MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: MARCH 2019

Issued: 5 April 2019

Directorate: Statistics and Economic Analysis

Highlights:

- **During March 2019, significant rainfall events were limited to the central and eastern parts of the country, as well as the southern coastal regions.**
- **The projected closing stocks of wheat for the current 2018/19 marketing year are 490 084 tons, which includes imports of 1,4 million tons. It is also 32,4% less than the previous years' ending stocks.**
- **The expected commercial maize crop for 2019 is 10,561 million tons, which is 15,6% less than the 12,510 million tons of the previous season.**
- **Projected closing stocks of maize for the current 2018/19 marketing year are 3,043 million tons, which is 17,5% less than the previous years' ending stocks.**
- **Projected closing stocks of maize for the coming 2019/20 marketing year are 1,456 million tons, which is 52,1% less than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2019/20 marketing year are 42 477 tons, which is 17,6% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2019/20 marketing year are 49 148 tons, which is 58,8% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2019/20 marketing year are 293 652 tons, which is 41,5% less than the previous years' ending stocks.**
- **The headline CPI (for all urban areas) annual inflation rate in February 2019 was higher at 4,1%.**
- **The annual percentage change in the PPI for final manufactured goods was higher at 4,7% in February 2019.**
- **February 2019 tractor sales of 526 units were significantly lower (13%) than the 604 units sold in February 2018.**

agriculture, forestry & fisheries

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Contents

1. Weather conditions

1.1 Rainfall for March 2019

During March 2019, significant rainfall events were limited to the central and eastern parts of the country, as well as the southern coastal regions (**Figure 1**). Comparing the rainfall totals to the long term average for March 2019, rainfall received was near-normal to below-normal for most of the country (**Figure 2**). Isolated regions of above-normal rainfall were evident in the eastern parts of the country and the southern coastal areas for the mentioned period. (Source: Directorate: Climate Change and Disaster Management at Department: Agriculture, Forestry and Fisheries)

Figure 1: Rainfall in mm for March 2019

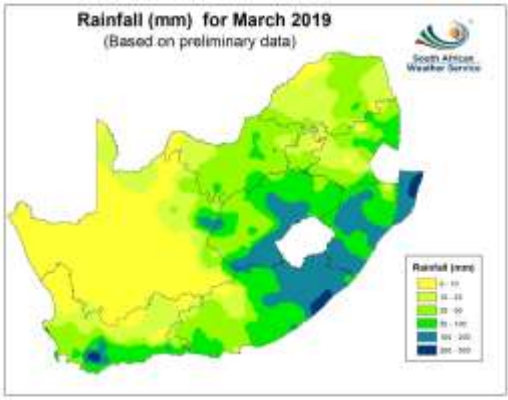
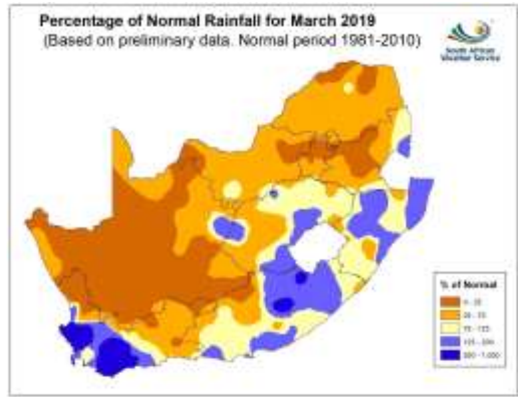


Figure 2: Percentage rainfall for March 2019



According to the latest Seasonal Climate Watch of the SA Weather Services, the forecast for late autumn (April-May-June) and early winter (May-June-July) remain optimistic for above-normal rainfall conditions over the south-western parts of the country. These are also the only areas that typically receive significant rainfall during these seasons. An increased number of rainfall days (greater than 5 mm and 15 mm) is also expected during late autumn, increasing the chances of flooding events in the area; however, a decrease in the number of rainfall days is evident in the early winter forecasts. For the rest of the country the expected decrease in rainfall is normal, especially during late autumn and winter. No significant rainfall is thus expected during the forecasted period for the central and north-eastern parts of the country. With regards to temperatures, mostly higher than normal temperatures are expected for most parts of the country; however, during mid-winter the expectation is for lower than normal maximum temperatures.

1.2 Level of dams

Available information on the level of South Africa's dams on 1 April 2019 indicates that the country has approximately 66% of its full supply capacity (FSC) available, which is 8% less than the corresponding period in 2018. Only the dam levels in the Western Cape Province (+20%) show an increase as compared to 2018. The remaining eight provinces show decreases in the full supply capacity for the mentioned period, with the largest decrease indicated in the Northern Cape Province with -15%.

The provincial distribution of South Africa's water supply including Lesotho is contained in **Table 1** below.

Table 1: Level of dams, 1 April 2019

Province	Net FSC million cubic meters	**1/4/2019 (%)**	Last Year (2018) (%)	% Increase/Decrease 2019 vs. 2018
Eastern Cape	1 807	62	65	-3,0
Free State	15 945	76	87	-11,0
Gauteng	128	96	101	-5,0
KwaZulu-Natal	4 802	63	63	-
Lesotho	2 363	30	55	-25,0
Limpopo	1 522	66	73	-7,0
Mpumalanga	2 539	74	81	-7,0
North West	868	59	72	-13,0
Northern Cape	147	66	81	-15,0
Western Cape	1 866	38	18	20,0
Total	**31 987**	**66**	**74**	**-8,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops

The revised area planted and second production forecast of summer grains for the 2019 season was released by the Crop Estimates Committee (CEC) on 26 March 2019, and is as follows:

Table 2: Commercial summer crops: Revised area planted and 2nd production forecast - 2019 season

CROP	**Area planted 2019 Ha (A)**	**2nd forecast 2019 Tons (B)**	Area planted 2018 Ha (C)	Final crop 2018 Tons (D)	Change % (B) ÷ (D)
White maize	**1 298 400**	**5 220 540**	1 268 100	6 540 000	-20,2
Yellow maize	**1 002 100**	**5 340 170**	1 050 750	5 970 000	-10,6
Total Maize	**2 300 500**	**10 560 710**	2 318 850	12 510 000	-15,6
Sunflower seed	**515 350**	**563 590**	601 500	862 000	-34,6
Soybeans	**730 500**	**1 276 035**	787 200	1 540 000	-17,1
Groundnuts	**20 050**	**20 100**	56 300	57 000	-64,7
Sorghum	**50 500**	**163 400**	28 800	115 000	42,1
Dry beans	**59 300**	**70 950**	53 360	69 360	2,3
Total	**3 676 200**	**12 654 785**	3 846 010	15 153 360	-16,5

Note: Estimate is for calendar year, e.g. production season 2018/19 = 2019

- The revised area estimate for maize is 2 300 500 ha, which is 0,79% or 18 350 ha less than the 2 318 850 ha planted for the previous season.
- The expected **commercial maize** crop for 2019 is 10 560 710 tons, which is 15,58% or 1 949 290 tons less than the 12 510 000 tons of the previous season (2018). The yield for maize is 4,59 t/ha.
- The area estimate for **white maize** is 1 298 400 ha, which represents an increase of 2,39% or 30 300 ha compared to the 1 268 100 ha planted last season. The production forecast of white maize is 5 220 540 tons, which is 20,18% or 1 319 460 tons less than the 6 540 000 tons of last season. The yield for white maize is 4,02 t/ha.
- In the case of **yellow maize,** the area estimate is 1 002 100 ha, which is 4,63% or 48 650 ha less than the 1 050 750 ha planted last season. The yellow maize production forecast is 5 340 170 tons, which is 10,55% or 629 830 tons less than the 5 970 000 tons of last season. The yield for yellow maize is 5,33 t/ha.
- The area estimate for **sunflower seed** is 515 350 ha, which is 14,32% or 86 150 ha less than the 601 500 ha planted the previous season. The production forecast for sunflower seed is 563 590 tons, which is 34,62% or 298 410 tons less than the 862 000 tons of the previous season. The expected yield is 1,09 t/ha.
- It is estimated that 730 500 ha have been planted to **soybeans**, which represents a decrease of 7,20% or 56 700 ha compared to the 787 200 ha planted last season. The production forecast is 1 276 035 tons, which is 17,14% or 263 965 tons less than the 1 540 000 tons of the previous season. The expected yield is 1,75 t/ha.
- For **groundnuts**, the area estimate is 20 050 ha, which is 64,39% or 36 250 ha less than the 56 300 ha planted for the previous season. The expected crop is 20 100 tons – which is 64,74% or 36 900 tons less than the 57 000 tons of last season. The expected yield is 1,00 t/ha.
- The area estimate for **sorghum** increased by 75,35% or 21 700 ha, from 28 800 ha to 50 500 ha against the previous season. The production forecast for sorghum is 163 400 tons, which is 42,09% or 48 400 tons more than the 115 000 tons of the previous season. The expected yield is 3,24 t/ha.
- For **dry beans**, the area estimate is 59 300 ha, which is 11,13% or 5 940 ha more than the 53 360 ha planted for the previous season. The production forecast is 70 950 tons, which is 2,29% or 1 590 tons more than the 69 360 tons of the previous season. The expected yield is 1,20 t/ha.

Please note that the area planted and third production forecast for summer grains for 2019 will be released on 25 April 2019.

2.2 Winter cereal crops

Please note that intentions to plant winter cereals for 2019 will be released on 25 April 2019.

2.3 Non-commercial maize

Table 3: Non-commercial maize – area planted and production estimate – 2018 season

CROP	**Area planted 2018 Ha (A)**	**Production 2018 Tons (B)**	Area planted 2017 Ha (C)	Final crop 2017 Tons (D)	Change % (B) ÷ (D)
Non-commercial agriculture:					
White maize	**236 644**	**414 162**	248 500	463 600	-10,66
Yellow maize	**78 191**	**179 813**	118 150	267 400	-32,76
Maize	**314 835**	**593 975**	366 650	731 000	-18,74

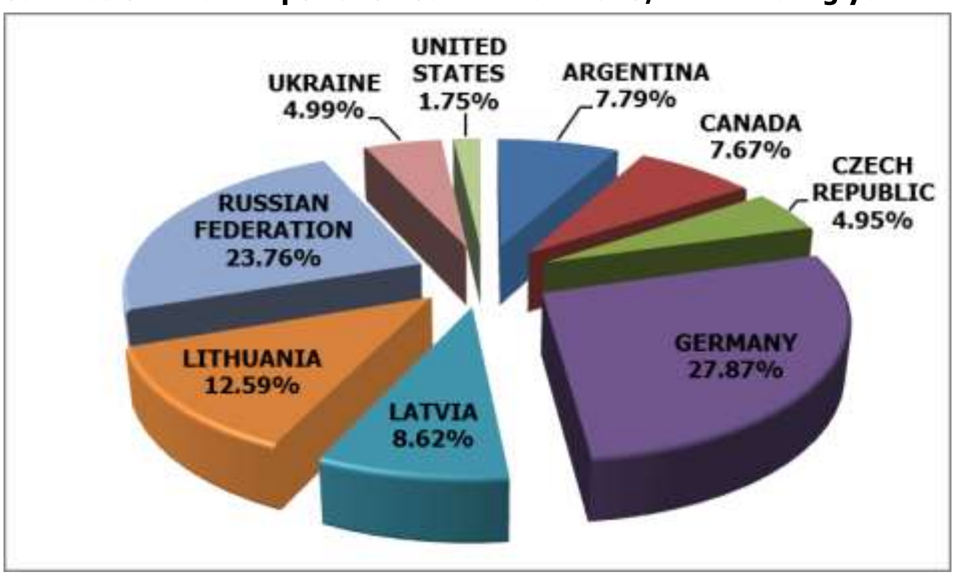
- The area planted to maize in the non-commercial agricultural sector is estimated at 314 835 ha, which represents a decrease of 14,13%, compared to the 366 650 ha of the previous season. The expected maize crop for this sector is 593 975 tons, which is 18,74% less than the 731 000 tons of last season. It is important to note that about 40% of the maize produced in the non-commercial sector, is planted in the Eastern Cape.

3. Cereal balance sheets

For the latest Cereal Balance Sheets (supply and demand tables) on maize, wheat, sorghum, sunflower seed and soybeans please refer to the attachment called FSB MAR 19 Annexure A.

3.1 Imports and exports of wheat for the 2018/19 marketing year

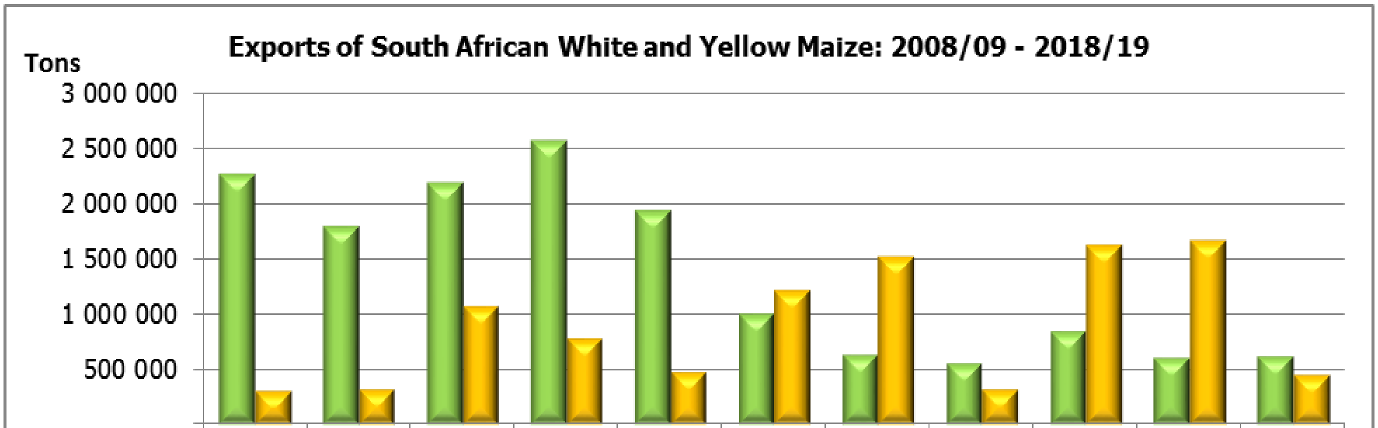
Graph 1: Major countries of wheat imports to South Africa: 2018/19 marketing year



- The progressive wheat imports for the 2018/19 marketing year (29 September 2018 to 29 March 2019) amount to 455 812 tons, with 27,82% or 127 050 tons imported from the Germany, 23,76% or 108 322 tons from the Russian Federation, 12,59% or 57 409 tons from Lithuania, 8,62% or 39 275 tons from Latvia, 7,79% or 35 516 tons from Argentina, 7,67% or 34 978 tons from Canada, 4,99% or 22 763 tons from Ukraine, 4,95% or 22 544 tons from Czech Republic and only 1,75% or 7 955 tons from the Unite States. The exports of wheat for the above-mentioned period amount to 49 621 tons, of which 78,18% or 38 796 tons went to BLNS countries (Botswana, Lesotho, Namibia and Swaziland), 15,02% or 7 453 tons to Zambia, 4,09% or 2 028 tons to Zimbabwe and 2,71% or 1 344 tons to Mozambique.

3.2 Exports of white and yellow maize

Graph 2: Exports of South African white and yellow maize for the 2009/10 to 2019/20 marketing year

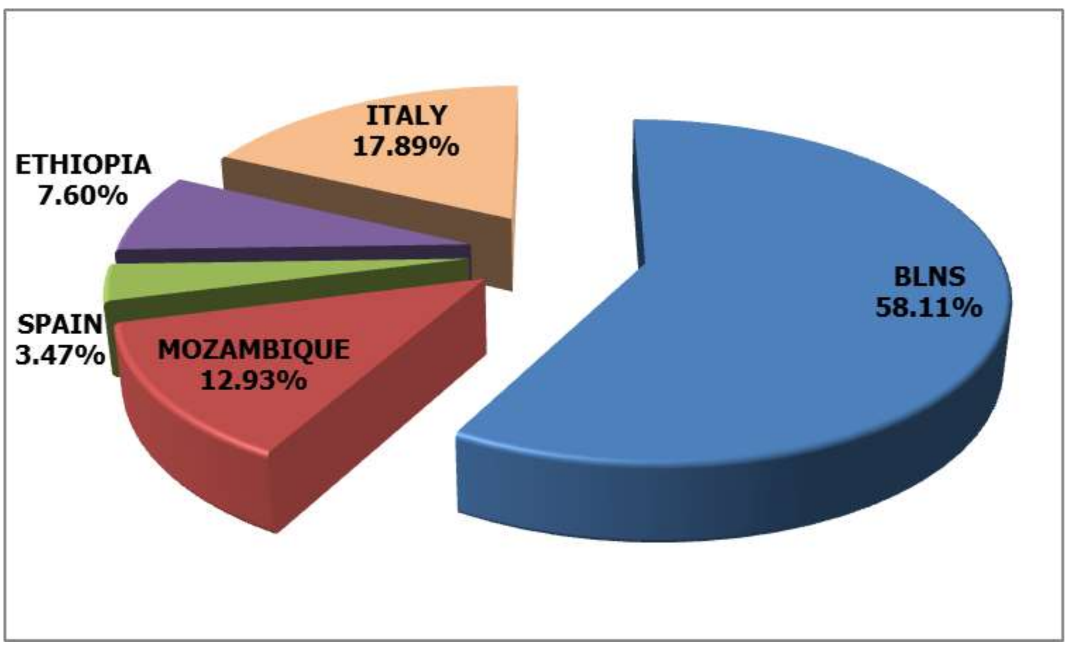


	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19*
White maize	2 269 000	1 796 000	2 194 000	2 575 000	1 946 000	1 008 923	640 807	557 063	851 969	608 000	620 000
Yellow maize	303 000	319 000	1 068 000	781 000	478 000	1 223 673	1 514 917	322 748	1 629 739	1 665 000	450 000

*Projection

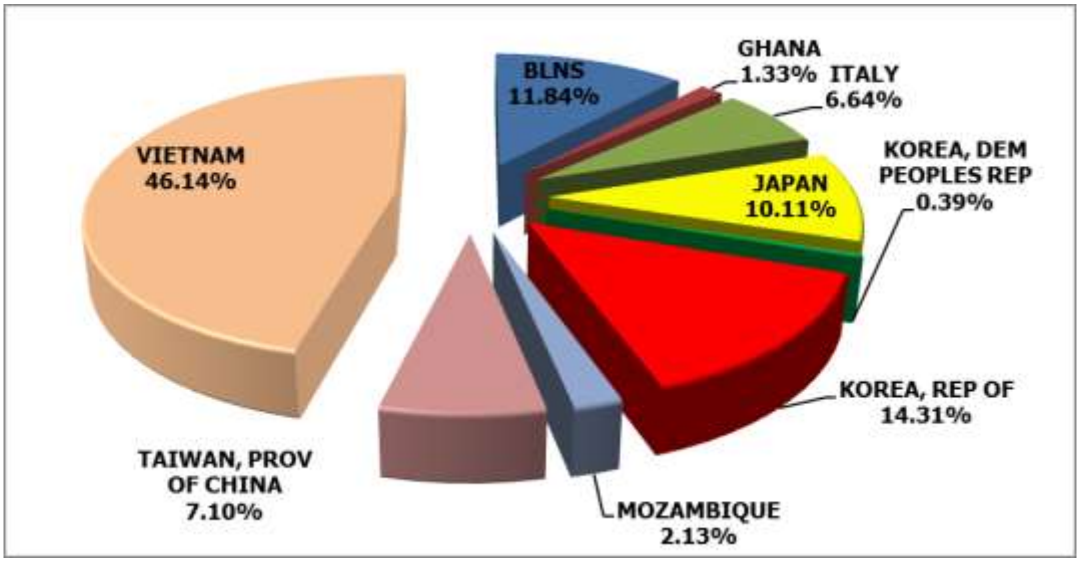
- The exports of white maize for the 2018/19 marketing year are projected at 608 000 tons, which represents a decrease of 28,64% compared to the 851 969 tons of the previous marketing year. Yellow maize exports are projected at 1,665 million tons, which represents an increase of 2,16% compared to the 1,630 million tons of the previous marketing year. The exports of white maize for the 2019/20 marketing year are projected at 620 000 tons, which represents an increase of 1,97% compared to the previous marketing year. Yellow maize exports are projected at 450 000 tons, which represents a decrease of 72,97% compared to the previous marketing year.

Graph 3: Major countries of white maize exports from South Africa: 2018/19 marketing year



- From 28 April 2018 to 29 March 2019, progressive white maize exports amount to 506 473 tons, with the main destinations being BLNS Countries (58,11% or 294 296 tons), Mozambique (12,93% or 65 463 tons), Italy (17,89% or 90 629 tons), Ethiopia (7,60% or 38 509 tons) and Spain (3,47% or 17 576 tons). The imports of white maize for the mentioned period amount to zero.

Graph 4: Major countries of yellow maize exports from South Africa: 2018/19 marketing year



- From 28 April 2018 to 29 March 2019, progressive yellow maize exports amount to 1,498 million tons, with the main destinations being Vietnam (46,14% or 691 248 tons), Republic of Korea (14,31% or 214 420 tons), Japan (10,11% or 151 517 tons), BLNS (11,84% or 177 410 tons), Taiwan, Province of China (7,10% or 106 398 tons), Italy (6,64% or 99 450 tons), Mozambique (2,13% or 31 968 tons), Ghana (1,33% or 20 000 tons), and Democratic Peoples Republic of Korea (0,39% or 5 796 tons). The imports of yellow maize for the mentioned period amount to 88 627 tons of which 57,11% 50 613 tons were from Brazil and 42,89% or 38 014 tons were from Argentina.

4. Market information

4.1 Consumer Price Index (CPI)

- Annual consumer price inflation was 4,1% in February 2019, up from 4,0% in January 2019. The consumer price index increased by 0,8% month-on-month in February 2019.
- The main contributors to headline annual consumer price inflation were as follows:
  - Transport increased from 0,4% in January 2019 to 0,5% in February 2019. The index increased by 3,6% year-on-year; and
  - Miscellaneous goods and services increased from 0,8% in January 2019 to 0,9% in February 2019. The index increased by 5,4% year-on-year.
- The main contributor to headline monthly consumer price inflation is as follows:
  - Transport contributed 0,1%. The index increased by 0,4% month-on-month; and
  - Miscellaneous goods and services contributed 0,7%. The index increased by 4,3% month-on-month, mainly die to insurance (6,4%).
- In February 2019 the CPI for goods increased by 3,0% year-on-year (up from 2,8% in January), and the CPI for services increased by 5,2% (unchanged from January).
- Provincial annual inflation rates ranged from 3,3% in North West to 4,7% in Western Cape.

4.2 Producer Price Index (PPI)

- The annual percentage change in the PPI for final manufactured goods was 4,7% in February 2019 (compared with 4,1% in January 2019). From January 2019 to February 2019 the PPI for final manufactured goods increased by 0,3%.
- The main contributors to the annual rate of 4,7% were coke, petroleum, chemical, rubber and plastic products (1,3%), food products, beverages and tobacco products (1,1%), as well as paper and printed products (0,6%). The main contributor to the monthly increase of 0,3% was food products, beverages and tobacco products (0,2%).

- The annual percentage change in the PPI for electricity and water was 7,5% in February 2019 (compared with 5,5% in January 2019). From January 2019 to February 2019 the PPI for electricity and water increased by 3,3%. The contributors to the annual rate of 7,5% were electricity (5,9%) and water (1,6%). The contributor to the monthly increase of 3,3% was electricity (3,3%).
- The annual percentage change in the PPI for mining was 10,6% in February 2019 (compared with 7,7% in January 2019). From January 2019 to February 2019 the PPI for mining increased by 1,7%. The main contributors to the annual rate of 10,6% were gold and other metal ores (5,3%), non-ferrous metal ores (4,1%), as well as coal and gas (4,0%). The main contributor to the monthly increase of 1,7% was gold and other metal ores (1,1%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was -2,2% in February 2019 (compared with -3,0% in January 2019). From January 2019 to February 2019 the PPI for agriculture, forestry and fishing decreased by 0,7%. The main contributor to the annual rate of -2,2% was agriculture (-3,2%). The main contributor to the monthly decrease of 0,7% was agriculture (-0,9%).

4.3 Future contract prices

Table 4: Closing prices on Thursday, 4 April 2019

	4 April 2019	4 March 2019	% Change
RSA White Maize per ton (Apr. 2019 contract)	R2 747,00	R2 997,00	-8,34
RSA Yellow Maize per ton (Apr. 2019 contract)	R2 626,00	R2 689,00	-2,34
RSA Wheat per ton (Apr. 2019 contract)	R4 550,00	R4 472,00	1,74
RSA Sunflower seed per ton (Apr. 2019 contract)	R5 130,00	R5 544,00	-7,47
RSA Soya-beans per ton (Apr. 2019 contract)	R4 763,00	R4 762,00	0,02
Exchange rate R/$	R14,15	R14,25	-0,70

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- February 2019 tractor sales of 526 units were significantly lower (13%) than the 604 units sold in February 2018. Year-to-date sales for the first two months of 2019 are also significantly (almost 21%) down on 2018. On a rolling 12-month basis tractor sales are marginally (0,3%) up on last year. February 2019 combine harvester sales of 15 units were also significantly down on the 21 units sold in February 2018. Year-to-date sales are significantly lower (almost 35%) than last year. On a rolling 12-month basis combine harvester sales are marginally lower (1%) than last year.
- Although market sentiment has improved, farmers in most areas are unsure of what the immediate future holds in terms of crop yields. Early planted crops, mainly in the east, are generally looking good. Late planted crops are now dependent on continued rain and the absence of early frost. Maize yields, according to the Crop Estimates Committee, will be approximately 15% down this year.
- While it is still early in the year to make reliable estimates of tractor sales for the 2019 calendar year, indications are that sales will be at a similar level to, or slightly less, than the 6 700 units sold in 2018.

Table 5: Agricultural machinery sales

Equipment class	Year-on-year February		Percentage Change %	Year-to-date February		Percentage Change %
	2019	2018		2019	2018	
Tractors	526	604	-12,91	914	1 150	-20,52
Combine harvesters	15	21	-28,57	19	29	-34,48

Source: SAAMA press release, March 2019

PLEASE NOTE: The Food Security Bulletin for April 2019 will be released on **7 May 2019**.

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:

- Agbiz
- Agfacts
- BVG Commodities (Pty) Limited
- Department of Water and Sanitation
- Directorate: Climate Change and Disaster Management at DAFF
- 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 Supply and Demand Estimates Report (SASDE)
- The South African Grain Information Service (SAGIS)
- The South African Weather Service (WeatherSA)
- USDA Foreign Service
- Weekly Price Watch, DAFF