MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: AUGUST 2020

Issued: 4 September 2020

Directorate: Statistics and Economic Analysis

Highlights:

- **During the first 25 days of August 2020, significant rainfall events were mainly limited to the extreme western parts, as well as the southern coastal regions of the country.**
- **The expected production of wheat is 1,962 million tons, which is 27,8% more than the previous seasons' crop of 1,535 million tons.**
- **The projected closing stocks of wheat for the current 2019/20 marketing year are 346 729 tons, which includes imports of 1,850 million tons. It is also 35,7% less than the previous years' ending stocks.**
- **The projected closing stocks of wheat for the coming 2020/21 marketing year are 415 359 tons, which includes imports of 1,700 million tons. It is also 19,8% more than the previous years' ending stocks.**
- **The expected commercial maize crop for 2020 is 15,537 million tons, which is 37,8% 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 2,026 million tons, which is 102,5% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2020/21 marketing year are 39 408 tons, which is 34,8% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2020/21 marketing year are 133 585 tons, which is 1,3% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2020/21 marketing year are 155 155 tons, which is 12,1% more than the previous years' ending stocks.**
- **The annual percentage change in the CPI was higher at 3,2% in July 2020.**
- **The annual percentage change in the PPI for final manufactured goods was higher at 1,9% in July 2020.**
- **August 2020 tractor sales of 438 units were one unit more than the 437 units sold in August 2019.**

agriculture, land reform & rural development

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1. Weather conditions

1.1 Rainfall for August 2020

During the first 25 days of August 2020, significant rainfall events were mainly limited to the extreme western parts, as well as the southern coastal regions of the country (**Figure 1**). Comparing the rainfall totals to the long term average for the first 25 days of August 2020, near-normal rainfall was received over the western parts of the country, with isolated areas of above-normal rainfall evident over the south and west coast (**Figure 2**). The remainder of the country received below-normal rainfall. (Source: ARC: Institute for Soil, Climate and Water)

Figure 1: Rainfall(mm) for 1 -25 August 2020

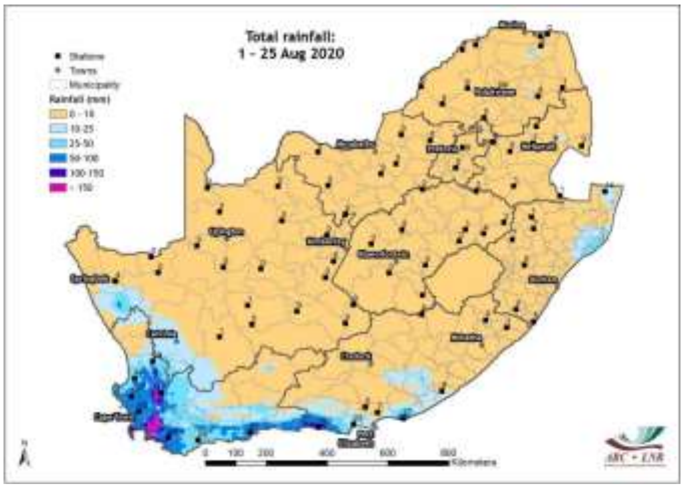
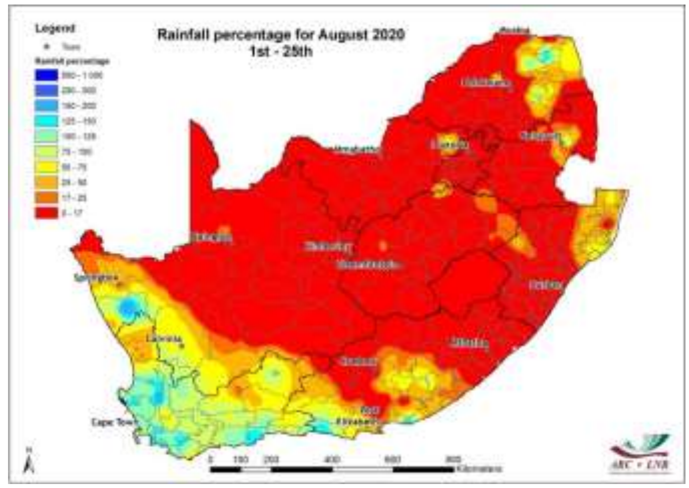


Figure 2: Percentage rainfall for 1- 25 August 2020



1.2 Level of dams

Available information on the level of South Africa's dams on 31 August 2020 indicates that the country has approximately 67% of its full supply capacity (FSC) available, which is 1% less than the corresponding period in 2019. The dam levels in the Northern Cape, Gauteng, Limpopo, Western Cape, North West 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 -4% indicated for the Eastern Cape, -3% for the Free State and -2% 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, 31 August 2020

Province	Net FSC million cubic meters	**31/08/2020 (%)**	Last Year (2019) (%)	% Increase/Decrease 2020 vs. 2019
Eastern Cape	1 810	51	55	-4,0
Free State	15 653	78	81	-3,0
Gauteng	128	98	90	8,0
KwaZulu-Natal	4 784	56	58	-2,0
Lesotho	2 363	20	23	-3,0
Limpopo	1 522	61	55	6,0
Mpumalanga	2 539	69	66	3,0
North West	867	67	62	5,0
Northern Cape	147	92	83	9,0
Swaziland	334	68	83	-15,0
Western Cape	1 866	72	66	6,0
Total	**32 013**	**67**	**68**	**-1,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2020

The area planted and seventh production forecast of summer grains for the 2020 season was released by the Crop Estimates Committee (CEC) on 27 August 2020, and is as follows:

Table 2: Commercial summer crops: Area planted and 7th production forecast - 2020 season

CROP	**Area planted 2020 Ha (A)**	**7th 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**	**9 002 910**	1 298 400	5 545 000	62,36
Yellow maize	**994 500**	**6 534 060**	1 002 100	5 730 000	12,37
Total Maize	**2 610 800**	**15 536 970**	2 300 500	11 275 000	37,80
Sunflower seed	**500 300**	**785 910**	515 350	678 000	12,97
Soybeans	**705 000**	**1 261 250**	730 500	1 170 345	7,77
Groundnuts	**37 500**	**50 920**	20 050	19 400	168,76
Sorghum	**42 500**	**145 610**	50 500	127 000	6,50
Dry beans	**50 150**	**64 800**	59 300	66 355	-2,34
TOTAL	**3 946 250**	**17 845 460**	3 676 200	13 336 100	33,81

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 15 536 970 tons, which is 37,80% or 4 261 970 tons more than the 11 275 000 tons of the previous season (2019). The yield for maize is 5,95 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 9 002 910 tons, which is 62,36% or 3 457 910 tons more than the 5 545 000 tons of last season. The yield for white maize is 5,57 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 6 534 060 tons, which is 14,03% or 804 060 tons more than the 5 730 000 tons of last season. The yield for yellow maize is 6,57 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 50 920 tons – which is 162,47% or 31 520 tons more than the 19 400 tons of last season. The expected yield is 1,36 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 145 610 tons, which is 14,65% or 18 610 tons more than the 127 000 tons of the previous season. The expected yield is 3,43 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 eighth production forecast for summer field crops for 2020 will be released on 29 September 2020.

2.2 Winter cereal crops - 2019

The revised area planted and first production forecast of winter cereals for the 2020 production season was also released by the CEC on 27 August 2020, and is as follows:

Table 3: Commercial winter crops: Revised area planted and 1st production forecast - 2020 season

CROP	**Area planted 2020 Ha (A)**	**1st forecast 2020 Tons (B)**	Area planted 2019 Ha (C)	Final crop 2019 Tons (D)	Change % (B) ÷ (D)
Wheat	**515 800**	**1 962 230**	540 000	1 535 000	27,83
Malting barley	**141 690**	**505 215**	131 960	345 000	46,44
Canola	**74 120**	**122 820**	74 000	95 000	29,28
Cereal oats	**27 000**	**45 500**	21 000	16 500	175,76

- The expected production of **wheat** is 1,962 million tons, which is 27,83% or 427 230 tons more than the previous seasons' crop of 1,535 million tons, whilst the expected yield is 3,80 t/ha.
- The expected production in the Western Cape is 978 000 tons (50%), which is 328 000 tons more than the 650 000 tons produced in the previous season. In the Free State, the expected production is 380 000 tons (19%), which is 54 000 tons more than the previous seasons' crop of 326 000 tons. In the Northern Cape, 277 500 tons (14%) is expected to be produced – 15 000 tons more than the 262 500 tons produced in the previous season.
- The area estimate for wheat was revised to 515 800 ha, which is 4,48% or 24 200 ha less than the 540 000 ha of the previous season. An estimated 326 000 ha or 63% is planted in the Western Cape, 100 000 ha or 19% in the Free State and 37 000 ha or 7% in the Northern Cape.
- The production forecast for **malting barley** is 505 215 tons, which is 46,44% or 160 215 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 3,57 t/ha.
- The expected **canola crop** is 122 820 tons, which is 29,28% or 27 820 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 1,66 t/ha.
- The revised area estimate for **oats (cereals)** for the 2020 season is 27 000 ha and the expected crop is 45 500 tons. The expected yield is 1,69 t/ha.

Please note that the revised area planted and second production forecast of winter cereals for 2020 will also be released on 29 September 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

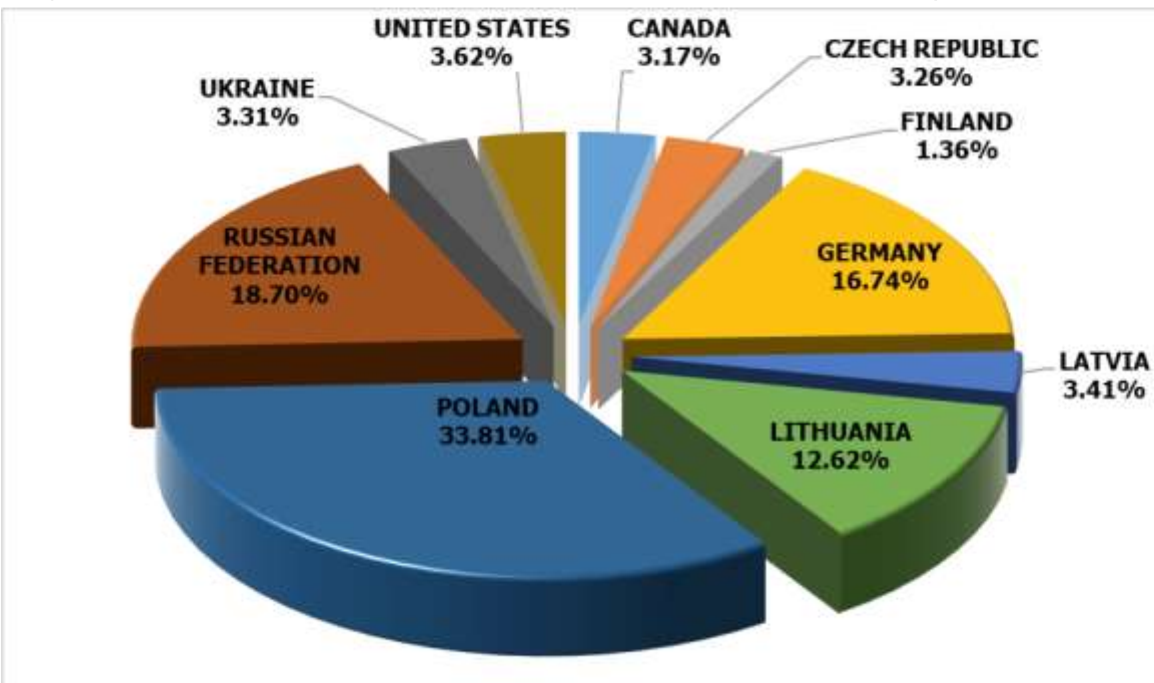
- The preliminary area planted to maize in the non-commercial agricultural sector is estimated at 297 460 ha, which represents a slight increase of 0,49%, compared to the 296 000 ha of the previous season. The expected maize crop for this sector is 543 545 tons, which is 1,03% less than the 549 180 tons 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 AUG20 Annexure A.

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

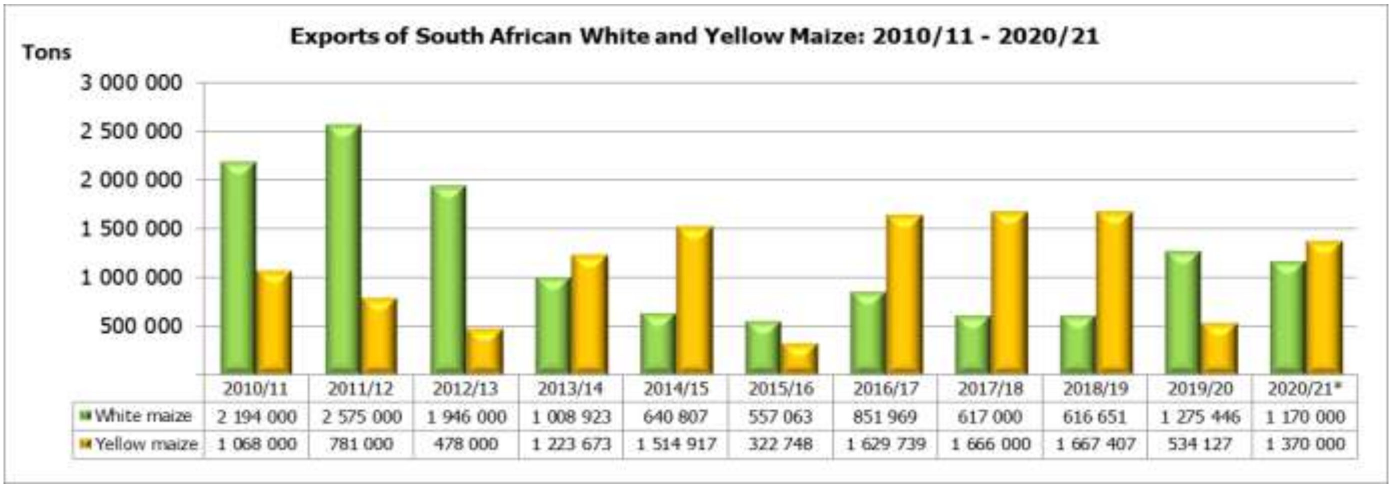
Graph 1: Major countries of wheat imports to South Africa: 2019/20 marketing year



- The progressive wheat imports (human consumption) for the 2019/20 marketing year (28 September 2019 to 28 August 2020) amount to 1 606 076 tons, with 33,81% or 542 984 tons from Poland, followed by 18,70% or 300 364 tons from the Russian Federation, 16,74% or 268 829 tons from Germany, 12,62% or 202 656 tons imported from Lithuania, 3,62% or 58 075 tons from United States, 3,41% or 54 803 tons from Latvia, 3,31% or 53 199 tons from Ukraine, 3,26% or 52 365 tons from the Czech Republic, 3,17% or 50 941 tons from Canada and 1,36% or 21 860 tons from Finland. The exports of wheat (human consumption) for the above-mentioned period amount to 74 958 tons, of which 52,79% or 39 573 tons to Zambia, 37,11% or 27 820 tons went to the BLNS countries (Botswana, Lesotho, Namibia and Swaziland (Eswatini)) and 10,09% or 7 565 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

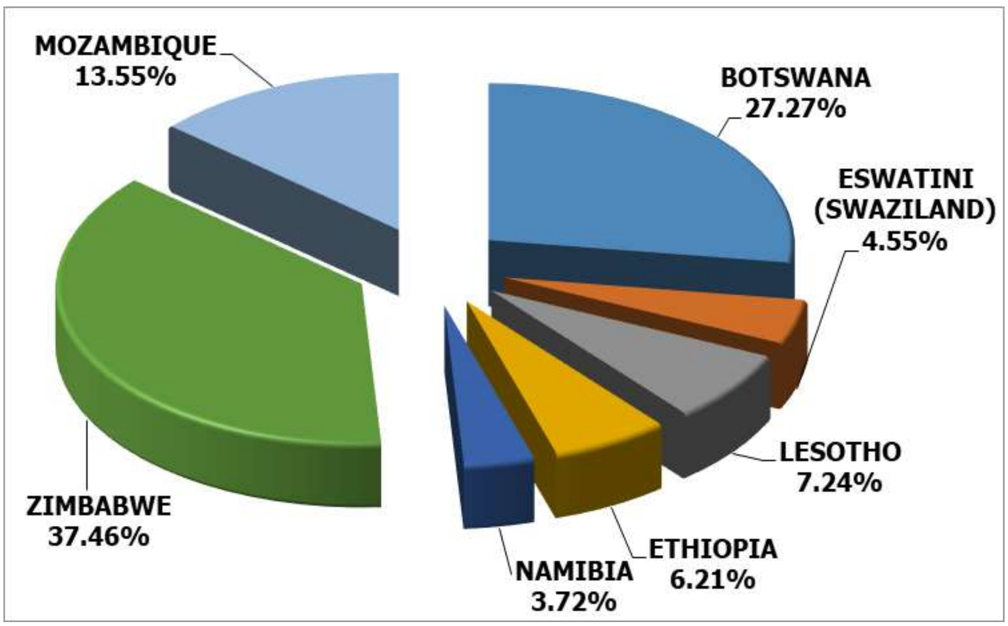


	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*
White maize	2 194 000	2 575 000	1 946 000	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 170 000
Yellow maize	1 068 000	781 000	478 000	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 370 000

*Projection

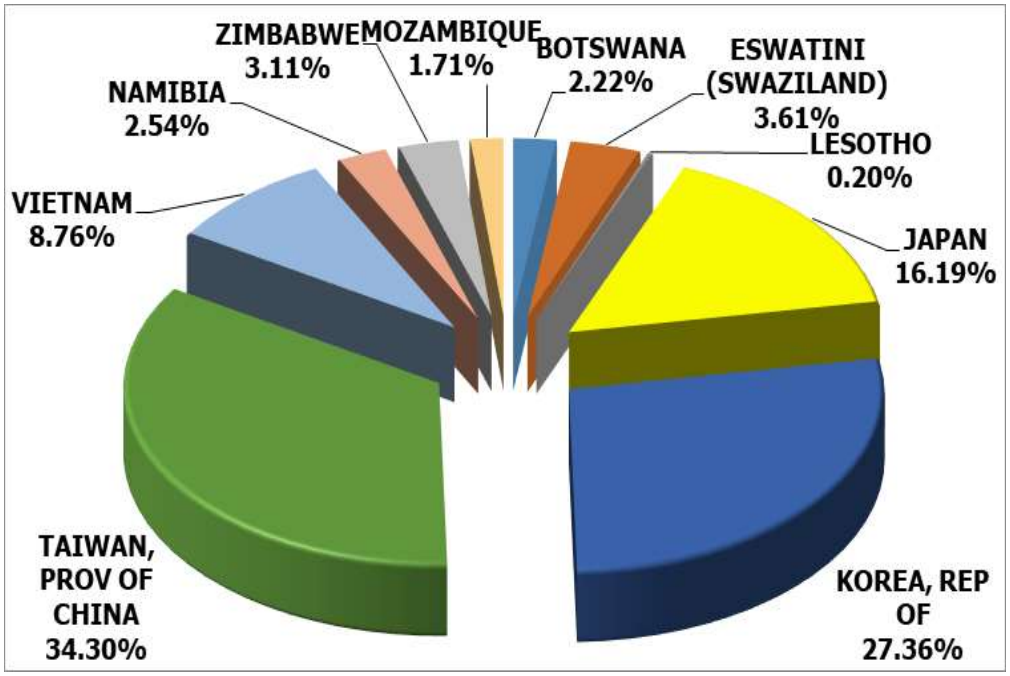
- The exports of white maize for the 2020/21 marketing year are projected at 1,170 million tons, which represents a decrease of 8,27% or 105 446 tons compared to the 1,275 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 1,370 million tons, which represents an increase of 156,49% or 835 873 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 28 August 2020, progressive white maize exports for the 2020/21 marketing year amount to 322 458 tons, with the main destinations being Zimbabwe (37,46% or 120 787 tons), followed by Botswana (27,27% or 87 922 tons), Mozambique (13,55% or 43 708 tons), Ethiopia (6,21% or 20 014 tons), Eswathini (Swaziland) (4,55% or 14 670 tons), Lesotho (7,24% or 23 349 tons) and Namibia (3,72% or 12 008 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 28 August 2020, progressive yellow maize exports for the 2020/21 marketing year amount to 942 344 tons, with the main destinations being Taiwan, Province of China (34,30% or 323 189 tons), followed by Korea, Republic of (27,36% or 257 847 tons), Japan (16,19% or 152 610 tons), Vietnam (8,76% or 82 539 tons), Eswathini (Swaziland) (3,61% or 34 042 tons), Zimbabwe (3,11% or 29 292 tons), Namibia (2,54% or 23 962 tons), Botswana (2,22% or 20 888 tons), Mozambique (1,71% or 16 077 tons) and Lesotho (0,20% or 1 898 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 3,2% in July 2020, up from 2,2% in June 2020. The consumer price index increased by 1,3% month-on-month in July 2020.
- The main contributors to the 3,2% annual inflation rate were as follows:
  - Food and non-alcoholic beverages increased by 4,3% year-on-year, and contributed 0,7% to the total CPI annual rate of 3,2%;
  - Housing and utilities increased by 3,2% year-on-year, and contributed 0,8%; 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 2,3% and 3,9%, respectively.
- Provincial annual inflation rates ranged from 2,9% in Gauteng to 3,7% in Western Cape.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 1,9% in July 2020, up from 0,5% in June 2020. The producer price index increased by 1,2% month-on-month in July 2020.
- The main contributors to the headline PPI annual inflation rate were as follows:
  - Food products, beverages and tobacco products increased by 3,2% year-on-year and contributed 1,1%; and
  - Transport equipment increased by 8,3% year-on-year and contributed 0,8%.
- The main contributor to the headline PPI monthly increase was coke, petroleum, chemical, rubber and plastic products, which increased by 4,8% month-on-month and contributed 1,0%.

- The annual percentage change in the PPI for intermediate manufactured goods was 2,4% in July 2020 (compared with 1,4% in June 2020). The index decreased by 0,3% month-on-month. The main contributor to the annual rate was basic and fabricated metals (4,4%). The main contributors to the monthly rate were sawmilling and wood (-0,3%), chemicals, rubber and plastic products (-0,2%), as well as recycling and manufacturing n.e.c. (-0,2%).
- The annual percentage change in the PPI for electricity and water was 8,1% in July 2020 (compared with 13,8% in June 2020). The index increased by 7,9% month-on-month. Electricity contributed 7,3% to the annual rate, and water contributed 0,8%. Electricity contributed 7,4% to the monthly rate, and water contributed 0,5%.
- The annual percentage change in the PPI for mining was 29,6% in July 2020 (compared with 26,0% in June 2020). The index increased by 5,7% month-on-month. The main contributors to the annual rate were non-ferrous metal ores (20,3%) and gold and other metal ores (8,1%). The main contributors to the monthly rate were non-ferrous metal ores (3,3%), gold and other metal ores (1,3%), as well as stone quarrying, clay and diamonds (1,0%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 2,5% in July 2020 (compared with 1,1% in June 2020). The index increased by 2,5% month-on-month. The contributors to the annual rate were agriculture (1,7%) and fishing (0,8%). The main contributor to the monthly rate was agriculture (2,3%).

4.3 Future contract prices

Table 5: Closing prices on Thursday, 3 September 2020

	3 September 2020	3 August 2020	% Change
RSA White Maize per ton (Sep. 2020 contract)	R3 139,00	R2 796,00	12,27
RSA Yellow Maize per ton (Sep. 2020 contract)	R3 090,00	R2 860,00	8,04
RSA Wheat per ton (Sep. 2020 contract)	R5 120,00	R5 649,00	-9,36
RSA Sunflower seed per ton (Sep. 2020 contract)	R7 188,00	R6 575,00	9,32
RSA Soya-beans per ton (Sep. 2020 contract)	R7 598,00	R7 276,00	4,43
Exchange rate R/$	R16,79	R17,33	-3,12

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- August 2020 tractor sales of 438 units were one unit more than the 437 units sold in August 2019. On a year-to-date basis tractor sales are now only 3% lower than the same period last year. In August 2020 there were 13 combine harvester sales, compared to no sales in August 2019. On a year-to-date basis combine harvester sales are now 18% higher than the same period last year.
- Although there were quality problems with some of the summer crops, due to the late rains, yields were generally good. This, together with good winter crop prospects and encouraging predictions for the forthcoming summer cropping season has led to overall sentiment in the agricultural industry being positive. This trend is likely to continue in the short term. However, future sales levels will still be affected by the availability of older, lower-priced stock and the effect of the rand rate of exchange on future equipment prices. Overall estimates for the 2020 calendar year are now certainly looking better, with sales likely be at similar levels to those in 2019.

Table 6: Agricultural machinery sales

	Year-on-year		Percentage Change %	Year-to-date		Percentage Change %
	August			August		
Equipment class	**2020**	**2019**		**2020**	**2019**	
Tractors	438	437	0,22	3 395	3 488	-2,67
Combine harvesters	13	0	-	141	119	18,49

Source: SAAMA press release, September 2020

PLEASE NOTE: The Food Security Bulletin for September 2020 will be released on **12 October 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