

MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: JANUARY 2010

Issued: 5 FEBRUARY 2010

Directorate: Agricultural Statistics



**agriculture,
forestry & fisheries**

Department:
Agriculture, forestry & fisheries
REPUBLIC OF SOUTH AFRICA

Enquiries: Marda Scheepers or Queen Sebidi

Directorate: Agricultural Statistics

Tel: +27 12 319 8033/8164

Tel: +27 12 319 8031

Email: MardaS@daff.gov.za or QueenS@daff.gov.za

Contents

1.	Highlights	3
2.	Weather conditions	4
3.	Grain production	6
3.1	Summer grain crops	6
3.2	Winter cereal crops	7
4.	Cereal balance sheets	8
4.1	Winter cereals	8
4.1.2	Discussion of the current 2009/10 wheat situation	9
4.2	Summer grains	10
4.2.1	Discussion of the current 2009/10 maize and sorghum situation	11
4.2.2	Discussion of the 2010/11 maize and sorghum situation	13
5.	Market information	14
5.1	Consumer Price Index (CPI)	14
5.2	Producer Price Index (PPI)	14
5.3	Futures contract prices	15
5.4	Agricultural machinery sales	16
6.	Acknowledgements	17

1. Highlights

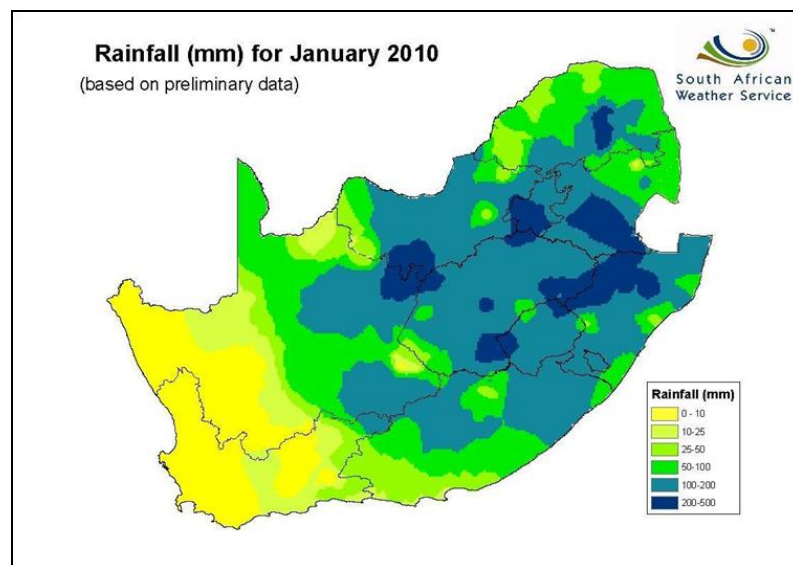
- The rainfall map indicates that the central and eastern regions received good rainfall totals during the month of January.
- The preliminary area estimate for maize is 2,627 million ha, which is 8,23% or 199 700 ha more than the 2,428 million ha planted for the previous season. By applying an average yield of 4,15 t/ha, a maize crop of almost 11 million tons is expected.
- Projections for the current 2009/10 maize marketing season indicate that South Africa will have a surplus of 1,727 million tons of maize at the end of April 2010. Thus, enough maize is available for local consumption and to meet export demand.
- Projections for the coming 2010/11 maize marketing season indicate that South Africa will have a surplus of 1,349 million tons of maize at the end of April 2011. Thus, enough maize will be available for local consumption and to meet export demand.
- The expected commercial wheat crop for the 2009 production season is 1,946 million tons, which is 8,62% less than the 2,130 million tons of last season.
- Projections for the current 2009/10 wheat marketing season indicate that South Africa will have a surplus of 606 000 tons of wheat at the end of September 2010.
- The headline CPI (for all urban areas) annual inflation rate in December 2009 was higher at 6,3%.
- The annual percentage change in the PPI was higher at 0,7% in December 2009.
- The International Trade Administration Commission (ITEC) in December 2009 published an application by the GSA for the implementation of a wheat import tariff (R365/ton).
- January tractor sales of 396 units were 18% less than the 483 units sold in January 2009.

2. Weather conditions

2.1 Rainfall for January 2010

The rainfall map indicates that the central and eastern regions received good rainfall totals during the month of January, while limited rainfall was received in the Western Cape as well as western areas of the Northern and Eastern Cape provinces (Figure 1).

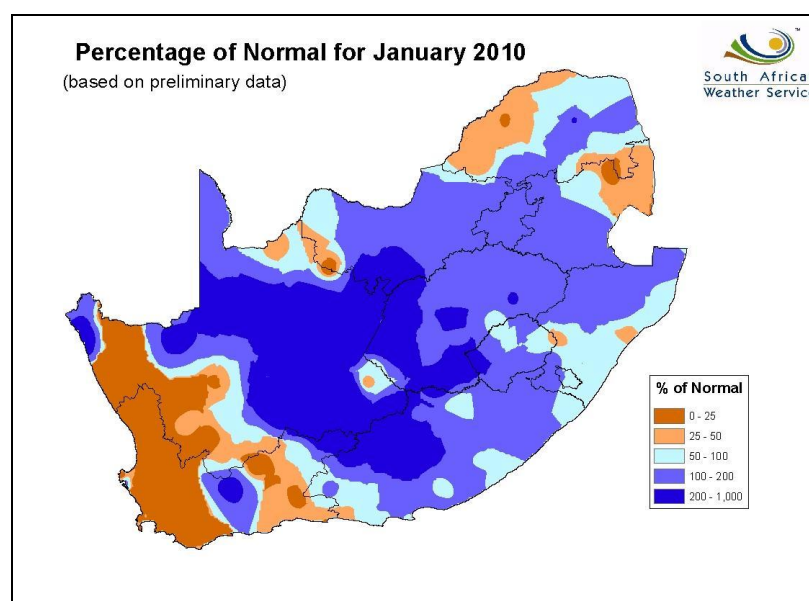
Figure 1: Total rainfall for January 2010



Source: ARC: ISCW

The map for the percentage of normal rainfall for the month of January 2010 (Figure 2) illustrates a significant percentage of normal to above-normal rainfall for most parts of the country, except for the far-western regions, as well as isolated areas of the Limpopo and Mpumalanga provinces, which were characterised by below-normal rainfall occurrences as compared to the long term mean.

Figure 2: Percentage of normal rainfall for January 2010

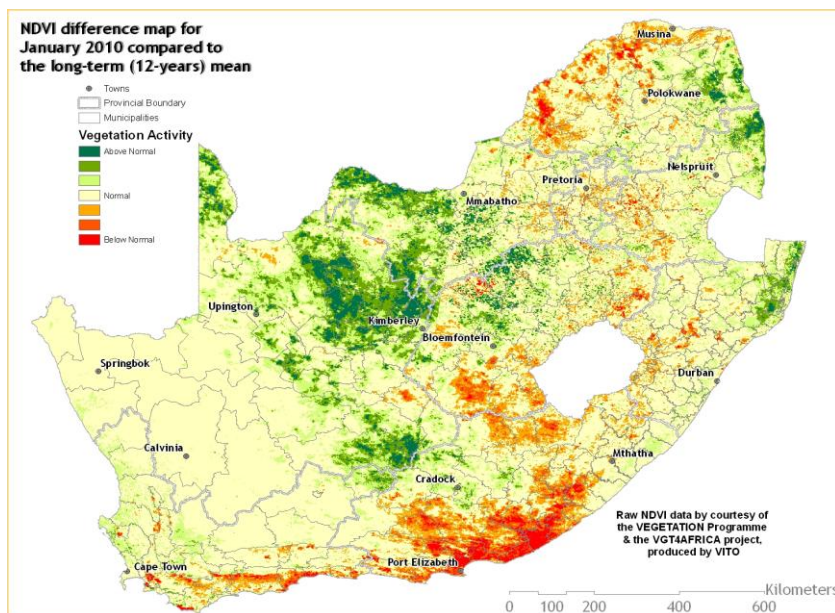


Source: ARC: ISCW

2.2 Vegetation activity

Vegetation conditions for January 2010 were normal throughout most of the country. However, lower vegetation activity can be seen in the Eastern Cape and southern Cape. Higher vegetation activity can be seen over large parts of the summer rainfall region. The lower vegetation activity in parts of Limpopo may be due to cloud contamination and may therefore not be a true reflection of current vegetation conditions.

Figure 3: NDVI map for January 2010 compared to 12 year long term mean



Source: ARC: ISCW

2.3 Level of dams

Available information on the level of South Africa's dams on 1 February 2010 indicates that the country has approximately 91% of its full supply capacity (FSC) available, which is 11% more than last year. The provincial distribution of South Africa's water supply (including Lesotho) is contained in Table 1 below.

Table 1: Level of dams, 1 February 2010

Province	Total FSC in million cubic metres	1/02/2010 (%)	Last Year (%)
Eastern Cape	1 796	63	62
Free State	16 090	97	80
Gauteng	115	103	103
KwaZulu-Natal	4 529	90	81
Lesotho	2 376	84	88
Limpopo	1 159	81	77
Mpumalanga	2 527	100	89
North West	808	77	73
Northern Cape	143	125	93
Western Cape	1 843	71	76
Total	31 386	91	80

Source: Department of Water Affairs



3. Grain production

3.1 Summer grain crops

3.1.1 Preliminary area planted estimate of summer grain crops for the 2009/10 production season

The preliminary area planted figures for the commercial summer grain crops for the 2009/10 production season were released on 21 January 2010.

Table 2: Commercial summer crops: Preliminary area planted estimated - 2009/10 production season

CROP	Area planted 2009/10 Ha A	Area planted 2008/09 Ha B	Final crop 2008/09 Ha C	Change % A ÷ B
Commercial:				
White Maize	1 651 700	1 489 000	6 775 000	+10,93
Yellow Maize	975 500	938 500	5 275 000	+3,94
Total maize	2 627 200	2 427 500	12 050 000	+8,23
Sunflower seed	426 700	635 800	801 000	-32,89
Soya-beans	274 850	237 750	516 000	+15,60
Groundnuts	53 200	54 550	99 500	-2,47
Sorghum	69 000	85 500	276 500	-19,30
Total	41 000	43 800	67 030	-6,39

The preliminary area estimate for **maize** is 2,627 million ha, which is 8,23% or 199 700 ha more than the 2,428 million ha planted for the previous season, and 2,15% more than the intentions to plant figure of 2,572 million ha released during October 2009.

The area estimate for **white maize** is 1,652 million ha, which represents an increase of 10,93% or 162 700 ha compared to the 1,489 million ha planted last season. In the case of **yellow maize** the area estimate is 975 500 ha, which is 3,94% or 37 000 ha more than the 938 500 ha planted last season.

The majority of South Africa's maize is planted in the Free State, North West and Mpumalanga provinces. The expected plantings of maize in the Free State are 1,040 million ha - an increase of 8,90% in comparison with 955 000 ha in 2008/09. The expected plantings of maize in North West also increased by 12,95%, from 695 000 ha to 785 000 ha, and in Mpumalanga by 4,82%, from 477 000 ha to 500 000 ha, compared to the plantings in the 2008/09 season.

3.1.2 Other commercial summer crops

The preliminary area estimate for **sunflower seed** is 426 700 ha, which is about 32,89% less than the 635 800 ha planted the previous season.

It is estimated that 274 850 ha have been planted to **soya-beans**, which represents an increase of 15,60% compared to the 237 750 ha planted last season. This is the highest area ever planted to soya-beans.

For **groundnuts** the area estimate is 53 200 ha, which is 2,47% less than the 54 550 ha planted for the previous season.

The area estimate for **sorghum** decreased by 19,30%, from 85 500 ha to 69 000 ha against the previous season.

In the case of **dry beans** the area estimate is 41 000 ha or 6,39% less than the 43 800 ha planted the previous season.

The revised area estimate and first production forecast for summer field crops for the 2009/10 production season will be released on 23 February 2010.

3.2 Winter cereal crops

3.2.1 Sixth production forecast of winter cereal crops for 2009 production season.

The CEC released the sixth production forecast of winter cereal crops for the 2009 production season on 21 January 2009.

Table 3: Winter cereals – Sixth production forecast – 2009 production season

CROP	Area planted 2009 Ha (A)	6th forecast 2009 Tons (B)	Area planted 2008 Ha (C)	Final crop 2008 Tons (D)	Change % (B) ÷ (D)
Wheat	647 500	1 946 300	748 000	2 130 000	-8,62
Malting barley	74 760	223 622	68 245	192 000	+16,47
Canola	38 060	45 660	34 000	30 800	+48,25
Total	760 320	2 215 582	850 245	2 352 800	-5,83

The area estimate for **wheat** is 647 500 ha, which is 13,4% less than the 748 000 ha planted for the previous season. An estimated 305 000 ha or 47% is planted in the Western Cape, 235 000 ha or 36% in the Free State and 44 000 ha or 7% in the Northern Cape.

The production forecast of wheat is 1,946 million tons, which is 8,62% less than the 2,130 million tons of last season. The yield for wheat is 3,01 t/ha as against 2,85 t/ha the previous season. The expected production in the Western Cape is 701 500 tons, 622 750 tons in the Free State and 277 200 tons in the Northern Cape.

3.2.2 Other commercial winter crops

The production forecast for **malting barley** is 223 622 tons, which is 16,47% more than the previous seasons' crop of 192 000 tons. The area planted is estimated at 74 760 ha, an increase of 9,55% compared to the previous seasons' plantings of 68 245 ha. The yield is 2,99 t/ha as against 2,81 t/ha of the previous season.

The production forecast for **canola** is 45 660 tons, which is 48,25% more than the 30 800 tons of last season. The area estimate for canola is 38 060 ha, which is 11,94% more than last seasons' plantings of 34 000 ha. The yield is 1,2 t/ha as against 0,91 t/ha of the previous season.

The final production estimate for winter cereals for the 2009 production season will be released on 23 February 2010.

4. Cereal balance sheets

Supply and demand data for December 2009 was released by SAGIS on 20 January 2010. Table 4 contains the Wheat Balance Sheet for the 2009/10 marketing season. Tables 6 and 7 contain the Maize and Sorghum Balance Sheets for 2009/10 and projections for the 2010/11 marketing season. **(Preliminary information is subject to change on a monthly basis.)**

4.1 Winter cereals

Table 4: Projected Balance Sheet for Wheat for the current 2009/10 marketing season

2009/10 Projected wheat Balance Sheet as at 27 January 2010	Wheat (1 000 tons)
Supply	
Opening stocks (October 2009)	694
SAGIS Opening Stocks	694
Gross production (2009 season)	1 955
Commercial production	1 946
Subsistence agriculture	9
Total domestic supply	2 649
Plus: Imports	1 150
Total supply	3 799
Demand	
Consumption	2 953
Commercial: Human	2 855
Animal (feed)	10
Retentions by producers	42
Seed for planting purposes	26
Other*	20
Subsistence agriculture	9
Total domestic consumption	2 962
Plus: Exports	231
Total demand	3 193
Closing stocks (September 2010)	606
Pipeline requirements	626
Domestic shortfall	-939
Import gap	939
Surplus above pipeline	-20
SAGIS closing stocks as at end of December 2009	1 876

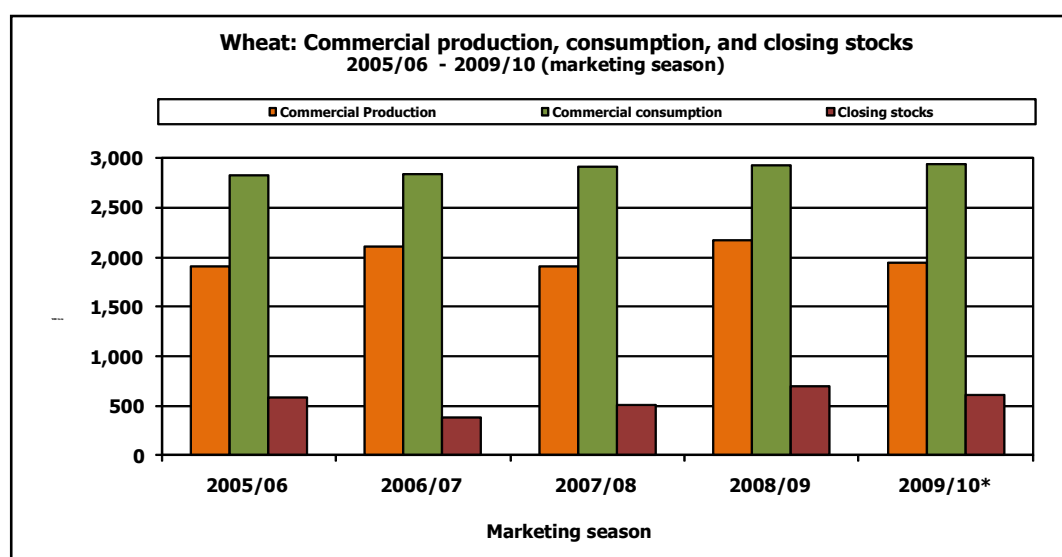
Notes:

- Source: SAGIS, Directorate: Agricultural Statistics.
- *Other refers to wheat released to end-consumers, withdrawn by producers and/or retentions by producers.
- Figures might not add up correctly due to rounding.
- Marketing season for wheat is October to September.
- Pipeline requirements are 80 days of human (food) consumption.

4.1.2 Discussion of the current 2009/10 wheat situation

The expected total supply of wheat is 3,799 million tons, including imports of 1,150 million tons during the 2009/10 marketing season. Total demand, including exports of 231 000 tons is seen at 3,193 million tons during the 2009/10 marketing season. Thus, closing stocks at the end of September 2010 is expected to be 606 000 tons. South Africa will require 626 000 tons for pipeline requirements, which translates into 80 days of human (food) consumption, at the end of September 2010.

Graph 1: Commercial production, consumption and closing stocks of wheat



**2009/10 – projection*

From the graph it is evident that although the consumption of wheat is consistent at around 2,8 million tons, commercial production and closing stocks vary from one season to another, depending on the price and profitability of wheat production. The closing stocks for the current season is estimated at 606 000 tons and is 12,68% less than the previous season (694 000 tons). This decrease can mainly be attributed to the lower expected gross production of wheat for the 2009/10 marketing season.

Wheat imports for the current season until 29 January 2010, comes to 471 408 tons. Table 5 provides a breakdown of wheat imports per country of origin for the current 2009/10 marketing season:

Table 5: South Africa's wheat imports per country, 3 October 2009 to 29 January 2010

Country	Tons	%
Germany	313 265	66,45
Ukraine	41 230	8,75
Brazil	32 054	6,80
United States of America	31 941	6,78
Canada	27 350	5,80
Australia	25 568	5,42
Total	471 408	100

4.2 Summer grains

Table 6: Projected Balance Sheet for Maize and Sorghum for the current 2009/10 marketing season

2009/10 Projected Annual Cereal Balance Sheet as at 29 January 2009 (1 000 tons)	Maize			Sorghum
	White	Yellow	Total	
Supply				
Opening stocks	762	819	1 581	62,5
SAGIS Opening Stocks	762	819	1 581	62,5
Gross production	7 154	5 413	12 567	316,3
Commercial production	6 775	5 275	12 050	276,5
Subsistence agriculture	379	138	517	39,8
Total domestic supply	7 916	6 232	14 148	378,8
Plus: Imports	-	-	-	15,0
Total supply	7 916	6 232	14 148	393,8
Demand				
Consumption	4 805	5 089	9 894	223,9
Commercial: Human	4 300	360	4 660	185,1
Animal (feed)	200	4 000	4 200	9,1
Gristing	70	19	89	-
Seed for planting purposes	19	15	34	-
Other*	216	695	911	29,7
Subsistence agriculture	379	138	517	39,8
Total domestic consumption	5 184	5 227	10 411	263,7
Plus: Exports	1 700	310	2 010	49,9
Products	50	50	100	-
Whole maize	1 650	260	1 910	-
Total demand	6 884	5 537	12 421	313,6
Closing stocks (2010)	1 032	695	1 727	80,2
Pipeline requirements	563	540	1 103	23,9
Domestic surplus	2 169	465	2 634	91,2
Surplus above pipeline	469	155	624	56,3
SAGIS closing stocks as at end of December 2009	3 214	2 093	5 307	152,3

Notes:

- Source: SAGIS, Directorate: Agricultural Statistics.
- *Other refers to grains released to end-consumers and/or withdrawn by producers, and retentions on farms.
- Figures might not add up correctly due to rounding.
- Marketing season for maize: May to April.
- Marketing season for sorghum: April to March.
- Early deliveries refer to the deliveries in March and April for maize and March for sorghum.
- Pipeline requirements are 45 days of commercial consumption.

4.2.1 Discussion of the current 2009/10 maize and sorghum situation

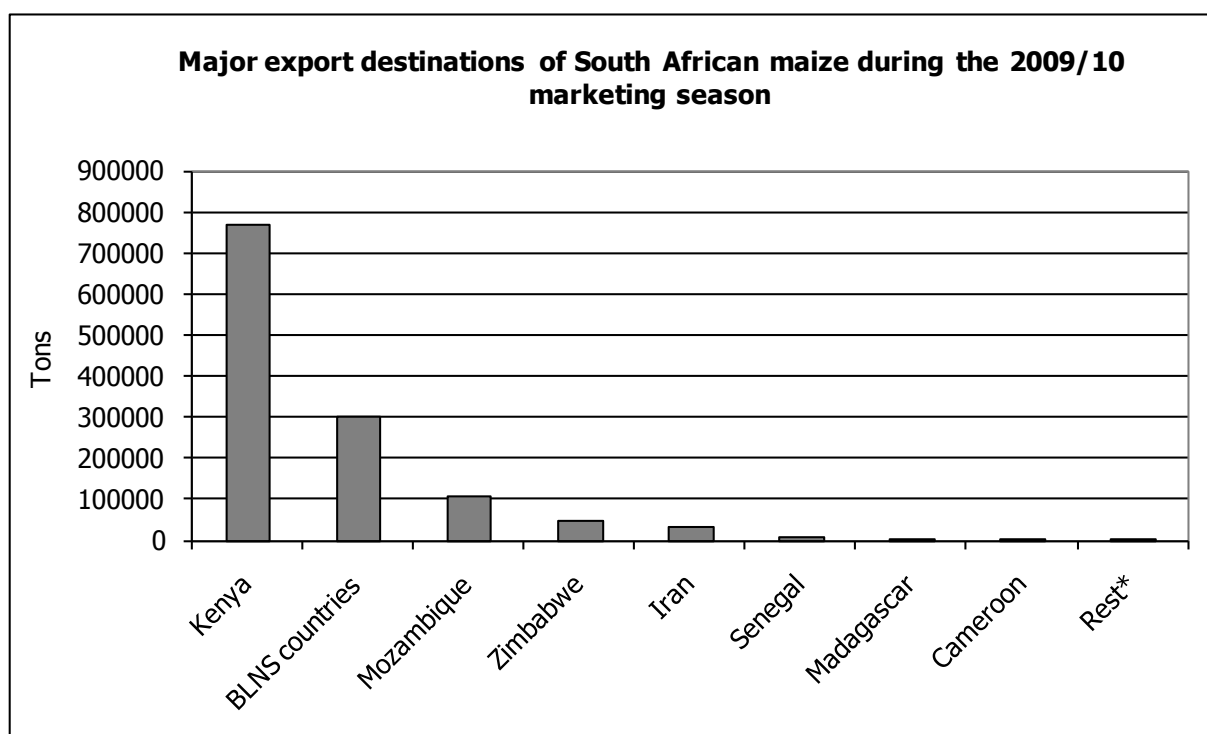
Considering the 2009/10 marketing season, the projected total supply of white maize is 7,916 million tons, including opening stocks of 762 000 tons. Total demand (exports included) is expected to reach 6,884 million tons and the closing stocks are expected to be 1,032 million tons as at 30 April 2010.

For yellow maize, the projected total supply is 6,232 million tons, which includes the opening stocks of 819 000 tons. Total demand, including exports, is projected at 5,537 million tons. Projections for the 2009/10 marketing season indicate closing stocks of 695 000 tons at the end of April 2010.

According to the National Chamber of Milling, the milling figure of maize for the period May 2009 to November 2009 is 1,648 million tons. This is 4,3% more than the milling figure (1,580 million tons) for the period May 2008 to November 2008.

Actual maize exports for the current season until 29 January 2010, comes to 1,299 million tons, including 1,125 million tons of white maize and 174 490 tons of yellow maize. Based on the exports seen to date, a total export figure of approximately 2,010 million tons is possible for the 2009/10 marketing season.

Graph 2: Major export destinations of South African maize



*Rest includes Chad, Congo, Mauritius, Seychelles

From the graph it is evident that most of the maize was exported to Kenya, followed by the BLNS countries and Mozambique, for the current marketing season

Sorghum: The expected total supply, including 15 000 tons of imports, is seen at 393 800 tons. Consumption is estimated at 223 900 tons and consists of food consumption at 185 100 tons, feed consumption at 9 100 tons and other consumption at 29 700 tons. The total demand of sorghum is seen at 313 600 tons, including exports of 49 900 tons. Closing stocks at the end of March 2010 is estimated at 80 200 tons.

Table 7: Projected Balance Sheet for Maize and Sorghum for the 2010/11 marketing season

2010/11 Projected Annual Cereal Balance Sheet as at 29 January 2010 (1 000 tons)	Maize			Sorghum
	White	Yellow	Total	
Supply				
Opening stocks	1 032	695	1 727	80,2
SAGIS Opening Stocks	1 032	695	1 727	80,2
Gross production	6 986	4 444	11 430	237,3
Commercial production	6 607	4 306	10 913	197,5
Subsistence agriculture	379	138	517	39,8
Total domestic supply	8 018	5 139	13 157	317,5
Plus: Imports	-	300	300	10,0
Total supply	8 018	5 439	13 457	327,5
Demand				
Consumption	5 303	4 658	9 961	223,9
Commercial: Human	4 300	263	4 563	185,1
Animal (feed)	668	3 800	4 468	9,1
Gristing	70	15	85	-
Seed for planting purposes	19	15	34	-
Other*	246	565	811	29,7
Subsistence agriculture	379	138	517	39,8
Total domestic consumption	5 682	4 796	10 478	263,7
Plus: Exports	1 518	112	1 630	35,2
Products	50	39	89	-
Whole maize	1 468	73	1 541	-
Total demand	7 200	4 908	12 108	298,9
Closing stocks (2011)	818	531	1 349	28,6
Pipeline requirements	621	503	1 124	23,9
Domestic surplus	1 715	-160	1 555	29,9
Import gap	-	160	160	-
Surplus/ shortage above pipeline	197	28	225	4,7

Notes:

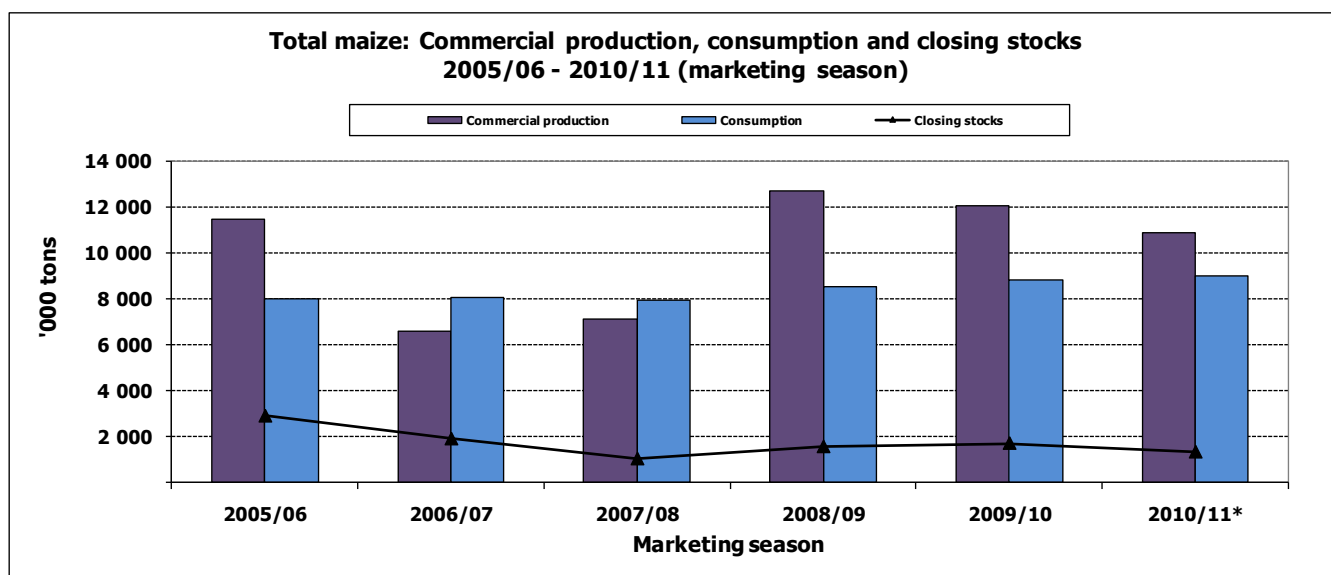
- Source: SAGIS, Directorate: Agricultural Statistics.
- *Other refers to grains released to end-consumers and/or withdrawn by producers, and retentions on farms.
- Figures might not add up correctly due to rounding.
- Marketing season for maize: May to April.
- Marketing season for sorghum: April to March.
- Early deliveries refer to the deliveries in March and April for maize and March for sorghum.
- Pipeline requirements are 45 days of commercial consumption.

4.2.2 Discussion of the 2010/11 maize and sorghum situation

The farmers intend to plant 1,652 million ha of white maize. When applying a 3 year average yield of approximately 4,00 t/ha the total commercial production of white maize is projected at 6,607 million tons. The total supply of white maize is projected at 8,018 million tons for the 2010/11 marketing season. The total demand is projected at 7,200 million tons, including exports of 1,518 million tons, while the closing stock at the end of April 2011 is projected at 818 000 tons.

The farmers intend to plant 975 500 ha of yellow maize. When applying a 3 year average yield of approximately 4,41 t/ha the total commercial production of yellow maize is projected at 4,306 million tons. The total supply of yellow maize, including imports of 300 000 tons is projected at 5,439 million tons for the 2010/11 marketing season. The total demand is projected at 4,908 million tons, including exports of 112 000 tons, while the closing stock at the end of April 2011 is projected at 531 000 tons.

Graph 3: Commercial production, consumption and closing stocks of total maize



**2010/11 – projection*

From the graph it is evident that the consumption of maize is consistent at around 8 million tons and commercial production varies from one season to another. The projected closing stocks for the 2010/11 marketing season is 1,349 million tons, which is 21,89% less than the previous season (1,727 million tons). This decrease can mainly be attributed to the lower expected gross production of maize for the 2010/11 marketing season.

The farmers intend to plant 69 000 ha of sorghum. When applying a 5 year average yield of approximately 2,86 t/ha the total commercial production of sorghum is projected at 197 500 tons. The total supply of sorghum, including imports of 10 000 tons is projected at 327 500 tons for the 2010/11 marketing season. The total demand is projected at 298 900 tons, including exports of 35 200 tons, while the closing stock at the end of March 2011 is projected at 28 600 tons.

5. Market information

5.1 Consumer Price Index (CPI)

5.1.1 Official average inflation rate for 2009

The official average annual inflation rate was 7,1% for the year 2009 (i.e. the average CPI for all urban areas for the year 2009 compared with that for the year 2008).

5.1.2 The headline CPI (for all urban areas) annual inflation rate in December 2009

The headline CPI (for all urban areas) annual inflation rate in December 2009 was 6,3%. This rate was 0,5% higher than the corresponding annual rate of 5,8% in November 2009. On average, prices increased by 0,3% between November 2009 and December 2009.

The food and non-alcoholic beverages index decreased by 0,3% between November 2009 and December 2009. The annual rate decreased to 3,6% in December 2009 from 4,7% in November 2009. The monthly decrease in the food and non-alcoholic beverages index was largely driven by monthly decreases in vegetables (-2,5%), other food (-1,1%), fish (-0,8%), sugar, sweets and desserts (-0,5%), cold beverages (-0,4%) and bread and cereals (-0,3%). These decreases were counteracted by monthly increases in fruit (2,0%), meat (0,5%) and hot beverages (0,1%).

The provinces with an annual inflation rate lower or equal to headline inflation were Limpopo (4,7%), KwaZulu-Natal (5,4%), North West (5,4%), Northern Cape (5,9%), Eastern Cape (6,0%), Free State (6,0%) and Gauteng (6,3%). The provinces with an annual inflation rate higher than headline inflation were Western Cape (6,6%) and Mpumalanga (6,6%).

5.2 Producer Price Index (PPI)

5.2.1 Average Producer Price Index (PPI) for the 12 months January to December 2009

Average annual producer price inflation was negative for domestic output (-0,1%), exported commodities (-6,4%) and imported commodities (-12,3%) in 2009.

In 2009 the average PPI for domestic output was 0,1% lower than in 2008. This compares with an annual increase of 14,4% in the average PPI (domestic output) in 2008 compared with 2007.

In 2009 the average PPI for exported commodities was 6,4% lower than in 2008. This compares with an annual increase of 8,1% in the average PPI (exported commodities) in 2008 compared with 2007.

In 2009 the average PPI for imported commodities was 12,3% lower than in 2008. This compares with an annual increase of 16,5% in the average PPI (imported commodities) in 2008 compared with 2007.

5.2.2 Average Producer Price Index (PPI) in December 2009

The annual percentage change in the PPI was 0,7% in December 2009 (i.e. the PPI in December 2009 compared with December 2008). This rate is 1,9% higher than the corresponding annual rate of -1,2% in November 2009.

The higher annual rate in December 2009 compared with that in November 2009 can be explained by increases in the annual rate of change in the Producer Price Indices for:

- Mining and quarrying: The annual rate increased from -0,7% in November 2009 to 3,6% in December 2009;
- Products of petroleum and coal: The annual rate increased from -15,8% in November 2009 to 0,0% in December 2009.

These increases were partially counteracted by a decrease in the annual rate of change for:

- Electricity: The annual rate decreased from 20,9% in November 2009 to 19,1% in December 2009.

From November 2009 to December 2009 the PPI for domestic output increased by 0,7%. The monthly increase of 0,7% in the PPI for domestic output was mainly due to monthly contributions from increases in the price indices for mining and quarrying (0,3%), agricultural products (0,2%) and products of petroleum and coal (0,2%).

5.3 Futures contract prices

Table 8: DOMESTIC GRAIN PRICES AS QUOTED ON SAFEX (Rand/ton) ON 3 FEBRUARY 2010

Futures contract prices (3/02/2010) in R/ton					
Commodity	Feb 2010	Mar 2010	May 2010	Jul 2010	Sept 2010
White maize	R1 203	R1 208	R1 234	R1 233	R1 271
Yellow maize	R1 250	R1 268	R1 265	R1 274	R1 305
Wheat	R2 105	R2 119	R2 155	R2 200	R2 235
Chicago corn contract	n/a	R1 074	n/a	R1 177	n/a
Commodity	Feb 2010	Mar 2010	May 2010	Jul 2010	
Sunflower seed	R3 165	R3 200	R3 210	R3 230	
Soya-beans	R2 800	R2 760	R2 490	R2 529	

Source: SAFEX, 3 February 2010

The International Trade Administration Commission (ITEC) in December 2009 published an application by the GSA for the implementation of a wheat import tariff. The tariff will be calculated on the basis of the fob price for US HRW with a reference price of \$260/ton. Currently the fob price is around \$211/ton which means the tariff will be \$49/ton x R7,45 which equals R365/ton. Role players have until 29 January 2010 to comment. Before publication, consultation has taken place with all the important role players in the industry and they are largely in agreement on the merit of a tariff and the formulae that will be used.

If no objections are received, ITEC could make a recommendation to the Minister for final approval. Once approved, it again needs to be published in the Government Gazette. The latter part of the process, i.e. after the 29th, could be completed in a matter of weeks.

5.4 Agricultural machinery sales

January tractor sales of 396 units were 18% less than the 483 units sold in January 2009. January combine harvester sales were significantly down on sales in January last year. The January month-on-month comparisons are being made against good sales in January last year, following on the exceptional sales in 2008.

Potential purchasers of agricultural equipment are still showing caution, despite it continuing to be a buyers' market. Market demand is, however, still quite strong. Weather conditions in most of the summer cropping areas have been quite good. Of the other fundamentals affecting the market, crop prices have declined significantly in recent months. Bank financing seems to have eased up slightly. Industry forecasts for 2010 tractor sales are of the order of 5 000 units, approximately 10% down on last year.

Table 9: Agricultural machinery sales

Equipment class	Year-on-year		Percentage Change %	Year-to-date		Percentage Change %
	January			January		
	2010	2009		2010	2009	
Tractors	396	483	-18,0	396	483	-18,0
Combine harvesters	6	13	-53,8	6	13	-53,8

Source: SAAMA press release, February 2010

6. Acknowledgements

The Directorate: Agricultural Statistics 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
- Agrimark Trends
- Department of Water Affairs (DWA)
- Farmer's Weekly
- Grain South Africa (GrainSA)
- National Agricultural Marketing Council (NAMC)
- National Chamber of Milling (NCM)
- South African Agricultural Machinery Association (SAAMA)
- South African National Seed Organisation (SANSOR)
- Standard Bank Economics Division
- Statistics South Africa (StatsSA)
- South African Futures Exchange (SAFEX)
- South African Reserve Bank
- The South African Grain Information Service (SAGIS)
- The South African Weather Service (WeatherSA)
- USDA Foreign Service
- UT Grain Management (Pty) Ltd