

MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: JULY 2012

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Directorate: Statistics and Economic Analysis

Highlights:

- **Significant rainfall occurrences for July 2012 were limited to the Western and Eastern Cape provinces.**
- **The projected closing stocks of wheat for the current 2011/12 marketing year is 621 000 tons, which includes imports of 1,520 million tons.**
- **Preliminary indications are that producers intend to plant 546 700 ha of wheat for the 2012 season, which is 9,6% less than the area planted to wheat in 2011.**
- **The projected closing stocks of wheat for the coming 2012/13 marketing year is 626 000 tons, which includes imports of 1,650 million tons.**
- **The expected commercial maize crop is 10,837 million tons, which is 4,6% more than the 10,360 million tons of the previous season.**
- **The projected closing stocks of maize for the current 2012/13 marketing year is 948 000 tons, which 4,6% less than the previous year.**
- **The projected closing stocks of sorghum for the current 2012/13 marketing year show a surplus of 37 200 tons, which is 28,6% less than the previous year.**
- **The headline CPI (for all urban areas) annual inflation rate in June 2012 was lower at 5,5%.**
- **The annual percentage change in the PPI was unchanged at 6,6% in June 2012.**
- **The Monetary Policy Committee, at its meeting during July 2012, has decided to lower the repurchase rate to 5,0% per annum.**
- **June 2012 tractor sales of 710 units were almost 14% higher than the sales of 625 units reported in June 2011.**



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1. Weather conditions

1.1 Rainfall for July 2012

Significant rainfall occurrences for July 2012 were limited to the Western and Eastern Cape provinces (winter rainfall region) (Figure 1).

Comparing the rainfall totals of July 2012 with the long term average (Figure 2), the majority of the western parts of the country experienced above-normal rainfall except for the Northern Cape Province where isolated areas of below-normal rainfall are evident. The eastern parts (summer rainfall region) of the country also experienced below-normal for the mentioned period.

Figure 1: Rainfall (mm) for July 2012

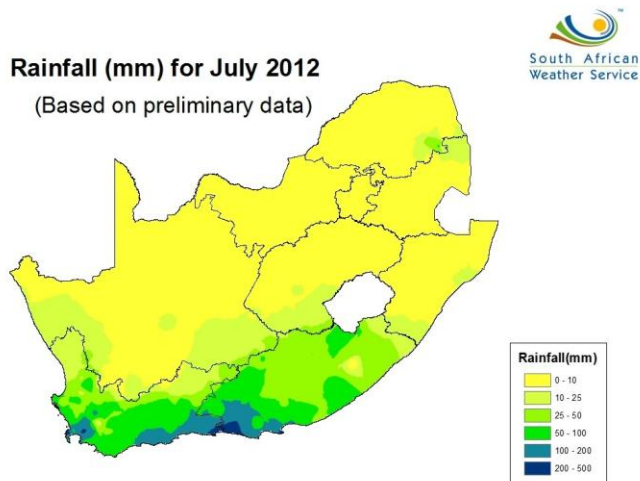
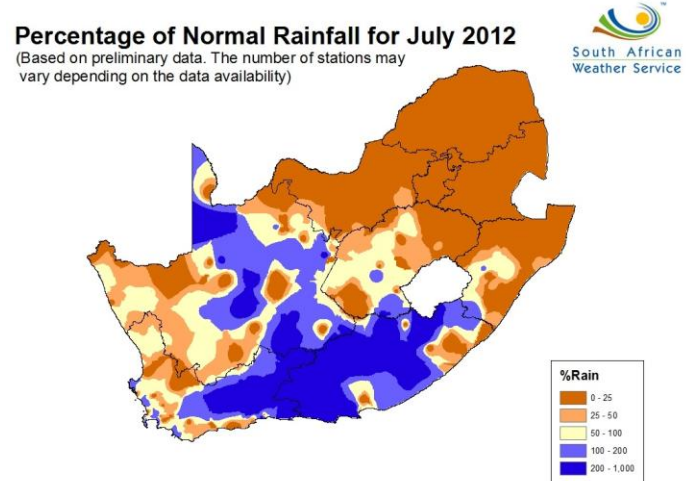


Figure 2: Percentage rainfall for July 2012



1.2 Level of dams

Available information on the level of South Africa's dams on 30 July 2012 indicates that the country has approximately 82% of its full supply capacity (FSC) available, which is 11% 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, 30 July 2012

Province	Net FSC million cubic meters	30/7/2012 (%)	Last Year (%)
Eastern Cape	1 822	83	89
Free State	15 968	89	99
Gauteng	115	85	101
KwaZulu-Natal	4 530	71	84
Lesotho*	2 376	73	93
Limpopo	1 159	71	85
Mpumalanga	2 520	82	96
North West	808	80	94
Northern Cape	146	89	100
Western Cape	1 851	73	75
Total	31 295	82	93

Source: Department of Water Affairs

2. Grain production

2.1 Summer grain crops

The Crop Estimates Committee (CEC) released the area planted and sixth production forecast for summer crops for 2012 for commercial summer crops on 24 July 2012.

Table 2: Summer crops: Area planted and sixth production forecast – 2012

CROP	Area planted 2012 Ha (A)	6th forecast 2012 Tons (B)	Area planted 2011 Ha (C)	Final crop 2011 Tons (D)	Change % (B) ÷ (D)
White maize	1 636 200	6 193 100	1 418 300	6 052 000	+2,33
Yellow maize	1 063 000	4 643 500	954 000	4 308 000	+7,79
Maize	2 699 200	10 836 600	2 372 300	10 360 000	+4,60
Sunflower seed	453 350	527 110	642 700	860 000	+38,71
Soya-beans	472 000	655 700	418 000	710 000	-7,65
Groundnuts	45 450	60 290	55 150	64 250	-6,16
Sorghum	48 550	137 150	69 200	155 000	-11,52
Dry beans	39 750	47 695	41 900	41 980	+13,61
TOTAL	3 758 300	12 264 545	3 599 250	12 191 230	+0,60

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

- The size of the expected commercial **maize crop** has been set at 10,837 million tons, which is 4,6% or 476 600 tons higher than the 10,36 million tons the previous marketing season. The area estimate for maize is 2,699 million ha, whilst the expected yield is 4,01 t/ha. The area estimate for white maize is 1,636 million ha and for yellow maize it is 1,063 million ha.
- The production forecast of white maize is 6,193 million tons, which is 2,3% or 141 100 tons more than the 6,052 million tons of the previous season. The yield for white maize is 3,79 t/ha. In the case of yellow maize the production forecast is 4,644 million tons, which is 7,79% or 335 500 tons more than the 4,308 million tons of the previous season. The yield for yellow maize is 4,37 t/ha.
- The production forecast for **sunflower seed** is 527 110 tons, which is 38,7% or 332 890 less than the 860 000 tons the previous season. The area estimate for sunflower seed is 453 350 ha, with an expected yield of 1,16 t/ha.
- The production forecast for **soya-beans** is 655 700 tons, which is 7,7% or 54 300 tons less than the 710 000 tons of the previous season. It is estimated that 472 000 ha have been planted to soya-beans, whilst the expected yield is 1,39 t/ha.
- The expected **groundnut** crop is 60 290 tons, which is 6,2% or 3 960 tons less than the 64 250 tons of the previous season. For groundnuts the area estimate is 45 450 ha, whilst the expected yield is 1,33 t/ha.
- The production forecast for **sorghum** is 137 150 tons, which is 11,5% or 17 850 tons less than the 155 000 tons the previous season. The area estimate for sorghum is 48 550 ha. The expected yield is 2,82 t/ha.
- In the case of **dry beans** the production forecast is 47 695 tons, which is 13,6% or 5 715 tons more than the 41 980 tons the previous season. For dry beans, the area estimate is 39 750 ha, and the expected yield is 1,20 t/ha.

Please note that the seventh production forecast for summer field crops for 2012 (current production season) will be released on 28 August 2012.



2.2 Winter cereal crops

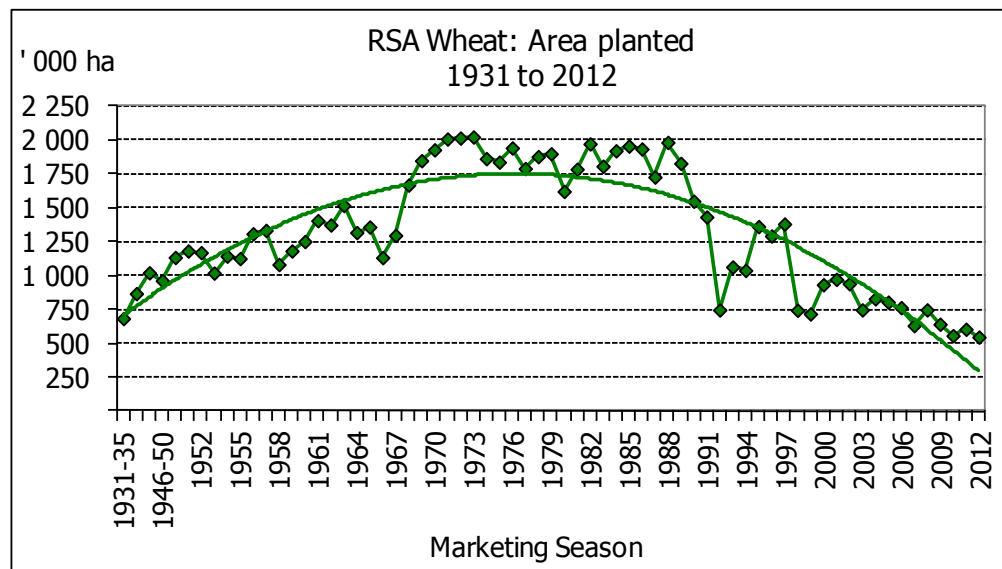
The preliminary area estimate for winter cereals for the 2012 production season was released by the CEC on 24 July 2012, and is as follows:

Table 3: Commercial winter crops: Preliminary area planted estimate - 2012 production season

CROP	Area planted 2012 Ha (A)	Area planted 2011 Ha (C)	Final crop 2011 Tons (D)	Change % (A) ÷ (C)
Wheat	546 700	604 700	2 005 000	-9,59
Malting barley	83 290	80 150	312 000	+3,92
Canola	45 490	43 510	58 800	+4,55
Total	675 480	728 360	2 375 800	-7,26

- The preliminary area estimate for **wheat** is 546 700 ha, which is 9,6% or 58 000 ha less than the 604 700 ha planted for the previous season. This is the smallest area planted to wheat since the early 1930's.
- The preliminary area estimate for **malting barley** is 83 290 ha, which is 3,9% or 3 140 ha more than the 80 150 ha of last season.
- In case of **canola** the preliminary area planted is 45 490 ha, which is 4,6% more than the 43 510 ha planted for the previous season.

Graph 1: RSA Wheat: Commercial area planted



The decreasing trend in the area planted to wheat is evident from the graph, as producers no longer consider it a profitable crop to produce.

Please note that the revised area planted estimate and first production forecast for winter cereals for 2012 will be released on 28 August 2011.

3. Cereal balance sheets

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

3.1 Winter cereals

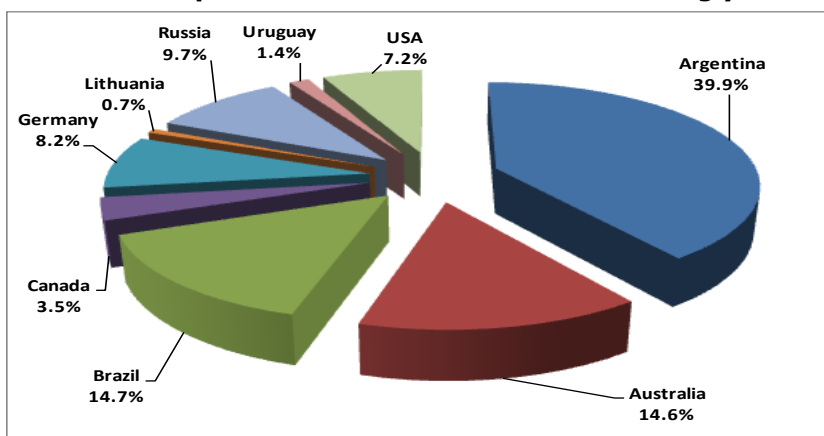
Table 4: Supply and demand for Wheat as at 31 July 2012

Marketing year (October to September) Calendar year	2010/11 2010	2011/12* 2011	2012/13* 2012
	1 000 tons	1 000 tons	1 000 tons
Supply			
Opening stocks: 1 October	579	478	622
SAGIS opening stocks	579	478	622
Gross production	1 436	2 013	1 605
Commercial production	1 401	1 976	1 568
Retentions by producers	29	29	29
Non-commercial	6	8	8
Total domestic supply	2 015	2 491	2 227
Plus: Imports	1 649	1 520	1 650
Total supply	3 664	4 011	3 877
Demand			
Commercial consumption	3 001	3 122	3 023
Human	2 944	2 940	2 915
Animal	1	110	40
Retentions by producers	29	29	29
Seed for planting purposes	13	23	22
Other consumption (released to end con's+withdrawn by prod's+retentions)	14	20	17
Non-commercial	6	8	8
Total domestic consumption	3 007	3 130	3 031
Plus: Exports	179	260	220
Products	24	20	20
Whole grain	155	240	200
Total demand	3 186	3 390	3 251
Closing stocks: 30 September	478	621	626
Pipeline requirements (80 days of human consumption)	645	644	639
Domestic shortfall	-1 637	-1 283	-1 443
Import gap	1 637	1 283	1 443
Surplus above pipeline	-167	-23	-13

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

- The projected closing stocks (30 September 2012) of wheat for the current 2011/12 marketing year is 621 000 tons, which is 29,9% more than the previous year (478 000 tons). The year-on-year increase can mainly be attributed to the larger wheat crop for the current marketing year.

Graph 2: Major countries of wheat imports for South Africa: 2011 marketing year



- The progressive wheat imports from 1 October 2011 to 27 July 2012, stand at 1,291 million tons, with the largest quantity (515 092 or 39,9%) imported from Argentina followed by Brazil (190 315 or 14,7%), Australia (189 146 tons or 14,6%) and Russia (124 938 tons or 9,7%). There were also wheat exports from South Africa to the BLNS countries. Progressive exports (October to July) to the BLNS countries, Zambia, Zimbabwe and Mozambique stand at 246 113 tons.
- The projected production figure of the coming 2012/13 marketing year is 1,597 million tons, which is 20,3% less than the 2,005 million tons produced during the previous year. The projected closing stocks (30 September 2013) of wheat for the same year is 626 000 tons, which is slightly (0,8%) more than the previous year (621 000 tons).

3.2 Summer grains

Table 5: Supply and demand for White Maize as at 31 July 2012

Marketing Year: May – April	2010/11	2011/12	2012/13*
Calendar Year	2010	2011	2012*
Supply	1 000 tons	1 000 tons	1 000 tons
Opening Stocks: 1 May	1 362	1 609	518
SAGIS Opening Stocks	1 362	1 609	518
Gross Production	8 164	6 601	6 568
Commercial production	7 623	6 105	6 108
Retentions by producers	119	100	85
Non-commercial	422	396	375
Total Domestic Supply	9 526	8 210	7 086
Imports	-	133	15
Total Supply	9 526	8 343	7 101
Demand			
Commercial Consumption	6 370	5 635	5 315
Human	4 159	4 119	4 300
Animal	1 658	1 202	770
Gristing	56	53	60
Retentions by producers	102	85	70
Seed for planting purposes	16	15	15
Other consumption (released to end-con & withdrawn by producers)	379	161	100
Non-commercial	422	396	375
Total Domestic Consumption	6 792	6 031	5 690
Exports	1 124	1 794	950
Products	75	60	70
Whole grain	1 049	1 734	880
Total Demand	7 916	7 825	6 640
Closing Stocks: 30 April	1 609	518	461
Pipeline Requirements (45 days of human & animal consumption + gristing)	724	663	632
Domestic Shortfall / Surplus	2 009	1 516	764
Surplus/ Shortage above pipeline	885	-145	-171

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

- Projected closing stocks of white maize for the current 2012/13 marketing year is 461 000 tons, which is 11,0% less than the previous year (518 000 tons). This decrease can mainly be attributed to the lower projected import



figure for 2012 calendar year. The projected import figure of 15 000 tons is 88,7% less than the 133 000 tons of the previous year.

- From 1 May up to 27 July 2012, progressive white maize exports stand at 386 473 tons.
- The progressive white maize imports from 1 May to 27 July 2012, stand at 7 480 tons, with Zambia the main source of imports.

Table 6: Supply and demand for Yellow Maize as at 31 July 2012

Marketing Year: May – April	2010/11	2011/12	2012/13*
Calendar Year	2010	2011	2012*
	1 000 tons	1 000 tons	1 000 tons
Supply			
Opening Stocks: 1 May	769	727	476
SAGIS Opening Stocks	769	727	476
Gross Production	5 133	4 777	4 855
Commercial production	4 541	4 235	4 329
Retentions by producers	408	374	315
Non-commercial	184	168	211
Total Domestic Supply	5 903	5 504	5 331
Imports	-	288	300
Total Supply	5 903	5 792	5 631
Demand			
Commercial Consumption	3 924	4 367	4 733
Human	356	393	370
Animal	2 613	3 160	3 770
Gristing	17	14	18
Retentions by producers	394	360	301
Seed for planting purposes	14	14	14
Other consumption (released to end-con & withdrawn by producers)	530	426	260
Non-commercial	184	168	211
Total Domestic Consumption	4 108	4 535	4 944
Exports	1 068	781	200
Products	51	69	50
Whole grain	1 017	712	150
Total Demand	5 176	5 316	5 144
Closing Stocks: 30 April	727	476	487
Pipeline Requirements (45 days of human & animal consumption + gristing)	368	440	516
Domestic Shortfall / Surplus	1 427	529	-126
Import gap			126
Surplus/ Shortage above pipeline	359	36	-26

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

- Projected closing stocks of yellow maize for the current 2012/13 marketing year is 487 000 tons, which 2,3% more than the previous year (476 000 tons). This increase can mainly be attributed to the expected increase in the production figure of yellow maize, as well as the decrease in the expected exports for the 2012 calendar year.
- From 1 May up to 27 July 2012, progressive yellow maize exports stand at 30 028 tons. No imports were reported for the mentioned period.



Table 7: Supply and demand for Maize as at 31 July 2012

Marketing Year: May – April	2010/11	2011/12	2012/13*
Calendar Year	2010	2011	2012*
	1 000 tons	1 000 tons	1 000 tons
Supply			
Opening Stocks: 1 May	2 131	2 336	994
SAGIS Opening Stocks	2 131	2 336	994
Gross Production	13 298	11 378	11 424
Commercial production	12 165	10 340	10 437
Retentions by producers	527	474	400
Non-commercial	606	564	587
Total Domestic Supply	15 429	13 714	12 418
Imports	-	421	315
Total Supply	15 429	14 135	12 733
Demand			
Commercial Consumption	10 295	10 002	10 048
Human	4 515	4 512	4 670
Animal	4 271	4 362	4 540
Gristing	73	67	78
Retentions by producers	497	445	371
Seed for planting purposes	30	29	29
Other consumption (released to end-con & withdrawn by producers)	909	587	360
Non-commercial	606	564	587
Total Domestic Consumption	10 901	10 566	10 635
Exports	2 192	2 575	1 150
Products	126	129	120
Whole grain	2 066	2 446	1 030
Total Demand	13 093	13 141	11 785
Closing Stocks: 30 April	2 336	994	948
Pipeline Requirements (45 days of human & animal consumption + gristing)	1 092	1 102	1 145
Domestic Shortfall / Surplus	3 436	2 046	638
Surplus/ Shortage above pipeline	1 244	-108	-197

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

- Projected closing stocks of maize for the current 2012/13 marketing year is 948 000 tons, which 4,6% less than the previous year (994 000 tons). This decrease can mainly be attributed to the expected increase in the human and animal consumption figure for the 2012 calendar year.
- From 1 May up to 27 July 2012, the progressive grand total of exports is 416 501 tons, with the largest quantity (291 676 tons or 70,0%) exported to Mexico followed by BLNS countries (110 647 tons or 26,6%), Mozambique (12 176 tons or 2,9%) and Madagascar (2 002 tons or 0,5%).
- The progressive maize imports from 1 May to 27 July 2012, stand at 7 480 tons, with Zambia the main source of imports.

Graph3: Major export countries of South African maize: 2012 marketing year



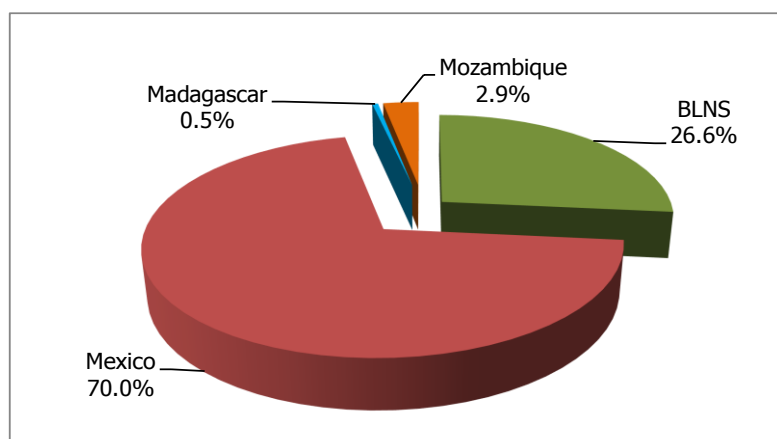


Table 8: Supply and demand for Sorghum as at 31 July 2012

Marketing year: April – March Calendar year	2010/11 2010	2011/12 2011	2012/13* 2012*
	1 000 tons	1 000 tons	1 000 tons
Supply			
Opening stocks: 1 April	93,2	58,1	52,1
SAGIS opening stocks	93,2	58,1	52,1
Gross production	226,0	187,0	158,3
Commercial production	196,5	163,7	137,2
Non-commercial	29,5	23,3	21,1
Total domestic supply	319,2	245,1	210,4
Plus: Imports	-	57,8	70,0
Total supply	319,2	302,9	280,4
Demand			
Food consumption	181,8	182,2	180,5
Malt	79,2	81,3	80,0
Meal	102,6	100,9	100,5
Brew	-	-	-
Feed consumption	8,6	7,1	6,2
Pet food	1,1	1,1	1,2
Poultry	4,8	5,5	4,6
Other feed	2,7	0,5	0,4
Total commercial consumption	190,4	189,3	186,7
Other consumption	13,4	11,1	10,4
Balancing item	3,6	1,9	5,0
Non-commercial	29,5	23,3	21,1
Total domestic consumption	236,9	225,6	223,2
Plus: Exports	24,2	25,2	20,0
Exports through border posts	20,3	21,4	16,0
Exports through harbours	0,6	-	-
Products to African countries	3,3	3,8	4,0
Total demand	261,1	250,8	243,2
Closing stocks: 31 March	58,1	52,1	37,2
Pipeline Requirements (45 days of human & animal consumption + gristing)	23,5	23,3	23,0
Domestic surplus / deficit	58,8	-3,8	-35,8
Import gap	-	3,8	35,8
Surplus/ Shortage above pipeline	34,6	28,8	14,2

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

- The projected closing stocks of sorghum for the current 2012/13 marketing year show a surplus of 37 200 tons, which is 28,6% less than the previous year (52 100 tons) and can be attributed to the lower production figure for 2012. Imports of sorghum for the mentioned year are projected at 70 000 tons, which is 21,1% more than the 57 800 tons of the previous year.

3.3 International maize and wheat outlook 2012/13

- **Maize:** The 2012/13 outlook for maize production has generally worsened, especially in the USA, where high temperatures and severe drought have reduced prospects. The world crop has been adjusted downward to 864 million tons (year-on-year), exporter availabilities are tightening and global carry-over stocks are expected to decline to the lowest level in six years. World demand is projected to increase by about 1% year-on-year, but forecasts for feed use has been lowered, due to higher prices and lower supply. Industrial use is expected to decline, with US fuel ethanol production likely to decrease year-on-year.
- **Wheat:** The world wheat production forecast for 2012/13 is unchanged from the last GMR at 665 million tons, down 4,5% year-on-year. The output of China and India has been revised higher; but the combined forecast for the eight major exporters is again lower, as prospects in the Black Sea region have deteriorated. Export potential is shrinking in the CIS, suggesting a shift to other origins, especially the USA and EU. World consumption is forecasted to contract by about 2% year-on-year, as lower feed use outweighs food and industrial growth. Global stocks are forecasted to fall by 15 million tons to a four-year low by the end of 2012/13.

4. Market information

4.1 Consumer Price Index (CPI)

- The headline CPI (for all urban areas) annual inflation rate in June 2012 was 5,5%. This rate was 0,2% lower than the corresponding annual rate of 5,7% in May 2012. On average, prices increased by 0,2% between May 2012 and June 2012.
- The food and non-alcoholic beverages index decreased by 0,2% between May 2012 and June 2012. The annual rate decreased to 5,9% in June 2012 from 6,6% in May 2012. The following components in the food and non-alcoholic beverages index decreased: Fruit (-4,3%), vegetables (-0,6%), meat (-0,5%) and bread and cereals (-0,1%). The following components increased: Oils and fats (0,9%), other food (0,7%), milk, eggs and cheese (0,6%), cold beverages (0,4%), fish (0,3%), sugar, sweets and desserts (0,1%) and hot beverages (0,1%).
- The alcoholic beverages and tobacco index increased by 0,1% between May 2012 and June 2012. The annual rate increased to 7,4% in June 2012 from 7,3% in May 2012.
- The housing and utilities index increased by 0,8% between May 2012 and June 2012, mainly due to a 1,2% increase in actual rentals for housing and a 1,1% increase in owners' equivalent rent. The annual rate decreased to 6,4% in June 2012 from 6,7% in May 2012.
- The transport index increased by 0,1% between May 2012 and June 2012, mainly due to a 10,7% increase in taxi fares and a 4,6% increase in long distance bus fares. The annual rate decreased to 6,2% in June 2012 from 6,7% in May 2012. The price of petrol decreased by 55c/litre in June 2012.
- The provinces with an annual inflation rate lower than or equal to headline inflation were Limpopo (5,5%), Gauteng (5,4%) and Western Cape (5,3%). The provinces with an annual inflation rate higher than headline inflation were Northern Cape (7,0%), Mpumalanga (6,2%), Eastern Cape (5,9%), North West (5,9%), Free State (5,8%) and KwaZulu-Natal (5,8%).

4.2 Producer Price Index (PPI)

- The Producer Price Index (PPI) for domestic output shows an annual rate of change of 6,6% in June 2012 (i.e. the PPI in June 2012 compared with June 2011). This rate is the same as the corresponding annual rate of 6,6% in May 2012.



- The most notable increases in annual rates between May and June, based on changes in contribution to the annual rate for All groups, were as follows:
 - Agriculture: The annual rate increased from 1,7% in May 2012 to 2,2% in June 2012;
 - Wood and wood products: The annual rate increased from 3,6% in May 2012 to 4,7% in June 2012; and
 - Basic metals: The annual rate increased from -3,4% in May 2012 to -2,5% in June 2012.
- These increases were counteracted by decreases in the annual rate of change for:
 - Mining and quarrying: The annual rate decreased from 8,4% in May 2012 to 6,9% in June 2012;
 - Products of petroleum and coal: The annual rate decreased from 12,0% in May 2012 to 7,7% in June 2012;
 - Food at manufacturing: The annual rate decreased from 8,4% in May 2012 to 7,7% in June 2012;
 - Paper and paper products: The annual rate decreased from 5,8% in May 2012 to 5,6% in June 2012; and
 - Wearing apparel: The annual rate decreased from 5,5% in May 2012 to 3,3% in June 2012.
- From May 2012 to June 2012 the PPI for domestic output increased by 4,4%.
- The monthly increase of 4,4% in the PPI for domestic output was mainly due to monthly contributions from increases in the price indices of electricity (5,0%) and basic metals (0,1%). These increases were partially counteracted by decreases in the price indices of products of petroleum and coal (-0,3%), mining and quarrying (-0,2%), agriculture (-0,1%) and all other groups (-0,1%).

4.3 Monetary Policy Committee Statement

- The SA Reserve Bank's Monetary Policy Committee (MPC) has lowered the repo rate by 0,5% to 5,0% per annum, Governor Gill Marcus announced on Thursday, 19 July 2012, following a three-day Committee Meeting.
- "The inflation forecast of the bank has been revised downwards since the previous meeting of the MPC, apart from the final quarter of 2014 when a slightly higher outcome is forecasted," Ms Marcus said. "With inflation expected to have picked at an average of 6,1% in the first quarter of 2012, it is now expected to continue to moderate over the next few quarters, reaching a low of 4,9% in the second quarter of 2013."
- Inflation is then expected to remain around the 5% level to the end of 2014. It is forecast to average 5,6% this year and 5,1% in 2013 and 2014, with the improvement mainly due to the lower-than-expected recent inflation figures.
- "The forecast for core inflation is also more favourable although the upward trend is expected to continue in the short term," the Governor said. "Core inflation is expected to measure 5,4% in the final quarter of 2012 and the first quarter of 2013, before declining and averaging at 4,8% in 2014."
- The Reserve Bank Governor also said that taking into account the 2,7% annualised growth rate recorded in the first quarter of this year, the Bank's forecast of gross domestic product growth for 2012 had been reduced from 2,9% to 2,7% and to 3,8% in 2013.
- She said the rand was expected to remain vulnerable to erratic shifts in global risk perceptions, while a deterioration of global risk sentiment could further weaken the local currency.

4.4 Future contract prices and the exchange rate

Table 9: Closing prices on Thursday, 2 August 2012

	2 August 2012	2 July 2012	% Change
RSA White Maize per ton (Aug. contract)	R2 716,00	R2 214,00	+22,7
RSA Yellow Maize per ton (Aug. contract)	R2 726,00	R2 188,00	+24,6
RSA Wheat per ton (Aug. contract)	R3 435,00	R2 978,00	+15,3
RSA Soya-beans per ton (Aug. contract)	R5 375,00	R4 811,00	+11,7
RSA Sunflower seed per ton (Aug. contract)	R5 280,00	R4 820,00	+9,5
Exchange rate R/\$	R8,31	R8,14	+2,1

Source: SAFEX



4.5 Agricultural machinery sales

- June tractor sales of 710 units were almost 14% higher than the sales of 625 units reported in June 2011. On a year-to-date basis 2012 sales are 32% higher than 2011 sales. June combine harvester sales of 42 units were double the 21 units sold in June 2011. On a year-to-date basis combine harvester sales are now 50% up on last year.
- The market for agricultural machinery remains buoyant. Given the fact that maize harvesting is now proceeding apace and the good maize prices, producers should now feel more assured about the overall value of their crops. This will enable them to make their buying decisions with improved confidence.
- Some farmers will bring forward their buying decisions ahead of the inevitable equipment price increases as a result of the recent weakening of the rand. This will lead to higher sales to commercial farmers in the short term. Working against this trend, however, will be reduced tender activity as most of these deliveries have now been completed. Industry predictions of tractor sales for the 2012 calendar year have been revised upwards again to levels at, or more than, the almost 7 400 units sold in 2011.

Table 10: Agricultural machinery sales

Equipment class	Year-on-year		Percentage Change %	Year-to-date		Percentage Change %
	June			June		
	2012	2011		2012	2011	
Tractors	710	625	13,6	4 053	3 068	32,1
Combine harvesters	42	21	100,0	218	145	50,3

Source: SAAMA press release, July 2012

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:

- 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