



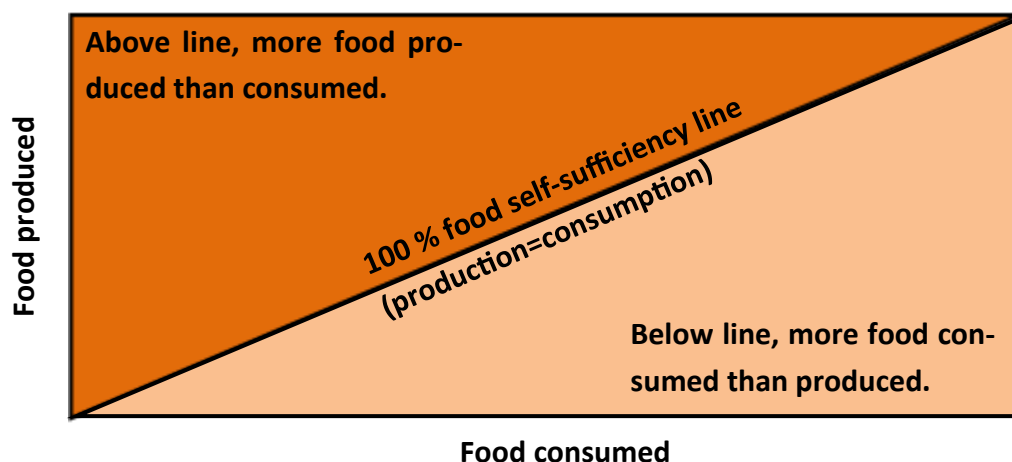
SELF-SUFFICIENCY INDEX

Directorate: Statistics & Economic Analysis

This is a bi-annual information leaflet by the Directorate: Statistics and Economic Analysis. The aim of the publication is to inform decision makers on the extent to which South Africa is food secure. The production of sufficient volumes of agricultural commodities forms an important part of food security in South Africa. Thus, selected commodities has been identified that will be addressed in this volume, namely maize and wheat. Future issues will focus on other commodities like oilseeds (sunflower seed and soybeans), as well as red meat.

What is a Self-sufficiency Index?

The concept of food self-sufficiency is generally taken to mean the extent to which a country can satisfy its food needs from its own domestic production. This understanding is illustrated in the diagram below, whereas the diagonal line indicates 100% food self-sufficiency, i.e. where food production is equal to food consumption.

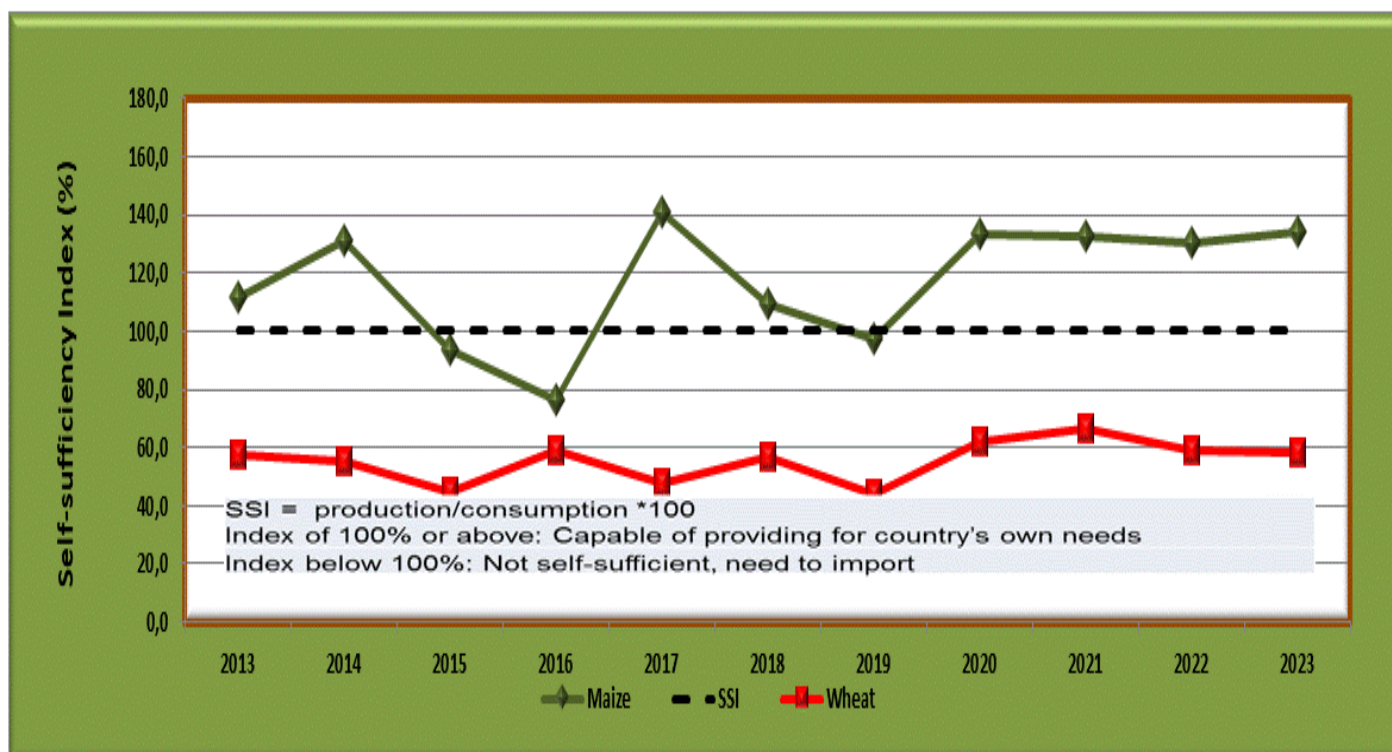


The key point is that if a country is food self-sufficient, it produces an amount of food that is equal to or greater than the amount of food that it consumes. The self-sufficiency index (SSI), expresses food production as a ratio of consumption.

Maize and Wheat:

South Africa has the capacity to be self-sufficient in most agricultural products. In most years, South Africa produces a surplus over the domestic consumption of the main staple crop, maize; historical exceptions to this have largely been the result of droughts. However, South Africa does rely on imports for some significant agricultural products, including wheat. Approximately forty to fifty percent of the country's wheat requirement is imported.

SSI of maize & wheat, 2013 - 2023



Maize :

As South Africa is producing sufficient quantities of maize to satisfy local consumption, thus resulting in a positive SSI (SSI>100). The average 10-year index value (2013 to 2022) of maize is 116. The surplus of maize (white) is usually exported to neighbouring SADC countries.

The index value of maize for 2023 is 134, which is slightly more (2,3%) than the index value of 2022 (131). This decrease can mainly be attributed to the larger commercial maize crop of 2023, which is 6,2% more at 16,430 million tons, as compared to the smaller crop of 2022 of 15,470 million tons. The 2023 maize crop is also the third largest maize crop on record, following the 16,820 million ton crop in 2017 and 16,315 million ton crop in 2021. The larger maize crop contributes to a higher production figure as compared to the consumption of maize, resulting in a higher SSI value for 2023.

South Africa's economic growth outlook over the medium term continues to be lackluster. The country's Gross Domestic Product (GDP) is estimated to have grown by a slow 0,1% in the 4th quarter of 2023 and is expected to grow by only 1,0% in 2024. In addition, there is growing pressure on consumer spending due to rising inflation and interest rates and a dull job market.

These economic conditions will hinder significant investments to expand the capacity of the broiler and feed manufacturing industries in the near term. Thus, a major upsurge in feed demand for maize in South Africa is unlikely. In addition, South Africa's poultry industry is still recovering from a major outbreak of Highly Pathogenic Avian Influenza in 2023. Due to the extent of the outbreak and the number of birds affected, it is estimated that the local demand for maize as animal feed could decrease by approximately 6,0% in the 2022/23 marketing season.

On the other hand, it is estimated that the human consumption of maize in the 2022/23 and 2023/24 marketing seasons could increase by 4,0% and 3,0%, respectively. White maize, in the form of a meal, is the staple food for many South African households as it is a relatively inexpensive source of carbohydrates. Consumers are expected to increase their reliance on staple starches to meet caloric demands in a high food inflation environment (Source: FAS Grain and Feed Annual Report, January 2024) .

Wheat:

Wheat is the second most important grain commodity consumed in South Africa after maize. The annual per capita consumption of maize is the highest at 75kg/person, followed by wheat (48kg/person) and rice (18kg/person). South Africa consumes approximately 2,2 billion loafs of bread per annum or 37 loafs of bread per person per year.

South Africa is regarded as a net importer of wheat as local production is not sufficient to satisfy local consumption, resulting in a negative SSI (SSI<100). The average 10-year index value (2013 to 2022) of wheat is 55.

The index value of wheat for 2023 is 58, which is slightly less (1,7%) than the index value of 2022 (59). This decrease can mainly be attributed to the smaller wheat crop, estimated at 2,089 million tons for 2023 as compared to the 2,110 million tons of 2022. The main contributors to the decrease in wheat production was the lower yields that realised in especially the Western and Northern Cape, as well as Free State provinces. More than 80% of wheat produced in South Africa is planted in the mentioned three provinces. The 2023 wheat crop is the smallest since the 2019 wheat crop of 1,535 million tons .

The smaller wheat crop contributes to a lower production figure as compared to the consumption of wheat, resulting in a lower SSI value for 2023.