MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: JUNE 2021

Issued: 7 July 2021

Directorate: Statistics and Economic Analysis

Highlights:

- **During June 2021, significant rainfall events were limited to the extreme western parts of the Western Cape, as well as along the east coast.**
- **The projected closing stocks of wheat for the current 2020/21 marketing year are 468 208 tons, which includes imports of 1,580 million tons. It is also 28,3% more than the previous years' ending stocks.**
- **The expected commercial maize crop is 16,233 million tons, which is 6,1% more than the previous season.**
- **Projected closing stocks of maize for the current 2021/22 marketing year are 3,138 million tons, which is 48,2% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2021/22 marketing year are 71 920 tons, which is 38,8% more than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2021/22 marketing year are 48 304 tons, which is 20,8% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2021/22 marketing year are 315 603 tons, which is 585,3% more than the previous years' ending stocks.**
- **The annual percentage change in the CPI was higher at 5,2% in May 2021.**
- **The annual percentage change in the PPI for final manufactured goods was higher at 7,4% in May 2021.**
- **June 2021 tractor sales of 633 units were almost 43% more than the 444 units sold in June 2020.**

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 June 2021

During June 2021, significant rainfall events were limited to the extreme western parts of the Western Cape, as well as along the east coast (**Figure 1**). Comparing rainfall totals to the long term average for June 2021, below-normal rainfall was received in many areas but normal to above-normal mainly over the western and the eastern parts of the country, as well as the central parts of the North West Province (**Figure 2**). (Source: Directorate: Climate Change and Disaster Management at Department: Agriculture, Land Reform and Rural Development)

Figure 1: Rainfall (mm) for June 2020

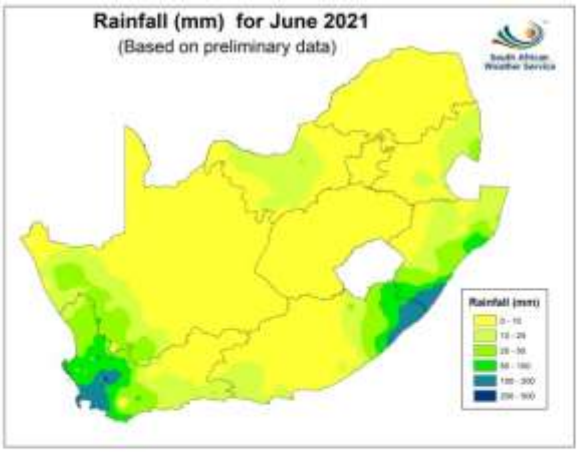
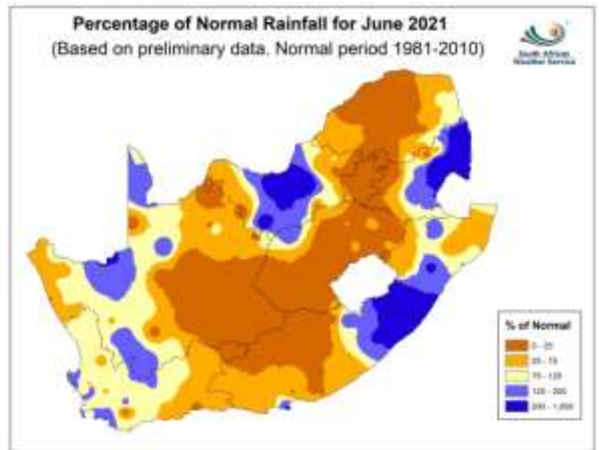


Figure 2: Percentage rainfall for June 2020



1.2 Level of dams

Available information on the level of South Africa's dams on 5 July 2021 indicates that the country has approximately 83% of its full supply capacity (FSC) available, which is 14% more than the corresponding period in 2020. The dam levels in the Western Cape (22%), Limpopo (17%), Free State (14%), KwaZulu-Natal (11%), Mpumalanga (11%) and North West (10%) provinces, all show improvements in the full supply capacity as compared to 2020. The Northern Cape and Gauteng provinces show decreases of 6% and 2%, respectively in the full supply capacity as compared to 2020. The Eastern Cape show no change in the full supply capacity as compared to 2020. The provincial distribution of South Africa's water supply including Lesotho and Swaziland is contained in **Table 1** below.

Table 1: Level of dams, 5 July 2021

Province	Net FSC million cubic meters	05/07/2021 (%)	Last Year (2020) (%)	% Increase/Decrease 2021 vs. 2020
Eastern Cape	1 824	51	51	-
Free State	15 657	96	82	14,0
Gauteng	128	98	100	-2,0
KwaZulu-Natal	4 912	72	61	11,0
Lesotho	2 363	58	25	33,0
Limpopo	1 480	85	68	17,0
Mpumalanga	2 539	84	73	11,0
North West	867	80	70	10,0
Northern Cape	147	87	93	-6,0
Swaziland	334	100	76	24,0
Western Cape	1 866	68	46	22,0
Total	**32 117**	**83**	**69**	**14,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2020

The area planted and fifth production forecast of summer grains for the 2021 season was released by the Crop Estimates Committee (CEC) on 29 June 2021, and is as follows:

Table 2: Commercial summer crops: Area planted and 5th production forecast - 2021 season

CROP	**Area planted 2021 Ha (A)**	**5th forecast 2021 Tons (B)**	Area planted 2020 Ha (C)	Final estimate 2020 Tons (D)	Change 2021 vs 2020 % (B) ÷ (D)
Commercial:					
White maize	**1 691 900**	**8 936 815**	1 616 300	8 547 500	4,55
Yellow maize	**1 063 500**	**7 295 800**	994 500	6 752 500	8,05
Total Maize	**2 755 400**	**16 232 615**	2 610 800	15 300 000	6,10
Sunflower seed	**477 800**	**677 240**	500 300	788 500	-14,11
Soybeans	**827 100**	**1 918 150**	705 000	1 245 500	54,01
Groundnuts	**38 550**	**58 900**	37 500	50 080	17,61
Sorghum	**49 200**	**195 035**	42 500	158 000	23,44
Dry beans	**47 390**	**56 577**	50 150	64 800	-12,69
TOTAL	**4 195 440**	**19 138 517**	3 946 250	17 606 880	8,70

Note: Estimate is for calendar year, e.g. production season 2020/21 = 2021

- **Commercial maize**: The area estimate for maize is 2 755 400 ha, which is 5,54% or 144 600 ha more than the 2 610 800 ha planted for the previous season.
- The expected commercial maize crop is 16 232 615 tons, which is 6,10% or 932 615 tons more than the 15 300 000 tons of the previous season (2020). The yield for maize is 5,89 t/ha.-
- This is the second largest expected maize crop ever produced in the RSA.
- The area estimate for **white maize** is 1 691 900 ha, which represents an increase of 4,68% or 75 600 ha compared to the 1 616 300 ha planted last season. The production forecast of white maize is 8 936 815 tons, which is 4,55% or 389 315 tons more than the 8 547 500 tons of last season. The yield for white maize is 5,28 t/ha.
- In the case of **yellow maize,** the area estimate is 1 063 500 ha, which is 6,94% or 69 000 ha more than the 994 500 ha planted last season. The yellow maize production forecast is 7 295 800 tons, which is 8,05% or 543 300 tons more than the 6 752 500 tons of last season. The yield for yellow maize is 6,86 t/ha.
- The revised area estimate for **sunflower seed** is 477 800 ha, which is 4,50% or 22 500 ha less than the 500 300 ha planted the previous season. The production forecast for sunflower seed is 677 240 tons, which is 14,11% or 111 260 tons less than the 788 500 tons of the previous season. The expected yield is 1,42 t/ha.
- It is estimated that 827 100 ha have been planted to **soybeans**, which represents an increase of 17,32% or 122 100 ha compared to the 705 000 ha planted last season. The production forecast is 1 918 150 tons, which is 54,01% or 672 650 tons more than the 1 245 500 tons of the previous season. The expected yield is 2,32 t/ha. This is the largest expected soybeans crop ever produced in the RSA.
- For **groundnuts**, the area estimate is 38 550 ha, which is 2,80% or 1 050 ha more than the 37 500 ha planted for the previous season. The expected crop is 58 900 tons – which is 17,61% or 8 820 tons more than the 50 080 tons of last season. The expected yield is 1,53 t/ha.
- The area estimate for **sorghum** increased by 15,76% or 6 700 ha, from 42 500 ha to 49 200 ha against the previous season. The production forecast for sorghum is 195 035 tons, which is 23,44% or 37 035 tons more than the 158 000 tons of the previous season. The expected yield is 3,96 t/ha.

- For **dry beans**, the area estimate is 47 390 ha, which is 5,50% or 2 760 ha less than the 50 150 ha planted for the previous season. The production forecast is 56 577 tons, which is 12,69% or 8 223 tons less than the 64 800 tons of the previous season. The expected yield is 1,19 t/ha.

Please note that the area estimate and sixth production forecast for summer field crops for 2021 will be released on 28 July 2021.

2.2 Winter cereal crops – 2019

Please note that the preliminary area estimate of winter crops for 2021 will be released on 28 July 2021.

2.3 Non-commercial maize

The CEC released the preliminary area planted and production estimate of the non-commercial maize sector for the 2021 season on 29 April 2021.

Table 3: Non-commercial maize – Preliminary area planted and production estimate: 2021

CROP	**Area planted 2021 Ha (A)**	**Production 2021 Tons (B)**	Area planted 2020 Ha (C)	Final crop 2020 Tons (D)	Change % (B) ÷ (D)
Non-commercial agriculture					
White maize	**236 600**	**399 330**	221 945	375 295	6,40
Yellow maize	**82 860**	**187 320**	75 515	168 250	11,33
Maize	**319 460**	**586 650**	297 460	543 545	7,93

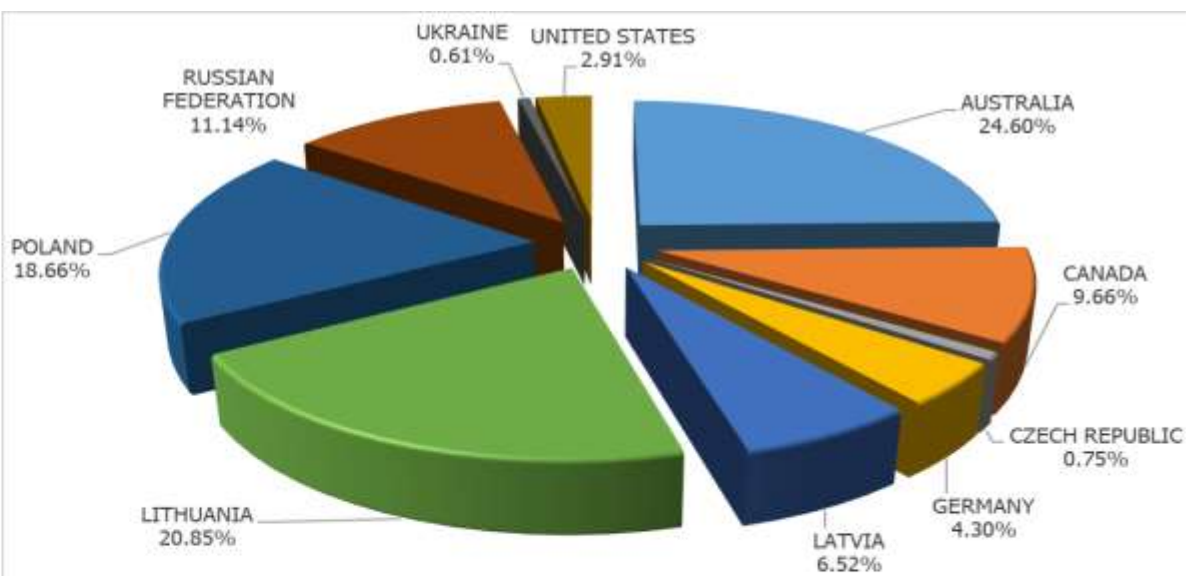
- The preliminary area planted to maize in the non-commercial agricultural sector is estimated at 319 460 ha, which represents an increase of 7,40%, compared to the 297 460 ha of the previous season. The expected maize crop for this sector is 586 650 tons, which is 7,93% more than the 543 545 tons of last season. It is important to note that about 45% of the maize produced in the non-commercial sector, is planted in the Eastern Cape, followed by KwaZulu-Natal with 28%.

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 JUNE21 Annexure A.

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

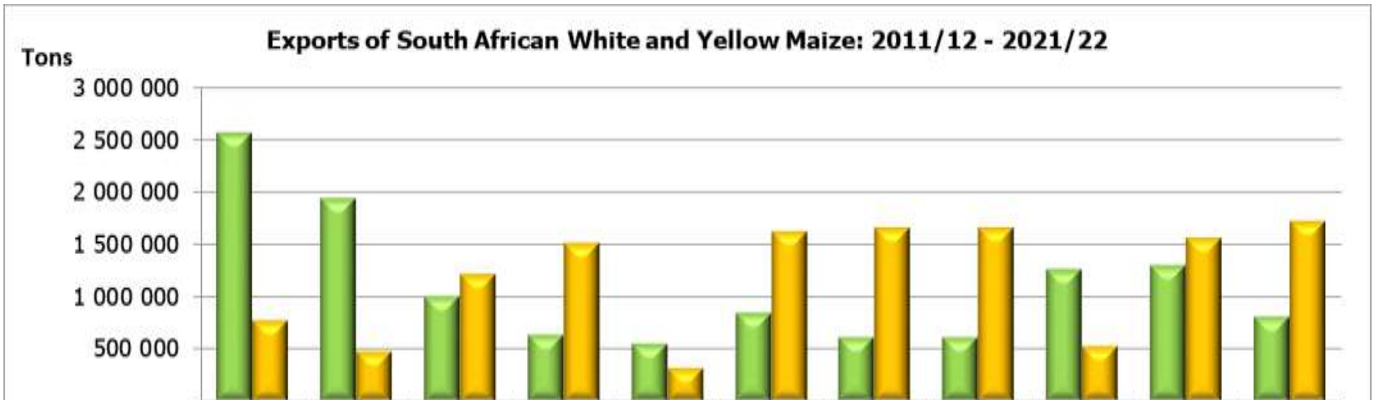
Graph 1: Major countries of wheat imports to South Africa: 2020/21 marketing year



- The progressive wheat imports (human consumption) for the 2020/21 marketing year (26 September 2020 to 25 June 2021) amount to 1,196 million tons, with 24,60% or 294 113 tons from Australia, followed by 20,85% or 249 220 tons from the Lithuania, 18,66% or 223 044 tons from Poland, 11,14% or 133 163 tons from Russian Federation, 9,66% or 115 465 tons imported from Canada, 4,30% or 51 461 tons from Germany, 6,52% or 77 997 tons from Latvia, 2,91% or 34 757 tons from United States, 0,75% or 8 965 tons from the Czech Republic and 0,61% or 7 341 tons from Ukraine. The exports of wheat (human consumption) for the above-mentioned period amount to 73 059 tons, of which 61,68% or 45 064 tons went to BLNS countries (Botswana, Lesotho, Namibia and Eswatini (Swaziland)), 30,63% or 22 378 tons to Zambia, 6,31% or 4 607 tons to Zimbabwe and only 1,38% or 1 010 tons went to Mozambique.

- **3.2 Exports of white and yellow maize**

Graph 2: Exports of South African white and yellow maize for the 2011/12 to 2021/22 marketing year

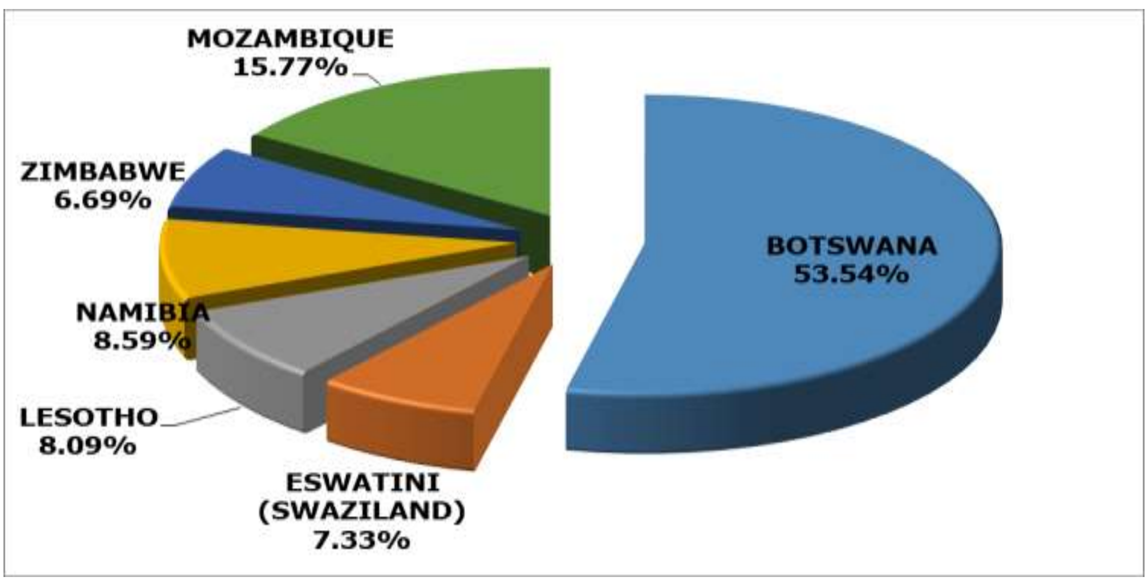


	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21*	2021/22*
White maize	2 575 000	1 946 000	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 304 475	820 000
Yellow maize	781 000	478 000	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 563 315	1 730 000

*Projection

- The exports of white maize for the 2021/22 marketing year are projected at 820 000 tons, which represents a decrease of 37,14% or 484 475 tons compared to the 1,304 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 1,730 million tons, which represents an increase of 10,66% or 166 685 tons compared to the 1,563 million tons of the previous marketing year.

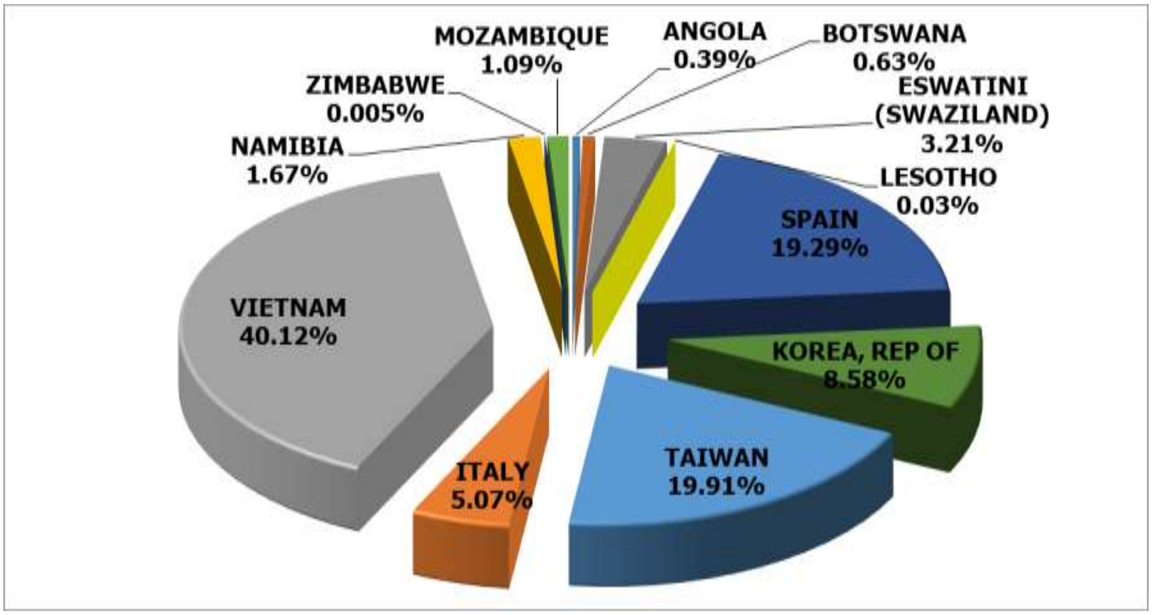
Graph 3: Major countries of white maize exports from South Africa: 2021/22 marketing year



- From 1 May to 25 June 2021, progressive white maize exports for the 2021/22 marketing year amount to 69 041 tons, with the main destinations being Botswana (53,54% or 36 965 tons), followed by Mozambique

(15,77% or 10 890 tons), Namibia (8,59% or 5 928 tons), Lesotho (8,09% or 5 582 tons), Eswathini (Swaziland) (7,33% or 5 060 tons) and Zimbabwe (6,69% or 4 616 tons). The imports of white maize for the mentioned period amount to 912 tons, all from Zambia.

Graph 4: Major countries of yellow maize exports from South Africa: 2021/22 marketing year



- From 1 May to 25 June 2021, progressive yellow maize exports for the 2021/22 marketing year amount to 535 982 tons, with the main destinations being Vietnam (40,12% or 215 058 tons), followed by Spain (25,72% or 103 410 tons), Taiwan (19,91% or 106 700 tons), Korea, Republic of (8,58% or 46 000 tons), Italy (5,07% or 27 170 tons), Eswathini (Swaziland) (3,21% or 17 183 tons), Namibia (1,67% or 8 948 tons), Mozambique (1,09% or 5 845 tons), Botswana (0,63% or 3 365 tons), Angola (0,39% or 2 098 tons), Lesotho (0,04% or 178 tons) and Zimbabwe (0,01% or 27 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 5,2% in May 2021, up from 4,4% in April 2021. The consumer price index increased by 0,1% month-on-month in May 2021.
- The main contributors to the 5,2% annual inflation rate were as follows:
    - Food and non-alcoholic beverages increased by 6,7% year-on-year, and contributed 1,2% to the total CPI annual rate of 5,2%;
    - Housing and utilities increased by 2,3% year-on-year, and contributed 0,6%;
    - Transport increased by 15,3% year-on-year, and contributed 2,0%; and
    - Miscellaneous goods and services increased by 4,1% year-on-year, and contributed 0,7%.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 7,4% in May 2021, up from 6,7% in April 2021. The producer price index increased by 0,4% month-on-month in May 2021.
- The main contributors to the headline PPI annual inflation rate were:
    - Coke, petroleum, chemical, rubber and plastic products increased by 17,1% year-on-year and contributed 3,3%;
    - Food products, beverages and tobacco products increased by 6,2% year-on-year and contributed 2,2%; and
    - Metals, machinery, equipment and computing equipment increased by 6,8% year-on-year and contributed 1,0%.

- The contributors to the headline PPI monthly increase were food products, beverages and tobacco products, which increased by 0,2% month-on-month and contributed 0,1%; metals, machinery, equipment and computing equipment, which increased by 0,4% month-on-month and contributed 0,1%; and transport equipment, which increased by 0,9% month-on-month and contributed 0,1%.
- The annual percentage change in the PPI for intermediate manufactured goods was 15,2% in May 2021 (compared with 11,4% in April 2021). The index increased by 3,9% month-on-month. The main contributors to the annual rate were basic and fabricated metals (6,8%) and chemicals, rubber and plastic products (6,8%). The main contributors to the monthly rate were chemicals, rubber and plastic products (1,9%) and basic and fabricated metals (1,5%).
- The annual percentage change in the PPI for electricity and water was 8,9% in May 2021 (compared with 5,9% in April 2021). The index increased by 1,6% month-on-month. Electricity contributed 8,2% to the annual rate, and water contributed 0,8%. Electricity contributed 1,6% to the monthly rate.
- The annual percentage change in the PPI for mining was 21,7% in May 2021 (compared with 10,8% in April 2021). The index decreased by 2,6% month-on-month. The main contributors to the annual rate were non-ferrous metal ores (15,0%) and coal and gas (3,7%). The main contributor to the monthly rate was non-ferrous metal ores (-3,3%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 9,4% in May 2021 (compared with 7,1% in April 2021). The index increased by 0,1% month-on-month. The main contributor to the annual rate was agriculture (10,5%). The main contributor to the monthly rate was agriculture (0,6%).

4.3 Future contract prices

Table 4: Closing prices on Wednesday, 7 July 2021

	7 July 2021	7 June 2021	% Change
RSA White Maize per ton (July 2021 contract)	R3 113,00	R3 345,00	-6,94
RSA Yellow Maize per ton (July 2021 contract)	R3 258,00	R3 477,00	-6,30
RSA Wheat per ton (July 2021 contract)	R5 097,00	R5 115,00	-0,35
RSA Sunflower seed per ton (July 2021 contract)	R8 452,00	R8 650,00	-2,29
RSA Soya-beans per ton (July 2021 contract)	R7 260,00	R7 420,00	-2,16
Exchange rate R/$	R14,31	R13,50	6,00

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- June 2021 tractor sales of 633 units were almost 43% more than the 444 units sold in June 2020. Year-to-date tractor sales are now 27% up on last year. In June 2021 there were 30 combine harvester sales, 13 units more than the 17 units sold in June 2020. On a year-to-date basis combine harvester sales are now almost 32% up on last year.
- With excellent summer crops, overall, and good prospects for winter crops, optimism within the agricultural machinery industry continues to be at a high level. Most summer-crop harvesting has been completed and farmers are now starting to prepare for the forthcoming summer-cropping season. The current exceptional sales levels indicate that farmers are taking the opportunity to replace equipment. This is likely to continue in the short term. Current forecasts are that tractor sales for the 2021 calendar year will be between 15 and 20% up on last year.

Table 5: Agricultural machinery sales

Equipment class	Year-on-year June		Percentage Change %	Year-to-date June		Percentage Change %
	2021	2020		2021	2020	
Tractors	633	444	42,57	3 385	2 659	27,30
Combine harvesters	30	17	76,47	154	117	31,62

Source: SAAMA press release, July 2021

PLEASE NOTE: The Food Security Bulletin for July 2021 will be released on **5 August 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