MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: NOVEMBER 2019

Issued: 6 December 2019

Directorate: Statistics and Economic Analysis

Highlights:

- **During November 2019, significant rainfall events were limited to the eastern half of the country.**
- **The expected production of wheat is 1,618 million tons, which is 13,4% less than the previous seasons' crop of 1,868 million tons.**
- **The projected closing stocks of wheat for the current 2019/20 marketing year are 472 239 tons, which includes imports of 1,750 million tons. It is also 12,8% less than the previous years' ending stocks.**
- **The expected commercial maize crop for 2019 is 11,258 million tons, which is 10,0% less than the 12,510 million tons of the previous season.**
- **Projected closing stocks of maize for the current 2019/20 marketing year are 1,692 million tons, which is 36,4% less than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2019/20 marketing year are 40 380 tons, which is 22,1% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for current 2019/20 marketing year are 92 805 tons, which is 22,8% less than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2019/20 marketing year are 191 136 tons, which is 61,9% less than the previous years' ending stocks.**
- **The headline CPI (for all urban areas) annual inflation rate in October 2019 was lower at 3,7%.**
- **The annual percentage change in the PPI for final manufactured goods was lower at 3,0% in October 2019.**
- **November 2019 tractor sales of 427 units were just one unit less than the 428 units sold in November 2018.**

agriculture, forestry & fisheries

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1. Weather conditions

1.1 Rainfall for November 2019

During November 2019, significant rainfall events were limited to the eastern half of the country (**Figure 1**). Comparing rainfall totals to the long term average for November 2019, rainfall received was below-normal over the western half of the country while the eastern half received near-normal to above-normal rainfall (**Figure 2**). (Source - Directorate: Climate Change and Disaster Management at Department: Agriculture, Forestry and Fisheries)

Figure 1: Rainfall(mm) for November 2019

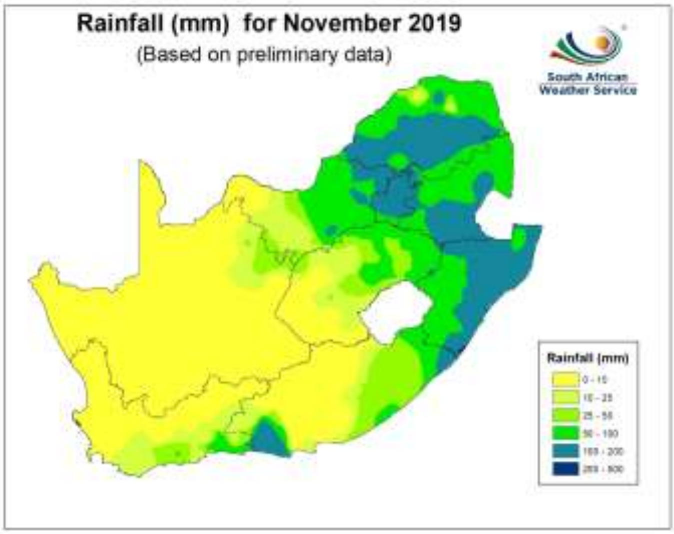
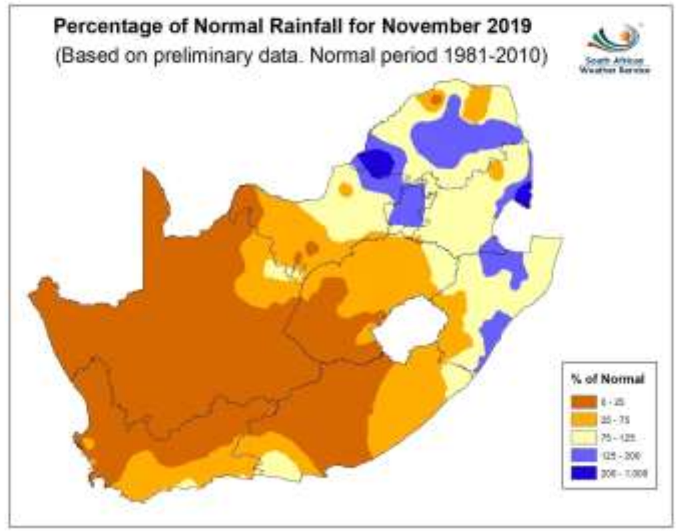


Figure 2: Percentage rainfall for November 2019



1.2 Level of dams

Available information on the level of South Africa's dams on 2 December 2019 indicates that the country has approximately 58% of its full supply capacity (FSC) available, which is 9% less than the corresponding period in 2018. The dam levels in the Western Cape Province show a 4% improvement compared to 2018. The remaining eight provinces show decreases in the full supply capacity for the mentioned period, with the largest decrease is indicated in the Eastern Cape and Free State with -13% each, as well as the Limpopo Province and Mpumalanga with -11% each. The provincial distribution of South Africa's water supply including Lesotho is contained in **Table 1** below.

Table 1: Level of dams, 2 December 2019

Province	Net FSC million cubic meters	**2/12/2019 (%)**	Last Year (2018) (%)	% Increase/Decrease 2019 vs. 2018
Eastern Cape	1 810	48	61	-13,0
Free State	15 653	66	79	-13,0
Gauteng	128	89	95	-6,0
KwaZulu-Natal	4 784	54	56	-2,0
Lesotho	2 363	20	35	-15,0
Limpopo	1 522	49	60	-11,0
Mpumalanga	2 539	56	67	-11,0
North West	867	54	53	-1,0
Northern Cape	147	71	74	-3,0
Western Cape	1 866	64	60	4,0
Total	**31 678**	**58**	**67**	**-9,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2019

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

Table 2: Commercial summer crops: Area planted and final production estimate - 2019 season

CROP	**Area planted 2019 Ha (A)**	**Final estimate 2019 Tons (B)**	Area planted 2018 Ha (C)	Final crop 2018 Tons (D)	Change % (B) ÷ (D)
White maize	**1 298 400**	**5 538 240**	1 268 100	6 540 000	-15,32
Yellow maize	**1 002 100**	**5 719 610**	1 050 750	5 970 000	-4,19
Total Maize	**2 300 500**	**11 257 850**	2 318 850	12 510 000	-10,01
Sunflower seed	**515 350**	**680 940**	601 500	862 000	-21,00
Soybeans	**730 500**	**1 170 345**	787 200	1 540 000	-24,00
Groundnuts	**20 050**	**20 030**	56 300	57 000	-64,86
Sorghum	**50 500**	**130 875**	28 800	115 000	13,80
Dry beans	**59 300**	**66 355**	53 360	69 360	-4,33
Total	**3 676 200**	**13 326 395**	3 846 010	15 153 360	-12,06

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

- The size of the expected **commercial maize** crop has been set at 11 257 850 tons, which is 10,01% or 1 252 150 tons less than the previous season of 12 510 000 tons. The area estimate for maize is 2 300 500 ha, while the expected yield is 4,89 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 5 538 240 tons, which is 15,32% or 1 001 760 tons less than the 6 540 000 tons of last season. The yield for white maize is 4,27 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. In production forecast of **yellow maize** is 5 719 610 tons, which is 4,19% or 250 390 tons less than the 5 970 000 tons of the previous season. The yield for yellow maize is 5,71 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 680 940 tons, which is 21,00% or 181 060 tons less than the 862 000 tons of the previous season. The expected yield is 1,32 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 for **soybeans** is 1 170 345 tons, which is 24,00% or 369 655 tons less than the previous season of 1 540 000 tons. The expected yield is 1,60 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 **groundnut** crop decreased by 64,86% or 36 970 tons, from 57 000 tons to 20 030 tons. 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** increased by 13,80% or 15 875 tons, from 115 000 tons to 130 875 tons. The expected yield is 2,59 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. In the case of **dry beans**, the production forecast has been adjusted downwards with 4,33% or 3 005 tons – from 69 360 tons to 66 355 tons. The expected yield of 1,12 t/ha.

Please note that the preliminary area estimate for summer field crops for 2020 will be released on 29 January 2020.

2.2 Winter cereal crops - 2019

The area estimate and fourth production forecast of winter grains for the 2019 season was also released by the Crop Estimates Committee (CEC) on 26 November 2019, and is as follows:

Table 4: Commercial winter crops: Area planted and fourth production forecast - 2019 season

CROP	**Area planted 2019 Ha (A)**	**4th forecast 2019 Ha (B)**	Area planted 2018 Ha (C)	Final crop 2018 Tons (D)	Change % (B) ÷ (D)
Wheat	**540 000**	**1 618 460**	503 350	1 868 000	-13,36
Malting barley	**131 960**	**358 760**	119 000	421 500	-14,88
Canola	**74 000**	**96 200**	77 000	104 500	-7,94
Cereal oats	**27 200**	**31 240**	19 235	32 700	-4,46

- The expected production of **wheat** is 1 618 460 tons, which is 13,36% or 249 540 tons less than the previous seasons' crop of 1 868 000 tons, whilst the expected yield is 3,00 t/ha.
- The area estimate for wheat is 540 000 ha, which is 36 650 ha higher than the 503 350 ha of the previous season. An estimated 325 000 ha or 60% is planted in the Western Cape, 128 000 ha or 24% in the Free State and 37 500 ha or 7% in the Northern Cape.
- The production forecast for **malting barley** is 358 760 tons, which is 14,88% or 62 740 tons less than the previous seasons' crop of 421 500 tons. The area planted is estimated at 131 960 ha, while the expected yield is 2,72 t/ha.
- The expected **canola** crop is 96 200 tons, which is 7,94% or 8 300 tons less than the previous seasons' crop of 104 500 tons. The area estimate for canola is 74 000 ha, with an expected yield of 1,30 t/ha.
- The area estimate for **oats** (cereals) for the 2019 season is 27 200 ha. The expected crop is 31 240 tons, representing a decrease of 1 460 tons compared to the 32 700 tons of 2018. The expected yield is 1,15 t/ha.

Please note that the fifth production forecast for winter cereals for 2019 will be released on 19 December 2019.

2.3 Non-commercial maize

The non-commercial agricultural sectors' production estimate for maize for the 2019 season was released by the Crop Estimates Committee (CEC) on 28 May 2019, and is as follows:

Table 5: Non-commercial maize – Preliminary area planted and production estimate – 2019 season

CROP	**Area planted 2019 Ha (A)**	**Production 2019 Tons (B)**	Area planted 2018 Ha (C)	Final crop 2018 Tons (D)	Change % (B) ÷ (D)
White maize	**221 300**	**379 460**	236 644	414 162	-8,38
Yellow maize	**74 700**	**169 720**	78 191	179 813	-5,61
Maize	**296 000**	**549 180**	314 835	593 975	-7,54

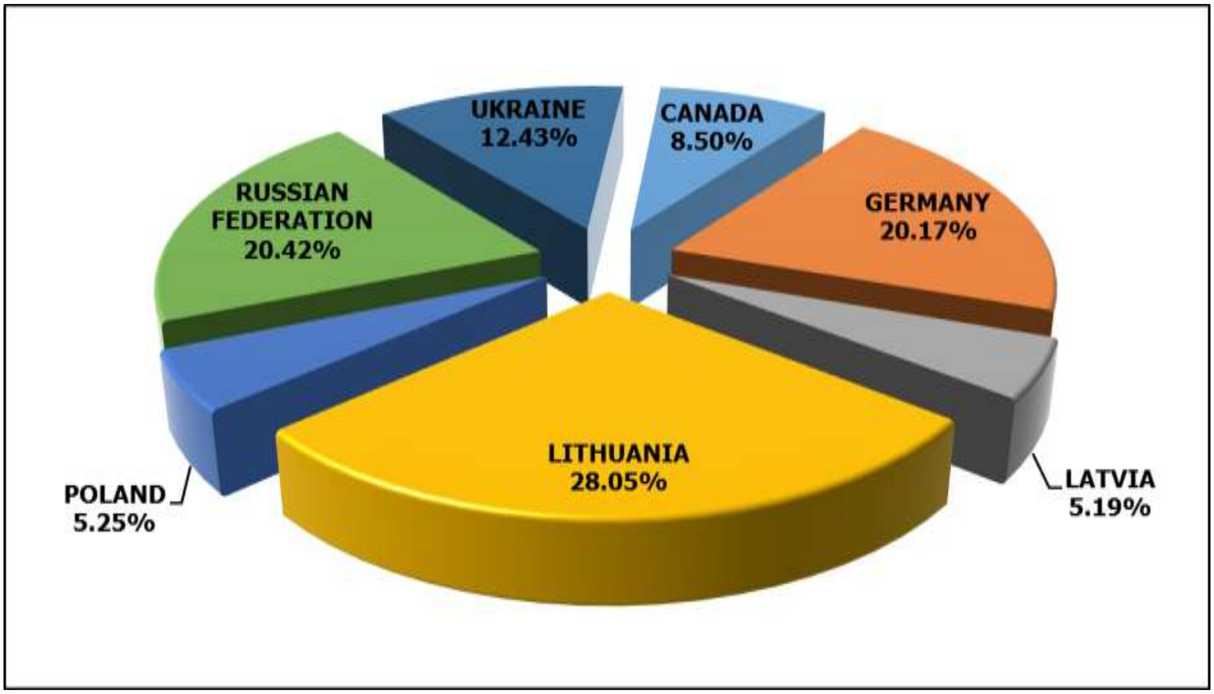
- The area planted to maize in the non-commercial agricultural sector is estimated at 296 000 ha, which represents a decrease of 5,98%, compared to the 314 835 ha of the previous season. The expected maize crop for this sector is 549 180 tons, which is 7,54% less than the 593 975 tons of last season. It is important to note that about 43% of the maize produced in the non-commercial sector, is planted in the Eastern Cape, followed by KwaZulu-Natal with 27%.

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 NOV19 Annexure A.

3.1 Imports and exports of wheat for the 2019/20 marketing year

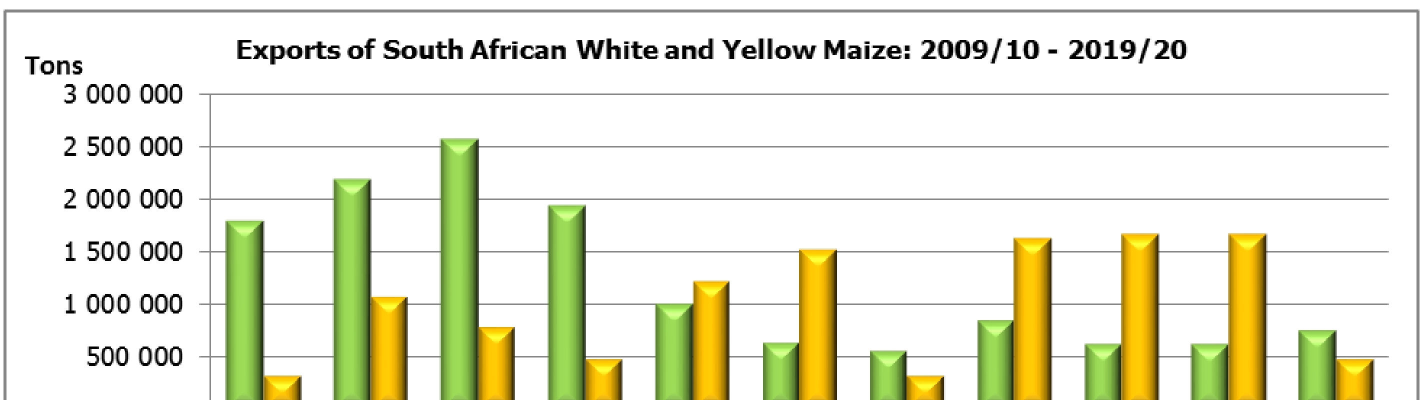
Graph 1: Major countries of wheat imports to South Africa: 2019/20 marketing year



- The progressive wheat imports for the 2019/20 marketing year (28 September to 29 November 2019) amount to 426 412 tons, with 28,05% or 119 603 tons imported from Lithuania, 20,42% or 87 064 tons from the Russian Federation, 20,17% or 86 007 tons from Germany, 12,43% or 52 996 tons from Ukraine, 8,50% or 36 227 tons from Canada, 5,25% or 22 381 tons from Poland and 5,19% or 22 134 tons from Latvia. The exports of wheat for the above-mentioned period amount to 3 263 tons, of which 83,21% or 2 715 tons went to Namibia and 13,39% or 437 tons to Botswana and only 3,40% or 111 tons went to Eswatini (Swaziland).

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

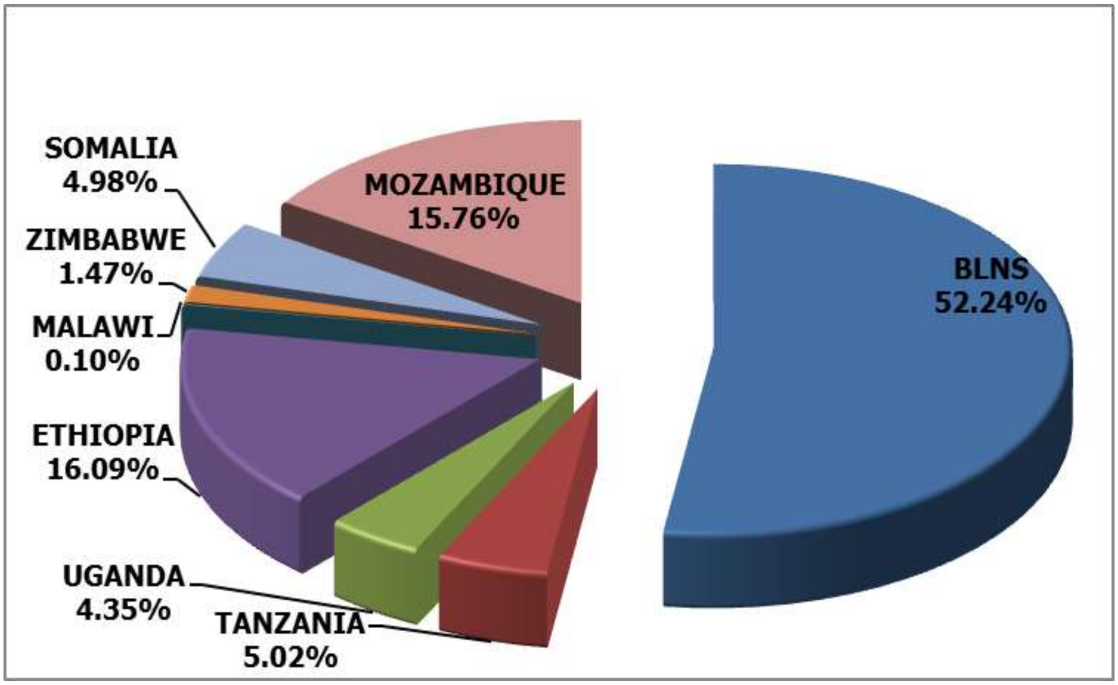


	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20*
White maize	1 796 000	2 194 000	2 575 000	1 946 000	1 008 923	640 807	557 063	851 969	617 000	616 651	750 000
Yellow maize	319 000	1 068 000	781 000	478 000	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	480 000

*Projection

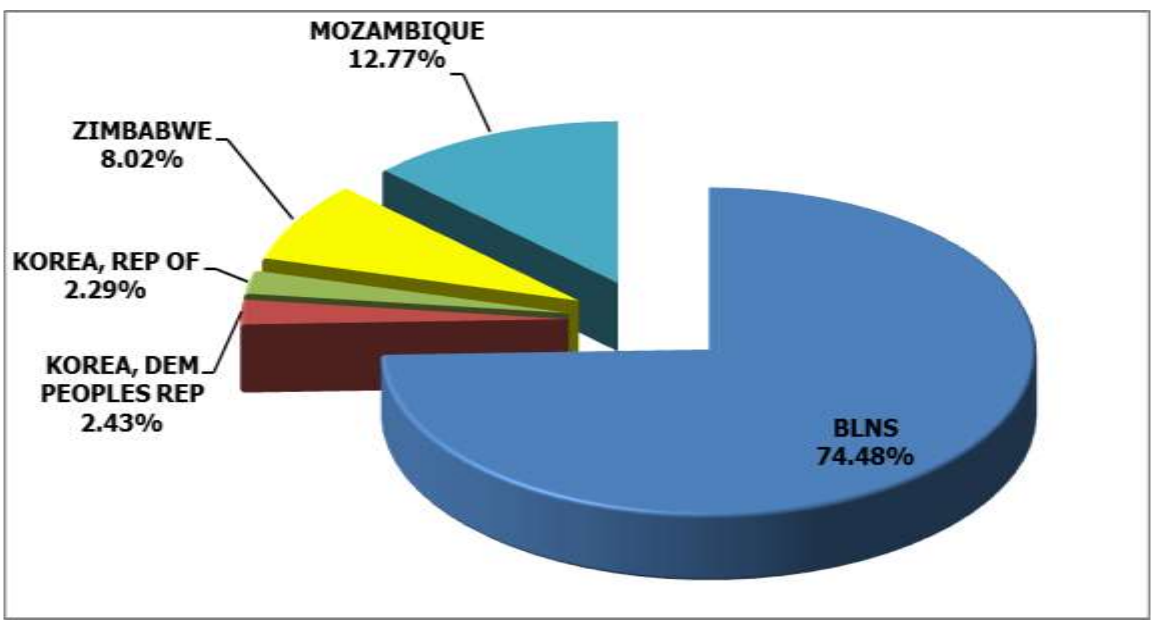
- The exports of white maize for the 2019/20 marketing year are projected at 750 000 tons, which represents an increase of 21,62% compared to the 616 651 tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 480 000 tons, which represents a decrease of 71,21% compared to the 1,667 million tons of the previous marketing year.

Graph 3: Major countries of white maize exports from South Africa: 2019/20 marketing year



- From 27 April to 29 November 2019, progressive white maize exports amount to 460 011 tons, with the main destinations being the BLNS Countries (52,24% or 240 327 tons), Mozambique (15,76% or 72 494 tons), followed by Ethiopia (16,09% or 74 021 tons), Tanzania (5,02% or 23 082 tons), Somalia (4,98% or 22 900 tons), Uganda (4,35% or 20 000 tons), Zimbabwe (1,47% or 6 748 tons) and Malawi (0,10% or 439 tons). The imports of white maize for the mentioned period amount to zero.

Graph 4: Major countries of yellow maize exports from South Africa: 2019/20 marketing year



- From 27 April to 29 November 2019, progressive yellow maize exports amount to 222 975 tons, with the main destinations being the BLNS Countries (74,48% or 166 079 tons), followed by Mozambique (12,77% or

28 478 tons), Zimbabwe (8,02% or 17 889 tons), Democratic Peoples Republic of Korea (2,43% or 5 421 tons) and Republic of Korea (2,29% or 5 108 tons). The imports of yellow maize for the mentioned period amount to 359 057 tons of which 86,06% or 308 988 tons were from Argentina and 13,94% or 50 069 tons were from Brazil.

4. Market information

4.1 Consumer Price Index (CPI)

- Annual consumer price inflation was 3,7% in October 2019, down from 4,1% in September 2019, the lowest rate since February 2011 when the annual rate was also 3,7%. The consumer price index was unchanged month-on-month in October 2019.
- The main contributors to the 3,7% annual inflation rate were as follows:
    - Food and non-alcoholic beverages increased by 3,6% year-on-year, and contributed 0,6% to the total CPI annual rate of 3,7%;
    - Housing and utilities increased by 4,8% year-on-year, and contributed 1,2%; and
    - Miscellaneous goods and services increased by 5,7% year-on-year, and contributed 0,9%.
- The annual inflation rates for goods and for services were 3,1% and 4,2%, respectively. Provincial annual inflation rates ranged from 3,1% in Eastern Cape to 4,5% in Limpopo.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 3,0% in October 2019, down from 4,1% in September 2019. The producer price index increased by 0,3% month-on-month in October 2019.
- The main contributors to the headline PPI annual inflation rate were as follows:
    - Food products, beverages and tobacco products increased by 3,8% year-on-year and contributed 1,2%; and
    - Metals, machinery, equipment and computing equipment increased by 3,7% year-on-year and contributed 0,5%.
- The main contributor to the headline PPI monthly increase was coke, petroleum, chemical, rubber and plastic products, which increased by 0,7% month-on-month and contributed 0,2% to the total month-on-month increase of 0,3%.
- The annual percentage change in the PPI for intermediate manufactured goods was -0,6% in October 2019 (compared with 0,5% in September 2019). The index decreased by 0,1% month-on-month. The main contributors to the annual rate were recycling and manufacturing n.e.c. (-1,4%), as well as chemicals, rubber and plastic products (-1,1%). The main contributor to the monthly rate was recycling and manufacturing n.e.c. (-0,2%).
- The annual percentage change in the PPI for electricity and water was 13,4% in October 2019 (compared with 17,1% in September 2019). The index decreased by 7,7% month-on-month. Electricity contributed 12,3% to the annual rate, and water contributed 1,1%. Electricity contributed -7,7% to the monthly rate.
- The annual percentage change in the PPI for mining was 17,7% in October 2019 (compared with 15,2% in September 2019). The index increased by 3,4% month-on-month. The main contributors to the annual rate were non-ferrous metal ores (15,1%) and gold and other metal ores (4,5%). The main contributor to the monthly rate was non-ferrous metal ores (3,8%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was -1,6% in October 2019 (compared with -4,1% in September 2019). The index increased by 2,9% month-on-month. The main contributor to the annual rate was agriculture (-3,2%).

4.3 Future contract prices

Table 6: Closing prices on Thursday, 5 December 2019

	5 December 2019	5 November 2019	% Change
RSA White Maize per ton (Dec. 2019 contract)	R2 671,00	R2 721,00	-1,84
RSA Yellow Maize per ton (Dec. 2019 contract)	R2 634,00	R2 697,00	-2,34
RSA Wheat per ton (Dec. 2019 contract)	R4 385,00	R4 410,00	-0,57
RSA Sunflower seed per ton (Dec. 2019 contract)	R5 510,00	R5 421,00	1,64
RSA Soya-beans per ton (Dec. 2019 contract)	R6 120,00	R5 989,00	2,19
Exchange rate R/$	R14,66	R14,71	-0,34

Source: JSE/SAFEX

- In terms of trade policy, the wheat import tariff rate of R1 008,60 per tonne that triggered on 20 August 2019 was published in a Government Gazette on 25 October 2019, making it the official rate.

4.4 Agricultural machinery sales

- November 2019 tractor sales of 427 units were just one unit less than the 428 units sold in November 2018. However, year-to-date sales for the eleven months of 2019 are still significantly (25%) lower than last year. On a rolling 12-month basis tractor sales are now 20% down on 2018. November 2019 combine harvester sales of three units were significantly down on the nine units sold in November 2018. Year-to-date combine harvester sales are almost 25% down on 2018. On a rolling 12-month basis combine harvester sales are 21% down on last year.
- Although some of the summer rainfall areas had rains during November and plantings have continued in these areas, the rainfall has been patchy and farmers in the western areas are still waiting to plant. Nevertheless, although the season is late, prospects are looking quite encouraging. However, the agricultural machinery market is still very competitive. Industry forecasts for the 2019 calendar year are now at a level between 20 and 25% below the 6 700 units sold last year.

Table 7: Agricultural machinery sales

Equipment class	Year-on-year November 2019	Year-on-year November 2018	Percentage Change %	Year-to-date November 2019	Year-to-date November 2018	Percentage Change %
Tractors	427	428	-0,23	4 921	6 579	-25,20
Combine harvesters	3	9	-66,67	145	192	-24,48

Source: SAAMA press release, December 2019

PLEASE NOTE: The Food Security Bulletin for December 2019 will be released on **16 January 2020**.

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