MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: APRIL 2020

Issued: 8 May 2020

Directorate: Statistics and Economic Analysis

Highlights:

- **During April 2020, significant rainfall events occured over the central and eastern parts of the country.**
- **The projected closing stocks of wheat for the current 2019/20 marketing year are 412 754 tons, which includes imports of 1,820 million tons. It is also 23,4% less than the previous years' ending stocks.**
- **The expected commercial maize crop for 2020 is 15,222 million tons, which is 35,0% more than the 11,275 million tons of the previous season (2019).**
- **Projected closing stocks of maize for the 2019/20 marketing year are 997 643 tons, which is 63,3% less than the previous years' ending stocks.**
- **Projected closing stocks of maize for the current 2020/21 marketing year are 1,407 million tons, which is 43,9% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2020/21 marketing year are 46 343 tons, which is 23,3% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2020/21 marketing year are 95 935 tons, which is 29,1% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2020/21 marketing year are 199 155 tons, which is 43,8% more than the previous years' ending stocks.**
- **The headline CPI (for all urban areas) annual inflation rate in March 2020 was lower at 4,1%.**
- **April 2020 tractor sales of 416 units were marginally lesss (4%) than the 432 units sold in April 2019.**

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

Tel: +27 12 319 8031

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

Contents

1. Weather conditions

1.1 Rainfall for the month of April 2020

During April 2020, significant rainfall events occured over the central and eastern parts of the country (**Figure 1**). Comparing rainfall totals to the long term average for April 2020, rainfall received was normal to above-normal over the central and eastern parts of the country (**Figure 2**). The western regions of the country received below-normal rainfall. (Source: Directorate: Climate Change and Disaster Management at Department: Agriculture, Forestry and Fisheries)

Figure 1: Rainfall(mm) for April 2020

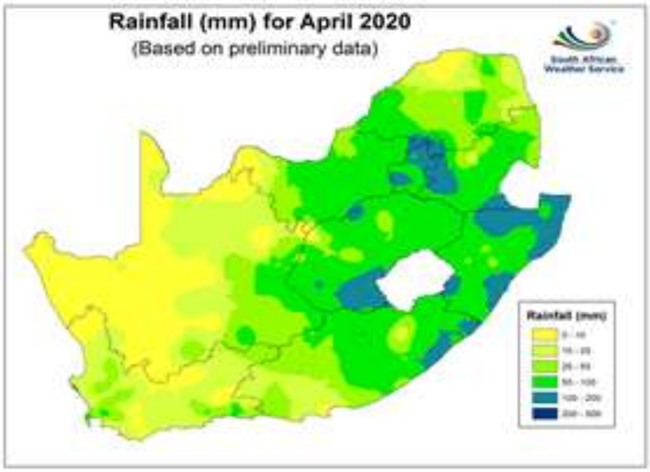
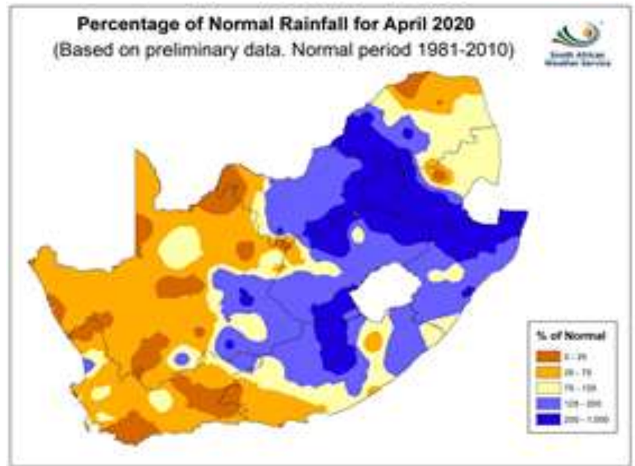


Figure 2: Percentage rainfall for April 2020



1.2 Level of dams

Available information on the level of South Africa's dams on 4 May 2020 indicates that the country has approximately 70% of its full supply capacity (FSC) available, which is 3% less than the corresponding period in 2019. The dam levels in the Northern Cape, North West, Gauteng, Limpopo, Western Cape 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 the largest decrease indicated in the Eastern Cape and Free State with -5% each, followed by KwaZulu-Natal with -2%. The provincial distribution of South Africa's water supply including Lesotho is contained in **Table 1** below.

Table 1: Level of dams, 4 May 2020

Province	Net FSC million cubic meters	**04/05/2020 (%)**	Last Year (2019) (%)	% Increase/Decrease 2020 vs. 2019
Eastern Cape	1 810	57	62	-5,0
Free State	15 653	83	88	-5,0
Gauteng	128	101	97	4,0
KwaZulu-Natal	4 784	63	65	-2,0
Lesotho	2 363	30	35	-5,0
Limpopo	1 522	68	65	3,0
Mpumalanga	2 539	76	75	1,0
North West	867	71	66	5,0
Northern Cape	147	99	75	24,0
Western Cape	1 866	37	34	3,0
Total	**31 678**	**70**	**73**	**-3,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2020

The revised area planted and third production forecast of summer grains for the 2020 season was released by the Crop Estimates Committee (CEC) on 29 April 2020, and is as follows:

Table 2: Commercial summer 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 2020 vs 2019 % (B) ÷ (D)
Commercial:					
White maize	**1 616 300**	**8 779 470**	1 298 400	5 545 000	58,33
Yellow maize	**994 500**	**6 442 050**	1 002 100	5 730 000	12,43
Total Maize	**2 610 800**	**15 221 520**	2 300 500	11 275 000	35,00
Sunflower seed	**500 300**	**731 210**	515 350	678 000	7,85
Soybeans	**705 000**	**1 290 750**	730 500	1 170 345	10,29
Groundnuts	**37 500**	**62 470**	20 050	19 400	222,01
Sorghum	**42 500**	**138 885**	50 500	127 000	9,36
Dry beans	**50 150**	**71 380**	59 300	66 355	7,57
TOTAL	**3 946 250**	**17 516 215**	3 676 200	13 336 100	31,34

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 15 221 520 tons, which is 35,00% or 3 946 520 tons more than the 11 275 000 tons of the previous season (2019). The yield for maize is 5,83 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 8 779 470 tons, which is 58,33% or 3 234 470 tons more than the 5 545 000 tons of last season. The yield for white maize is 5,43 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 6 442 050 tons, which is 12,43% or 712 050 tons more than the 5 730 000 tons of last season. The yield for yellow maize is 6,48 t/ha.
- **Sunflower seed**: 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 731 210 tons, which is 7,85% or 53 210 tons more than the 678 000 tons of the previous season. The expected yield is 1,46 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 1 290 750 tons, which is 10,29% or 120 405 tons more than the 1 170 345 tons of the previous season. The expected yield is 1,83 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 62 470 tons – which is 222,01% or 43 070 tons more than the 19 400 tons of last season. The expected yield is 1,67 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 138 885 tons, which is 9,36% or 11 885 tons more than the 127 000 tons of the previous season. The expected yield is 3,27 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 71 380 tons, which is 7,57% or 5 025 tons more than the 66 355 tons of the previous season. The expected yield is 1,42 t/ha.

Please note that the fourth production forecast for summer field crops for 2020 will be released on 27 May 2020.

2.2 Winter cereal crops - 2019

The intentions to plant winter cereals for the 2020 production season was also released by the Crop Estimates Committee (CEC) on 29 April 2020, and is as follows:

Table 3: Commercial winter crops: Intentions to plant - 2020 season

CROP	**Intentions* 2020 Ha (A)**	Area planted 2019 Ha (B)	Final crop** 2019 Tons (C)	Change % (A) ÷ (B)
Wheat	**495 000**	540 000	1 535 000	-8,33
Malting barley	**137 000**	131 960	345 000	3,82
Canola	**72 000**	74 000	95 000	-2,70
Cereal oats	**23 500**	21 000	16 500	11,90

* Based on conditions at the middle of April 2020; ** Released on 7 May 2020

- Producers' intentions to plant winter cereals are based on the results of a non-probability survey conducted by the Directorate: Statistics and Economic Analysis of the Department of Agriculture, Land Reform and Rural Development and reflects the position as at the middle of April 2020.
- The figures for wheat represent the total number of hectares that are intended to be planted for grain, excluding any hectares that will be planted for fodder and grazing.
- Early indications are that producers intend to plant 495 000 ha of **wheat** for the 2020 production season. This is 8,33% or 45 000 ha less than the 540 000 ha planted to wheat in 2019.
- The main producing areas are within the Western Cape with 320 000 ha (65%), followed by the Free State with 90 000 ha (18%) and the Northern Cape with 35 500 ha (7%).
- The expected area planted to **malting barley** is 137 000 ha, which is 3,82% or 5 040 ha more than the 131 960 ha of the previous year.
- The expected area planted to **canola** is 72 000 ha, which is 2,70% or 2 000 ha less than the 74 000 ha planted in 2019.
- Producers intend to plant 23 500 ha of **cereal oats**, which is 11,90 or 2 500 ha more than the 21 000 ha of the previous season.

Please note that the preliminary are planted to winter cereals for 2020 will also be released on 29 July 2020.

2.3 Non-commercial maize

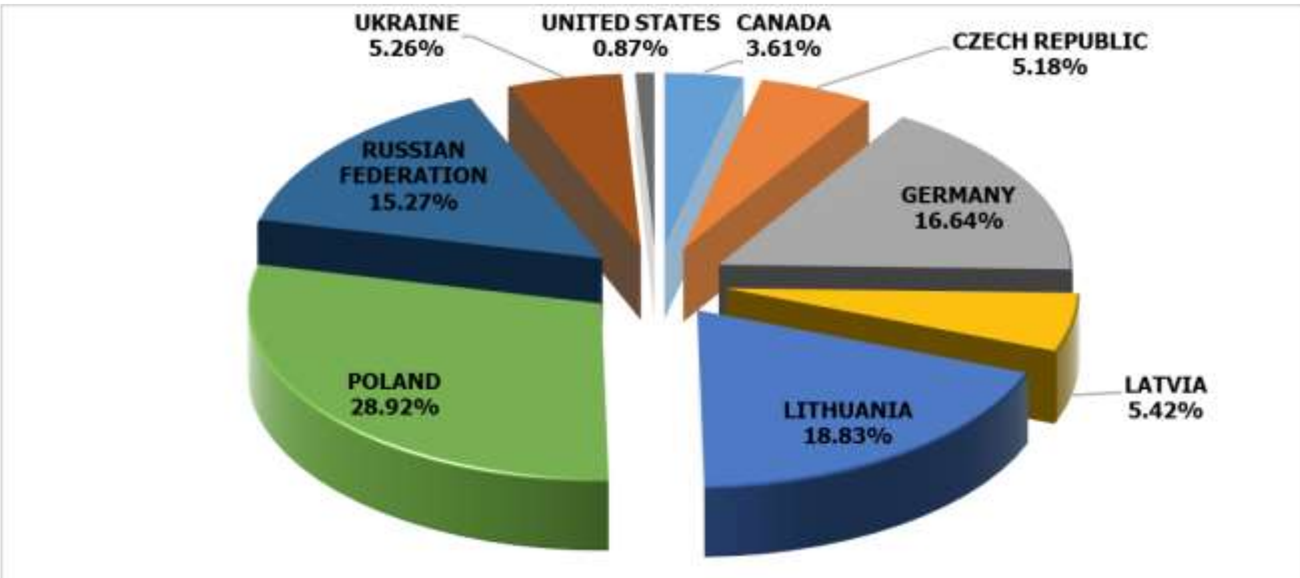
Please note that the non-commercial agricultural sectors' production estimate for maize for the 2020 season will be released by the CEC on 27 May 2020.

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 APR20 Annexure A.

3.1 Imports and exports of wheat for the 2019/20 marketing year

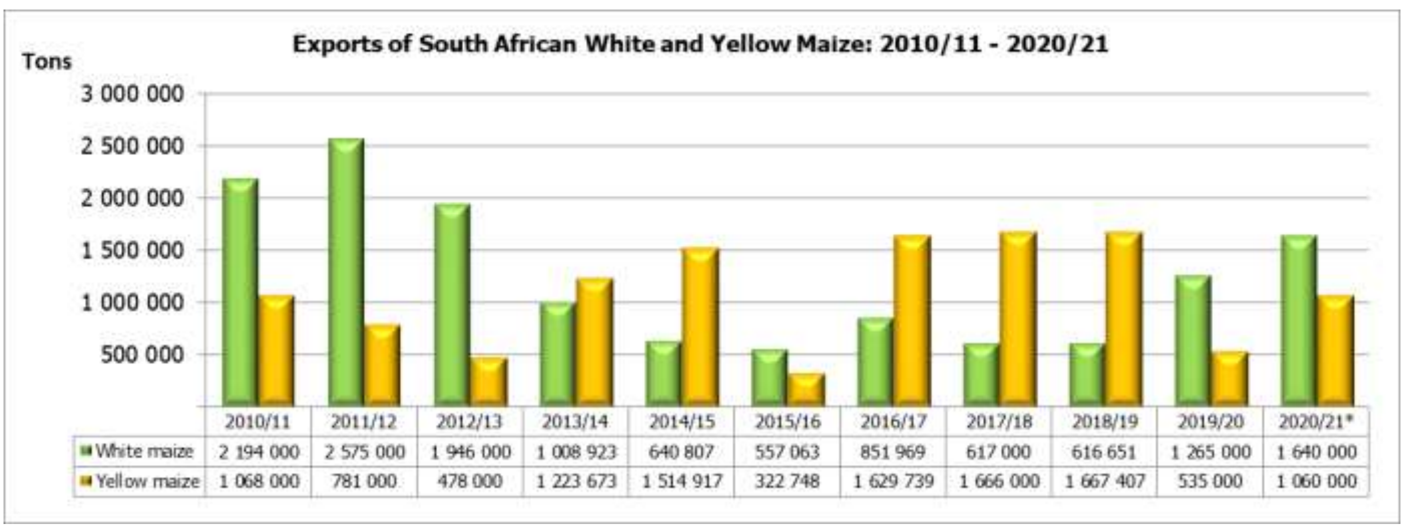
Graph 1: Major countries of wheat imports to South Africa: 2019/20 marketing year



- The progressive wheat imports (human consumption) for the 2019/20 marketing year (28 September 2019 to 1 May 2020) amount to 1 011 126 tons, with 28,92% or 292 421 tons from Poland, 18,83% or 190 396 tons imported from Lithuania, 16,64% or 168 244 tons from Germany, 15,27% or 154 443 tons from the Russian Federation, 5,42% or 54 797 tons from Latvia, 5,26% or 53 199 tons from Ukraine, 5,18% or 52 365 tons from the Czech Republic, 3,61% or 36 462 tons from Canada and 0,87% or 8 799 tons from the United States. The exports of wheat (human consumption) for the above-mentioned period amount to 47 765 tons, of which 50,41% or 24 080 tons went to the BLNS countries (Botswana, Lesotho, Namibia and Swaziland (Eswatini)), 38,04% or 18 170 tons to Zambia and 11,55% or 5 515 tons went to Zimbabwe.

3.2 Exports of white and yellow maize

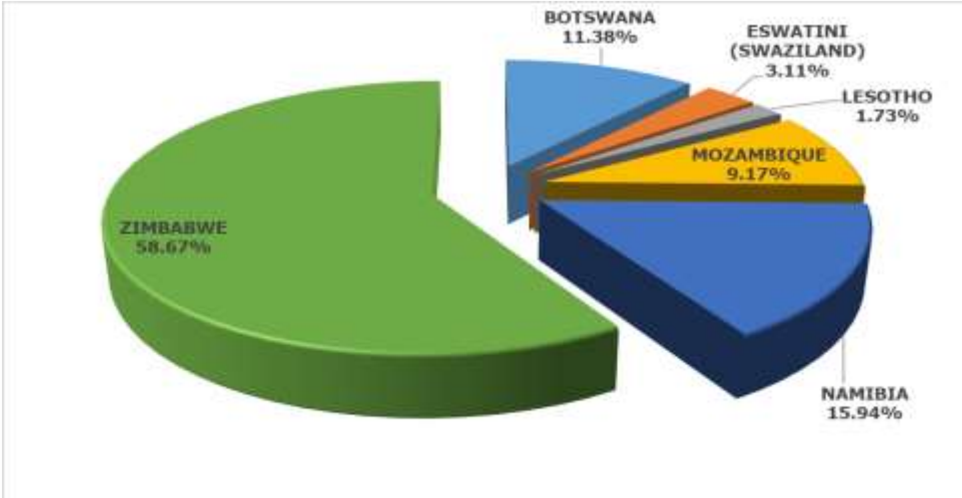
Graph 2: Exports of South African white and yellow maize for the 2010/11 to 2020/21 marketing year



*Projection

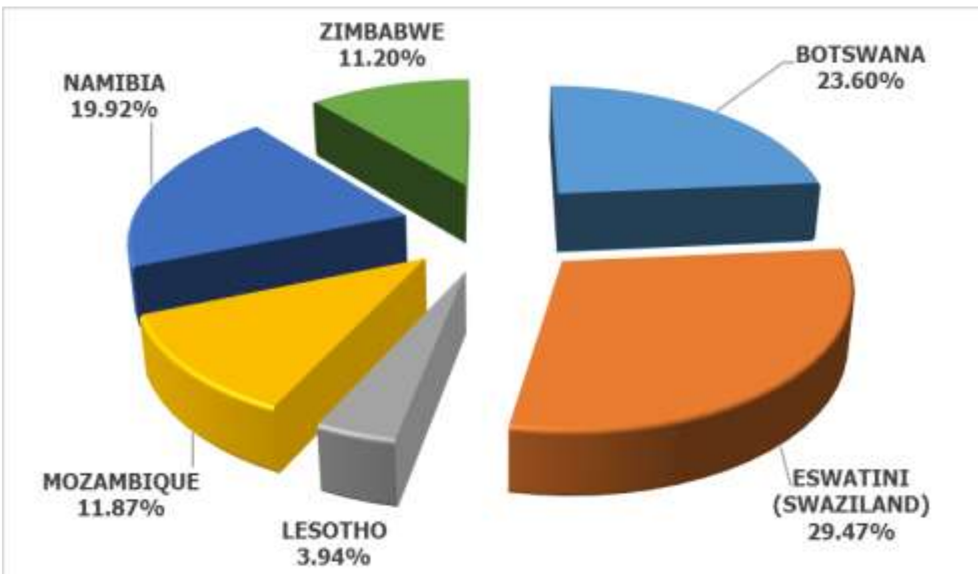
- The exports of white maize for the 2020/21 marketing year are projected at 1,640 million tons, which represents an increase of 29,64% or 375 000 tons compared to the 1,265 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 1,060 million tons, which represents an increase of 98,13% or 525 000 tons compared to the 535 000 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 1 May 2020, progressive white maize exports amount to 12 350 tons, with the main destinations being Zimbabwe (58,67% or 7 246 tons), followed by Namibia (15,94% or 1 969 tons), Botswana (11,38% or 1 405 tons), Mozambique (9,17% or 1 132 tons), Eswathini (Swaziland) (3,11% or 384 tons) and Lesotho (1,73% or 214 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 1 May 2020, progressive yellow maize exports amount to 3 454 tons, with the main destinations being Eswathini (Swaziland) (29,47% or 1 018 tons), followed by Botswana (23,60% or 815 tons), Namibia (19,92% or 688 tons), Mozambique (11,87% or 410 tons), Zimbabwe (11,20% or 387 tons) and Lesotho (3,94% or 136 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 4,1% in March 2020, down from 4,6% in February 2020. The consumer price index increased by 0,3% month-on-month in March 2020.
- The main contributors to the 4,1% annual inflation rate were:
  - Food and non-alcoholic beverages increased by 4,2% year-on-year, and contributed 0,7% to the total CPI annual rate of 4,1%;

- Housing and utilities increased by 4,8% year-on-year, and contributed 1,2%;
- Transport increased by 3,4% year-on-year, and contributed 0,5%; and
- Miscellaneous goods and services increased by 6,4% year-on-year, and contributed 1,0%.

- The annual inflation rates for goods and for services were 4,1% and 4,2% respectively.
- Provincial annual inflation rates ranged from 3,6% in Limpopo to 4,8% in Western Cape.

4.2 Producer Price Index (PPI)

- As a result of nationwide lock down due to the corona virus pandemic, the Producer Price Index (PPI) for March And April 2020 will only be released on 28 May 2020 by Statistics South Africa.

4.3 Future contract prices

Table 4: Closing prices on Thursday, 7 May 2020

	7 May 2020	7 April 2020	% Change
RSA White Maize per ton (May 2020 contract)	R2 637,00	R2 768,00	-4,73
RSA Yellow Maize per ton (May 2020 contract)	R2 590,00	R2 735,00	-5,30
RSA Wheat per ton (May 2020 contract)	R5 529,00	R5 479,00	0,91
RSA Sunflower seed per ton (May 2020 contract)	R5 930,00	R6 047,00	-1,93
RSA Soya-beans per ton (May 2020 contract)	R6 639,00	R6 969,00	-4,74
Exchange rate R/$	R18,62	R18,26	1,97

Source: JSE/SAFEX

- In terms of trade policy, the new wheat import tariff rate of R516,60 per tonne was published in a Government Gazette on 2 March 2020, making it the official rate.

4.4 Agricultural machinery sales

- April 2020 tractor sales of 416 units were marginally lesss (4%) than the 432 units sold in April 2019. On a year-to-date basis tractor sales are now 14% down on the same period last year. April 2020 combine harvester sales of 20 units were three units less than the 23 units sold in April 2019. On a year-to-date basis combine harvester sales are now almost 8% up on the same period last year.
- While there is a lot of negativity in the country, spawned by reactions to restrictions imposed by government in an attempt to reduce the spread of the corona virus, food production, an absolutely essential service continues almost unabated. Good summer crops stand on the land and the rand weakness has held up commodity prices. Overall sentiment in the market is positive. Having said that, however, prices of imported agricultural machinery are soon going to have to be increased significantly, in reaction to the rand weakness. Sales in the short term will therefore probably be good, until stocks of lower-priced equipment have been exhausted. Current industry sentiment is that 2020 tractor sales will be probably be up to 10% down on last year.

Table 5: Agricultural machinery sales

	Year-on-year		Percentage Change %	Year-to-date		Percentage Change %
	April			April		
Equipment class	**2020**	**2019**		**2020**	**2019**	
Tractors	416	432	-3,70	1 667	1 946	-14,34
Combine harvesters	20	23	-13,04	69	64	7,81

Source: SAAMA press release, May 2020

PLEASE NOTE: The Food Security Bulletin for May 2020 will be released on **5 June 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