

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

**Issued: 3 October 2013**

**Directorate: Statistics and Economic Analysis**

## **Highlights:**

- During September 2013, significant rainfall events were limited to the winter rainfall areas, as well as the coastal regions of KwaZulu-Natal.
- The expected size of commercial wheat crop for 2013 is 1,759 million tons, which is 6% less than the previous seasons' crop of 1,870 million tons.
- The projected closing stocks of wheat for the current 2012/13 marketing year are 503 000 tons, which includes imports of 1,370 million tons.
- The projected closing stocks of wheat for the coming 2013/14 marketing year are 532 000 tons, which includes imports of 1,650 million tons.
- The size of the commercial maize crop for 2013 is 11,723 million tons, which is 3,3% less than the 12,121 million tons of the previous season.
- Projected closing stocks of maize for the current 2013/14 marketing year are 958 000 tons, which is 32% less than the previous year.
- The projected closing stocks of sorghum for the current 2013/14 marketing year are 48 700 tons, which is 0,8% more than the previous year.
- The headline CPI (for all urban areas) annual inflation rate in August 2013 was higher at 6,4%.
- The annual percentage change in the PPI for final manufactured goods was higher at 6,7% in August 2013.
- SA Reserve Bank's Monetary Policy Committee has left the repo rate unchanged at 5,0% per annum.
- August tractor sales of 545 units were 15% lower than the 644 units reported in August 2012.



**agriculture,  
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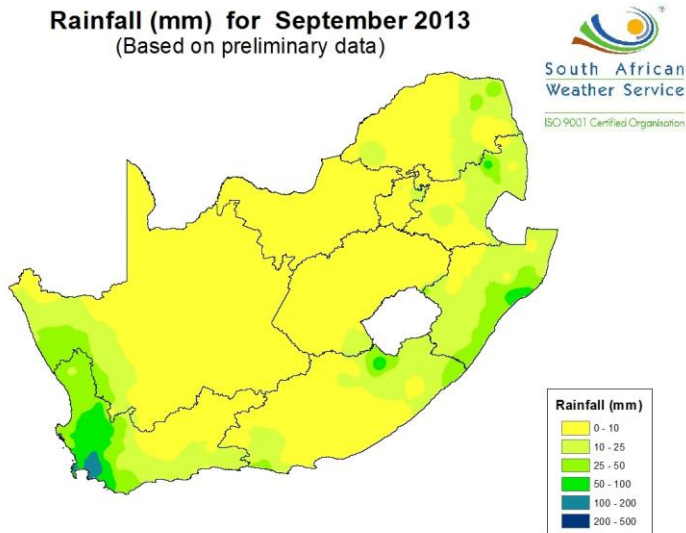
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# 1. Weather conditions

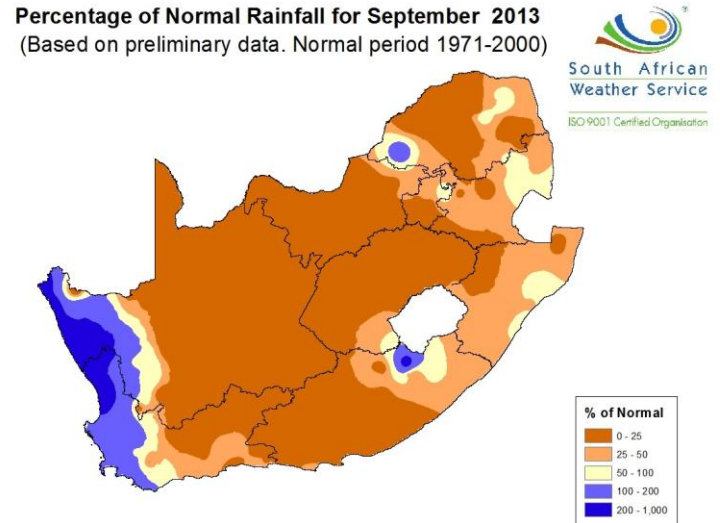
## 1.1 Rainfall for September 2013

During September 2013, significant rainfall events were limited to the winter rainfall areas, as well as the coastal regions of KwaZulu-Natal (Figure 1). Comparing rainfall totals for September 2013 to the long term average, the winter rainfall areas received above-normal rainfall, while most of the remaining parts were characterised by below-normal rainfall (Figure 2).

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



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



## 1.2 Level of dams

Available information on the level of South Africa's dams on 30 September 2013 indicates that the country has approximately 78% of its full supply capacity (FSC) available, 4% less than the corresponding period in 2012. The KwaZulu-Natal and Limpopo provinces show increases for the mentioned period compared to last year. The Eastern Cape, Free State, Gauteng, North West and Northern, as well as Western Cape provinces show decreases for the mentioned period. Mpumalanga remained unchanged compared to 2012. The provincial distribution of South Africa's water supply (including Lesotho) is contained in Table 1 below.

**Table 1: Level of dams, 30 September 2013**

Province	Net FSC million cubic meters	30/09/2013 (%)	Last Year (%)	% Increase/Decrease 2013 vs 2012
Eastern Cape	1 818	73	80	-7,0
Free State	15 971	76	87	-11,0
Gauteng	115	72	89	-17,0
KwaZulu-Natal	4 529	85	73	12,0
Lesotho	2 376	69	68	1,0
Limpopo	1 159	82	69	13,0
Mpumalanga	2 520	82	82	-
North West	802	61	76	-15,0
Northern Cape	146	77	86	-9,0
Western Cape	1 857	91	93	-2,0
<b>Total</b>	<b>31 293</b>	<b>78</b>	<b>82</b>	<b>-4,0</b>

Source: Department of Water Affairs

## 2. Grain production

### 2.1 Summer grain crops

The Crop Estimates Committee (CEC) released the final production estimate for the commercial summer crops for 2013 on 26 September 2013; and is as follows:

**Table 2: Area planted and final production estimate of commercial summer crops for 2013**

CROP	Area planted 2013 Ha (A)	Final estimate 2013 Tons (B)	Area planted 2012 Ha (C)	Final crop 2012 Tons (D)	Change % (B) ÷ (D)
White maize	1 617 200	<b>5 580 300</b>	1 636 200	6 903 656	-19,17
Yellow maize	1 164 000	<b>6 142 250</b>	1 063 000	5 217 000	17,74
Maize	2 781 200	<b>11 722 550</b>	2 699 200	12 120 656	-3,28
Sunflower seed	504 700	<b>566 600</b>	453 350	522 000	8,54
Soya-beans	516 500	<b>787 100</b>	472 000	650 000	21,09
Groundnuts	46 900	<b>42 300</b>	45 450	59 000	-28,31
Sorghum	62 620	<b>151 064</b>	48 550	135 500	11,49
Dry beans	43 550	<b>60 200</b>	39 750	47 695	26,22
TOTAL	3 955 470	<b>13 329 814</b>	3 758 300	13 534 851	-1,51

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

- The size of commercial maize crop is 11,723 million tons, which is 3,3% less than the 12,121 million tons of the previous season. The yield is 4,21 t/ha, as against the 4,49 t/ha of 2012.
- The area estimate for maize is 2,781 million ha, while the area estimate for white maize is 1,617 million ha, and for yellow maize the area estimate is 1,164 million ha.
- The final production estimate of white maize is 5,580 million tons, which is 19,2% less than the 6,904 million tons of the previous season. The yield for white maize is 3,45 t/ha, as against the previous 4,22 t/ha. In the case of yellow maize the final production estimate is 6,142 million tons, which is 17,7% more than the 5,217 million tons of the previous season. The yield for yellow maize is 5,28 t/ha as against the previous 4,91 t/ha.
- The final production estimate for sunflower seed is 566 600 tons, which is 8,5% more than the 522 000 tons of the previous season. The area estimate for sunflower seed is 504 700 ha, which is 11,3% more than the 453 350 ha planted the previous season. The yield is 1,12 t/ha, against the 1,15 t/ha in 2012.
- The final production estimate for soya-beans is 787 100 tons, which is 21,1% more than the 650 000 tons of the previous season. It is estimated that 516 500 ha have been planted to soya-beans, which represents an increase of 9,4% compared to the 472 000 ha planted last season. The yield is 1,52 t/ha, compared to the 1,38 t/ha of 2012.
- The final production estimate of groundnuts is 42 300 tons, which is 28,3% less than the 59 000 tons of last season. For groundnuts, the area estimate is 46 900 ha, which is 3,2% more than the 45 450 ha planted for the previous season. The yield is 0,90 t/ha, compared to the 1,30 t/ha of the previous season.
- The final production estimate of sorghum is 151 064 tons, which is 11,5% higher than the 135 500 tons of the previous season. The area estimate for sorghum also increased by 29,0%, from 48 550 ha to 62 620 ha against the previous season. The yield is 2,41 t/ha, against the 2,79 t/ha of 2012.

- In the case of dry beans the final production estimate is 60 200 tons, which is 26,2% more than the 47 695 tons of the previous season. For dry beans, the area estimate is 43 550 ha, which is 9,6% more than the 39 750 ha planted for the previous season. The yield is 1,38 t/ha, against the 1,20 t/ha of 2012.

*Please note that the 'intentions of farmers' to plant summer field crops for 2014 will be released on 24 October 2013.*

## 2.2 Winter cereal crops

The revised area estimate and second production forecast for winter cereals for the 2013 production season was also released by the Crop Estimates Committee (CEC) on 26 September 2013, and is as follows:

**Table 3: Commercial winter crops: Revised area estimate and second production forecast- 2013 production season**

CROP	Area planted 2013 Ha (A)	2 <sup>nd</sup> forecast 2013 Tons (B)	Area planted 2012 Ha (C)	Final crop 2012 Tons (D)	Change % (A) ÷ (B)
Wheat	505 500	1 758 500	511 200	1 870 000	-5,96
Malting barley	81 320	280 961	84 940	298 000	-5,72
Canola	75 165	113 001	44 100	79 000	43,04
Total	661 985	2 152 462	640 240	2 247 000	-4,21

- The expected production of wheat is 1,759 million tons, which is 6,0% less than the previous seasons' crop of 1,870 million tons, whilst the expected yield is 3,48 t/ha, as against the 3,66 t/ha of 2012.
- The expected production in the Western Cape is 852 500 tons (48%), which is 45 100 tons lower than the 897 600 tons produced in the previous season. In the Free State, the expected production is 270 000 tons (15%), which is 90 000 tons less than the previous seasons' crop of 360 000 tons. In the Northern Cape, 294 000 tons (17%) is expected to be produced.
- The area estimate for wheat was revised to 505 500 ha, which is 20 000 ha less than the 525 500 ha of the previous forecast. An estimated 310 000 ha or 61% is planted in the Western Cape, 90 000 ha or 18% in the Free State and 42 000 ha or 8% in the Northern Cape.
- The production forecast for malting barley is 280 961 tons, which is 5,7% less than the previous seasons' crop of 298 000 tons. The area planted is estimated at 81 320 ha, while the expected yield is 3,46 t/ha, as against the 3,51 t/ha of 2012.
- The expected canola crop is 113 001 tons, which is 43,0% more than the previous seasons' crop of 79 000 tons. The area estimate for canola is 75 165 ha, with an expected yield of 1,50 t/ha, as against the 1,79 t/ha of 2012.

*Please note that the third production forecast for winter cereals for 2013 will be released on 24 October 2013.*

## 3. Cereal balance sheets

Supply and demand data for August 2013 was released by SAGIS on 23 September 2013. *(Preliminary information is subject to change on a monthly basis).*

### 3.1 Winter cereals

**Table 4: Supply and demand for Wheat as at 3 October 2013**

<b>Marketing year (October to September)</b>	<b>2011/12</b>	<b>2012/13*</b>	<b>2013/14*</b>
<b>Production &amp; Calendar year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<b>1000 tons</b>	<b>1 000 tons</b>	<b>1 000 tons</b>
<b>Supply</b>			
<b>Opening stocks: 1 October</b>	<b>478</b>	<b>651</b>	<b>503</b>
SAGIS opening stocks	478	651	503
<b>Gross production</b>	<b>2,009</b>	<b>1,879</b>	<b>1,768</b>
Commercial production	1,973	1,835	1,729
Retentions by producers	27	35	30
Non-commercial	9	9	9
<b>Total domestic supply</b>	<b>2,487</b>	<b>2,530</b>	<b>2,271</b>
Plus: Imports	1,724	1,370	1,650
<b>Total supply</b>	<b>4,211</b>	<b>3,900</b>	<b>3,921</b>
<b>Demand</b>			
<b>Commercial consumption</b>	<b>3,202</b>	<b>3,014</b>	<b>3,030</b>
Human	3,066	2,980	3,000
Animal	136	34	30
Gristing	0	0	0
<b>Retentions by producers</b>	<b>27</b>	<b>35</b>	<b>30</b>
<b>Withdrawn by producers</b>	<b>4</b>	<b>4</b>	<b>6</b>
<b>Released to end consumers</b>	<b>7</b>	<b>9</b>	<b>10</b>
<b>Seed for planting purposes</b>	<b>18</b>	<b>16</b>	<b>17</b>
<b>Balancing item</b>	<b>5</b>	<b>8</b>	<b>6</b>
<b>Non-commercial</b>	<b>9</b>	<b>9</b>	<b>9</b>
<b>Total domestic consumption</b>	<b>3,272</b>	<b>3,095</b>	<b>3,108</b>
<b>Plus: Exports</b>	<b>288</b>	<b>302</b>	<b>281</b>
Products	19	20	21
Whole grain	269	282	260
<b>Total demand</b>	<b>3,560</b>	<b>3,397</b>	<b>3,389</b>
<b>Closing stocks: 30 September</b>	<b>651</b>	<b>503</b>	<b>532</b>
<b>Pipeline requirements (80 days of human consumption)</b>	<b>672</b>	<b>653</b>	<b>658</b>
<b>Domestic shortfall / surplus</b>	<b>-1,457</b>	<b>-1,218</b>	<b>-1,495</b>
<b>Import gap</b>	<b>1,457</b>	<b>1,218</b>	<b>1,495</b>
<b>Surplus/Shortage above pipeline</b>	<b>-21</b>	<b>-150</b>	<b>-126</b>

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

- Projected closing stocks of wheat for the current 2012/13 marketing year (ending 30 September 2013) are 503 000 tons, which is 22,7% less than the previous year (651 000 tons). This decrease can mainly be attributed to the lower production and lower projected import figures of wheat for the 2012 calendar year.
- The total supply of wheat for the coming 2013/14 marketing year is projected at 3,921 million tons, including projected imports of 1,650 million tons.
- The total demand of wheat for the coming 2013/14 marketing year is projected at 3,389 million tons, including exports of 281 000 tons. Thus, the closing stocks are 532 000 tons, which is 5,8% more than the 503 000 tons of the previous year.
- From 29 September 2012 up to 27 September 2013, the progressive grand total of imports is 1,367 million tons, with the largest quantity imported from the Ukraine (341 976 tons or 25%), followed by Brazil (234 733 tons or 17%) and Russia (215 900 tons or 16%). The progressive exports for the mentioned period are 276 210 tons.



### 3.2 Summer grains

**Table 5: Supply and demand for White Maize as at 3 October 2013**

<b>Marketing Year: May – April</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14*</b>
<b>Calendar Year</b>	<b>2011</b>	<b>2012</b>	<b>2013*</b>
	<b>1000 tons</b>	<b>1000 tons</b>	<b>1000 tons</b>
<b>Supply</b>			
<b>Opening Stocks: 1 May</b>	<b>1 609</b>	<b>518</b>	<b>757</b>
SAGIS Opening Stocks	1 609	518	757
<b>Gross Production</b>	<b>6 601</b>	<b>7 423</b>	<b>6 040</b>
Commercial production	6 105	6 880	5 473
Retentions by producers	100	114	107
<b>Non-commercial</b>	<b>396</b>	<b>429</b>	<b>460</b>
<b>Total Domestic Supply</b>	<b>8 210</b>	<b>7 941</b>	<b>6 797</b>
Imports	133	11	
<b>Total Supply</b>	<b>8 343</b>	<b>7 952</b>	<b>6 797</b>
<b>Demand</b>			
<b>Commercial Consumption</b>	<b>5 374</b>	<b>5 047</b>	<b>4 940</b>
Human	4 119	4 095	4 200
Animal	1 202	904	700
Gristing	53	48	40
<b>Retentions by producers</b>	<b>85</b>	<b>98</b>	<b>91</b>
<b>Seed for planting purposes</b>	<b>15</b>	<b>16</b>	<b>16</b>
<b>Withdrawn by producers</b>	<b>46</b>	<b>36</b>	<b>30</b>
<b>Released to end-consumers</b>	<b>126</b>	<b>95</b>	<b>55</b>
<b>Balancing item</b>	<b>- 11</b>	<b>6</b>	<b>96</b>
<b>Non-commercial</b>	<b>396</b>	<b>429</b>	<b>460</b>
<b>Total Domestic Consumption</b>	<b>6 031</b>	<b>5 727</b>	<b>5 688</b>
<b>Exports</b>	<b>1 794</b>	<b>1 468</b>	<b>720</b>
Products	60	68	70
Whole grain	1 734	1 400	650
<b>Total Demand</b>	<b>7 825</b>	<b>7 195</b>	<b>6 408</b>
<b>Closing Stocks: 30 April</b>	<b>518</b>	<b>757</b>	<b>389</b>
<b>Pipeline Requirements</b> (45 days of human & animal consumption + gristing)	<b>663</b>	<b>622</b>	<b>609</b>
<b>Domestic Shortfall / Surplus</b>	<b>1 516</b>	<b>1 592</b>	<b>500</b>
<b>Surplus/ Shortage above pipeline</b>	<b>-145</b>	<b>135</b>	<b>-220</b>

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

- Projected closing stocks of white maize for the current 2013/14 marketing year is 389 000 tons, which is 48,6% less than the previous year (757 000 tons). This decrease can mainly be attributed to the expected decrease in the production figure of white maize for 2013 due to the prolonged drought conditions experienced earlier in the year in the major production regions.
- From 27 April 2013 up to 27 September 2013, progressive white maize exports stand at 422 004 tons of which 190 097 tons or 45,0% were exported to Mexico, followed by the BLNS countries with 142 400 tons or 33,7% and Zimbabwe with 64 364 tons or 15,3%. No imports were reported for the mentioned period.



**Table 6: Supply and demand for Yellow Maize as at 3 October 2013**

<b>Marketing Year: May - April</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14*</b>
<b>Calendar Year</b>	<b>2011</b>	<b>2012</b>	<b>2013*</b>
	<b>1000 tons</b>	<b>1000 tons</b>	<b>1000 tons</b>
<b>Supply</b>			
<b>Opening Stocks: 1 May</b>	<b>727</b>	<b>476</b>	<b>660</b>
SAGIS Opening Stocks	727	476	660
<b>Gross Production</b>	<b>4 777</b>	<b>5 578</b>	<b>6 357</b>
Commercial production	4 235	5 049	5 757
Retentions by producers	374	319	385
<b>Non-commercial</b>	<b>168</b>	<b>209</b>	<b>215</b>
<b>Total Domestic Supply</b>	<b>5 504</b>	<b>6 054</b>	<b>7 017</b>
Imports	288		100
<b>Total Supply</b>	<b>5 792</b>	<b>6 054</b>	<b>7 117</b>
<b>Demand</b>			
<b>Commercial Consumption</b>	<b>3 567</b>	<b>3 888</b>	<b>4 213</b>
Human	393	404	420
Animal	3 160	3 474	3 780
Gristing	14	10	13
<b>Retentions by producers</b>	<b>360</b>	<b>304</b>	<b>370</b>
<b>Seed for planting purposes</b>	<b>14</b>	<b>15</b>	<b>15</b>
<b>Withdrawn by producers</b>	<b>96</b>	<b>102</b>	<b>100</b>
<b>Released to end-consumers</b>	<b>358</b>	<b>383</b>	<b>300</b>
<b>Balancing item</b>	<b>-28</b>	<b>15</b>	<b>155</b>
<b>Non-commercial</b>	<b>168</b>	<b>209</b>	<b>215</b>
<b>Total Domestic Consumption</b>	<b>4 535</b>	<b>4 916</b>	<b>5 368</b>
<b>Exports</b>	<b>781</b>	<b>478</b>	<b>1 180</b>
Products	69	65	80
Whole grain	712	413	1 100
<b>Total Demand</b>	<b>5 316</b>	<b>5 394</b>	<b>6 548</b>
<b>Closing Stocks: 30 April</b>	<b>476</b>	<b>660</b>	<b>569</b>
<b>Pipeline Requirements</b> (45 days of human & animal consumption + gristing)	<b>440</b>	<b>479</b>	<b>519</b>
<b>Domestic Shortfall / Surplus</b>	<b>529</b>	<b>659</b>	<b>1 130</b>
<b>Surplus/ Shortage above pipeline</b>	<b>36</b>	<b>181</b>	<b>50</b>

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

- Projected closing stocks of yellow maize for the current 2013/14 marketing year are 569 000 tons, which is 13,8% less than the previous year (660 000 tons). This decrease can mainly be attributed to the expected increase in the projected export figure of yellow maize for the 2013 calendar year.
- From 27 April 2013 up to 27 September 2013, progressive yellow maize exports stand at 984 958 tons, with the main destinations being Japan (596 315 tons or 60,5%), followed by Taiwan (168 444 tons or 17,1%) and Korea (145 500 tons or 14,8%). No imports were reported for the mentioned period.





**Table 7: Supply and demand for Maize as at 3 October 2013**

<b>Marketing Year: May - April</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14*</b>
<b>Calendar Year</b>	<b>2011</b>	<b>2012</b>	<b>2013*</b>
	<b>1000 tons</b>	<b>1000 tons</b>	<b>1000 tons</b>
<b>Supply</b>			
<b>Opening Stocks: 1 May</b>	<b>2 336</b>	<b>994</b>	<b>1 417</b>
SAGIS Opening Stocks	2 336	994	1 417
<b>Gross Production</b>	<b>11 378</b>	<b>13 001</b>	<b>12 397</b>
Commercial production	10 340	11 930	11 230
Retentions by producers	474	433	492
<b>Non-commercial</b>	<b>564</b>	<b>638</b>	<b>675</b>
<b>Total Domestic Supply</b>	<b>13 714</b>	<b>13 995</b>	<b>13 814</b>
Imports	421	11	100
<b>Total Supply</b>	<b>14 135</b>	<b>14 006</b>	<b>13 914</b>
<b>Demand</b>			
<b>Commercial Consumption</b>	<b>8 941</b>	<b>8 935</b>	<b>9 153</b>
Human	4 512	4 499	4 620
Animal	4 362	4 378	4 480
Gristing	67	58	53
<b>Retentions by producers</b>	<b>445</b>	<b>402</b>	<b>461</b>
<b>Seed for planting purposes</b>	<b>29</b>	<b>31</b>	<b>31</b>
<b>Withdrawn by producers</b>	<b>142</b>	<b>138</b>	<b>130</b>
<b>Released to end-consumers</b>	<b>484</b>	<b>478</b>	<b>355</b>
<b>Balancing item</b>	<b>-39</b>	<b>21</b>	<b>251</b>
<b>Non-commercial</b>	<b>564</b>	<b>638</b>	<b>675</b>
<b>Total Domestic Consumption</b>	<b>10 566</b>	<b>10 643</b>	<b>11 056</b>
<b>Exports</b>	<b>2 575</b>	<b>1 946</b>	<b>1 900</b>
Products	129	133	150
Whole grain	2 446	1 813	1 750
<b>Total Demand</b>	<b>13 141</b>	<b>12 589</b>	<b>12 956</b>
<b>Closing Stocks: 30 April</b>	<b>994</b>	<b>1 417</b>	<b>958</b>
<b>Pipeline Requirements</b> (45 days of human & animal consumption + gristing)	<b>1 102</b>	<b>1 102</b>	<b>1 128</b>
<b>Domestic Shortfall / Surplus</b>	<b>2 046</b>	<b>2 250</b>	<b>1 630</b>
<b>Surplus/ Shortage above pipeline</b>	<b>-108</b>	<b>315</b>	<b>-170</b>

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

- Projected closing stocks of maize for the current 2013/14 marketing year are 958 000 tons, which is 32,4% less than the previous year (1,417 million tons). This decrease can mainly be attributed to the expected decrease in the production figure of maize for the 2013 calendar year.
- From 27 April 2013 up to 27 September 2013, the progressive grand total of exports is 1,407 million tons, with the largest quantity (596 315 tons or 42,4%) exported to Japan, followed by Taiwan (168 444 tons or 12,0%), the BLNS countries (194 168 tons or 13,8%), Mexico (190 097 tons or 13,5%) and Korea (145 500 tons or 10,3%). No imports were reported for the mentioned period.



**Table 8: Supply and demand for Sorghum as at 3 October 2013**

<b>Marketing year: April - March</b>	<b>2011/12</b>	<b>2012/13</b>	<b>2013/14*</b>
<b>Calendar year</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
	<b>1000 tons</b>	<b>1 000 tons</b>	<b>1 000 tons</b>
<b>Supply</b>			
<b>Opening stocks: 1 April</b>	<b>58,1</b>	<b>52,1</b>	<b>48,3</b>
SAGIS opening stocks	58,1	52,1	48,3
<b>Gross production</b>	<b>190,7</b>	<b>157,0</b>	<b>180,7</b>
Commercial production	163,7	133,2	151,1
Retentions by producers	3,7	3,5	4,4
Non-commercial	23,3	20,3	25,2
<b>Total domestic supply</b>	<b>248,8</b>	<b>209,1</b>	<b>229,0</b>
Plus: Imports	57,8	55,0	60,0
<b>Total supply</b>	<b>306,6</b>	<b>264,1</b>	<b>289,0</b>
<b>Demand</b>			
<b>Food consumption</b>	<b>182,2</b>	<b>158,0</b>	<b>171,0</b>
Indoor malting	16,1	12,8	13,0
Floor malting	65,2	56,7	58,0
Meal, rice & grits	100,9	88,5	100,0
<b>Feed consumption</b>	<b>7,1</b>	<b>5,7</b>	<b>5,6</b>
Pet food	1,1	0,9	1,0
Poultry	5,5	4,2	3,5
Livestock feed	0,5	0,6	1,0
<b>Total commercial consumption</b>	<b>189,3</b>	<b>163,7</b>	<b>176,6</b>
<b>Retentions by producers</b>	<b>3,7</b>	<b>3,5</b>	<b>4,4</b>
<b>Withdrawn by producers</b>	<b>6,7</b>	<b>6,0</b>	<b>9,0</b>
<b>Released to end-consumers</b>	<b>4,4</b>	<b>2,5</b>	<b>3,5</b>
<b>Balancing item</b>	<b>1,9</b>	<b>0,8</b>	<b>6,6</b>
<b>Non-commercial</b>	<b>23,3</b>	<b>20,3</b>	<b>25,2</b>
<b>Total domestic consumption</b>	<b>229,3</b>	<b>196,8</b>	<b>225,3</b>
<b>Plus: Exports</b>	<b>25,2</b>	<b>19,0</b>	<b>15,0</b>
Exports through border posts	21,4	15,7	11,7
Exports through harbours	-	-	-
Products to African countries	3,8	3,3	3,3
<b>Total demand</b>	<b>254,5</b>	<b>215,8</b>	<b>240,3</b>
<b>Closing stocks</b>	<b>52,1</b>	<b>48,3</b>	<b>48,7</b>
<b>Pipeline Requirements</b> (45 days of human & animal consumption + gristing)	<b>23,3</b>	<b>20,2</b>	<b>21,8</b>
<b>Domestic surplus / deficit</b>	<b>-3,8</b>	<b>-7,9</b>	<b>-18,1</b>
<b>Import gap</b>	<b>3,8</b>	<b>7,9</b>	<b>18,1</b>
<b>Surplus/ Shortage above pipeline</b>	<b>28,8</b>	<b>28,1</b>	<b>26,9</b>

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

- The total supply of sorghum for the current 2013/14 marketing year is estimated at 289 000 tons, including imports of 60 000 tons, while the total demand stands at 240 300 tons, which includes exports of 15 000 tons for the above-mentioned period.
- The projected closing stocks of sorghum for the current 2013/14 marketing year are 48 700 tons, which is 0,8% more than the previous year (48 300 tons). This increase can mainly be attributed to the increase in the production figure, as well as the expected increase in the imports of sorghum for the 2013 calendar year.

## 4. Market information

### 4.1 Consumer Price Index (CPI)

- The headline CPI (for all urban areas) annual inflation rate in August 2013 was 6,4%. This rate was 0,1% higher than the corresponding annual rate of 6,3% in July 2013. On average, prices increased by 0,3% between July 2013 and August 2013.
- The food and non-alcoholic beverages index increased by 0,3% between July 2013 and August 2013. The annual rate increased to 7,1% in August 2013 from 6,8% in July 2013. The following components in the food and non-alcoholic beverages index increased: Oils and fats (1,7%), hot beverages (1,4%), bread and cereals (1,1%), milk, eggs and cheese (0,6%), fish (0,5%), sugar, sweets and desserts (0,4%), other food (0,3%), cold beverages (0,3%) and fruit (0,1%). The following components decreased: Vegetables (-1,1%) and meat (-0,2%).
- The transport index increased by 1,0% between July 2013 and August 2013, mainly due to a 32c/litre increase in the price of petrol. The annual rate increased to 8,7% in August 2013 from 8,2% in July 2013.
- The recreation and culture index increased by 0,2% between July 2013 and August 2013. The annual rate increased to 3,6% in August 2013 from 3,4% in July 2013.
- The provinces with an annual inflation rate lower than or equal to headline inflation were KwaZulu-Natal (6,4%), Western Cape (6,0%), North West (5,9%), Mpumalanga (5,9%) and Eastern Cape (5,8%). The provinces with an annual inflation rate higher than headline inflation were Limpopo (7,0%), Northern Cape (6,8%), Free State (6,7%) and Gauteng (6,5%).

### 4.2 Producer Price Index (PPI)

- The annual percentage change in the PPI for final manufactured goods was 6,7% in August 2013 (compared with 6,6% in July 2013). From July 2013 to August 2013 the PPI for final manufactured goods increased by 0,8%. The main contributors to the annual rate of 6,7% were food products, beverages and tobacco products (6,5% year-on-year and contributing 2,2%), as well as coke, petroleum, chemical, rubber and plastic products (8,2% year-on-year and contributing 1,4%).
- The main contributors to the monthly increase of 0,8% were food products, beverages and tobacco products (0,5% month-on-month and contributing 0,2%), as well as coke, petroleum, chemical, rubber and plastic products (1,4% month-on-month and contributing 0,2%) and electrical machinery and apparatus and computing equipment (4,0% month-on-month and contributing 0,2%).
- The annual percentage change in the PPI for mining was 10,4% in August 2013 (compared with 7,0% in July 2013). From July 2013 to August 2013 the PPI for mining increased by 3,9%. The main contributor to the annual rate of 10,4% was non-ferrous metal ores (16,5% year-on-year and contributing 7,4%). The main contributors to the monthly increase of 3,9% were non-ferrous metal ores (4,0% month-on-month and contributing 1,9%), as well as gold and other metal ores (6,0% month-on-month and contributing 1,3%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 3,5% in August 2013 (compared with 1,4% in July 2013). From July 2013 to August 2013 the PPI for agriculture, forestry and fishing increased by 1,0%. The main contributor to the annual rate of 3,5% was agriculture (3,2% year-on-year and contributing 2,5%). The main contributor to the monthly increase of 1,0% was agriculture (1,2% month-on-month and contributing 0,9%).

### 4.3 Monetary policy Committee Statement

- The SA Reserve Bank's Monetary Policy Committee (MPC) has left the repo rate unchanged at 5,0% per annum, Governor Gill Marcus announced on Thursday, 19 September 2013, following a three-day Committee Meeting.
- Excerpt from the statement by the Monetary Policy Committee (MPC):

"Since the previous meeting of the MPC, domestic inflation has breached the upper end of the target range. This development was in line with our forecast and we continue to expect inflation to moderate somewhat in the final quarter of this year. While the outlook for the domestic economic growth environment remains unchanged, it has been overshadowed by protracted work stoppages. Where wage agreements have been reached, these have generally been above the headline inflation rate, contributing to the upside risk to the inflation outlook.



The MPC remains mindful of the conflicting policy choices that it faces. The breach of the upper end of the inflation target is expected to be temporary, but the longer term trajectory is uncomfortably close to the upper end of the target range. At the same time, there are still no significant demand side pressures in the economy and consumption expenditure growth is subdued. The output gap continues to widen, and the employment data show that there is very little net employment creation in the economy, while employment in the manufacturing and mining sectors has been declining. Consumers remain under pressure with persistently high debt to disposable income ratios, further exacerbated by the rising cost of petrol and other administered prices.

Currently, a sustained breach of the inflation target is not our central forecast, but the upside risks to the inflation outlook require careful monitoring. Should the risks to the medium-term inflation outlook deteriorate significantly the MPC will not hesitate to take appropriate action in order to maintain the integrity of the inflation targeting framework and to anchor inflation expectations at a lower level."

#### 4.4 Future contract prices and the exchange rate

**Table 9: Closing prices on Wednesday, 2 October 2013**

	<b>2 October 2013</b>	<b>2 September 2013</b>	<b>% Change</b>
<b>RSA White Maize per ton (Oct. contract)</b>	R2 328,00	R2 332,00	-0,17
<b>RSA Yellow Maize per ton (Oct. contract)</b>	R2 118,00	R2 170,00	-2,40
<b>RSA Wheat per ton (Oct. contract)</b>	R3 393,00	R3 389,00	0,12
<b>RSA Sunflower seed per ton (Oct. contract)</b>	R5 115,00	R4 924,00	3,88
<b>RSA Soya-beans per ton (Oct. contract)</b>	R5 531,00	R5 882,00	-5,97
<b>Exchange rate R/\$</b>	R10,12	R10,19	-0,69

Source: JSE/SAFEX

#### 4.5 Agricultural machinery sales

- August tractor sales of 545 units were 15% lower than the 644 units reported in August 2012. On a year-to-date basis, tractor sales are almost 6% down on those of the first eight months of last year. August combine harvester sales of 18 units were significantly up on the 10 units sold in August 2012. On a year-to-date basis combine harvester sales are approximately 7% up on sales for the same period last year.
- The harvesting of summer crops has now been completed. In the absence of early spring rains in the summer cropping areas, soil conditions are not yet conducive for land preparation ahead of summer crop plantings later in the year. Most producers in these areas are therefore in an "in between seasons" period with little activity on their fields. Demand for agricultural machinery remains positive. However, predictions are that sales will slow down in the short term as newer, higher-priced stock makes its way into the market. Nevertheless, activity should start picking up again as producers again begin to prepare for summer crop plantings. Prospects for winter crops in the Western Cape currently look promising.
- Current industry expectations are that tractor sales in the 2013 calendar year will be of the order of 7 000 to 7 500 units, between 5 and 10% down on 2012 sales.

**Table 10: Agricultural machinery sales**

Equipment class	Year-on-year		Percentage  Change  %	Year-to-date		Percentage  Change  %
	August			August		
	2013	2012		2013	2012	
Tractors	545	644	-15,4	5 072	5 367	-5,5
Combine harvesters	18	10	80,0	279	260	7,3

Source: SAAMA press release, September 2013



## 5. Acknowledgements

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

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