MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: OCTOBER 2020

Issued: 5 November 2020

Directorate: Statistics and Economic Analysis

Highlights:

- **During October 2020, significant rainfall events were limited to the eastern half of the country and the southern coastal region.**
- **The expected production of wheat for 2020 is 2,135 million tons, which is 31,9% 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 439 212 tons, which includes imports of 1,540 million tons. It is also 21,1% more than the previous years' ending stocks.**
- **The expected commercial maize crop for 2020 is 15,420 million tons, which is 36,8% 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 1,887 million tons, which is 88,6% more than the previous years' ending stocks.**
- **According to the results of the survey, commercial producers intend to plant 2,746 million ha of maize for 2021, which is 5,18% more than the 2,611 million ha planted last season.**
- **The projected closing stocks of sorghum for the current 2020/21 marketing year are 42 893 tons, which is 29,0% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2020/21 marketing year are 92 385 tons, which is 31,7% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2020/21 marketing year are 121 105 tons, which is 12,5% less than the previous years' ending stocks.**
- **The annual percentage change in the CPI was lower at 3,0% in September 2020.**
- **The annual percentage change in the PPI for final manufactured goods was higher at 2,5% in September 2020.**
- **September 2020 tractor sales of 529 units were significantly more (almost 23%) than the 431 units sold in September 2019.**

agriculture, land reform & rural development

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Contents

1. Weather conditions

1.1 Rainfall for October 2020

During October 2020, significant rainfall events were limited to the eastern half of the country and the southern coastal region (**Figure 1**). Comparing rainfall totals to the long term average for October 2020, near-normal rainfall with patches of above-normal rainfall was received over Limpopo, Gauteng, parts of Mpumalanga, KwaZulu-Natal, Eastern Cape and Western Cape (**Figure 2**). The remainder of the country received below-normal rainfall. (Source: ARC: Institute for Soil, Climate and Water)

Figure 1: Rainfall (mm) for October 2020

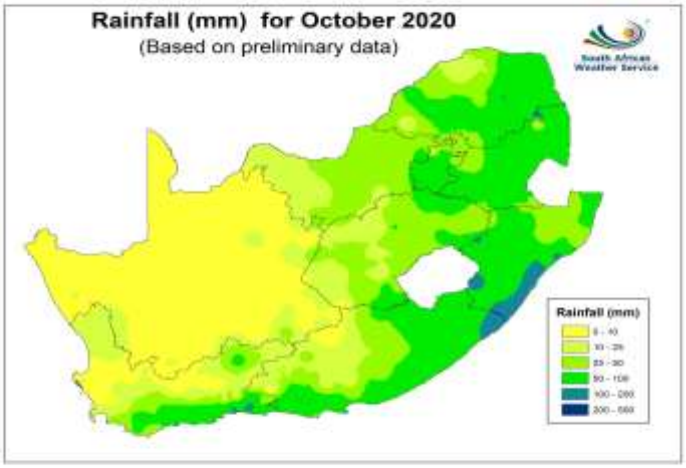
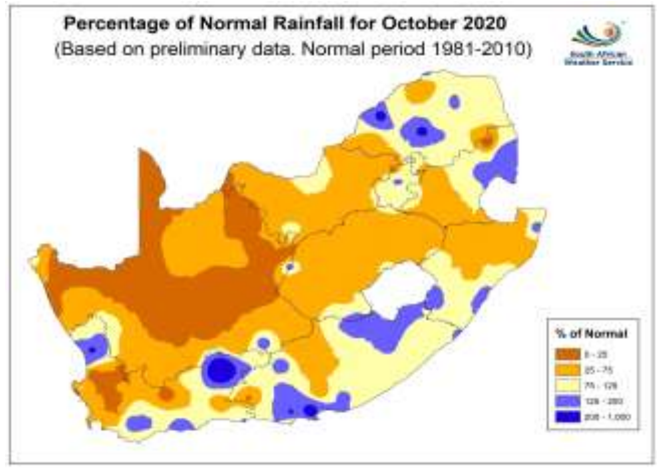


Figure 2: Percentage rainfall for October 2020



1.2 Level of dams

Available information on the level of South Africa's dams on 2 November 2020 indicates that the country has approximately 61% of its full supply capacity (FSC) available, which is 1% more than the corresponding period in 2019. The dam levels in the Western Cape, North West, Northern Cape, Gauteng, Limpopo and Mpumalanga provinces, all show improvements in the full supply capacity as compared to 2019. The remaining three provinces show decreases in the full supply capacity for the mentioned period, with -2% indicated for both the Eastern Cape and the Free State and -1% for the KwaZulu-Natal Province. The provincial distribution of South Africa's water supply including Lesotho and Swaziland is contained in **Table 1** below.

Table 1: Level of dams, 2 November 2020

Province	Net FSC million cubic meters	**2/11/2020 (%)**	Last Year (2019) (%)	% Increase/Decrease 2020 vs. 2019
Eastern Cape	1 810	48	50	-2,0
Free State	15 653	69	71	-2,0
Gauteng	128	92	84	8,0
KwaZulu-Natal	4 784	52	53	-1,0
Lesotho	2 363	14	20	-6,0
Limpopo	1 522	57	49	8,0
Mpumalanga	2 539	64	57	7,0
North West	867	61	50	11,0
Northern Cape	147	86	76	10,0
Swaziland	334	52	62	-10,0
Western Cape	1 866	80	67	13,0
Total	**32 012**	**61**	**60**	**1,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2020

The area planted and ninth production forecast of summer grains for the 2020 season was released by the Crop Estimates Committee (CEC) on 28 October 2020, and is as follows:

Table 2: Commercial summer crops: Area planted and 9th production forecast - 2020 season

CROP	**Area planted 2020 Ha (A)**	**9th Forecast 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**	**8 746 310**	1 298 400	5 545 000	57,73
Yellow maize	**994 500**	**6 673 910**	1 002 100	5 730 000	16,47
Total Maize	**2 610 800**	**15 420 220**	2 300 500	11 275 000	36,76
Sunflower seed	**500 300**	**785 910**	515 350	678 000	15,92
Soybeans	**705 000**	**1 261 250**	730 500	1 170 345	7,77
Groundnuts	**37 500**	**50 080**	20 050	19 400	158,14
Sorghum	**42 500**	**153 935**	50 500	127 000	21,21
Dry beans	**50 150**	**64 800**	59 300	66 355	-2,34
TOTAL	**3 946 250**	**17 736 195**	3 676 200	13 336 100	32,99

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 15 420 220 tons, which is 36,76% or 4 145 220 tons more than the 11 275 000 tons of the previous season (2019). The yield for maize is 5,91 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 8 746 310 tons, which is 57,73% or 3 201 310 tons more than the 5 545 000 tons of last season. The yield for white maize is 5,41 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 6 673 910 tons, which is 16,47% or 943 910 tons more than the 5 730 000 tons of last season. The yield for yellow maize is 6,71 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 1 261 250 tons, which is 7,77% or 90 905 tons more than the 1 170 345 tons of the previous season. The expected yield is 1,79 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 153 935 tons, which is 21,21% or 26 935 tons more than the 127 000 tons of the previous season. The expected yield is 3,62 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 final production estimate for summer field crops for 2020 will be released on 26 November 2020.

2.2 Intentions to plant summer crops – 2021

The intentions to plant summer crops for the 2021 production season was also released by the CEC on 28 October 2020, and is as follows:

Table 3: Commercial summer crops – Intentions to plant: 2021

CROP	**Intentions 2021 Ha**	Area planted 2020 Ha	Ninth estimate 2020 Tons	Change %
	as mid Oct 2020		as on 28 Oct 2020	
	(A)	(B)	(C)	(A) ÷ (B)
Commercial:				
White maize	**1 686 100**	1 616 300	8 746 310	4,32
Yellow maize	**1 059 900**	994 500	6 673 910	6,58
Total Maize	**2 746 000**	2 610 800	15 420 220	5,18
Sunflower seed	**480 500**	500 300	785 910	-3,96
Soybeans	**785 800**	705 000	1 261 250	11,46
Groundnuts	**38 000**	37 500	50 080	1,33
Sorghum	**44 300**	42 500	153 935	4,24
Dry beans	**54 650**	50 150	64 800	8,97
TOTAL	**4 149 250**	3 946 250	17 736 195	5,14

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

- According to the results of the survey, commercial producers intend to plant 2,746 million ha of **maize** for 2021, which is 5,18% or 135 200 ha more than the 2,611 million ha planted last season.
- The figures show that producers intend to plant 1,686 million ha to **white maize**, which is 69 800 ha (4,32%) more than in the previous season. In the case of **yellow maize**, the expected plantings are 1,060 milion ha, which is 65 400 ha (6,58%) more than in the previous season.
- In the case of **sunflower seed**, the expected area planted is estimated at 480 500 ha, which is 3,96% or 19 800 ha less than the 500 300 ha planted last season.
- The intended plantings of **soybeans** shows an increase of 11,46% or 80 800 ha compared to the previous season – from 705 000 ha to 785 800 ha.
- The expected plantings of **groundnuts** will increase by 1,33% or 500 ha, from 37 500 ha to 38 000 ha.
- The intended plantings of **sorghum is** expected to increase by 4,24% or 1 800 ha to 44 300 ha, compared to the previous season.

- The expected plantings of dry beans is estimated at 54 650 ha, which is 8,97% or 4 500 ha more than in the previous season.

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

2.3 Winter cereal crops – 2019

The area planted and third production forecast of winter cereals for the 2020 production season was also released by the CEC on 28 October 2020, and is as follows:

Table 4: Commercial winter crops: Revised area planted and 3rd production forecast - 2020 season

CROP	**Area planted 2020 Ha (A)**	**3rd forecast 2020 Tons (B)**	Area planted 2019 Ha (C)	Final crop 2019 Tons (D)	Change % (B) ÷ (D)
Wheat	**509 800**	**2 134 990**	540 000	1 535 000	31,86
Malting barley	**141 690**	**526 706**	131 960	345 000	50,76
Canola	**74 120**	**137 356**	74 000	95 000	33,18
Cereal oats	**26 200**	**47 400**	21 000	16 500	172,12

- The expected production of **wheat** is 2,135 million tons, which is 39,09% or 599 990 tons more than the previous seasons' crop of 1,535 million tons, whilst the expected yield is 4,19 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 1,092 million tons (51%), which is 442 100 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, 277 500 tons (13%) is expected to be produced – 15 000 tons more than the 262 500 tons produced in the previous season.
- The production forecast for **malting barley** is 526 706 tons, which is 52,67% or 181 706 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 3,72 t/ha.
- The expected **canola crop** is 137 356 tons, which is 44,59% or 42 356 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 1,85 t/ha.
- The revised 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 fourth production forecast of winter cereals for 2020 will also be released on 26 November 2020.

2.4 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 5: 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

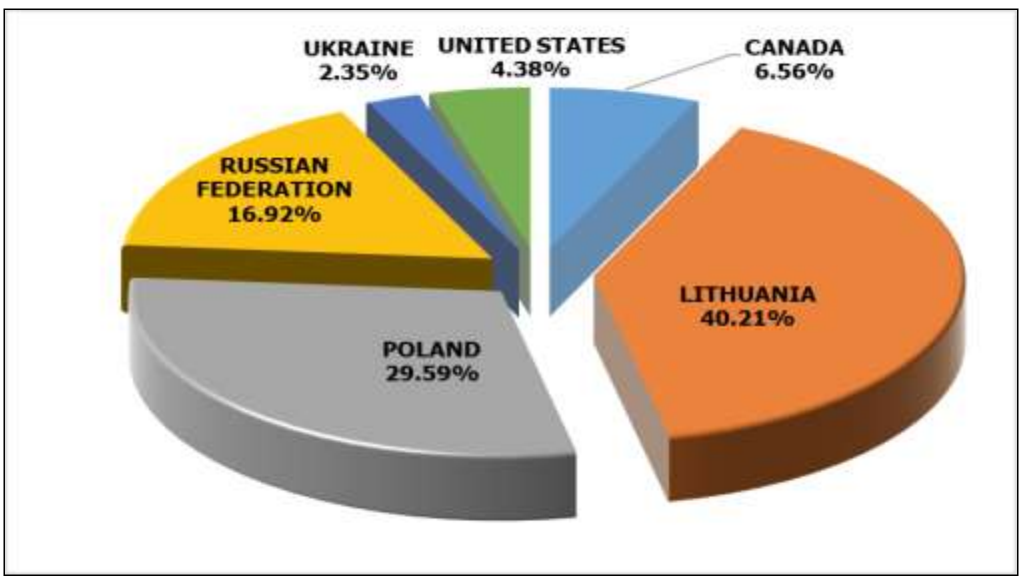
- The preliminary area planted to maize in the non-commercial agricultural sector is estimated at 297 460 ha, which represents a slight increase of 0,49%, compared to the 296 000 ha of the previous season. The expected maize crop for this sector is 543 545 tons, which is 1,03% less than the 549 180 tons 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 OCT20 Annexure A.

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

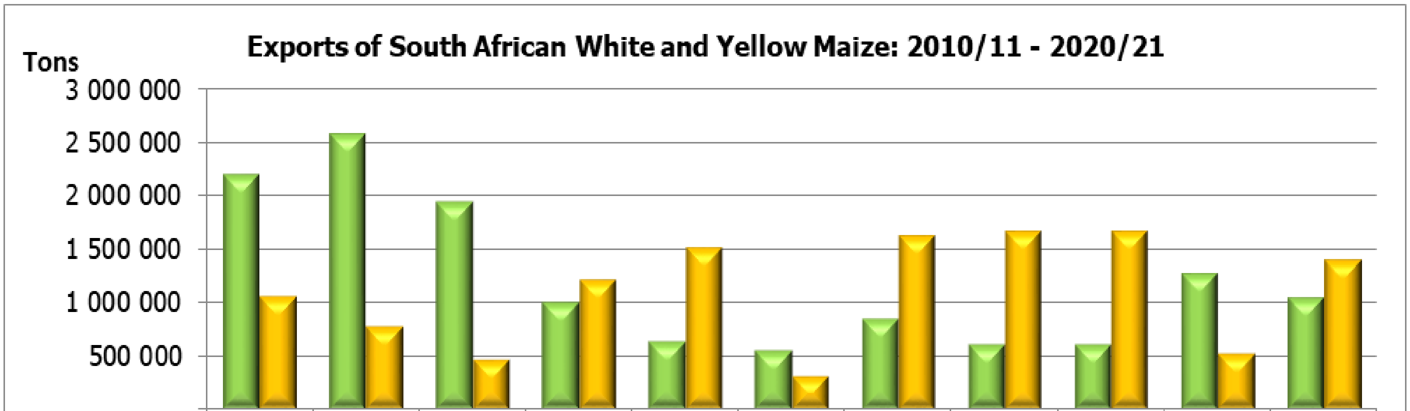
Graph 1: Major countries of wheat imports to South Africa: 2020/21 marketing year



- The progressive wheat imports (human consumption) for the 2020/21 marketing year (26 September to 30 October 2020) amount to 297 662 tons, with 40,21% or 119 677 tons from Lithuania, followed by 29,59% or 88 066 tons from the Poland, 16,92% or 50 365 tons from Russian Federation, 6,56% or 19 515 tons imported from Canada, 4,38% or 13 030 tons from United States and 2,35% or 7 009 tons from Ukraine. The exports of wheat (human consumption) for the above-mentioned period amount to 959 tons, of which 75,81% or 727 tons went to Namibia and only 24,19% or 232 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

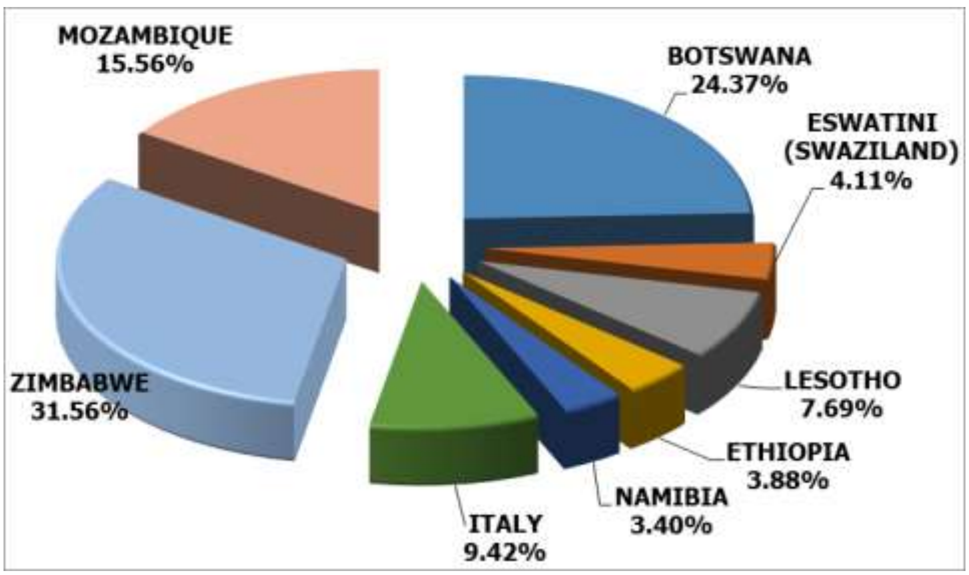


	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*
White maize	2 194 000	2 575 000	1 946 000	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 050 000
Yellow maize	1 068 000	781 000	478 000	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 400 000

*Projection

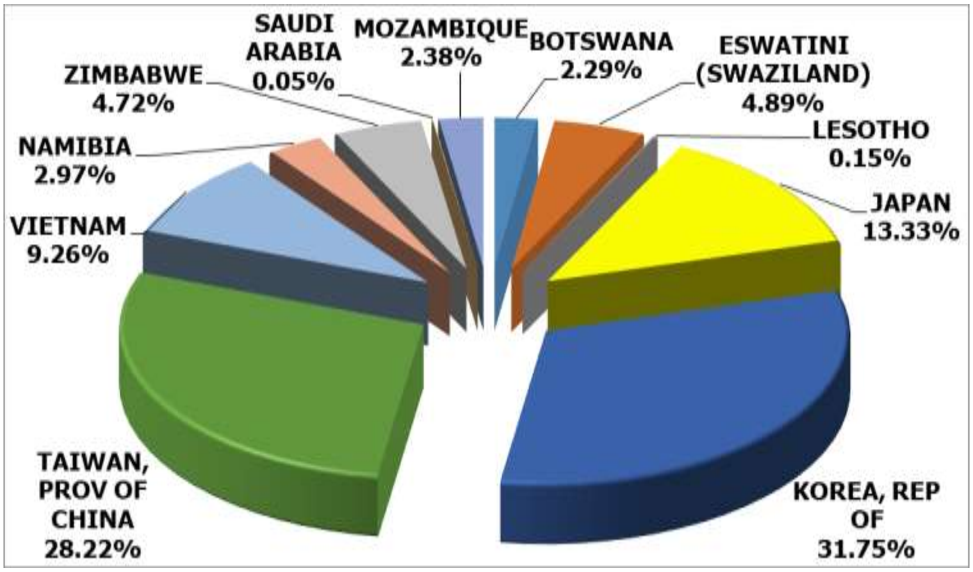
- The exports of white maize for the 2020/21 marketing year are projected at 1,050 million tons, which represents a decrease of 17,68% or 225 446 tons compared to the 1,275 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 1,400 million tons, which represents an increase of 162,11% or 865 873 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 30 October 2020, progressive white maize exports for the 2020/21 marketing year amount to 515 837 tons, with the main destinations being Zimbabwe (31,56% or 162 792 tons), followed by Botswana (24,37% or 125 702 tons), Mozambique (15,56% or 80 266 tons), Italy (9,42% or 48 616 tons), Lesotho (7,69% or 39 693 tons), Ethiopia (3,88% or 20 014 tons), Eswathini (Swaziland) (4,11% or 21 205 tons) and Namibia (3,40% or 17 549 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 30 October 2020, progressive yellow maize exports for the 2020/21 marketing year amount to 1,145 million tons, with the main destinations being Korea, Republic of (31,75% or 363 625 tons), followed by Taiwan, Province of China (28,22% or 323 189 tons), Japan (13,33% or 152 610 tons), Vietnam (9,26% or 106 068 tons), Eswathini (Swaziland) (4,89% or 55 973 tons), Zimbabwe (4,72% or 54 064 tons), Namibia (2,97% or 33 956 tons), Botswana (2,29% or 26 226 tons), Mozambique (2,38% or 27 201 tons), Lesotho (0,15% or 1 690 tons) and Saudi Arabia (0,05% or 518 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 3,0% in September 2020, down from 3,1% in August 2020. The consumer price index increased by 0,2% month-on-month in September 2020.
- The main contributors to the 3,1% annual inflation rate were as follows:
  - Food and non-alcoholic beverages increased by 3,9% year-on-year, and contributed 0,7% to the total CPI annual rate of 3,0%;
  - Housing and utilities increased by 2,8% year-on-year, and contributed 0,7; and
  - Miscellaneous goods and services increased by 6,5% year-on-year, and contributed 1,0%.
- The annual inflation rates for goods and for services were 2,1% and 3,8%, respectively.
- Provincial annual inflation rates ranged from 2,6% in Gauteng and Mpumalanga to 3,6% in Western Cape.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 2,5% in September 2020, up from 2,4% in August 2020. The producer price index increased by 0,3% month-on-month in September 2020.
- The main contributors to the headline PPI annual inflation rate were as follows:
  - Food products, beverages and tobacco products increased by 4,3% year-on-year and contributed 1,5%; and
  - Transport equipment increased by 9,2% year-on-year and contributed 0,9%.
- The main contributors to the headline PPI monthly increase were food products, beverages and tobacco products, which increased by 0,6% month-on-month and contributed 0,2%; and transport equipment, which increased by 2,0% month-on-month and contributed 0,2%.

- The annual percentage change in the PPI for intermediate manufactured goods was 3,0% in September 2020 (compared with 3,2% in August 2020). The index increased by 0,2% month-on-month. The main contributors to the annual rate were basic and fabricated metals (4,8%), as well as recycling and manufacturing n.e.c. (0,8%). The main contributor to the monthly rate was recycling and manufacturing n.e.c. (0,4%).
- The annual percentage change in the PPI for electricity and water was 4,3% in September 2020 (compared with 6,7% in August 2020). The index decreased by 23,1% month-on-month. Electricity contributed 3,4% to the annual rate, and water contributed 1,0%. Electricity contributed -23,1% to the monthly rate.
- The annual percentage change in the PPI for mining was 36,4% in September 2020 (compared with 26,6% in August 2020). The index increased by 5,2% month-on-month. The main contributors to the annual rate were non-ferrous metal ores (24,6%), as well as gold and other metal ores (11,4%). The main contributor to the monthly rate was non-ferrous metal ores (5,4%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 8,1% in September 2020 (compared with 6,5% in August 2020). The index increased by 0,9% month-on-month. The main contributor to the annual rate was agriculture (7,7%). The main contributor to the monthly rate was agriculture (1,1%).

4.3 Future contract prices

Table 6: Closing prices on Monday, 2 November 2020

	2 November 2020	2 October 2020	% Change
RSA White Maize per ton (Nov. 2020 contract)	R3 490,00	R3 422,00	1,99
RSA Yellow Maize per ton (Nov. 2020 contract)	R3 425,00	R3 342,00	2,48
RSA Wheat per ton (Nov. 2020 contract)	R5 040,00	R4 947,00	1,88
RSA Sunflower seed per ton (Nov. 2020 contract)	R8 221,00	R7 387,00	11,29
RSA Soya-beans per ton (Nov. 2020 contract)	R8 600,00	R8 205,00	4,81
Exchange rate R/$	R16,25	R16,61	-2,17

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- September 2020 tractor sales of 529 units were significantly more (almost 23%) than the 431 units sold in September 2019. On a year-to-date basis tractor sales are now five units more than for the same period last year. In September 2020 there were 11 combine harvester sales, one unit less than in in September 2019. On a year-to-date basis combine harvester sales are now 16% up on the same period last year.
- The excellent tractor sales in September 2020 reflect the positive sentiment currently prevailing in the market. Good crops were harvested across most of the summer-cropping areas. Winter crops look good in most areas, more particularly in the western Cape. Weather prospects for the forthcoming summer rainfall areas also look encouraging. Although stocks of older, lower-priced equipment will have been largely depleted by now, prospects for equipment sales for the rest of the year still look positive. Overall estimates for the 2020 calendar year are now certainly looking better, with sales likely be at similar levels to those in 2019.

Table 7: Agricultural machinery sales

	Year-on-year		Percentage Change %	Year-to-date		Percentage Change %
	September			September		
Equipment class	**2020**	**2019**		**2020**	**2019**	
Tractors	529	431	22,74	3 924	3 919	0,13
Combine harvesters	11	12	-8,33	152	131	16,0

Source: SAAMA press release, October 2020

PLEASE NOTE: The Food Security Bulletin for November 2020 will be released on **4 December 2020**.

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