 2021, up from 5,2% in March 2021. The producer price index increased by 0,7% month-on-month in April 2021.
- The main contributors to the headline PPI annual inflation rate were as follows:
  - Food products, beverages and tobacco products increased by 6,7% year-on-year and contributed 2,4%;
  - Coke, petroleum, chemical, rubber and plastic products increased by 11,9% year-on-year and contributed 2,4%; and
  - Metals, machinery, equipment and computing equipment increased by 8,0% year-on-year and contributed 1,1%.
- The main contributor to the headline PPI monthly increase was coke, petroleum, chemical, rubber and plastic products, which increased by 3,2% month-on-month and contributed 0,6%.

- The annual percentage change in the PPI for intermediate manufactured goods was 11,4% in April 2021 (compared with 11,2% in March 2021). The index increased by 2,6% month-on-month. The main contributors to the annual rate were basic and fabricated metals (5,4%), as well as chemicals, rubber and plastic products (4,9%). The main contributor to the monthly rate was chemicals, rubber and plastic products (2,2%).
- The annual percentage change in the PPI for electricity and water was 5,9% in April 2021 (compared with 7,8% in March 2021). The index increased by 4,5% month-on-month. Electricity contributed 5,2% to the annual rate, and water contributed 0,8%. Electricity contributed 4,4% to the monthly rate, and water contributed 0,2%.
- The annual percentage change in the PPI for mining was 10,8% in April 2021 (compared with 14,2% in March 2021). The index decreased by 0,3% month-on-month. The main contributors to the annual rate were non-ferrous metal ores (10,1%), coal and gas (1,3%), as well as gold and other metal ores (1,1%). The main contributor to the monthly rate was coal and gas (-1,8%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 7,1% in April 2021 (compared with 7,2% in March 2021). The index decreased by 0,3% month-on-month. The main contributor to the annual rate was agriculture (7,7%). The main contributor to the monthly rate was agriculture (-0,5%).

4.3 Future contract prices

Table 4: Closing prices on Friday, 4 June 2021

	4 June 2021	4 May 2021	% Change
RSA White Maize per ton (June 2021 contract)	R3 273,00	R3 400,00	-3,74
RSA Yellow Maize per ton (June 2021 contract)	R3 390,00	R3 553,00	-4,59
RSA Wheat per ton (June 2021 contract)	R5 130,00	R4 911,00	4,46
RSA Sunflower seed per ton (June 2021 contract)	R8 617,00	R9 054,00	-4,83
RSA Soya-beans per ton (June 2021 contract)	R7 290,00	R7 342,00	-0,71
Exchange rate R/$	R13,66	R14,46	-5,53

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- April 2021 tractor sales of 540 units were almost 23% more than the 440 units sold in April 2020. Year-to-date tractor sales are now 27% up on last year. In April 2021 there were 43 combine harvester sales, 23 units more than the 20 units sold in April 2020. On a year-to-date basis combine harvester sales are now 29% up on last year.
- Summer crop harvesting is in full swing in some areas. Initial indications are that crop yields are good but, in some cases, due to late rains and early frost, crop quality may have been affected adversely. The excellent combine harvester sales in April reflect the need to harvest the record and near-record summer crops on the fields. Overall agricultural machinery sales started picking up in the third quarter of 2020 and have been on an upward trajectory since then. It is likely that this trend will slow later this year. Nevertheless, estimates for the 2021 calendar year are encouraging, with tractor sales likely be up to 15% higher than in 2020.

Table 5: Agricultural machinery sales

Equipment class	Year-on-year April		Percentage Change %	Year-to-date April		Percentage Change %
	2021	2020		2021	2020	
Tractors	540	440	22,72	2 234	1 756	27,22
Combine harvesters	43	20	115,0	89	69	28,99

Source: SAAMA press release, May 2021

PLEASE NOTE: The Food Security Bulletin for June 2021 will be released on **7 July 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