MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: APRIL 2019

Issued: 7 May 2019

Directorate: Statistics and Economic Analysis

Highlights:

- **During April 2019, significant rainfall events were limited to the central and eastern parts of the country.**
- **Early indications are that producers intend to plant 513 450 ha of wheat for the 2019 production season, which is 2,01% more than the 503 350 ha planted to wheat in 2018.**
- **The projected closing stocks of wheat for the current 2018/19 marketing year are 575 084 tons, which includes imports of 1,4 million tons. It is also 20,3% less than the previous years' ending stocks.**
- **The expected commercial maize crop for 2019 is 10,655 million tons, which is 14,8% less than the 12,510 million tons of the previous season.**
- **Projected closing stocks of maize for the 2018/19 marketing year are 2,794 million tons, which is 24,3% less than the previous years' ending stocks.**
- **Projected closing stocks of maize for the current 2019/20 marketing year are 1,467 million tons, which is 47,5% less than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2019/20 marketing year are 43 160 tons, which is 16,8% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2019/20 marketing year are 82 505 tons, which is 31,3% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2019/20 marketing year are 314 036 tons, which is 37,5% less than the previous years' ending stocks.**
- **The headline CPI (for all urban areas) annual inflation rate in March 2019 was higher at 4,5%.**
- **The annual percentage change in the PPI for final manufactured goods was higher at 6,2% in March 2019.**
- **April 2019 tractor sales of 432 units were 6% lower than the 459 units sold in April 2018.**

agriculture, forestry & fisheries

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1. Weather conditions

1.1 Rainfall for April 2019

During April 2019, significant rainfall events were limited to the central and eastern parts of the country (**Figure 1**). Comparing rainfall totals to the long term average for April 2019, rainfall received was above-normal over a large part of the country, except for the western parts where it was below-normal (**Figure 2**). (Source: Directorate: Climate Change and Disaster Management at Department: Agriculture, Forestry and Fisheries)

Figure 1: Rainfall in mm for April 2019

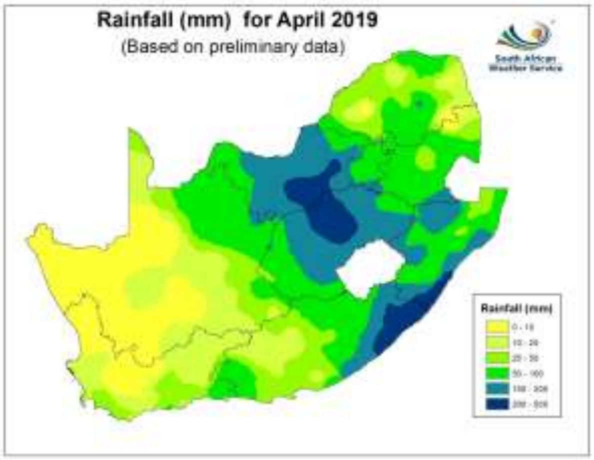
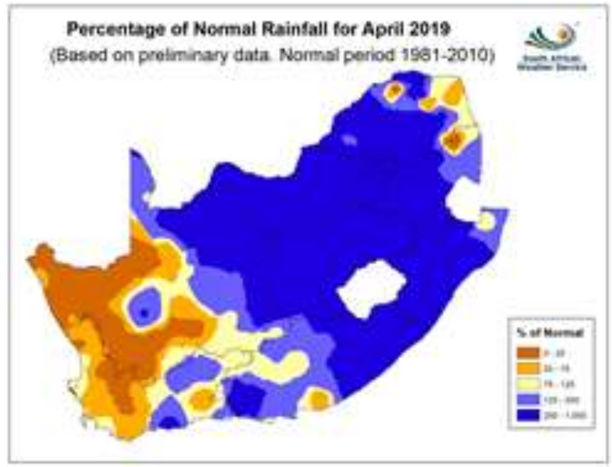


Figure 2: Percentage rainfall for April 2019



According to the latest Seasonal Climate Watch of the SA Weather Services, the forecasts for the early- and mid-winter (May-June-July; June-July-August) are optimistic for above-normal rainfall conditions over the south-western parts of the country. These are also the only areas that typically receive significant rainfall during these seasons. It is important to note that rainfall usually decrease during winter over the country except the above-mentioned regions in the South Western Cape. Therefore, no significant rainfall is expected during the forecasted period for the central and north-eastern parts of the country. With regards to temperatures, mostly higher than normal temperatures are expected for most parts of the country; however, during mid-winter the expectation is for lower than normal maximum temperatures for the south-western half of the country.

1.2 Level of dams

Available information on the level of South Africa's dams on 29 April 2019 indicates that the country has approximately 73% of its full supply capacity (FSC) available, which is 8% less than the corresponding period in 2018. Only the dam levels in the Western Cape Province (+18%) show an increase as compared to 2018. The remaining eight provinces show decreases in the full supply capacity for the mentioned period, with the largest decrease indicated in the Northern Cape Province with -18%.

The provincial distribution of South Africa's water supply including Lesotho is contained in **Table 1** below.

Table 1: Level of dams, 29 April 2019

Province	Net FSC million cubic meters	**29/4/2019 (%)**	Last Year (2018) (%)	% Increase/Decrease 2019 vs. 2018
Eastern Cape	1 807	63	67	-4,0
Free State	15 946	87	98	-11,0
Gauteng	128	98	101	-3,0
KwaZulu-Natal	4 802	65	65	-
Lesotho	2 363	35	56	-21,0
Limpopo	1 522	66	77	-11,0
Mpumalanga	2 539	75	82	-7,0
North West	868	64	74	-10,0
Northern Cape	147	75	93	-18,0
Western Cape	1 866	35	17	18,0
Total	**31 988**	**73**	**81**	**-8,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops

The area planted and third production forecast of summer grains for the 2019 season was released by the Crop Estimates Committee (CEC) on 25 April 2019, and is as follows:

Table 2: Commercial summer crops: Area planted and 3rd production forecast - 2019 season

CROP	**Area planted 2019 Ha (A)**	**3rd forecast 2019 Tons (B)**	Area planted 2018 Ha (C)	Final crop 2018 Tons (D)	Change % (B) ÷ (D)
White maize	**1 298 400**	**5 286 540**	1 268 100	6 540 000	-19,17
Yellow maize	**1 002 100**	**5 368 820**	1 050 750	5 970 000	-10,07
Total Maize	**2 300 500**	**10 655 360**	2 318 850	12 510 000	-14,83
Sunflower seed	**515 350**	**611 140**	601 500	862 000	-29,10
Soybeans	**730 500**	**1 295 845**	787 200	1 540 000	-15,85
Groundnuts	**20 050**	**22 705**	56 300	57 000	-60,17
Sorghum	**50 500**	**165 850**	28 800	115 000	44,22
Dry beans	**59 300**	**72 450**	53 360	69 360	4,46
Total	**3 676 200**	**12 823 350**	3 846 010	15 153 360	-15,38

Note: Estimate is for calendar year, e.g. production season 2018/19 = 2019

- The area estimate for maize is 2 300 500 ha, which is 0,79% or 18 350 ha less than the 2 318 850 ha planted for the previous season. The expected **commercial maize** crop for 2019 is 10 655 360 tons, which is 14,83% or 1 854 640 tons less than the 12 510 000 tons of the previous season (2018). The yield for maize is 4,63 t/ha.
- The area estimate for **white maize** is 1 298 400 ha, which represents an increase of 2,39% or 30 300 ha compared to the 1 268 100 ha planted last season. The production forecast of white maize is 5 286 540 tons, which is 19,17% or 1 253 460 tons less than the 6 540 000 tons of last season. The yield for white maize is 4,07 t/ha.
- In the case of **yellow maize,** the area estimate is 1 002 100 ha, which is 4,63% or 48 650 ha less than the 1 050 750 ha planted last season. The yellow maize production forecast is 5 368 820 tons, which is 10,07% or 601 180 tons less than the 5 970 000 tons of last season. The yield for yellow maize is 5,36 t/ha.
- The area estimate for **sunflower seed** is 515 350 ha, which is 14,32% or 86 150 ha less than the 601 500 ha planted the previous season. The production forecast for sunflower seed is 611 140 tons, which is 29,10% or 250 860 tons less than the 862 000 tons of the previous season. The expected yield is 1,19 t/ha.
- It is estimated that 730 500 ha have been planted to **soybeans**, which represents a decrease of 7,20% or 56 700 ha compared to the 787 200 ha planted last season. The production forecast is 1 295 845 tons, which is 15,85% or 244 155 tons less than the 1 540 000 tons of the previous season. The expected yield is 1,77 t/ha.
- For **groundnuts**, the area estimate is 20 050 ha, which is 64,39% or 36 250 ha less than the 56 300 ha planted for the previous season. The expected crop is 22 705 tons – which is 60,17% or 34 295 tons less than the 57 000 tons of last season. The expected yield is 1,13 t/ha.
- The area estimate for **sorghum** increased by 75,35% or 21 700 ha, from 28 800 ha to 50 500 ha against the previous season. The production forecast for sorghum is 165 850 tons, which is 44,22% or 50 850 tons more than the 115 000 tons of the previous season. The expected yield is 3,28 t/ha.
- For **dry beans**, the area estimate is 59 300 ha, which is 11,13% or 5 940 ha more than the 53 360 ha planted for the previous season. The production forecast is 72 450 tons, which is 4,46% or 3 090 tons more than the 69 360 tons of the previous season. The expected yield is 1,22 t/ha.

Please note that the area planted and fourth production forecast for summer grains for 2019 will be released on 28 May 2019.

2.2 Winter cereal crops

The intentions to plant winter cereals for the 2019 production season was also released by the Crop Estimates Committee (CEC) on 25 April 2019, and is as follows:

Table 3: Commercial winter cereals: Intentions to plant - 2019 season

CROP	**Intentions* 2019 Ha (A)**	Area planted 2018 Ha (B)	Final estimate 2018 Tons (C)	Change % (A) ÷ (B)
Wheat	**513 450**	503 350	1 841 050	2,01
Malting barley	**118 500**	119 000	421 790	-0,42
Canola	**80 000**	77 000	103 950	3,90
Total	**711 950**	699 350	2 366 790	1,80

* Based on conditions at the middle of April 2019

- 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 513 450 ha of **wheat** for the 2019 production season. This is 2,01% or 10 100 ha more than the 503 350 ha planted to wheat in 2018.
- The main producing areas are within the Western Cape with 324 000 ha (63%), followed by the Free State with 105 000 ha (20%) and the Northern Cape with 34 000 ha (7%).
- The expected area planted to **malting barley** is 118 500 ha, which is 0,42% or 500 ha less than the 119 000 ha of the previous year. The expected area planted to **canola** is 80 000 ha, which is 3,90% or 3 000 ha more than the 77 000 ha planted in 2018.

Please note that note that the preliminary area estimate of winter crops for 2019 will be released on 25 July 2019.

2.3 Non-commercial maize

Table 4: Non-commercial maize – area planted and production estimate – 2018 season

CROP	**Area planted 2018 Ha (A)**	**Production 2018 Tons (B)**	Area planted 2017 Ha (C)	Final crop 2017 Tons (D)	Change % (B) ÷ (D)
Non-commercial agriculture:					
White maize	**236 644**	**414 162**	248 500	463 600	-10,66
Yellow maize	**78 191**	**179 813**	118 150	267 400	-32,76
Maize	**314 835**	**593 975**	366 650	731 000	-18,74

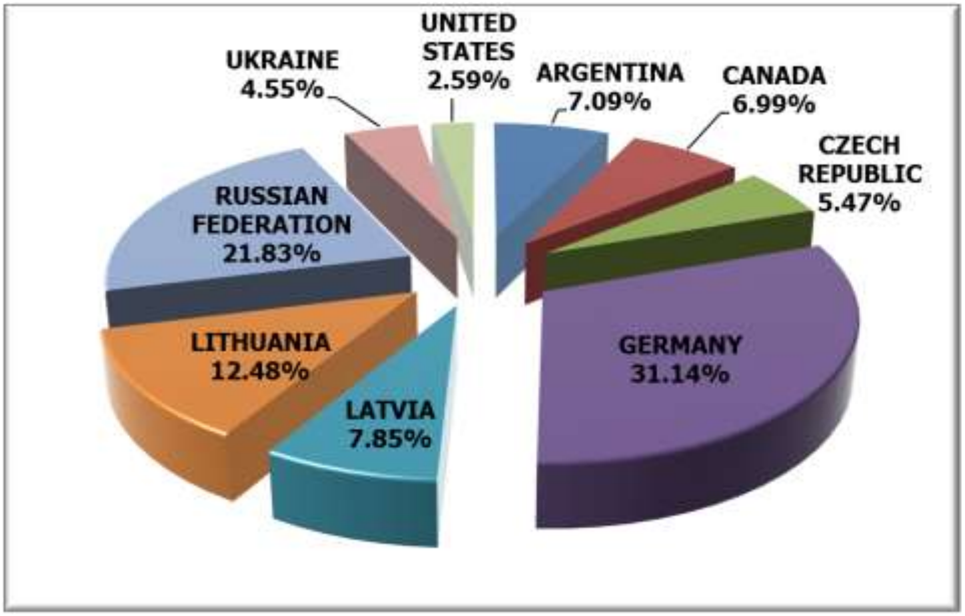
- The area planted to maize in the non-commercial agricultural sector is estimated at 314 835 ha, which represents a decrease of 14,13%, compared to the 366 650 ha of the previous season. The expected maize crop for this sector is 593 975 tons, which is 18,74% less than the 731 000 tons of last season. It is important to note that about 40% of the maize produced in the non-commercial sector, is planted in the Eastern Cape.

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 APR19 Annexure A.

3.1 Imports and exports of wheat for the 2018/19 marketing year

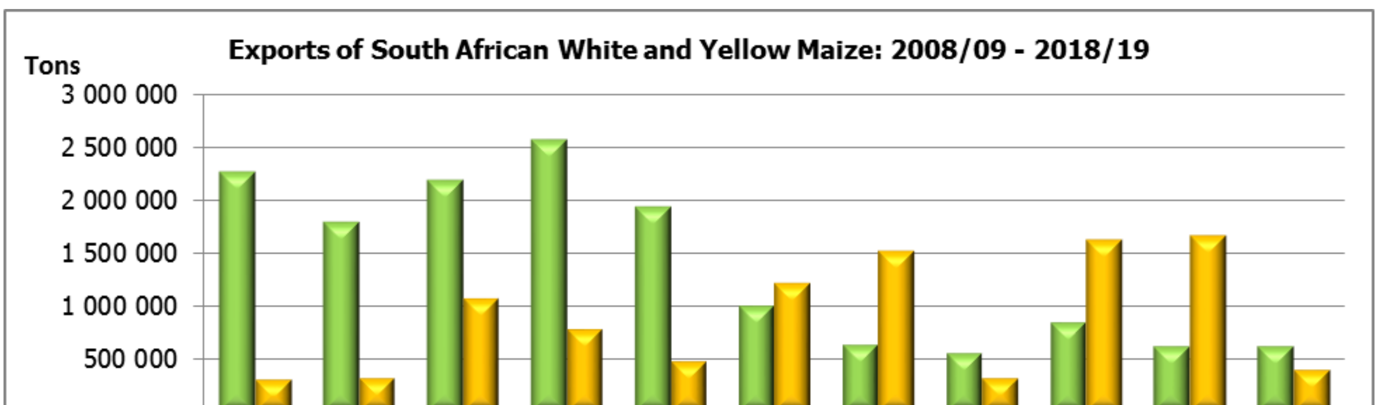
Graph 1: Major countries of wheat imports to South Africa: 2018/19 marketing year



- The progressive wheat imports for the 2018/19 marketing year (29 September 2018 to 26 April 2019) amount to 500 331 tons, with 31,14% or 155 800 tons imported from the Germany, 21,83% or 109 234 tons from the Russian Federation, 12,48% or 62 457 tons from Lithuania, 7,85% or 39 275 tons from Latvia, 7,09% or 35 482 tons from Argentina, 6,99% or 34 978 tons from Canada, 5,47% or 27 380 tons from Czech Republic, 4,55% or 22 763 tons from Ukraine and only 2,59% or 12 962 tons from the Unite States. The exports of wheat for the above-mentioned period amount to 58 083 tons, of which 73,73% or 42 825 tons went to BLNS countries (Botswana, Lesotho, Namibia and Swaziland), 20,04% or 11 637 tons to Zambia, 3,49% or 2 028 tons to Zimbabwe and 2,74% or 1 593 tons to Mozambique.

3.2 Exports of white and yellow maize

Graph 2: Exports of South African white and yellow maize for the 2009/10 to 2019/20 marketing year

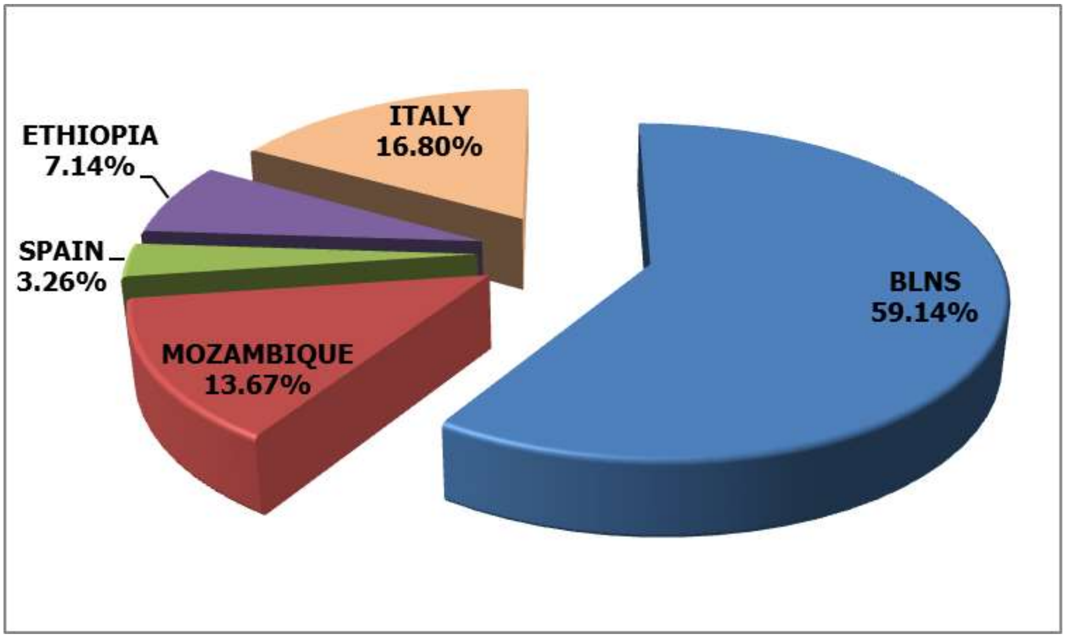


	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19*
White maize	2 269 000	1 796 000	2 194 000	2 575 000	1 946 000	1 008 923	640 807	557 063	851 969	617 000	620 000
Yellow maize	303 000	319 000	1 068 000	781 000	478 000	1 223 673	1 514 917	322 748	1 629 739	1 666 000	400 000

*Projection

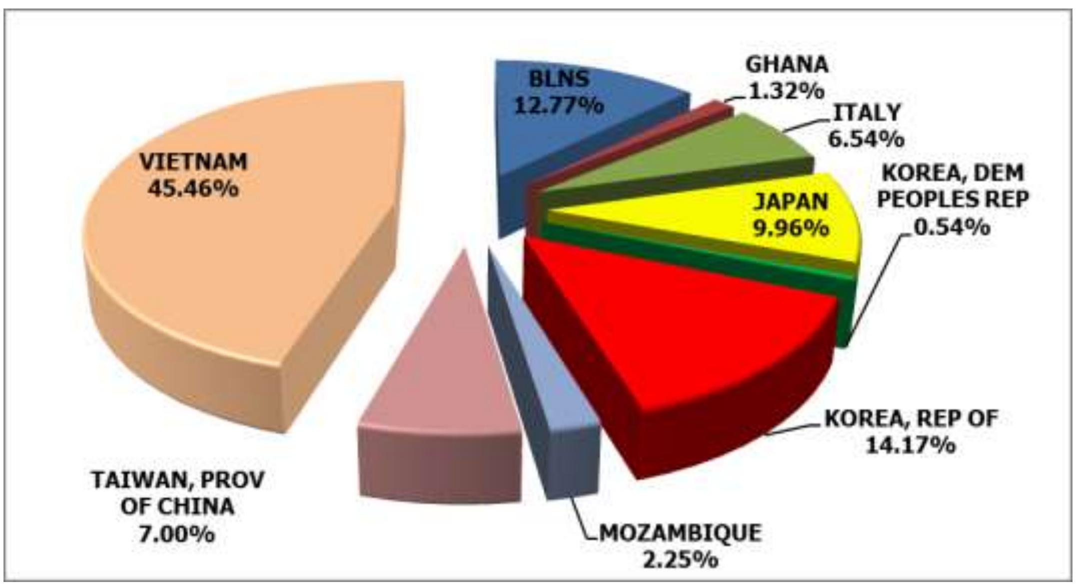
- The exports of white maize for the 2018/19 marketing year are projected at 617 000 tons, which represents a decrease of 27,58% compared to the 851 969 tons of the previous marketing year. Yellow maize exports are projected at 1,666 million tons, which represents an increase of 2,22% compared to the 1,630 million tons of the previous marketing year. The exports of white maize for the 2019/20 marketing year are projected at 620 000 tons, which represents an increase of 0,49% compared to the previous marketing year. Yellow maize exports are projected at 400 000 tons, which represents a decrease of 75,99% compared to the previous marketing year.

Graph 3: Major countries of white maize exports from South Africa: 2018/19 marketing year



- From 28 April 2018 to 26 April 2019, progressive white maize exports amount to 539 588 tons, with the main destinations being BLNS Countries (59,14% or 319 123 tons), Mozambique (13,67% or 73 751 tons), Italy (16,80% or 90 629 tons), Ethiopia (7,14% or 38 509 tons) and Spain (3,26% or 17 576 tons). The imports of white maize for the mentioned period amount to zero.

Graph 4: Major countries of yellow maize exports from South Africa: 2018/19 marketing year



- From 28 April 2018 to 26 April 2019, progressive yellow maize exports amount to 1,521 million tons, with the main destinations being Vietnam (45,46% or 691 248 tons), Republic of Korea (14,17% or 215 416 tons), Japan (9,96% or 151 517 tons), BLNS (12,77% or 194 258 tons), Taiwan, Province of China (7,00% or 106 398 tons), Italy (6,54% or 99 450 tons), Mozambique (2,25% or 34 211 tons), Ghana (1,32% or 20 000 tons), and Democratic Peoples Republic of Korea (0,54% or 8 138 tons). The imports of yellow maize for the mentioned period amount to 171 578 tons of which 70,39% or 120 766 were from Argentina and 29,61% 50 812 tons were from Brazil.

4. Market information

4.1 Consumer Price Index (CPI)

- Annual consumer price inflation was 4,5% in March 2019, up from 4,1% in February 2019. The consumer price index increased by 0,8% month-on-month in March 2019.
- The main contributors to headline annual consumer price inflation were as follows:
  - Alcoholic beverages and tobacco increased from 0,3% in February 2019 to 0,4% in March 2019. The index increased by 6,4% year-on-year;
  - Housing and utilities decreased from 1,3% in February 2019 to 1,1 percentage points in March 2019. The index increased by 4,5% year-on-year; and
  - Transport increased from 0,5% in February 2019 to 0,9% in March 2019. The index increased by 6,4% year-on-year.
- The main contributors to headline monthly consumer price inflation is as follows:
  - Alcoholic beverages and tobacco contributed 0,2%. The index increased by 2,5% month-on-month;
  - Housing and utilities contributed 0,1%. The index increased by 0,3% month-on-month;
  - Transport contributed 0,3%. The index increased by 2,0% month-on-month; and
  - Education contributed 0,2%. The index increased by 6,7% month-on-month.
- In March 2019 the CPI for goods increased by 4,1% year-on-year (up from 3,0% in February), and the CPI for services increased by 4,9% (down from 5,2% in February).
- Provincial annual inflation rates ranged from 3,8% in North West to 5,5% in Western Cape.

4.2 Producer Price Index (PPI)

- The annual percentage change in the PPI for final manufactured goods was 6,2% in March 2019 (compared with 4,7% in February 2019). From February 2019 to March 2019 the PPI for final manufactured goods increased by 1,3%.
- The main contributors to the annual rate of 6,2% were coke, petroleum, chemical, rubber and plastic products (2,3%), food products, beverages and tobacco products (1,5%), as well as paper and printed products (0,6 %). The main contributors to the monthly increase of 1,3% were coke, petroleum, chemical, rubber and plastic products (0,6%), as well as food products, beverages and tobacco products (0,4%).
- The annual percentage change in the PPI for electricity and water was 5,9% in March 2019 (compared with 7,5% in February 2019). From February 2019 to March 2019 the PPI for electricity and water decreased by 2,3%. The contributors to the annual rate of 5,9% were electricity (4,3%) and water (1,6%). The contributor to the monthly decrease of 2,3% was electricity (-2,3%).
- The annual percentage change in the PPI for mining was 20,2% in March 2019 (compared with 10,6% in February 2019). From February 2019 to March 2019 the PPI for mining increased by 5,2%. The main contributors to the annual rate of 20,2% were non-ferrous metal ores (9,2%), gold and other metal ores (7,9%), as well as coal and gas (4,1%). The main contributors to the monthly increase of 5,2% were non-ferrous metal ores (3,7%), as well as gold and other metal ores (1,9%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was -0,4% in March 2019 (compared with -2,2% in February 2019). From February 2019 to March 2019 the PPI for agriculture, forestry and fishing decreased by 2,8%. The main contributor to the annual rate of -0,4% was agriculture (-1,8%). The main contributor to the monthly decrease of 2,8% was agriculture (-2,8%).

4.3 Future contract prices

Table 5: Closing prices on Friday, 3 May 2019

	3 May 2019	3 April 2019	% Change
RSA White Maize per ton (May 2019 contract)	R2 625,00	R2 837,00	-7,47
RSA Yellow Maize per ton (May 2019 contract)	R2 560,00	R2 674,00	-4,26
RSA Wheat per ton (May 2019 contract)	R4 654,00	R4 607,00	1,02
RSA Sunflower seed per ton (May 2019 contract)	R4 980,00	R5 190,00	-4,05
RSA Soya-beans per ton (May 2019 contract)	R4 670,00	R4 823,00	-3,17
Exchange rate R/$	R14,53	R14,16	2,61

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- April 2019 tractor sales of 432 units were 6% lower than the 459 units sold in April 2018. Year-to-date sales for the first four months of 2019 are significantly (almost 17%) lower than 2018. On a rolling 12-month basis tractor sales are now 6% down on last year. April 2019 combine harvester sales of 23 units were six units down on the 29 units sold in April 2018. Year-to-date sales are significantly (23%) lower than 2018. On a rolling 12-month basis combine harvester sales are now 6% down on last year.
- Although market sentiment is positive, with most companies getting good enquiries for their equipment, a combination of factors is holding back actual sales. Market uncertainties revolve around crop prospects, particularly for the late-planted crops, the outcome of the election and prospects for the rand. The upcoming NAMPO Harvest Days should give a good indication of market sentiment and the possible direction of the market for the rest of the year.
- As the 2019 calendar year unfolds, the latest indications are that sales will be at a level between 10 and 15% below the 6 700 units sold last year.

Table 6: Agricultural machinery sales

Equipment class	Year-on-year April		Percentage Change %	Year-to-date April		Percentage Change %
	2019	2018		2019	2018	
Tractors	432	459	-5,88	1 946	2 335	-16,66
Combine harvesters	23	29	-20,69	64	83	-22,89

Source: SAAMA press release, May 2019

PLEASE NOTE: The Food Security Bulletin for May 2019 will be released on **5 June 2019**.

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
- Weekly Price Watch, DAFF