MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: APRIL 2014

Issued: 9 May 2014

Directorate: Statistics and Economic Analysis

Highlights:

- **During April 2014, significant rainfall events were limited to the southern coastal regions.**
- **Early indications are that producers intend to plant 500 500 ha of wheat for the 2014 season, which is 1,0% less than the area planted to wheat in 2013.**
- **The projected closing stocks of wheat for the current 2013/14 marketing year are 509 693 tons, which includes imports of 1,650 million tons. It is also 4,2% more than the previous years' ending stocks.**
- **The expected commercial maize crop for 2014 is 13,029 million tons, which is 11,5% more than the 11,690 million tons of the previous season.**
- **Projected closing stocks of maize for the previous 2013/14 marketing year were 513 604 tons, which was 63,8% less than the previous years' ending stocks.**
- **Projected closing stocks of maize for the current 2014/15 marketing year are 1,267 million tons, which is 146,6% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the previous 2013/14 marketing year were 49 929 tons, which was 10,9% less than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2014/15 marketing year are 71 189 tons, which is 42,6% more than the previous years' ending stocks.**
- **The headline CPI (for all urban areas) annual inflation rate in March 2014 was higher at 6,0%.**
- **The annual percentage change in the PPI for final manufactured goods was higher at 8,2% in March 2014.**
- **March tractor sales of 658 units were almost 11% more than the 595 units reported in March 2013.**

agriculture, forestry & fisheries

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1. Weather conditions

1.1 Rainfall for April 2014

During April 2014, significant rainfall events were limited to the southern coastal regions (Figure 1). Comparing rainfall totals of April 2014 to the long term average, most of the Eastern Cape Province, as well as parts of the Western Cape Province received above-normal rainfall, while most of the remaining areas of the country received near-normal to below-normal rainfall (Figure 2).

Figure 1: Rainfall (mm) for April 2014

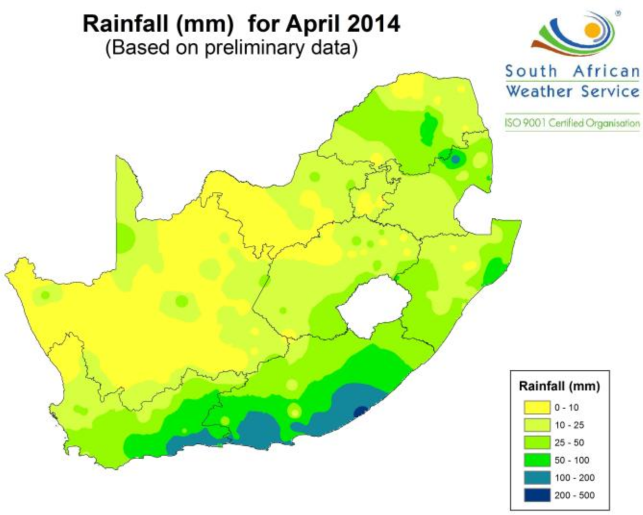
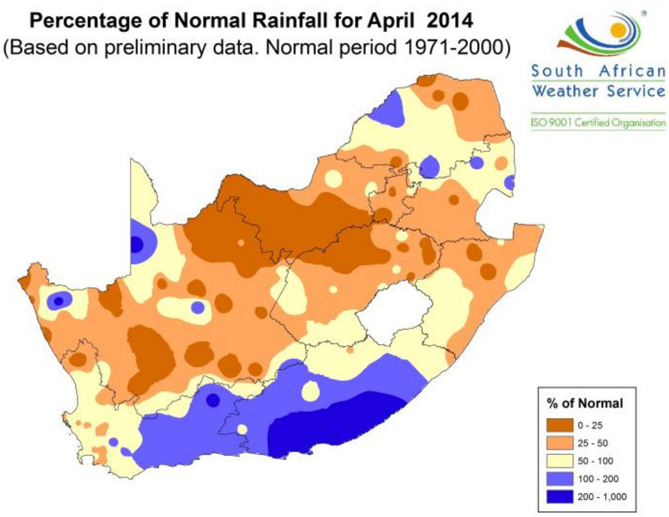


Figure 2: Percentage rainfall for April 2014



1.2 Level of dams

Available information on the level of South Africa's dams on 5 May 2014 indicates that the country has approximately 90% of its full supply capacity (FSC) available, 5% more than the corresponding period in 2013. Most of the provinces show an improvement in the full supply capacity of dams following the rains received especially in the Gauteng (100%), Mpumalanga (96%), Free State, Limpopo (94%) and Northern Cape (92%) provinces. However, KwaZulu-Natal shows a decrease of 3% as compared to the same period in 2013. The provincial distribution of South Africa's water supply (including Lesotho) is contained in Table 1 below.

Table 1: Level of dams, 5 May 2014

Province	Net FSC million cubic meters	**5/5/2014 (%)**	Last Year (2013) (%)	% Increase/Decrease 2014 vs 2013
Eastern Cape	1 814	**86**	82	4,0
Free State	15 971	**94**	87	7,0
Gauteng	115	**100**	86	14,0
KwaZulu-Natal	4 529	**89**	92	-3,0
Lesotho	2 376	**78**	80	-2,0
Limpopo	1 159	**94**	92	2,0
Mpumalanga	2 520	**96**	91	5,0
North West	802	**80**	71	9,0
Northern Cape	146	**92**	79	13,0
Western Cape	1 854	**65**	56	9,0
Total	31 286	**90**	85	5,0

Source: Department of Water Affairs

2. Grain production

The third production forecast for summer crops for 2014 was released by the Crop Estimates Committee (CEC) on 24 April 2014, and is as follows:

Table 2: Commercial summer crops: Area planted and third production forecast - 2014 season

CROP	**Area planted 2014 Ha (A)**	**3rd forecast 2014 Tons (B)**	Area planted 2013 Ha (C)	Final crop 2013 Tons (D)	Change % (B) ÷ (D)
White maize	**1 551 200**	**7 066 600**	1 617 200	5 545 000	27,44
Yellow maize	**1 137 000**	**5 962 450**	1 164 000	6 145 000	-2,97
Maize	**2 688 200**	**13 029 050**	2 781 200	11 690 000	11,45
Sunflower seed	**598 950**	**825 325**	504 700	557 000	48,17
Soya-beans	**502 900**	**867 700**	516 500	784 500	10,61
Groundnuts	**52 125**	**85 265**	46 900	41 500	105,46
Sorghum	**78 850**	**233 220**	62 620	147 200	58,44
Dry beans	**55 820**	**79 205**	43 550	60 200	31,57
TOTAL	**3 976 845**	**15 119 765**	3 955 470	13 280 400	13,85

Note: Estimate is for calendar year, e.g. production season 2013/14 = 2014

- The size of the expected commercial **maize** crop has been set at 13,029 million tons, which is 11,45% higher than the previous season of 11,690 million tons. The area estimate for maize is 2,688 million ha, while the expected yield is 4,85 t/ha.
- The area estimate for white maize is 1,551 million ha and for yellow maize the area estimate is 1,137 million ha.
- The production forecast of **white maize** is 7,067 million tons, which is 27,44% more than the 5,545 million tons of the previous season. The yield for white maize is 4,56 t/ha. In the case of **yellow maize** the production forecast is 5,962 million tons, which is 2,97% less than the 6,145 million tons of the previous season. The yield for yellow maize is 5,24 t/ha.
- The production forecast for **sunflower seed** is 825 325 tons, which is 48,17% more than the 557 000 tons of the previous season. The area estimate for sunflower seed is 598 950 ha, while the expected yield is 1,38 t/ha.
- The production forecast for **soya-beans** is 867 700 tons, which is 10,61% more than the 784 500 tons of the previous season. It is estimated that 502 900 ha have been planted to soya-beans, with an expected yield of 1,73 t/ha.
- The expected **groundnut** crop is 85 265 tons, which is 105,46% more than the 41 500 tons of the last season. For groundnuts, the area estimate is 52 125 ha, with an expected yield of 1,64 t/ha.
- The production forecast for **sorghum** is 233 220 tons, which is 58,44% more than the 147 200 tons of the previous season. The area estimate for sorghum is 78 850 ha and the expected yield is 2,96 t/ha.
- In the case of **dry beans,** the production forecast is 79 205 tons, which is 31,57% more than the 60 200 tons of the previous season. The area estimate of dry beans is 55 820 ha, with an expected yield of 1,42 t/ha.

Please note that the fourth production forecast for summer field crops for 2014 will be released on 27 May 2014

2.1 Winter cereal crops

2.1.1 The intentions to plant winter crops for 2014 were also released by the Crop Estimates Committee (CEC) on 24 April 2014, and are as follows:

Table 3: Commercial winter crops: Intentions to plant – 2014 season

CROP	**Intentions* 2014 Ha (A)**	Area planted 2013 Ha (B)	Final estimate 2013 Tons (C)	Change % (A) ÷ (B)
Wheat	**500 500**	505 500	1 804 450	-0,99
Malting barley	**85 540**	81 320	266 002	5,19
Canola	**80 000**	72 165	112 041	10,86
Total	**666 040**	658 985	2 182 493	1,07

*Based on conditions at the middle of April 2014

- Early indications are that producers intend to plant 500 500 ha of **wheat** for the 2014 season. This is 5 000 ha or 0,99% less than the area planted to wheat in 2013. The main producing areas are within the Western Cape with 324 500 ha (65%), followed by the Free State with 75 000 ha (15%) and the Northern Cape with 40 500 ha (8%).
- The expected area planted to **malting barley** is 85 540 ha, which is 4 220 ha or 5,19% more than the 81 320 ha of the previous year.
- The expected area planted to **canola** is 80 000 ha, which is 7 835 ha or 10,86% more than the 72 165 ha planted in 2013. On record, this is the largest area planted to canola.

2.2.2 At a meeting held on 6 May 2014, the Crop Estimates Liaison Committee (CELC) oversaw the process for the finalisation of the crop production figures of commercial wheat, malting barley and canola for 2013.

Table 4: Final area planted and crop figures of winter cereals for the 2013 production season

CROP	**FINAL AREA PLANTED HA (A)**	**FINAL CROP TONS (B)**	CEC AREA PLANTED[1)] HA (C)	CEC FINAL ESTIMATE[1)] TONS (D)	FINAL CROP vs FINAL ESTIMATE % (B) ÷ (D)
Wheat	**505 500**	**1 870 000**	505 500	1 804 450	+3,63
Malting barley	**81 320**	**267 500**	81 320	266 002	+0,56
Canola	**72 165**	**112 000**	72 165	112 041	-0,04

1) As estimated by the CEC on 27 February 2014

- Comparing the final calculated crop figures with the numbers set by the CEC during February 2014, the size of the commercial wheat crop is now 1,870 million tons, which is 65 550 tons or 3,63% more than the final crop estimate figure of 1,804 million tons.
- For malting barley the recalculated crop size is 267 500 tons, which is 1 498 tons or 0,56% higher than the final crop estimate figure of 266 002 tons.
- The final recalculated canola crop estimate figure is 112 000 tons, which is slightly lower (41 tons or 0,04%) than the final crop estimate figure of 112 041 tons.

Please note that the preliminary area estimate of winter crops for 2014 will be released on 29 July 2014.

3. Cereal balance sheets

For the latest Cereal balance sheets (supply and demand tables) on maize, wheat and sorghum, please refer to the attachment called FSB Apr14 Annexure A.

4. Market information

4.1 Consumer Price Index (CPI)

- The headline CPI (for all urban areas) annual inflation rate in March 2014 was 6,0%. This rate was 0,1% higher than the corresponding annual rate of 5,9% in February 2014. On average, prices increased by 1,3% between February 2014 and March 2014.
- The food and non-alcoholic beverages index increased by 1,4% between February 2014 and March 2014. The annual rate increased to 7,0% in March 2014 from 5,4% in February 2014. The following components in the food and non-alcoholic beverages index increased: Sugar, sweets and desserts (3,7%), vegetables (3,3%), fruit (2,1%), milk, eggs and cheese (1,9%), oils and fats (1,7%), bread and cereals (1,2%), fish (1,0%), meat (0,8%), cold beverages (0,7%) and other food (0,2%). The following component decreased: Hot beverages (-0,4%).
- The alcoholic beverages and tobacco index increased by 2,0% between February 2014 and March 2014. The annual rate decreased to 5,8% in March 2014 from 6,5% in February 2014.
- The housing index increased by 0,9% between February 2014 and March 2014, mainly due to a 1,3% increase in actual rentals for housing and a 1,4% increase in owners' equivalent rent. The annual rate increased to 5,6% in March 2014 from 5,5% in February 2014.
- The transport index increased by 1,6% between February 2014 and March 2014, mainly due to a 36c/litre increase in the price of petrol. The annual rate decreased to 6,9% in March 2014 from 8,0% in February 2014.
- The education index increased by 8,7% between February 2014 and March 2014. The annual rate decreased to 8,7% in March 2014 from 9,0% in February 2014.
- The miscellaneous goods and services index increased by 0,5% between February 2014 and March 2014. The annual rate increased to 6,5% in March 2014 from 6,2% in February 2014.
- The provinces with an annual inflation rate lower than or equal to headline inflation were Western Cape (6,0%), Free State (6,0%), Gauteng (6,0%), Northern Cape (5,9%), North West (5,7%) and Mpumalanga (5,7%). The provinces with an annual inflation rate higher than headline inflation were Limpopo (7,2%), Eastern Cape (6,5%) and KwaZulu-Natal (6,3%).

4.2 Producer Price Index (PPI)

- The annual percentage change in the PPI for final manufactured goods was 8,2% in March 2014 (compared with 7,7% in February 2014). From February 2014 to March 2014 the PPI for final manufactured goods increased by 1,3%.
- The main contributors to the annual rate of 8,2% were food products, beverages and tobacco products (8,0% year-on-year and contributing 2,9%), coke, petroleum, chemical, rubber and plastic products (8,7% year-on-year and contributing 1,5%), as well as metals, machinery, equipment and computing equipment (8,4% year-on-year and contributing 1,2%). The main contributors to the monthly increase of 1,3% were food products, beverages and tobacco products (2,0% month-on-month and contributing 0,7%), as well as coke, petroleum, chemical, rubber and plastic products (2,1% month-on-month and contributing 0,4%).
- The annual percentage change in the PPI for intermediate manufactured goods was 10,1% in March 2014 (compared with 10,5% in February 2014). From February 2014 to March 2014 the PPI for intermediate manufactured goods increased by 0,8%. The main contributors to the annual rate of 10,1% were chemicals, rubber and plastic products (11,3% year-on-year and contributing 3,4%), as well as basic and fabricated metals (8,7% year-on-year and contributing 3,4%). The main contributors to the monthly increase of 0,8% were basic and fabricated metals (0,6% month-on-month and contributing 0,2%), as well as chemicals, rubber and plastic products (1,7% month-on-month and contributing 0,5%).
- The annual percentage change in the PPI for electricity and water was 14,6% in March 2014 (compared with 14,5% in February 2014). From February 2014 to March 2014 the PPI for electricity and water decreased by

1,6%. The contributors to the annual rate of 14,6% were electricity (15,4% year-on-year and contributing 12,7%) and water (10,5% year-on-year and contributing 1,9%). The monthly decrease of 1,6% was the result of electricity (-2,0% month-on-month and contributing -1,7%).

- The annual percentage change in the PPI for mining was 3,7% in March 2014 (compared with 5,3% in February 2014). From February 2014 to March 2014 the PPI for mining decreased by 1,2%. The main contributors to the annual rate of 3,7% were non-ferrous metal ores (6,0% year-on-year and contributing 2,6%) and coal and gas (5,3% year-on-year and contributing 1,5%). The main contributors to the monthly decrease of 1,2% were non-ferrous metal ores (-1,9% month-on-month and contributing -0,9%), stone quarrying, clay and diamonds (-3,0% month-on-month and contributing -0,2%) and coal and gas (-1,0% month-on-month and contributing -0,3%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 11,7% in March 2014 (compared with 8,0% in February 2014). From February 2014 to March 2014 the PPI for agriculture, forestry and fishing increased by 2,2%. The main contributor to the annual rate of 11,7% was agriculture (13,3% year-on-year and contributing 10,5%). The main contributor to the monthly increase of 2,2% was agriculture (2,6% month-on-month and contributing 2,0%).

4.3 Future contract prices and the exchange rate

Table 5: Closing prices on Thursday, 8 May 2014

	8 May 2014	8 April 2014	% Change
RSA White Maize per ton (May 2014 contract)	R2 040,00	R2 233,00	-8,64
RSA Yellow Maize per ton (May 2014 contract)	R2 110,00	R2 220,00	-4,95
RSA Wheat per ton (May 2014 contract)	R4 030,00	R3 941,00	2,26
RSA Sunflower seed per ton (May 2014 contract)	R4 536,00	R4 862,00	-6,71
RSA Soya-beans per ton (May 2014 contract)	R5 240,00	R5 697,00	-8,02
Exchange rate R/$	R10,38	R10,45	-0,67

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- March tractor sales of 658 units were 11% up on the 595 units reported in March 2013. Sales for the three months year-to-date were almost 4% down on the same period in 2013. March combine harvester sales of 69 units were three units less than the 72 units sold in March 2013. On a year-to-date basis combine harvester sales were approximately 7% down on the same period in 2013.
- The estimate for the overall maize crop is 11% up on 2013. Some producers have taken the opportunity to bring forward their purchasing decisions ahead of the price increases, which the industry is now facing. Despite the prospect of higher equipment prices affecting sales in the short term, prospects for the rest of the year look favourable, although sales are likely to be between 5 and 10% down on 2013.
- Current industry predictions of sales for the 2014 calendar year indicate that tractor sales are likely to be between 6 800 and 7 200 units.

Table 6: Agricultural machinery sales

Equipment class	Year-on-year March 2014	Year-on-year March 2013	Percentage Change %	Year-to-date March 2014	Year-to-date March 2013	Percentage Change %
Tractors	658	595	10,59	2 023	2 106	-3,94
Combine harvesters	69	72	-4,17	127	136	-6,62

Source: SAAMA press release, April 2014

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 Supply and Demand Estimates Report (SASDE)
- 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