

# **MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: DECEMBER 2012**

**Issued: 17 January 2013**

**Directorate: Statistics and Economic Analysis**

## **Highlights:**

- **During December 2012 significant rainfall events were recorded over most parts of the country, except for the western coastal regions where rainfall was limited.**
- **The expected commercial production of wheat is 1,895 million tons, which is 5,5% less than the previous seasons' crop of 2,005 million tons.**
- **The projected closing stocks of wheat for the 2012/13 marketing year is 655 000 tons, which includes imports of 1,5 million tons.**
- **The final calculated crop of commercial maize for 2012 is 11,830 million tons, which is 2,9% more than the final crop estimate figure of 11,495 million tons.**
- **The projected closing stocks of maize for the current 2012/13 marketing year is 1,660 million tons, which 16,7% more than the previous year.**
- **Projected closing stocks of maize for the coming 2013/14 marketing year is 2,353 million tons, which is 41,7% more than the previous year.**
- **The expected closing stocks of sorghum for the current 2012/13 marketing year show a surplus of 50 100 tons, which is 3,8% less than the previous year.**
- **The projected closing stocks of sorghum for the coming 2013/14 marketing year is 47 900 tons, which is 4,4% less than the previous year.**
- **The headline CPI (for all urban areas) annual inflation rate in November 2012 was unchanged at 5,6%.**
- **The annual percentage change in the PPI was unchanged at 5,2% in November 2012.**
- **December 2012 tractor sales of 334 units were 31,6% lower than the 488 units reported in December 2011.**



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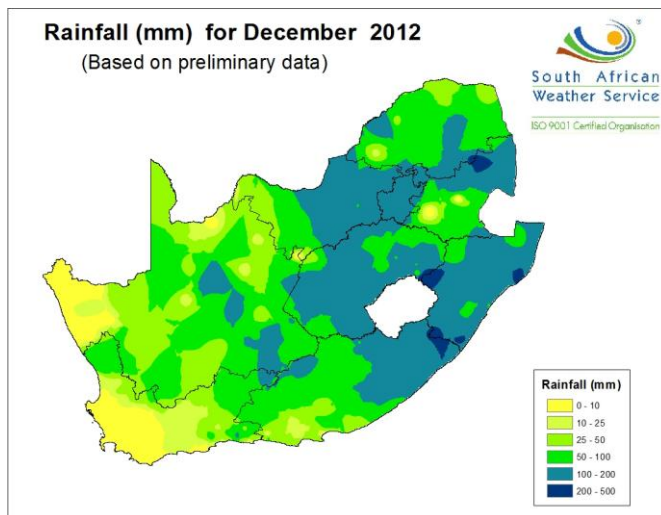
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## 1. Weather conditions

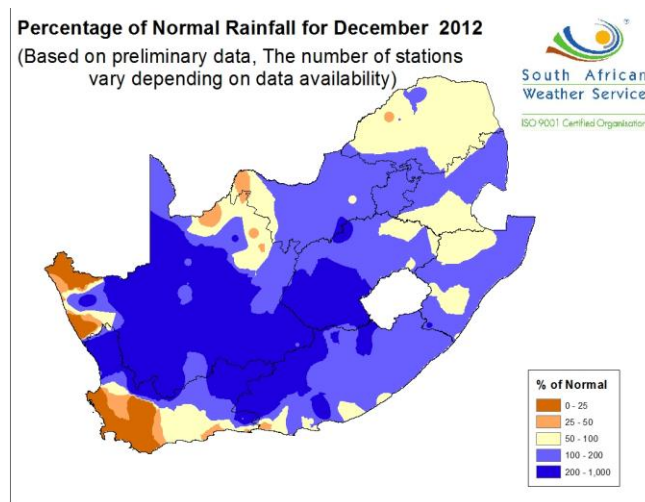
### 1.1 Rainfall for December 2012

During December 2012 significant rainfall events were recorded over most parts of the country, except for the western coastal regions where rainfall was limited (**Figure 1**). Comparing rainfall totals to the long term average for December, the western and southern coastal regions as well as Limpopo and parts of Northern Cape, Mpumalanga, Free State and KwaZulu-Natal provinces received near-normal to below-normal rainfall, while the remainder of the country received above-normal rainfall (**Figure 2**).

**Figure 1: Rainfall (mm) for December 2012**



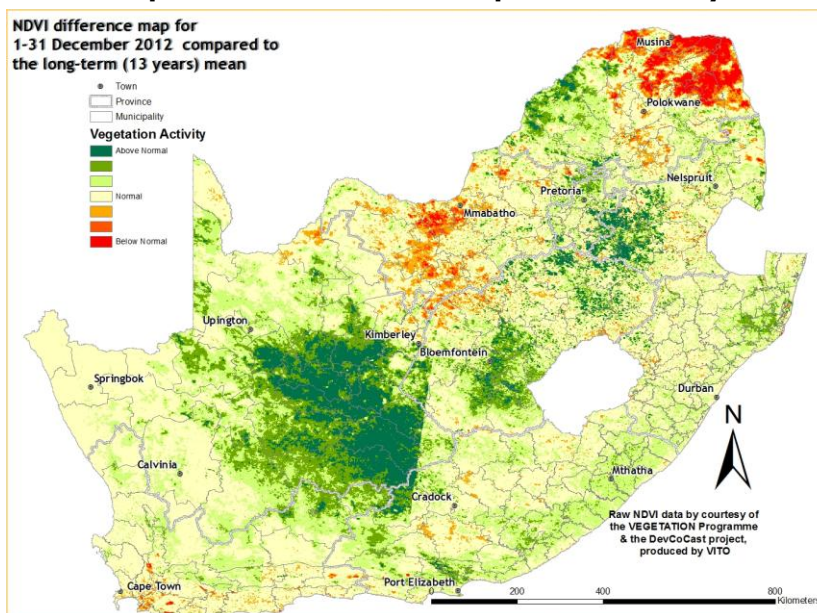
**Figure 2: Percentage rainfall for December 2012**



### 1.2 Vegetation activity

Vegetation conditions for December 2012 were normal throughout the central parts of the country. In certain regions of the Limpopo, North West, Free State and Western Cape provinces below-normal vegetation conditions were evident. Above-normal vegetation conditions could be observed in isolated areas of the Northern Cape, Free State and Mpumalanga provinces.

**Figure 3: The NDVI difference map for December 2012 compared to the 13 year long term mean**



Source: ARC: ISCW

## 2. Grain production

### 2.1 Summer grain crops

The Crop Estimates Committee (CEC) released the final area planted and crop production figures of the commercial summer grain crops for 2012 on 29 November 2012; and is as follows:

**Table 1: Final area planted and crop production figures of commercial summer crops for 2012**

CROP	<b>FINAL AREA PLANTED 2012 HA (A)</b>	<b>FINAL CROP 2012 TONS (B)</b>	CEC AREA PLANTED SEP 2012 HA (C)	CEC FINAL ESTIMATE <sup>1)</sup> SEP 2012 TONS (D)	FINAL CROP vs FINAL ESTIMATE % (B) ÷ (D)
White Maize	<b>1 636 200</b>	<b>6 740 000</b>	1 636 200	6 505 800	+3,60
Yellow Maize	<b>1 063 000</b>	<b>5 090 000</b>	1 063 000	4 988 850	+2,03
Total Maize	<b>2 699 200</b>	<b>11 830 000</b>	2 699 200	11 494 650	+2,92
Sunflower seed	<b>453 350</b>	<b>522 000</b>	453 350	527 110	-0,97
Soya beans	<b>472 000</b>	<b>650 000</b>	472 000	646 950	+0,47
Groundnuts	<b>45 450</b>	<b>59 000</b>	45 450	60 290	-2,14
Sorghum	<b>48 550</b>	<b>135 500</b>	48 550	137 150	-1,20

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

- The estimated total production figures as released by the Crop Estimates Committee (CEC) were revised, using the published figures of the South Africa Grain Information Services (SAGIS) of actual deliveries as the basis for the calculations. The figures from the maize utilisation survey to determine on-farm usage and retentions, which was conducted by the Department of Agriculture, Forestry and Fisheries (DAFF) and the telephonic survey conducted by the National Crop Statistics Consortium (NCSC), were added to the SAGIS delivery figures to calculate the final crop production figures.
- Comparing the final calculated crop figures with the numbers set by the CEC during September 2012, the size of the commercial maize crop is now 11,830 million tons, which is 335 350 tons or 2,92% more than the final crop estimate figure of 11,495 million tons. For white maize, the recalculated crop size is 6,740 million tons, which is 3,60% higher than the final crop estimate figure, and for yellow maize the recalculated crop size is 5,090 million tons, which is 2,03% higher than the final crop estimate figure.
- The CELC noted the following main reasons for the under-estimation of the maize crop:
  - Mid-season dry spells in February and March 2012;
  - Dry land maize did not look good on the fields, but realised better yields than expected;
  - More irrigation maize was planted compared to the previous season (240 500 ha vs 187 450 ha);
  - Irrigation yields were also higher than in 2011, and contributed 20-25% of the total crop; and
  - Yields were estimated too low in certain provinces, in other words the impact of the mid-summer drought was over-estimated.

- In the case of commercial sunflower seed, the final calculated crop figure was slightly adjusted downward by 0,97% from 527 110 tons to 522 000 tons. Groundnuts and sorghum were also adjusted downward by 2,14% and 1,20%, respectively. With regard to commercial soya beans, the recalculated crop showed an increase of 0,47%, from 646 950 tons to 650 000 tons.

*The preliminary area planted forecast for summer grain crops for the 2013 season will be released on 24 January 2013.*

## 2.2 Winter cereal crops

The area estimate and fifth production forecast for winter cereals for the 2012 production season was released by the Crop Estimates Committee (CEC) on 20 December 2012, and is as follows:

**Table 2: Commercial winter crops: Area planted estimate and fifth production forecast - 2012 production season**

CROP	<b>Area planted 2012 Ha (A)</b>	<b>5<sup>th</sup> forecast 2012 Tons (B)</b>	Area planted 2011 Ha (C)	Final crop 2011 Tons (D)	Change % (B) ÷ (D)
Wheat	<b>511 200</b>	<b>1 895 410</b>	604 700	2 005 000	-5,5
Malting barley	<b>84 940</b>	<b>286 380</b>	80 150	312 000	-8,2
Canola	<b>44 100</b>	<b>84 275</b>	43 510	58 800	+43,3
Total	<b>640 240</b>	<b>2 266 065</b>	728 360	2 375 800	-4,6

- The expected commercial production of wheat is 1,895 million tons, which is 5,5% less than the previous seasons' crop of 2,005 million tons, while the expected yield is 3,71 t/ha.
- The estimated production in the Western Cape is 870 400 tons (46%), in the Free State 377 000 tons (20%) and in the Northern Cape 283 500 tons (15%).
- The area estimate for wheat remained unchanged at 511 200 ha.
- The production forecast for malting barley is 286 380 tons, which is 8,2% less than the previous seasons' crop of 312 000 tons. The area planted is estimated at 84 940 ha, while the expected yield is 3,37 t/ha.
- The expected canola crop increased to 84 275 tons, which is an increase of 43,3% or 25 475 tons. The area estimate for canola is 44 100 ha, with an expected yield of 1,91 t/ha.

*Please note that the sixth production forecast for winter cereals for 2012 will be released on 24 January 2013.*

## 3. Cereal balance sheets

Supply and demand data for November 2012 was released by SAGIS on 20 December 2012. *(Preliminary information is subject to change on a monthly basis.)*

### 3.1 Winter cereals

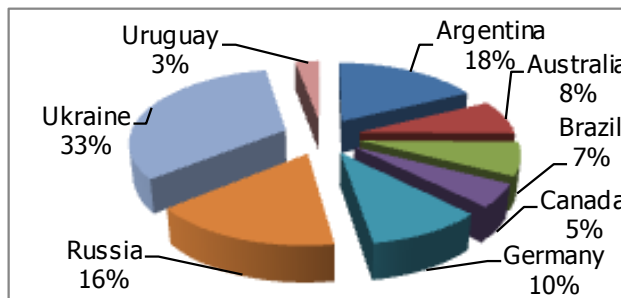
**Table 3: Supply and demand for Wheat as at 15 January 2013**

Marketing year (October to September)	2010/11	2011/12	2012/13*
Production & Calendar year	2010	2011	2012
	1 000 tons	1 000 tons	1 000 tons
<b>Supply</b>			
<b>Opening stocks: 1 October</b>	<b>579</b>	<b>478</b>	<b>651</b>
SAGIS opening stocks	579	478	651
<b>Gross production</b>	<b>1,436</b>	<b>2,014</b>	<b>1,904</b>
Commercial production	1,401	1,976	1,866
Retentions by producers	29	29	29
<b>Non-commercial</b>	<b>6</b>	<b>9</b>	<b>9</b>
<b>Total domestic supply</b>	<b>2,015</b>	<b>2,492</b>	<b>2,555</b>
Plus: Imports	1,649	1,724	1,500
<b>Total supply</b>	<b>3,664</b>	<b>4,216</b>	<b>4,055</b>
<b>Demand</b>			
<b>Commercial consumption</b>	<b>3,001</b>	<b>3,268</b>	<b>3,141</b>
Human	2,944	3,066	3,050
Animal	1	136	30
Retentions by producers	29	29	29
Seed for planting purposes	13	18	15
Other consumption (released to end con's+withdrawn by prod's+retentions)	14	19	17
<b>Non-commercial</b>	<b>6</b>	<b>9</b>	<b>9</b>
<b>Total domestic consumption</b>	<b>3,007</b>	<b>3,277</b>	<b>3,150</b>
<b>Plus: Exports</b>	<b>179</b>	<b>288</b>	<b>250</b>
Products	24	19	25
Whole grain	155	269	225
<b>Total demand</b>	<b>3,186</b>	<b>3,565</b>	<b>3,400</b>
<b>Closing stocks: 30 September</b>	<b>478</b>	<b>651</b>	<b>655</b>
<b>Pipeline requirements (80 days of human consumption)</b>	<b>645</b>	<b>672</b>	<b>668</b>
<b>Domestic shortfall / surplus</b>	<b>-1,637</b>	<b>-1,457</b>	<b>-1,263</b>
<b>Import gap</b>	<b>1,637</b>	<b>1,457</b>	<b>1,263</b>
<b>Surplus above pipeline</b>	<b>-167</b>	<b>-21</b>	<b>-13</b>

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

- The total supply of wheat for the 2012/13 marketing year is 4,055 million tons, including projected imports of 1,5 million tons, while the total demand is seen at 3,4 million tons bringing the projected closing stocks (30 September 2013) of wheat for the same year to 655 000 tons, which is 0,6% more than the 651 000 tons of the previous year.
- The progressive wheat imports from 29 September 2012 to 11 January 2013, stand at 410 271 tons, with the largest quantity (135 681 or 33%) imported from Ukraine followed by Argentina (72 379 tons or 18%), Russia (67 608 or 16%), Germany (40 997 tons or 10%), and Australia (31 258 tons or 8%).

**Graph 1: Major countries of wheat imports for South Africa: 2012/13 marketing year**



### 3.2 Summer grains

**Table 4: Supply and demand for White Maize as at 15 January 2013**

<b>Marketing Year: May – April</b>	<b>2011/12</b>	<b>2012/13*</b>	<b>2013/14*</b>
<b>Calendar Year</b>	<b>2011</b>	<b>2012*</b>	<b>2013*</b>
	<b>1 000 tons</b>	<b>1 000 tons</b>	<b>1 000 tons</b>
<b>Supply</b>			
<b>Opening Stocks: 1 May</b>	<b>1,609</b>	<b>518</b>	<b>1,044</b>
SAGIS Opening Stocks	1,609	518	1,044
<b>Gross Production</b>	<b>6,601</b>	<b>7,169</b>	<b>7,229</b>
Commercial production	6,105	6,626	6,686
Retentions by producers	100	114	114
<b>Non-commercial</b>	<b>396</b>	<b>429</b>	<b>429</b>
<b>Total Domestic Supply</b>	<b>8,210</b>	<b>7,687</b>	<b>8,273</b>
Imports	133	20	
<b>Total Supply</b>	<b>8,343</b>	<b>7,707</b>	<b>8,273</b>
<b>Demand</b>			
<b>Commercial Consumption</b>	<b>5,635</b>	<b>5,034</b>	<b>5,326</b>
Human	4,119	4,160	4,170
Animal	1,202	600	850
Gristing	53	50	50
Retentions by producers	85	98	98
Seed for planting purposes	15	16	16
Other consumption (released to end-con & withdrawn by producers)	161	110	142
<b>Non-commercial</b>	<b>396</b>	<b>429</b>	<b>429</b>
<b>Total Domestic Consumption</b>	<b>6,031</b>	<b>5,463</b>	<b>5,755</b>
<b>Exports</b>	<b>1,794</b>	<b>1,200</b>	<b>1,150</b>
Products	60	50	60
Whole grain	1,734	1,150	1,090
<b>Total Demand</b>	<b>7,825</b>	<b>6,663</b>	<b>6,905</b>
<b>Closing Stocks: 30 April</b>	<b>518</b>	<b>1,044</b>	<b>1,368</b>
<b>Pipeline Requirements</b> (45 days of human & animal consumption + gristing)	<b>663</b>	<b>593</b>	<b>625</b>
<b>Domestic Shortfall / Surplus</b>	<b>1,517</b>	<b>1,631</b>	<b>1,893</b>
<b>Surplus/ Shortage above pipeline</b>	<b>-144</b>	<b>451</b>	<b>743</b>

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

- Projected closing stocks of white maize for the current 2012/13 marketing year is 1,044 million tons, which is considerably more (101,5%) 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 1,2 million tons is 33,1% less than the 1,794 million tons of the previous year.
- From 1 May up to 11 January 2013, progressive white maize exports stand at 1,017 million tons of which 736 367 tons or 72% were exported to Mexico. The progressive white maize imports from 1 May to 11 January 2013, stand at 10 202 tons, with Zambia the main source of imports.
- Projected closing stocks of white maize for the coming 2013/14 marketing year is 1,368 million tons, which 31% more than the previous year (1,044 million tons). This increase can mainly be attributed to the expected increase in the production figure of white maize for the 2013 calendar year.





**Table 5: Supply and demand for Yellow Maize as at 15 January 2013**

<b>Marketing Year: May – April</b> <b>Calendar Year</b>	<b>2011/12</b> <b>2011</b>	<b>2012/13*</b> <b>2012*</b>	<b>2013/14*</b> <b>2013*</b>
	<b>1 000 tons</b>	<b>1 000 tons</b>	<b>1 000 tons</b>
<b>Supply</b>			
<b>Opening Stocks: 1 May</b>	<b>727</b>	<b>476</b>	<b>617</b>
SAGIS Opening Stocks	727	476	617
<b>Gross Production</b>	<b>4,777</b>	<b>5,299</b>	<b>5,600</b>
Commercial production	4,235	4,771	5,072
Retentions by producers	374	319	319
<b>Non-commercial</b>	<b>168</b>	<b>209</b>	<b>209</b>
<b>Total Domestic Supply</b>	<b>5,504</b>	<b>5,775</b>	<b>6,217</b>
Imports	288		
<b>Total Supply</b>	<b>5,792</b>	<b>5,775</b>	<b>6,217</b>
<b>Demand</b>			
<b>Commercial Consumption</b>	<b>4,367</b>	<b>4,709</b>	<b>4,622</b>
Human	393	400	364
Animal	3,160	3,550	3,440
Gristing	14	10	10
Retentions by producers	360	304	304
Seed for planting purposes	14	15	15
Other consumption (released to end-con & withdrawn by producers)	426	430	489
<b>Non-commercial</b>	<b>168</b>	<b>209</b>	<b>209</b>
<b>Total Domestic Consumption</b>	<b>4,535</b>	<b>4,918</b>	<b>4,831</b>
<b>Exports</b>	<b>781</b>	<b>240</b>	<b>400</b>
Products	69	50	50
Whole grain	712	190	350
<b>Total Demand</b>	<b>5,316</b>	<b>5,158</b>	<b>5,231</b>
<b>Closing Stocks: 30 April</b>	<b>476</b>	<b>617</b>	<b>986</b>
<b>Pipeline Requirements</b> (45 days of human & animal consumption + gristing)	<b>440</b>	<b>488</b>	<b>470</b>
<b>Domestic Shortfall / Surplus</b>	<b>529</b>	<b>369</b>	<b>916</b>
<b>Surplus/ Shortage above pipeline</b>	<b>36</b>	<b>129</b>	<b>516</b>

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

- Projected closing stocks of yellow maize for the current 2012/13 marketing year is 617 000 tons, which 29,6% more than the previous year (476 000 tons). This increase can mainly be attributed to the increase in the production figure of yellow maize, from 4,2 million tons to 4,8 million tons for the 2012 calendar year.
- From 1 May up to 11 January 2013, progressive yellow maize exports stand at 133 683 tons, with the main destinations being the BLNS countries (99 638 tons or 75%). No imports were reported for the mentioned period.
- Projected closing stocks of yellow maize for the coming 2013/14 marketing year is 986 000 tons, which 59,8% more than the previous year (617 000 tons). This increase can mainly be attributed to the expected increase in the production figure of yellow maize for the 2013 calendar year.



**Table 6: Supply and demand for Maize as at 15 January 2013**

<b>Marketing Year: May – April</b>	<b>2011/12</b>	<b>2012/13*</b>	<b>2013/14*</b>
<b>Calendar Year</b>	<b>2011</b>	<b>2012*</b>	<b>2013*</b>
	<b>1 000 tons</b>	<b>1 000 tons</b>	<b>1 000 tons</b>
<b>Supply</b>			
<b>Opening Stocks: 1 May</b>	<b>2,336</b>	<b>994</b>	<b>1,660</b>
SAGIS Opening Stocks	2,336	994	1,660
<b>Gross Production</b>	<b>11,378</b>	<b>12,468</b>	<b>12,830</b>
Commercial production	10,340	11,396	11,758
Retentions by producers	474	434	434
<b>Non-commercial</b>	<b>564</b>	<b>638</b>	<b>638</b>
<b>Total Domestic Supply</b>	<b>13,714</b>	<b>13,462</b>	<b>14,490</b>
Imports	421	20	
<b>Total Supply</b>	<b>14,135</b>	<b>13,482</b>	<b>14,490</b>
<b>Demand</b>			
<b>Commercial Consumption</b>	<b>10,002</b>	<b>9,744</b>	<b>9,949</b>
Human	4,512	4,560	4,534
Animal	4,362	4,150	4,290
Gristing	67	60	60
Retentions by producers	445	402	402
Seed for planting purposes	29	32	32
Other consumption (released to end-con & withdrawn by producers)	587	540	631
<b>Non-commercial</b>	<b>564</b>	<b>638</b>	<b>638</b>
<b>Total Domestic Consumption</b>	<b>10,566</b>	<b>10,382</b>	<b>10,587</b>
<b>Exports</b>	<b>2,575</b>	<b>1,440</b>	<b>1,550</b>
Products	129	100	110
Whole grain	2,446	1,340	1 440
<b>Total Demand</b>	<b>13,141</b>	<b>11,822</b>	<b>12,137</b>
<b>Closing Stocks: 30 April</b>	<b>994</b>	<b>1,660</b>	<b>2,353</b>
<b>Pipeline Requirements</b> (45 days of human & animal consumption + gristing)	<b>1,102</b>	<b>1,081</b>	<b>1,095</b>
<b>Domestic Shortfall / Surplus</b>	<b>2,046</b>	<b>1,999</b>	<b>2,808</b>
<b>Surplus/ Shortage above pipeline</b>	<b>-108</b>	<b>579</b>	<b>1,258</b>

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

- Projected closing stocks of maize for the current 2012/13 marketing year is 1,660 million tons, which is 16,7% more than the previous year (994 000 tons). This increase can mainly be attributed to the increase in the production figure for the 2012 calendar year.
- From 1 May up to 11 January 2013, the progressive grand total of exports is 1,151 million tons, with the largest quantity (736 367 tons or 64%) exported to Mexico followed by BLNS countries (342 622 tons or 30%), Mozambique (50 495 tons or 4%) and Korea (19 664 tons or 2%). The progressive maize imports from 1 May to 11 January 2013, stand at 10 202 tons, with Zambia being the main source of imports.
- Projected closing stocks of maize for the coming 2013/14 marketing year is 2,353 million tons, which is 41,7% more than the previous year (1,660 million tons). This increase can mainly be attributed to the expected increase in the production figure of maize as well as the increase in the opening stocks for the 2013 calendar year.



**Table 7: Supply and demand for Sorghum as at 15 January 2013**

<b>Marketing year: April - March</b>	<b>2011/12*</b>	<b>2012/13*</b>	<b>2013/14*</b>
<b>Production year</b>	<b>2010/11*</b>	<b>2011/12*</b>	<b>2011/12*</b>
<b>Calendar year</b>	<b>2011*</b>	<b>2012*</b>	<b>2013</b>
	<b>1 000 tons</b>	<b>1 000 tons</b>	<b>1 000 tons</b>
<b>Supply</b>			
<b>Opening stocks: 1 April</b>	<b>58,1</b>	<b>52,1</b>	<b>50,3</b>
SAGIS opening stocks	58,1	52,1	50,3
<b>Gross production</b>	<b>187,0</b>	<b>156,1</b>	<b>196,0</b>
Commercial production	163,7	135,5	175,4
Non-commercial	23,3	20,6	20,6
<b>Total domestic supply</b>	<b>245,1</b>	<b>208,2</b>	<b>246,3</b>
Plus: Imports	57,8	75,0	34,2
<b>Total supply</b>	<b>302,9</b>	<b>283,2</b>	<b>280,5</b>
<b>Demand</b>			
<b>Food consumption</b>	<b>182,2</b>	<b>175,3</b>	<b>174,7</b>
Malt	81,3	75,6	76,5
Meal	100,9	99,7	98,2
Brew	-	-	-
<b>Feed consumption</b>	<b>7,1</b>	<b>6,3</b>	<b>6,7</b>
Pet food	1,1	0,9	1,0
Poultry	5,5	4,9	4,9
Other feed	0,5	0,5	0,8
<b>Total commercial consumption</b>	<b>189,3</b>	<b>181,6</b>	<b>181,4</b>
<b>Other consumption</b>	<b>11,1</b>	<b>10,1</b>	<b>10,5</b>
<b>Balancing item</b>	<b>1,9</b>	<b>1,0</b>	<b>1,0</b>
<b>Non-commercial</b>	<b>23,3</b>	<b>20,6</b>	<b>20,6</b>
<b>Total domestic consumption</b>	<b>225,6</b>	<b>213,3</b>	<b>213,5</b>
<b>Plus: Exports</b>	<b>25,2</b>	<b>19,8</b>	<b>19,1</b>
Exports through border posts	21,4	16,4	15,8
Exports through harbours	-	-	-
Products to African countries	3,8	3,5	3,4
<b>Total demand</b>	<b>250,8</b>	<b>233,1</b>	<b>232,6</b>
<b>Closing stocks</b>	<b>52,1</b>	<b>50,1</b>	<b>47,9</b>
<b>Pipeline Requirements</b> (45 days of human & animal consumption + gristing)	<b>23,3</b>	<b>22,4</b>	<b>22,4</b>
<b>Domestic surplus / deficit</b>	<b>-3,8</b>	<b>-27,5</b>	<b>10,4</b>
<b>Import gap</b>	<b>3,8</b>	<b>27,5</b>	<b>-10,4</b>
<b>Surplus/ Shortage above pipeline</b>	<b>28,8</b>	<b>27,7</b>	<b>25,5</b>

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

- The expected closing stocks of sorghum for the current 2012/13 marketing year show a surplus of 50 100 tons, which is 3,8% less than the previous year (52 100 tons) and can be attributed to the higher projected imports figure for 2012. Imports of sorghum for the mentioned year are projected at 75 000 tons, which is 29,8% more than the 57 800 tons of the previous year.
- The projected production of sorghum for the 2013/14 marketing year is estimated at 175 400 tons, when applying an average yield of 2,71 t/ha to the area planted of 64 650 ha. The total supply is projected at 280 500 tons, including imports of 34 200 tons.
- The projected closing stocks of sorghum for the coming 2013/14 marketing year is 47 900 tons, which is 4,4% less than the previous year (50 100 tons). This decrease can mainly be attributed to the expected decrease in the import figure for the 2013 calendar year.

## 4. Market information

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### 4.1 Consumer Price Index (CPI)

- The headline CPI (for all urban areas) annual inflation rate in November 2012 was 5,6%. This rate remained unchanged from the corresponding annual rate of 5,6% in October 2012. On average, prices increased by 0,2% between October 2012 and November 2012.
- The food and non-alcoholic beverages index increased by 1,2% between October 2012 and November 2012. The annual rate increased to 7,0% in November 2012 from 6,3% in October 2012. The following components in the food and non-alcoholic beverages index increased: Fruit (3,7%), vegetables (3,2%), meat (1,1%), other food (1,1%), cold beverages (1,1%), bread and cereals (1,0%), fish (0,9%), oils and fats (0,8%), sugar, sweets and desserts (0,6%) and milk, eggs and cheese (0,2%). The following component decreased: Hot beverages (-0,4%).
- The household contents and services index was unchanged between October 2012 and November 2012. The annual rate increased to 3,1% in November 2012 from 2,8% in October 2012.
- The transport index decreased by 0,2% between October 2012 and November 2012, mainly due to a 10c/litre decrease in the price of petrol. The annual rate decreased to 5,5% in November 2012 from 6,1% in October 2012.
- The miscellaneous goods and services index was unchanged between October 2012 and November 2012. The annual rate increased to 5,4% in November 2012 from 5,3% in October 2012.
- The provinces with an annual inflation rate lower than or equal to headline inflation were Eastern Cape (5,6%), Free State (5,5%), Gauteng (5,5%) and Western Cape (5,4%). The provinces with an annual inflation rate higher than headline inflation were North West (6,6%), Mpumalanga (6,2%), Limpopo (6,1%), Northern Cape (6,0%) and KwaZulu-Natal (5,9%).

### 4.2 Producer Price Index (PPI)

- The Producer Price Index (PPI) for domestic output shows an annual rate of change of 5,2% in November 2012 (i.e. the PPI in November 2012 compared with November 2011). This rate is the same as the corresponding annual rate of 5,2% in October 2012.
- The most notable increases in annual rates between October and November, based on changes in contribution to the annual rate for All groups, were as follows:
  - Mining and quarrying: The annual rate increased from 3,0% in October 2012 to 3,9% in November 2012; and
  - Transport: The annual rate increased from -0,3% in October 2012 to 1,7% in November 2012.
- These increases were counteracted by decreases in the annual rate of change for:
  - Products of petroleum and coal: The annual rate decreased from 10,5% in October 2012 to 8,0% in November 2012;
  - Chemicals and chemical products: The annual rate decreased from 6,4% in October 2012 to 4,9% in November 2012;
  - Non-metallic mineral products: The annual rate decreased from 7,6% in October 2012 to 7,3% in November 2012;
  - Metal products: The annual rate decreased from 5,0% in October 2012 to 4,5% in November 2012; and
  - Non-electrical machinery and equipment: The annual rate decreased from 2,4% in October 2012 to 2,2% in November 2012.
- From October 2012 to November 2012 the PPI for domestic output increased by 0,3%.
- The monthly increase of 0,3% in the PPI for domestic output was mainly due to monthly contributions from increases in the price indices of agriculture (0,1%), mining and quarrying (0,1%), products of petroleum and coal (0,1%) and basic metals (0,1%). These increases were partially counteracted by a decrease in the price index of electricity (-0,1%).

### 4.3 FAO Food Price Index

- The FAO Food Price Index is a measure of the monthly change in international prices of a basket of food commodities. The FAO Food Commodity Price Indices show changes in monthly international prices of major food commodities.



- The FAO Food Price Index averaged 209 in December 2012, down 2 points (1,1%) from November and the lowest since June 2012, when the Index stood at 200. The decline in December 2012 was led by decreases in the international prices of major cereals and oils/fats. For 2012 as a whole, the Index averaged 212, which is 7% less than in 2011, with the sharpest declines registered by sugar (17,1%), dairy products (14,5%) and oils (10,7 %). The 2012 price falls were much more modest for cereals (2,4%) and meat (1,1%).
- The FAO Cereal Price Index averaged 250 in December, down 6 points (2,3%) from November. In 2012, the index averaged 241, or 2,4% below 2011. After surging over the July to September 2012 period, on production uncertainties and tightening supplies, cereal export quotations dropped because of a weaker demand for feed and industrial uses. In December 2012, maize prices fell sharply, as large export supplies in South America relieved pressure from tight availabilities in the United States. Rice prices also dipped in December, on expectation of good harvests, but wheat values changed little under subdued trade activity.

#### 4.4 Future contract prices and the exchange rate

**Table 8: Closing prices on Monday, 14 January 2013**

	14 January 2012	14 December 2012	% Change
<b>RSA White Maize per ton (Jan. contract)</b>	R2 161,00	R2 297,00	-5,9
<b>RSA Yellow Maize per ton (Jan. contract)</b>	R2 236,00	R2 385,00	-6,2
<b>RSA Wheat per ton (Jan. contract)</b>	R3 482,00	R3 558,00	-2,1
<b>RSA Sunflower seed per ton (Jan. contract)</b>	R5 210,00	R6 085,00	-14,4
<b>RSA Soya-beans per ton (Jan. contract)</b>	R5 190,00	R5 375,00	-3,4
<b>Exchange rate R/\$</b>	R8,69	R8,67	+0,2

Source: SAFEX

#### 4.5 Agricultural machinery sales

- December tractor sales of 334 units were 31,6% lower than the 488 units reported in December 2011 . Overall tractor sales of 7 899 units for the 2012 calendar year were 7,0% up on the 7 379 units sold in 2011. December combine harvester sales of 11 units were sharply up on the 4 units sold in December 2011. Combine harvester sales of 343 units for the 2012 calendar year were almost 32% up on 2011.
- Despite the lower December tractor sales, the market for agricultural machinery continues to be very buoyant, with market fundamentals still looking good. The two years 2011 and 2012 had significantly above-average sales of both tractors and combine harvesters.
- Follow-up rains are required within the next few weeks to ensure that summer crops realise the potential which they are now showing. Commodity prices are holding up well and with local and international grain stocks at relatively low levels, it is likely that current grain prices will be sustained. Farmers are cautiously optimistic, but remain dependent on weather conditions over the next few weeks.

**Table 9: Agricultural machinery sales**

Equipment class	Year-on-year		Percentage Change %	Year-to-date		Percentage Change %
	December			December		
	2012	2011		2012	2011	
Tractors	334	488	-31,6	7 899	7 379	7,0
Combine harvesters	11	4	175,0	343	260	31,9

Source: SAAMA press release, January 2013



## 5. Acknowledgements

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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