MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA SEPTEMBER 2022

Issued: 10 October 2022

Directorate: Statistics and Economic Analysis

Highlights:

- **During September 2022, significant rainfall was limited to isolated areas in the Western Cape, the Eastern Cape, KwaZulu-Natal and Mpumalanga provinces.**
- **The expected production of wheat for 2022 is 2,219 million tons, which is 2,9% less than the previous seasons' crop of 2,285 million tons.**
- **The projected closing stocks of wheat for the current 2022/23 marketing year are 678 479 tons, which includes imports of 1,530 million tons. It is also 14,8% more than the previous years' ending stocks.**
- **The expected commercial maize crop for 2022 is 15,260 million tons, which is 6,5% less than the previous season' crop of 16,315 million tons.**
- **Projected closing stocks of maize for the current 2022/23 marketing year are 2,151 million tons, which is 1,2% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2022/23 marketing year are 73 302 tons, which is 30,9% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2022/23 marketing year are 59 290 tons, which is 86,5% more than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2022/23 marketing year are 339 487 tons, which is 101,6% more than the previous years' ending stocks.**
- **The annual percentage change in the CPI was lower at 7,6% in August2022.**
- **The annual percentage change in the PPI for final manufactured goods was lower at 16,9% in August 2022.**
- **September 2022 tractor sales of 777 units were marginally (4%), more than the 748 units sold in September 2021.**

agriculture, land reform & rural development
Department: Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

Enquiries: Marda Scheepers or Queen Makgoka

Directorate: Statistics and Economic Analysis

Tel: +27 12 319 8033/8164

Email:MardaS@dalrrd.gov.za or QueenS@dalrrd.gov.za

Contents

1. Weather conditions

1.1 Rainfall for September 2022

During September 2022, significant rainfall was limited to isolated areas in the Western Cape, the Eastern Cape, KwaZulu-Natal and Mpumalanga provinces (**Figure 1**). Comparing rainfall totals to the long-term average for September 2022, rainfall received was normal to above-normal over most of the Eastern Cape, southern Free State, KwaZulu-Natal and Mpumalanga (**Figure 2**). The remainder of the country received mainly below-normal rainfall. (Source: Directorate: Climate Change and Disaster Management of Department: Agriculture, Land Reform and Rural Development)

Figure 1: Rainfall (mm) for September 2022

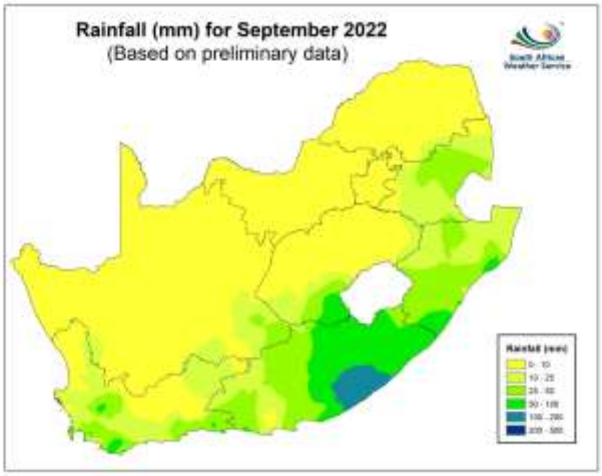
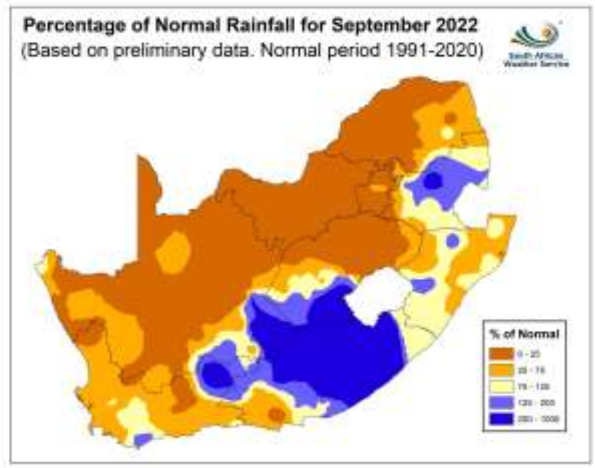


Figure 2: Percentage rainfall for September 2022



1.2 Level of dams

Available information on the level of South Africa's dams on 3 October 2022 indicates that the country has approximately 90% of its full supply capacity (FSC) available, which is 11% more than the corresponding period in 2021. The dam levels in KwaZulu-Natal (34%), Eastern Cape (21%), Limpopo (19%), North-West (14%), Free State (7%), Mpumalanga (5%), Gauteng (4%) and Northern Cape (1%) provinces, all show improvements in the full supply capacity as compared to 2021. However, the Western Cape Province show a 8% decrease in the 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, 3 October 2022

Province	Net FSC million cubic meters	03/10/2022 (%)	Last Year (2021) (%)	% Increase/Decrease 2022 vs. 2021
Eastern Cape	1 729	73	52	21,0
Free State	15 657	96	89	7,0
Gauteng	128	97	93	4,0
KwaZulu-Natal	2 363	87	53	34,0
Lesotho	334	95	87	8,0
Limpopo	4 910	85	66	19,0
Mpumalanga	1 480	84	79	5,0
North West	2 539	91	77	14,0
Northern Cape	867	74	73	1,0
Swaziland	147	97	93	4,0
Western Cape	1 866	74	82	-8,0
Total	**32 020**	**90**	**79**	**11,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2022

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

Table 2: Commercial summer crops: Area planted and eighth production forecast - 2022 season

CROP	**Area planted 2022 Ha (A)**	**8th forecast 2022 Tons (B)**	Area planted 2021 Ha (C)	Final crop 2021 Tons (D)	Change % (B) ÷ (D)
Commercial:					
White maize	**1 575 000**	**7 789 750**	1 691 900	8 600 000	-9,42
Yellow maize	**1 048 000**	**7 470 050**	1 063 500	7 715 000	-3,17
Total Maize	**2 623 000**	**15 259 800**	2 755 400	16 315 000	-6,47
Sunflower seed	**670 700**	**845 550**	477 800	678 000	24,71
Soybeans	**925 300**	**2 201 000**	827 100	1 897 000	16,03
Groundnuts	**43 400**	**49 000**	38 550	64 300	-23,79
Sorghum	**37 200**	**123 700**	49 200	215 000	-42,47
Dry beans	**42 900**	**52 590**	47 390	57 672	-8,81
TOTAL	**4 342 500**	**18 531 640**	4 195 440	19 226 972	-3,62

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

- The size of the expected **commercial maize crop** has been set at 15 259 800 tons, which is 6,47% or 1 055 200 tons less than the previous season of 16 315 000 tons. The area estimate for maize is 2 623 000 ha, while the expected yield is 5,82 t/ha.
- The three main maize producing areas, namely the Free State, Mpumalanga and North West provinces are expected to produce 82% of the 2022 crop.
- The area estimate for white maize is 1 575 000 ha and for yellow maize the area estimate is 1 048 000 ha.
- The production forecast of **white maize** is 7 789 750 tons, which is 9,42% or 810 250 tons less than the 8 600 000 tons of the previous season. The yield for white maize is 4,95 t/ha. In the case of **yellow maize** the production forecast is 7 470 050 tons, which is 3,17% or 244 950 tons less than the 7 715 000 tons of the previous season. The yield for yellow maize is 7,13 t/ha.
- The production forecast for **sunflower seed** is 845 550 tons, which is 24,71% or 167 550 tons more than the previous season's crop of 678 000 tons. The area estimate for sunflower seed is 670 700 ha, while the expected yield is 1,26 t/ha.
- The production forecast for **soybeans** is 2 201 000 tons, which is 16,03% or 304 000 tons more than the 1 897 000 tons of the previous season. The estimated area planted to soybeans is 925 300 ha and the expected yield is 2,38 t/ha.
- The expected **groundnut** crop has been set at 49 000 tons, which is 23,79% or 15 300 tons less than the previous season of 64 300 tons. For groundnuts, the area estimate is 43 400 ha, with an expected yield of 1,13 t/ha.
- The production forecast for **sorghum** is 123 700 tons, which is 42,47% or 91 300 tons less than the 215 000 tons of the previous season. The area estimate for sorghum is 37 200 ha and the expected yield is 3,33 t/ha.
- The production forecast for **dry beans** is 52 590 tons, which is 8,81% or 5 082 tons less than the 57 672 tons of the previous season. The area estimate of dry beans is 42 900 ha, with an expected yield of 1,23 t/ha.

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

2.2 Winter cereal crops - 2022

The revised area and second production forecast for winter crops for the 2022 production season was also released by the CEC on 28 September 2022, and is as follows:

Table 3: Commercial winter crops: Revised area planted and second production forecast - 2022 season

CROP	**Area planted 2021 Ha (A)**	**2nd forecast 2022 Tons (B)**	Area planted 2021 Ha (C)	Final estimate 2021 Tons (D)	Change % (B) ÷ (D)
Wheat	**566 800**	**2 218 775**	523 500	2 285 000	-2,90
Barley*	**101 000**	**365 850**	94 730	334 000	9,54
Canola	**123 510**	**198 230**	100 000	198 100	0,07
Oats*	**27 000**	**41 600**	36 250	59 000	-29,49
Sweet lupines	**21 000**	**16 800**	22 000	28 600	-41,26
TOTAL	**839 310**	**2 841 225**	776 480	2 904 700	-2,18

* Commercial only. Excluding barley or oats used as pasture, silage, hay and/or on the farm as fodder for livestock.

- The expected production of **wheat** is 2,219 million tons, which is 2,90% or 66 225 tons less than the previous seasons' crop of 2,285 million tons. The area planted is estimated at 566 800 ha, whilst the expected yield is 3,91 t/ha.
- The production forecast for **barley** is 365 850 tons, which is 9,54% or 31 850 tons more than the previous seasons' crop of 334 000 tons. The area planted is estimated at 101 000 ha, while the expected yield is 3,62 t/ha.
- The expected **canola crop** is 198 230 tons, which is 0,07% or 130 tons more than the previous seasons' crop of 198 100 tons. The area estimate for canola is 123 510 ha, with an expected yield of 1,60 t/ha.
- The expected crop for **oats** for the 2022 season is 41 600 tons and the revised area planted is 27 000 ha. The expected yield is 1,54 t/ha.
- In the case of **sweet lupines,** the production forecast is 16 800 tons. The area estimate of sweet lupines is 21 000 ha, with an expected yield of 0,80 t/ha.

Please note that the area planted estimate and third production forecast of winter crops for 2022 will be released on 26 October 2022.

2.3 Non-commercial maize - 2022

The CEC also release the area planted and production estimate of the non-commercial maize sector for the 2022 season on 26 May 2022.

Table 4: Non-commercial maize: Area planted and production estimate - 2022 season

CROP	**Area planted 2022 Ha (A)**	**Production 2022 Tons (B)**	Area planted 2021 Ha (C)	Final crop 2021 Tons (D)	Change % (B) ÷ (D)
Non-commercial agriculture:					
White maize	**296 950**	**482 000**	276 100	445 335	8,23
Yellow maize	**81 850**	**185 000**	86 800	191 105	-3,19
Maize	**378 800**	**667 000**	362 900	636 440	4,80

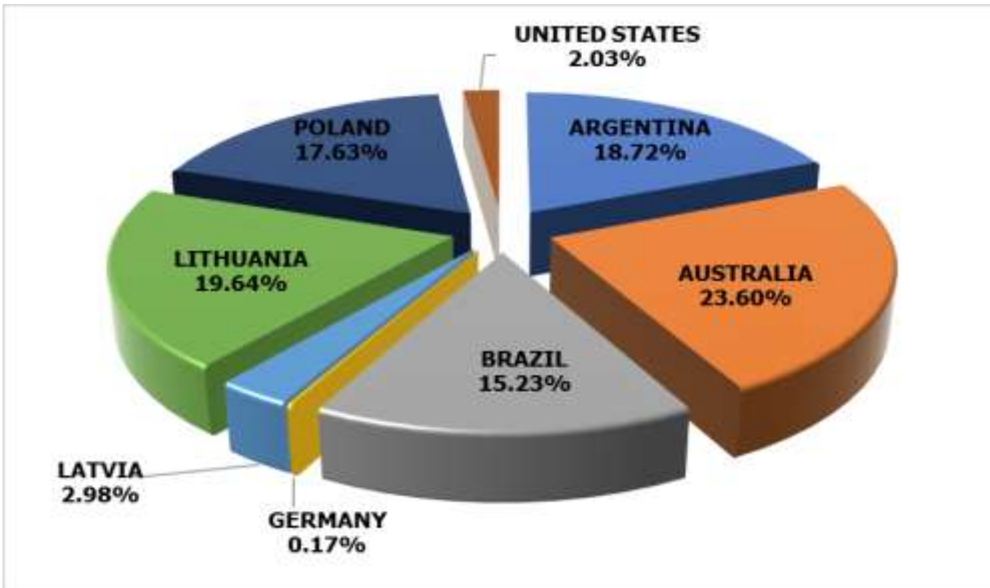
- The area planted to maize in the non-commercial agricultural sector is estimated at 378 800 ha, which represents an increase of 4,38%, compared to the 362 900 ha of the previous season. The expected maize crop for this sector is 667 000 tons, which is 4,80% more than the 636 440 tons of last season. It is important to note that about 47% of the maize produced in the non-commercial sector, is planted in the Eastern Cape, followed by KwaZulu-Natal with 22%.

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 SEP22 Annexure A.

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

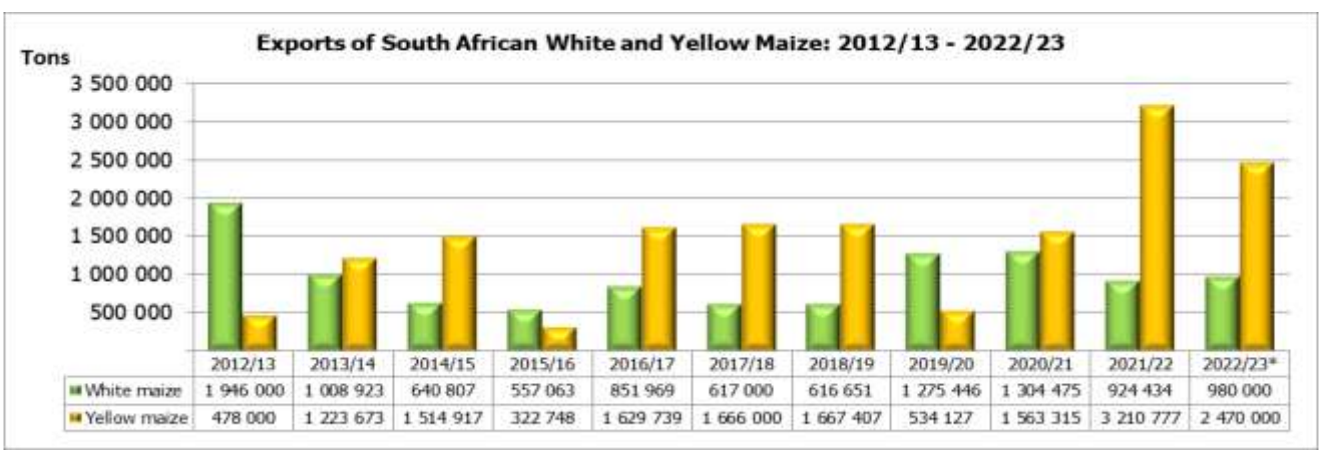
Graph 1: Major countries of wheat imports to South Africa: 2021/22 marketing year



- The progressive wheat imports (human consumption) for the 2021/22 marketing year (25 September 2021 to 30 September 2022) amount to 1,593 million tons, with 23,60% or 375 921 tons from Australia, followed by 19,64% or 312 795 tons from Lithuania, 18,72% or 298 132 tons from Argentina, 17,63% or 280 726 tons from Poland, 15,23% or 242 639 tons from Brazil, 2,98% or 47 391 tons from Latvia, 2,03% or 32 333 tons from the United States and only 0,17% or 2 732 tons from Germany. The exports of wheat (human consumption) for the above-mentioned period amount to 269 018 tons, of which 59,10% or 158 987 tons went to the BLNS countries (Botswana, Lesotho, Namibia and Eswatini (Swaziland)), 26,63% or 71 635 tons to Zimbabwe and only 14,27% or 38 396 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 marketing year

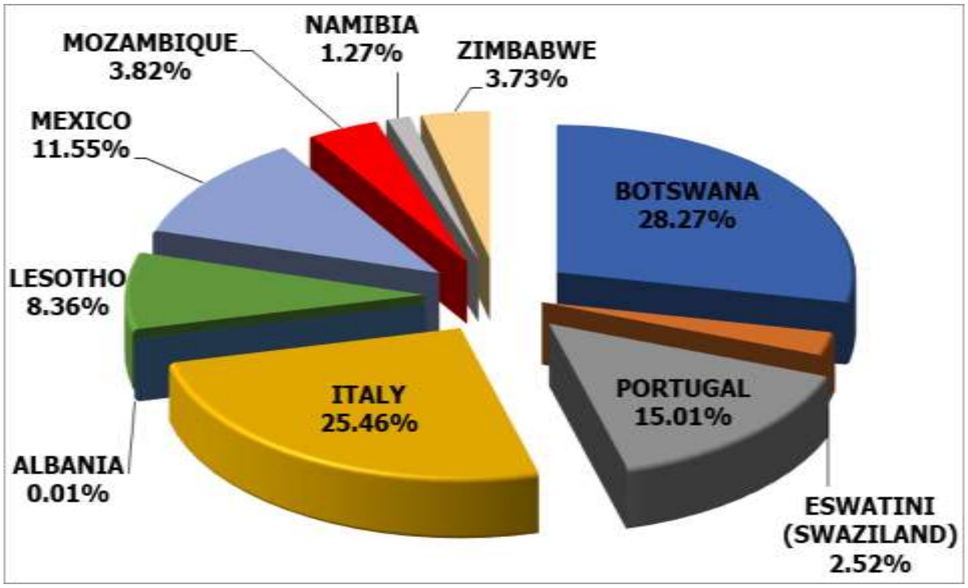


	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23*
White maize	1 946 000	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 304 475	924 434	980 000
Yellow maize	478 000	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 563 315	3 210 777	2 470 000

*Projection

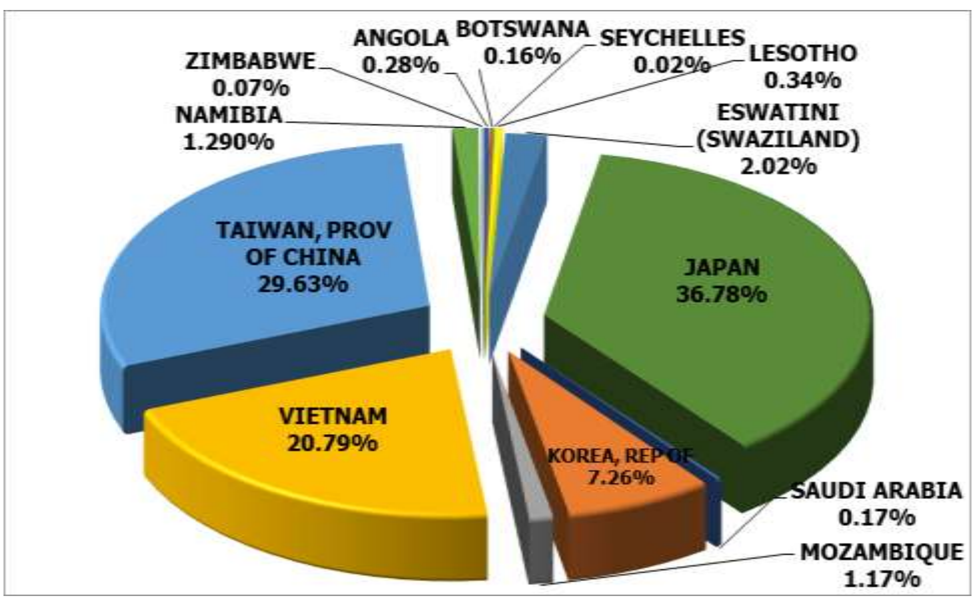
- The exports of white maize for the 2022/23 marketing year are projected at 980 000 tons, which represents a decrease of 6,01% or 55 566 tons compared to the 924 434 tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 2,470 million tons, which represents a decrease of 23,07% or 740 777 tons compared to the 3,211 million tons of the previous marketing year.

Graph 3: Major countries of white maize exports from South Africa: 2022/23 marketing year



- From 30 April to 30 September 2022, progressive white maize exports for the 2022/23 marketing year amount to 349 755 tons, with the main destinations being Botswana (28,27% or 98 859 tons), followed by Italy (25,46% or 89 060 tons), Portugal (15,01% or 52 500 tons), Mexico (11,55% or 40 401 tons), Lesotho (8,36% or 29 243 tons), Mozambique (3,82% or 13 369 tons), Zimbabwe (3,73% or 13 034 tons), Eswathini (Swaziland) (2,52% or 8 803 tons), Namibia (1,27% or 4 444 tons) and Albania (0,01% or 42 tons). The imports of white maize for the mentioned period amount to zero.

Graph 4: Major countries of yellow maize exports from South Africa: 2022/23 marketing year



- From 30 April to 30 September 2022, progressive yellow maize exports for the 2022/23 marketing year amount to 1,443 million tons, with the main destinations being Japan (36,78% or 530 644 tons), followed by Taiwan (29,63% or 427 414 tons), Vietnam (20,79% or 299 971 tons), Korea, Republic of (7,26% or 104 797 tons), Eswathini (Swaziland) (2,02% or 29 153 tons), Namibia (1,29% or 18 614 tons), Mozambique (1,17% or 16 913 tons), Lesotho (0,34% or 4 957 tons), Angola (0,28% or 4 000 tons), Saudi Arabia (0,17% or 2 508 tons), Botswana (0,16% or 2 332 tons), Zimbabwe (0,07% or 1 079 tons) and Seychelles (0,02% or 347 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 7,6% in August 2022, down from 7,8% in July 2022. The consumer price index increased by 0,2% month-on-month in August 2022.
- The main contributors to the 7,6% annual inflation rate were:
  - Food and non-alcoholic beverages increased by 11,3% year-on-year, and contributed 1,9% to the total CPI annual rate of 7,6%;
  - Housing and utilities increased by 4,0% year-on-year, and contributed 1,0%;
  - Transport increased by 21,2% year-on-year, and contributed 2,9%; and
  - Miscellaneous goods and services increased by 3,7% year-on-year, and contributed 0,6%.
- In August the annual inflation rate for goods was 10,9%, down from 11,5% in July; and for services it was 4,3%, up from 4,2% in July.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 16,6% in August 2022, down from 18,0% in July 2022. The producer price index decreased by 0,5% month-on-month in August 2022.
- The main contributors to the headline PPI annual inflation rate were:
  - Coke, petroleum, chemical, rubber and plastic products increased by 37,6% year-on-year and contributed 9,4%;
  - Food products, beverages and tobacco products increased by 11,6% year-on-year and contributed 3,0%;
  - Metals, machinery, equipment and computing equipment increased by 10,8% year-on-year and contributed 1,6%; and
  - Paper and printed products increased by 9,7% year-on-year and contributed 0,8%.
- The main contributor to the headline PPI monthly decrease was coke, petroleum, chemical, rubber and plastic products, which decreased by 1,6% month-on-month and contributed -0,5%.
- The annual percentage change in the PPI for intermediate manufactured goods was 13,4% in August 2022 (compared with 14,7% in July 2022). The index increased by 0,6% month-on-month. The main contributors to the annual rate were basic and fabricated metals (6,6%); chemicals, rubber and plastic products (6,3%); and sawmilling and wood (1,0%). The contributors to the monthly rate were chemicals, rubber and plastic products (0,2%); basic and fabricated metals (0,2%); textiles and leather goods (0,1%); and recycling and manufacturing n.e.c. (0,1 %).
- The annual percentage change in the PPI for electricity and water was 8,6% in August 2022 (compared with 8,0% in July 2022). The index increased by 1,5% month-on-month. Electricity contributed 8,7% to the annual rate and water contributed 0,8% to the annual rate. Electricity contributed 1,5% to the monthly rate.
- The annual percentage change in the PPI for mining was 17,3% in August 2022 (compared with 21,2% in July 2022). The index decreased by 3,2% month-on-month. The main contributors to the annual rate were coal and gas (13,0%) and non-ferrous metal ores (6,4%). The contributors to the monthly rate were non-ferrous metal ores (-2,2%), coal and gas (-0,5%) and gold and other metal ores (-0,5%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 15,1% in August 2022 (compared with 15,0% in July 2022). The index remain unchanged month-on-month. The main contributors to the annual rate were agriculture (12,8%) and fishing (1,6%).

4.3 Future contract prices

Table 5: Closing prices on Friday, 7 October 2022

	7 October 2022	7 September 2022	% Change
RSA White Maize per ton (Oct. 2022 contract)	R4 990,00	R4 728,00	5,54
RSA Yellow Maize per ton (Oct. 2022 contract)	R4 851,00	R4 680,00	3,65
RSA Wheat per ton (Oct. 2022 contract)	R7 209,00	R6 900,00	4,48
RSA Sunflower seed per ton (Oct. 2022 contract)	R10 400,00	R11 080,00	-6,14
RSA Soya-beans per ton (Oct. 2022 contract)	R9 400,00	R9 056,00	3,80
Exchange rate R/$	R17,99	R17,38	3,51

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- September 2022 tractor sales of 777 units were marginally (4%), more than the 748 units sold in September 2021. Year-to-date tractor sales are now approximately 15% up on last year. Seventeen combine harvesters were sold in September 2022, four units less than the 21 units sold in September 2021. On a year-to-date basis combine harvester sales are now 25% up on last year.
- Market sentiment remains positive, with summer-crop farmers waiting for the onset of rains. Current expectations are that this should be a good rainfall season. With tractor sales having slowed down in the past few months, compared with those earlier in the year, part of this slowdown can be attributed to stock problems at source and in clearing equipment through South African ports. Commodity prices remain good, although input costs are still having a negative influence on farmer cash flow.
- Expectations are that tractor sales for the 2022 calendar year will be of the order of 8 500 units and combine harvester sales 350 units.

Table 6: Agricultural machinery sales

	Year-on-year		Percentage	Year-to-date		Percentage
	September		Change	September		Change
Equipment class	**2022**	**2021**	%	**2022**	**2021**	%
Tractors	777	748	3,88	6 479	5 610	15,49
Combine harvesters	17	21	-19,05	290	232	25,00

Source: SAAMA press release, October 2022

PLEASE NOTE: The Food Security Bulletin for October 2022 will be released on **8 November 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