

MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: MARCH 2012

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Directorate: Statistics and Economic Analysis

Highlights:

- **Rainfall occurrences over the summer rainfall region for March 2012 were limited to between 25 to 50 mm while the east coast and the adjacent interiors received between 100 to 500 mm of rainfall.**
- **The projected closing stocks of wheat for the current 2011/12 marketing year is 511 000 tons, which includes imports of 1,450 million tons.**
- **The revised area estimate for maize is 2,699 million ha, which is 13,8% more than the 2,372 million ha planted for the previous season.**
- **The expected commercial maize crop is 11,306 million tons, which is 9,1% more than the 10,360 million tons of the previous season.**
- **The projected closing stocks of maize for the current 2011/12 marketing year is 593 000 tons, which is 74,6% less than the previous year.**
- **The projected closing stocks of maize for the coming 2012/13 marketing year is 807 000 tons, which 36,1% more than the previous year.**
- **The headline CPI (for all urban areas) annual inflation rate in February 2012 was lower at 6,1%.**
- **The annual percentage change in the PPI was lower at 8,3% in February 2012.**
- **The Monetary Policy Committee, at its meeting during March 2012, has decided to keep the repurchase rate unchanged at 5,5% per annum.**
- **February 2012 tractor sales of 800 units were 26% higher than the sales of 633 units reported in February 2011.**



**agriculture,
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1. Weather conditions

1.1 Rainfall for March 2012

Rainfall occurrences over the summer rainfall region for March 2012 were limited to between 25 to 50 mm while the east coast and the adjacent interiors received between 100 to 500 mm of rainfall (Figure 1). In early March tropical cyclone Irina produced heavy downpours in the north-eastern regions of KwaZulu-Natal.

The drought conditions in the largest part of the summer rainfall region continued during March with damage to summer crops and grazing fields reported. During the last week of March isolated showers has been reported over the central and western production area of the summer rainfall region.

Comparing the rainfall totals for March with the long term average, most of the summer rainfall region recorded normal to below-normal rainfall, especially the central regions was characterised by below-normal rainfall occurrences (Figure 2). However, large areas of the coastal region recorded above-normal rainfall for the mentioned period.

Figure 1: Rainfall (mm) for March 2012

Rainfall (mm) for March 2012
(based on preliminary data)

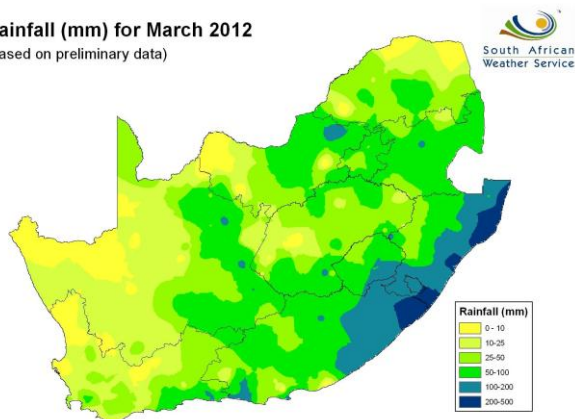
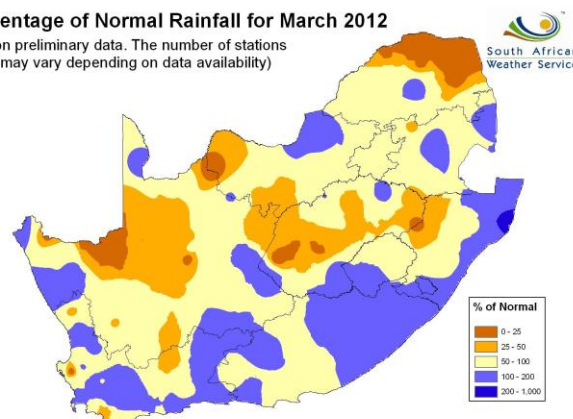


Figure 2: Percentage rainfall for March 2012

Percentage of Normal Rainfall for March 2012
(based on preliminary data. The number of stations used may vary depending on data availability)



1.2 Level of dams

Available information on the level of South Africa's dams on 2 April 2012 indicates that the country has approximately 83% of its full supply capacity (FSC) available, which is 10% 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, 2 April 2012

Province	Net FSC million cubic meters	2/4/2012 (%)	Last Year (%)
Eastern Cape	1 822	86	74
Free State	15 968	87	101
Gauteng	115	95	102
KwaZulu-Natal	4 530	78	86
Lesotho*	2 376	78	97
Limpopo	1 159	81	87
Mpumalanga	2 520	91	100
North West	808	82	90
Northern Cape	146	94	106
Western Cape	1 851	49	48
Total	31 295	83	93

Source: Department of Water Affairs



2. Grain production

2.1 Summer grain crops

The CEC released the area planted and second production forecast for summer crops for 2012 for commercial summer crops on 27 March 2012.

Table 2: Summer crops: Area planted and second production forecast: 2012

CROP	Area planted 2012	2nd forecast 2012	Area planted 2011	Final crop 2011	Change
	Ha	Tons	Ha	Tons	%
	(A)	(B)	(C)	(D)	(B) ÷ (D)
White maize	1 636 200	6 539 200	1 418 300	6 052 000	+8,05
Yellow maize	1 063 000	4 766 350	954 000	4 308 000	+10,64
Maize	2 699 200	11 305 550	2 372 300	10 360 000	+9,13
Sunflower seed	453 350	514 890	642 700	860 000	-40,13
Soya-beans	472 000	720 500	418 000	710 000	+1,48
Groundnuts	45 450	62 240	55 150	64 250	-3,13
Sorghum	48 550	138 825	69 200	155 000	-10,44
Dry beans	39 750	47 315	41 900	41 980	+12,71
TOTAL	3 758 300	12 789 320	3 599 250	12 191 230	+4,91

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 11,306 million tons, which is 9,13% or 945 550 tons higher than 10,360 million tons the previous marketing season. The expected production of maize was reduced mainly due to a mid-season dry spell prevailing during February and March, which affected crop yields negatively. 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 4,19 t/ha as against 4,36 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 6,539 million tons, which is 8,1% or 487 200 tons more than the 6,052 million tons of the previous season. The yield for white maize is 4,00 t/ha as against 4,27 t/ha of the previous season. In the case of yellow maize the production forecast is 4,766 million tons, which is 10,6% or 458 350 tons more than the 4,308 million tons of the previous season. The yield for yellow maize is 4,48 t/ha as against 4,52 t/ha of the previous season.
- The production forecast for sunflower seed is 514 890 tons, which is 40,1% or 345 110 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 860 000 ha of the previous season. The expected yield is 1,14 t/ha as against 1,34 t/ha of the previous season.
- The production forecast for soya-beans is 720 500 tons, which is 1,5% or 10 500 tons more 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 1,53 t/ha as against 1,70 t/ha of the previous season.
- The expected groundnut crop is 62 240 tons, which is 3,1% or 2 010 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 1,37 t/ha as against 1,17 t/ha of the last season.



- The production forecast for sorghum is 138 825 tons, which is 10,4% or 16 175 tons less than the 155 000 tons of the previous season. The area estimate for sorghum is 48 550 ha. The expected yield is 2,86 t/ha as against 2,24 t/ha of the previous season.
- In the case of dry beans the production forecast is 47 315 tons, which is 12,7% or 5 335 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 1,19 t/ha as against 1,00 t/ha of the previous season.

Please note that the third production forecast for summer field crops for 2012 will be released on 24 April 2012.

2.2 Winter cereal crops

Please note that the intentions to plant winter cereals for 2012 will be released on 24 April 2012.

3. Cereal balance sheets

Supply and demand data for February 2012 was released by SAGIS on 26 March 2012. *(Preliminary information is subject to change on a monthly basis.)*

3.1 Winter cereals

Table 3: Supply and demand for Wheat as at 29 March 2012

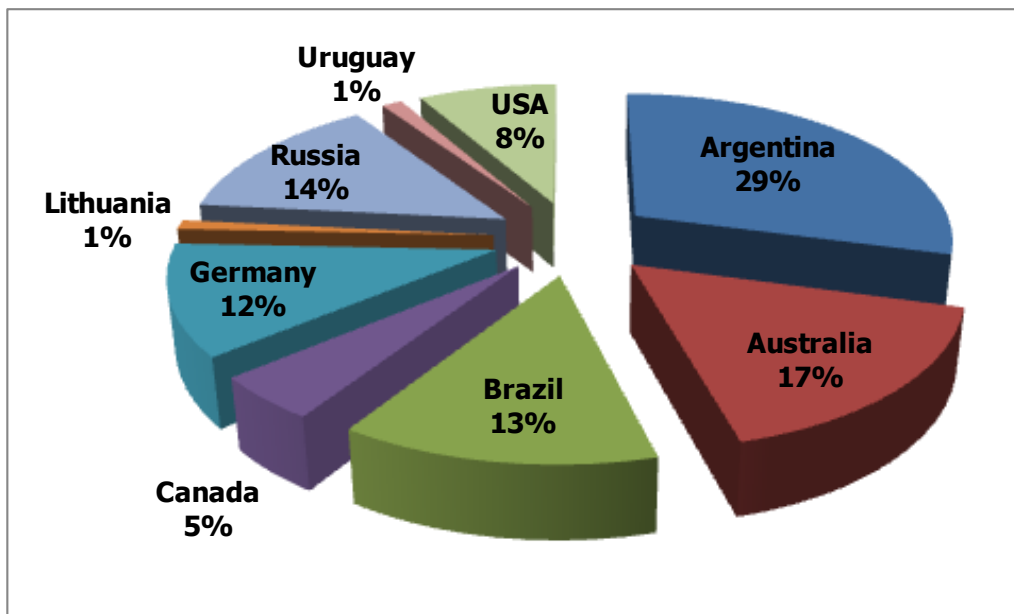
Marketing year (October to September) Calendar year	2009/10 2009	2010/11* 2010	2011/12* 2011
	1 000 tons	1 000 tons	1 000 tons
Supply			
Opening stocks: 1 October	694	579	478
SAGIS opening stocks	694	579	478
Gross production	1 967	1 436	1 913
Commercial production	1 916	1 401	1 876
Retentions by producers	42	29	29
Non-commercial	9	6	8
Total domestic supply	2 661	2 015	2 391
Plus: Imports	1 285	1 649	1 450
Total supply	3 946	3 664	3 841
Demand			
Commercial consumption	3 118	3 001	3,087
Human	2 991	2 944	2 916
Animal	26	1	100
Retentions by producers	42	29	29
Seed for planting purposes	17	13	20
Other consumption (released to end con's+withdrawn by prod's+retentions)	42	14	22
Non-commercial	9	6	8
Total domestic consumption	3 127	3 007	3 095
Plus: Exports	240	179	235
Products	35	24	25
Whole grain	205	155	210
Total demand	3 367	3 186	3 330
Closing stocks: 30 September	579	478	511
Pipeline requirements (80 days of human consumption)	656	645	639
Domestic shortfall / surplus	-1 122	-1 637	-1 343
Import gap	1 122	1 637	1 343
Surplus above pipeline	-77	-167	-128

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

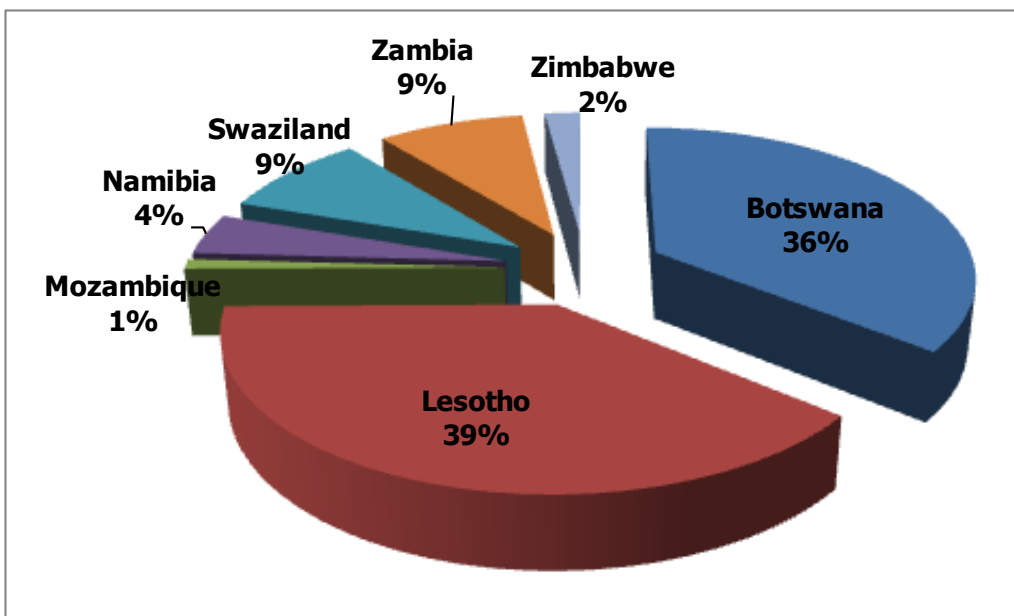


- The projected closing stocks (30 September 2012) of wheat for the 2011/12 marketing year is 511 000 tons, which is 6,9% more than the previous year (478 000 tons). It is also 3,2% less than the five year average of 528 000 tons. The year-on-year increase can mainly be attributed to the larger wheat crop for the current 2011/12 marketing year.
- The progressive wheat imports from 1 October 2011 to 30 March 2012, stand at 899 220 tons, with the largest quantity (263 067 or 29,3%) imported from Argentina followed by Australia (149 429 tons or 16,6%), Russia (124 938 tons or 13,9%), and Brazil (119 689 or 13,3%).
- There were also wheat exports from South Africa to the BLNS countries. Progressive exports to the BLNS countries, Zambia, Zimbabwe and Mozambique stand at 162 541 tons.

Graph1: Major countries of wheat imports for South Africa: 2011/12 marketing year



Graph2: Major countries of wheat exports from South Africa: 2011/12 marketing year



3.2 Summer grains

Table 4: Supply and demand for White Maize as at 29 March 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	1 362	1 609	317
SAGIS Opening Stocks	1 362	1 609	317
Gross Production	8 164	6 448	6 935
Commercial production	7 623	5 952	6 439
Retentions by producers	119	100	100
Non-commercial	422	396	396
Total Domestic Supply	9 526	8 057	7 252
Imports	-	100	15
Total Supply	9 526	8 157	7 267
Demand			
Commercial Consumption	6 371	5 725	5 630
Human	4 159	4 150	4 250
Animal	1 658	1 250	1 050
Gristing	56	55	60
Retentions by producers	102	85	85
Seed for planting purposes	16	15	15
Other consumption (released to end-con & withdrawn by producers)	379	170	170
Non-commercial	422	396	396
Total Domestic Consumption	6 793	6 121	6 026
Exports	1 124	1 720	900
Products	75	70	70
Whole grain	1 049	1 650	830
Total Demand	7 917	7 840	6 925
Closing Stocks: 30 April	1 609	317	342
Pipeline Requirements (45 days of human & animal consumption + gristing)	724	673	661
Domestic Shortfall / Surplus	2 009	1 264	566
Surplus/ Shortage above pipeline	885	-355	-319

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

- Projected closing stocks of white maize for the current 2011/12 marketing year is 317 000 tons, which is the lowest total recorded since the 294 000 tons in the 1995/96 marketing year. It is also 80,3% less than the previous year (1,609 million tons). This decrease can mainly be attributed to the lower production figure of white maize during the 2011 calendar year as well as an increase in exports.
- From 1 May 2011 up to 30 March 2012, progressive white maize exports stand at 1,674 million tons.
- The progressive white maize imports from 1 May 2011 to 30 March 2012, stand at 101 004 tons, with Zambia the main source of imports.
- Projected closing stocks of white maize for the coming 2012/13 marketing year is 342 000 tons, which is 7,9% more than the previous year (317 000 tons). This increase can mainly be attributed to the expected increase in the production figure of white maize for the 2012 calendar year.



Table 5: Supply and demand for Yellow Maize as at 29 March 2012

Marketing Year: May - April Calendar Year	2010/11 2010	2011/12* 2011*	2012/13* 2012*
	1 000 tons	1 000 tons	1 000 tons
Supply			
Opening Stocks: 1 May	769	727	277
SAGIS Opening Stocks	769	727	277
Gross Production	5 133	4 476	4 935
Commercial production	4 541	3 934	4 393
Retentions by producers	408	374	374
Non-commercial	184	168	168
Total Domestic Supply	5 903	5 204	5 212
Imports	-	350	250
Total Supply	5 903	5 554	5 462
Demand			
Commercial Consumption	3 924	4 378	4 478
Human	356	390	400
Animal	2 613	3 200	3 350
Gristing	17	15	15
Retentions by producers	394	360	360
Seed for planting purposes	14	14	14
Other consumption (released to end-con & withdrawn by producers)	530	400	340
Non-commercial	184	168	168
Total Domestic Consumption	4 108	4 547	4 647
Exports	1 068	730	350
Products	51	70	60
Whole grain	1 017	660	290
Total Demand	5 176	5 276	4 997
Closing Stocks: 30 April	727	277	466
Pipeline Requirements (45 days of human & animal consumption + gristing)	368	444	464
Domestic Shortfall / Surplus	1 427	213	101
Surplus/ Shortage above pipeline	359	-167	1

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

- Projected closing stocks of yellow maize for the current 2011/12 marketing year is 277 000 tons, which is the lowest total recorded since the 124 000 tons in the 1992/93 marketing year. It is also 61,9% less than closing stocks of 727 000 tons for the 2010/11 marketing year. This decrease can mainly be attributed to the lower yellow maize crop for the 2011 calendar year.
- From 1 May 2011 up to 30 March 2012, progressive yellow maize exports stand at 704 875 tons.
- The tight stock situation has resulted in imports from (118 866 tons) Romania and (107 889 tons) Ukraine, bringing the progressive total to 226 755 tons.
- Projected closing stocks of yellow maize for the coming 2012/13 marketing year is 466 000 tons, which 68,2% more than the previous year (277 000). This increase can mainly be attributed to the expected increase in the production figure of yellow maize for the 2012 calendar year.



Table 6: Supply and demand for Maize as at 29 March 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	594
SAGIS Opening Stocks	2,131	2,336	594
Gross Production	13 297	10 924	11 870
Commercial production	12 165	9 886	10 832
Retentions by producers	527	474	474
Non-commercial	606	564	564
Total Domestic Supply	15 429	13 261	12 464
Imports	-	450	265
Total Supply	15 429	13 711	12 729
Demand			
Commercial Consumption	10 295	10 103	10 108
Human	4 515	4 540	4 650
Animal	4 271	4 450	4 400
Gristing	73	70	75
Retentions by producers	497	445	445
Seed for planting purposes	30	29	29
Other consumption (released to end-con & withdrawn by producers)	909	569	509
Non-commercial	606	564	564
Total Domestic Consumption	10 901	10 667	10 672
Exports	2 192	2 450	1 250
Products	126	140	130
Whole grain	2 066	2 310	1 120
Total Demand	13 092	13 117	11 922
Closing Stocks: 30 April	2 336	593	807
Pipeline Requirements (45 days of human & animal consumption + gristing)	1 092	1 117	1 125
Domestic Shortfall / Surplus	3 436	1 477	667
Surplus/ Shortage above pipeline	1 244	-524	-318

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

- The projected closing stocks of maize for the current 2011/12 marketing year is 593 000 tons, which is 74,6% less than the previous years' closing stock of 2,336 million tons. This is the lowest total recorded since the 521 000 tons in the 1992/93 marketing year.
- From 1 May 2011 up to 30 March 2012, the progressive grand total of exports is 2,379 million tons and for imports the progressive grand total is 327 759 tons.
- Projected closing stocks of maize for the coming 2012/13 marketing year is 807 000 tons, which 36,1% more than the previous year (593 000 tons). This increase can mainly be attributed to the expected increase in the production figure of total maize for the 2012 calendar year.



Table 7: Supply and demand for Sorghum as at 29 March 2012

Marketing year: April - March	2010/11	2011/12*	2012/13*
Calendar year	2010	2011*	2012*
Supply			
Opening stocks: 1 April	93,2	58,1	43,9
SAGIS opening stocks	93,2	58,1	43,9
Gross production	226,0	178,3	162,1
Commercial production	196,5	155,0	138,8
Non-commercial	29,5	23,3	23,3
Total domestic supply	319,2	236,4	206,0
Plus: Imports		65,0	80,0
Total supply	319,2	301,4	286,0
Demand			
Food consumption	181,8	182,6	182,6
Malt	79,2	82,3	82,3
Meal	102,6	100,4	100,4
Brew	-	-	-
Feed consumption	8,6	9,7	9,7
Pet food	1,1	1,1	1,1
Poultry	4,8	5,7	5,7
Other feed	2,7	3,0	3,0
Total commercial consumption	190,4	192,3	192,3
Other consumption	13,4	12,0	12,0
Balancing item	3,6	4,0	1,0
Non-commercial	29,5	23,3	23,3
Total domestic consumption	236,9	231,6	228,6
Plus: Exports	24,2	25,9	21,9
Exports through border posts	20,3	22,0	18,0
Exports through harbours	0,6	-	-
Products to African countries	3,3	3,8	3,8
Total demand	261,1	257,4	250,4
Closing stocks	58,1	43,9	35,6
Pipeline Requirements (45 days of human & animal consumption + gristing)	23,5	23,7	23,7
Domestic surplus / deficit	58,8	-18,9	-46,3
Import gap	-	18,9	46,3
Surplus/ Shortage above pipeline	34,6	20,2	11,8

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

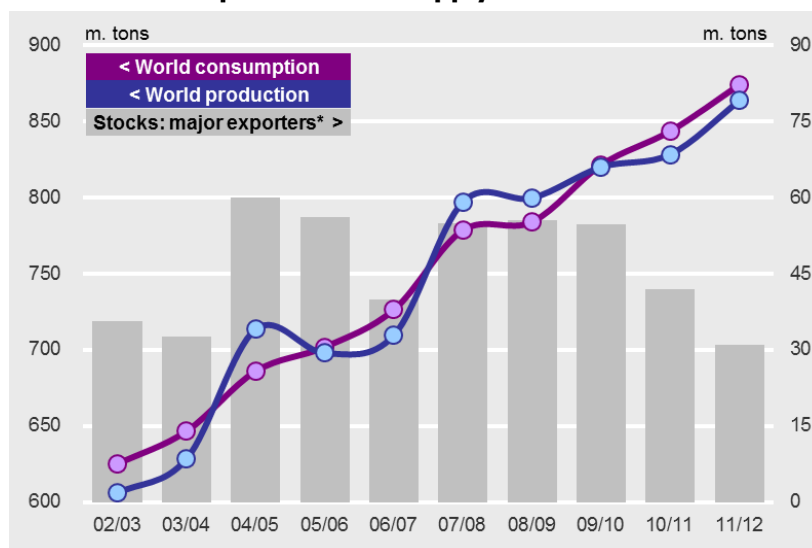
- The projected closing stocks of sorghum for the current 2011/12 marketing year show a surplus of 43 900 tons. It is 24,4% less than the previous years' closing stock of 58 100 tons, as well as 33,9% less than the five year average of 66 400 tons. This considerable decrease in closing stocks can mainly be attributed to the small carry-over stock of the previous marketing year, as well as the lower production figure for 2011.
- The projected closing stocks of sorghum for the coming 2012/13 marketing year show a surplus of 35 600 tons, which is 18,9% less than the previous year (43 900 tons) and can be attributed to the lower production figure for 2012.



3.3 International maize and wheat outlook for 2011/12

- Maize:** Maize production in 2011/12 is estimated at a record 864 million tons, up 4% from the previous year, as large crops in Ukraine, China, Brazil and the EU more than offset declines in the US and Argentina. A strong underlying feed demand and growth in maize-based starch production is forecasted to lift consumption by 4%, to 874 million tons. Solid feed demand, including in China, is expected to lift July/June trade to 94 million tons, up by 1% from the previous year. Carry-over stocks will remain tight, with stocks in the four major maize exporting countries at their lowest levels since 1996/97.

Graph 3: Maize - Supply and demand

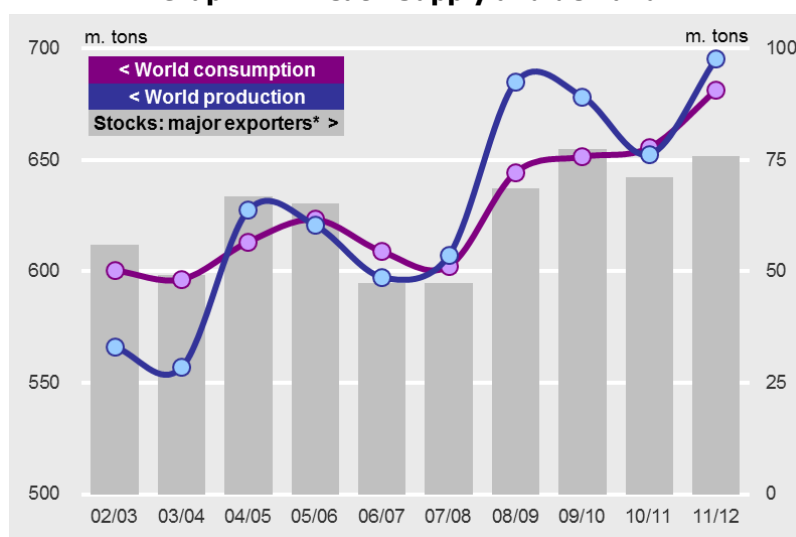


*Argentina, Brazil, India, Ukraine, United States

Source: IGC Grain Market Report, March 2012

- Wheat:** World wheat supplies reached a record in 2011/12, mainly as a result of good harvests in the CIS and Australia. Ample availabilities and competitive prices relative to other grains have boosted feed use to 20-year highs. While industrial use is expected to show little change from the previous year, growth in direct food consumption is matching the long-term average. Global stocks are expected to end the year at a new peak of 210 million tons, an increase of 14 million tons compared to the year before.

Graph 4: Wheat - Supply and demand



*Argentina, Australia, Canada, EU, Kazakhstan, Russia, Ukraine, United States

Source: IGC Grain Market Report, March 2012

4. Market information

4.1 Consumer Price Index (CPI)

- The headline CPI (for all urban areas) annual inflation rate in February 2012 was 6,1%. This rate is 0,2% lower than the corresponding annual rate of 6,3% in January 2012. On average, prices increased by 0,6% between January 2012 and February 2012.
- The food and non-alcoholic beverages index decreased by 0,5% between January 2012 and February 2012. The annual rate decreased to 9,6% in February 2012 from 10,3% in January 2012. The following components in the food and non-alcoholic beverages index decreased: Fruit (-6,2%), vegetables (-2,2%), meat (-1,8%) and sugar, sweets and desserts (-0,5%). The following components increased: Milk, eggs and cheese (2,3%), cold beverages (0,9%), bread and cereals (0,8%), fish (0,6%), other food (0,5%), oils and fats (0,4%) and hot beverages (0,4%).
- The transport index increased by 0,8% between January 2012 and February 2012, mainly due to a 34c/litre increase in the price of petrol. The annual rate remained unchanged at 6,8% in February 2012.
- The miscellaneous goods and services index increased by 2,8% between January 2012 and February 2012, mainly due to a 4,6% increase in insurance. The annual rate decreased to 5,5% in February 2012 from 5,7% in January 2012.
- The provinces with an annual inflation rate lower than or equal to headline inflation were Gauteng (6,0%) and Western Cape (5,9%). The provinces with an annual inflation rate higher than headline inflation were Northern Cape (7,8%), Limpopo (7,4%), Eastern Cape (7,0%), Free State (6,9%), Mpumalanga (6,7%), North West (6,4%) and KwaZulu-Natal (6,3%).

4.2 Producer Price Index (PPI)

- The Producer Price Index (PPI) for domestic output shows an annual rate of change of 8,3% in February 2012 (i.e. the PPI in February 2012 compared with February 2011). This rate is 0,6% lower than the corresponding annual rate of 8,9% in January 2012
- This lower annual rate in February 2012 can be explained by decreases in the annual rate of change in the Producer Price Index for:
 - Agriculture: The annual rate decreased from 7,9% in January 2012 to 4,6% in February 2012;
 - Other manufactures: The annual rate decreased from 13,4% in January 2012 to 9,5% in February 2012;
 - Metal products: The annual rate decreased from 11,4% in January 2012 to 9,1% in February 2012;
 - Basic metals: The annual rate decreased from 5,4% in January 2012 to 1,3% in February 2012; and
 - Forestry: The annual rate decreased from 5,3% in January 2012 to 3,8% in February 2012.
- These decreases were partially counteracted by an increase in the annual rate of change for:
 - Mining and quarrying: The annual rate increased from 7,7% in January 2012 to 8,2% in February 2012.
- From January 2012 to February 2012 the PPI for domestic output increased by 0,9%.
- The monthly increase of 0,9% in the PPI for domestic output was mainly due to monthly contributions from increases in the price indices of mining and quarrying (0,6%), all other groups (0,3%), products of petroleum and coal (0,2%), food at manufacturing (0,1%) and electricity (0,1%). These increases were partially counteracted by decreases in the price indices of agriculture (-0,2%) and basic metals (-0,2%).

4.3 Monetary Policy Committee Statement

- The SA Reserve Bank's Monetary Policy Committee (MPC) has left the repo rate unchanged at 5,5% per annum, Governor Gill Marcus announced on Thursday, 29 March 2012, following a three-day Committee Meeting.
- The rate was cut by 50 basis points to 5,5% in November 2010, which was the lowest reading in almost 30 years and resulted in a real interest rate of about 1%. Marcus said the MPC was of the view that the main upside risk for inflation was global oil prices, while other risks remained of a cost push nature.
- Although oil prices were a threat, they were unlikely to rise strongly as this could impact on global demand, and thus growth. "It is a very serious risk factor," Marcus said.

- Domestic economic growth would remain below potential, Marcus said. SA is expected to grow by 3% in 2012 on the back of a favourable global outlook, Marcus said.
- This changes the Bank's earlier forecast of 2,8% growth in 2012. The Bank also changed its growth forecast for 2013, expecting the economy to grow at 3,9% from an earlier forecast of 3,8%.

4.4 Future contract prices and the exchange rate

Table 8: Closing prices on Monday, 2 April 2012

	2 April 2012	2 March 2012	% Change
RSA White Maize per ton (April contract)	R2 393,00	R2 305,00	+3,8
RSA Yellow Maize per ton (April contract)	R2 245,00	R2 335,00	-3,9
RSA Wheat per ton (April contract)	R2 699,00	R2 764,00	-2,4
RSA Soya-beans per ton (April contract)	R3 760,00	R3 470,00	+8,4
RSA Sunflower seed per ton (April contract)	R4 677,00	R4 399,00	+6,3
Exchange rate R/\$	R7,64	R7,49	+2,0

Source: SAFEX

4.5 Agricultural machinery sales

- February tractor sales of 800 units were 26% higher than the sales of 633 units reported in February 2011. This was the highest February sales figure in the past 30 years. On a year-to-date basis 2012 sales are almost 50% higher than 2011 sales. February combine harvester sales of 20 units were significantly down on the 27 units sold in February 2011. On a year-to-date basis combine harvester sales are approximately 11% down on last year.
- Fundamentals in the market still remain positive. Recent deliveries on government tenders have given the market a boost. The market is still very competitive. Summer crops in some areas have been adversely affected by a lack of rain at a critical period in the development of the crop. Crop prices are still holding up well, with stock levels being finely balanced between supply and demand. This will have a bearing on crop prices as local and international grain stocks are quite limited.
- Industry predictions for tractor sales for the 2012 calendar year are currently between 6 700 and 7 200 units, almost 10% down on 2011 sales.

Table 9: Agricultural machinery sales

Equipment class	Year-on-year		Percentage Change %	Year-to-date		Percentage Change %
	February			February		
	2012	2011		2012	2011	
Tractors	800	633	26,4	1 590	1 061	49,9
Combine harvesters	20	27	-25,9	33	37	-10,8

Source: SAAMA press release, March 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