MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: DECEMBER 2020

Issued: 15 January 2021

Directorate: Statistics and Economic Analysis

Highlights:

- **During December 2020 most of the country, excluding the far-western regions, experienced significant rainfall events.**
- **The expected production of wheat for 2020 is 2,148 million tons, which is 39,9% 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 405 208 tons, which includes imports of 1,540 million tons. It is also 11,0% more than the previous years' ending stocks.**
- **The expected commercial maize crop for 2020 is 15,408 million tons, which is 36,7% 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 1,708 million tons, which is 70,8% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2020/21 marketing year are 41 368 tons, which is 31,5% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2020/21 marketing year are 71 985 tons, which is 46,8% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2020/21 marketing year are 127 605 tons, which is 7,8% less than the previous years' ending stocks.**
- **The annual percentage change in the CPI was lower at 3,2% in November 2020.**
- **The annual percentage change in the PPI for final manufactured goods was higher at 3,0% in November 2020.**
- **December 2020 tractor sales of 432 units were significantly more (24%) than the 349 units sold in December 2019.**

agriculture, land reform & rural development

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1. Weather conditions

1.1 Rainfall for December 2020

During December 2020 most of the country, excluding the far-western regions, experienced significant rainfall events (**Figure 1**). Comparing rainfall totals to the long-term average for December 2020, normal rainfall was received over most parts of the country but above-normal rainfall was evident over the central interior (**Figure 2**). The south-western parts of the country remained dry. (Source: Directorate: Climate Change and Disaster Management at Department: Agriculture, Land Reform and Rural Development)

Figure 1: Rainfall (mm) for December 2020

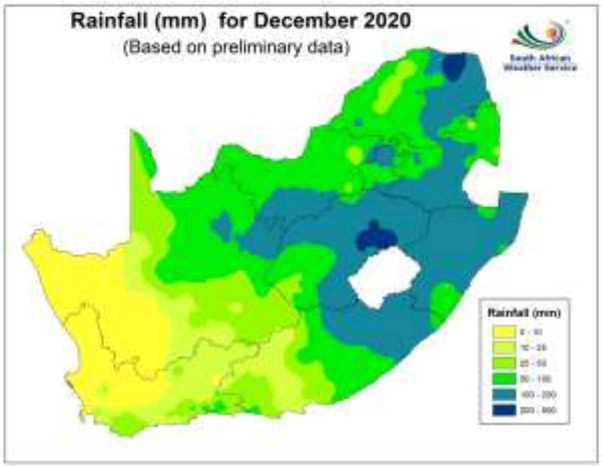
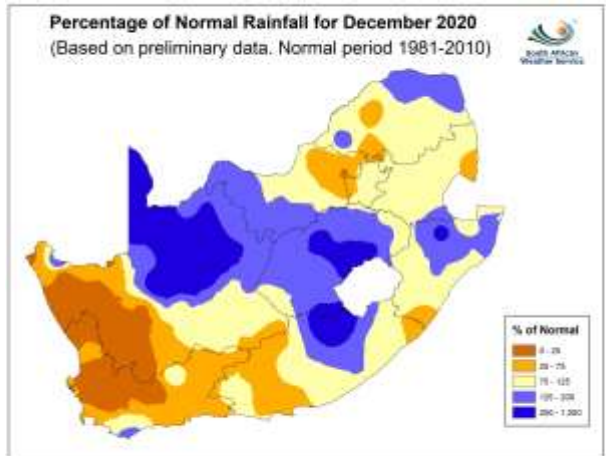


Figure 2: Percentage rainfall for December 2020



1.2 Level of dams

Available information on the level of South Africa's dams on 11 January 2021 indicates that the country has approximately 73% of its full supply capacity (FSC) available, which is 14% more than the corresponding period in 2020. The dam levels in the Free State, Northern and Western Cape, Eastern Cape, KwaZulu-Natal and Limpopo provinces, all show improvements in the full supply capacity as compared to 2020. The remaining provinces, namely Mpumalanga, North West and Gauteng show decreases in the full supply capacity for the mentioned period. The provincial distribution of South Africa's water supply including Lesotho and Swaziland is contained in **Table 1** below.

Table 1: Level of dams, 11 January 2021

Province	Net FSC million cubic meters	**11/01/2021 (%)**	Last Year (2020) (%)	% Increase/Decrease 2021 vs. 2020
Eastern Cape	1 810	53	46	7,0
Free State	15 657	87	66	21,0
Gauteng	128	100	102	-2,0
KwaZulu-Natal	4 784	59	54	5,0
Lesotho	2 363	40	20	20,0
Limpopo	1 522	60	58	2,0
Mpumalanga	2 539	67	73	-6,0
North West	867	64	65	-1,0
Northern Cape	147	98	77	21,0
Swaziland	334	36	66	-30,0
Western Cape	1 866	69	55	14,0
Total	**32 017**	**73**	**59**	**14,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2020

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

Table 2: Commercial summer crops: Area planted and final production estimate - 2020 season

CROP	**Area planted 2020 Ha (A)**	**Final estimate 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**	**8 666 310**	1 298 400	5 545 000	56,29
Yellow maize	**994 500**	**6 741 870**	1 002 100	5 730 000	17,66
Total Maize	**2 610 800**	**15 408 180**	2 300 500	11 275 000	36,66
Sunflower seed	**500 300**	**785 910**	515 350	678 000	15,92
Soybeans	**705 000**	**1 245 500**	730 500	1 170 345	6,42
Groundnuts	**37 500**	**50 080**	20 050	19 400	158,14
Sorghum	**42 500**	**155 560**	50 500	127 000	22,49
Dry beans	**50 150**	**64 800**	59 300	66 355	-2,34
TOTAL	**3 946 250**	**17 710 030**	3 676 200	13 336 100	32,80

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 15 408 180 tons, which is 36,66% or 4 133 180 tons more than the 11 275 000 tons of the previous season (2019). The yield for maize is 5,90 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 8 666 310 tons, which is 56,29% or 3 121 310 tons more than the 5 545 000 tons of last season. The yield for white maize is 5,36 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 6 741 870 tons, which is 17,66% or 1 011 870 tons more than the 5 730 000 tons of last season. The yield for yellow maize is 6,78 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 1 245 500 tons, which is 6,42% or 75 155 tons more than the 1 170 345 tons of the previous season. The expected yield is 1,77 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 155 560 tons, which is 22,49% or 28 560 tons more than the 127 000 tons of the previous season. The expected yield is 3,66 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 preliminary area estimate for summer field crops for 2021 will be released on 28 January 2021.

2.2 Winter cereal crops – 2019

The area planted and fifth production forecast of winter cereals for the 2020 production season was released by the CEC on 18 December 2020, and is as follows:

Table 3: Commercial winter crops: Area planted and 5th production forecast - 2020 season

CROP	**Area planted 2020 Ha (A)**	**5th forecast 2020 Tons (B)**	Area planted 2019 Ha (C)	Final crop 2019 Tons (D)	Change % (B) ÷ (D)
Wheat	**509 800**	**2 147 900**	540 000	1 535 000	39,93
Malting barley	**141 690**	**550 246**	131 960	345 000	59,49
Canola	**74 120**	**163 256**	74 000	95 000	71,85
Cereal oats	**26 200**	**47 400**	21 000	16 500	187,27

- The expected production of **wheat** is 2,148 million tons, which is 39,93% or 612 900 tons more than the previous seasons' crop of 1,535 million tons, whilst the expected yield is 4,21 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 1,108 million tons (52%), which is 458 400 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, 275 650 tons (13%) is expected to be produced – 13 150 tons more than the 262 500 tons produced in the previous season.
- The production forecast for **malting barley** is 550 246 tons, which is 59,49% or 205 246 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 3,88 t/ha.
- The expected **canola crop** is 163 256 tons, which is 71,85% or 68 256 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 2,20 t/ha.
- The 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 sixth production forecast of winter cereals for 2020 will be released on 28 January *2021.*

2.3 Non-commercial maize

The CEC 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

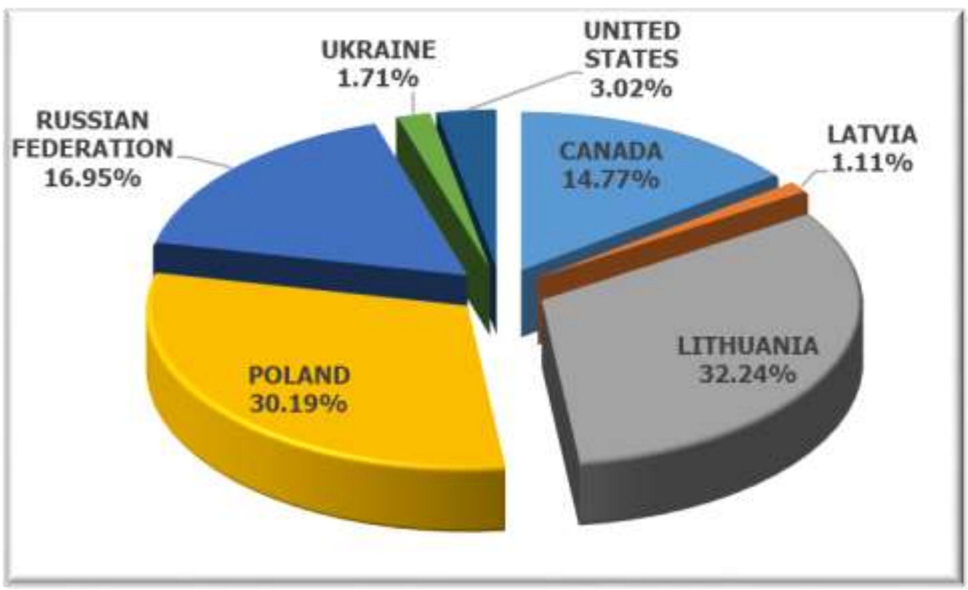
- The preliminary area planted to maize in the non-commercial agricultural sector is estimated at 297 460 ha, which represents a slight increase of 0,49%, compared to the 296 000 ha of the previous season. The expected maize crop for this sector is 543 545 tons, which is 1,03% less than the 549 180 tons 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 DEC20 Annexure A.

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

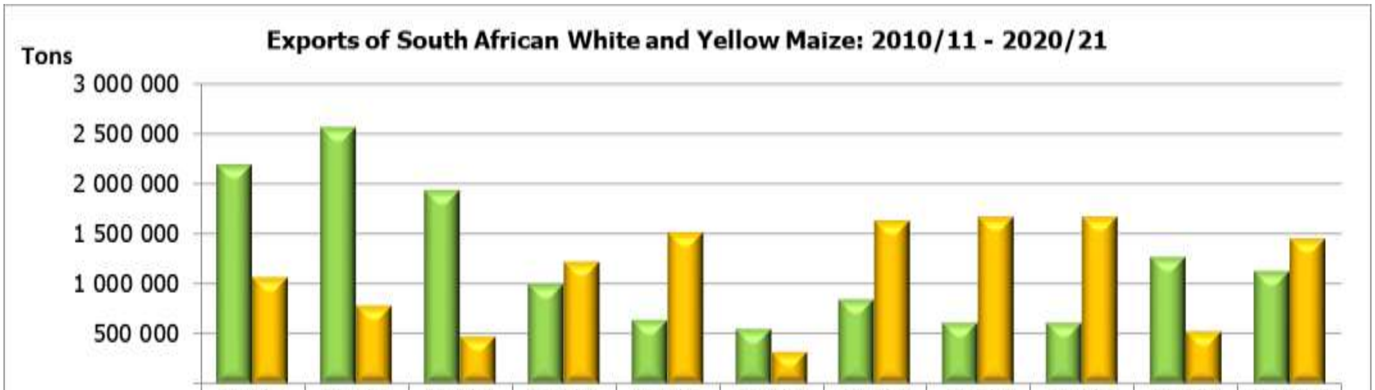
Graph 1: Major countries of wheat imports to South Africa: 2020/21 marketing year



- The progressive wheat imports (human consumption) for the 2020/21 marketing year (26 September 2020 to 8 January 2021) amount to 429 854 tons, with 32,24% or 138 599 tons from Lithuania, followed by 30,19% or 129 786 tons from the Poland, 16,95% or 72 871 tons from Russian Federation, 14,77% or 63 503 tons imported from Canada, 3,02% or 12 972 tons from United States, 1,71% or 7 341 tons from Ukraine and 1,11% or 4 782 tons from Latvia. The exports of wheat (human consumption) for the above-mentioned period amount to 7 025 tons, of which 34,32% or 2 411 tons went to Zimbabwe, 32,13% or 2 257 tons to Namibia, 27,44% or 1 928 tons to Eswatini (Swaziland), 5,64% or 396 tons to Zambia and only 0,47% or 33 tons went to Botswana.

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

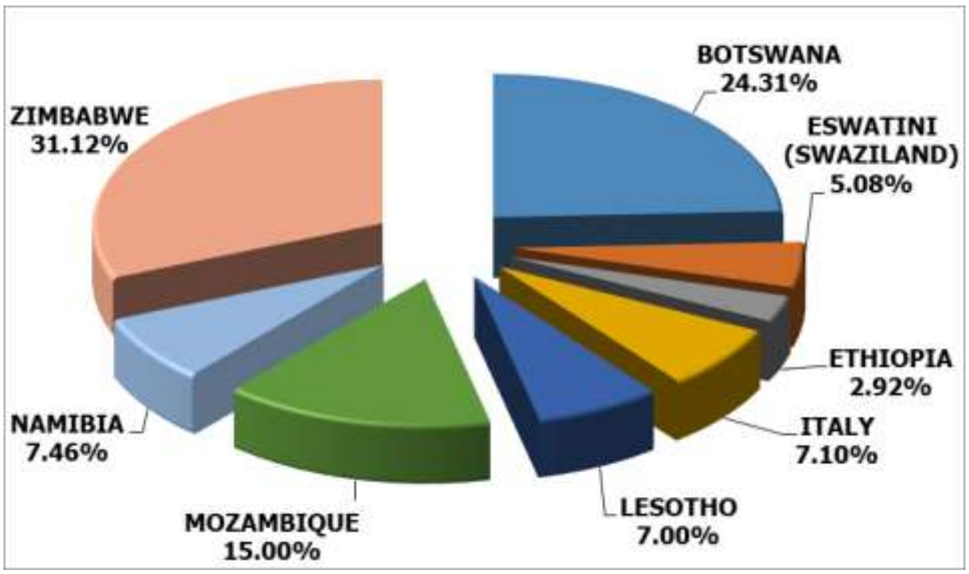


	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*
White maize	2 194 000	2 575 000	1 946 000	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 130 000
Yellow maize	1 068 000	781 000	478 000	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 450 000

*Projection

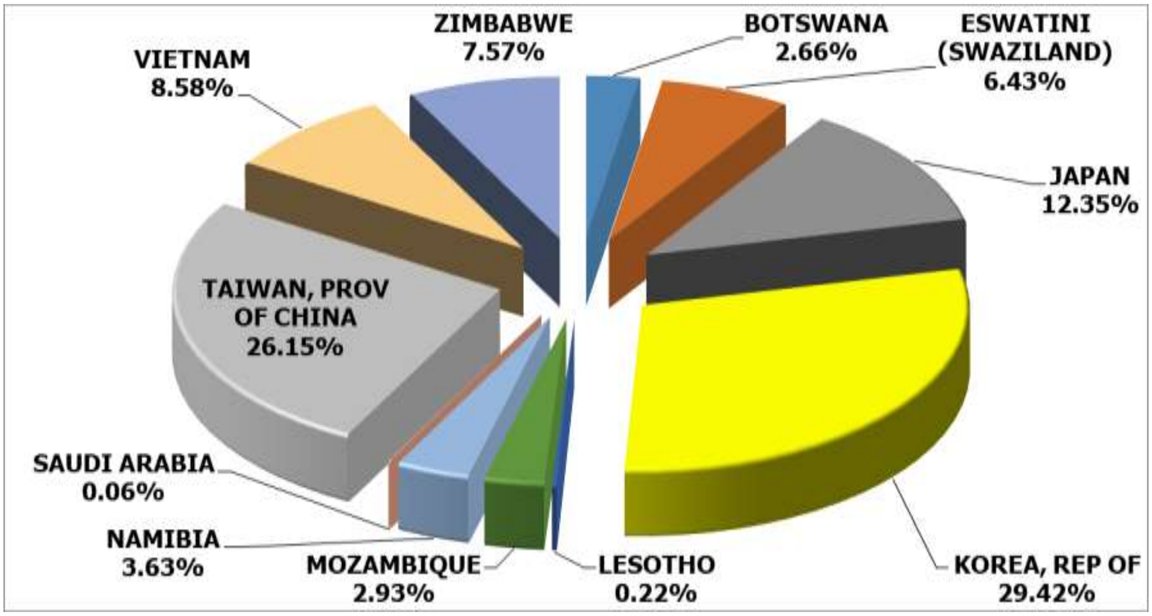
- The exports of white maize for the 2020/21 marketing year are projected at 1,130 million tons, which represents a decrease of 11,40% or 145 446 tons compared to the 1,275 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 1,450 million tons, which represents an increase of 171,47% or 915 873 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 2020 to 8 January 2021, progressive white maize exports for the 2020/21 marketing year amount to 684 970 tons, with the main destinations being Zimbabwe (31,12% or 213 174 tons), followed by Botswana (24,31% or 166 541 tons), Mozambique (15,00% or 102 772 tons), Namibia (7,46% or 51 120 tons), Italy (7,10% or 48 616 tons), Lesotho (7,00% or 47 929 tons), Eswathini (Swaziland) (5,08% or 34 804 tons) and Ethiopia (2,92% or 20 014 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 2020 to 8 January 2021, progressive yellow maize exports for the 2020/21 marketing year amount to 1,236 million tons, with the main destinations being Korea, Republic of (29,42% or 363 625 tons), followed by Taiwan, Province of China (26,15% or 323 189 tons), Japan (12,35% or 152 610 tons), Vietnam (8,58% or 106 068 tons), Zimbabwe (7,57% or 93 602 tons), Eswathini (Swaziland) (6,43% or 79 443 tons), Namibia (3,63% or 44 895 tons), Mozambique (2,93% or 36 167 tons), Botswana (2,66% or 32 842 tons), Lesotho (0,22% or 2 756 tons) and Saudi Arabia (0,06% or 780 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 November 2020, down from 3,3% in October 2020. The consumer price index was unchanged month-on-month in November 2020.
- The main contributors to the 3,2% annual inflation rate were as follows:
    - Food and non-alcoholic beverages increased by 5,8% year-on-year, and contributed 1,0% to the total CPI annual rate of 3,2%;
    - Housing and utilities increased by 2,9% year-on-year, and contributed 0,7%; and
    - Miscellaneous goods and services increased by 6,8% year-on-year, and contributed 1,1%.
- The annual inflation rates for goods and for services were 2,6% and 3,7%, respectively.
- Provincial annual inflation rates ranged from 2,7% in Mpumalanga to 3,7% in Western Cape.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 3,0% in November 2020, up from 2,7% in October 2020. The producer price index remained unchanged month-on-month in November 2020.
- The main contributors to the headline PPI annual inflation rate were as follows:
    - Food products, beverages and tobacco products increased by 6,0% year-on-year and contributed 2,0%; and
    - Transport equipment increased by 8,0% year-on-year and contributed 0,8%.
- The annual percentage change in the PPI for intermediate manufactured goods was 4,1% in November 2020 (compared with 3,5% in October 2020). The index decreased by 0,3% month-on-month. The main contributors to the annual rate were basic and fabricated metals (5,0%), as well as recycling and manufacturing n.e.c.

(1,0%). The contributors to the monthly rate were basic and fabricated metals (-0,2%), as well as recycling and manufacturing n.e.c. (-0,1%).

- The annual percentage change in the PPI for electricity and water was 7,7% in November 2020 (compared with 7,7% in October 2020). The index remained unchanged month-on-month. Electricity contributed 6,6% to the annual rate, and water contributed 1,0%.
- The annual percentage change in the PPI for mining was 24,5% in November 2020 (compared with 29,5% in October 2020). The index decreased by 2,7% month-on-month. The main contributors to the annual rate were non-ferrous metal ores (15,6%), as well as gold and other metal ores (8,9%). The main contributors to the monthly rate were gold and other metal ores (-2,0%), as well as non-ferrous metal ores (-1,0%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 12,0% in November 2020 (compared with 10,8% in October 2020). The index increased by 2,0% month-on-month. The contributors to the annual rate were agriculture (11,8%) and fishing (0,3%). The main contributor to the monthly rate was agriculture (2,1%).

4.3 Future contract prices

Table 5: Closing prices on Thursday, 14 January 2021

	14 January 2021	14 December 2020	% Change
RSA White Maize per ton (Jan. 2021 contract)	R3 693,00	R3 285,00	12,42
RSA Yellow Maize per ton (Jan. 2021 contract)	R3 692,00	R3 195,00	15,56
RSA Wheat per ton (Jan. 2021 contract)	R5 138,00	R4 831,00	6,35
RSA Sunflower seed per ton (Jan. 2021 contract)	R9 500,00	R8 490,00	11,90
RSA Soya-beans per ton (Jan. 2021 contract)	R9 900,00	R8 354,00	18,51
Exchange rate R/$	R15,13	R14,99	0,93

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- December 2020 tractor sales of 432 units were significantly more (24%) than the 349 units sold in December 2019. On the full calendar year basis tractor sales were almost 9% more than for the 2019 calendar year. In December 2020 there were three combine harvester sales, the same as in December 2019. For the full calendar year combine harvester sales were 25,0% up on the previous year.
- Market sentiment continues to be very positive. Good crops, in general, good commodity prices and favourable rainfall in most areas are contributing to this. Underlying economic factors, highlighted in the Agribusiness Confidence Index, are also contributing to this positive market sentiment. Initial estimates for the 2021 calendar year are quite encouraging, with sales likely be up to 10% higher than in 2020.

Table 6: Agricultural machinery sales

Equipment class	Year-on-year		Percentage Change %	Year-to-date		Percentage Change %
	December			December		
	2020	2019		2020	2019	
Tractors	432	349	23,78	5 738	5 269	8,90
Combine harvesters	3	3	0,00	185	148	25,00

Source: SAAMA press release, January 2021

PLEASE NOTE: The Food Security Bulletin for January 2021 will be released on **4 February 2021**.

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