

MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: AUGUST 2012

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Directorate: Statistics and Economic Analysis

Highlights:

- **Significant rainfall occurrences for August 2012 were limited to the Western and Eastern Cape provinces, the extreme western parts of the Northern Cape and southern parts of KwaZulu-Natal.**
- **The projected closing stocks of wheat for the current 2011/12 marketing year is 606 000 tons, which includes imports of 1,550 million tons.**
- **The expected wheat crop for 2012 is 1,764 million tons, which is 12,0% less than the previous seasons' crop of 2,005 million tons.**
- **The projected closing stocks of wheat for the coming 2012/13 marketing year is 566 000 tons, which includes imports of 1,420 million tons.**
- **The expected commercial maize crop for 2012 is 11,192 million tons, which is 8,0% more than the 10,360 million tons of the previous season.**
- **The projected closing stocks of maize for the current 2012/13 marketing year is 1,411 million tons, which 42% more than the previous year.**
- **The projected closing stocks of sorghum for the current 2012/13 marketing year show a surplus of 47 900 tons, which is 8,1% less than the previous year.**
- **The headline CPI (for all urban areas) annual inflation rate in July 2012 was lower at 4,9%.**
- **The annual percentage change in the PPI was lower at 5,4% in July 2012.**
- **Real gross domestic product (2nd quarter of 2012) at market prices increased by 3,2% quarter-on-quarter, seasonally adjusted and annualised.**
- **July 2012 tractor sales of 670 units were almost 5% less than the sales of 704 units reported in July 2011.**



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1. Weather conditions

1.1 Rainfall for August 2012

Significant rainfall occurrences for August 2012 were limited to the Western and Eastern Cape provinces, the extreme western parts of the Northern Cape and southern parts of KwaZulu-Natal (Figure 1).

The SA Weather Service reported that cold to very cold conditions, with widespread snow and rain, occurred over most parts of the country on Tuesday, 7 August 2012, with the exception of the Limpopo Province. Heavy falls of rain were recorded in certain provinces. Crops in the Western Cape benefitted from the rainfall and cold weather.

Comparing the rainfall totals of August 2012 with the long term average (Figure 2), isolated areas of the coastal provinces received near-normal to above-normal rainfall, while the remainder of the country where characterised by below-normal rainfall.

Figure 1: Rainfall (mm) for August 2012

Rainfall (mm) for August 2012

(Based on preliminary data)

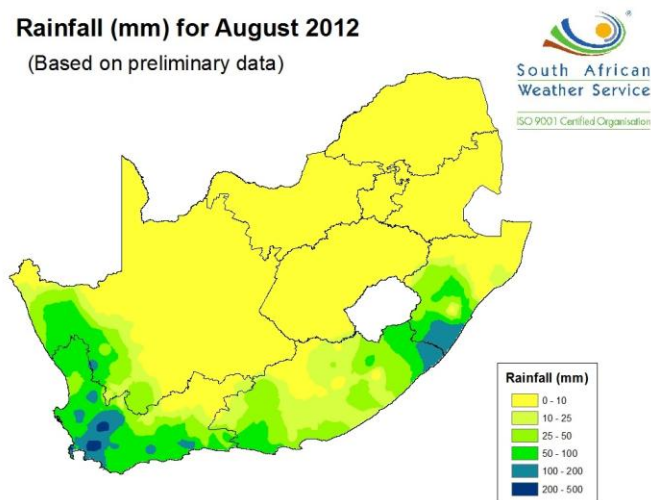
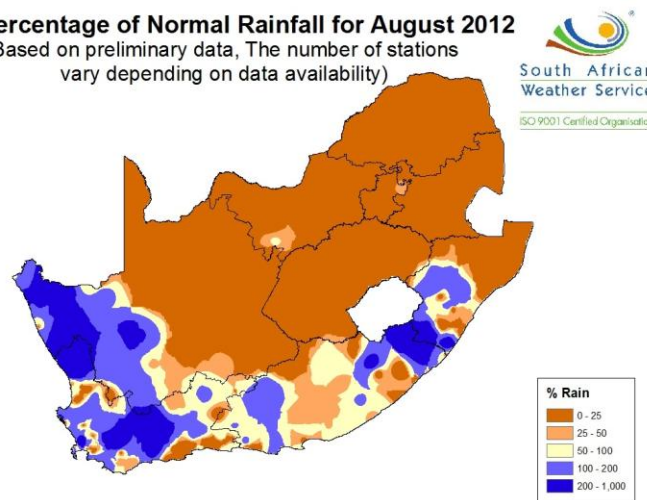


Figure 2: Percentage rainfall for August 2012

Percentage of Normal Rainfall for August 2012

(Based on preliminary data, The number of stations vary depending on data availability)



1.2 Level of dams

Available information on the level of South Africa's dams on 27 August 2012 indicates that the country has approximately 82% of its full supply capacity (FSC) available, which is 11% less than the same period last year. The provincial distribution of South Africa's water supply (including Lesotho) is contained in Table 1 below.

Table 1: Level of dams, 27 August 2012

Province	Net FSC million cubic meters	27/8/2012 (%)	Last Year (%)
Eastern Cape	1 819	82	87
Free State	15 968	88	98
Gauteng	115	82	100
KwaZulu-Natal	4 529	70	83
Lesotho*	2 376	70	90
Limpopo	1 159	69	85
Mpumalanga	2 520	80	95
North West	808	77	93
Northern Cape	146	87	97
Western Cape	1 851	88	81
Total	31 291	82	93

Source: Department of Water Affairs



2. Grain production

2.1 Summer grain crops

The Crop Estimates Committee (CEC) released the area planted and seventh production forecast for summer crops for 2012 for commercial summer crops on 28 August 2012.

Table 2: Summer crops: Area planted and seventh production forecast – 2012

CROP	Area planted 2012 Ha (A)	7th forecast 2012 Tons (B)	Area planted 2011 Ha (C)	Final crop 2011 Tons (D)	Change % (B) ÷ (D)
White maize	1 636 200	6 362 300	1 418 300	6 052 000	+5,13
Yellow maize	1 063 000	4 829 650	954 000	4 308 000	+12,11
Maize	2 699 200	11 191 950	2 372 300	10 360 000	+8,03
Sunflower seed	453 350	527 110	642 700	860 000	-38,71
Soya-beans	472 000	646 950	418 000	710 000	-8,88
Groundnuts	45 450	60 290	55 150	64 250	-6,16
Sorghum	48 550	137 150	69 200	155 000	-11,52
Dry beans	39 750	47 695	41 900	41 980	-13,61
TOTAL	3 758 300	12 611 145	3 599 250	12 191 230	+3,44

Note: Estimate is for calendar year, e.g. production season 2011/12 = 2012

- The size of the expected commercial **maize** crop has been set at 11,192 million tons, which is 8,0% or 831 950 tons higher than 10,360 million tons the previous season. The area estimate for maize is 2,699 million ha, whilst the expected yield is 4,15 t/ha.
- The reason for the higher estimate is based on recent producer deliveries, as monitored by SAGIS, which were higher than expected.
- The area estimate for white maize is 1,636 million ha and for yellow maize it is 1,063 million ha.
- The production forecast of **white maize** is 6,362 million tons, which is 5,1% or 310 300 tons more than the 6,052 million tons of the previous season. The yield for white maize is 3,89 t/ha. In the case of **yellow maize** the production forecast is 4,830 million tons, which is 12,1% or 521 650 tons more than the 4,308 million tons of the previous season. The yield for yellow maize is 4,54 t/ha.
- The production forecast for **sunflower seed** is 527 110 tons, which is 38,7% or 332 890 less than the 860 000 tons of the previous season. The area estimate for sunflower seed is 453 350 ha, with an expected yield of 1,16 t/ha.
- The production forecast for **soya-beans** is 646 950 tons, which is 8,9% or 63 050 tons less than the 710 000 tons of the previous season. It is estimated that 472 000 ha have been planted to soya-beans, whilst the expected yield is 1,37 t/ha.
- The expected **groundnut** crop is 60 290 tons, which is 6,2% or 3 960 tons less than the 64 250 tons the previous season. For groundnuts the area estimate is 45 450 ha, whilst the expected yield is 1,33 t/ha.
- The production forecast for **sorghum** is 137 150 tons, which is also 11,5% or 17 850 less than the 155 000 tons the previous season. The area estimate for sorghum is 48 550 ha. The expected yield is 2,82 t/ha.

- In the case of **dry beans** the production forecast is 47 695 tons and 13,6% or 5 715 tons less than the 41 980 tons the previous season. For dry beans, the area estimate is 39 750 ha, and the expected yield is 1,20 t/ha.

Please note that the final production estimate for summer field crops for 2012 (current production season) will be released on 26 September 2012.

2.2 Winter cereal crops

The revised area planted estimate and first production forecast for winter cereals for the 2012 production season was released by the CEC on 28 August 2012, and is as follows:

Table 3: Commercial winter crops: Revised area planted estimate and first production forecast - 2012 production season

CROP	Area planted 2012 Ha (A)	1st forecast 2012 Tons (B)	Area planted 2011 Ha (C)	Final crop 2011 Tons (D)	Change % (B) ÷ (D)
Wheat	551 200	1 763 960	604 700	2 005 000	-12,02
Malting barley	84 940	300 638	80 150	312 000	-3,64
Canola	44 100	66 135	43 510	58 800	+12,47
Total	680 240	2 130 733	728 360	2 375 800	-10,32

- The expected production of **wheat** is 1,764 million tons, which is 12,0% or 241 040 tons less than the previous seasons' crop of 2,005 million tons, whilst the expected yield is 3,20 t/ha.
- The decrease in the expected planting of wheat can mainly be attributed to low prices (no longer profitable), as well as grading regulations.
- The expected production in the Western Cape is 734 400 tons (42%), which is 24 400 tons higher than the 710 000 tons produced in the previous season. In the Free State, the expected production is 391 000 tons (22%), which is 159 500 tons less than the previous seasons' crop of 550 500 tons. In the Northern Cape, 273 000 tons (15%) is expected to be produced.
- The area estimate for wheat was revised to 551 200 ha, which is 4 500 ha more than the 546 700 ha of the previous forecast. An estimated 272 000 ha or 49% is planted in the Western Cape, 170 000 ha or 31% in the Free State and 42 000 ha or 8% in the Northern Cape.
- The production forecast for **malting barley** is 300 638 tons, which is 3,6% or 11 362 tons less than the previous seasons' crop of 312 000 tons. The area planted is estimated at 84 940 ha, while the expected yield is 3,54 t/ha.
- The expected **canola** crop is 66 135 tons, which is 12,5% or 7 335 tons more than the previous seasons' crop of 58 800 tons. The area estimate for canola is 44 100 ha, with an expected yield of 1,50 t/ha.

Please note that the second production forecast for winter cereals for 2012 will be released on 26 September 2012.

3. Cereal balance sheets

Supply and demand data for July 2012 was released by SAGIS on 23 August 2012. *(Preliminary information is subject to change on a monthly basis.)*

3.1 Winter cereals

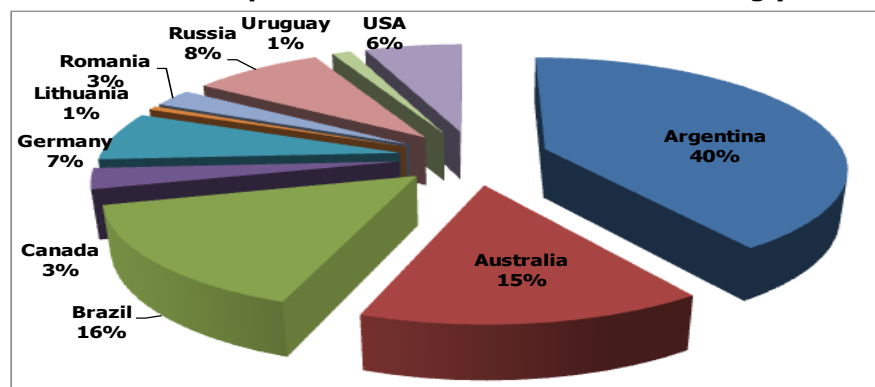
Table 4: Supply and demand for Wheat as at 31 August 2012

Marketing year (October to September)	2010/11*	2011/12*	2012/13*
Production & Calendar year	2010	2011	2012
Supply	1 000 tons	1 000 tons	1 000 tons
Opening stocks: 1 October	579	478	606
SAGIS opening stocks	579	478	606
Gross production	1 436	2 014	1 773
Commercial production	1 401	1 976	1 735
Retentions by producers	29	29	29
Non-commercial	6	9	9
Total domestic supply	2 015	2 492	2 379
Plus: Imports	1 649	1 550	1 420
Total supply	3 664	4 042	3 799
Demand			
Commercial consumption	3 001	3 174	3 002
Human	2 944	2 985	2 892
Animal	1	115	40
Retentions by producers	29	29	29
Seed for planting purposes	13	22	22
Other consumption (released to end con's+withdrawn by prod's+retentions)	14	23	19
Non-commercial	6	9	9
Total domestic consumption	3 007	3 183	3 011
Plus: Exports	179	253	222
Products	24	22	22
Whole grain	155	231	200
Total demand	3 186	3 436	3 233
Closing stocks: 30 September	478	606	566
Pipeline requirements (80 days of human consumption)	645	654	634
Domestic shortfall / surplus	-1 637	-1 345	-1 265
Import gap	1 637	1 345	1 265
Surplus above pipeline	-167	-48	-68

*Projection, Source: SAGIS, Directorate: Statistics and Economic Analysis

- The projected closing stocks (30 September 2012) of wheat for the current 2011/12 marketing year is 606 000 tons, which is 26,8% more than the previous year (478 000 tons). The year-on-year increase can mainly be attributed to the larger wheat crop for the current marketing year.

Graph 2: Major countries of wheat imports for South Africa: 2011 marketing year



- The progressive wheat imports from 1 October 2011 to 31 August 2012, stand at 1,503 million tons, with the largest quantity (604 959 or 40%) imported from Argentina followed by Brazil (232 848 or 16%), Australia (229 758 tons or 15%) and Russia (124 938 tons or 8%). There were also wheat exports from South Africa to the BLNS countries. Progressive exports (October to August) to the BLNS countries, Zambia, Zimbabwe and Mozambique stand at 242 922 tons.
- The projected human consumption is seen at 2,985 million tons, with animal consumption increasing to a vast amount of 115 000 tons in the 2011/12 marketing year, which is the highest total since the 175 000 tons in the 1996/97 marketing year.
- The projected closing stocks of wheat for the 2012/13 marketing year is 566 000 tons, which is (6,6%) less than the previous year (606 000 tons).

3.2 Summer grains

Table 5: Supply and demand for White Maize as at 31 August 2012

Marketing Year: May – April	2010/11	2011/12	2012/13*
Calendar Year	2010	2011	2012*
	1 000 tons	1 000 tons	1 000 tons
Supply			
Opening Stocks: 1 May	1 362	1 609	518
SAGIS Opening Stocks	1 362	1 609	518
Gross Production	8 164	6 601	6 791
Commercial production	7 623	6 105	6 266
Retentions by producers	119	100	96
Non-commercial	422	396	429
Total Domestic Supply	9 526	8 210	7 309
Imports	-	133	15
Total Supply	9 526	8 343	7 324
Demand			
Commercial Consumption	6 370	5 635	5 246
Human	4 159	4 119	4 220
Animal	1 658	1 202	770
Gristing	56	53	60
Retentions by producers	102	85	80
Seed for planting purposes	16	15	16
Other consumption (released to end-con & withdrawn by producers)	379	161	100
Non-commercial	422	396	429
Total Domestic Consumption	6 792	6 031	5 675
Exports	1 124	1 794	950
Products	75	60	70
Whole grain	1 049	1 734	880
Total Demand	7 916	7 825	6 625
Closing Stocks: 30 April	1 609	518	699
Pipeline Requirements (45 days of human & animal consumption + gristing)	724	663	623
Domestic Shortfall / Surplus	2 009	1 516	1 011
Surplus/ Shortage above pipeline	885	-145	76

**Projection, Source: SAGIS, Directorate: Statistics and Economic Analysis*



- Projected closing stocks of white maize for the current 2012/13 marketing year is 699 000 tons, which is 34,9% more than the previous year (518 000 tons). This increase can mainly be attributed to the higher production figure, as well as the lower projected export figure for 2012 calendar year. The projected export figure of 950 000 tons is 47,0% less than the 1,794 million tons of the previous year.
- From 1 May up to 31 August 2012, progressive white maize exports stand at 614 210 tons.
- The progressive white maize imports from 1 May to 31 August 2012, stand at 8 309 tons, with Zambia the main source of imports.

Table 6: Supply and demand for Yellow Maize as at 31 August 2012

Marketing Year: May – April	2010/11	2011/12	2012/13*
Calendar Year	2010	2011	2012*
	1 000 tons	1 000 tons	1 000 tons
Supply			
Opening Stocks: 1 May	769	727	476
SAGIS Opening Stocks	769	727	476
Gross Production	5 133	4 777	5 038
Commercial production	4 541	4 235	4 534
Retentions by producers	408	374	295
Non-commercial	184	168	209
Total Domestic Supply	5 903	5 504	5 514
Imports	-	288	300
Total Supply	5 903	5 792	5 814
Demand			
Commercial Consumption	3 924	4 367	4 723
Human	356	393	380
Animal	2 613	3 160	3 770
Gristing	17	14	18
Retentions by producers	394	360	280
Seed for planting purposes	14	14	15
Other consumption (released to end-con & withdrawn by producers)	530	426	260
Non-commercial	184	168	209
Total Domestic Consumption	4 108	4 535	4 932
Exports	1 068	781	170
Products	51	69	50
Whole grain	1 017	712	120
Total Demand	5 176	5 316	5 102
Closing Stocks: 30 April	727	476	712
Pipeline Requirements (45 days of human & animal consumption + gristing)	368	440	514
Domestic Shortfall / Surplus	1 427	529	68
Surplus/ Shortage above pipeline	359	36	198

*Projection, Source: SAGIS, Directorate: Statistics and Economic Analysis

- Projected closing stocks of yellow maize for the current 2012/13 marketing year is 712 000 tons, which 49,6% more than the previous year (476 000 tons). This increase can mainly be attributed to the increase in the production figure of yellow maize, as well as the decrease in the expected exports for the 2012 calendar year.



- From 1 May up to 31 August 2012, progressive yellow maize exports stand at 48 040 tons. No imports were reported for the mentioned period.

Table 7: Supply and demand for Maize as at 31 August 2012

Marketing Year: May – April	2010/11	2011/12	2012/13*
Calendar Year	2010	2011	2012*
Supply	1 000 tons	1 000 tons	1 000 tons
Opening Stocks: 1 May	2 131	2 336	994
SAGIS Opening Stocks	2 131	2 336	994
Gross Production	13 298	11 378	11 830
Commercial production	12 165	10 340	10 800
Retentions by producers	527	474	392
Non-commercial	606	564	638
Total Domestic Supply	15 429	13 714	12 824
Imports	-	421	315
Total Supply	15 429	14 135	13 139
Demand			
Commercial Consumption	10 295	10 002	9 970
Human	4 515	4 512	4 600
Animal	4 271	4 362	4 540
Gristing	73	67	78
Retentions by producers	497	445	360
Seed for planting purposes	30	29	32
Other consumption (released to end-con & withdrawn by producers)	909	587	360
Non-commercial	606	564	638
Total Domestic Consumption	10 901	10 566	10 608
Exports	2 192	2 575	1 120
Products	126	129	120
Whole grain	2 066	2 446	1 000
Total Demand	13 093	13 141	11 728
Closing Stocks: 30 April	2 336	994	1 411
Pipeline Requirements (45 days of human & animal consumption + gristing)	1 092	1 102	1 136
Domestic Shortfall / Surplus	3 436	2 046	1 080
Surplus/ Shortage above pipeline	1 244	-108	275

**Projection, Source: SAGIS, Directorate: Statistics and Economic Analysis*

- Projected closing stocks of maize for the current 2012/13 marketing year is 1,411 million tons, which is 42% more than the previous year (994 000 tons). This increase can mainly be attributed to the expected increase in the production figure for the 2012 calendar year.
- From 1 May up to 31 August 2012, the progressive grand total of exports is 662 250 tons, with the largest quantity (484 238 tons or 73,1%) exported to Mexico followed by BLNS countries (155 590 tons or 23,5%), Mozambique (20 420 tons or 3,1%) and Madagascar (2 002 tons or 0,3%).
- The progressive maize imports from 1 May to 31 August 2012, stand at 8 309 tons, with Zambia the main source of imports.



Graph3: Major export countries of South African maize: 2012 marketing year

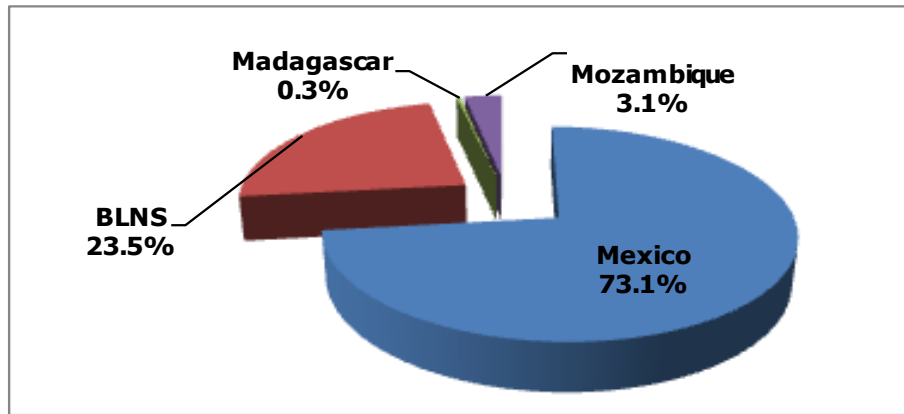


Table 8: Supply and demand for Sorghum as at 31 August 2012

Marketing year: April - March Production year Calendar year	2010/11 2009/2010 2010	2011/12* 2010/11* 2011*	2012/13* 2011/12* 2012*
	1 000 tons	1 000 tons	1 000 tons
Supply			
Opening stocks: 1 April	93,2	58,1	52,1
SAGIS opening stocks	93,2	58,1	52,1
Gross production	226,0	187,0	157,8
Commercial production	196,5	163,7	137,2
Non-commercial	29,5	23,3	20,6
Total domestic supply	319,2	245,1	209,9
Plus: Imports	-	57,8	80,0
Total supply	319,2	302,9	289,9
Demand			
Food consumption	181,8	182,2	182,4
Malt	79,2	81,3	81,3
Meal	102,6	100,9	101,1
Brew	-	-	-
Feed consumption	8,6	7,1	6,5
Pet food	1,1	1,1	1,2
Poultry	4,8	5,5	4,7
Other feed	2,7	0,5	0,6
Total commercial consumption	190,4	189,3	188,9
Other consumption	13,4	11,1	9,9
Balancing item	3,6	1,9	2,0
Non-commercial	29,5	23,3	20,6
Total domestic consumption	236,9	225,6	221,4
Plus: Exports	24,2	25,2	20,6
Exports through border posts	20,3	21,4	16,7
Exports through harbours	0,6	-	-
Products to African countries	3,3	3,8	3,9
Total demand	261,1	250,8	242,0
Closing stocks: 31 March	58,1	52,1	47,9
Pipeline Requirements (45 days of human & animal consumption + gristing)	23,5	23,3	23,3
Domestic surplus / deficit	58,8	-3,8	-34,8
Import gap	-	3,8	34,8
Surplus/ Shortage above pipeline	34,6	28,7	24,6

*Projection, Source: SAGIS, Directorate: Statistics and Economic Analysis



- The projected closing stocks of sorghum for the current 2012/13 marketing year show a surplus of 47 900 tons, which is 8,1% less than the previous year (52 100 tons) and can be attributed to the lower production figure for 2012. Imports of sorghum for the mentioned year are projected at 80 000 tons, which is 38,4% more than the 57 800 tons of the previous year.

3.3 International maize and wheat outlook 2012/13

- **Maize:**
 - Drought has further stressed crops across the northern hemisphere, with world production forecasted to drop by 4%.
 - Exportable supplies in the US and Ukraine have tightened and, while the next crops in Brazil, Argentina and South Africa may be large, harvests are still several months away.
 - A smaller world crop will result in a drop in consumption, the first since 1993/94.
 - World stocks are forecasted to fall to a six-year low, including a particularly steep decline in the major exporters.
- **Wheat:**
 - World wheat production in 2012/13 is placed 3 million tons lower (than in July) at 662 million tons, some 34 million tons below last season's record.
 - Food and industrial consumption are expected to grow, but feed use will likely be lower.
 - World stocks are forecasted to contract by 17 million tons, to 180 million tons. A projected fall in the major exporters is led by the Black Sea region.
 - World trade is forecasted to be 13,3 million tons below last season's record, at 132,7 million tons, mainly due to lower imports for feed.

4. Market information

4.1 Consumer Price Index (CPI)

- The headline CPI (for all urban areas) annual inflation rate in July 2012 was 4,9%. This rate was 0,6% lower than the corresponding annual rate of 5,5% in June 2012. On average, prices increased by 0,3% between June 2012 and July 2012.
- The food and non-alcoholic beverages index was unchanged between June 2012 and July 2012. The annual rate decreased to 5,3% in July 2012 from 5,9% in June 2012. The following components in the food and non-alcoholic beverages index decreased: Meat (-0,6%), fruit (-0,4%) and bread and cereals (-0,1%). The following components increased: Fish (1,5%), sugar, sweets and desserts (1,3%), oils and fats (0,8%), other food (0,4%), milk, eggs and cheese (0,1%) and cold beverages (0,1%).
- The alcoholic beverages and tobacco index increased by 0,1% between June 2012 and July 2012. The annual rate decreased to 7,2% in July 2012 from 7,4% in June 2012.
- The housing and utilities index increased by 2,4% between June 2012 and July 2012, mainly due to an 11,4% increase in water tariffs, 9,3% increase in electricity tariffs and 6,9% increase in assessment rates. The annual rate decreased to 5,7% in July 2012 from 6,4% in June 2012.
- The transport index decreased by 1,7% between June 2012 and July 2012, mainly due to an 85c/litre decrease in the price of petrol. The annual rate decreased to 4,6% in July 2012 from 6,2% in June 2012.
- The miscellaneous goods and services index was unchanged between June 2012 and July 2012. The annual rate decreased to 5,1% in July 2012 from 5,6% in June 2012.
- The provinces with an annual inflation rate lower than or equal to headline inflation were Free State (4,9%), Western Cape (4,8%) and Gauteng (4,8%). The provinces with an annual inflation rate higher than headline inflation were Northern Cape (6,1%), Limpopo (5,7%), Mpumalanga (5,5%), KwaZulu-Natal (5,3%), North West (5,2%) and Eastern Cape (5,0%).

4.2 Producer Price Index (PPI)

- The Producer Price Index (PPI) for domestic output shows an annual rate of change of 5,4% in July 2012 (i.e. the PPI in July 2012 compared with July 2011). This rate is 1,2% lower than the corresponding annual rate of 6,6% in June 2012.
- This lower rate in July 2012 can be explained by decreases in the annual rate of change in the Producer Price Index for:
 - Electricity: The annual rate decreased from 19,6% in June 2012 to 14,5% in July 2012;
 - Mining and quarrying: The annual rate decreased from 6,9% in June 2012 to 3,8% in July 2012;
 - Products of petroleum and coal: The annual rate decreased from 7,7% in June 2012 to 5,6% in July 2012;
 - Metal products: The annual rate decreased from 8,1% in June 2012 to 4,8% in July 2012;
 - Wood and wood products: The annual rate decreased from 4,7% in June 2012 to 3,3% in July 2012; and
 - Non-electrical machinery and equipment: The annual rate decreased from 3,4% in June 2012 to 0,8% in July 2012.
- These decreases were counteracted by increases in the annual rate of change for:
 - Food at manufacturing: The annual rate increased from 7,7% in June 2012 to 8,0% in July 2012;
 - Gas and water: The annual rate increased from 7,8% in June 2012 to 11,3% in July 2012;
 - Tobacco products: The annual rate increased from 5,7% in June 2012 to 7,5% in July 2012; and
 - Basic metals: The annual rate increased from -2,5% in June 2012 to -1,0% in July 2012.
- From June 2012 to July 2012 the PPI for domestic output increased by 1,6%.
- The monthly increase of 1,6% in the PPI for domestic output was mainly due to monthly contributions from increases in the price indices of electricity (1,4%), agriculture (0,2%), gas and water (0,2%) and all other groups (0,1%). These increases were partially counteracted by decreases in the price indices of mining and quarrying (-0,2%) and products of petroleum and coal (-0,1%).

4.3 Gross Domestic Product – 2nd Quarter of 2012

- Real gross domestic product at market prices increased by 3,2% quarter-on-quarter, seasonally adjusted and annualised.
- The largest contributions to the quarter-on-quarter growth of 3,2% were as follows:
 - The mining and quarrying industry contributed 1,5% based on growth of 31,2%;
 - Finance, real estate and business services contributed 0,5% based on growth of 2,3%;
 - The wholesale, retail and motor trade; catering and accommodation industry contributed 0,4% based on growth of 2,8%; and
 - General government services contributed 0,3% based on growth of 1,9%.

4.4 Food Price Monitor – August 2012

- The previous Food Price Monitor (FPM) of May 2012 reported that the food and non-alcoholic beverages index increased by 8,7% between April 2011 and April 2012. Since the last report, food and non-alcoholic beverages inflation increased on a year-on-year basis by 6,6% in May 2012 and 5,9% in June 2012. Food and non-alcoholic beverages inflation slowed further in July 2012 and was 5,3 %.
- At the retail level, urban consumers paid R 8,25 for a 700g loaf of brown bread and R 9,34 for a loaf of 700g white bread during July 2012, a 3,25% and 4,94% increase, respectively compared to July 2011. The domestic white maize price increased by 37,53% compared to July 2011. At the retail level urban consumers paid 16,20% more for a super maize meal (5kg) and 46,35% more for special maize meal (5kg) in July 2012 compared to July 2011.
- In July 2012, rural consumers paid R18,24 more than urban consumers for the same food basket, this figure is higher than the R14,89 reported in the previous FPM. In July 2012, rural consumers paid R7,33 more than urban



consumers for maize meal (5kg), which is higher than the price difference reported in April 2012. A loaf of white bread, a loaf of brown bread, sunflower oil 750ml and Ceylon/black tea are the only food items for which rural consumers paid less than urban consumers in July 2012.

- The cost of this food basket expressed as a share of the average monthly income of the poorest 30% of the population increased from 35,0% in July 2011 to 37,8% in July 2012, peaking at 39,3% in March 2012 during this analysis period. The cost of the food basket expressed as a share of the average monthly income of the wealthiest 30% of the population increased from 2,8% to 3,0%. When comparing the costs associated with the typical portion sizes of very poor consumers for the five most widely consumed food items in South Africa, based on July 2012 versus July 2011 prices, the results indicated an inflation of about 11,3% (from R3,37 to R3,75 for the selection of portions).

4.5 Future contract prices and the exchange rate

Table 9: Closing prices on Thursday, 3 September 2012

	3 September 2012	3 August 2012	% Change
RSA White Maize per ton (Sep. contract)	R2 536,00	R2 718,00	-6,7
RSA Yellow Maize per ton (Sep. contract)	R2 549,00	R2 722,00	-6,4
RSA Wheat per ton (Sep. contract)	R3 464,00	R3 458,00	+0,2
RSA Soya-beans per ton (Sep. contract)	R6 148,00	R5 370,00	+14,5
RSA Sunflower seed per ton (Sep. contract)	R5 958,00	R5 310,00	+12,2
Exchange rate R/\$	R8,41	R8,26	+1,8

Source: SAFEX

4.6 Agricultural machinery sales

- July tractor sales of 670 units were almost 5% down on the sales of 704 units reported in July 2011. However, on a year-to-date basis 2012 sales are still 25% higher than 2011 sales. July combine harvester sales of 32 units were 60% up on the 20 units sold in July 2011. On a year-to-date basis combine harvester sales are now almost 52% up on last year.
- The market for agricultural machinery remains buoyant. With approximately 90% of the maize crop being harvested and with the current good maize prices, producers are more assured of the overall value of their crops. This enables them to make their buying decisions with improved confidence. The current good rains in the Western Cape should boost crops and agricultural machinery sales in that area.
- Tractor sales in the latter part of 2011 were very good and the current sales will be compared against these. Crop prices are holding up well and, with the North American maize crop currently suffering under drought conditions, crop prices are likely to continue to hold up. Although the recent drop in the repo rate has made it easier to finance equipment, the volatility of the rand continues to unsettle the market. Ultimately, weather conditions in the latter part of the year will probably be the driving factor for agricultural machinery sales for the rest of the year.
- Industry predictions of tractor sales for the 2012 calendar year have again been revised upwards, to levels up to 5% higher than the almost 7 400 units sold in 2011.

Table 10: Agricultural machinery sales

Equipment class	Year-on-year		Percentage Change %	Year-to-date		Percentage Change %
	July			July		
	2012	2011		2012	2011	
Tractors	670	704	-4,8	4 723	3 772	25,2
Combine harvesters	32	20	60,0	250	165	51,5

Source: SAAMA press release, August 2012



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:

- Agfacts
- Department of Water Affairs (DWA)
- 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 Grain Information Service (SAGIS)
- The South African Weather Service (WeatherSA)
- USDA Foreign Service
- UT Grain Management (Pty) Ltd
- Weekly Price Watch, DAFF