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Directorate: Agricultural Statistics



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Contents

1.	Highlights	3
2.	Weather conditions	4
3.	Grain production	6
3.1	Summer grain crops	6
3.2	Winter cereal crops	6
4.	Cereal balance sheets	8
4.1	Winter cereals	8
4.1.1	Discussion of the previous 2008/09 wheat situation	9
4.1.2	Discussion of the current 2009/10 wheat situation	11
4.2	Summer grains	12
4.2.1	Discussion of the current 2009/10 maize and sorghum situation	13
4.2.2	Discussion of the 2010/11 maize and sorghum situation	15
5.	Market information	16
5.1	Consumer Price Index (CPI)	16
5.2	Producer Price Index (PPI)	16
5.3	Gross Domestic Product (GDP)	17
5.4	Monetary Policy Committee Statement	17
5.5	Futures contract prices, the exchange rate and the oil price	18
5.6	Agricultural machinery sales	18
6.	Acknowledgements	19

1. Highlights

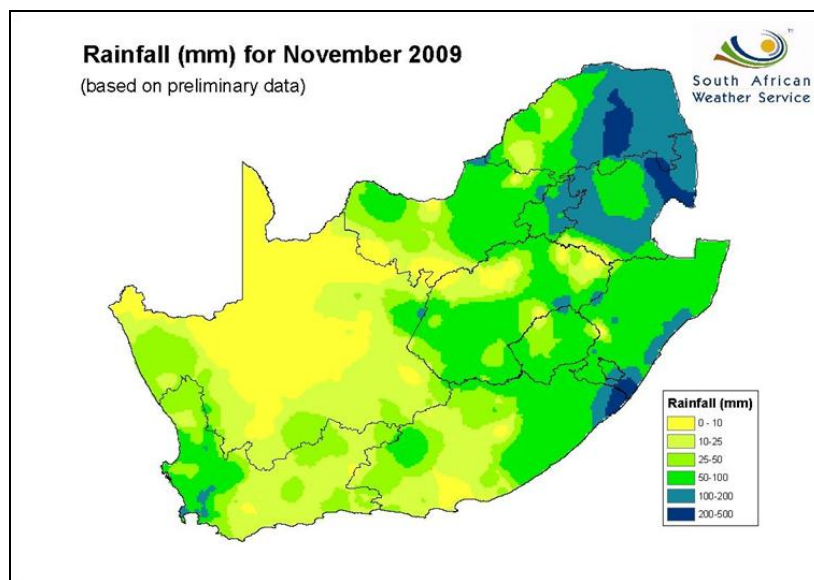
- The rainfall map indicates that the central, eastern and far-western regions received good rainfall totals during the month of November.
- Comparing the numbers set by the CEC during September 2009, with the final calculated crop figures, the size of the commercial maize crop was estimated 309 200 tons or 2,6% lower than the final crop production figure of 12,05 million tons for the 2008/09 production season.
- Projections for the current 2009/10 maize marketing season indicate that South Africa will have a surplus of 1,672 million tons of maize at the end of April 2010.
- Projections for the coming 2010/11 maize marketing season indicate that South Africa will have a surplus of 1,467 million tons of maize at the end of April 2011.
- The expected commercial wheat crop for the 2009 production season is 1,999 million tons, which is 6,15% less than the 2,130 million tons of last season.
- Projections for the previous 2008/09 wheat marketing season indicated that South Africa had a surplus of 686 000 tons of wheat at the end of September 2009.
- Projections for the current 2009/10 wheat marketing season indicate that South Africa will have a surplus of 647 000 tons of wheat at the end of September 2010.
- The headline CPI (for all urban areas) annual inflation rate in October 2009 was lower at 5,9% (i.e. the CPI in October 2009 compared with that in October 2008).
- The annual percentage change in the PPI was higher at -3,3% in October 2009 (i.e. the PPI in October 2009 compared with that in October 2008).
- The Monetary Policy Committee announced during its November meeting that it decided to leave the repurchase rate unchanged at 7% per annum.
- November 2009 tractor sales of 438 units were almost 22% less than the 560 units sold in November 2008.

2. Weather conditions

2.1 Rainfall for November 2009

The rainfall map indicates that the central, eastern and far-western regions received good rainfall totals during the month of November, while limited rainfall was received in the Northern Cape as well as large areas of the Western and Eastern Cape provinces (Figure 1).

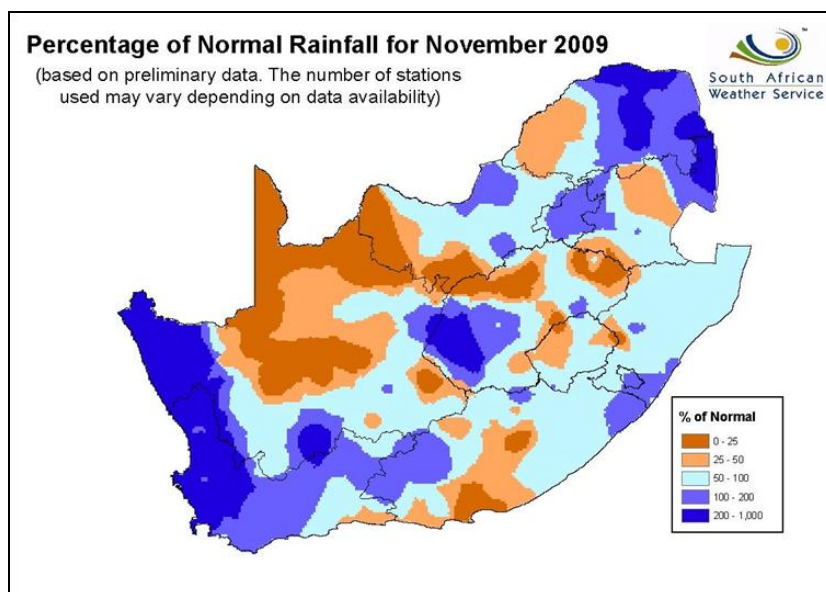
Figure 1: Total rainfall for November 2009



Source: ARC: ISCW

The map for the percentage of normal rainfall for the month of November 2009 (Figure 2) illustrates a significant percentage of normal to above-normal rainfall for the southern and western parts of the winter rainfall region as well as isolated occurrences in the far-western parts of the summer rainfall region. The central and eastern parts of the country indicate normal to below-normal rainfall occurrences as compared to the long term mean.

Figure 2: Percentage of normal rainfall for November 2009



Source: ARC: ISCW

2.2 Level of dams

Available information on the level of South Africa's dams on 30 November 2009 indicates that the country has approximately 85% of its full supply capacity (FSC) available, which is 9% more than last year. The provincial distribution of South Africa's water supply (including Lesotho) is contained in Table 1 below.

Table 1: Level of dams, 30 November 2009

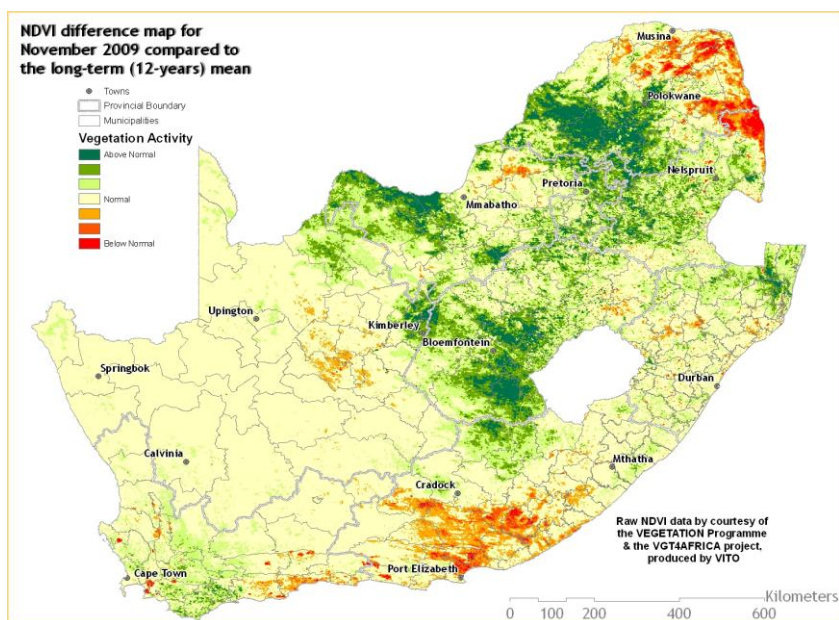
Province	Total FSC in million cubic metres	30/11/2009 (%)	Last Year (%)
Eastern Cape	1 803	57	67
Free State	16 090	91	76
Gauteng	115	100	100
KwaZulu-Natal	4 529	79	76
Lesotho	2 376	81	76
Limpopo	1 159	73	68
Mpumalanga	2 527	94	78
North West	808	75	67
Northern Cape	143	98	92
Western Cape	1 843	86	91
Total	31 393	85	76

Source: Department of Water Affairs

2.3 Vegetation activity

The NDVI difference map (Figure 3) for November 2009 as compared to the 12 year long term mean, shows that the vegetation activity for the North West, Mpumalanga and Free State provinces, as well as isolated areas of the KwaZulu-Natal province are characterized by normal to above-normal vegetation activity, whereas the western parts of the country are mostly characterized by normal vegetation activity. Most parts of the Eastern Cape province, as well as the eastern parts of the Limpopo province reflect below-normal vegetation activity.

Figure 3: NDVI map for November 2009 compared to 12 year long term mean



Source: ARC: ISCW



3. Grain production

3.1 Summer grain crops

3.1.1 Final production estimate of summer crops for the 2008/09 production season

The CEC released the final area planted and crop production figures of the commercial summer grain crops for the 2008/09 production season on 26 November 2009.

Table 2: Commercial summer crops: Final production estimate - 2008/09 production season

CROP	Final Area planted 2008/09 Ha (A)	Final Crop 2008/09 Tons (B)	CEC Area planted 2008/09 Ha (C)	CEC Final estimate 2008/09 Tons (D)	Final estimate vs Final crop % (D) ÷ (B)
Commercial:					
White Maize	1 489 000	6 775 000	1 489 000	6 771 300	-0,05
Yellow Maize	938 500	5 275 000	938 500	4 969 500	-5,79
Total maize	2 427 500	12 050 000	2 427 500	11 740 400	-2,57
Sunflower seed	635 800	801 000	635 800	843 530	+5,31
Soya-beans	237 750	516 000	237 750	509 295	-1,30
Groundnuts	54 550	99 500	54 550	99 135	-0,37
Sorghum	85 500	276 000	85 500	271 250	-1,90
Total	3 441 100	13 742 500	3 441 100	13 460 010	+2,1

The estimated total production figures were revised, using the published figures of the South Africa Grain Information Service (SAGIS) of actual deliveries as the basis for the calculation. The figures from the maize utilisation survey to determine on-farm usage and retentions that was conducted by the Department of Agriculture, Forestry and Fisheries (DAFF) and National Crop Statistics Consortium (NCSC), were added to the SAGIS figures to calculate total figures.

Comparing the numbers set by the CEC during September 2009, with the final calculated crop figures, the size of the commercial maize crop was estimated 309 200 tons or 2,6% lower than the final crop production figure of 12,05 million tons. In the case of commercial soya-beans, groundnuts and sorghum, the CEC has also estimated these crops lower by 1,3%, 0,4% and 1,9%, respectively. With regard to commercial sunflower seed, the crop was over-estimated by 5,3%.

The preliminary area planted forecast for summer grain crops for the 2009/10 production season will be released on 21 January 2010.

3.2 Winter cereal crops

The CEC also released the fourth production forecast of winter cereals for the 2009 production season on 24 November 2009.

Table 3: Winter cereals – Fourth production forecast – 2009 production season

CROP	Area planted 2009 Ha (A)	4th forecast 2009 Tons (B)	Area planted 2008 Ha (C)	Final crop 2008 Tons (D)	Change % (B) ÷ (D)
Wheat	657 500	1 999 000	748 000	2 130 000	-6,15
Malting barley	74 760	220 620	68 245	192 000	+14,91
Canola	38 060	45 660	34 000	30 800	+48,25
Total	770 320	2 265 280	850 245	2 352 800	-3,72

The area estimate for **wheat** is 657 500 ha, which is 12,1% less than the 748 000 ha planted for the previous season. An estimated 315 000 ha or 48% is planted in the Western Cape, 235 000 ha or 36% in the Free State and 44 000 ha or 7% in the Northern Cape.

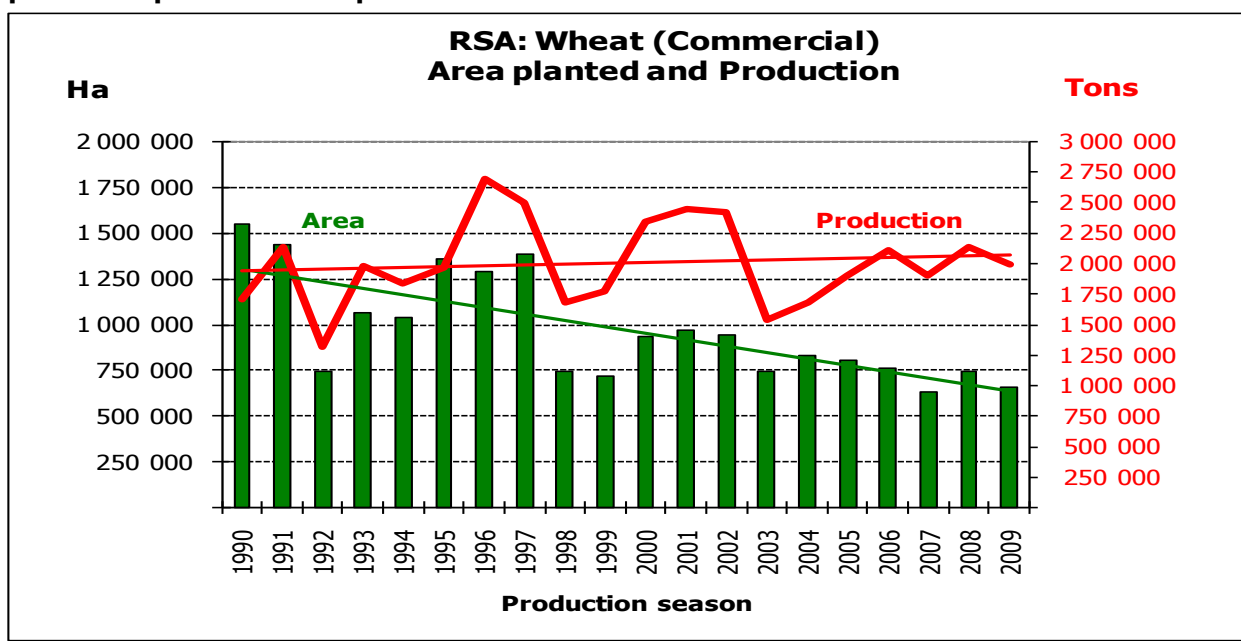
The production forecast of wheat is 1,999 million tons, which is 6,15% less than the 2,130 million tons of last season. The yield for wheat is 3,04 t/ha as against 2,85 t/ha the previous season. The expected production in the Western Cape is 756 000 tons, 611 000 tons in the Free State and 281 600 tons in the Northern Cape.

3.2.1 Other commercial winter crops

The production forecast for **malting barley** is 220 620 tons, which is 14,91% more than the previous seasons' crop of 192 000 tons. The area planted is estimated at 74 760 ha, an increase of 9,55% compared to the previous seasons' plantings of 68 245 ha. The yield is 2,95 t/ha as against 2,81 t/ha of the previous season.

The production forecast for **canola** is 45 660 tons, which is 48,25% more than the 30 800 tons of last season. The area estimate for canola is 38 060 ha, which is 11,94% more than last seasons' plantings of 34 000 ha. The yield is 1,2 t/ha as against 0,91 t/ha of the previous season.

The Graph below provides a historic overview of the area planted to and production of commercial wheat. It is evident that although the area planted shows a decreasing trend over time, the production shows an increasing trend.

Graph 1: Area planted to and production of commercial wheat

The fifth production forecast for winter cereals for the 2009 production season will be released on 17 December 2009.

4. Cereal balance sheets

Supply and demand data for October 2009 was released by SAGIS on 19 November 2009. Tables 4 and 5 contain the Wheat Balance Sheets for the 2008/09 and projections for the 2009/10 marketing seasons. Tables 6 and 7 contain the Maize and Sorghum Balance Sheets for the 2009/10 and projections for the 2010/11 marketing season. **(Preliminary information is subject to change on a monthly basis.)**

4.1 Winter cereals

Table 4: Balance Sheet for Wheat for the previous 2008/09 marketing season

2008/09 Wheat Balance Sheet as at 30 September 2009	Wheat (1 000 tons)
Supply	
Opening stocks (October 2008)	509
SAGIS Opening Stocks	509
Gross production (2008 season)	2 181
Commercial production (2130+42)	2 172
Subsistence agriculture	9
Total domestic supply	2 690
Plus: Imports	1 192
Total supply	3 882
Demand	
Consumption	2 956
Commercial: Human	2 857
Animal (feed)	8
Retentions by producers	42
Seed for planting purposes	26
Other*	23
Subsistence agriculture	9
Total domestic consumption	2 965
Plus: Exports	231
Total demand	3 196
Closing stocks (September 2009)	686
Pipeline requirements	626
Domestic shortfall	-901
Import gap	901
Surplus above pipeline	60
SAGIS closing stocks as at end of September 2009	686

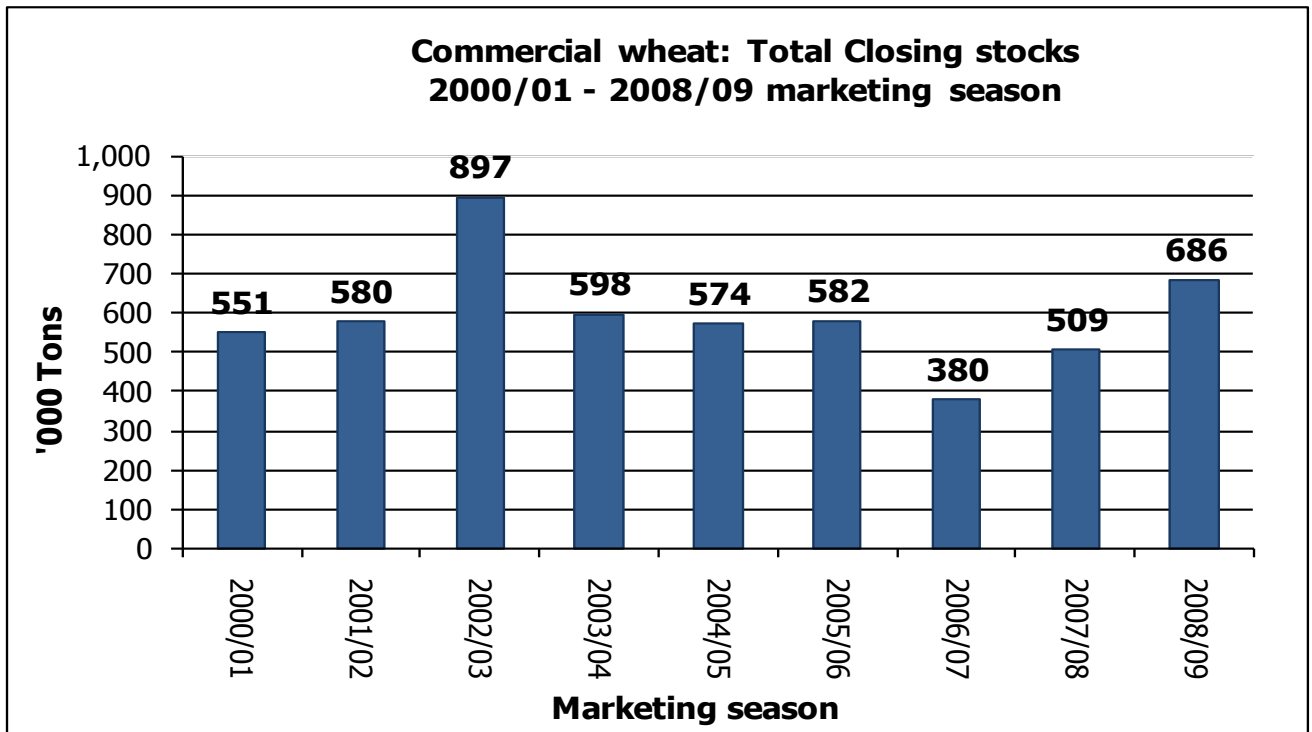
Notes:

- Source: SAGIS, Directorate: Agricultural Statistics.
- *Other refers to wheat released to end-consumers, withdrawn by producers and/or retentions by producers.
- Figures might not add up correctly due to rounding.
- Marketing season for wheat is October to September.
- Pipeline requirements are 80 days of food consumption.

4.1.1 Discussion of the previous 2008/09 wheat situation

The total supply of wheat was 3,882 million tons, including imports of 1,2 million tons during the 2008/09 marketing season. South Africa required 626 000 tons for pipeline requirements at the end of September 2009. Total demand, including exports of 231 000 tons, was seen at 3,196 million tons during the 2008/09 marketing season. Thus, closing stocks at the end of September 2009 was 686 000 tons, which is 34,77% higher than the previous season.

Graph 2: Total closing stocks of commercial wheat



From the Graph it can be seen that the closing stocks of 686 000 tons for the 2008/09 marketing season, is the second highest for the past nine marketing seasons.

Table 5: Projected Balance Sheet for Wheat for the current 2009/10 marketing season

2009/10 Projected wheat Balance Sheet as at 31 October 2009	Wheat (1 000 tons)
Supply	
Opening stocks (October 2009)	686
SAGIS Opening Stocks	686
Gross production (2009 season)	2 008
Commercial production	1 999
Subsistence agriculture	9
Total domestic supply	2 694
Plus: Imports	1 140
Total supply	3 834
Demand	
Consumption	2 947
Commercial: Human	2 850
Animal (feed)	9
Retentions by producers	42
Seed for planting purposes	26
Other*	20
Subsistence agriculture	9
Total domestic consumption	2 956
Plus: Exports	231
Total demand	3 187
Closing stocks (September 2010)	647
Pipeline requirements	625
Domestic shortfall	-887
Import gap	887
Surplus above pipeline	22
SAGIS closing stocks as at end of October 2009	723

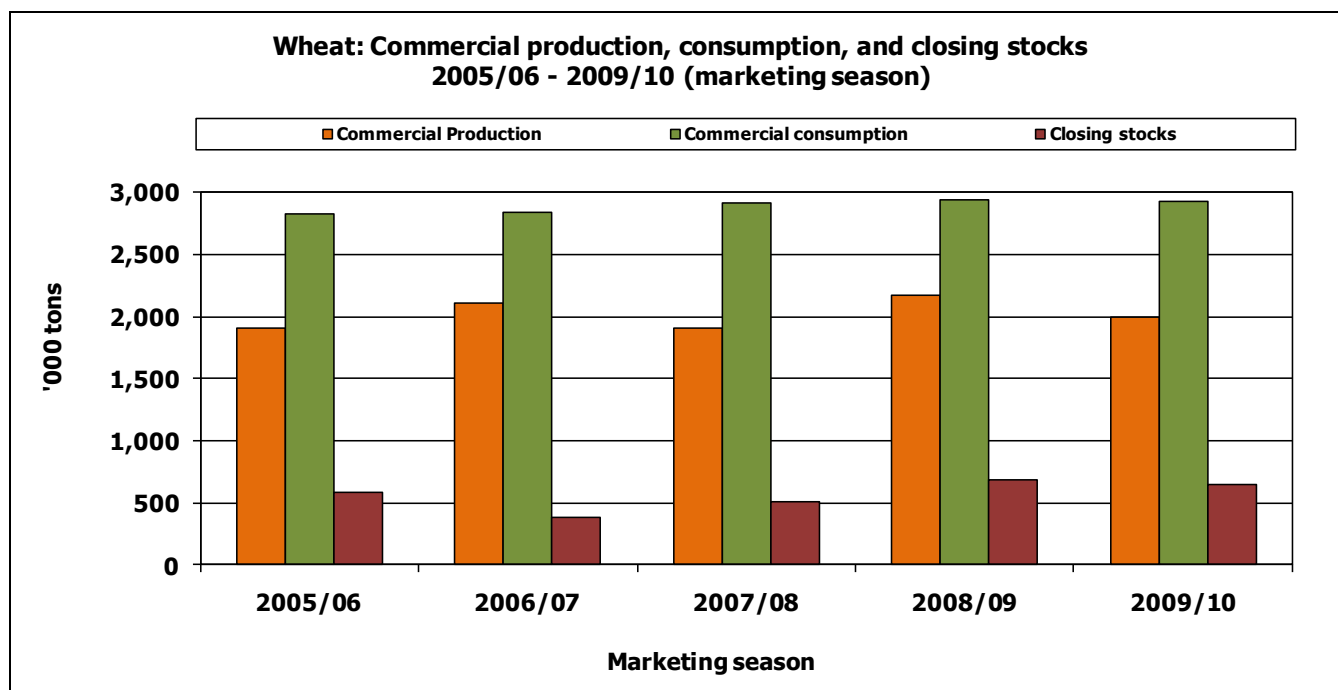
Notes:

- Source: SAGIS, Directorate: Agricultural Statistics.
- *Other refers to wheat released to end-consumers, withdrawn by producers and/or retentions by producers.
- Figures might not add up correctly due to rounding.
- Marketing season for wheat is October to September.
- Pipeline requirements are 80 days of food consumption.

4.1.2 Discussion of the current 2009/10 wheat situation

The expected total supply of wheat is 3,834 million tons, including projected imports of 1,1 million tons during the 2009/10 marketing season. South Africa will require 625 000 tons for pipeline requirements at the end of September 2010. Total demand, including exports of 231 000 tons is seen at 3,187 million tons during the 2009/10 marketing season. Thus, closing stocks at the end of September 2010 is expected to be 647 000 tons.

Graph 3: Commercial production, consumption and closing stocks of wheat



From the graph it is evident that although the consumption of wheat is consistent at around 2,8 million tons, commercial production and closing stocks vary from one season to another, depending on the price and profitability of wheat production. The closing stocks for the current season is estimated at 647 000 tons and is 5,69% less than the previous season (686 000 tons).

4.2 Summer grains

Table 6: Projected Balance Sheet for Maize and Sorghum for the current 2009/10 marketing season

2009/10 Projected Annual Cereal Balance Sheet as at 31 October 2009 (1 000 tons)	Maize			Sorghum
	White	Yellow	Total	
Supply				
Opening stocks	766	819	1 585	62,5
SAGIS Opening Stocks	766	819	1 585	62,5
Gross production	7 154	5 413	12 567	316,3
Commercial production	6 775	5 275	12 050	276,5
Subsistence agriculture	379	138	517	39,8
Total domestic supply	7 920	6 232	14 152	378,8
Plus: Imports	-	-	-	5,0
Total supply	7 920	6 232	14 152	383,8
Demand				
Consumption	4 835	5 068	9 903	224,2
Commercial: Human	4 300	360	4 660	185,1
Animal (feed)	230	4 000	4 230	8,5
Gristing	70	18	88	-
Seed for planting purposes	19	15	34	-
Other*	216	675	891	30,6
Subsistence agriculture	379	138	517	39,8
Total domestic consumption	5 214	5 206	10 420	264,0
Plus: Exports	1 750	310	2 060	45,6
Products	50	50	100	-
Whole maize	1 700	260	1 960	-
Total demand	6 964	5 516	12 480	309,6
Closing stocks (2010)	956	716	1 672	74,2
Pipeline requirements	567	540	1 107	23,9
Domestic surplus	2 139	486	2 625	90,9
Surplus above pipeline	389	176	565	50,3
SAGIS closing stocks as at end of October 2009	4 070	2 890	6 960	181,8

Notes:

- Source: SAGIS, Directorate: Agricultural Statistics.
- *Other refers to grains released to end-consumers and/or withdrawn by producers, and retentions on farms.
- Figures might not add up correctly due to rounding.
- Marketing season for maize: May to April.
- Marketing season for sorghum: April to March.
- Early deliveries refer to the deliveries in March and April for maize and March for sorghum.
- Pipeline requirements are 45 days of commercial consumption.

4.2.1 Discussion of the current 2009/10 maize and sorghum situation

Considering the 2009/10 marketing season, the projected total supply of white maize is 7,920 million tons, including opening stocks of 766 000 tons. Total demand (exports included) is expected to reach 6,964 million tons and the closing stocks are expected to be 956 000 tons as at 30 April 2010.

For yellow maize, the projected total supply is 6,232 million tons, which includes the opening stocks of 819 000 tons. Total demand, including exports, is projected at 5,516 million tons. Projections for the 2009/10 marketing season indicate closing stocks of 716 000 tons at the end of April 2010.

Actual maize exports for the current season until 27 November 2009, comes to 1,063 million tons, including 915 947 tons of white maize and 147 460 tons of yellow maize. Based on the exports seen to date, a total export figure of approximately 2,060 million tons is possible for the 2009/10 marketing season.

Graph 4: Total maize imports and exports: 2005/06 -2009/10 marketing season



**2009/10 – projection*

Sorghum: The expected total supply, including 5 000 tons of imports, is seen at 383 800 tons. Consumption is estimated at 224 200 tons and consists of food consumption at 185 100 tons, feed consumption at 8 500 tons and other consumption at 30 600 tons. The total demand of sorghum is seen at 309 600 tons, including exports of 45 600 tons. Closing stocks at the end of March 2010 is estimated at 74 200 tons.

Table 7: Projected Balance Sheet for Maize and Sorghum for the 2010/11 marketing season

2010/11 Projected Annual Cereal Balance Sheet as at 31 October 2009 (1 000 tons)	Maize			Sorghum
	White	Yellow	Total	
Supply				
Opening stocks	956	716	1 672	74,2
SAGIS Opening Stocks	956	716	1 672	74,2
Gross production	6 957	4 232	11 189	240,0
Commercial production	6 578	4 094	10 672	200,2
Subsistence agriculture	379	138	517	39,8
Total domestic supply	7 913	4 948	12 861	314,2
Plus: Imports	-	400	400	10,0
Total supply	7 913	5 348	13 261	324,2
Demand				
Consumption	5 192	4 443	9 635	224,2
Commercial: Human	4 300	263	4 563	185,1
Animal (feed)	594	3 555	4 149	8,5
Gristing	63	15	78	-
Seed for planting purposes	19	15	34	-
Other*	216	595	811	30,6
Subsistence agriculture	379	138	517	39,8
Total domestic consumption	5 571	4 581	10 152	264,0
Plus: Exports	1 530	112	1 642	43,9
Products	50	39	89	-
Whole maize	1 480	73	1 553	-
Total demand	7 101	4 693	11 794	307,9
Closing stocks (2011)	812	655	1 467	16,3
Pipeline requirements	611	473	1 084	23,9
Domestic surplus	1 731	-106	1 625	26,3
Import gap	-	106	106	
Surplus/ shortage above pipeline	201	182	383	-7,6

Notes:

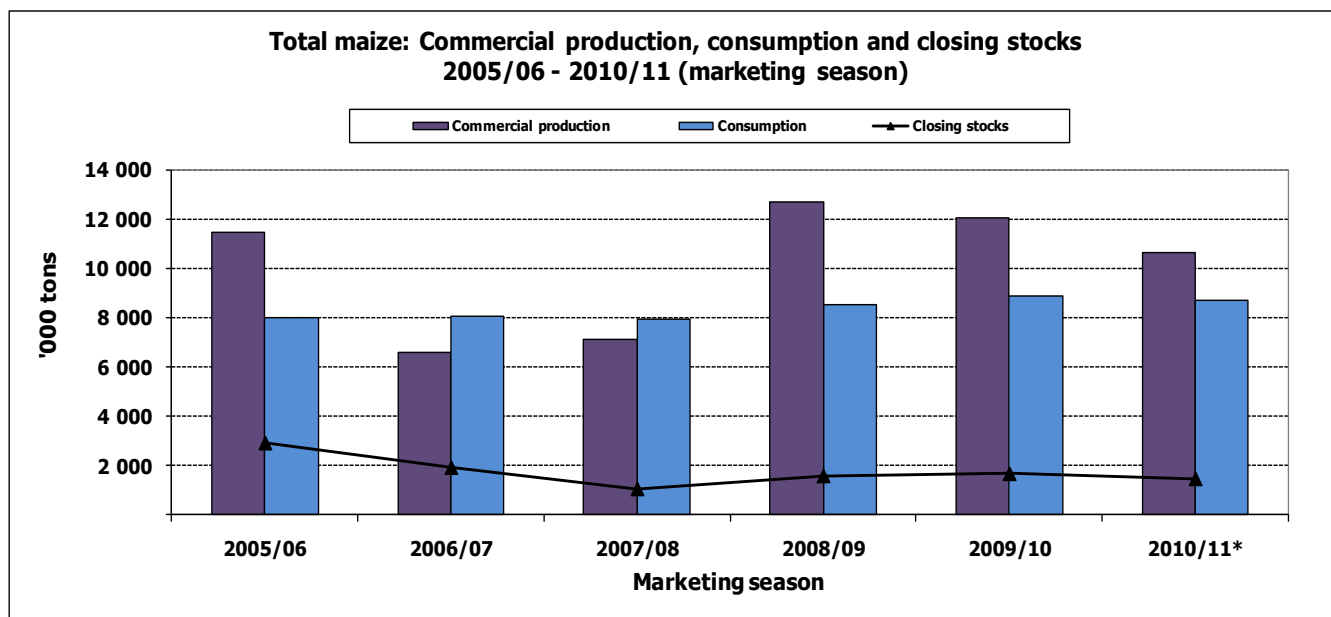
- Source: SAGIS, Directorate: Agricultural Statistics.
- *Other refers to grains released to end-consumers and/or withdrawn by producers, and retentions on farms.
- Figures might not add up correctly due to rounding.
- Marketing season for maize: May to April.
- Marketing season for sorghum: April to March.
- Early deliveries refer to the deliveries in March and April for maize and March for sorghum.
- Pipeline requirements are 45 days of commercial consumption.

4.2.2 Discussion of the 2010/11 maize and sorghum situation

The farmers intend to plant 1,645 million ha of white maize. When applying an average yield of 4,00 t/ha the total commercial production of white maize is projected at 6,578 million tons. The total supply of white maize is projected at 7,913 million tons for the 2010/11 marketing season. The total demand is projected at 7,101 million tons, including exports of 1,5 million tons, while the closing stock at the end of April 2011 is projected at 812 000 tons.

The farmers intend to plant 927 500 ha of yellow maize. When applying an average yield of 4,41 t/ha the total commercial production of yellow maize is projected at 4,094 million tons. The total supply of yellow maize, including imports of 400 000 tons is projected at 5,348 million tons for the 2010/11 marketing season. The total demand is projected at 4,693 million tons, including exports of 112 000 tons, while the closing stock at the end of April 2011 is projected at 655 000 tons.

Graph 5: Commercial production, consumption and closing stocks of total maize



**2010/11 – projection*

From the graph it is evident that the consumption of maize is consistent at around 8 million tons and commercial production varies from one season to another. The projected closing stocks for the 2010/11 marketing season is 1,467 million tons, which is 12,26% less than the previous season (1,672 million tons). This decrease can mainly be attributed to the lower expected gross production of maize for the 2010/11 marketing season.

The farmers intend to plant 70 000 ha of sorghum. When applying an average yield of 2,86 t/ha the total commercial production of sorghum is projected at 200 200 tons. The total supply of sorghum, including imports of 10 000 tons is projected at 324 200 tons for the 2010/11 marketing season. The total demand is projected at 307 900 tons, including exports of 43 900 tons, while the closing stock at the end of March 2011 is projected at 16 300 tons.

5. Market information

5.1 Consumer Price Index (CPI)

The headline inflation rate in October 2009 was 5,9%. This rate was 0,2% lower than the corresponding annual rate of 6,1% in September 2009 (i.e. the Consumer Price Index for all urban areas in September 2009 compared with that in September 2008). From September 2009 to October 2009 the Consumer Price Index for all urban areas remained unchanged.

The food and non-alcoholic beverages index increased by 0,6% between September 2009 and October 2009. The annual rate decreased to 5,3% in October 2009 from 5,6% in September 2009. The monthly increase in the food and non-alcoholic beverages index was largely driven by monthly increases in vegetables (5,6%), fish (2,9%), cold beverages (0,6%), fruit (0,5%), milk, eggs and cheese (0,2%) and hot beverages (0,1%). These increases were counteracted by monthly decreases in oils and fats (-1,1%), bread and cereals (-0,3%) and meat (-0,1%).

The alcoholic beverages and tobacco index increased by 0,1% between September 2009 and October 2009. The annual rate decreased to 11,6% in October 2009 from 11,8% in September 2009.

The transport index decreased by 1,0% between September 2009 and October 2009, mainly due to a 39c/l decrease in the price of petrol. The annual rate decreased to -1,8% in October 2009 from -1,3% in September 2009.

The restaurants and hotels index increased by 0,4% between September 2009 and October 2009. The annual rate decreased to 7,8% in October 2009 from 10,0% in September 2009.

The provinces with an annual inflation rate lower or equal to headline inflation were Limpopo (4,6%), Northern Cape (5,3%), North West (5,3%), KwaZulu-Natal (5,4%), Free State (5,5%) and Eastern Cape (5,6%). The provinces with an annual inflation rate higher than headline inflation were Western Cape (6,0%), Gauteng (6,0%) and Mpumalanga (6,8%).

5.2 Producer Price Index (PPI)

The annual percentage change in the PPI was -3,3% in October 2009. This rate is 0,4% higher than the corresponding annual rate of -3,7% in September 2009.

The higher annual rate in October 2009 compared with that in September 2009 can be explained by increases in the annual rate of change in the Producer Price Indices for:

- Products of petroleum and coal: The annual rate increased from -26,6% in September 2009 to -26,2% in October 2009;
- Mining and quarrying: The annual rate increased from -10,8% in September 2009 to -6,1% in October 2009;
- Agricultural products: The annual rate increased from -2,4% in September 2009 to -0,7% in October 2009.

These increases were partially counteracted by decreases in the annual rate of change for:

- Electricity: The annual rate decreased from 28,1% in September 2009 to 21,7% in October 2009;
- Forestry: The annual rate decreased from -10,2% in September 2009 to -14,1% in October 2009;
- Paper and paper products: The annual rate decreased from 6,7% in September 2009 to 5,3% in October 2009;
- Chemicals and chemical products: The annual rate decreased from -4,8% in September 2009 to -6,3% in October 2009;
- Rubber and plastic products: The annual rate decreased from 1,2% in September 2009 to -3,6% in October 2009.

5.3 Gross Domestic Product (GDP)

Real quarterly gross domestic product (GDP) increased in the third quarter of 2009. The seasonally adjusted real GDP at market prices for the third quarter of 2009 increased by an annualised rate of 0,9% compared with the second quarter of 2009, following decreases of real annualised economic growth rates of 7,4 and 2,8% in the first and second quarters of 2009 compared with the fourth quarter of 2008 and the first quarter of 2009, respectively.

The main contributors to the low growth in economic activity for the third quarter of 2009 were the manufacturing industry (contributing 1,1%); general government services (contributing 0,7%) construction industry and personal services (each contributing 0,2%). Negative contributions by other industries included the finance, real estate and business services and mining and quarrying industry (each contributing -0,3%) agriculture, forestry and fishing (contributing -0,2%) and wholesale and retail trade hotels and restaurants industry (contributing -0,1%).

5.4 Monetary Policy Committee Statement

There are signs that the domestic economy will continue on its recovery path, but economic growth is expected to remain below potential for some time; and dependent to some extent on the pace of the global recovery, which still appears to be fragile and uneven across regions. Economic growth is also expected to be constrained by subdued domestic consumption expenditure. The domestic outlook for inflation remains favourable as a result of weak demand pressures and the main threat to the inflation outlook emanates from electricity price increases.

The Monetary Policy Committee, having reviewed the global and domestic economic and financial developments, has decided at its November meeting to maintain the current stance of monetary policy and to leave the repurchase rate unchanged at 7% per annum.

5.5 Futures contract prices, the exchange rate and the oil price

Table 8: Closing prices at Friday, 4 December 2009

	1 year ago	The week ending 27 November 2009	The week ending 4 December 2009
RSA White Maize per ton (Dec contract)	R1 640	R1 550	R1 575
RSA Yellow Maize per ton (Dec contract)	R1 610	R1 449	R1 480
RSA Wheat per ton (Dec contract)	R2 600	R2 101	R2 120
RSA Soybeans per ton (Dec contract)	R3 805	R3 020	R3 120
RSA Sunflower seed per ton (Dec contract)	R3 871	R3 110	R3 210
Exchange rate R/\$	R10,21	R7,40	R7,48
Oil price per barrel	\$43,83	\$77,12	\$77,15

Source: Weekly Price Watch, DAFF, 7 December 2009

All domestic major grain markets recorded price gains for the week ending 4 December 2009, with both white and yellow maize prices increasing by 1,6% and 2,1%, respectively, compared to the week ending 27 November 2009. Wheat, soybeans and sunflower prices increased by 0,9%, 3,3% and 3,2%, respectively during the same period. The Rand weakened against the dollar for the third consecutive day on Friday, 4 December 2009, as the price of gold, one of South Africa's biggest exports, fell. The Rand ended the week at R7,48 against the US dollar, while the Brent crude oil price ended the week at \$77,15 a barrel on Friday, 4 December 2009.

5.6 Agricultural machinery sales

November tractor sales of 438 units were almost 22% less than the 560 units sold in November 2008. On a year-to-date basis tractor sales are still 25% less than they were for the same period last year. November combine harvester sales were significantly down on sales in November 2008. On a year-to-date basis combine harvester sales are now almost 20% less than they were for the same period last year.

Most of the fundamental factors affecting the market remain such as interest rates, the relatively low grain prices and tight bank finance. Potential purchasers of agricultural equipment are still very cautious, despite it still being very much a buyers' market. The weather is still playing its part in affecting sales. Industry participants hope that the rains which had a good start in most areas will continue through the sometimes problematical mid-season period. It seems that sales for the 2009 calendar year will only be 25% down on last year, rather than the 30% predicted earlier in the year.

Table 9: Agricultural machinery sales

Equipment class	Year-on-year		Percentage Change %	Year-to-date November		Percentage Change %
	November			2009	2008	
	2009	2008				
Tractors	438	560	-21,8	5 329	7 112	-25,1
Combine harvesters	13	28	-53,6	270	335	-19,4

Source: SAAMA press release, November 2009



6. Acknowledgements

The Directorate: Agricultural Statistics 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
- Agrimark Trends
- Department of Water Affairs (DWA)
- Farmer's Weekly
- Grain South Africa (GrainSA)
- National Agricultural Marketing Council
- National Chamber of Milling (NCM)
- South African Agricultural Machinery Association (SAAMA)
- South African National Seed Organisation (SANSOR)
- Standard Bank Economics Division
- Statistics South Africa (StatsSA)
- South African Futures Exchange (SAFEX)
- South African Reserve Bank
- The South African Grain Information Service (SAGIS)
- The South African Weather Service (WeatherSA)
- USDA Foreign Service
- UT Grain Management (Pty) Ltd