MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: FEBRUARY 2019

Issued: 7 March 2019

Directorate: Statistics and Economic Analysis

Highlights:

- **During February 2019, significant rainfall events were limited to the entral and eastern half of the country.**
- **The final production estimate of wheat for 2018 is 1,841 million tons, which is 19,9% more than the previous seasons'crop of 1,535 million tons.**
- **The projected closing stocks of wheat for the current 2018/19 marketing year are 490 084 tons, which includes imports of 1,4 million tons. It is also 32,4% less than the previous years' ending stocks.**
- **The expected commercial maize crop for 2019 is 10,510 million tons, which is 16,0% less than the 12,510 million tons of the previous season.**
- **Projected closing stocks of maize for the current 2018/19 marketing year are 3,018 million tons, which is 18,2% less than the previous years' ending stocks.**
- **Projected closing stocks of maize for the coming 2019/20 marketing year are 1,306 million tons, which is 56,7% less than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2018/19 marketing year are 33 046 tons, which is 44,2% less than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the coming 2019/20 marketing year are 28 946 tons, which is 12,4% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2018/19 marketing year are 110 806 tons, which is 28,4% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for coming 2019/20 marketing year are 70 596 tons, which is 36,3% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2018/19 marketing year are 481 835 tons, which is 45,8% more than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the coming 2019/20 marketing year are 273 820 tons, which is 43,2% less than the previous years' ending stocks.**
- **The headline CPI (for all urban areas) annual inflation rate in January 2019 was lower at 4,0%.**
- **The annual percentage change in the PPI for final manufactured goods was lower at 4,1% in January 2019.**
- **February 2019 tractor sales of 526 units were significantly lower (13%) than the 604 units sold in February 2018.**

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1. Weather conditions

1.1 Rainfall for February 2019

During February 2019, significant rainfall events were limited to the central and eastern half of the country (**Figure 1**). Comparing rainfall totals to the long term average for February 2019, rainfall received was mainly near-normal to above-normal over the central and eastern regions of the country (**Figure 2**). Over the Northern Cape and Western Cape provinces, rainfall occurances were mainly below-normal with some isolated regions with above-normal rainfall evident for the mentioned period. (Source: Directorate: Climate Change and Disaster Management at Department: Agriculture, Forestry and Fisheries)

Figure 1: Rainfall in mm for February 2019

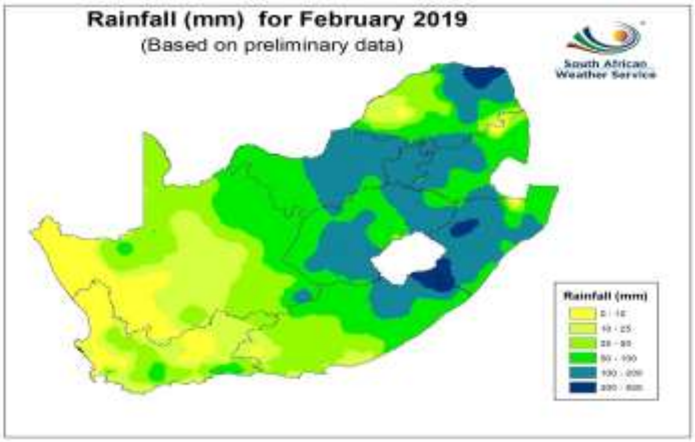
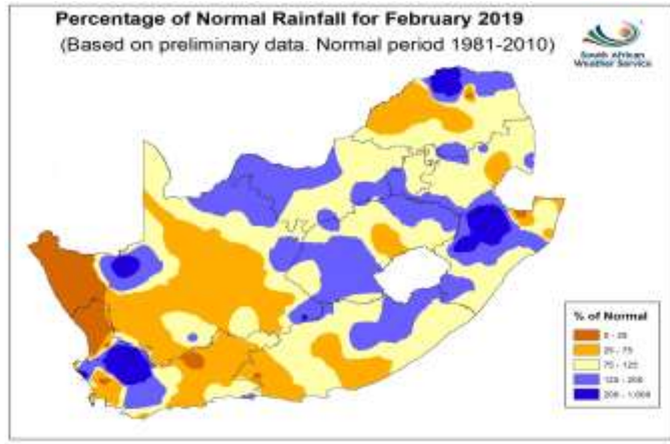


Figure 2: Percentage rainfall for February 2019



1.2 Level of dams

Available information on the level of South Africa's dams on 4 March 2019 indicates that the country has approximately 64% of its full supply capacity (FSC) available, which is 1% more than the corresponding period in 2018. The dam levels in the Western Cape (+21%), Gauteng (+8%), Free State (+3%) and KwaZulu-Natal (+1) provinces, all show increases as compared to 2018. However, the remaining five provinces show decreases in the full supply capacity for the mentioned period. The Northern Cape Province shows the highest decrease in the full supply capacity with -13%, followed by North West with -5%, Mpumalanga with -4%, the Eastern Cape with -3% and Limpopo with -1%.

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

Table 1: Level of dams, 4 March 2019

Province	Net FSC million cubic meters	**4/3/2019 (%)**	Last Year (2018) (%)	% Increase/Decrease 2019 vs. 2018
Eastern Cape	1 807	**60**	63	-3,0
Free State	15 945	**72**	69	3,0
Gauteng	128	**100**	92	8,0
KwaZulu-Natal	4 802	**60**	59	1,0
Lesotho	2 363	**30**	38	-8,0
Limpopo	1 522	**67**	68	-1,0
Mpumalanga	2 539	**74**	78	-4,0
North West	868	**62**	67	-5,0
Northern Cape	147	**60**	73	-13,0
Western Cape	1 866	**41**	20	21,0
Total	**31 987**	**64**	**63**	**1,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops

The revised area planted and first production forecast of summer grains for the 2019 season was released by the Crop Estimates Committee (CEC) on 27 February 2019, and is as follows:

Table 2: Commercial summer crops: Revised area planted and 1st production forecast - 2019 season

CROP	**Area planted 2019 Ha (A)**	**1st forecast 2019 Tons (B)**	Area planted 2018 Ha (C)	Final crop 2018 Tons (D)	Change % (B) ÷ (D)
White maize	**1 298 200**	**5 152 900**	1 268 100	6 540 000	-21,2
Yellow maize	**1 003 600**	**5 357 120**	1 050 750	5 970 000	-10,3
Total Maize	**2 301 800**	**10 510 020**	2 318 850	12 510 000	-16,0
Sunflower seed	**515 350**	**563 590**	601 500	862 000	-34,6
Soybeans	**730 500**	**1 276 035**	787 200	1 540 000	-17,1
Groundnuts	**20 050**	**20 100**	56 300	57 000	-64,7
Sorghum	**50 500**	**168 400**	28 800	115 000	46,4
Dry beans	**59 300**	**70 950**	53 360	69 360	2,3
Total	**3 677 500**	**12 609 095**	3 846 010	15 153 360	-16,8

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

- The revised area estimate for maize is 2 301 800 ha, which is 0,74% or 17 050 ha less than the 2 318 850 ha planted for the previous season, but 1,45% or 32 900 ha more than the preliminary area estimate of 2 268 900 ha released in January 2019.
- The expected **commercial maize** crop for 2019 is 10 510 020 tons, which is 15,99% or 1 999 980 tons less than the 12 510 000 tons of the previous season (2018). The yield for maize is 4,57 t/ha.
- The area estimate for **white maize** is 1 298 200 ha, which represents an increase of 2,37% or 30 100 ha compared to the 1 268 100 ha planted last season. The production forecast of white maize is 5 152 900 tons, which is 21,21% or 1 387 100 tons less than the 6 540 000 tons of last season. The yield for white maize is 3,97 t/ha.
- In the case of **yellow maize,** the area estimate is 1 003 600 ha, which is 4,49% or 47 150 ha less than the 1 050 750 ha planted last season. The yellow maize production forecast is 5 357 120 tons, which is 10,27% or 612 880 tons less than the 5 970 000 tons of last season. The yield for yellow maize is 5,34 t/ha.
- The revised 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 563 590 tons, which is 34,62% or 298 410 tons less than the 862 000 tons of the previous season. The expected yield is 1,09 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 1 276 035 tons, which is 17,14% or 263 965 tons less than the 1 540 000 tons of the previous season. The expected yield is 1,75 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 20 100 tons – which is 64,74% or 36 900 tons less than the 57 000 tons of last season. The expected yield is 1,00 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 168 400 tons, which is 46,43% or 53 400 tons more than the 115 000 tons of the previous season. The expected yield is 3,33 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 70 950 tons, which is 2,29% or 1 590 tons more than the 69 360 tons of the previous season. The expected yield is 1,20 t/ha.

Please note that the revised area planted and second production forecast for summer grains for 2019 will be released on 26 March 2019.

2.2 Winter cereal crops

The area planted and final production estimate for winter cereals for the 2018 season was also released by the Crop Estimates Committee (CEC) on 27 February 2019, and is as follows:

Table 3: Commercial winter crops: Area planted and final production estimate - 2018 season

CROP	**Area planted 2018** Ha (A)	**Final estimate 2018** Tons (B)	Area planted 2017 Ha (C)	Final crop 2017 Tons (D)	Change % (B) ÷ (D)
Wheat	**503 350**	**1 841 050**	491 600	1 535 000	19,94
Malting barley	**119 000**	**421 790**	91 380	307 000	37,39
Canola	**77 000**	**103 950**	84 000	93 500	11,18
Total	**699 350**	**2 366 780**	666 980	1 935 500	22,28

* Note: Estimate is for the calendar year e.g. production season 2017/18=2017

- The expected production of **wheat** is 1,841 million tons, which is 19,94% or 306 050 tons more than the previous seasons' crop of 1,535 million tons, whilst the expected yield is 3,66 t/ha.
- The expected production in the Western Cape is 890 400 tons (48%), in the Free State 360 000 tons (20%) and in the Northern Cape 294 500 tons (16%).
- The area estimate for wheat is to 503 350 ha, which is 11 750 ha more than the 491 600 ha of the previous season. An estimated 318 000 ha or 63% is planted in the Western Cape, 100 000 ha or 20% in the Free State and 38 000 ha or 8% in the Northern Cape.
- The production forecast for **malting barley** is 421 790 tons, which is 37,39% or 114 790 tons more than the previous seasons' crop of 307 000 tons. The area planted is estimated at 119 000 ha, while the expected yield is 3,54 t/ha.
- The expected **canola** crop is 103 950 tons, which is 11,18% or 10 450 tons more than the previous seasons' crop of 93 500 tons. The area estimate for canola is 77 000 ha and the expected yield is 1,35 t/ha.

Please note that intentions to plant winter cereals for 2019 will be released on 25 April 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

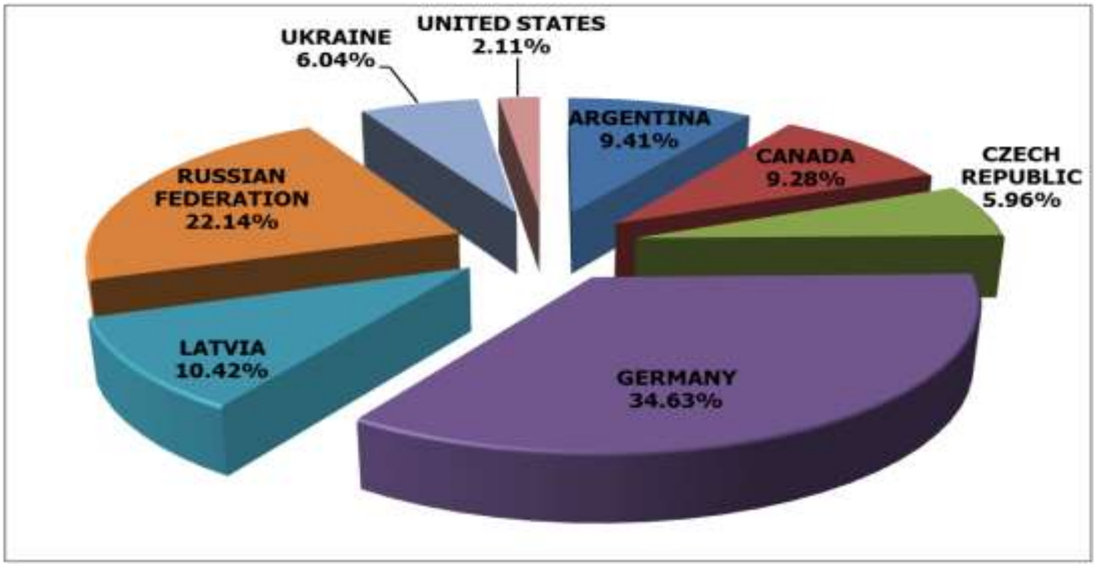
- The area planted to maize in the non-commercial agricultural sector is estimated at 314 835 ha, which represents a decrease of 14,13%, compared to the 366 650 ha of the previous season. The expected maize crop for this sector is 593 975 tons, which is 18,74% less than the 731 000 tons of last season. 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 FEB 19 Annexure A.

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

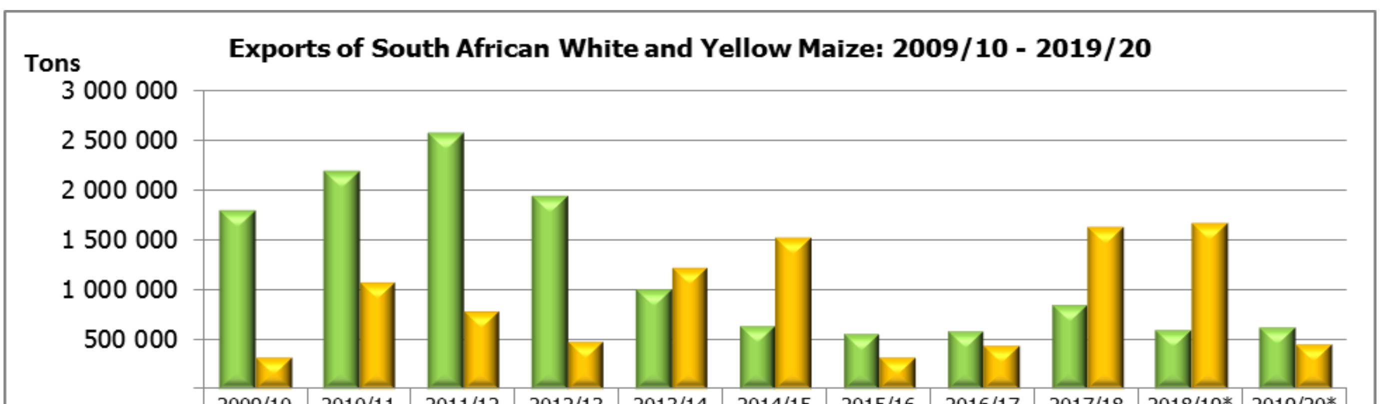
Graph 1: Major countries of wheat imports to South Africa: 2018/19 marketing year



- The progressive wheat imports for the 2018/19 marketing year (29 September 2018 to 1 March 2019) amount to 376 789 tons, with 34,63% or 130 487 tons imported from the Germany, 22,14% or 83 409 tons from the Russian Federation, 10,42% or 39 275 tons from Latvia, 9,41% or 35 469 tons from Argentina, 9,28% or 34 978 tons from Canada, 6,04% or 22 763 tons from Ukraine, 5,96% or 22 453 tons from Czech Republic and only 2,11% or 7 955 tons from the Unite States. The exports of wheat for the above-mentioned period amount to 37 027 tons, of which 94,52% or 34 999 tons went to BLNS countries (Botswana, Lesotho, Namibia and Swaziland) and Zimbabwe with 5,48% or 2 028 tons.

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

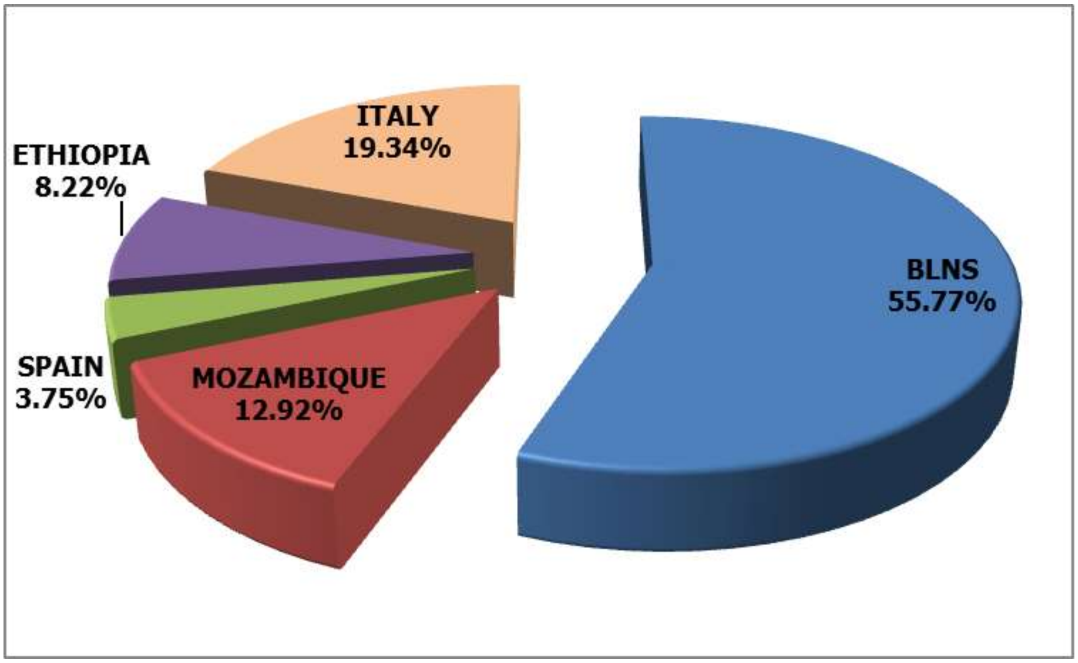


	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19*	2019/20*
White maize	1 796 000	2 194 000	2 575 000	1 946 000	1 008 923	640 807	557 063	587 423	851 969	593 000	620 000
Yellow maize	319 000	1 068 000	781 000	478 000	1 223 673	1 514 917	322 748	438 879	1 629 739	1 665 000	450 000

*Projection

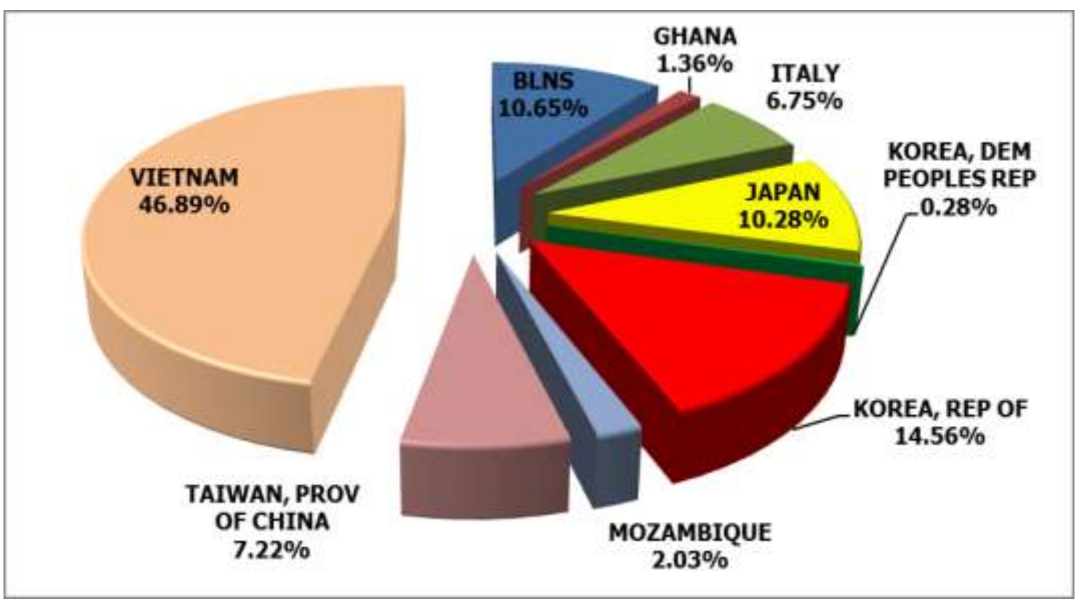
- The exports of white maize for the 2018/19 marketing year are projected at 593 000 tons, which represents a decrease of 30,40% compared to the 851 969 tons of the previous marketing year. Yellow maize exports are projected at 1,665 million tons, which represents an increase of 2,16% compared to the 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 4,55% compared to the previous marketing year. Yellow maize exports are projected at 450 000 tons, which represents a decrease of 72,97% 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 1 March 2019, progressive white maize exports amount to 468 657 tons, with the main destinations being BLNS Countries (55,77% or 261 388 tons), Mozambique (12,92% or 60 555 tons), Italy (19,34% or 90 629 tons), Ethiopia (8,22% or 38 509 tons) and Spain (3,75% 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 1 March 2019, progressive yellow maize exports amount to 1,474 million tons, with the main destinations being Vietnam (46,89% or 691 248 tons), Republic of Korea (14,56% or 214 705 tons), Japan (10,28% or 151 517 tons), BLNS (10,65% or 157 025 tons), Taiwan, Province of China (7,22% or 106 398 tons), Italy (6,75% or 99 450 tons), Mozambique (2,03% or 29 868 tons), Ghana (1,36% or 20 000 tons), and Democratic Peoples Republic of Korea (0,28% or 4 122 tons). The imports of yellow maize for the mentioned period amount to 50 613 tons from Brazil.

4. Market information

4.1 Consumer Price Index (CPI)

- Annual consumer price inflation was 4,0% in January 2019, down from 4,5% in December 2018. The consumer price index decreased by 0,2% month-on-month in January 2019.
- The main contributors to headline annual consumer price inflation were as follows:
  - Transport decreased from 0,9% in December 2018 to 0,4% in January 2019. The index increased by 2,9% year-on-year; and
  - Miscellaneous goods and services decreased from 0,9% in December 2018 to 0,8% in January 2019. The index increased by 5,3% year-on-year.
- The main contributor to headline monthly consumer price inflation is as follows:
  - Food and non-alcoholic beverages contributed 0,2%. The index increased by 1,4% month-on-month; and
  - Transport contributed -0,5%. The index decreased by 3,3% month-on-month, mainly because of fuel (-10,2%).
- In January 2019 the CPI for goods increased by 2,8% year-on-year (down from 3,7% in December), and the CPI for services increased by 5,2% (up from 5,1% in December).
- Provincial annual inflation rates ranged from 3,3% in North West to 4,6% in Western Cape.

4.2 Producer Price Index (PPI)

- The annual percentage change in the PPI for final manufactured goods was 4,1% in January 2019 (compared with 5,2% in December 2018). From December 2018 to January 2019 the PPI for final manufactured goods decreased by 0,8%. The main contributors to the annual rate of 4,1% were coke, petroleum, chemical, rubber and plastic products (1,2%), food products, beverages and tobacco products (0,9%), as well as paper and printed products (0,6%). The main contributor to the monthly decrease of 0,8% was coke, petroleum, chemical, rubber and plastic products (-0,8%).
- The annual percentage change in the PPI for intermediate manufactured goods was 3,8% in January 2019 (compared with 5,0% in December 2018). From December 2018 to January 2019 the PPI for intermediate manufactured goods decreased by 1,5%. The main contributors to the annual rate of 3,8% were basic and fabricated metals (1,8%), as well as chemicals, rubber and plastic products (1,6%). The main contributors to the monthly decrease of 1,5% were chemicals, rubber and plastic products (-0,6%), as well as basic and fabricated metals (-0,4%).
- The annual percentage change in the PPI for electricity and water was 5,5% in January 2019 (compared with 7,7% in December 2018). From December 2018 to January 2019 the PPI for electricity and water decreased by 0,8%. The contributors to the annual rate of 5,5% were electricity (3,9%) and water (1,6%). The contributor to the monthly decrease of 0,8% was electricity (-0,9%).
- The annual percentage change in the PPI for mining was 7,7% in January 2019 (compared with 6,0% in December 2018). From December 2018 to January 2019 the PPI for mining decreased by 0,1%. The main contributors to the annual rate of 7,7% were non-ferrous metal ores (3,8%), gold and other metal ores (3,7%),

as well as coal and gas (2,6%). The main contributor to the monthly decrease of 0,1% was coal and gas (-1,3%).

- The annual percentage change in the PPI for agriculture, forestry and fishing was -3,0% in January 2019 (compared with -3,9% in December 2018). From December 2018 to January 2019 the PPI for agriculture, forestry and fishing decreased by 0,2%. The main contributor to the annual rate of -3,0% was agriculture (-3,8%). The main contributor to the monthly decrease of 0,2% was agriculture (-0,3%).

4.3 Future contract prices

Table 5: Closing prices on Wednesday, 6 March 2019

	6 March 2019	6 February 2019	% Change
RSA White Maize per ton (Mar. 2019 contract)	R2 953,00	R2 848,00	3,69
RSA Yellow Maize per ton (Mar. 2019 contract)	R2 683,00	R2 686,00	-0,11
RSA Wheat per ton (Mar. 2019 contract)	R4 486,00	R4 534,00	-1,06
RSA Sunflower seed per ton (Mar. 2019 contract)	R5 341,00	R5 460,00	-2,18
RSA Soya-beans per ton (Mar. 2019 contract)	R4 838,00	R4 803,00	0,73
Exchange rate R/$	R14,20	R13,48	5,34

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- February 2019 tractor sales of 526 units were significantly lower (13%) than the 604 units sold in February 2018. Year-to-date sales for the first two months of 2019 are also significantly (almost 21%) down on 2018. On a rolling 12-month basis tractor sales are marginally (0,3%) up on last year. February 2019 combine harvester sales of 15 units were also significantly down on the 21 units sold in February 2018. Year-to-date sales are significantly lower (almost 35%) than last year. On a rolling 12-month basis combine harvester sales are marginally lower (1%) than last year.
- Although market sentiment has improved, farmers in most areas are unsure of what the immediate future holds in terms of crop yields. Early planted crops, mainly in the east, are generally looking good. Late planted crops are now dependent on continued rain and the absence of early frost. Maize yields, according to the Crop Estimates Committee, will be approximately 15% down this year.
- While it is still early in the year to make reliable estimates of tractor sales for the 2019 calendar year, indications are that sales will be at a similar level to, or slightly less, than the 6 700 units sold in 2018.

Table 6: Agricultural machinery sales

	Year-on-year		Percentage	Year-to-date		Percentage
	February		Change	February		Change
Equipment class	**2019**	**2018**	%	**2019**	**2018**	%
Tractors	526	604	-12,91	914	1 150	-20,52
Combine harvesters	15	21	-28,57	19	29	-34,48

Source: SAAMA press release, March 2019

PLEASE NOTE: The Food Security Bulletin for March 2019 will be released on **5 April 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
- Department of Water Affairs (DWA)
- 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
- UT Grain Management (Pty) Ltd
- Weekly Price Watch, DAFF