

# **MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: JUNE 2013**

**Issued: 3 July 2013**

**Directorate: Statistics and Economic Analysis**

## **Highlights:**

- During June 2013, significant rainfall events were limited to the western and southern coastal regions, as well as the KwaZulu-Natal coastal region.
- The projected closing stocks of wheat for the current 2012/13 marketing year are 649 000 tons, which includes imports of 1,5 million tons.
- The projected closing stocks of wheat for the coming 2013/14 marketing year are 612 000 tons, which includes imports of 1,5 million tons.
- The expected commercial maize crop is 11,376 million tons, which is 6% less than the 12,121 million tons of the previous season.
- The projected closing stocks of maize for the previous 2012/13 marketing year were 1,417 million tons, which was 43% more than the previous year.
- Projected closing stocks of maize for the current 2013/14 marketing year are 976 000 tons, which is 31% less than the previous year.
- The projected closing stocks of sorghum for the previous 2012/13 marketing year were 48 300 tons, which was 7% less than the previous year.
- The projected closing stocks of sorghum for the current 2013/14 marketing year are 56 600 tons, which is 17% more than the previous year.
- The headline CPI (for all urban areas) annual inflation rate in May 2013 was lower at 5,6%.
- The annual percentage change in the PPI for final manufactured goods was at 4,9% in May 2013.
- May 2013 tractor sales of 550 units were 5% lower than the 580 units reported in May 2012.



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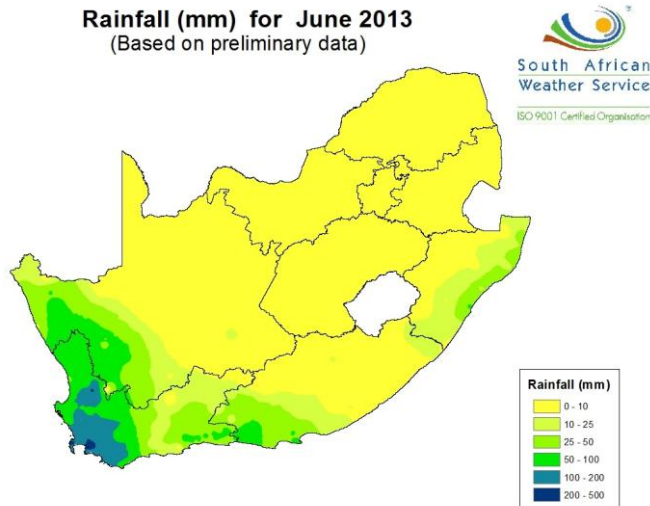


# 1. Weather conditions

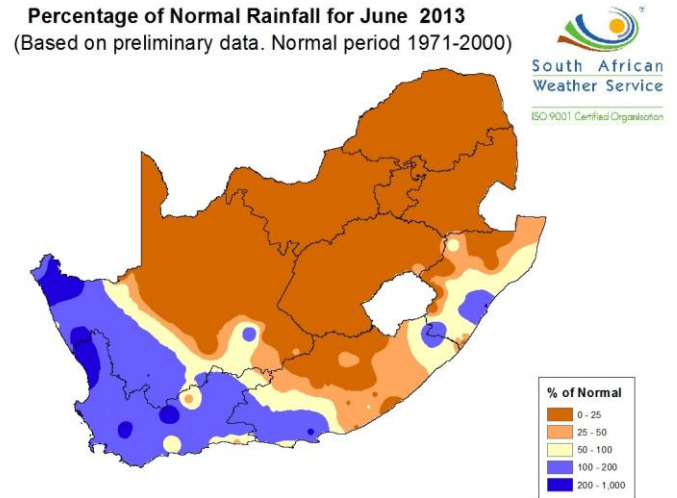
## 1.1 Rainfall for June 2013

During June 2013, significant rainfall events were limited to the western and southern coastal regions, as well as the KwaZulu-Natal coastal region (**Figure 1**). Comparing rainfall totals to the long term average, most of the western half of the country and some isolated areas of KwaZulu-Natal received above-normal rainfall (**Figure 2**). The remainder of the country received near-normal to below-normal rainfall.

**Figure 1: Rainfall (mm) for June 2013**



**Figure 2: Percentage rainfall for June 2013**



## 1.2 Level of dams

Available information on the level of South Africa's dams on 1 July 2013 indicates that the country has approximately 84% of its full supply capacity (FSC) available, 3% more than the corresponding period in 2012. KwaZulu-Natal, Limpopo, Mpumalanga, and the Western Cape provinces show increases for the mentioned period compared to last year. The Eastern Cape, Free State, Gauteng, North West and Northern Cape provinces show decreases for the mentioned period. The provincial distribution of South Africa's water supply (including Lesotho) is contained in Table 1 below.

**Table 1: Level of dams, 1 July 2013**

Province	Net FSC million cubic meters	1/07/2013 (%)	Last Year (%)	% Increase/Decrease 2013 vs 2012
Eastern Cape	1 818	79	80	-1,0
Free State	15 971	85	87	-2,0
Gauteng	115	81	87	-6,0
KwaZulu-Natal	4 529	89	73	16,0
Lesotho	2 376	77	78	-1,0
Limpopo	1 159	89	74	15,0
Mpumalanga	2 520	89	85	4,0
North West	807	69	80	-11,0
Northern Cape	146	84	91	-7,0
Western Cape	1 851	77	56	21,0
<b>Total</b>	<b>31 292</b>	<b>84</b>	<b>81</b>	<b>3,0</b>

Source: Department of Water Affairs

## 2. Grain production

### 2.1 Summer grain crops

The Crop Estimates Committee (CEC) released the fifth production forecast for the commercial summer crops for 2013 on 25 June 2013; and is as follows:

**Table 2: Area planted and fifth production forecast of commercial summer crops for 2013**

CROP	Area planted	5th forecast	Area planted	Final crop	Change
	2013	2013	2012	2012	
	Ha	Tons	Ha	Tons	%
	(A)	(B)	(C)	(D)	(B) ÷ (D)
White maize	1 617 200	<b>5 889 550</b>	1 636 200	6 903 656	-14,69
Yellow maize	1 164 000	<b>5 486 225</b>	1 063 000	5 217 000	5,16
Maize	2 781 200	<b>11 375 775</b>	2 699 200	12 120 656	-6,15
Sunflower seed	504 700	<b>565 500</b>	453 350	522 000	8,33
Soya-beans	516 500	<b>802 250</b>	472 000	650 000	23,42
Groundnuts	46 900	<b>46 900</b>	45 450	59 000	-20,51
Sorghum	62 620	<b>173 884</b>	48 550	135 500	28,33
Dry beans	43 550	<b>58 580</b>	39 750	47 695	22,82
<b>TOTAL</b>	<b>3 955 470</b>	<b>13 022 889</b>	<b>3 758 300</b>	<b>13 534 851</b>	<b>-3,78</b>

Note: Estimate is for calendar year, e.g. production season 2012/13 = 2013

- The expected size of commercial maize crop is 11,376 million tons, which is 6,2% less than the 12,121 million tons of the previous season. The expected yield is 4,09 t/ha, as against the 4,49 t/ha of 2012.
- The area estimate for maize is 2,781 million ha, while the area estimate for white maize is 1,617 million ha, and for yellow maize the area estimate is 1,164 million ha.
- The production forecast of white maize is 5,890 million tons, which is 14,7% less than the 6,904 million tons of the previous season. The yield for white maize is 3,64 t/ha, as against the previous 4,22 t/ha. In the case of yellow maize the production forecast is 5,486 million tons, which is 5,2% more than the 5,217 million tons of the previous season. The yield for yellow maize is 4,71 t/ha as against the previous 4,91 t/ha.
- The production forecast for sunflower seed is 565 500 tons, which is 8,3% more than the 522 000 tons of the previous season. The area estimate for sunflower seed is 504 700 ha, which is 11,3% more than the 453 350 ha planted the previous season. The expected yield is 1,12 t/ha, against the 1,15 t/ha in 2012.
- The production forecast for soya-beans is 802 250 tons, which is 23,4% more than the 650 000 tons of the previous season. It is estimated that 516 500 ha have been planted to soya-beans, which represents an increase of 9,4% compared to the 472 000 ha planted last season. The expected yield is 1,55 t/ha, compared to the 1,38 t/ha of 2012.
- The expected groundnut crop is 46 900 tons, which is 20,5% less than the 59 000 tons of last season. For groundnuts, the area estimate is 46 900 ha, which is 3,2% more than the 45 450 ha planted for the previous season. The expected yield is 1,00 t/ha, compared to the 1,30 t/ha of the previous season.
- The production forecast for sorghum is 173 884 tons, which is 28,3% higher than the 135 500 tons of the previous season. The area estimate for sorghum also increased by 29,0%, from 48 550 ha to 62 620 ha against the previous season. The expected yield is 2,78 t/ha, against the 2,79 t/ha of 2012.
- In the case of dry beans the production forecast is 58 580 tons, which is 22,8% more than the 47 695 tons of the previous season. For dry beans, the area estimate is 43 550 ha, which is 9,6% more than the 39 750 ha planted for the previous season. The expected yield is 1,35 t/ha, against the 1,20 t/ha of 2012.

*Please note that the sixth production forecast for summer field crops for 2013 will be released on 25 July 2013.*



## 2.2 Winter cereal crops

Please note that the preliminary area estimate of winter crops for 2013 will be released on 25 July 2013.

## 3. Cereal balance sheets

Supply and demand data for May 2013 was released by SAGIS on 24 June 2013. *(Preliminary information is subject to change on a monthly basis).*

### 3.1 Winter cereals

**Table 3: Supply and demand for Wheat as at 2 July 2013**

<b>Marketing year (October to September)</b>	<b>2011/12</b>	<b>2012/13*</b>	<b>2013/14*</b>
<b>Production &amp; Calendar year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<b>1000 tons</b>	<b>1000 tons</b>	<b>1000 tons</b>
<b>Supply</b>			
<b>Opening stocks: 1 October</b>	<b>478</b>	<b>651</b>	<b>649</b>
SAGIS opening stocks	478	651	649
<b>Gross production</b>	<b>2,009</b>	<b>1,879</b>	<b>1,791</b>
Commercial production	1,973	1,835	1,747
Retentions by producers	27	35	35
Non-commercial	9	9	9
<b>Total domestic supply</b>	<b>2,487</b>	<b>2,530</b>	<b>2,440</b>
Plus: Imports	1,724	1,500	1,500
<b>Total supply</b>	<b>4,211</b>	<b>4,030</b>	<b>3,940</b>
<b>Demand</b>			
<b>Commercial consumption</b>	<b>3,258</b>	<b>3,067</b>	<b>3,060</b>
Human	3,066	2,950	2,970
Animal	136	40	25
Gristing	0	12	
Retentions by producers	27	35	35
Seed for planting purposes	18	15	15
Other consumption (released to end con's+withdrawn by prod's)	11	15	15
<b>Balancing item</b>	<b>-1</b>	<b>-</b>	<b>-</b>
<b>Non-commercial</b>	<b>9</b>	<b>9</b>	<b>9</b>
<b>Total domestic consumption</b>	<b>3,266</b>	<b>3,076</b>	<b>3,069</b>
<b>Plus: Exports</b>	<b>294</b>	<b>305</b>	<b>259</b>
Products	25	25	25
Whole grain	269	280	235
<b>Total demand</b>	<b>3,560</b>	<b>3,381</b>	<b>3,328</b>
<b>Closing stocks: 30 September</b>	<b>651</b>	<b>649</b>	<b>612</b>
<b>Pipeline requirements</b> (80 days of human consumption)	<b>672</b>	<b>647</b>	<b>651</b>
<b>Domestic shortfall / surplus</b>	<b>-1,451</b>	<b>-1,193</b>	<b>-1,280</b>
<b>Import gap</b>	<b>1,451</b>	<b>1,193</b>	<b>1,280</b>
<b>Surplus/ Shortage above pipeline</b>	<b>-21</b>	<b>2</b>	<b>-39</b>

\*Projection, Source: SAGIS, Directorate: Statistics and Economic Analysis, S&DE Report



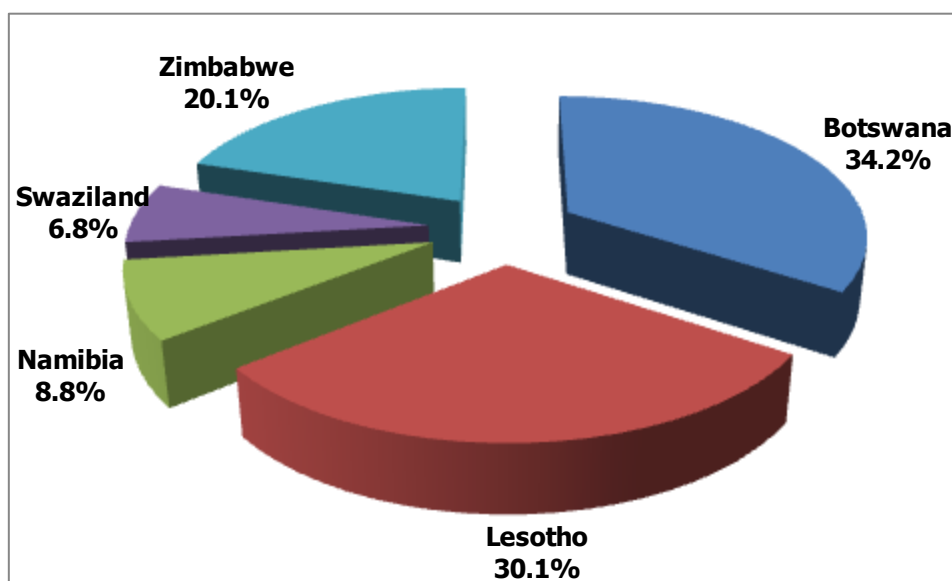
- Projected closing stocks of wheat for the current 2012/13 marketing year are 649 000 tons, which is 0,3% less than the previous year (651 000 tons). This decrease can mainly be attributed to the lower production and lower projected import figures of wheat for the 2012 calendar year.
- The intentions to plant wheat for 2013 is estimated at 516 600 ha and by applying a 2-year average yield of 3,45 t/ha, brings the projected total commercial production (including retentions) to 1,782 million tons. The total supply of wheat for the coming 2013/14 marketing year is projected at 3,940 million tons, including projected imports of 1,5 million tons.
- The total demand of wheat for the coming 2013/14 marketing year is projected at 3,328 million tons, including exports of 259 000 tons. Thus, the closing stocks are 612 000 tons, which is 5,7% less than the 649 000 tons for the previous year.

**Table 4: Major countries of wheat imports from 29 September 2012 to 28 June 2013:**

FROM	FOR RSA	% of Total Imports
	TONS	
<b>Argentina</b>	87 344	9,11
<b>Australia</b>	176 211	18,39
<b>Brazil</b>	233 135	24,33
<b>Canada</b>	35 181	3,67
<b>Germany</b>	40 997	4,28
<b>Lesotho</b>	698	0,07
<b>Russia</b>	67 608	7,06
<b>Swaziland</b>	288	0,03
<b>Ukraine</b>	196 392	20,50
<b>Uruguay</b>	100 709	10,51
<b>USA</b>	19 630	2,05
<b>Total imports</b>	<b>958 193</b>	<b>100,00</b>

- The progressive wheat exports from 29 September 2012 to 28 June 2013, stand at 211 126 tons, with the largest quantity (72 266 or 34,2%) exported to Botswana, followed by Lesotho (63 481 tons or 30,1%), Zimbabwe (42 438 tons or 20,1%), Namibia (18 545 tons or 8,8%), and Swaziland (14 396 tons or 6,8%).

**Graph 1: Major countries of wheat exports from South Africa: 2012/13 marketing year**



### 3.2 Summer grains

**Table 5: Supply and demand for White Maize as at 2 July 2013**

<b>Marketing Year: May – April</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14*</b>
<b>Calendar Year</b>	<b>2011</b>	<b>2012</b>	<b>2013*</b>
	<b>1000 tons</b>	<b>1000 tons</b>	<b>1000 tons</b>
<b>Supply</b>			
<b>Opening Stocks: 1 May</b>	<b>1,609</b>	<b>518</b>	<b>757</b>
SAGIS Opening Stocks	1,609	518	757
<b>Gross Production</b>	<b>6,601</b>	<b>7,423</b>	<b>6,350</b>
Commercial production	6,105	6,880	5,783
Retentions by producers	100	114	107
Non-commercial	396	429	460
<b>Total Domestic Supply</b>	<b>8,210</b>	<b>7,941</b>	<b>7,107</b>
Imports	133	11	15
<b>Total Supply</b>	<b>8,343</b>	<b>7,952</b>	<b>7,122</b>
<b>Demand</b>			
<b>Commercial Consumption</b>	<b>5,646</b>	<b>5,292</b>	<b>5,096</b>
Human	4,119	4,095	4,100
Animal	1,202	904	700
Gristing	53	48	50
Retentions by producers	85	98	91
Seed for planting purposes	15	16	16
Other consumption(released to end-con & withdrawn by producers)	172	131	139
<b>Balancing item</b>	<b>-11</b>	<b>6</b>	<b>107</b>
<b>Non-commercial</b>	<b>396</b>	<b>429</b>	<b>460</b>
<b>Total Domestic Consumption</b>	<b>6,031</b>	<b>5,727</b>	<b>5,663</b>
<b>Exports</b>	<b>1,794</b>	<b>1,468</b>	<b>965</b>
Products	60	68	65
Whole grain	1,734	1,400	900
<b>Total Demand</b>	<b>7,825</b>	<b>7,195</b>	<b>6,628</b>
<b>Closing Stocks: 30 April</b>	<b>518</b>	<b>757</b>	<b>494</b>
<b>Pipeline Requirements</b> (45 days of human & animal consumption + gristing)	<b>663</b>	<b>622</b>	<b>598</b>
<b>Domestic Shortfall / Surplus</b>	<b>1,516</b>	<b>1,592</b>	<b>846</b>
<b>Surplus/ Shortage above pipeline</b>	<b>-145</b>	<b>135</b>	<b>-104</b>

*\*Projection, Source: SAGIS, Directorate: Statistics and Economic Analysis, S&DE Report*

- The closing stocks of white maize for the previous 2012/13 marketing year were 757 000 tons, which was 46,1% more than the previous year (518 000 tons). This increase could mainly be attributed to the higher production figure, as well as the lower export figure for the 2012 calendar year. The final export figure of 1,468 million tons was 18,2% less than the 1,794 million tons of the previous year.
- From 27 April 2013 up to 28 June 2013, progressive white maize exports stand at 137 771 tons of which 64 948 tons or 47,1% were exported to Mexico, followed by the BLNS countries with 48 100 tons or 34,9%. No imports were reported for the mentioned period.
- Projected closing stocks of white maize for the current 2013/14 marketing year is 494 000 tons, which is 34,7% less than the previous year (757 000 tons). This decrease can mainly be attributed to the expected decrease in

the production figure of white maize for 2013 due to the prolonged drought conditions experienced earlier in the year in the major production regions.

**Table 6: Supply and demand for Yellow Maize as at 2 July 2013**

<b>Marketing Year: May - April</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14*</b>
<b>Calendar Year</b>	<b>2011</b>	<b>2012</b>	<b>2013*</b>
	<b>1000 tons</b>	<b>1000 tons</b>	<b>1000 tons</b>
<b>Supply</b>			
<b>Opening Stocks: 1 May</b>	<b>727</b>	<b>476</b>	<b>660</b>
SAGIS Opening Stocks	727	476	660
<b>Gross Production</b>	<b>4,777</b>	<b>5,577</b>	<b>5,701</b>
Commercial production	4,235	5,049	5,101
Retentions by producers	374	319	385
Non-commercial	168	209	215
<b>Total Domestic Supply</b>	<b>5,504</b>	<b>6,053</b>	<b>6,361</b>
Imports	288	-	-
<b>Total Supply</b>	<b>5,792</b>	<b>6,053</b>	<b>6,361</b>
<b>Demand</b>			
<b>Commercial Consumption</b>	<b>4,395</b>	<b>4,692</b>	<b>4,908</b>
Human	393	404	380
Animal	3,160	3,474	3,700
Gristing	14	10	13
Retentions by producers	360	304	370
Seed for planting purposes	14	15	15
Other consumption (released to end-con & withdrawn by producers)	454	485	430
<b>Balancing item</b>	<b>-28</b>	<b>14</b>	<b>45</b>
<b>Non-commercial</b>	<b>168</b>	<b>209</b>	<b>215</b>
<b>Total Domestic Consumption</b>	<b>4,535</b>	<b>4,915</b>	<b>5,168</b>
<b>Exports</b>	<b>781</b>	<b>478</b>	<b>711</b>
Products	69	65	61
Whole grain	712	413	650
<b>Total Demand</b>	<b>5,316</b>	<b>5,393</b>	<b>5,879</b>
<b>Closing Stocks: 30 April</b>	<b>476</b>	<b>660</b>	<b>482</b>
<b>Pipeline Requirements</b> (45 days of human & animal consumption + gristing)	<b>440</b>	<b>479</b>	<b>505</b>
<b>Domestic Shortfall / Surplus</b>	<b>529</b>	<b>659</b>	<b>688</b>
<b>Surplus/ Shortage above pipeline</b>	<b>36</b>	<b>181</b>	<b>-23</b>

\*Projection, Source: SAGIS, Directorate: Statistics and Economic Analysis, S&DE Report

- Projected closing stocks of yellow maize for the previous 2012/13 marketing year were 660 000 tons, which was 38,7% more than the previous year (476 000 tons). This increase could mainly be attributed to the increase in the production figure of yellow maize for the 2012 calendar year.
- From 27 April 2013 up to 28 June 2013, progressive yellow maize exports stand at 377 367 tons, with the main destinations being Japan (232 535 tons or 61,6%), followed by Taiwan (125 726 tons or 33,3%). No imports were reported for the mentioned period.



- Projected closing stocks of yellow maize for the current 2013/14 marketing year are 482 000 tons, which is 27,0% less than the previous year (660 000 tons). This decrease can mainly be attributed to the expected increase in the projected export figure of yellow maize for the 2013 calendar year.

**Table 7: Supply and demand for Maize as at 2 July 2013**

<b>Marketing Year: May – April</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14*</b>
<b>Calendar Year</b>	<b>2011</b>	<b>2012</b>	<b>2013*</b>
	<b>1000 tons</b>	<b>1000 tons</b>	<b>1000 tons</b>
<b>Supply</b>			
<b>Opening Stocks: 1 May</b>	<b>2,336</b>	<b>994</b>	<b>1,417</b>
SAGIS Opening Stocks	2,336	994	1,417
<b>Gross Production</b>	<b>11,378</b>	<b>13,000</b>	<b>12,051</b>
Commercial production	10,340	11,929	10,884
Retentions by producers	474	433	492
Non-commercial	564	638	675
<b>Total Domestic Supply</b>	<b>13,714</b>	<b>13,994</b>	<b>13,468</b>
Imports	421	11	15
<b>Total Supply</b>	<b>14,135</b>	<b>14,005</b>	<b>13,483</b>
<b>Demand</b>			
<b>Commercial Consumption</b>	<b>10,041</b>	<b>9,984</b>	<b>10,004</b>
Human	4,512	4,499	4,480
Animal	4,362	4,378	4,400
Gristing	67	58	63
Retentions by producers	445	402	461
Seed for planting purposes	29	31	31
Other consumption (released to end-con & withdrawn by producers)	626	616	569
<b>Balancing item</b>	<b>-39</b>	<b>20</b>	<b>152</b>
<b>Non-commercial</b>	<b>564</b>	<b>638</b>	<b>675</b>
<b>Total Domestic Consumption</b>	<b>10,566</b>	<b>10,642</b>	<b>10,831</b>
<b>Exports</b>	<b>2,575</b>	<b>1,946</b>	<b>1,676</b>
Products	129	133	126
Whole grain	2,446	1,813	1,550
<b>Total Demand</b>	<b>13,141</b>	<b>12,588</b>	<b>12,507</b>
<b>Closing Stocks: 30 April</b>	<b>994</b>	<b>1,417</b>	<b>976</b>
<b>Pipeline Requirements</b> (45 days of human & animal consumption + gristing)	<b>1,102</b>	<b>1,102</b>	<b>1,103</b>
<b>Domestic Shortfall / Surplus</b>	<b>2,046</b>	<b>2,250</b>	<b>1,534</b>
<b>Surplus/ Shortage above pipeline</b>	<b>-108</b>	<b>316</b>	<b>-127</b>

\*Projection, Source: SAGIS, Directorate: Statistics and Economic Analysis, S&DE Report

- Projected closing stocks of maize for the previous 2012/13 marketing year were 1,417 million tons, which was 42,6% more than the previous year (994 000 tons). This increase could mainly be attributed to the increase in the production figure of maize for the 2012 calendar year.
- From 27 April 2013 up to 28 June 2013, the progressive grand total of exports is 515 138 tons, with the largest quantity (232 535 tons or 45,1%) exported to Japan, followed by Taiwan (125 726 tons or 24,4%), Mexico (64 948 tons or 12,6%), and the BLNS countries (64 863 tons or 12,6%). No imports were reported for the mentioned period.



- Projected closing stocks of maize for the current 2013/14 marketing year are 976 000 tons, which is 31,1% less than the previous year (1,417 million tons). This decrease can mainly be attributed to the expected decrease in the production figure of maize for the 2013 calendar year.

**Table 8: Supply and demand for Sorghum as at 2 July 2013**

<b>Marketing year: April - March</b> <b>Calendar year</b>	<b>2011/12</b> <b>2011</b> <b>1000 tons</b>	<b>2012/13</b> <b>2012</b> <b>1000 tons</b>	<b>2013/14*</b> <b>2013</b> <b>1000 tons</b>
<b>Supply</b>			
<b>Opening stocks: 1 April</b>	<b>58,1</b>	<b>52,1</b>	<b>48,3</b>
SAGIS opening stocks	58,1	52,1	48,3
<b>Gross production</b>	<b>194,4</b>	<b>157,0</b>	<b>199,1</b>
Commercial production	167,4	133,2	170,2
Retentions by producers	3,7	3,5	3,7
Non-commercial	23,3	20,3	25,2
<b>Total domestic supply</b>	<b>252,5</b>	<b>209,1</b>	<b>247,4</b>
Plus: Imports	57,8	55,0	40,0
<b>Total supply</b>	<b>310,3</b>	<b>264,1</b>	<b>287,4</b>
<b>Demand</b>			
<b>Food consumption</b>	<b>182,2</b>	<b>158,0</b>	<b>165,5</b>
Malt	81,3	69,5	69,5
Meal	100,9	88,5	96,0
Brew	-	-	-
<b>Feed consumption</b>	<b>7,1</b>	<b>5,7</b>	<b>5,6</b>
Pet food	1,1	0,9	1,0
Poultry	5,5	4,2	4,0
Other feed	0,5	0,6	0,6
<b>Total commercial consumption</b>	<b>189,3</b>	<b>163,7</b>	<b>171,1</b>
<b>Retentions by producers</b>	<b>3,7</b>	<b>3,5</b>	<b>3,7</b>
<b>Other consumption</b>	<b>11,1</b>	<b>8,5</b>	<b>9,7</b>
<b>Balancing item</b>	<b>5,6</b>	<b>0,8</b>	<b>1,1</b>
<b>Non-commercial</b>	<b>23,3</b>	<b>20,3</b>	<b>25,2</b>
<b>Total domestic consumption</b>	<b>233,0</b>	<b>196,8</b>	<b>210,8</b>
<b>Plus: Exports</b>	<b>25,2</b>	<b>19,0</b>	<b>20,0</b>
Exports through border posts	21,4	15,7	16,5
Products to African countries	3,8	3,3	3,5
<b>Total demand</b>	<b>258,2</b>	<b>215,8</b>	<b>230,8</b>
<b>Closing stocks</b>	<b>52,1</b>	<b>48,3</b>	<b>56,6</b>
<b>Pipeline Requirements</b> (45 days of human & animal consumption + gristing)	<b>23,3</b>	<b>20,2</b>	<b>21,1</b>
<b>Domestic surplus / deficit</b>	<b>-3,8</b>	<b>-7,9</b>	<b>15,5</b>
<b>Import gap</b>	<b>3,8</b>	<b>7,9</b>	<b>-</b>
<b>Surplus/ Shortage above pipeline</b>	<b>28,8</b>	<b>28,1</b>	<b>35,5</b>

*\*Projection, Source: SAGIS, Directorate: Statistics and Economic Analysis, S&DE Report*

- The final closing stocks of sorghum for the previous 2012/13 marketing year showed a surplus of 48 300 tons, which was 7,3% less than the previous year (52 100 tons). This decrease could mainly be attributed to the decrease in the production figure of sorghum for the 2012 calendar year.
- The projected closing stocks of sorghum for the coming 2013/14 marketing year are 56 600 tons, which is 17,2% more than the previous year (48 300 tons). This increase can mainly be attributed to the expected increase in the production figure of sorghum for the 2013 calendar year.



## 4. Market information

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### 4.1 Consumer Price Index (CPI)

- The headline CPI (for all urban areas) annual inflation rate in May 2013 was 5,6%. This rate was 0,3% lower than the corresponding annual rate of 5,9% in April 2013. On average, prices decreased by 0,3% between April 2013 and May 2013.
- The food and non-alcoholic beverages index was unchanged between April 2013 and May 2013. The annual rate increased to 6,4% in May 2013 from 6,2% in April 2013. The following components in the food and non-alcoholic beverages index increased: Fish (1,1%), bread and cereals (0,6%), milk, eggs and cheese (0,3%), oils and fats (0,3%), and hot beverages (0,2%). The following components decreased: Fruit (-3,3%), vegetables (-0,8%), cold beverages (-0,4%), and meat (-0,3%).
- The household contents and services index increased by 0,1% between April 2013 and May 2013. The annual rate decreased to 3,0% in May 2013 from 3,2% in April 2013.
- The transport index decreased by 2,0% between April 2013 and May 2013, mainly due to a 73c/litre decrease in the price of petrol. The annual rate decreased to 3,7% in May 2013 from 6,2% in April 2013.
- The provinces with an annual inflation rate lower than or equal to headline inflation were Gauteng (5,6%), Mpumalanga (5,6%), Free State (5,5%), Northern Cape (5,4%), KwaZulu-Natal (5,4%), Western Cape (5,1%) and Eastern Cape (4,7%). The provinces with an annual inflation rate higher than headline inflation were North West (5,8%) and Limpopo (5,8%).

### 4.2 Producer Price Index (PPI)

- The annual percentage change in the PPI for final manufactured goods was 4,9% in May 2013 (compared with 5,4% in April 2013). From April 2013 to May 2013 the PPI for final manufactured goods increased by 0,3%. The main contributors to the annual rate of 4,9% were food products, beverages and tobacco products (6,1% year-on-year and contributing 2,0%), as well as coke, petroleum, chemical, rubber and plastic products (4,5% year-on-year and contributing 0,8%). The main contributors to the monthly increase of 0,3% were food products, beverages and tobacco products (0,7% month-on-month and contributing 0,2%), as well as transport equipment (1,4% month-on-month and contributing 0,2%).
- The annual percentage change in the PPI for electricity and water was 13,5% in May 2013 (compared with 12,9% in April 2013). From April 2013 to May 2013 the PPI for electricity and water increased by 2,0%. The contributors to the annual rate of 13,5% were electricity (14,0% year-on-year and contributing 11,6%) and water (11,5% year-on-year and contributing 2,0%). The contributor to the monthly increase of 2,0% was electricity (2,5% month-on-month and contributing 2,1%).
- The annual percentage change in the PPI for mining was 5,7% in May 2013 (compared with 4,5% in April 2013). From April 2013 to May 2013 the PPI for mining increased by 1,4%. The main contributor to the annual rate of 5,7% was non-ferrous metal ores (9,5% year-on-year and contributing 4,3%). The main contributors to the monthly rate of 1,4% were gold and other metal ores (1,8% month-on-month and contributing 0,4%), as well as non-ferrous metal ores (1,1% month-on-month and contributing 0,5%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 2,9% in May 2013 (compared with 1,7% in April 2013). From April 2013 to May 2013 the PPI for agriculture, forestry and fishing decreased by 0,2%. The main contributor to the annual rate of 2,9% was agriculture (2,6% year-on-year and contributing 2,0%). The main contributor to the monthly rate of -0,2% was agriculture (-0,2% month-on-month and contributing -0,2%).
- The annual percentage change in the PPI for intermediate manufactured goods was 7,8% in May 2013 (compared with 7,2% in April 2013). From April 2013 to May 2013 the PPI for intermediate manufactured goods increased by 0,9%. The main contributors to the annual rate of 7,8% were chemicals, rubber and plastic products (6,3% year-on-year and contributing 2,6%) and basic and fabricated metals (7,0% year-on-year and contributing 2,0%). The

main contributor to the monthly increase of 0,9% was basic and fabricated metals (1,2% month-on-month and contributing 0,4%).

### 4.3 Future contract prices and the exchange rate

**Table 9: Closing prices on Wednesday, 3 July 2013**

	<b>3 July 2013</b>	<b>3 June 2013</b>	<b>% Change</b>
<b>RSA White Maize per ton (July contract)</b>	R2 163,00	R2 318,00	-6,69
<b>RSA Yellow Maize per ton (July contract)</b>	R2 140,00	R2 291,00	-6,59
<b>RSA Wheat per ton (July contract)</b>	R3 390,00	R3 651,00	-7,15
<b>RSA Sunflower seed per ton (July contract)</b>	R5 475,00	R5 470,00	0,09
<b>RSA Soya-beans per ton (July contract)</b>	R5 150,00	R5 275,00	-2,37
<b>Exchange rate R/\$</b>	R10,06	R9,97	0,90

Source: SAFEX

### 4.4 Agricultural machinery sales

- May 2013 tractor sales of 550 units were 5% lower than the 580 units reported in May 2012. On a year-to-date basis, tractor sales are almost 4% down on those of the first five months of last year. May combine harvester sales of 28 units were significantly down on the 56 units sold in May 2012. Year-to-date combine harvester sales are still considerably more than the sales for the same period last year.
- Although the official maize production forecast has been cut by approximately 8% since the first estimate in February, many farmers have already harvested good crops. It is mainly in the western maize production areas that crops have been adversely affected by drought. Looming on the horizon are price increases, which will need to be implemented as a result of the recent sharp decrease in the value of the rand. This might encourage farmers to buy up current lower-priced stock in the short term. Thereafter, the higher prices will surely have an adverse effect on the sales of new equipment.
- Industry expectations are that tractor sales in the 2013 calendar year will be of the order of 6 700 to 7 100 units, between 10% and 15% down on 2012 sales. Tractor sales so far, for 2013, are beginning to reflect this trend.

**Table 10: Agricultural machinery sales**

Equipment class	Year-on-year		Percentage Change %	Year-to-date		Percentage Change %
	May			May		
	2013	2012		2013	2012	
Tractors	550	580	-5,17	3 211	3 343	-3,95
Combine harvesters	28	56	-50,0	217	176	23,3

Source: SAAMA press release, June 2013

## 5. Acknowledgements

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The Directorate: Statistics and Economic Analysis makes use of information sourced from various institutions and organisations within South Africa in order to compile the monthly report on South Africa's Food Security Situation. This report has been compiled with the aid of information and reports sourced from the following institutions and organisations:

- Agfacts
- Department of Water Affairs (DWA)
- Farmer's Weekly
- Grain South Africa (GrainSA)
- IGC Grain Market Report
- National Agricultural Marketing Council (NAMC)
- South African Agricultural Machinery Association (SAAMA)
- South African Futures Exchange (SAFEX)
- South African Reserve Bank
- Statistics South Africa (Stats SA)
- The South African Grain Information Service (SAGIS)
- The South African Weather Service (WeatherSA)
- USDA Foreign Service
- UT Grain Management (Pty) Ltd
- Weekly Price Watch, DAFF