# MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: NOVEMBER 2020

**Issued: 4 December 2020**

**Directorate: Statistics and Economic Analysis**

**Highlights:**

- **During November 2020, significant rainfall events were limited to the central and eastern parts of the country.**
- **The expected production of wheat for 2020 is 2,149 million tons, which is 40,0% 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 406 578 tons, which includes imports of 1,540 million tons. It is also 11,4% more than the previous years' ending stocks.**
- **The expected commercial maize crop for 2020 is 15,408 million tons, which is 36,7% more than the 11,275 million tons of the previous season (2019).**
- **Projected closing stocks of maize for the current 2020/21 marketing year are 1,732 million tons, which is 73,2% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2020/21 marketing year are 42 518 tons, which is 29,6% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2020/21 marketing year are 92 235 tons, which is 31,8% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2020/21 marketing year are 125 855 tons, which is 9,1% less than the previous years' ending stocks.**
- **The annual percentage change in the CPI was higher at 3,3% in October 2020.**
- **The annual percentage change in the PPI for final manufactured goods was higher at 2,7% in October 2020.**
- **October 2020 tractor sales of 789 units were significantly more (37%) than the 575 units sold in October 2019.**

agriculture, land reform & rural development

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# 1. Weather conditions

## 1.1 Rainfall for November 2020

During November 2020, significant rainfall events were limited to the central and eastern parts of the country (**Figure 1**). Comparing rainfall totals to the long term average for November 2020, above-normal rainfall was received mainly over the North West Province, as well as parts of the Northern and Western Cape provinces. Rainfall was near-normal over the remainder of the central interior including the Eastern Cape and KwaZulu-Natal provinces(**Figure 2**). The other parts of the country received below-normal rainfall. (Source: Source: Directorate: Climate Change and Disaster Management at Department: Agriculture, Land Reform and Rural Development)

**Figure 1: Rainfall (mm) for November 2020**

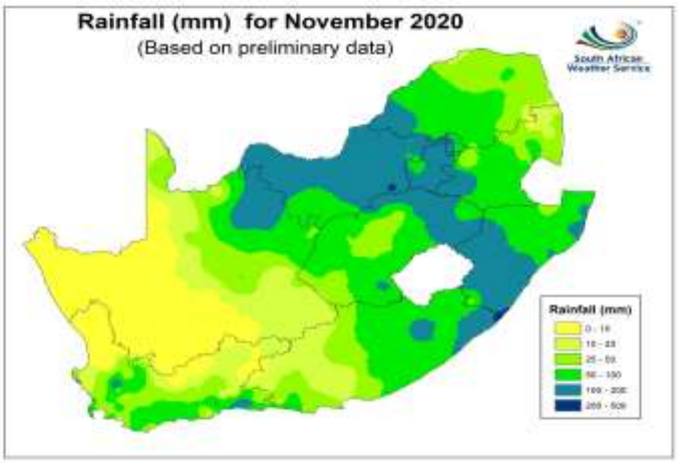
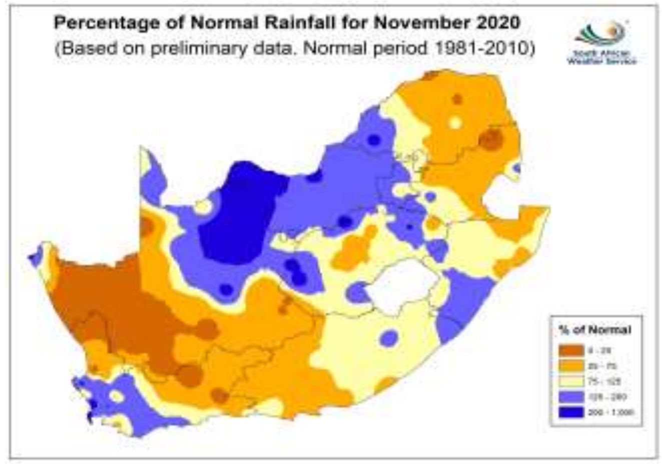



**Figure 2: Percentage rainfall for November 2020**




## 1.2 Level of dams

Available information on the level of South Africa's dams on 30 November 2020 indicates that the country has approximately 63% of its full supply capacity (FSC) available, which is 5% more than the corresponding period in 2019. The dam levels in the Western and Northern Cape, North West, Limpopo, Mpumalanga, Free State, Gauteng and Eastern Cape provinces, all show improvements in the full supply capacity as compared to 2019. KwaZulu-Natal show no change in the full supply capacity for the 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, 30 November 2020**

| Province | Net FSC million cubic meters | 30/11/2020 (%) | Last Year (2019) (%) | % Increase/Decrease 2020 vs. 2019 |
|---|---|---|---|---|
| **Eastern Cape** | 1 810 | 50 | 48 | 2,0 |
| **Free State** | 15 653 | 72 | 66 | 6,0 |
| **Gauteng** | 128 | 92 | 88 | 4,0 |
| **KwaZulu-Natal** | 4 784 | 53 | 53 | - |
| **Lesotho** | 2 363 | 18 | 20 | -2,0 |
| **Limpopo** | 1 522 | 56 | 49 | 7,0 |
| **Mpumalanga** | 2 539 | 63 | 56 | 7,0 |
| **North West** | 867 | 64 | 54 | 10,0 |
| **Northern Cape** | 147 | 88 | 73 | 15,0 |
| **Swaziland** | 334 | 41 | 59 | -18,0 |
| **Western Cape** | 1 866 | 79 | 64 | 15,0 |
| **Total** | **32 012** | **63** | **58** | **5,0** |

*Source: Department of Water and Sanitation*

## 2. Grain production

### 2.1 Summer grain crops - 2020

The area planted and final production estimate of summer grains for the 2020 season was released by the Crop Estimates Committee (CEC) on 26 November 2020, and is as follows:

**Table 2: Commercial summer crops: Area planted and final production estimate - 2020 season**

| CROP | **Area planted 2020 Ha (A)** | **Final estimate 2020 Tons (B)** | Area planted 2019 Ha (C) | Final crop 2019 Tons (D) | Change 2020 vs 2019 % (B) ÷ (D) |
|---|---|---|---|---|---|
| **Commercial:** | | | | | |
| White maize | **1 616 300** | **8 666 310** | 1 298 400 | 5 545 000 | 56,29 |
| Yellow maize | **994 500** | **6 741 870** | 1 002 100 | 5 730 000 | 17,66 |
| Total Maize | **2 610 800** | **15 408 180** | 2 300 500 | 11 275 000 | 36,66 |
| Sunflower seed | **500 300** | **785 910** | 515 350 | 678 000 | 15,92 |
| Soybeans | **705 000** | **1 245 500** | 730 500 | 1 170 345 | 6,42 |
| Groundnuts | **37 500** | **50 080** | 20 050 | 19 400 | 158,14 |
| Sorghum | **42 500** | **155 560** | 50 500 | 127 000 | 22,49 |
| Dry beans | **50 150** | **64 800** | 59 300 | 66 355 | -2,34 |
| TOTAL | **3 946 250** | **17 710 030** | 3 676 200 | 13 336 100 | 32,80 |

Note: Estimate is for calendar year, e.g. production season 2019/20 = 2020

- **Commercial maize**: The area estimate for maize is 2 610 800 ha, which is 13,49% or 310 300 ha more than the 2 300 500 ha planted for the previous season. The expected **commercial maize** crop is 15 408 180 tons, which is 36,66% or 4 133 180 tons more than the 11 275 000 tons of the previous season (2019). The yield for maize is 5,90 t/ha.
- The area estimate for **white maize** is 1 616 300 ha, which represents an increase of 24,48% or 317 900 ha compared to the 1 298 400 ha planted last season. The production forecast of white maize is 8 666 310 tons, which is 56,29% or 3 121 310 tons more than the 5 545 000 tons of last season. The yield for white maize is 5,36 t/ha.
- In the case of **yellow maize,** the area estimate is 994 500 ha, which is 0,76% or 7 600 ha less than the 1 002 100 ha planted last season. The yellow maize production forecast is 6 741 870 tons, which is 17,66% or 1 011 870 tons more than the 5 730 000 tons of last season. The yield for yellow maize is 6,78 t/ha.
- The area estimate for **sunflower seed** is 500 300 ha, which is 2,92% or 15 050 ha less than the 515 350 ha planted the previous season. The production forecast for sunflower seed is 785 910 tons, which is 15,92% or 107 910 tons more than the 678 000 tons of the previous season. The expected yield is 1,57 t/ha.
- It is estimated that 705 000 ha have been planted to **soybeans**, which represents a decrease of 3,49% or 25 500 ha compared to the 730 500 ha planted last season. The production forecast is 1 245 500 tons, which is 6,42% or 75 155 tons more than the 1 170 345 tons of the previous season. The expected yield is 1,77 t/ha.

- For **groundnuts**, the area estimate is 37 500 ha, which is 87,03% or 17 450 ha more than the 20 050 ha planted for the previous season. The expected crop is 50 080 tons – which is 158,14% or 30 680 tons more than the 19 400 tons of last season. The expected yield is 1,34 t/ha.
- The area estimate for **sorghum** decreased by 15,84% or 8 000 ha, from 50 500 ha to 42 500 ha against the previous season. The production forecast for sorghum is 155 560 tons, which is 22,49% or 28 560 tons more than the 127 000 tons of the previous season. The expected yield is 3,66 t/ha.
- For **dry beans**, the area estimate is 50 150 ha, which is 15,43% or 9 150 ha less than the 59 300 ha planted for the previous season. The production forecast is 64 800 tons, which is 2,34% or 1 555 tons less than the 66 355 tons of the previous season. The expected yield is 1,29 t/ha.

*Please note that the preliminary area estimate for summer field crops for 2021 will be released on 28 January 2021.*

### 2.2 Winter cereal crops – 2019

The area planted and fourth production forecast of winter cereals for the 2020 production season was also released by the CEC on 26 November 2020, and is as follows:

**Table 3: Commercial winter crops: Area planted and 4th production forecast - 2020 season**

| CROP | **Area planted 2020 Ha (A)** | **4th forecast 2020 Tons (B)** | Area planted 2019 Ha (C) | Final crop 2019 Tons (D) | Change % (B) ÷ (D) |
|---|---|---|---|---|---|
| Wheat | **509 800** | **2 149 270** | 540 000 | 1 535 000 | 40,02 |
| Malting barley | **141 690** | **552 766** | 131 960 | 345 000 | 60,22 |
| Canola | **74 120** | **148 456** | 74 000 | 95 000 | 56,27 |
| Cereal oats | **26 200** | **47 400** | 21 000 | 16 500 | 187,27 |

- The expected production of **wheat** is 2,149 million tons, which is 40,02% or 614 270 tons more than the previous seasons' crop of 1,535 million tons, whilst the expected yield is 4,22 t/ha. This is the largest expected wheat crop since the 2,427 million tons of the 2002 season.
- The expected production in the Western Cape is 1,108 million tons (52%), which is 458 400 tons more than the 650 000 tons produced in the previous season. In the Free State, the expected production is 432 400 tons (20%), which is 106 400 tons more than the previous seasons' crop of 326 000 tons. In the Northern Cape, 275 650 tons (13%) is expected to be produced – 13 150 tons more than the 262 500 tons produced in the previous season.
- The production forecast for **malting barley** is 552 766 tons, which is 60,22% or 207 766 tons more than the previous seasons' crop of 345 000 tons. The area planted is estimated at 141 690 ha, while the expected yield is 3,90 t/ha.
- The expected **canola crop** is 148 456 tons, which is 56,27% or 53 456 tons more than the previous seasons' crop of 95 000 tons. The area estimate for canola is 74 120 ha, with an expected yield of 2,00 t/ha.
- The area estimate for **oats (cereals)** for the 2020 season is 26 200 ha and the expected crop is 47 400 tons. The expected yield is 1,81 t/ha.

*Please note that the area planted and fifth production forecast of winter cereals for 2020 will be released on 18 December 2020.*

### 2.3 Non-commercial maize

The CEC also released the preliminary area planted and production estimate of the non-commercial maize sector on 27 May 2020:

**Table 4: Non-commercial maize: Preliminary area planted and production estimate - 2020 season**

| CROP | **Area planted 2020 Ha (A)** | **Production 2020 Tons (B)** | Area planted 2019 Ha (C) | Final crop 2019 Tons (D) | Change % (B) ÷ (D) |
|---|---|---|---|---|---|
| Non-commercial agriculture: | | | | | |
| White maize | **221 945** | **375 295** | 221 300 | 379 460 | -1,10 |
| Yellow maize | **75 515** | **168 250** | 74 700 | 169 720 | -0,87 |
| Maize | **297 460** | **543 545** | 296 000 | 549 180 | -1,03 |

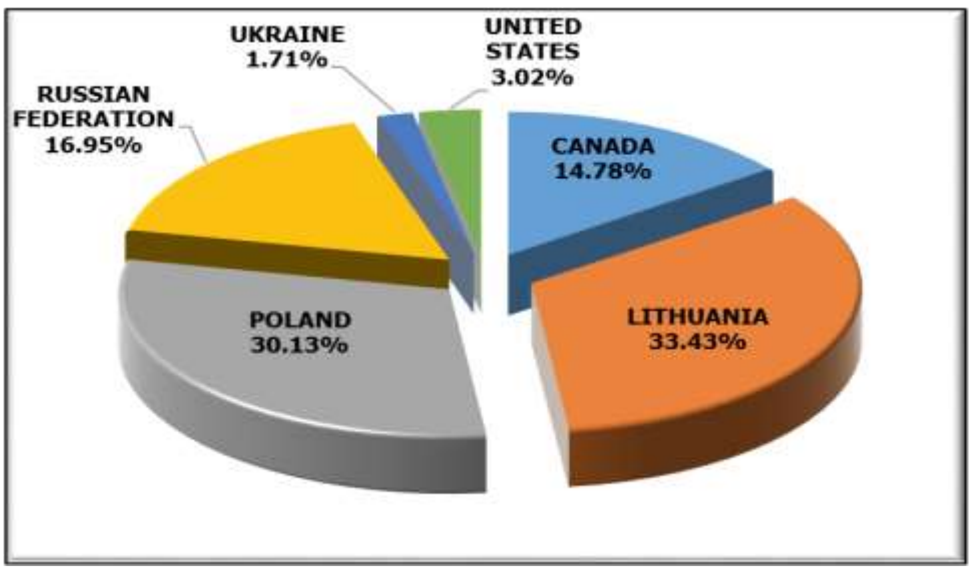
- The preliminary area planted to maize in the non-commercial agricultural sector is estimated at 297 460 ha, which represents a slight increase of 0,49%, compared to the 296 000 ha of the previous season. The expected maize crop for this sector is 543 545 tons, which is 1,03% less than the 549 180 tons of last season. It is important to note that about 40% of the maize produced in the non-commercial sector, is planted in the Eastern Cape, followed by KwaZulu-Natal with 27%.

## 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 NOV20 Annexure A.

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

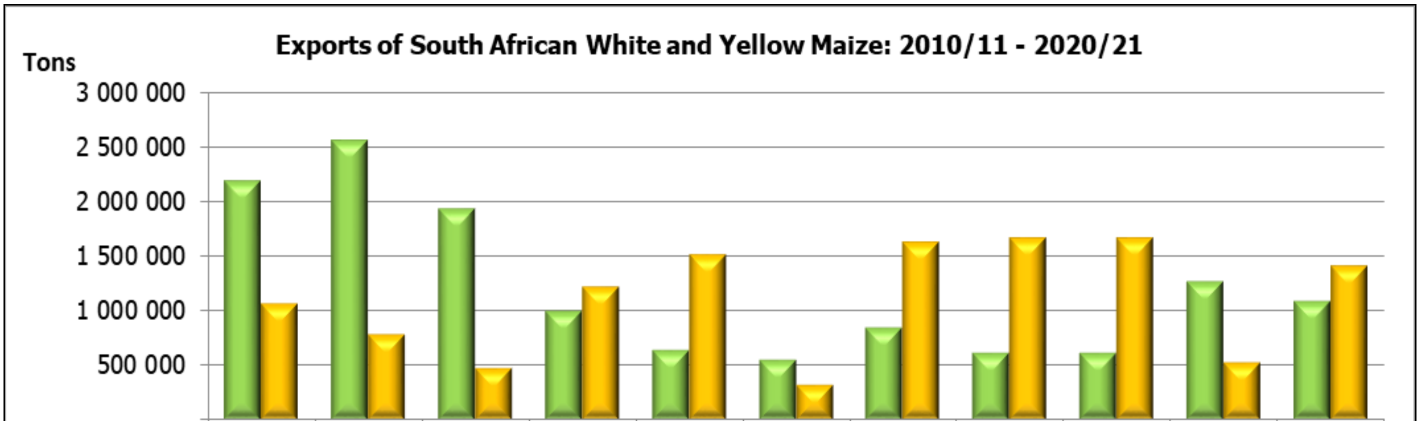
**Graph 1: Major countries of wheat imports to South Africa: 2020/21 marketing year**




- The progressive wheat imports (human consumption) for the 2020/21 marketing year (26 September to 27 November 2020) amount to 429 964 tons, with 33,43% or 143 722 tons from Lithuania, followed by 30,13% or 129 532 tons from the Poland, 16,95% or 72 865 tons from Russian Federation, 14,78% or 63 532 tons imported from Canada, 3,02% or 12 972 tons from United States and 1,71% or 7 342 tons from Ukraine. The exports of wheat (human consumption) for the above-mentioned period amount to 3 254 tons, of which 69,30% or 2 255 tons went to Namibia and only 30,70% or 999 tons went to Zimbabwe.

### 3.2 Exports of white and yellow maize

**Graph 2: Exports of South African white and yellow maize for the 2010/11 to 2020/21 marketing year**

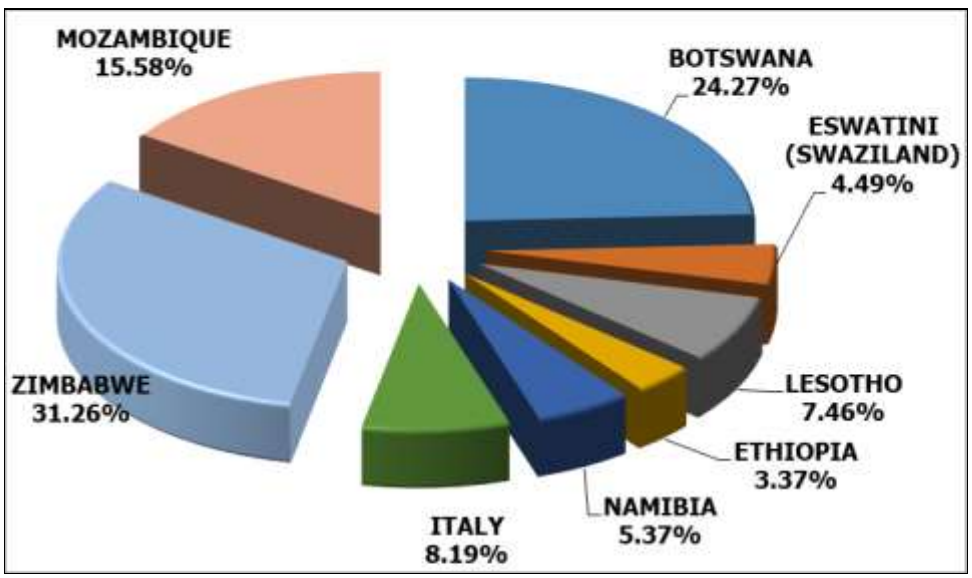



| | 2010/11 | 2011/12 | 2012/13 | 2013/14 | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21* |
|---|---|---|---|---|---|---|---|---|---|---|---|
| White maize | 2 194 000 | 2 575 000 | 1 946 000 | 1 008 923 | 640 807 | 557 063 | 851 969 | 617 000 | 616 651 | 1 275 446 | 1 090 000 |
| 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 | 1 420 000 |

*Projection

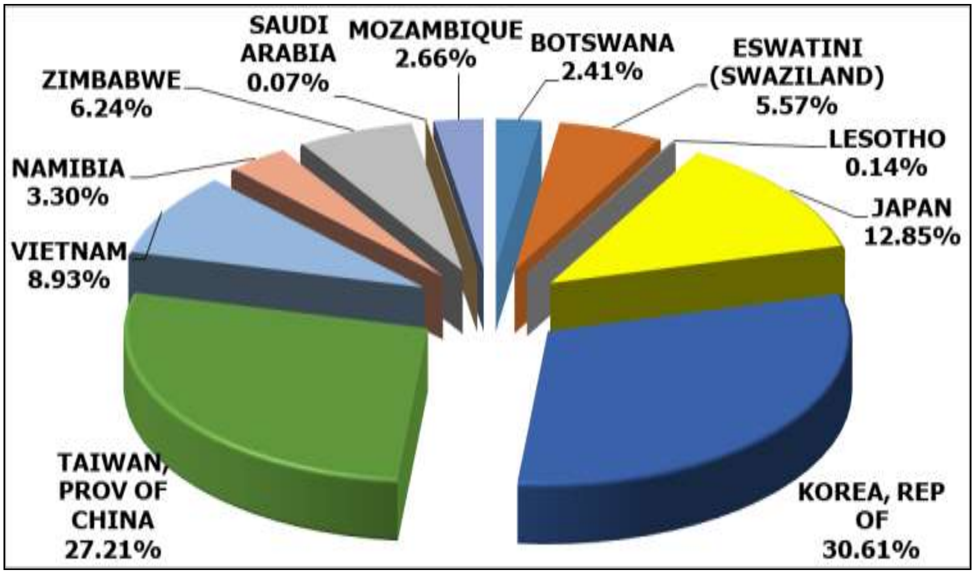
- The exports of white maize for the 2020/21 marketing year are projected at 1,090 million tons, which represents a decrease of 14,54% or 185 446 tons compared to the 1,275 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 1,420 million tons, which represents an increase of 165,85% or 885 873 tons compared to the 534 127 tons of the previous marketing year.

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




- From 25 April to 27 November 2020, progressive white maize exports for the 2020/21 marketing year amount to 593 603 tons, with the main destinations being Zimbabwe (31,26% or 185 561 tons), followed by Botswana (24,27% or 144 076 tons), Mozambique (15,58% or 92 510 tons), Italy (8,19% or 48 616 tons), Lesotho (7,46% or 44 294 tons), Eswathini (Swaziland) (4,49% or 26 639 tons), Namibia (5,37% or 31 893 tons) and Ethiopia (3,37% 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 to 27 November 2020, progressive yellow maize exports for the 2020/21 marketing year amount to 1,188 million tons, with the main destinations being Korea, Republic of (30,61% or 363 625 tons), followed by Taiwan, Province of China (27,21% or 323 189 tons), Japan (12,85% or 152 610 tons), Vietnam (8,93% or 106 068 tons), Zimbabwe (6,24% or 74 172 tons), Eswathini (Swaziland) (5,57% or 66 208 tons), Namibia (3,30% or 39 215 tons), Mozambique (2,66% or 31 573 tons), Botswana (2,41% or 28 678 tons), Lesotho (0,14% or 1 687 tons) and Saudi Arabia (0,07% or 780 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 3,3% in October 2020, up from 3,0% in September 2020. The consumer price index increased by 0,3% month-on-month in October 2020.
- The main contributors to the 3,1% annual inflation rate were as follows:
  - Food and non-alcoholic beverages increased by 5,4% year-on-year, and contributed 0,9% to the total CPI annual rate of 3,3%;
  - Housing and utilities increased by 2,8% year-on-year, and contributed 0,7%; and
  - Miscellaneous goods and services increased by 6,7% year-on-year, and contributed 1,1%.
- The annual inflation rates for goods and for services were 2,6% and 3,8%, respectively.
- Provincial annual inflation rates ranged from 2,9% in Gauteng and Mpumalanga to 3,9% in Western Cape.

### 4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 2,7% in October 2020, up from 2,5% in September 2020. The producer price index increased by 0,4% month-on-month in October 2020.
- The main contributors to the headline PPI annual inflation rate were as follows:
  - Food products, beverages and tobacco products increased by 5,1% year-on-year and contributed 1,7%; and
  - Transport equipment increased by 8,5% year-on-year and contributed 0,8%.
- The main contributor to the headline PPI monthly increase was food products, beverages and tobacco products, which increased by 1,0% month-on-month and contributed 0,3%.

- The annual percentage change in the PPI for intermediate manufactured goods was 3,5% in October 2020 (compared with 3,0% in September 2020). The index increased by 0,4% month-on-month. The main contributors to the annual rate were basic and fabricated metals (4,3%), as well as recycling and manufacturing n.e.c. (1,2%). The main contributors to the monthly rate were recycling and manufacturing n.e.c. (0,3%), as well as textiles and leather goods (0,2%).
- The annual percentage change in the PPI for electricity and water was 7,7% in October 2020 (compared with 4,3% in September 2020). The index decreased by 4,8% month-on-month. Electricity contributed 6,6% to the annual rate, and water contributed 1,0%. Electricity contributed -4,8% to the monthly rate.
- The annual percentage change in the PPI for mining was 29,5% in October 2020 (compared with 36,4% in September 2020). The index decreased by 1,8% month-on-month. The main contributors to the annual rate were non-ferrous metal ores (17,9%), as well as gold and other metal ores (11,1%). The main contributor to the monthly rate was non-ferrous metal ores (-1,5%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 10,8% in October 2020 (compared with 8,1% in September 2020). The index increased by 5,5% month-on-month. The main contributor to the annual rate was agriculture (10,5%). The main contributor to the monthly rate was agriculture (5,6%).

### 4.3 Future contract prices

**Table 5: Closing prices on Wednesday, 2 December 2020**

| | 2 December 2020 | 2 November 2020 | % Change |
|---|---|---|---|
| **RSA White Maize per ton (Dec. 2020 contract)** | R3 516,00 | R3 486,00 | 0,86 |
| **RSA Yellow Maize per ton (Dec. 2020 contract)** | R3 443,00 | R3 439,00 | 0,12 |
| **RSA Wheat per ton (Dec. 2020 contract)** | R4 795,00 | R5 054,00 | -5,12 |
| **RSA Sunflower seed per ton (Dec. 2020 contract)** | R8 900,00 | R8 290,00 | 7,36 |
| **RSA Soya-beans per ton (Dec. 2020 contract)** | R8 390,00 | R8 560,00 | -1,98 |
| **Exchange rate R/$** | R15,34 | R16,25 | -5,60 |

*Source: JSE/SAFEX*

### 4.4 Agricultural machinery sales

- October 2020 tractor sales of 789 units were significantly more (37%) than the 575 units sold in October 2019. On a year-to-date basis tractor sales are now almost 5% more than for the same period last year. In October 2020 there were 26 combine harvester sales, significantly more than the 11 units sold in in October 2019. On a year-to-date basis combine harvester sales are now 25% up on the same period last year.
- This continuing trend in increasing sales reflects the positive sentiment in the market. Good crops were harvested across most of the summer-cropping areas and winter crops look good in most areas, more particularly in the western Cape. Weather prospects for the forthcoming summer rainfall areas also look encouraging. Overall estimates for the 2020 calendar year are now certainly looking better, with sales likely be at similar or higher levels, compared to those in 2019.

**Table 6: Agricultural machinery sales**

| Equipment class | Year-on-year October 2020 | Year-on-year October 2019 | Percentage Change % | Year-to-date October 2020 | Year-to-date October 2019 | Percentage Change % |
|---|---|---|---|---|---|---|
| Tractors | 789 | 575 | 37,22 | 4 713 | 4 494 | 4,87 |
| Combine harvesters | 26 | 11 | 136,36 | 178 | 142 | 25,35 |

*Source: SAAMA press release, November 2020*

**PLEASE NOTE:** The Food Security Bulletin for December 2020 will be released on **15 January 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