

# MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: FEBRUARY 2012

**Issued: 8 March 2012**

**Directorate: Statistics and Economic Analysis**

## **Highlights:**

- Rainfall occurrences over the summer rainfall region for February 2012 were limited to between 25 to 50 mm over most of the central, as well as the eastern parts of the country.
- The expected production of wheat is 1,905 million tons, which is 33% more than the previous seasons' crop of 1,43 million tons.
- The projected closing stocks of wheat for the current 2011/12 marketing year is 583 000 tons, which includes imports of 1,5 million tons.
- The revised area estimate for maize is 2,682 million ha, which is 13% more than the 2,372 million ha planted for the previous season.
- The expected commercial maize crop is 11,705 million tons, which is 13% more than the 10,360 million tons of the previous season.
- The projected closing stocks of maize for the current 2011/12 marketing year is 473 000 tons, which is 79,8% less than the previous years' closing stock of 2,336 million tons.
- The projected closing stocks of maize for the coming 2012/13 marketing year is 1,007 million tons, which 112,9% more than the previous year.
- The headline CPI (for all urban areas) annual inflation rate in January 2012 was higher at 6,3%.
- The annual percentage change in the PPI was lower at 8,9% in January 2012.
- The seasonally adjusted real Gross Domestic Product (GDP) at market prices for the fourth quarter of 2011 increased by an annualised rate of 3,2% compared with an increase of 1,7% in the third quarter.
- February 2012 tractor sales of 800 units were 26% higher than the sales of 633 units reported in February 2011.



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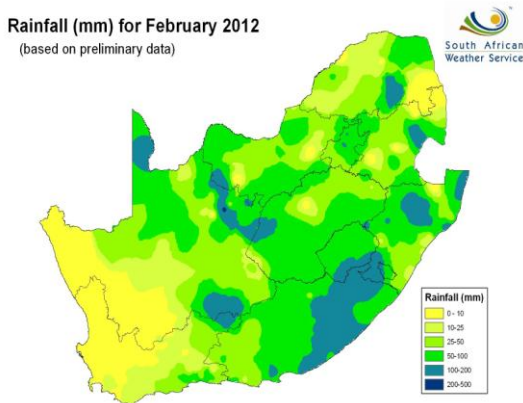
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# 1. Weather conditions

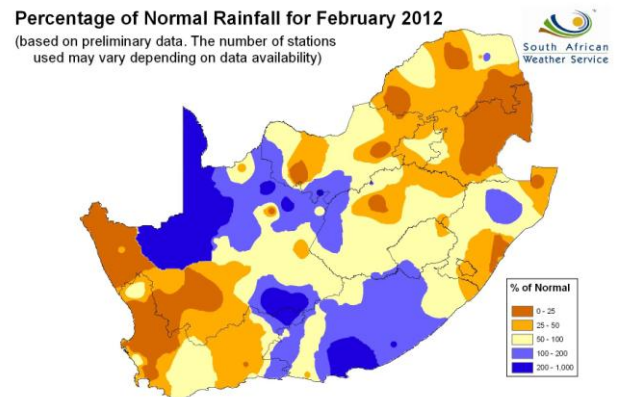
## 1.1 Rainfall for February 2012

Rainfall occurrences over the summer rainfall region for February 2012 were limited to between 25 to 50 mm over most of the central, as well as the eastern parts of the country. The western parts recorded less than 10 mm of rainfall for the mentioned period (Figure 1). Comparing the rainfall totals for February with the long term average, near normal to above-normal rainfall was received over most of the central interior with both the western and eastern parts of the country receiving below-normal rainfall (Figure 2)

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



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



## 1.2 Level of dams

Available information on the level of South Africa's dams on 5 March 2012 indicates that the country has approximately 85% of its full supply capacity (FSC) available, which is 8% 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, 5 March 2012**

Province	Net FSC million cubic meters	5/3/2012 (%)	Last Year (%)
<b>Eastern Cape</b>	1 836	<b>84</b>	70
<b>Free State</b>	15 968	<b>89</b>	100
<b>Gauteng</b>	115	<b>96</b>	101
<b>KwaZulu-Natal</b>	4 530	<b>79</b>	87
<b>Lesotho*</b>	2 376	<b>81</b>	98
<b>Limpopo</b>	1 159	<b>83</b>	86
<b>Mpumalanga</b>	2 520	<b>93</b>	100
<b>North West</b>	808	<b>83</b>	89
<b>Northern Cape</b>	146	<b>95</b>	108
<b>Western Cape</b>	1 851	<b>53</b>	56
<b>Total</b>	<b>31 309</b>	<b>85</b>	<b>93</b>

Source: Department of Water Affairs

## 2. Grain production

### 2.1 Summer grain crops

The CEC released the revised area and first production forecast for summer crops for 2012 for commercial summer crops on 28 February 2012.

**Table 2: summer Crops: Area planted and first production forecast for 2012**

CROP	Area planted 2012 Ha (A)	1st forecast 2012 Tons (B)	Area planted 2011 Ha (C)	Final crop 2011 Tons (D)	Change % (B) ÷ (D)
<b>Commercial:</b>					
White maize	1 632 200	<b>6 803 700</b>	1 418 300	6 052 000	+12,42
Yellow maize	1 050 000	<b>4 901 650</b>	954 000	4 308 000	+13,78
Maize	2 682 200	<b>11 705 350</b>	2 372 300	10 360 000	+12,99
Sunflower seed	443 300	<b>540 820</b>	642 700	860 000	-37,11
Soya-beans	472 000	<b>755 950</b>	418 000	710 000	+6,47
Groundnuts	45 450	<b>67 165</b>	55 150	64 250	+4,54
Sorghum	48 550	<b>145 150</b>	69 200	155 000	-6,35
Dry beans	39 750	<b>50 530</b>	41 900	41 980	+20,37
<b>TOTAL</b>	<b>3 731 250</b>	<b>13 264 965</b>	<b>3 599 250</b>	<b>12 191 230</b>	<b>+8,81</b>

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

- The revised area estimate for maize is 2,682 million ha, which is 13,06% or 309 900 ha more than the 2,372 million ha planted for the previous season. The expected commercial maize crop is 11,705 million tons, which is 12,99% more than the 10,360 million tons of the previous season. The expected yield is 4,36 t/ha as against 4,37 t/ha of the previous season.
- The area estimate for white maize is 1,632 million ha, which represents an increase of 15,08% or 213 900 ha compared to the 1,418 million ha planted last season. In the case of yellow maize the area estimate is 1,050 million ha, which is 10,06% or 96 000 ha more than the 954 000 ha planted last season.
- The production forecast of white maize is 6,804 million tons, which is 12,42% more than the 6,052 million tons of last season. The yield for white maize is 4,17 t/ha as against 4,27 t/ha the previous season. In the case of yellow maize the production forecast is 4,902 million tons, which is 13,78% more than the 4,308 million tons of last season. The yield for yellow maize is 4,67 t/ha as against 4,52 t/ha the previous season. The main reason for the higher yield for yellow maize as against the previous season, is the larger area planted under irrigation.
- The revised area estimate for sunflower seed is 443 300 ha, which is 31,03% less than the 642 700 ha planted the previous season. The production forecast for sunflower seed is 540 820 tons, which is 37,11% less than the 860 000 tons of the previous season. The expected yield is 1,22 t/ha as against 1,34 t/ha of the previous season.
- It is estimated that 472 000 ha have been planted to soya-beans, which represents an increase of 12,92% compared to the 418 000 ha planted last season. The production forecast for soya-beans is 755 950 tons, which is 6,47% more than the 710 000 tons of the previous season. The expected yield is 1,60 t/ha as against 1,70 t/ha last season.

- For groundnuts, the area estimate is 45 450 ha, which is 17,59% less than the 55 150 ha planted for the previous season. The expected groundnut crop is 67 165 tons, which is 4,54% more than the 64 250 tons of last season. The expected yield is 1,48 t/ha as against 1,17 t/ha last season.
- The area estimate for sorghum decreased by 29,84%, from 69 200 ha to 48 550 ha against the previous season. The production forecast for sorghum is 145 150 tons, which is 6,35% lower than the 155 000 tons of the previous season. The expected yield is 2,99 t/ha as against 2,24 t/ha of the previous season.
- For dry beans, the area estimate is 39 750 ha, which is 5,13% less than the 41 900 ha planted for the previous season. In the case of dry beans the production forecast is 50 530 tons, which is 20,37% more than the 41 980 tons of the previous season. The expected yield is 1,27 t/ha as against 1,00 t/ha of the previous season.

*Please note that the second production forecast for summer field crops for 2012 will be released on 27 March 2012.*

## 2.2 Winter cereal crops

The final production estimate for winter cereals for the 2011 production season was released by the Crop Estimates Committee (CEC) on 28 February 2012, and is as follows:

**Table 3: Commercial winter crops: Area planted and final production estimate for the 2011 production season**

CROP	Area planted Ha (A)	Final estimate 2011 Tons (B)	Area planted 2010 Ha (D)	Final crop 2010 Tons (E)	Change % (B) ÷ (C)
Commercial:					
Wheat	604 700	<b>1 905 280</b>	558 100	1 430 000	+33,24
Malting barley	80 150	<b>309 000</b>	82 670	194 000	+59,28
Canola	43 510	<b>59 490</b>	34 820	36 900	+61,22
Total	728 360	<b>2 273 770</b>	675 590	1 660 900	+36,90

- The area estimate for **wheat** is 604 700 ha, which is 8,3% more than the 558 100 ha planted for the previous season. An estimated 265 000 ha or 44% is planted in the Western Cape, 225 000 ha or 37% in the Free State and 42 000 ha or 7% in the Northern Cape.
- The expected production of **wheat** is 1,905 million tons, which is 33,24% more than the previous seasons' crop of 1,43 million tons. The expected yield is 3,15 t/ha as against 2,56 t/ha of the previous season.
- The production forecast for **malting barley** is 309 000 tons, which is 59,28% more than the previous' seasons' crop of 194 000 tons. The area planted is estimated at 80 150 ha, which is 3,0% less than the 82 670 ha planted for the previous season. The expected yield is 3,86 t/ha as against the 2,35 t/ha of the previous season.
- The expected **canola** crop is 59 490 tons, which is 61,2% more than the previous seasons' crop of 36 900 tons – the highest crop ever produced in SA. The area estimate for canola is 43 510 ha, which is 25% more than the 34 820 ha planted for the previous season. The expected yield is 1,37 t/ha as against 1,06 t/ha.

*Please note that the intentions to plant winter cereals for 2012 will be released on 24 April 2012.*

## 3. Cereal balance sheets

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

### 3.1 Winter cereals

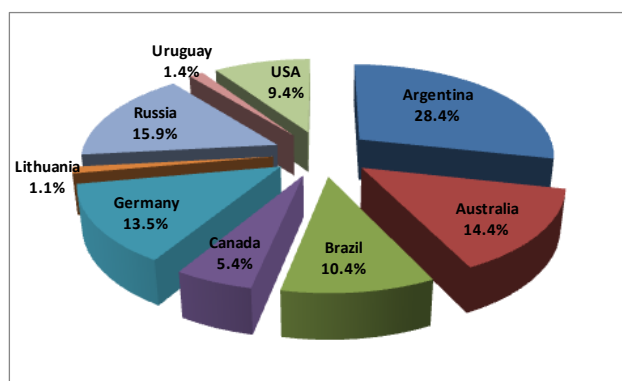
**Table 4: Supply and demand for Wheat as at 7 March 2012**

<b>Marketing year (October to September)</b>	<b>2009/10</b>	<b>2010/11*</b>	<b>2011/12*</b>
<b>Production &amp; Calendar year</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>
<b>Supply</b>	<b>1 000 tons</b>	<b>1 000 tons</b>	<b>1 000 tons</b>
<b>Opening stocks: 1 October</b>	<b>694</b>	<b>579</b>	<b>478</b>
SAGIS opening stocks	694	579	478
<b>Gross production</b>	<b>1 967</b>	<b>1 436</b>	<b>1 913</b>
Commercial production	1 916	1 401	1 876
Retentions by producers	42	29	29
<b>Non-commercial</b>	<b>9</b>	<b>6</b>	<b>8</b>
<b>Total domestic supply</b>	<b>2 661</b>	<b>2 015</b>	<b>2 391</b>
Plus: Imports	1 285	1 649	1 500
<b>Total supply</b>	<b>3 946</b>	<b>3 664</b>	<b>3 891</b>
<b>Demand</b>			
<b>Commercial consumption</b>	<b>3 118</b>	<b>3 001</b>	<b>3 024</b>
Human	2 991	2 944	2 910
Animal	26	1	45
Retentions by producers	42	29	29
Seed for planting purposes	17	13	18
Other consumption (released to end con's+withdrawn by prod's+retentions)	42	14	22
<b>Non-commercial</b>	<b>9</b>	<b>6</b>	<b>8</b>
<b>Total domestic consumption</b>	<b>3 127</b>	<b>3 007</b>	<b>3 032</b>
<b>Plus: Exports</b>	<b>240</b>	<b>179</b>	<b>276</b>
Products	35	24	18
Whole grain	205	155	258
<b>Total demand</b>	<b>3 367</b>	<b>3 186</b>	<b>3 308</b>
<b>Closing stocks: 30 September</b>	<b>579</b>	<b>478</b>	<b>583</b>
<b>Pipeline requirements</b> (80 days of human consumption)	<b>656</b>	<b>645</b>	<b>638</b>
<b>Domestic shortfall / surplus</b>	<b>-1 122</b>	<b>-1 637</b>	<b>-1 279</b>
<b>Import gap</b>	<b>1 122</b>	<b>1 637</b>	<b>1 279</b>
<b>Surplus above pipeline</b>	<b>-77</b>	<b>-167</b>	<b>-55</b>

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

- The projected closing stocks (30 September 2012) of wheat for the 2011/12 marketing year is 583 000 tons, which is 22% more than the previous year (478 000 tons). It is also 10,4% more than the five year average of 528 000 tons. The increase can mainly be attributed to the larger expected wheat crop for the current 2011/12 marketing year.
- The progressive wheat imports from 1 October 2011 to 2 March 2012, stand at 785 304 tons, with the largest quantity (223 359 or 28,4%) imported from Argentina followed by Russia (124 938 tons or 15,9%), Australia (112 847 tons or 14,4%) and Germany (105 964 or 13,5%). There were also wheat exports from South Africa to the BLNS countries. Progressive exports to the BLNS countries, Zambia, Zimbabwe and Mozambique stand at 133 386 tons.

**Graph1: Major countries of wheat imports for South Africa: 2011/12 marketing year**



### 3.2 Summer grains

**Table 5: Supply and demand for White Maize as at 7 March 2012**

<b>Marketing Year: May – April</b>	<b>2010/11</b>	<b>2011/12*</b>	<b>2012/13*</b>
<b>Calendar Year</b>	<b>2010</b>	<b>2011*</b>	<b>2012*</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>1 362</b>	<b>1 609</b>	<b>367</b>
SAGIS Opening Stocks	1 362	1 609	367
<b>Gross Production</b>	<b>8 164</b>	<b>6 448</b>	<b>7 200</b>
Commercial production	7 623	5 952	6 704
Retentions by producers	119	100	100
<b>Non-commercial</b>	<b>422</b>	<b>396</b>	<b>396</b>
<b>Total Domestic Supply</b>	<b>9 526</b>	<b>8 057</b>	<b>7 567</b>
Imports	-	100	15
<b>Total Supply</b>	<b>9 526</b>	<b>8 157</b>	<b>7 582</b>
<b>Demand</b>			
<b>Commercial Consumption</b>	<b>6 371</b>	<b>5 675</b>	<b>5 619</b>
Human	4 159	4 150	4 313
Animal	1 658	1 200	976
Gristing	56	55	60
Retentions by producers	102	85	85
Seed for planting purposes	16	15	15
Other consumption (released to end-con & withdrawn by producers)	379	170	170
<b>Non-commercial</b>	<b>422</b>	<b>396</b>	<b>396</b>
<b>Total Domestic Consumption</b>	<b>6 793</b>	<b>6 071</b>	<b>6 015</b>
<b>Exports</b>	<b>1 124</b>	<b>1 720</b>	<b>1 000</b>
Products	75	70	70
Whole grain	1 049	1 650	930
<b>Total Demand</b>	<b>7 917</b>	<b>7 790</b>	<b>7 015</b>
<b>Closing Stocks: 30 April</b>	<b>1 609</b>	<b>367</b>	<b>567</b>
<b>Pipeline Requirements</b> (45 days of human & animal consumption + gristing)	<b>724</b>	<b>666</b>	<b>660</b>
<b>Domestic Shortfall / Surplus</b>	<b>2 009</b>	<b>1 320</b>	<b>892</b>
<b>Surplus/ Shortage above pipeline</b>	<b>885</b>	<b>-299</b>	<b>-93</b>

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

- Projected closing stocks of white maize for the current 2011/12 marketing year is 367 000 tons, which is the lowest total recorded since the 294 000 tons in the 1995/96 marketing year. It is also 77,2% less than the previous year (1,609 million tons). This decrease can mainly be attributed to the lower production figure of white maize during the 2011 calendar year as well as an increase in exports. The tight stock situation has resulted in imports (74 724 tons) from Zambia.
- Projected closing stocks of white maize for the coming 2012/13 marketing year is 567 000 tons, which 54,5% more than the previous year (367 000 tons). This increase can mainly be attributed to the expected increase in the production figure of white maize for the 2012 calendar year.

**Table 6: Supply and demand for Yellow Maize as at 7 March 2012**

<b>Marketing Year: May - April</b>	<b>2010/11</b>	<b>2011/12*</b>	<b>2012/13*</b>
<b>Calendar Year</b>	<b>2010</b>	<b>2011*</b>	<b>2012*</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>769</b>	<b>727</b>	<b>107</b>
SAGIS Opening Stocks	769	727	107
<b>Gross Production</b>	<b>5 133</b>	<b>4 476</b>	<b>5 070</b>
Commercial production	4 541	3 934	4 528
Retentions by producers	408	374	374
<b>Non-commercial</b>	<b>184</b>	<b>168</b>	<b>168</b>
<b>Total Domestic Supply</b>	<b>5 903</b>	<b>5 204</b>	<b>5 177</b>
Imports	-	250	300
<b>Total Supply</b>	<b>5 903</b>	<b>5 454</b>	<b>5 477</b>
<b>Demand</b>			
<b>Commercial Consumption</b>	<b>3 924</b>	<b>4 388</b>	<b>4 409</b>
Human	356	400	380
Animal	2 613	3 200	3 300
Gristing	17	15	15
Retentions by producers	394	360	360
Seed for planting purposes	14	14	14
Other consumption (released to end-con & withdrawn by producers)	530	400	340
<b>Non-commercial</b>	<b>184</b>	<b>168</b>	<b>168</b>
<b>Total Domestic Consumption</b>	<b>4 108</b>	<b>4 557</b>	<b>4 577</b>
<b>Exports</b>	<b>1 068</b>	<b>790</b>	<b>460</b>
Products	51	70	60
Whole grain	1 017	720	400
<b>Total Demand</b>	<b>5 176</b>	<b>5 346</b>	<b>5 037</b>
<b>Closing Stocks: 30 April</b>	<b>727</b>	<b>107</b>	<b>441</b>
<b>Pipeline Requirements</b> (45 days of human & animal consumption + gristing)	<b>368</b>	<b>446</b>	<b>456</b>
<b>Domestic Shortfall / Surplus</b>	<b>1 427</b>	<b>201</b>	<b>145</b>
<b>Surplus/ Shortage above pipeline</b>	<b>359</b>	<b>-338</b>	<b>-15</b>

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

- Projected closing stocks of yellow maize for the current 2011/12 marketing year is 107 000 tons, which is the lowest total recorded since the 124 000 tons in the 1992/93 marketing year. It is also 85,3% less than closing stocks of 727 000 tons for the 2010/11 marketing year. This decrease can mainly be attributed to the lower





yellow maize crop for the 2011 calendar year. The tight stock situation has already resulted in imports from (92 266 tons) Romania and (58 234 tons) Ukraine, bringing the total to 150 500 tons.

- Projected closing stocks of yellow maize for the coming 2012/13 marketing year is 441 000 tons, which 312,1% more than the previous year (107 000). This increase can mainly be attributed to the expected increase in the production figure of yellow maize, as well as an increase in expected imports for the 2012 calendar year.

**Table 7: Supply and demand for Maize as at 7 March 2012**

<b>Marketing Year: May - April</b>	<b>2010/11</b>	<b>2011/12*</b>	<b>2012/13*</b>
<b>Calendar Year</b>	<b>2010</b>	<b>2011*</b>	<b>2012*</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>2,131</b>	<b>2,336</b>	<b>474</b>
SAGIS Opening Stocks	2,131	2,336	474
<b>Gross Production</b>	<b>13 297</b>	<b>10 924</b>	<b>12 270</b>
Commercial production	12 165	9 886	11 232
Retentions by producers	527	474	474
<b>Non-commercial</b>	<b>606</b>	<b>564</b>	<b>564</b>
<b>Total Domestic Supply</b>	<b>15 429</b>	<b>13 261</b>	<b>12 744</b>
Imports	-	350	315
<b>Total Supply</b>	<b>15 429</b>	<b>13 611</b>	<b>13 059</b>
<b>Demand</b>			
<b>Commercial Consumption</b>	<b>10 295</b>	<b>10 063</b>	<b>10 028</b>
Human	4 515	4 550	4 693
Animal	4 271	4 400	4 276
Gristing	73	70	75
Retentions by producers	497	445	445
Seed for planting purposes	30	29	29
Other consumption (released to end-con & withdrawn by producers)	909	569	509
<b>Non-commercial</b>	<b>606</b>	<b>564</b>	<b>564</b>
<b>Total Domestic Consumption</b>	<b>10 901</b>	<b>10 627</b>	<b>10 592</b>
<b>Exports</b>	<b>2 192</b>	<b>2 510</b>	<b>1 460</b>
Products	126	140	130
Whole grain	2 066	2 370	1 330
<b>Total Demand</b>	<b>13 092</b>	<b>13 137</b>	<b>12 052</b>
<b>Closing Stocks: 30 April</b>	<b>2 336</b>	<b>473</b>	<b>1 007</b>
<b>Pipeline Requirements</b> (45 days of human & animal consumption + gristing)	<b>1 092</b>	<b>1 112</b>	<b>1 115</b>
<b>Domestic Shortfall / Surplus</b>	<b>3 436</b>	<b>1 522</b>	<b>1 037</b>
<b>Surplus/ Shortage above pipeline</b>	<b>1 244</b>	<b>-639</b>	<b>-108</b>

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

- The projected closing stocks of maize for the current 2011/12 marketing year is 473 000 tons, which is 79,8% less than the previous years' closing stock of 2,336 million tons. The pipeline requirements of 1,1 million tons of maize and the shortage above pipeline requirements of 639 000 tons, puts South Africa in a tight stock situation at the end of the marketing year in April 2012.
- Projected closing stocks of maize for the coming 2012/13 marketing year is 1,007 million tons, which 112,9% more than the previous year (473 000 tons). This increase can mainly be attributed to the expected increase in the production figure of total maize for the 2012 calendar year.

- From 1 May 2011 up to 2 March 2012, the progressive white and yellow maize exports stand at 1,598 million tons and 697 719 tons, respectively. Thus, this brings the progressive grand total of exports to 2,296 million tons.

**Table 8: Supply and demand for Sorghum as at 7 March 2012**

<b>Marketing year: April – March</b>	<b>2010/11</b>	<b>2011/12*</b>	<b>2012/13*</b>
<b>Calendar year</b>	<b>2010</b>	<b>2011*</b>	<b>2012*</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>93,2</b>	<b>58,1</b>	<b>34,0</b>
SAGIS opening stocks	93,2	58,1	34,0
<b>Gross production</b>	<b>226,0</b>	<b>181,0</b>	<b>168,4</b>
Commercial production	196,5	155,0	145,2
Non-commercial	29,5	23,3	23,3
<b>Total domestic supply</b>	<b>319,2</b>	<b>236,4</b>	<b>202,4</b>
Plus: Imports	-	55,0	80,0
<b>Total supply</b>	<b>319,2</b>	<b>291,4</b>	<b>282,4</b>
<b>Demand</b>			
<b>Food consumption</b>	<b>181,8</b>	<b>184,7</b>	<b>183,7</b>
Malt	79,2	83,6	83,6
Meal	102,6	101,0	101,0
Brew	-	-	-
<b>Feed consumption</b>	<b>8,6</b>	<b>9,9</b>	<b>9,9</b>
Pet food	1,1	1,2	1,2
Poultry	4,8	5,8	5,8
Other feed	2,7	3,0	3,0
<b>Total commercial consumption</b>	<b>190,4</b>	<b>194,6</b>	<b>194,6</b>
<b>Other consumption</b>	<b>13,4</b>	<b>13,4</b>	<b>13,4</b>
<b>Balancing item</b>	<b>3,6</b>		<b>-13,9</b>
<b>Non-commercial</b>	<b>29,5</b>	<b>23,3</b>	<b>23,3</b>
<b>Total domestic consumption</b>	<b>236,9</b>	<b>231,3</b>	<b>217,4</b>
<b>Plus: Exports</b>	<b>24,2</b>	<b>26,0</b>	<b>22,0</b>
Exports through border posts	20,3	22,2	18,2
Exports through harbours	0,6	-	-
Products to African countries	3,3	3,8	3,8
<b>Total demand</b>	<b>261,1</b>	<b>257,3</b>	<b>239,4</b>
<b>Closing stocks</b>	<b>58,1</b>	<b>34,0</b>	<b>43,0</b>
<b>Pipeline Requirements</b> (45 days of human & animal consumption + gristing)	<b>23,5</b>	<b>24,0</b>	<b>24,0</b>
<b>Domestic surplus / deficit</b>	<b>58,8</b>	<b>-18,9</b>	<b>-38,9</b>
<b>Import gap</b>	<b>-</b>	<b>18,9</b>	<b>38,9</b>
<b>Surplus/ Shortage above pipeline</b>	<b>34,6</b>	<b>10,0</b>	<b>19,0</b>

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

- The projected closing stocks of sorghum for the current 2011/12 marketing year show a surplus of 34 000 tons, which is the lowest since the 25 200 tons recorded in the 2001/02 marketing year. It is also 41,5% less than the previous years' closing stock of 58 100 tons, as well as 48,8% less than the five year average of 66 400 tons. This considerable decrease in closing stocks can mainly be attributed to the small carry-over stock of the

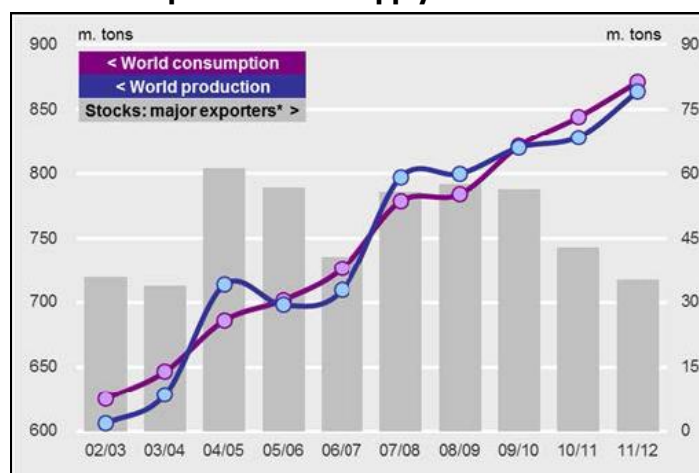


previous marketing year, as well as the lower production figure for 2011. The projected closing stocks of sorghum for the coming 2012/13 marketing year show a surplus of 43 000 tons, which is 26,5% more than the previous year (34 000 tons) and can be attributed to an increase in the expected imports for 2012.

### 3.3 International maize and wheat outlook for 2011/12

- Maize:** Maize production in 2011/12 is expected to increase by 4%, to a record 864 million tons. The US crop, while disappointing, was slightly above-average, and bumper harvests were collected in China, Ukraine and the EU. A severe drought has reduced yield prospects in South America, especially in Argentina, but Brazil remains on track to produce a record crop. Improved supplies in some countries are boosting consumption, with overall use forecasted at a record high. Feed use of maize is expected to increase at a faster than average pace but, with US ethanol production likely to decline slightly, the increase in industrial demand will be below trend. With demand outpacing the increase in supplies, ending stocks are forecasted to tighten further, including in the US. Amid solid buying by a number of importers, world trade is forecasted to rise to a four-year high.

**Graph2: Maize - Supply and demand**

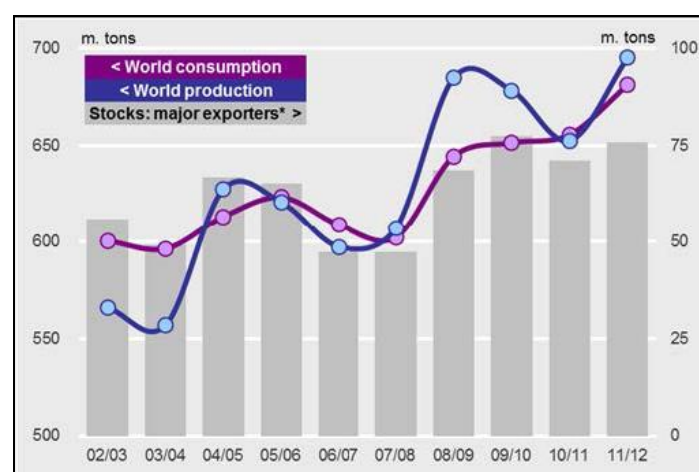


\*Argentina, Brazil, India, Ukraine, United States

Source: IGC Grain Market Report, February 2012

- Wheat:** A further increase in the global wheat production estimate for 2011/12, to 695 million tons (653 million), boosted total availabilities to 892 million tons, the highest ever. Projected food and industrial consumption were both revised lower during February 2012, but attractive prices, particularly compared with maize, lifted the forecast of feed use by 2 million tons, to 131 million tons (115 million), the most since the early 1990s. A strong demand for wheat as feed is reflected in the global trade figure, assisting to lift total wheat trade to match the 2008/09 peak, at 136,8 million tons (125,7 million). Although total consumption is growing at a faster than average pace, world stocks are projected to rise to 211 million tons (196 million), eclipsing the previous record in 1999/00.

**Graph3: Wheat - Supply and demand**



\*Argentina, Australia, Canada, EU, Kazakhstan, Russia, Ukraine, United States

Source: IGC Grain Market Report, February 2012

## 4. Market information

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### 4.1 Consumer Price Index (CPI)

- The headline CPI (for all urban areas) annual inflation rate in January 2012 was 6,3%. This rate is 0,2% higher than the corresponding annual rate of 6,1% in December 2011. On average, prices increased by 0,6% between December 2011 and January 2012.
- The food and non-alcoholic beverages index increased by 1,5% between December 2011 and January 2012. The annual rate decreased to 10,3% in January 2012 from 11,1% in December 2011. The following components in the food and non-alcoholic beverages index increased: Fruit (4,6%), fish (2,6%), other food (2,6%), sugar, sweets and desserts (2,2%), meat (1,8%), cold beverages (1,7%), oils and fats (1,5%), hot beverages (1,2%), bread and cereals (0,8%), milk, eggs and cheese (0,8%) and vegetables (0,3%).
- The housing and utilities index increased by 0,1% between December 2011 and January 2012. The annual rate increased to 6,6% in January 2012 from 6,5% in December 2011.
- The miscellaneous goods and services index increased by 1,2% between December 2011 and January 2012, mainly due to a 1,4% increase in insurance and a 2,8% increase in financial services. The annual rate increased to 5,7% in January 2012 from 4,9% in December 2011.
- The provinces with an annual inflation rate lower than or equal to headline inflation were Gauteng (6,0%) and Western Cape (5,9%). The provinces with an annual inflation rate higher than headline inflation were Northern Cape (7,9%), Eastern Cape (7,3%), Free State (6,9%), Limpopo (6,9%), Mpumalanga (6,7%), North West (6,6%) and KwaZulu-Natal (6,4%).

### 4.2 Producer Price Index (PPI)

- The Producer Price Index (PPI) for domestic output shows an annual rate of change of 8,9% in January 2012 (i.e. the PPI in January 2012 compared with January 2011). This rate is 0,9% lower than the corresponding annual rate of 9,8% in December 2011.
- The lower annual rate in January 2012 can be explained by decreases in the annual rate of change in the Producer Price Index for:
  - Mining and quarrying: The annual rate decreased from 10,1% in December 2011 to 7,7% in January 2012;
  - Products of petroleum and coal: The annual rate decreased from 31,8% in December 2011 to 26,6% in January 2012; and
  - Agriculture: The annual rate decreased from 11,8% in December 2011 to 7,9% in January 2012.
- These decreases were partially counteracted by increases in the annual rate of change for:
  - Food at manufacturing: The annual rate increased from 10,2% in December 2011 to 10,9% in January 2012;
  - Basic metals: The annual rate increased from 4,9% in December 2011 to 5,4% in January 2012;
  - Chemical and chemical products: The annual rate increased from 5,9% in December 2011 to 6,8% in January 2012;
  - Metal products: The annual rate increased from 10,7% in December 2011 to 11,4% in January 2012; and
  - Forestry: The annual rate increased from 3,4% in December 2011 to 5,3% in January 2012.
- From December 2011 to January 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 all other groups (0,3%), mining and quarrying (0,2%), chemical and chemical products (0,1%) and basic metals (0,1%). These increases were partially counteracted by a decrease in the price index of agriculture (-0,4%).

### 4.3 Gross Domestic Product

- The seasonally adjusted real Gross Domestic Product (GDP) at market prices for the fourth quarter of 2011 increased by an annualised rate of 3,2% compared with an increase of 1,7% (1,4%) in the third quarter.
- The unadjusted real GDP at market prices for the fourth quarter of 2011 increased by 2,9% compared with the fourth quarter of 2010.

- The largest contributors to the quarter on quarter growth of 3,2% were the wholesale, retail and motor trade, catering and accommodation industry with a 0,7% contribution; the manufacturing industry and general government services, with a contribution of 0,6%, each.
- The finance, real estate and business services industry contributed 0,5%; while the transport, storage and communication industry contributed 0,3%; and personal services contributed 0,2%.
- Stats SA reported that the growth in the wholesale, retail and motor trade, catering and accommodation industry was due to increases reflected in the turnover in all divisions in the trade industry.
- Manufacturing growth was led by strong growth in production of the basic iron and steel, non-ferrous metal products, metal products and machinery division; the wood and wood products, papers publishing and printing division; and the food, beverages and tobacco division.
- The real annual GDP at market prices for 2011 increased by 3,1% compared with 2010, when the real annual economic growth rate was 2,9%, Stats SA reported.

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

**Table 9: Closing prices on Wednesday, 7 March 2012**

	<b>7 March 2012</b>	<b>7 February 2012</b>	<b>% Change</b>
<b>RSA White Maize per ton (Mar. contract)</b>	R2 457,00	R2 321,00	+5,9
<b>RSA Yellow Maize per ton (Mar. contract)</b>	R2 460,00	R2 362,00	+4,2
<b>RSA Wheat per ton (Mar. contract)</b>	R2 770,00	R2 779,00	-0,3
<b>RSA Soya-beans per ton (Mar. contract)</b>	R3 535,00	R3 294,00	+7,3
<b>RSA Sunflower seed per ton (Mar. contract)</b>	R4 395,00	R4 290,00	+2,4
<b>Exchange rate R/\$</b>	R7,63	R7,56	+0,9

Source: SAFEX

#### 4.5 Agricultural machinery sales

- February tractor sales of 800 units were 26% higher than the sales of 633 units reported in February 2011. This was the highest February sales figure in the past 30 years. On a year-to-date basis 2012 sales are almost 50% higher than 2011 sales. February combine harvester sales of 20 units were significantly down than the 27 units sold in February 2011. On a year-to-date basis combine harvester sales are approximately 11% down on last year.
- Fundamentals in the market still remain positive. Recent deliveries on government tenders have given the market a boost. The market is still very competitive. Summer crops in most areas are looking good, but some areas have been adversely affected by a lack of rain at a critical period in the development of the crop. Crop prices are still holding up well, with stock levels being finely balanced between supply and demand. This will have a bearing on crop prices as local and international grain stocks are quite limited.
- Industry predictions for tractor sales for the 2012 calendar year are currently between 6 700 and 7 200 units, almost 10% down on 2011 sales.

**Table 10: Agricultural machinery sales**

Equipment class	Year-on-year		Percentage Change %	Year-to-date		Percentage Change %
	February			February		
	2012	2011		2012	2011	
Tractors	800	633	26,4	1 590	1 061	49,9
Combine harvesters	20	27	-25,9	33	37	-10,8

Source: SAAMA press release, March 2012



## 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