

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

**Issued: 3 July 2012**

**Directorate: Statistics and Economic Analysis**

## **Highlights:**

- **Rainfall occurrences for the period 1 to 23 June 2012 were limited to the Western Cape Province, as well as the coastal region of the Eastern Cape Province.**
- **The projected closing stocks of wheat for the current 2011/12 marketing year is 633 000 tons, which includes imports of 1,5 million tons.**
- **Early indications are that producers intend to plant 547 200 ha of wheat for the 2012 season, which is 9,5% less than the area planted to wheat in 2011.**
- **The projected closing stocks of wheat for the coming 2012/13 marketing year is 635 000 tons, which includes imports of 1,65 million tons.**
- **The expected commercial maize crop is 11,056 million tons, which is 6,7% more than the 10,360 million tons of the previous season.**
- **The projected closing stocks of maize for the past 2011/12 marketing year was 994 000 tons, which is 57,4% less than the previous year.**
- **The projected closing stocks of maize for the current 2012/13 marketing year is 1,139 million tons, which 14,6% more than the previous year.**
- **The projected closing stocks of sorghum for the current 2012/13 marketing year show a surplus of 48 200 tons, which is 7,5% less than the previous year.**
- **The headline CPI (for all urban areas) annual inflation rate in May 2012 was lower at 5,7%.**
- **The annual percentage change in the PPI was unchanged at 6,6% in May 2012.**
- **May 2012 tractor sales of 580 units were almost 30% higher than the sales of 445 units reported in May 2011.**



**agriculture,  
forestry & fisheries**

Department:  
Agriculture, Forestry and Fisheries  
REPUBLIC OF SOUTH AFRICA

Enquiries: Marda Scheepers or Queen Sebidi

Directorate: Statistics and Economic Analysis

Tel: +27 12 319 8033/8164

Tel: +27 12 319 8031

Email: [MardaS@daff.gov.za](mailto:MardaS@daff.gov.za) or [QueenS@daff.gov.za](mailto:QueenS@daff.gov.za)

## Contents

---

<b>1. Weather conditions</b>	<b>3</b>
<b>2. Grain production</b>	<b>4</b>
<b>2.1 Summer grain crops</b>	<b>4</b>
<b>2.2 Winter cereal crops</b>	<b>5</b>
<b>3. Cereal balance sheets</b>	<b>5</b>
<b>3.1 Winter cereals</b>	<b>5</b>
<b>3.2 Summer grains</b>	<b>7</b>
<b>4. Market information</b>	<b>12</b>
<b>4.1 Consumer Price Index (CPI)</b>	<b>12</b>
<b>4.2 Producer Price Index (PPI)</b>	<b>12</b>
<b>4.3 Future contract prices and the exchange rate</b>	<b>13</b>
<b>4.4 Agricultural machinery sales</b>	<b>13</b>
<b>5. Acknowledgements</b>	<b>13</b>



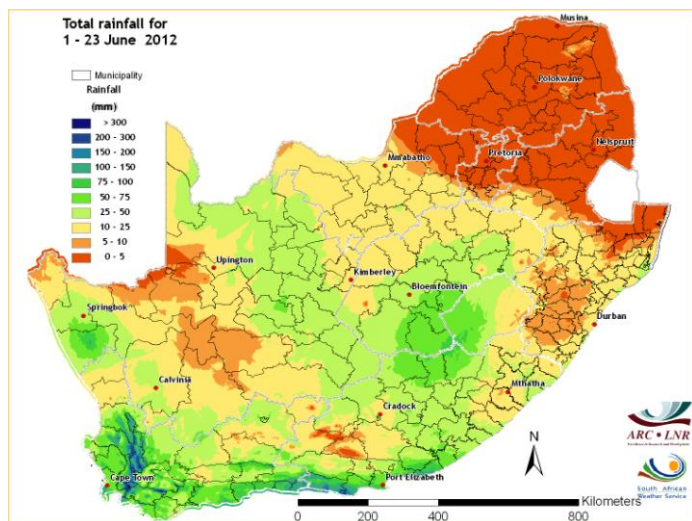
# 1. Weather conditions

## 1.1 Rainfall for 1 to 23 June 2012

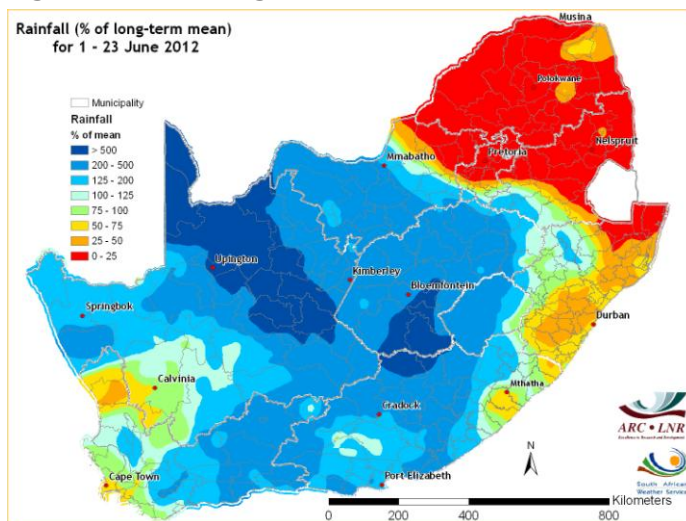
Rainfall occurrences for the period 1 to 23 June 2012 were limited to the Western Cape Province, as well as the coastal region of the Eastern Cape Province (Figure 1).

Comparing the rainfall totals of 1 to 23 June 2012 with the long term average (Figure 2), the majority of the central and western regions of the country experienced normal to above-normal rainfall. However, isolated areas of the Eastern and Western Cape provinces, as well as the eastern region received below-normal rainfall for the mentioned period.

**Figure 1: Rainfall (mm) for 1 to 23 June 2012**



**Figure 2: Percentage rainfall for 1 to 23 June 2012**



## 1.2 Level of dams

Available information on the level of South Africa's dams on 25 June 2012 indicates that the country has approximately 80% of its full supply capacity (FSC) available, which is 14% 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, 25 June 2012**

Province	Net FSC million cubic meters	25/6/2012 (%)	Last Year (%)
<b>Eastern Cape</b>	1 822	<b>80</b>	85
<b>Free State</b>	15 968	<b>85</b>	100
<b>Gauteng</b>	115	<b>88</b>	101
<b>KwaZulu-Natal</b>	4 530	<b>75</b>	85
<b>Lesotho*</b>	2 376	<b>72</b>	97
<b>Limpopo</b>	1 159	<b>74</b>	87
<b>Mpumalanga</b>	2 520	<b>85</b>	98
<b>North West</b>	808	<b>77</b>	95
<b>Northern Cape</b>	146	<b>86</b>	106
<b>Western Cape</b>	1 851	<b>51</b>	66
<b>Total</b>	<b>31 295</b>	<b>80</b>	<b>94</b>

Source: Department of Water Affairs

## 2. Grain production

### 2.1 Summer grain crops

The Crop Estimates Committee (CEC) released the area planted and fifth production forecast for summer crops for 2012 for commercial summer crops on 26 June 2012.

**Table 2: Summer crops: Area planted and fifth production forecast - 2012**

CROP	Area planted 2012 Ha (A)	5 <sup>th</sup> forecast 2012 Tons (B)	Area planted 2011 Ha (C)	Final crop 2011 Tons (D)	Change % (B) ÷ (D)
White maize	1 636 200	<b>6 359 300</b>	1 418 300	6 052 000	+5,08
Yellow maize	1 063 000	<b>4 696 250</b>	954 000	4 308 000	+9,01
Maize	2 699 200	<b>11 055 550</b>	2 372 300	10 360 000	+6,71
Sunflower seed	453 350	<b>527 110</b>	642 700	860 000	-38,71
Soya-beans	472 000	<b>673 550</b>	418 000	710 000	-5,13
Groundnuts	45 450	<b>60 290</b>	55 150	64 250	-6,16
Sorghum	48 550	<b>137 150</b>	69 200	155 000	-11,52
Dry beans	39 750	<b>47 695</b>	41 900	41 980	+13,61
TOTAL	3 758 300	<b>12 501 345</b>	3 599 250	12 191 230	+2,54

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 11,056 million tons, which is 6,7% or 695 550 tons higher than 10,360 million tons the previous marketing season. The area estimate for maize is 2,699 million ha, which is 13,78% or 326 900 ha more than the 2,372 million ha of the previous marketing season. The expected yield is 4,10 t/ha as against 4,37 t/ha of the previous season. 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 6,359 million tons, which is 5,1% or 307 300 tons more than the 6,052 million tons of the previous season. The yield for white maize is 3,89 t/ha as against 4,27 t/ha of the previous season. In the case of **yellow maize** the production forecast is 4,696 million tons, which is 9,0% or 388 250 tons more than the 4,308 million tons of the previous season. The yield for yellow maize is 4,42 t/ha as against 4,52 t/ha of the previous season.
- The production forecast for **sunflower seed** is 527 110 tons, which is 38,7% or 332 890 tons less than the 860 000 tons of the previous season. The revised area estimate for sunflower seed is 453 350 ha, which is 189 350 ha less than the 642 700 ha of the previous season. The expected yield is 1,16 t/ha as against 1,34 t/ha of the previous season.
- The production forecast for **soya-beans** is 673 550 tons, which is 5,1% or 36 450 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 1,43 t/ha as against 1,70 t/ha of the previous season.
- The expected groundnut crop is 60 290 tons, which is 6,1% or 3 960 tons less than the 64 250 tons of the last season. For **groundnuts** the area estimate is 45 450 ha, whilst the expected yield is 1,33 t/ha as against 1,17t/ha of the last season.



- The production forecast for **sorghum** is 137 150 tons, which is 11,5% or 17 850 tons less than the 155 000 tons of the previous season. The area estimate for sorghum is 48 550 ha. The expected yield is 2,82 t/ha as against 2,24 t/ha of the previous season.
- 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 of the previous season. For dry beans, the area estimate is 39 750 ha, and the expected yield is 1,20 t/ha as against 1,00 t/ha of the previous season.

*Please note that the sixth production forecast for summer field crops for 2012 will be released on 24 July 2012.*

## 2.2 Winter cereal crops

The intentions to plant winter cereals for the 2012 production season was released by the CEC on 24 April 2012, and is as follows:

**Table 3: Commercial winter crops: Intentions to plant - 2012 production season**

CROP	Intentions* 2012 Ha (A)	Area planted 2011 Ha (B)	Final estimate 2011 Tons (C)	Change % (A) ÷ (B)
Commercial:				
Wheat	<b>547 200</b>	604 700	1 905 280	-9,50
Malting barley	<b>82 800</b>	80 150	309 000	+3,30
Canola	<b>50 000</b>	43 510	59 490	+14,90
Total	<b>680 000</b>	728 360	2 273 770	-6,64

\* Based on conditions at the middle of April 2012

- Early indications are that producers intend to plant 547 200 ha of **wheat** for the 2012 season. This is 57 500 ha or 9,5% less than the area planted to wheat in 2011. This is also the smallest area planted to wheat since the early 1900's. The main producing areas are within the Western Cape with 265 000 ha (48%), followed by the Free State with 168 000 ha (31%) and the Northern Cape with 44 000 ha (8%).
- According to producers the decrease in the expected plantings of wheat can mainly be attributed to low prices (no longer profitable), as well as grading regulations. With specific reference to the Free State, producers also indicated that they are going to plant less wheat due to low soil moisture levels.
- The expected area planted to **malting barley** is 82 800 ha, which is 2 650 ha or 3,3% more than the 80 150 ha of the previous year.
- The expected area planted to **canola** is 50 000 ha, which is 6 490 ha or 14,9% more than the 43 510 ha planted in 2011. On record, this is the largest area planted to canola.

*Please note that the preliminary area estimate for winter cereals for 2012 will be released on 24 July 2012.*

## 3. Cereal balance sheets

Supply and demand data for April 2012 was released by SAGIS on 22 June 2012. *(Preliminary information is subject to change on a monthly basis.)*

### 3.1 Winter cereals



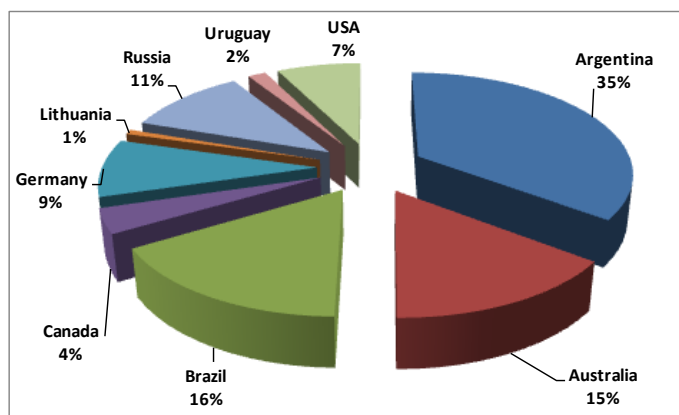
**Table 4: Supply and demand for Wheat as at 29 June 2012**

<b>Marketing year (October to September)</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>Supply</b>	<b>1 000 tons</b>	<b>1 000 tons</b>	<b>1 000 tons</b>
<b>Opening stocks: 1 October</b>	<b>579</b>	<b>478</b>	<b>633</b>
SAGIS opening stocks	579	478	633
<b>Gross production</b>	<b>1 436</b>	<b>2 013</b>	<b>1 607</b>
Commercial production	1 401	1 976	1 570
Retentions by producers	29	29	29
<b>Non-commercial</b>	<b>6</b>	<b>8</b>	<b>8</b>
<b>Total domestic supply</b>	<b>2 015</b>	<b>2 491</b>	<b>2 240</b>
Plus: Imports	1 649	1 500	1 650
<b>Total supply</b>	<b>3 664</b>	<b>3 991</b>	<b>3 890</b>
<b>Demand</b>			
<b>Commercial consumption</b>	<b>3 001</b>	<b>3 090</b>	<b>3 017</b>
Human	2 944	2 905	2 908
Animal	1	111	40
Retentions by producers	29	29	29
Seed for planting purposes	13	25	22
Other consumption (released to end con's+withdrawn by prod's+retentions)	14	20	18
<b>Non-commercial</b>	<b>6</b>	<b>8</b>	<b>8</b>
<b>Total domestic consumption</b>	<b>3 007</b>	<b>3 097</b>	<b>3 025</b>
<b>Plus: Exports</b>	<b>179</b>	<b>260</b>	<b>230</b>
Products	24	22	22
Whole grain	155	238	208
<b>Total demand</b>	<b>3 186</b>	<b>3 358</b>	<b>3 255</b>
<b>Closing stocks: 30 September</b>	<b>478</b>	<b>633</b>	<b>635</b>
<b>Pipeline requirements (80 days of human consumption)</b>	<b>645</b>	<b>637</b>	<b>637</b>
<b>Domestic shortfall / surplus</b>	<b>-1 637</b>	<b>-1 243</b>	<b>-1 422</b>
<b>Import gap</b>	<b>1 637</b>	<b>1 243</b>	<b>1 422</b>
<b>Surplus above pipeline</b>	<b>-167</b>	<b>-4</b>	<b>-2</b>

*\*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 633 000 tons, which is 32,4% 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 1: Major countries of wheat imports for South Africa: 2011/12 marketing year**



- The progressive wheat imports from 1 October 2011 to 29 June 2012, stand at 1,166 million tons, with the largest quantity (411 438 or 35,3%) imported from Argentina followed by Brazil (190 315 or 16,3%), Australia (173 751 tons or 14,9%) and Russia (124 938 tons or 10,7%). There were also wheat exports from South Africa to the BLNS countries. Progressive exports (October to June) to the BLNS countries, Zambia, Zimbabwe and Mozambique stand at 225 244 tons.
- The projected production figure of the coming 2012/13 marketing year is 1,599 million tons, which is 16,1% less than the 1,905 million tons produced during the previous year. The projected closing stocks (30 September 2013) of wheat for the same year is 635 000 tons, which is slightly (0,3%) more than the previous year (633 000 tons).

### 3.2 Summer grains

**Table 5: Supply and demand for White Maize as at 29 June 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>518</b>
SAGIS Opening Stocks	1 362	1 609	518
<b>Gross Production</b>	<b>8 164</b>	<b>6 601</b>	<b>6 734</b>
Commercial production	7 623	6 105	6 274
Retentions by producers	119	100	85
<b>Non-commercial</b>	<b>422</b>	<b>396</b>	<b>375</b>
<b>Total Domestic Supply</b>	<b>9 526</b>	<b>8 210</b>	<b>7 253</b>
Imports	-	133	15
<b>Total Supply</b>	<b>9 526</b>	<b>8 343</b>	<b>7 268</b>
<b>Demand</b>			
<b>Commercial Consumption</b>	<b>6 370</b>	<b>5 635</b>	<b>5 381</b>
Human	4 159	4 119	4 300
Animal	1 658	1 202	810
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	126
<b>Non-commercial</b>	<b>422</b>	<b>396</b>	<b>375</b>
<b>Total Domestic Consumption</b>	<b>6 792</b>	<b>6 031</b>	<b>5 756</b>
<b>Exports</b>	<b>1 124</b>	<b>1 794</b>	<b>920</b>
Products	75	60	70
Whole grain	1 049	1 734	850
<b>Total Demand</b>	<b>7 916</b>	<b>7 825</b>	<b>6 676</b>
<b>Closing Stocks: 30 April</b>	<b>1 609</b>	<b>518</b>	<b>592</b>
<b>Pipeline Requirements</b> (45 days of human & animal consumption + gristing)	<b>724</b>	<b>663</b>	<b>637</b>
<b>Domestic Shortfall / Surplus</b>	<b>2 009</b>	<b>1 516</b>	<b>860</b>
<b>Surplus/ Shortage above pipeline</b>	<b>885</b>	<b>-145</b>	<b>-45</b>

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

- Closing stocks of white maize for the 2011/12 marketing year was 518 000 tons, which was the lowest total recorded since the 412 000 tons in the 1999/00 marketing year. It was also 67,8% less than the previous year (1,609 million tons). This decrease could mainly be attributed to the lower production figure of white maize during the 2011 calendar year as well as a significant increase in exports.
- From 1 May up to 29 June 2012, progressive white maize exports stand at 260 301 tons.
- The progressive white maize imports from 1 May to 29 June 2012, stand at 6 724 tons, with Zambia the main source of imports.
- Projected closing stocks of white maize for the current 2012/13 marketing year is 592 000 tons, which is 14,3% more than the previous year (518 000 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 29 June 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>476</b>
SAGIS Opening Stocks	769	727	476
<b>Gross Production</b>	<b>5 133</b>	<b>4 777</b>	<b>4 907</b>
Commercial production	4 541	4 235	4 381
Retentions by producers	408	374	315
<b>Non-commercial</b>	<b>184</b>	<b>168</b>	<b>211</b>
<b>Total Domestic Supply</b>	<b>5 903</b>	<b>5 504</b>	<b>5 383</b>
Imports	-	288	300
<b>Total Supply</b>	<b>5 903</b>	<b>5 792</b>	<b>5 683</b>
<b>Demand</b>			
<b>Commercial Consumption</b>	<b>3 924</b>	<b>4 367</b>	<b>4 725</b>
Human	356	393	370
Animal	2 613	3 160	3 716
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	306
<b>Non-commercial</b>	<b>184</b>	<b>168</b>	<b>211</b>
<b>Total Domestic Consumption</b>	<b>4 108</b>	<b>4 535</b>	<b>4 936</b>
<b>Exports</b>	<b>1 068</b>	<b>781</b>	<b>200</b>
Products	51	69	50
Whole grain	1 017	712	150
<b>Total Demand</b>	<b>5 176</b>	<b>5 316</b>	<b>5 136</b>
<b>Closing Stocks: 30 April</b>	<b>727</b>	<b>476</b>	<b>547</b>
<b>Pipeline Requirements</b> (45 days of human & animal consumption + gristing)	<b>368</b>	<b>440</b>	<b>506</b>
<b>Domestic Shortfall / Surplus</b>	<b>1 427</b>	<b>529</b>	<b>-59</b>
<b>Import gap</b>			<b>59</b>
<b>Surplus/ Shortage above pipeline</b>	<b>359</b>	<b>36</b>	<b>41</b>

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



- Closing stocks of yellow maize for the 2011/12 marketing year was 476 000 tons, which was the lowest total recorded since the 439 000 tons in the 2007/08 marketing year. It was also 34,5% less than closing stocks of 727 000 tons for the 2010/11 marketing year. This decrease could mainly be attributed to the lower yellow maize crop for the 2011 calendar year.
- From 1 May up to 29 June 2012, progressive yellow maize exports stand at 18 166 tons. No imports were reported for the mentioned period.
- Projected closing stocks of yellow maize for the current 2012/13 marketing year is 547 000 tons, which 14,9% more than the previous year (476 000). This increase can mainly be attributed to the expected increase in the production figure of yellow maize for the 2012 calendar year.

**Table 7: Supply and demand for Maize as at 29 June 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>994</b>
SAGIS Opening Stocks	2,131	2,336	994
<b>Gross Production</b>	<b>13 298</b>	<b>11 378</b>	<b>11 643</b>
Commercial production	12 165	10 340	10 656
Retentions by producers	527	474	400
<b>Non-commercial</b>	<b>606</b>	<b>564</b>	<b>587</b>
<b>Total Domestic Supply</b>	<b>15 429</b>	<b>13 714</b>	<b>12 637</b>
Imports	-	421	315
<b>Total Supply</b>	<b>15 429</b>	<b>14 135</b>	<b>12 952</b>
<b>Demand</b>			
<b>Commercial Consumption</b>	<b>10 295</b>	<b>10 002</b>	<b>10 106</b>
Human	4 515	4 512	4 670
Animal	4 271	4 362	4 526
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	432
<b>Non-commercial</b>	<b>606</b>	<b>564</b>	<b>587</b>
<b>Total Domestic Consumption</b>	<b>10 901</b>	<b>10 566</b>	<b>10 693</b>
<b>Exports</b>	<b>2 192</b>	<b>2 575</b>	<b>1 120</b>
Products	126	129	120
Whole grain	2 066	2 446	1 000
<b>Total Demand</b>	<b>13 093</b>	<b>13 141</b>	<b>11 813</b>
<b>Closing Stocks: 30 April</b>	<b>2 336</b>	<b>994</b>	<b>1 139</b>
<b>Pipeline Requirements</b> (45 days of human & animal consumption + gristing)	<b>1 092</b>	<b>1 102</b>	<b>1 143</b>
<b>Domestic Shortfall / Surplus</b>	<b>3 436</b>	<b>2 046</b>	<b>801</b>
<b>Surplus/ Shortage above pipeline</b>	<b>1 244</b>	<b>-108</b>	<b>-4</b>

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



- Closing stocks of maize for the 2011/12 marketing year was 994 000 tons, which is 57,4% less than the previous years' closing stock of 2,336 million tons. This is the lowest total recorded since the 770 000 tons in the 1999/00 marketing year.

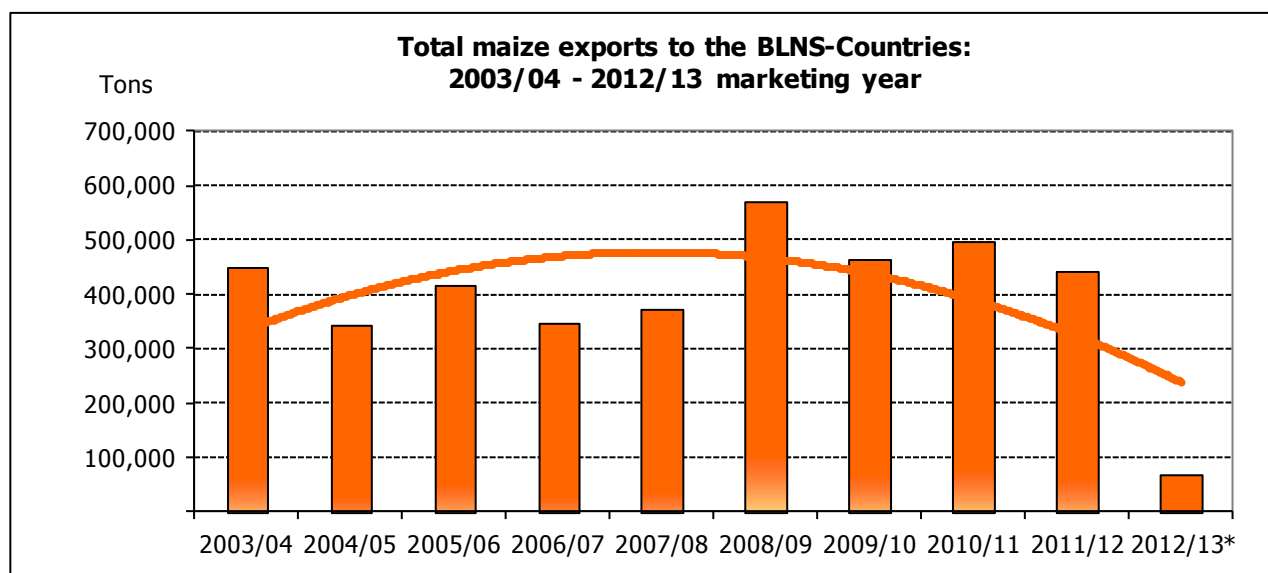
**Graph 2: Major export destinations of South African maize: 2011/12 marketing year**



\*Rest = Ghana, Madagascar, Senegal, Zimbabwe, Egypt

From the graph it is evident that during the 2011/12 marketing year, exports to Mexico bypassed exports to the BLNS countries, which is usually one of the major export destinations for South African maize.

**Graph 3: Total maize exports to the BLNS countries: 2003/04 - 2011/12 marketing year**



\*Preliminary

- From 1 May up to 29 June 2012, the progressive grand total of exports is 278 467 tons and for imports the progressive grand total is 6 724 tons.
- Projected closing stocks of maize for the current 2012/13 marketing year is 1,139 million tons, which 14,6% more than the previous year (994 000 tons). This increase can mainly be attributed to the expected increase in the production figure of total maize for the 2012 calendar year.

**Table 8: Supply and demand for Sorghum as at 29 June 2012**

<b>Marketing year: April - March</b>	<b>2010/11</b>	<b>2011/12*</b>	<b>2012/13*</b>
<b>Production year</b>	<b>2009/2010</b>	<b>2010/11*</b>	<b>2011/12*</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>52,1</b>
SAGIS opening stocks	93,2	58,1	52,1
<b>Gross production</b>	<b>226,0</b>	<b>187,0</b>	<b>158,3</b>
Commercial production	196,5	163,7	137,2
Non-commercial	29,5	23,3	21,1
<b>Total domestic supply</b>	<b>319,2</b>	<b>245,1</b>	<b>210,4</b>
Plus: Imports	-	57,8	88,0
<b>Total supply</b>	<b>319,2</b>	<b>302,9</b>	<b>298,4</b>
<b>Demand</b>			
<b>Food consumption</b>	<b>181,8</b>	<b>182,2</b>	<b>181,2</b>
Malt	79,2	81,3	80,3
Meal	102,6	100,9	100,9
Brew	-	-	-
<b>Feed consumption</b>	<b>8,6</b>	<b>7,1</b>	<b>7,1</b>
Pet food	1,1	1,1	1,1
Poultry	4,8	5,5	5,5
Other feed	2,7	0,5	0,5
<b>Total commercial consumption</b>	<b>190,4</b>	<b>189,3</b>	<b>188,3</b>
<b>Other consumption</b>	<b>13,4</b>	<b>11,1</b>	<b>11,1</b>
<b>Balancing item</b>	<b>3,6</b>	<b>1,9</b>	<b>4,5</b>
<b>Non-commercial</b>	<b>29,5</b>	<b>23,3</b>	<b>21,1</b>
<b>Total domestic consumption</b>	<b>236,9</b>	<b>225,6</b>	<b>225,0</b>
<b>Plus: Exports</b>	<b>24,2</b>	<b>25,2</b>	<b>25,2</b>
Exports through border posts	20,3	21,4	21,4
Exports through harbours	0,6	-	-
Products to African countries	3,3	3,8	3,8
<b>Total demand</b>	<b>261,1</b>	<b>250,8</b>	<b>250,2</b>
<b>Closing stocks: 31 March</b>	<b>58,1</b>	<b>52,1</b>	<b>48,2</b>
<b>Pipeline Requirements</b> (45 days of human & animal consumption + gristing)	<b>23,5</b>	<b>23,3</b>	<b>23,2</b>
<b>Domestic surplus / deficit</b>	<b>58,8</b>	<b>-3,8</b>	<b>-37,8</b>
<b>Import gap</b>	<b>-</b>	<b>3,8</b>	<b>37,8</b>
<b>Surplus/ Shortage above pipeline</b>	<b>34,6</b>	<b>28,8</b>	<b>25,0</b>

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

- The projected closing stocks of sorghum for the 2011/12 marketing year showed a surplus of 52 100 tons. It was 10,3% less than the previous years' closing stock of 58 100 tons, as well as 21,5% less than the five year average of 66 400 tons.
- The projected closing stocks of sorghum for the current 2012/13 marketing year show a surplus of 48 200 tons, which is 7,5% less than the previous year (52 100 tons) and can be attributed to lower expected production figure for 2012. Imports of sorghum for the mentioned year are projected at 88 000 tons, which is 52,2% more than the 57 800 tons of the previous year.



## 4. Market information

---

### 4.1 Consumer Price Index (CPI)

- The headline CPI (for all urban areas) annual inflation rate in May 2012 was 5,7%. This rate was 0,4% lower than the corresponding annual rate of 6,1% in April 2012. On average, prices increased by 0,1% between April 2012 and May 2012.
- The food and non-alcoholic beverages index decreased by 0,2% between April 2012 and May 2012. The annual rate decreased to 6,6% in May 2012 from 8,7% in April 2012. The following components in the food and non-alcoholic beverages index decreased: Fruit (-2,7%), meat (-1,0%), oils and fats (-0,8%), vegetables (-0,7%) and hot beverages (-0,3%). The following components increased: Cold beverages (1,3%), sugar, sweets and desserts (1,1%), milk, eggs and cheese (0,7%), fish (0,4%), bread and cereals (0,2%) and other food (0,1%).
- The alcoholic beverages and tobacco index increased by 0,2% between April 2012 and May 2012. The annual rate was unchanged at 7,3% in May 2012.
- The housing and utilities index increased by 0,1% between April 2012 and May 2012. The annual rate was unchanged at 6,7% in May 2012.
- The transport index increased by 0,4% between April 2012 and May 2012, mainly due to a 28c/litre increase in the price of petrol. The annual rate decreased to 6,7% in May 2012 from 6,9% in April 2012.
- The provinces with an annual inflation rate lower than or equal to headline inflation were Limpopo (5,7%) and Gauteng (5,5%). The provinces with an annual inflation rate higher than headline inflation were Northern Cape (7,2%), Eastern Cape (6,7%), KwaZulu-Natal (6,2%), Mpumalanga (6,0%), Free State (5,9%), North West (5,9%) and Western Cape (5,3%).

### 4.2 Producer Price Index (PPI)

- The Producer Price Index (PPI) for domestic output shows an annual rate of change of 6,6% in May 2012 (i.e. the PPI in May 2012 compared with May 2011). This rate is the same as the corresponding annual rate of 6,6% in April 2012.
- The most notable increases in annual rates between April and May, based on changes in contribution to the annual rate for All groups, were as follows:
  - Mining and quarrying: The annual rate increased from 7,6% in April 2012 to 8,4% in May 2012;
  - Paper and paper products: The annual rate increased from 4,5% in April 2012 to 5,8% in May 2012;
  - Chemicals and chemical products: The annual rate increased from 4,2% in April 2012 to 4,9% in May 2012;
  - Metal products: The annual rate increased from 7,7% in April 2012 to 8,0% in May 2012;
  - Beverages: The annual rate increased from 4,5% in April 2012 to 5,7% in May 2012;
  - Non-metallic mineral products: The annual rate increased from 7,1% in April 2012 to 7,8% in May 2012; and
  - Basic metals: The annual rate increased from -4,3% in April 2012 to -3,4% in May 2012.
- These increases were counteracted by decreases in the annual rate of change for:
  - Electricity: The annual rate decreased from 21,3% in April 2012 to 20,4% in May 2012;
  - Products of petroleum and coal: The annual rate decreased from 12,9% in April 2012 to 12,0% in May 2012;
  - Food at manufacturing: The annual rate decreased from 9,7% in April 2012 to 8,4% in May 2012;
  - Other manufactures: The annual rate decreased from 10,2% in April 2012 to 8,5% in May 2012;
  - Agriculture: The annual rate decreased from 4,2% in April 2012 to 1,7% in May 2012; and
  - Wood and wood products: The annual rate decreased from 4,2% in April 2012 to 3,6% in May 2012.
- From April 2012 to May 2012 the PPI for domestic output increased by 0,5%.
- The monthly increase of 0,5% in the PPI for domestic output was mainly due to monthly contributions from increases in the price indices of electricity (0,2%), mining and quarrying (0,1%), paper and paper products (0,1%), products of petroleum and coal (0,1%) and chemicals and chemical products (0,1%). These increases were partially counteracted by a decrease in the price index of agriculture (-0,1%).

### 4.3 Future contract prices and the exchange rate

**Table 9: Closing prices on Friday, 29 June 2012**

	29 June 2012	29 May 2012	% Change
<b>RSA White Maize per ton (June contract)</b>	R2 150,00	R2 050,00	+4,9
<b>RSA Yellow Maize per ton (June contract)</b>	R2 128,00	R2 021,00	+5,3
<b>RSA Wheat per ton (June contract)</b>	R3 171,00	R2 950,00	+7,5
<b>RSA Soya-beans per ton (June contract)</b>	R4 707,00	R4 265,00	+10,4
<b>RSA Sunflower seed per ton (June contract)</b>	R4 747,00	R4 889,00	-2,9
<b>Exchange rate R/\$</b>	R8,22	R8,34	-1,4

Source: SAFEX

### 4.4 Agricultural machinery sales

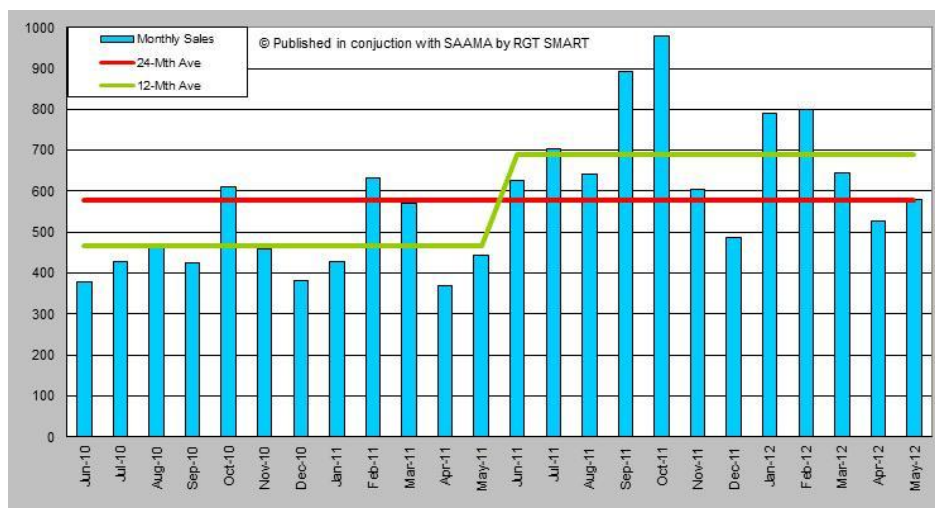
- May tractor sales of 580 units were 30% higher than the sales of 445 units reported in May 2011. On a year-to-date basis 2012 sales are almost 37% higher than 2011 sales. May combine harvester sales of 56 units were significantly up on the 33 units sold in May last year. On a year-to-date basis combine harvester sales are now almost 42% up on last year.
- Fundamentals in the market continue to remain positive. Maize harvesting has now started in earnest and farmers are getting a better idea of the harvest they can expect. Feeling within the industry is that the overall maize crop will not be as high as the current official estimate. This, together with the weaker rand, should keep the maize price at least at current levels.
- The recent weakening in the value of the rand will definitely lead to higher equipment prices, once current stocks are depleted. Some farmers will bring forward their buying decisions and this is likely to lead to higher sales in the short term. Industry predictions for tractor sales for the 2012 calendar year have been revised upwards, to a level closer to 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 %
	May			May		
	2012	2011		2012	2011	
Tractors	580	445	30,3	3 343	2 443	36,8
Combine harvesters	56	33	69,7	176	124	41,9

Source: SAAMA press release, June 2012

**Graph 4: Tractor sales for the past 24 months**



## 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