

MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: FEBRUARY 2020

Issued: 6 March 2020

Directorate: Statistics and Economic Analysis

Highlights:

- During January 2020, significant rainfall events were limited to the eastern half of the country, as well as to the southern coastal areas.
- The final production estimate of wheat for 2019 is 1,502 million tons, which is 19,6% less than the previous seasons' crop of 1,868 million tons.
- The projected closing stocks of wheat for the current 2019/20 marketing year are 454 554 tons, which includes imports of 1,820 million tons. It is also 15,7% less than the previous years' ending stocks.
- The expected commercial maize crop for 2020 is 14,560 million tons, which is 29,1% more than the 11,275 million tons of the previous season (2019).
- Projected closing stocks of maize for the current 2019/20 marketing year are 1,197 million tons, which is 55,1% less than the previous years' ending stocks.
- Projected closing stocks of maize for the coming 2020/21 marketing year are 1,390 million tons, which is 16,1% more than the previous years' ending stocks.
- The projected closing stocks of sorghum for the current 2019/20 marketing year are 60 966 tons, which is 17,6% more than the previous years' ending stocks.
- The projected closing stocks of sorghum for the coming 2020/21 marketing year are 47 196 tons, which is 22,6% less than the previous years' ending stocks.
- The projected closing stocks of sunflower seed for current 2019/20 marketing year are 110 520 tons, which is 8,0% less than the previous years' ending stocks.
- The projected closing stocks of sunflower seed for coming 2020/21 marketing year are 91 550 tons, which is 17,2% less than the previous years' ending stocks.
- The projected closing stocks of soybeans for the current 2019/20 marketing year are 161 586 tons, which is 67,8% less than the previous years' ending stocks.
- The projected closing stocks of soybeans for the coming 2020/21 marketing year are 154 486 tons, which is 4,4% less than the previous years' ending stocks.
- The headline CPI (for all urban areas) annual inflation rate in January 2020 was higher at 4,5%.
- The annual percentage change in the PPI for final manufactured goods was higher at 4,6% in January 2020.
- February 2020 tractor sales of 485 units were almost 8% less than the 526 units sold in February 2019.



agriculture,
forestry & fisheries

Department:
Agriculture, Forestry and Fisheries
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@daff.gov.za or QueenS@daff.gov.za

Contents

1. Weather conditions	3
2. Grain production	4
2.1 Summer grain crops - 2020	4
2.2 Winter cereal crops - 2019	5
2.3 Non-commercial maize	5
3. Cereal balance sheets	5
4. Market information	8
4.1 Consumer Price Index (CPI)	8
4.2 Producer Price Index (PPI)	8
4.3 Future contract prices	9
4.4 Agricultural machinery sales	9
5. Acknowledgements	10

1. Weather conditions

1.1 Rainfall for February 2020

During February 2020, significant rainfall events were spread over most parts of the country with the exception of the extreme western parts (**Figure 1**). Comparing rainfall totals to the long term average for February 2020, rainfall received was above-normal over most of the central, eastern and extreme northern parts of the country (**Figure 2**). The extreme western parts and isolated areas of the northern parts received near-normal to below-normal rainfall. (Source: Directorate: Climate Change and Disaster Management at Department: Agriculture, Forestry and Fisheries)

Figure 1: Rainfall(mm) for February 2020

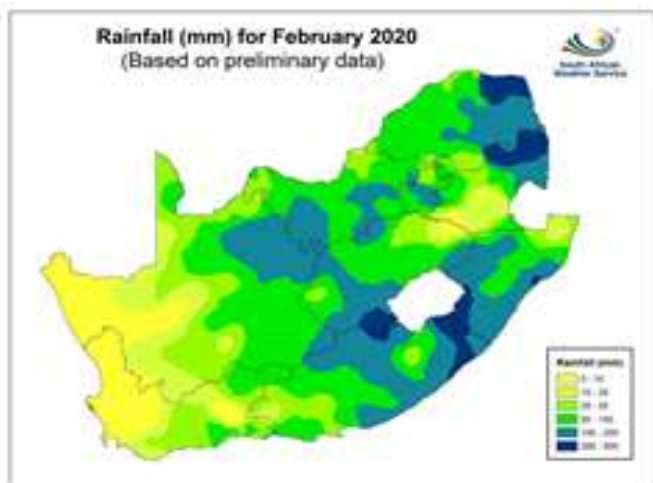
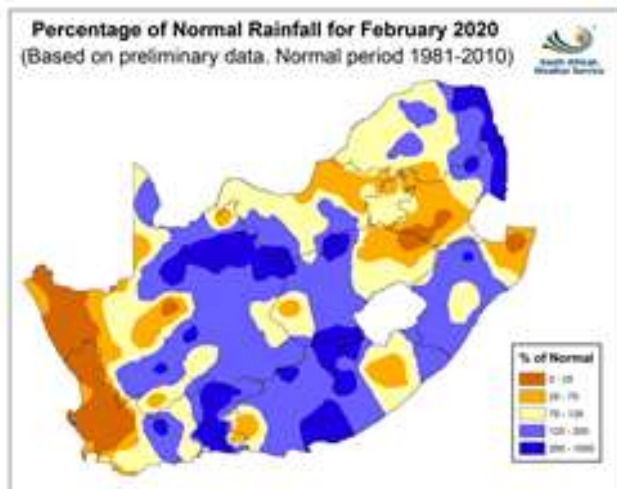


Figure 2: Percentage rainfall for February 2020



1.2 Level of dams

Available information on the level of South Africa's dams on 2 March 2020 indicates that the country has approximately 65% of its full supply capacity (FSC) available, which is 1% more than the corresponding period in 2019. All provinces show an improvement in the full supply capacity, except the Eastern Cape Province with an 8% decrease in the full supply capacity as compared to 2019. The provincial distribution of South Africa's water supply including Lesotho is contained in **Table 1** below.

Table 1: Level of dams, 2 March 2020

Province	Net FSC million cubic meters	2/03/2020 (%)	Last Year (2019) (%)	% Increase/Decrease 2020 vs. 2019
Eastern Cape	1 810	52	60	-8,0
Free State	15 653	74	72	2,0
Gauteng	128	99	98	1,0
KwaZulu-Natal	4 784	61	60	1,0
Lesotho	2 363	27	31	-4,0
Limpopo	1 522	70	66	4,0
Mpumalanga	2 539	75	74	1,0
North West	867	67	62	5,0
Northern Cape	147	91	65	26,0
Western Cape	1 866	46	41	5,0
Total	31 678	65	64	1,0

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2020

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

Table 2: Commercial summer crops: Revised area planted and 1st production forecast - 2020 season

CROP	Area planted	1st Forecast	Area planted	Final crop	Change
	2020	2020	2019	2019	2020 vs 2019
	Ha (A)	Tons (B)	Ha (C)	Tons (D)	% (B) ÷ (D)
Commercial:					
White maize	1 596 300	8 286 825	1 298 400	5 545 000	49,45
Yellow maize	1 003 500	6 273 335	1 002 100	5 730 000	9,48
Total Maize	2 599 800	14 560 160	2 300 500	11 275 000	29,14
Sunflower seed	500 300	699 130	515 350	678 000	3,12
Soybeans	705 000	1 242 950	730 500	1 170 345	6,20
Groundnuts	37 500	54 390	20 050	19 400	180,36
Sorghum	45 300	135 090	50 500	127 000	6,37
Dry beans	50 150	72 910	59 300	66 355	9,88
TOTAL	3 938 050	16 764 630	3 676 200	13 336 100	25,71

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

- **Commercial maize:** The revised area estimate for maize is 2 599 800 ha, which is 13,01% or 299 300 ha more than the 2 300 500 ha planted for the previous season, and 2,54% or 64 500 ha more than the preliminary area estimate of 2 535 300 ha released in January 2020.
- The expected commercial maize crop is 14 560 160 tons, which is 29,14% or 3 285 160 tons more than the 11 275 000 tons of the previous season (2019). The yield for maize is 5,60 t/ha.
- The area estimate for **white maize** is 1 596 300 ha, which represents an increase of 22,94% or 297 900 ha compared to the 1 298 400 ha planted last season. The production forecast of white maize is 8 286 825 tons, which is 49,45% or 2 741 825 tons more than the 5 545 000 tons of last season. The yield for white maize is 5,19 t/ha.
- In the case of **yellow maize**, the area estimate is 1 003 500 ha, which is 0,14% or 1 400 ha more than the 1 002 100 ha planted last season. The yellow maize production forecast is 6 273 335 tons, which is 9,48% or 543 335 tons more than the 5 730 000 tons of last season. The yield for yellow maize is 6,25 t/ha.
- **Sunflower seed:** The revised 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 699 130 tons, which is 3,12% or 21 130 tons more than the 678 000 tons of the previous season. The expected yield is 1,40 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 1 242 950 tons, which is 6,20% or 72 605 tons more than the 1 170 345 tons of the previous season. The expected yield is 1,76 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 54 390 tons – which is 180,36% or 34 990 tons more than the 19 400 tons of last season. The expected yield is 1,45 t/ha.

- The area estimate for **sorghum** decreased by 10,30% or 5 200 ha, from 50 500 ha to 45 300 ha against the previous season. The production forecast for sorghum is 135 090 tons, which is 6,37% or 8 090 tons more than the 127 000 tons of the previous season. The expected yield is 2,98 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 72 910 tons, which is 9,88% or 6 555 tons more than the 66 355 tons of the previous season. The expected yield is 1,45 t/ha.

Please note that the second production forecast for summer field crops for 2020 will be released on 25 March 2020.

2.2 Winter cereal crops - 2019

The area planted and final production estimate of winter grains for the 2019 season was also released by the CEC on 26 February 2020, and is as follows:

Table 3: Commercial winter crops: Area planted and final production estimate - 2019 season

CROP	Area planted	Final estimate	Area planted	Final crop	Change
	2019 Ha (A)	2019 Ha (B)	2018 Ha (C)	2018 Tons (D)	% (B) ÷ (D)
Wheat	540 000	1 501 675	503 350	1 868 000	-19,61
Malting barley	131 960	345 080	119 000	421 500	-18,13
Canola	74 000	96 200	77 000	104 500	-7,94
Cereal oats	21 000	15 540	19 235	32 700	-52,48

- The expected production of **wheat** is 1 501 675 tons, which is 19,61% or 366 325 tons less than the previous seasons' crop of 1 868 000 tons, whilst the expected yield is 2,78 t/ha.
- The area estimate for wheat is 540 000 ha, which is 36 650 ha higher than the 503 350 ha of the previous season. An estimated 325 000 ha or 60% is planted in the Western Cape, 128 000 ha or 24% in the Free State and 37 500 ha or 7% in the Northern Cape.
- The production forecast for **malting barley** is 345 080 tons, which is 18,13% or 76 420 tons less than the previous seasons' crop of 421 500 tons. The area planted is estimated at 131 960 ha, while the expected yield is 2,62 t/ha.
- The expected **canola** crop is 96 200 tons, which is 7,94% or 8 300 tons less than the previous seasons' crop of 104 500 tons. The area estimate for canola is 74 000 ha, with an expected yield of 1,30 t/ha.
- The area estimate for **oats** (cereals) for the 2019 season is 21 000 ha. The expected crop is 15 540 tons, representing a decrease of 17 16 tons compared to the 32 700 tons of 2018. The expected yield is 0,74 t/ha.

Please note that the intentions to plant winter cereals for 2020 will be released on 29 April 2020.

2.3 Non-commercial maize

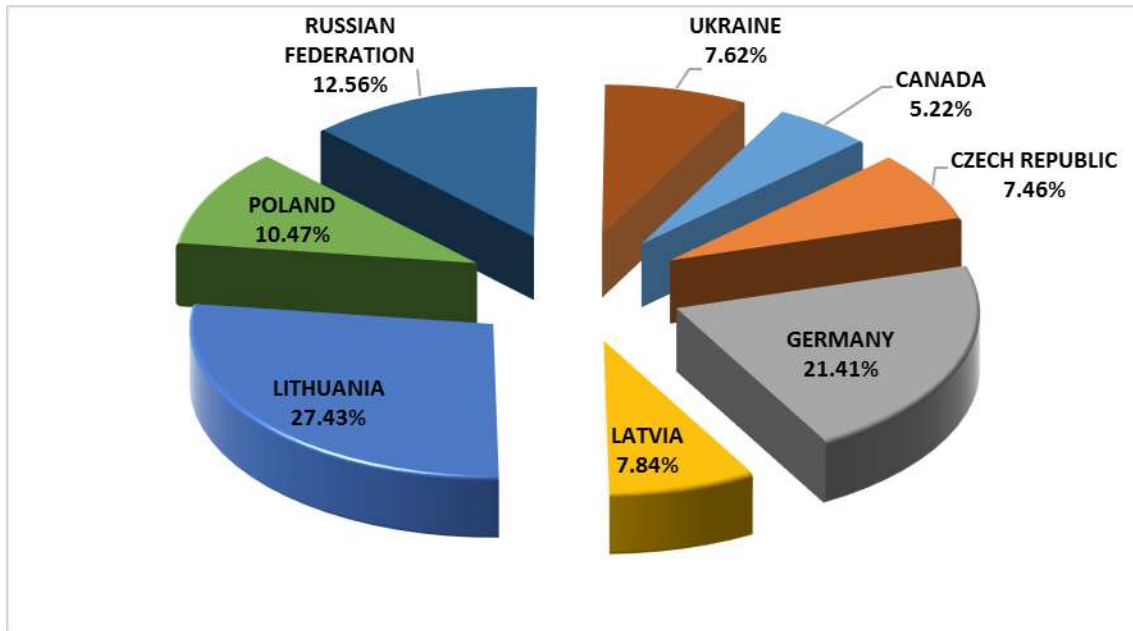
Please note that the non-commercial agricultural sectors' production estimate for maize for the 2020 season will be released by the CEC on 27 May 2020.

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 FEB20 Annexure A.

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

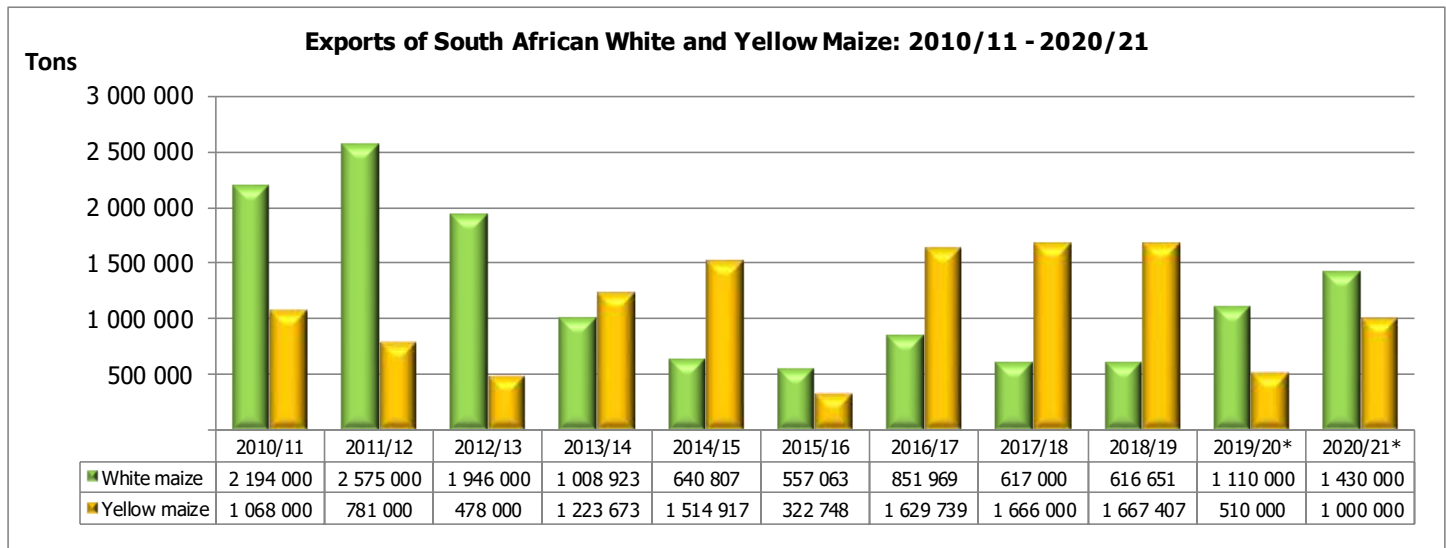
Graph 1: Major countries of wheat imports to South Africa: 2019/20 marketing year



- The progressive wheat imports for the 2019/20 marketing year (28 September 2019 to 28 February 2020) amount to 698 542 tons, with 27,43% or 191 601 tons imported from Lithuania, 21,41% or 149 532 tons from Germany, 12,56% or 87 714 tons from the Russian Federation, 10,47% or 73 164 tons from Poland, 7,84% or 54 791 tons from Latvia, 7,62% or 53 199 tons from Ukraine, 7,46% or 52 079 tons from the Czech Republic and 5,22% or 36 462 tons from Canada. The exports of wheat for the above-mentioned period amount to 22 680 tons, of which 89,10% or 20 208 tons went to BLNS countries (Botswana, Lesotho, Namibia and Swaziland (Eswatini)) and only 10,90% or 2 472 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

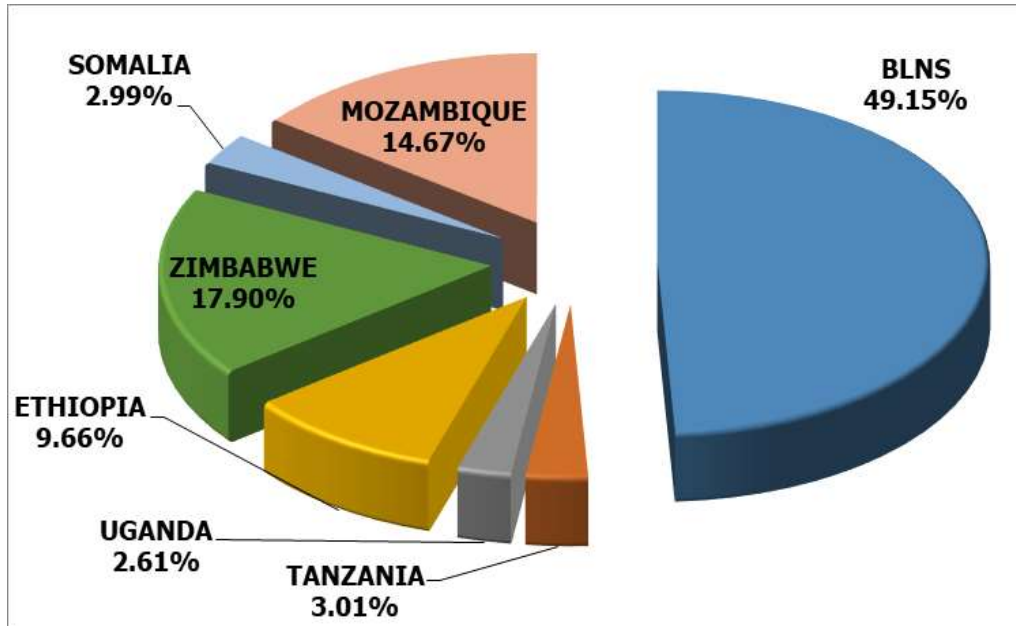


*Projection

- The exports of white maize for the 2019/20 marketing year are projected at 1,11 million tons, which represents an increase of 80,00% compared to the 616 651 tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 510 000 tons, which represents a decrease of 69,41% compared to the 1,667 million tons of the previous marketing year. The exports of white maize for the 2020/21 marketing year are projected at 1,43 million tons, which represents an increase of 28,83% compared to the previous

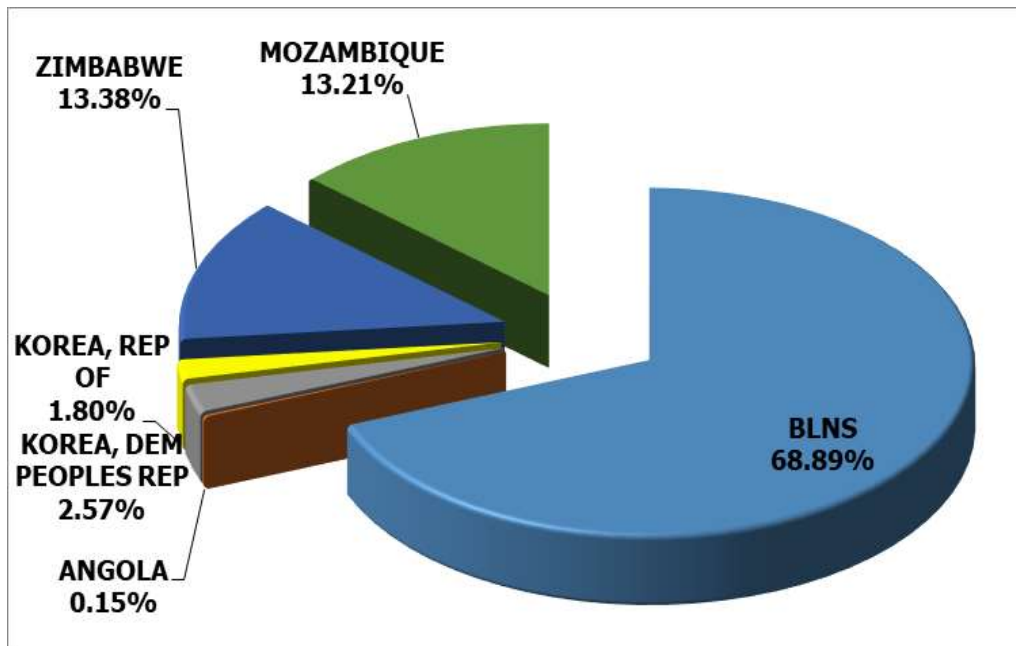
marketing year. Yellow maize exports for the mentioned period are projected at 1,0 million tons, which represents an increase of 96,08% compared to the previous marketing year.

Graph 3: Major countries of white maize exports from South Africa: 2019/20 marketing year



- From 27 April 2019 to 28 February 2020, progressive white maize exports amount to 765 897 tons, with the main destinations being the BLNS Countries (49,15% or 376 438 tons), followed by Zimbabwe (17,90% or 137 106 tons), Mozambique (14,67% or 112 350 tons), Ethiopia (9,66% or 74 021 tons), Tanzania (3,01% or 23 082 tons), Somalia (2,99% or 22 900 tons), and Uganda (2,61% or 20 000 tons). The imports of white maize for the mentioned period amount to zero.

Graph 4: Major countries of yellow maize exports from South Africa: 2019/20 marketing year



- From 27 April 2019 to 28 February 2020, progressive yellow maize exports amount to 323 478 tons, with the main destinations being the BLNS Countries (68,89% or 222 847 tons), followed by Zimbabwe (13,38% or 43 290 tons), Mozambique (13,21% or 42 720 tons), Democratic Peoples Republic of Korea (2,57% or 8 304 tons), Republic of Korea (1,80% or 5 836 tons) and Angola (0,15% or 481 tons). The imports of yellow maize for the mentioned period amount to 477 671 tons of which 89,52% or 427 602 tons were from Argentina and 10,48% or 50 069 tons were from Brazil.

4. Market information

4.1 Consumer Price Index (CPI)

- Annual consumer price inflation was 4,5% in January 2020, up from 4,0% in December 2019. The consumer price index increased by 0,3% month-on-month in January 2020.
- The main contributors to the 4,5% annual inflation rate were as follows:
 - Food and non-alcoholic beverages increased by 3,7% year-on-year, and contributed 0,6 to the total CPI annual rate of 4,5%;
 - Housing and utilities increased by 4,7% year-on-year, and contributed 1,2%;
 - Transport increased by 6,4% year-on-year, and contributed 0,9%; and
 - Miscellaneous goods and services increased by 5,7% year-on-year, and contributed 0,9%.
- The annual inflation rates for goods and for services were 4,9% and 4,0% respectively.
- Provincial annual inflation rates ranged from 4,0% in Eastern Cape, Free State and KwaZulu-Natal to 5,1% in Western Cape.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 4,6% in January 2020, up from 3,4% in December 2019. The producer price index increased by 0,3% month-on-month in January 2020.
- The main contributors to the headline PPI annual inflation rate were as follows:
 - Coke, petroleum, chemical, rubber and plastic products increased by 6,8% year-on-year and contributed 1,4%;
 - Food products, beverages and tobacco products increased by 3,7% year-on-year and contributed 1,3%; and
 - Metals, machinery, equipment and computing equipment increased by 4,1% year-on-year and contributed 0,6%.
- The main contributor to the headline PPI monthly increase was coke, petroleum, chemical, as well as rubber and plastic products, which increased by 0,5% month-on-month and contributed 0,1%.
- The annual percentage change in the PPI for intermediate manufactured goods was 0,7% in January 2020 (compared with -1,5% in December 2019). The index increased by 0,7% month-on-month. The main contributors to the annual rate were basic and fabricated metals (1,5%), as well as sawmilling and wood (0,7%). The main contributor to the monthly rate was recycling and manufacturing n.e.c. (0,3%).
- The annual percentage change in the PPI for electricity and water was 13,0% in January 2020 (compared with 13,8% in December 2019). The index decreased by 1,5% month-on-month. Electricity contributed 12,0% to the annual rate, and water contributed 1,1%. Electricity contributed -1,4% to the monthly rate.
- The annual percentage change in the PPI for mining was 32,2% in January 2020 (compared with 24,2% in December 2019). The index increased by 6,4% month-on-month. The main contributors to the annual rate were non-ferrous metal ores (23,8%), gold and other metal ores (4,8%) and coal and gas (3,6%). The main contributors to the monthly rate were non-ferrous metal ores (3,9%) and gold and other metal ores.
- The annual percentage change in the PPI for agriculture, forestry and fishing was -0,9% in January 2020 (compared with -0,6% in December 2019). The index decreased by 0,5% month-on-month. The main contributor to the annual rate was agriculture (-2,5%). The main contributor to the monthly rate was agriculture (-0,5%).

4.3 Future contract prices

Table 4: Closing prices on Thursday, 5 March 2020

	5 March 2020	5 February 2020	% Change
RSA White Maize per ton (Mar. 2020 contract)	R2 944,00	R3 020,00	-2,52
RSA Yellow Maize per ton (Mar. 2020 contract)	R2 576,00	R2 853,00	-9,71
RSA Wheat per ton (Mar. 2020 contract)	R4 782,00	R4 678,00	2,29
RSA Sunflower seed per ton (Mar. 2020 contract)	R5 450,00	R5 467,00	-0,31
RSA Soya-beans per ton (Mar. 2020 contract)	R6 140,00	R5 890,00	4,24
Exchange rate R/\$	R15,36	R14,69	4,56

Source: JSE/SAFEX

- In terms of trade policy, the new wheat import tariff rate of R776,24 per tonne was published in a Government Gazette on 17 January 2020, making it the official rate. However, a new wheat import tariff of R516,61 was triggered on 14 January 2020.

4.4 Agricultural machinery sales

- February 2020 tractor sales of 485 units were almost 8% less than the 526 units sold in February 2019. On a year-to-date basis tractor sales are now almost 11% down on the same period last year. February 2020 combine harvester sales of 18 units were three units more than the 15 units sold in February 2019. On a year-to-date basis combine harvester sales are now 21% up on the same period last year.
- The first production forecast for summer crops for 2020 shows that the production of all crops is likely to be higher than last year. In particular, the overall maize crop at 14,6 million tonnes is expected to be almost 30% up on 2019. This may, of course, lead to a decline in maize prices. Current combine harvester sales, however, show that farmers are preparing to harvest good crops. The tractor market is still highly price competitive. Despite the very recent rand weakness, this price sensitivity in the market is likely to continue in the short term. Nevertheless, industry sentiment is one of cautious optimism and expectations are that tractor sales in 2020 will be similar to those in 2019.

Table 5: Agricultural machinery sales

Equipment class	Year-on-year		Percentage Change %	Year-to-date		Percentage Change %
	February			February		
	2020	2019		2020	2019	
Tractors	485	526	-7,79	818	914	-10,50
Combine harvesters	18	15	20,00	23	19	21,05

Source: SAAMA press release, March 2020

PLEASE NOTE: The Food Security Bulletin for March 2020 will be released on **7 April 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
- Weekly Price Watch, DAFF