MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: APRIL 2015

Issued: 6 May 2015

Directorate: Statistics and Economic Analysis

Highlights:

- **During April 2015, rainfall events were concentrated over the eastern region of the country.**
- **Early indications are that producers intend to plant 481 300 ha of wheat for the 2015 season, which is 1,0% more than the area planted to wheat in 2014.**
- **The projected closing stocks of wheat for the current 2014/15 marketing year are 632 055 tons, which includes imports of 1,8 million tons. It is also 29,4% more than the previous years' ending stocks.**
- **The expected commercial maize crop for 2015 is 9,763 million tons, which is 31,5% less than the 14,250 million tons of the previous season.**
- **Projected closing stocks of maize for the previous 2014/15 marketing year were 2,162 million tons, which was considerably more (267,1%) than the previous years' ending stocks.**
- **Projected closing stocks of maize for the current 2015/16 marketing year are 1,201 million tons, which is 44,5% less than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2015/16 marketing year are 65 362 tons, which is 46,3% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for the current 2015/16 marketing year are 87 587 tons, which is 5,7% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2015/16 marketing year are 64 254 tons, which is 0,9% more than the previous years' ending stocks.**
- **The headline CPI (for all urban areas) annual inflation rate in March 2015 was higher at 4,0%.**
- **The annual percentage change in the PPI for final manufactured goods was higher at 3,1% in March 2015.**
- **March tractor sales of 498 units were significantly (13%) lower than the 573 units reported in March 2014.**

agriculture, forestry & fisheries

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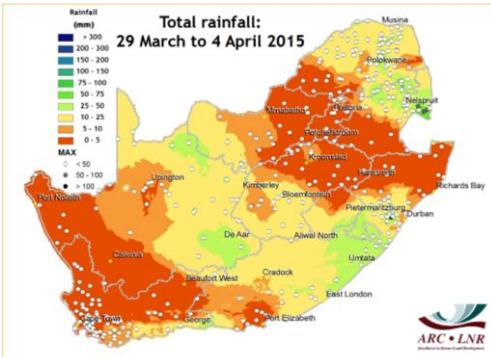
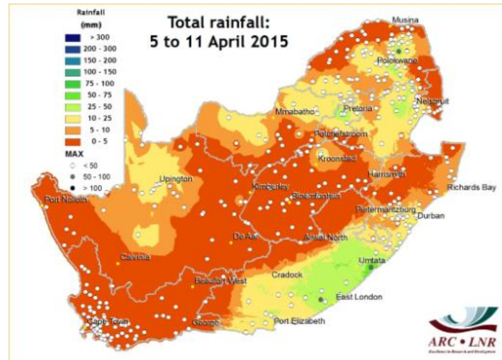
1. Weather conditions

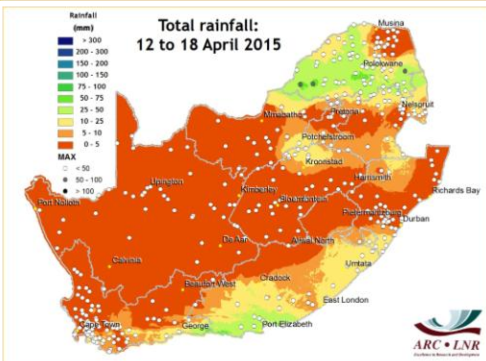
1.1 Rainfall for April 2015

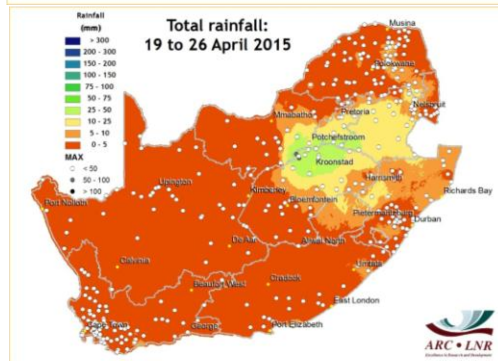
From the maps it is evident that during April, rainfall events were concentrated over the eastern region of the country. Limited rainfall events were evident over the central to western parts, including the winter rainfall region, for the mentioned period.

Figures 1 to 4: Rainfall in mm for 29 March – 26 April 2015









1.2 Level of dams

Available information on the level of South Africa's dams on 4 May 2015 indicates that the country has approximately 79% of its full supply capacity (FSC) available, 11% less than the corresponding period in 2014. All of the provinces show decreases in the full supply capacity of dams. The provincial distribution of South Africa's water supply including Lesotho is contained in **Table 1** below.

Table 1: Level of dams, 4 May 2015

Province	Net FSC million cubic meters	4/05/2015 (%)	Last Year (2014) (%)	% Increase/Decrease 2015 vs 2014
Eastern Cape	1 826	81	86	-5,0
Free State	15 971	83	94	-11,0
Gauteng	115	96	100	-4,0
KwaZulu-Natal	4 669	71	88	-17,0
Lesotho	2 376	75	77	-2,0
Limpopo	1 508	87	91	-4,0
Mpumalanga	2 520	88	96	-8,0
North West	802	66	80	-14,0
Northern Cape	146	85	93	-8,0
Western Cape	1 853	43	65	-22,0
Total	**31 786**	**79**	**90**	**-11,0**

Source: Department of Water Affairs

2. Grain production

2.1 Summer grain crops

The revised area planted and third production forecast for summer crops for 2015 was released by the Crop Estimates Committee (CEC) on 29 April 2015, and is as follows:

Table 2: Commercial summer crops: Revised area planted and third production forecast - 2015 season

CROP	**Area planted 2015 Ha (A)**	**3rd Forecast 2015 Tons (B)**	Area planted 2014 Ha (C)	Final estimate 2014 Tons (D)	Change % (B) ÷ (D)
White maize	**1 448 050**	**4 658 800**	1 551 200	7 710 000	-39,57
Yellow maize	**1 204 800**	**5 103 750**	1 137 000	6 540 000	-21,96
Maize	**2 652 850**	**9 762 550**	2 688 200	14 250 000	-31,49
Sunflower seed	**576 000**	**612 400**	598 950	832 000	-26,39
Soybeans	**687 300**	**942 850**	502 900	948 000	-0,54
Groundnuts	**58 000**	**66 725**	52 125	74 500	-10,44
Sorghum	**70 500**	**139 600**	78 850	265 000	-47,32
Dry beans	**64 000**	**75 815**	55 820	82 130	-7,69
TOTAL	**4 108 650**	**11 599 940**	3 976 845	16 451 630	-29,49

Note: Estimate is for calendar year, e.g. production season 2014/15 = 2015

- The revised area estimate for maize is 2,653 million ha, which is 1,32% or 35 350 ha less than the 2,688 million ha planted for the previous season.
- The expected commercial **maize** crop is 9,763 million tons, which is 31,49% less than the 14,250 million tons of the previous season, with an expected yield of 3,68 t/ha.
- The area estimate for white maize is 1,448 million ha, which represents a decrease of 6,65% or 103 150 ha compared to the 1,551 million ha planted last season. In the case of yellow maize the area estimate is 1,205 million ha, which is 5,96% or 67 800 ha more than the 1,137 million ha planted last season.
- The production forecast of **white maize** is 4,659 million tons, which is 39,57% less than the 7,710 million tons of last season. The yield for white maize is 3,22 t/ha. In the case of **yellow maize** the production forecast is 5,104 million tons, which is 21,96% less than the 6,540 million tons of last season. The yield for yellow maize is 4,24 t/ha.
- The revised area estimate for **sunflower seed** is 576 000 ha, which is 3,83% less than the 598 950 ha planted the previous season. The production forecast for sunflower seed is 612 400 tons, which is 26,39% less than the 832 000 tons of the previous season. The expected yield is 1,06 t/ha.
- It is estimated that 687 300 ha have been planted to **soybeans**, which represents an increase of 36,67% compared to the 502 900 ha planted last season. The production forecast for soybeans is 942 850 tons, which is 0,54% less than the 948 000 tons of the previous season. The expected yield is 1,37 t/ha.
- For **groundnuts**, the area estimate is 58 000 ha, which is 11,27% more than the 52 125 ha planted for the previous season. The expected groundnut crop is 66 725 tons – which is 10,44% less than the 74 500 tons of last season. The expected yield is 1,15 t/ha.
- The area estimate for **sorghum** decreased by 10,59%, from 78 850 ha to 70 500 ha against the previous season. The production forecast for sorghum is 139 600 tons, which is 47,32% less than the 265 000 tons of the previous season. The expected yield is 1,98 t/ha.

- For **dry beans**, the area estimate is 64 000 ha, which is 14,65% more than the 55 820 ha planted for the previous season. In the case of dry beans the production forecast is 75 815 tons, which is 7,69% less than the 82 130 tons of the previous season. The expected yield is 1,18 t/ha.

Please note that the fourth production forecast for summer field crops for 2015 will be released on 26 May 2015.

2.2 Winter cereal crops

The intentions to plant winter cereals for 2015 was also released by the CEC on 29 April 2015, and is as follows:

Table 3: Commercial winter crops: Intentions to plant - 2015 season

CROP	**Intentions* 2015**	**Area planted 2014**	**Final estimate 2014**	**Change**
	Ha	**Ha**	**Tons**	**%**
	(A)	**(A)**	**(B)**	**(B) ÷ (D)**
Wheat	**481 300**	**476 570**	**1 775 534**	**1,00**
Malting barley	**95 800**	**85 125**	**306 786**	**12,54**
Canola	**85 000**	**95 000**	**123 500**	**-10,53**
Total	**662 100**	**656 695**	**2 205 820**	**0,82**

*Based on conditions at teh middelek of Aprl 2015. Note: Estimate is for calendar year, e.g. production season 2014/15 = 2014

- The figures for wheat represent the total number of hectares that are intended to be planted for grain, excluding any hectares that will be planted for fodder and grazing.
- Early indications are that producers intend to plant 481 300 ha of **wheat** for the 2015 season. This is 1,0% or 4 730 ha more than the area planted to wheat in 2014. The main producing areas are within the Western Cape with 316 000 ha (66%), followed by the Free State with 70 000 ha (14%) and the Northern Cape with 42 000 ha (9%).
- The expected area planted to **malting barley** is 95 800 ha, which is 12,5% or 10 675 ha more than the 85 125 ha of the previous year.
- The expected area planted to **canola** is 85 000 ha, which is 10,5% or 10 000 ha less than the 95 000 ha planted in 2014. On record, this is the second largest area planted to canola.

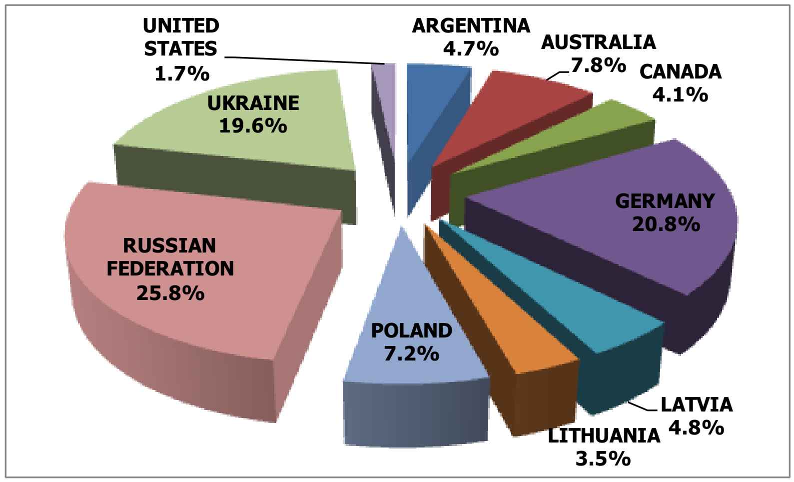
Please note that the preliminary area estimate of winter crops for 2015 will be released on 28 July 2015.

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 Apr15 Annexure A.

3.1 Imports and exports of wheat for the 2014/15 marketing year

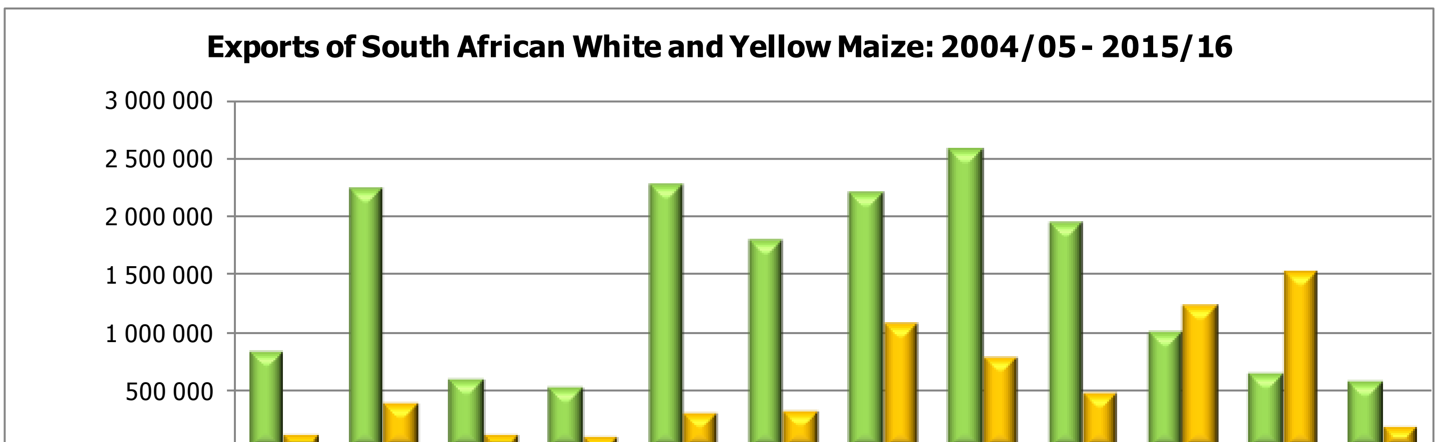
Graph 1: Major countries of wheat imports for South Africa: 2014/15 marketing year



- The progressive wheat imports from 27 September 2014 to 1 May 2015, amount to 1,265 million tons, with the largest quantity (25,8% or 326 478 tons) imported from the Russian Federation followed by Germany (20,8% or 262 824 tons), Ukraine (19,6% or 247 527 tons), Australia (7,8% or 98 702 tons), and Poland (7,2% or 91 483 tons). The exports of wheat for the mentioned period amount to 170 364 tons, of which 57,0% or 97 033 tons were exported to the BLNS countries and 32,4% or 55 222 tons to Zimbabwe.

3.2 Exports of white and yellow maize

Graph 2: Exports of South African white and yellow maize for the 2004/05 to 2015/16 marketing year



	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15*	2015/16*
White maize exports	832 000	2 237 000	597 000	534 000	2 269 000	1 796 000	2 194 000	2 575 000	1 946 000	1 008 923	638 000	585 000
Yellow maize exports	120 000	393 000	117 000	103 000	303 000	319 000	1 068 000	781 000	478 000	1 223 673	1 510 000	185 000

*Projection

- The projection for the 2014/15 marketing year - exports are 638 000 tons for white maize, which represents a decrease of 36,8% compared to the 1,009 million tons of the previous marketing year. With reference to yellow maize exports, the projection is 1,510 million tons, which represents an increase of 23,4% compared to the 1,224 million tons of the previous marketing year.
- The projection for the 2015/16 marketing year - exports are 585 000 tons for white maize, which represents an decrease of 8,3% compared to the 638 000 tons of the previous marketing year. With reference to yellow maize exports, the projection is 185 000 tons, which represents a decrease of 87,7% compared to the 1,510 million tons of the previous marketing year.
- From 26 April 2014 to 24 April 2015, progressive white maize exports amount to 536 014 tons, with the main destinations being the BLNS countries (69,9% or 374 431 tons), Mozambique (18,4% or 98 459 tons) and Zimbabwe (10,7% or 57 559 tons). No imports were reported for the mentioned period.
- From 26 April 2014 to 24 April 2015, progressive yellow maize exports amount to 1,403 million tons, with the main destinations being Taiwan (48,4% or 679 185 tons), Korea (15,3% or 214 474 tons) and Japan (14,1% or

198 197 tons). The imports of yellow maize for the mentioned period amount to 65 250 tons, of which 100% were imported from Argentina.

- Exports of white and yellow maize for the first week of the 2015/16 marketing year amount to 6 001 tons and 2 763 tons, respectively.

4. Market information

4.1 Consumer Price Index (CPI)

- The headline CPI (for all urban areas) annual inflation rate in March 2015 was 4,0%. This rate was 0,1% higher than the corresponding annual rate of 3,9% in February 2015. On average, prices increased by 1,4% between February 2015 and March 2015.
- The food and non-alcoholic beverages index increased by 0,8% between February 2015 and March 2015. The annual rate decreased to 5,8% in March 2015 from 6,4% in February 2015. The following components in the food and non-alcoholic beverages index increased: Fruit (2,9%), sugar, sweets and desserts (2,9%), oils and fats (1,8%), vegetables (1,8%), bread and cereals (0,9%), meat (0,5%), fish (0,3%), cold beverages (0,3%) and other food (0,2%). The following component decreased: Hot beverages (-0,3%).
- The alcoholic beverages and tobacco index increased by 2,7% between February 2015 and March 2015. The annual rate increased to 9,0% in March 2015 from 8,2% in February 2015.
- The housing and utilities index increased by 1,1% between February 2015 and March 2015, mainly due to a 1,5% increase in actual rentals for housing and a 1,6% increase in owners' equivalent rent. The annual rate increased to 5,7% in March 2015 from 5,6% in February 2015.
- The transport index increased by 3,1% between February 2015 and March 2015, mainly due to a 96c/litre increase in the price of petrol. The annual rate increased to -5,0% in March 2015 from -6,3% in February 2015.
- The education index increased by 9,3% between February 2015 and March 2015. The annual rate increased to 9,3% in March 2015 from 8,7% in February 2015.
- The provinces with an annual inflation rate lower than or equal to headline inflation were Gauteng (3,9%), Mpumalanga (3,9%), Eastern Cape (3,6%), KwaZulu-Natal (3,5%) and Limpopo (3,5%). The provinces with an annual inflation rate higher than headline inflation were Western Cape (4,5%), Free State (4,5%), Northern Cape (4,4%) and North West (4,3%).

4.2 Producer Price Index (PPI)

- The annual percentage change in the PPI for final manufactured goods was 3,1% in March 2015 (compared with 2,6% in February 2015). From February 2015 to March 2015 the PPI for final manufactured goods increased by 1,8%.
- The main contributor to the annual rate of 3,1% was food products, beverages and tobacco products (6,0% year-on-year and contributing 2,0%). The main contributor to the monthly increase of 1,8% was coke, petroleum, chemical, rubber and plastic products (5,2% month-on-month and contributing 0,9%).
- The annual percentage change in the PPI for intermediate manufactured goods was 0,9% in March 2015 (compared with 1,5% in February 2015). From February 2015 to March 2015 the PPI for intermediate manufactured goods increased by 0,3%. The main contributor to the annual rate of 0,9% was sawmilling and wood (6,7% year-on-year and contributing 1,3%). The main contributor to the monthly increase of 0,3% was textiles and leather goods (3,1% month-on-month and contributing 0,3%).
- The annual percentage change in the PPI for electricity and water was 8,6% in March 2015 (compared with 8,2% in February 2015). From February 2015 to March 2015 the PPI for electricity and water decreased by 1,2%. The contributors to the annual rate of 8,6% were electricity (9,0% year-on-year and contributing 7,5%) and water (7,0% year-on-year and contributing 1,1%). The contributor to the monthly decrease of 1,2% was electricity (-1,5% month-on-month and contributing -1,3%).
- The annual percentage change in the PPI for mining was -4,4% in March 2015 (compared with -5,4% in February 2015). From February 2015 to March 2015 the PPI for mining decreased by 0,1%. The main contributors to the

annual rate of -4,4% were gold and other metal ores (-8,9% year-on-year and contributing -2,8%) and coal and gas (-4,8% year-on-year and contributing -1,2%). The main contributor to the monthly decrease of 0,1% was stone quarrying, clay and diamonds (-3,5% month-on-month and contributing -0,3%).

- The annual percentage change in the PPI for agriculture, forestry and fishing was -1,0% in March 2015 (compared with -0,3% in February 2015). From February 2015 to March 2015 the PPI for agriculture, forestry and fishing increased by 1,5%. The main contributor to the annual rate of -1,0% was agriculture (-1,9% year-on-year and contributing -1,6%). The main contributor to the monthly increase of 1,5% was agriculture (1,5% month-on-month and contributing 1,3%).

4.3 Future contract prices and the exchange rate

Table 4: Closing prices on Thursday, 30 April 2015

	30 April 2015	30 March 2015	% Change
RSA White Maize per ton (May 2015 contract)	R2 571,00	R2 641,00	-2,65
RSA Yellow Maize per ton (May 2015 contract)	R2 322,00	R2 425,00	-4,25
RSA Wheat per ton (May 2015 contract)	R3 751,00	R3 895,00	-3,70
RSA Sunflower seed per ton (May 2015 contract)	R4 780,00	R4 900,00	-2,45
RSA Soya-beans per ton (May 2015 contract)	R4 715,00	R4 775,00	-1,26
Exchange rate R/$	R11,83	R12,11	-2,31

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- March tractor sales of 498 units were significantly (13%) lower than the 573 units reported sold in March 2014. On a year-to-date basis sales are approximately 8% down on last year. March combine harvester sales of 20 units were also significantly down on the 67 units sold in March 2014. On a year-to-date basis sales are 43% down on last year.
- Drought conditions affecting the summer cropping areas have been very variable. Some producers have excellent crops, other crops are very poor. Only when the producers have harvested their crops, they will know the actual yield and quality of their crops.
- It is likely, therefore, that agricultural machinery market conditions will continue to reflect this uncertainty in the short term.

Table 5: Agricultural machinery sales

	Year-on-year		Percentage Change %	Year-to-date		Percentage Change %
	March			March		
Equipment class	**2015**	**2014**		**2015**	**2014**	
Tractors	498	573	-13,09	1 658	1 804	-8,09
Combine harvesters	20	67	-70,15	69	121	-42,98

Source: SAAMA press release, April 2015

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