MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: SEPTEMBER 2009

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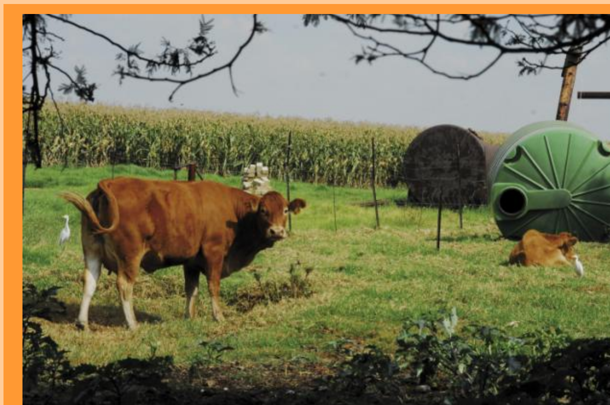
Directorate: Agricultural Statistics



agriculture, forestry & fisheries

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1. Highlights

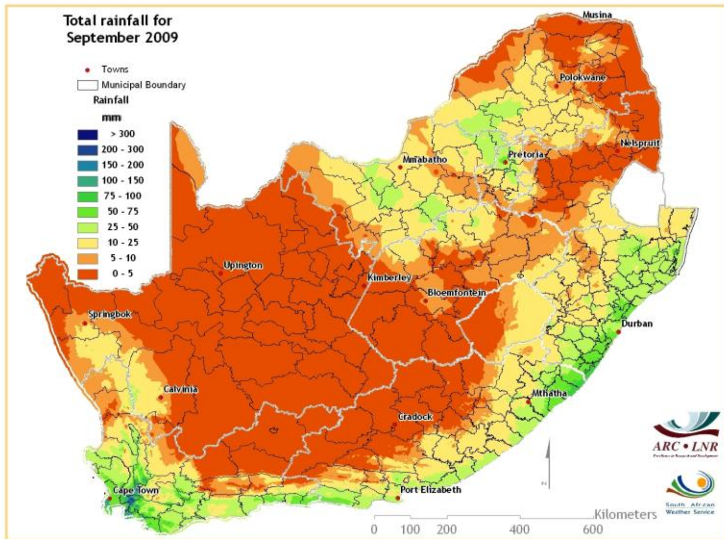
- The coastal regions, North West and Gauteng provinces received good rainfall totals during the month of September.
- The expected commercial maize crop for the 2008/09 production season is 11,740 million tons, which is 7,56% less than the 12,7 million tons of the previous season.
- Projections for the current 2009/10 maize marketing season indicate that South Africa will have a surplus of 1,538 million tons of maize at the end of April 2010.
- The expected commercial wheat crop for the 2009 production season is 2,011 million tons, which is 5,57% 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 531 000 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 523 000 tons of wheat at the end of September 2010.
- The headline CPI (for all urban areas) annual inflation rate in August 2009 was lower at 6,4% (i.e. the CPI in August 2009 compared with that in August 2008).
- The annual percentage change in the PPI was lower at -4,0% in August 2009 (i.e. the PPI in August 2009 compared with that in August 2008).
- The Monetary Policy Committee has announced on 22 September 2009 that it has decided to leave the repurchase rate unchanged at 7% per annum.
- September tractor sales of 480 units were almost 43% less than the 840 units sold in September last year.

2. Weather conditions

2.1 Rainfall for September 2009

The rainfall map indicates that the coastal regions, North West and Gauteng provinces received good rainfall totals during the month of September, while limited rainfall was received in the Northern Cape, some parts of the Limpopo and Mpumalanga provinces (Figure 1).

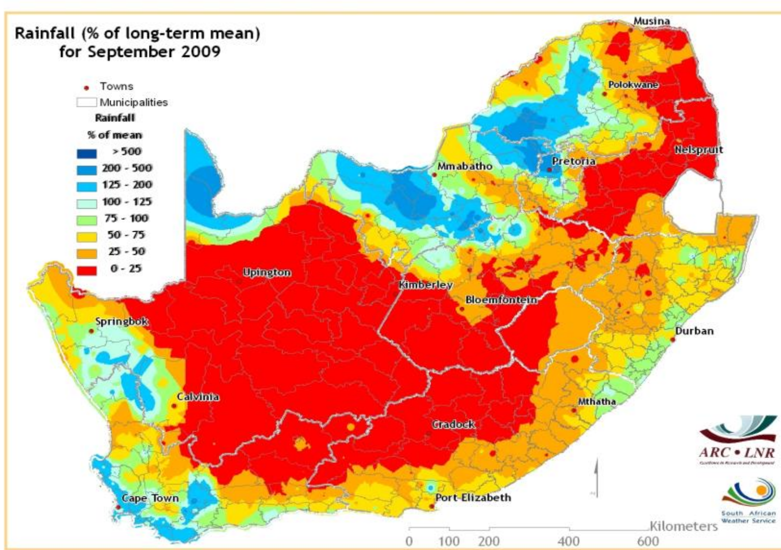
Figure 1: Total rainfall for September 2009



Source: ARC: ISCW

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

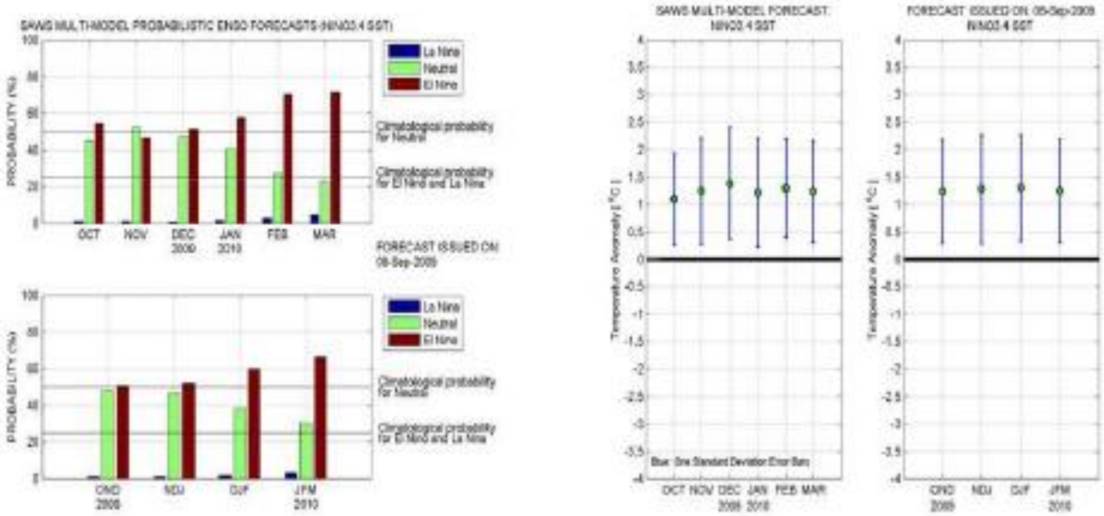
Figure 2: Percentage of normal rainfall for September 2009



Source: ARC: ISCW

2.2 ENSO forecast (October 2009 to March 2010)

Figure 3: ENSO forecast for October 2009 to March 2010



The ENSO forecasts (above) continue to show enhanced probabilities of El Niño conditions to occur during the 2009/10 summer rainfall season (left panel), and that the anticipated El Niño event may be moderately strong since the SST anomalies over the NINO3.4 region are forecasted to be between 1°C and 1.5°C (green dots on right panel). However, the intensity of an El Niño event does NOT indicate how much the event may affect southern African rainfall totals during the summer months – the relatively weak El Niño events at the beginning of the 1990s were associated with intense drought over the region, while rainfall totals during the very strong 1997/98 event were close to the average over the larger part of South Africa. Notwithstanding, El Niño events are much more often associated with summer drought conditions over the region than not.

Source: South African Weather Service

2.3 Level of dams

Available information on the level of South Africa's dams on 28 September 2009 indicates that the country has approximately 83% of its full supply capacity (FSC) available and slightly higher 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, 28 September 2009

Province	Total FSC in million cubic metres	28/09/2009 (%)	Last Year (%)
Eastern Cape	1 803	55	71
Free State	16 090	87	84
Gauteng	115	96	97
KwaZulu-Natal	4 529	80	81
Lesotho	2 376	78	78
Limpopo	1 143	73	69
Mpumalanga	2 527	88	81

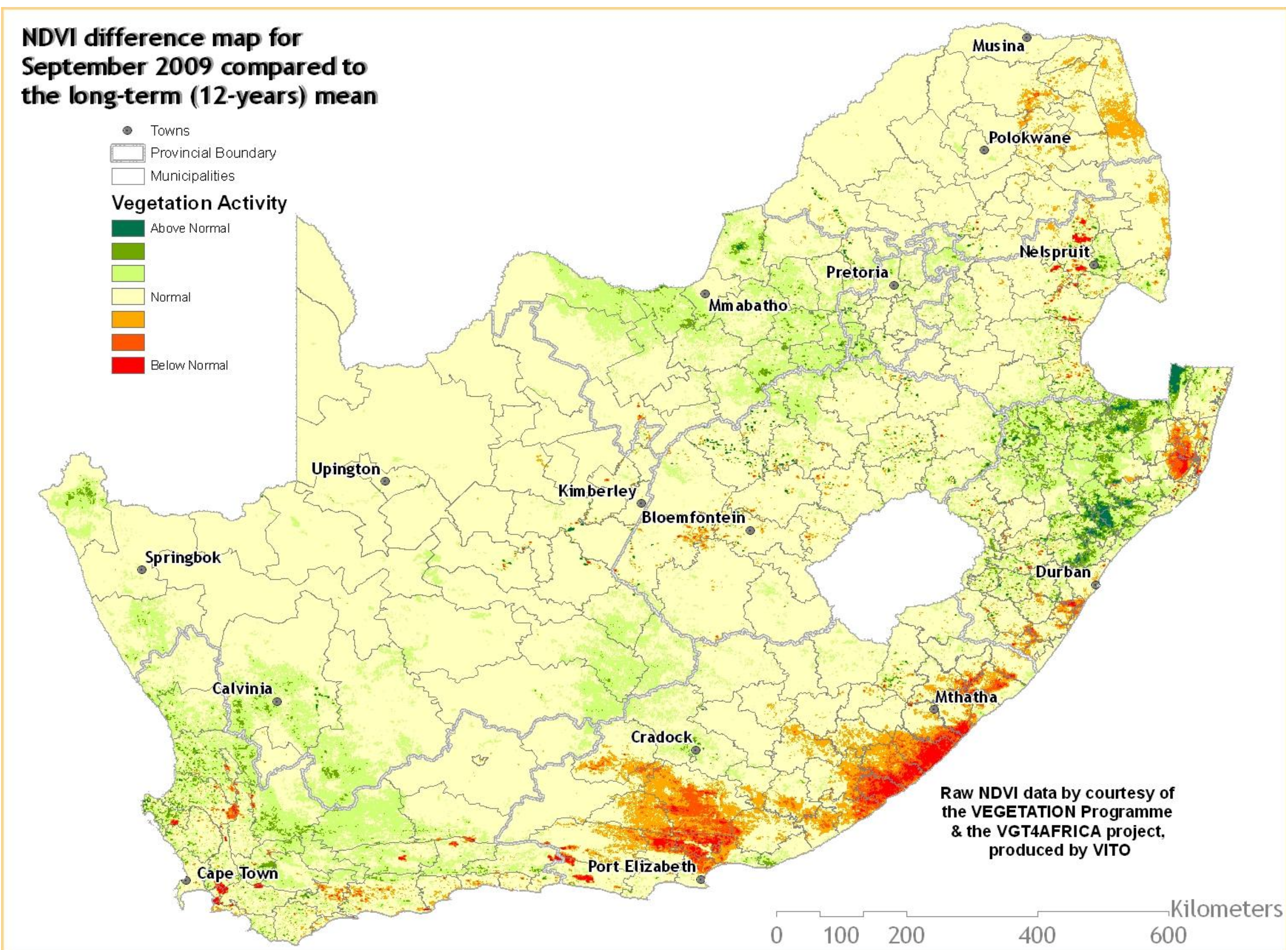
North West	808	73	67
Northern Cape	143	95	92
Western Cape	1 843	88	92
Total	**31 378**	**83**	**81**

Source: Department of Water Affairs and Forestry

2.4 Vegetation activity

The NDVI difference map (Figure 4) for September 2009 as compared to the 12 year long term mean, shows that the vegetation activity for the Western and Northern Cape provinces, as well as isolated areas of the North West, Mpumalanga and KwaZulu-Natal provinces, are characterized by normal to above-normal vegetation activity, whereas the central parts of the country are 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 4: NDVI map for September 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 production estimate of the commercial summer grain crops for the 2008/09 production season on 23 September 2009.

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

CROP	**Area planted 2008/09 Ha (A)**	**Final Estimate 2008/09 Tons (B)**	Area planted 2007/08 Ha (C)	Final crop 2007/08 Tons (D)	Change % (B) ÷ (D)
Commercial:					
White Maize	**1 489 000**	**6 771 300**	1 737 000	7 480 000	-9,47
Yellow Maize	**938 500**	**4 969 500**	1 062 000	5 220 000	-4,80
Total maize	**2 427 500**	**11 740 400**	2 799 000	12 700 000	-7,56
Sunflower seed	**635 800**	**843 530**	564 300	872 000	-3,26
Soya-beans	**237 750**	**509 295**	165 400	282 000	+80,60
Groundnuts	**54 550**	**99 135**	54 200	88 800	+11,64
Sorghum	**85 500**	**271 250**	86 800	255 000	+6,37
Dry beans	**43 800**	**67 030**	43 800	58 975	+13,66
Total	**3 484 900**	**13 531 040**	3 713 500	14 256 775	-5,09

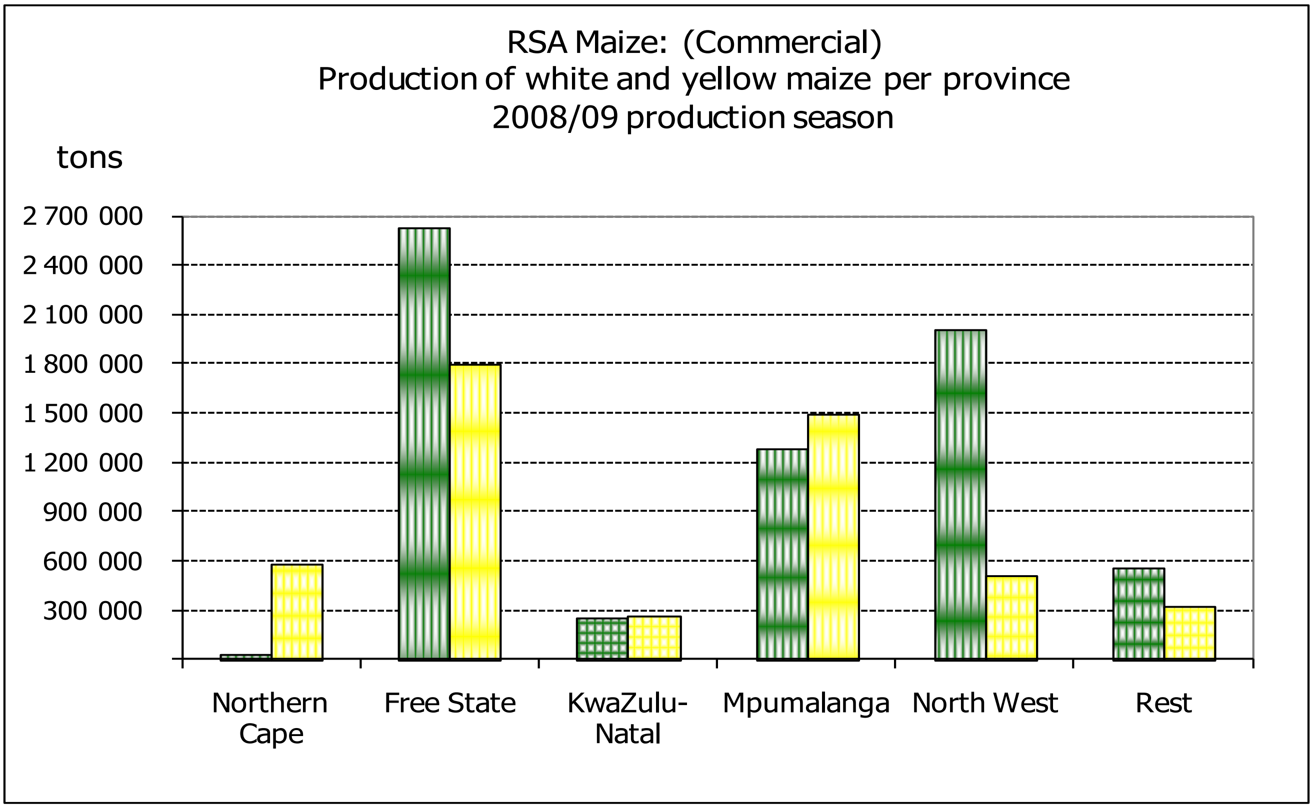
The area estimate for **commercial maize** is 2,428 million ha, which is 13,27% or 371 500 ha less than the 2,799 million ha planted for the previous season. The expected **commercial maize** crop is 11,741 million tons, which is 7,56% or 959 600 tons less than the 12,7 million tons of the previous season.

The area estimate for **commercial white maize** is 1,489 million ha, which represents a decrease of 14,28% or 248 000 ha compared to the 1,737 million ha planted last season. In the case of **commercial yellow maize** the area estimate is 938 500 ha, which is 11,63% or 123 500 ha less than the 1,062 million ha planted last season.

The production estimate of white maize is 6,771 million tons, which is 9,47% less than the 7,480 million tons of last season. The yield for white maize is 4,55 t/ha as against 4,31 t/ha the previous season. In the case of yellow maize the production estimate is 4,970 million tons, which is 4,80% less than the 5,220 million tons of last season. The yield of yellow maize is 5,30 t/ha as against 4,92 t/ha the previous season.

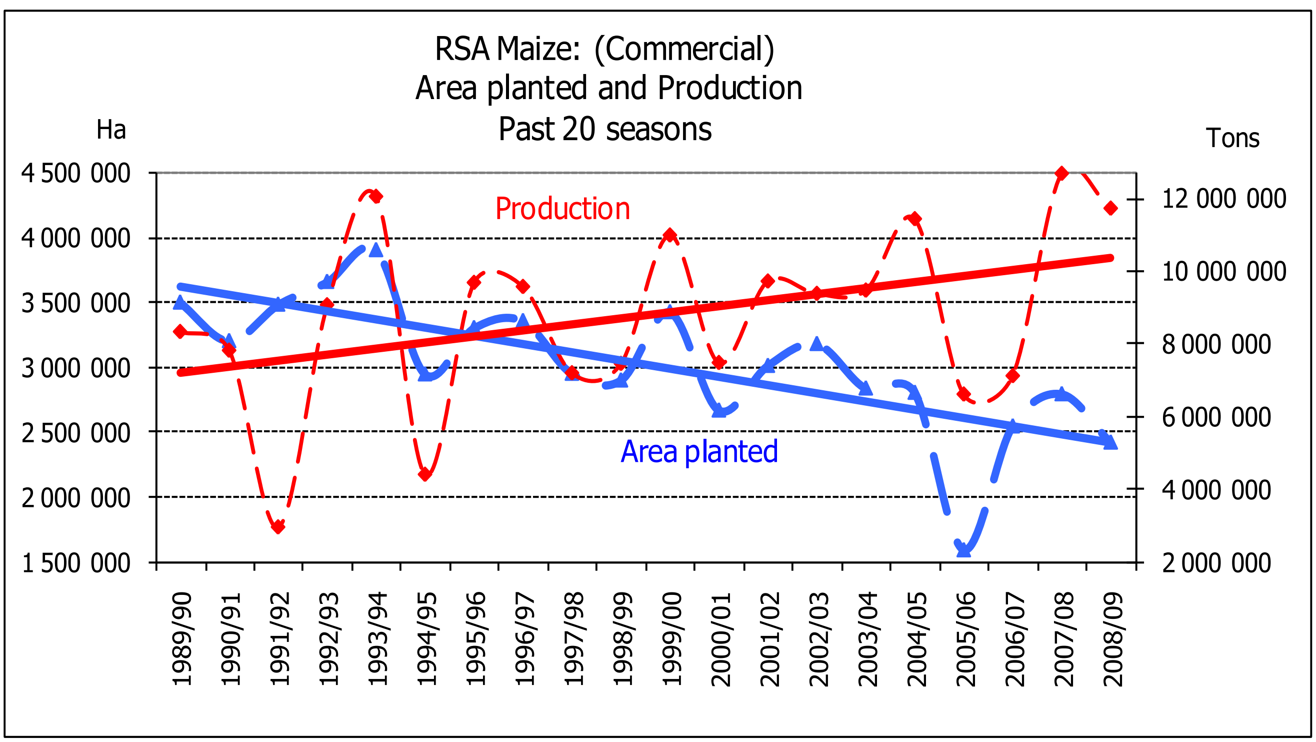
The following graph provides the provincial allocation of the production of commercial white and yellow maize (2008/09 production season). It is evident that the Free State, Mpumalanga and North West provinces contribute the most (approximately 88%) to the production of white maize. With reference to the production of yellow maize, the Free State and Mpumalanga provinces contribute the most (approximately 66%).

Graph 1: Production of commercial white and yellow maize per province



The following graph provides a historic overview of the area planted and production of commercial maize. It is evident that although production shows an increasing trend, the area planted shows a decreasing trend over time.

Graph 2: Area planted and production of commercial maize

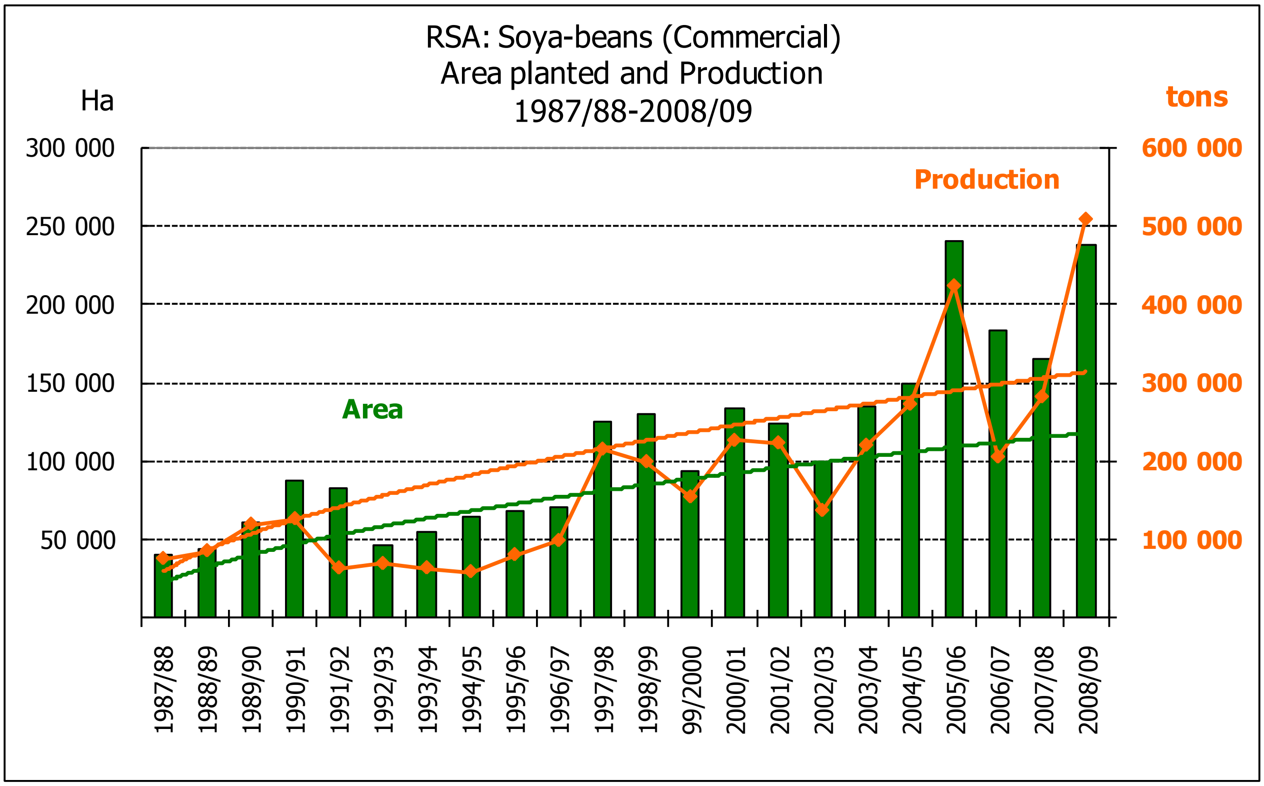


3.1.2 Other commercial summer crops

The production estimate for **sunflower seed** is 843 530 tons, which is 3,26% less than the 872 000 tons of the previous season. The area estimate for sunflower seed is 635 800 ha, which is 12,67% more than the 564 300 ha planted the previous season. The expected yield is 1,33 t/ha as against 1,55 t/ha of the previous season.

The production estimate for **soya-beans** is 509 295 tons, which is 80,60% more than the 282 000 tons of the previous season. It is estimated that 237 750 ha have been planted to soya-beans, which represents an increase of 43,74% compared to the 165 400 ha planted last season. The expected yield is 2,14 t/ha as against 1,70 t/ha last season.

Graph 3: Area planted and production of commercial soya-beans



From the graph it is evident that the production of soya-beans shows an increasing trend over time. It is also clear that the production figure for the current season is the highest ever.

The expected **groundnut** crop is 99 135 tons, which is 11,64% more than the 88 800 tons of last season. For groundnuts the area estimate is 54 550 ha, which is 0,65% more than the 54 200 ha planted for the previous season. The expected yield is 1,82 t/ha as against 1,64 t/ha last season.

The production estimate for **sorghum** is 271 250 tons, which is 6,37% higher than the 255 000 tons of the previous season. The area estimate for sorghum decreased by 1,50%, from 86 800 ha to 85 500 ha. The expected yield is 3,17 t/ha as against 2,94 t/ha of the previous season.

In the case of **dry beans** the production estimate is 67 030 tons, which is 13,66% more than the 58 975 tons of the previous season. For dry beans the area estimate is 43 800 ha, the same as the plantings of the previous season. The expected yield is 1,53 t/ha as against 1,35 t/ha of the previous season.

3.2 Winter cereal crops

The CEC also released the second production forecast of winter cereals for the 2009 production season on 23 September 2009.

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

CROP	Area planted 2009 Ha (A)	2nd forecast 2009 Tons (B)	Area planted 2008 Ha (C)	Final crop 2008 Tons (D)	Change % (B) ÷ (D)
Wheat	657 500	2 011 400	748 000	2 130 000	-5,57
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	2 277 680	850 245	2 352 800	-3,19

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 2,011 million tons, which is 5,57% less than the 2,130 million tons of last season. The yield for wheat is 3,06 t/ha as against 2,85 t/ha the previous season. The expected production in the Western Cape is 787 500 tons, 587 500 tons in the Free State and 286 000 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 third production forecast for winter cereals for the 2009 production season as well as the 'intentions of farmers' to plant summer grain crops for the 2009/10 production season will be released on 27 October 2009.

4. Cereal balance sheets

Supply and demand data for August 2009 was released by SAGIS on 21 September 2009. Tables 4 and 6 contain the Wheat Balance Sheets for the 2008/09 and projections for the 2009/10 marketing seasons. Table 7 contain the Maize and Sorghum Balance Sheet for the 2009/10 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)	**2 139**
Commercial production	2 130
Subsistence agriculture	9
Total domestic supply	**2 648**
Plus: Imports	1 165
Total supply	**3 813**
Demand	
Consumption	**2 954**
Commercial: Human	2 840
Animal (feed)	20
Retentions by producers	42
Seed for planting purposes	27
Other*	25
Subsistence agriculture	**9**
Total domestic consumption	**2 963**
Plus: Exports	**319**
Total demand	**3 282**
Closing stocks (September 2009)	**531**
Pipeline requirements	**622**
Domestic shortfall	**-937**
Import gap	**937**
Surplus above pipeline	**-91**
SAGIS closing stocks as at end of August 2009	**824**

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 3,813 million tons, including imports of 1,2 million tons during the 2008/09 marketing season. South Africa would require 622 000 tons for pipeline requirements at the end of September 2009. Total demand, including exports of 319 000 tons was seen at 3,282 million tons during the 2008/09 marketing season. Thus, closing stocks at the end of September 2009 was expected to be 531 000 tons, which seems higher than the past two seasons.

Wheat imports for the 2008/09 marketing season until 25 September 2009, came to 1,165 million tons, with Germany being the largest supplier at 509 118 tons and Poland - the smallest at 13 013 tons. It was also evident that South Africa sourced wheat from eight different countries in the past season. Table 5 provides a breakdown of wheat imports per country of origin for the previous 2008/09 marketing season.

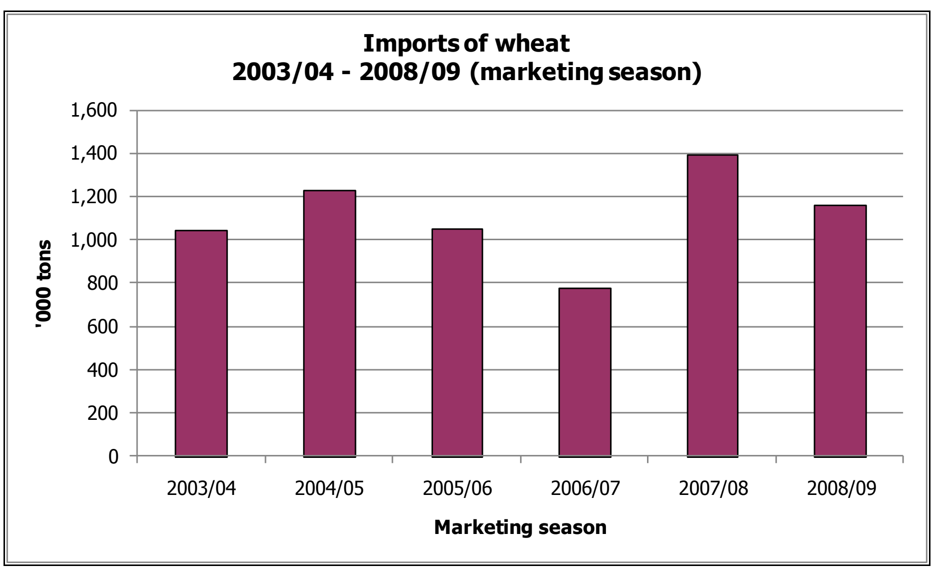
Table 5: South Africa's wheat imports per country, 4 October 2008 to 25 September 2009

Country	Tons	%
Germany	509 118	43,72
Argentina	368 739	31,66
United States of America	113 434	9,74
Australia	74 714	6,41
Canada	54 831	4,71
Brazil	17 250	1,48
Ukraine	13 521	1,16
Poland	13 013	1,12
Total	**1 164 620**	**100**

Source: SAGIS Weekly imports and exports, 29 September 2009

Please note that detailed information relating to import and export parity prices can be obtained weekly on the following link: ***http://www.sagis.org.za/Flatpages/swi17028.asp***.

Graph 4: South African wheat imports



From the graph it can be seen that in the 2008/09 marketing season, South Africa imported around 1,2 million tons of wheat, which was significantly higher than initially thought. It is also interesting to note that a significant quantity of the wheat was imported during the final part of the marketing season.

Table 6: Projected Balance Sheet for Wheat for the current 2009/10 marketing season

2009/10 Projected wheat Balance Sheet as at 30 September 2009	**Wheat (1 000 tons)**
Supply	
Opening stocks (October 2009)	**531**
SAGIS Opening Stocks	531
Gross production (2009 season)	**2 020**
Commercial production	2011
Subsistence agriculture	9
Total domestic supply	**2 551**
Plus: Imports	1 113
Total supply	**3 664**
Demand	
Consumption	**2 898**
Commercial: Human	2 800
Animal (feed)	11
Retentions by producers	42
Seed for planting purposes	25
Other*	20
Subsistence agriculture	**9**
Total domestic consumption	**2 907**
Plus: Exports	**234**
Total demand	**3 141**
Closing stocks (September 2010)	**523**
Pipeline requirements	**614**
Domestic shortfall	**-970**
Import gap	**970**
Surplus above pipeline	**-91**

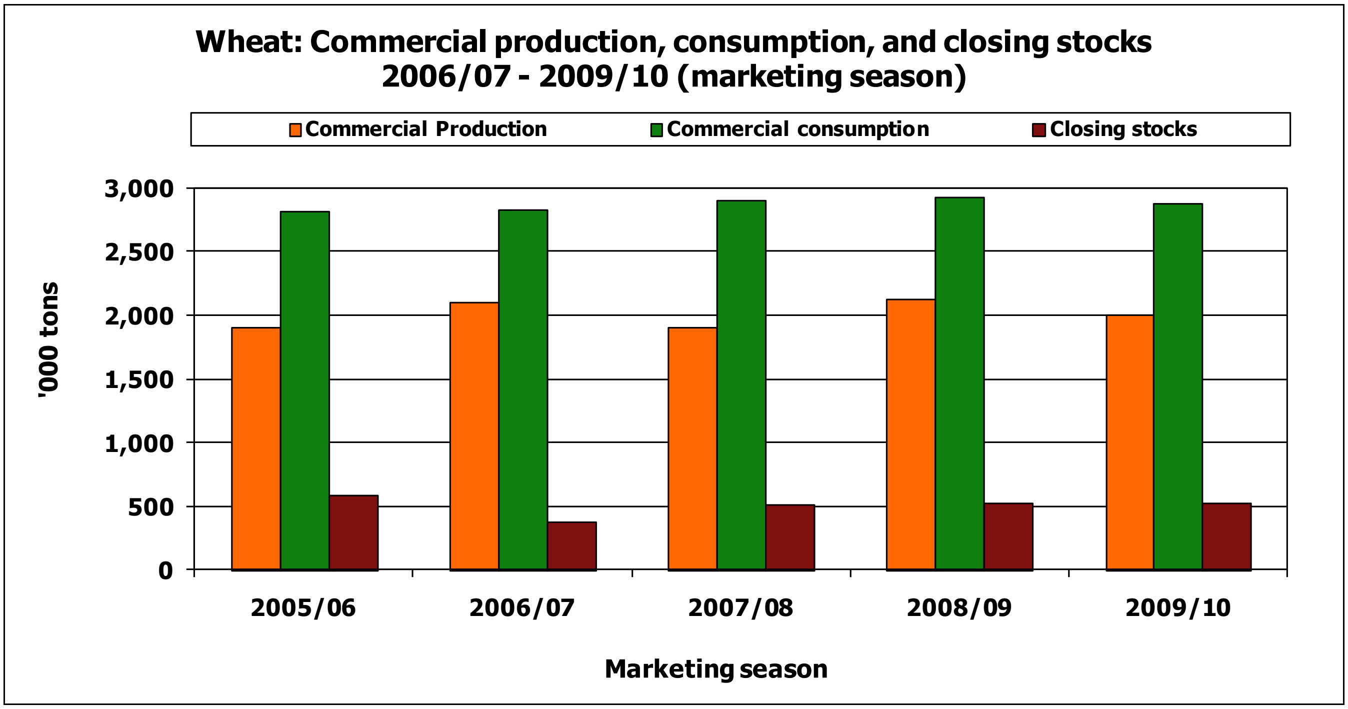
Notes:

- 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 3,664 million tons, including projected imports of 1,1 million tons during the 2009/10 marketing season. South Africa will require 614 000 tons for pipeline requirements at the end of September 2010. Total demand, including exports of 234 000 tons is seen at 3,141 million tons during the 2009/10 marketing season. Thus, closing stocks at the end of September 2010 is expected to be 523 000 tons.

Graph 5: 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 523 000 tons and is 1,51% less than the previous season (531 000 tons).

4.2 Summer grains

Table 7: Projected Balance Sheet for Maize and Sorghum for the current 2009/10 marketing season

2009/10 Projected Annual Cereal Balance Sheet as at 30 September 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	**7 150**	**5 108**	**12 258**	**311,1**
Commercial production	6 771	4 970	11 741	271,3
Subsistence agriculture	379	138	517	39,8
Total domestic supply	**7 916**	**5 927**	**13 843**	**373,6**
Plus: Imports	-	-	-	5,0
Total supply	**7 916**	**5 927**	**13 843**	**378,6**
Demand				
Consumption	**5 030**	**4 748**	**9 778**	**216,8**
Commercial: Human	4 250	380	4 630	185,6
Animal (feed)	500	3 725	4 225	9,5
Gristing	70	15	85	-
Seed for planting purposes	20	14	34	-
Other*	190	614	804	21,7
Subsistence agriculture	**379**	**138**	**517**	**39,8**
Total domestic consumption	**5 409**	**4 886**	**10 295**	**256,6**
Plus: Exports	**1 760**	**250**	**2 010**	**42,7**
Products	60	50	110	-
Whole maize	1 700	200	1 900	-
Total demand	**7 169**	**5 136**	**12 305**	**299,3**
Closing stocks	**747**	**791**	**1 538**	**79,3**
Pipeline requirements	**594**	**508**	**1 102**	**24,1**
Domestic surplus	**1 913**	**533**	**2 446**	**92,9**
Surplus above pipeline	**153**	**283**	**436**	**55,2**
SAGIS closing stocks as at end of August 2009	**4 786**	**3 627**	**8 413**	**218,3**

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.

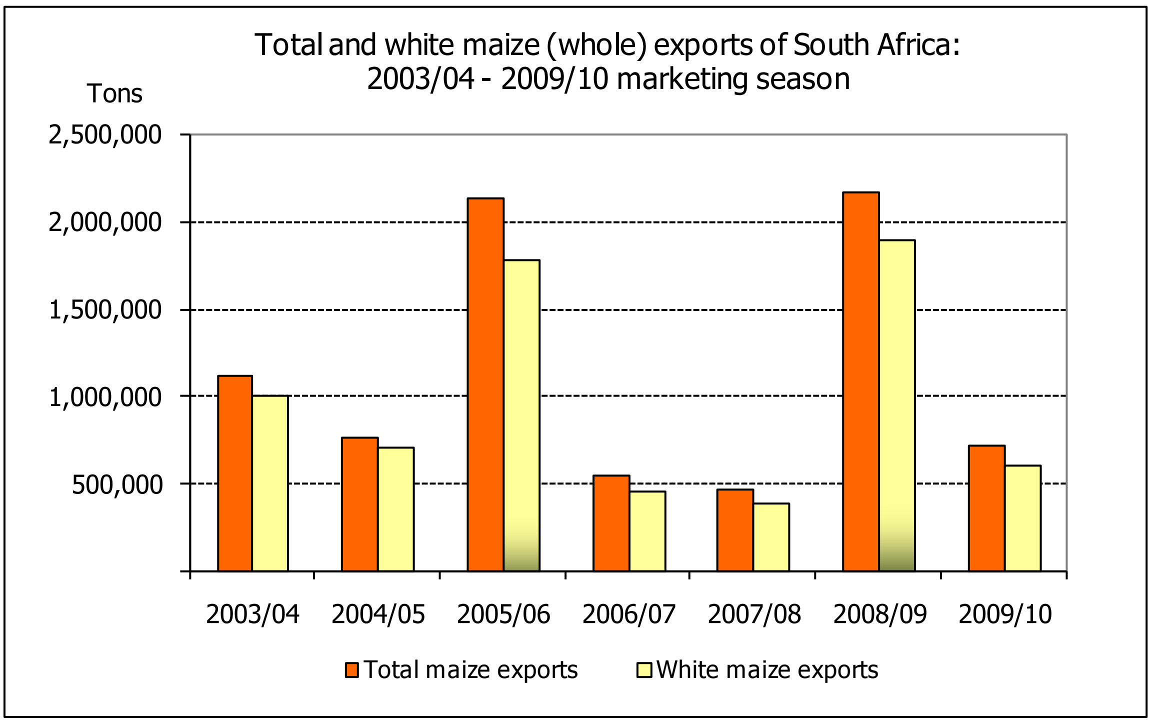
4.2.1 Discussion of the current 2009/10 maize and sorghum situation

Considering the 2009/10 marketing season, the projected total supply of white maize is 7,916 million tons, including opening stocks of 766 000 tons. Total demand (exports included) is expected to reach 7,169 million tons and the closing stocks are expected to be 747 000 tons as at 30 April 2010.

For yellow maize, the projected total supply is 5,927 million tons, which includes the opening stocks of 819 000 tons. Total demand, including exports, is projected at 5,136 million tons. Projections for the 2009/10 marketing season indicate closing stocks of 791 000 tons at the end of April 2010.

Maize exports for the current season until 25 September 2009, comes to 721 749 tons, including 606 241 tons of white maize and 115 508 tons of yellow maize. Historically, approximately 40% of the total maize exports in a season have been exported at the end of September. Therefore, based on this average and the exports seen to date, a total export figure of above 1,8 million tons is possible for the 2009/10 marketing season, should history repeat itself.

Graph 6: Total and white maize (whole) exports: 2003/04 -2009/10 marketing season



***Sorghum**:* The expected total supply, including 5 000 tons of imports, is seen at 378 600 tons. Consumption is estimated at 216 800 tons and consists of food consumption at 185 600 tons, feed consumption at 9 500 tons and other consumption at 21 700 tons. The total demand of sorghum is seen at 299 300 tons, including exports of 42 700 tons. Closing stocks at the end of March 2010 is expected at 79 300 tons.

5. Market information

5.1 Consumer Price Index (CPI)

The headline CPI (for all urban areas) annual inflation rate in August 2009 was 6,4%. This rate was 0,3 of a percentage point lower than the corresponding annual rate of 6,7% in July 2009. On average, prices increased by 0,3% between July 2009 and August 2009.

The food and non-alcoholic beverages index increased by 0,1% between July 2009 and August 2009. The annual rate decreased to 6,8% in August 2009 from 8,3% in July 2009. The monthly increase in the food and non-alcoholic beverages index was largely driven by monthly increases in vegetables (1,7%), fruit (0,9%), cold beverages (0,9%), other food (0,8%), hot beverages (0,7%), milk, eggs and cheese (0,6%), sugar, sweets and desserts (0,4%) and fish (0,2%). These increases were slightly counteracted by monthly decreases in oils and fats (-1,2%), bread and cereals (-0,5%) and meat (-0,5%).

The alcoholic beverages and tobacco index increased by 2,5% between July 2009 and August 2009. The annual rate increased to 12,6% in August 2009 from, 11,5% in July 2009.

The transport index decreased by 0,2% between July 2009 and August 2009, mainly due to a 21c/l decrease in the price of petrol. The annual rate increased to -2,7% in August 2009 from -3,4% in July 2009.

The communication index increased by 2,0% between July 2009 and August 2009, mainly due to a 2,5% increase in postal and telecommunication services. The annual rate increased to 1,3% in August 2009 from 0,6% in July 2009.

The recreation and culture index increased by 0,3% between July 2009 and August 2009, mainly due to an 11,1% increase in television licence fees. The annual rate decreased to 11,6% in August 2009 from 13,7% in July 2009.

5.2 Producer Price Index (PPI)

The annual percentage change in the PPI was -4,0% in August 2009 (i.e. the PPI in August 2009 compared with August 2008). This rate is 0,2 of a percentage point lower than the rate of -3,8% in July 2009.

The lower annual rate in August 2009 compared with that in July 2009 can be explained by decreases in the annual rate of change in the Producer Price Indices for:

- Agricultural products: The annual rate decreased from -1,7% in July 2009 to -2,0% in August 2009;
- Wood and wood products: The annual rate decreased from 3,8% in July 2009 to 3,4% in August 2009;
- Chemicals and chemical products: The annual rate decreased from -3,7% in July 2009 to -5,2% in August 2009;
- Rubber and plastic products: The annual rate decreased from 2,1% in July 2009 to 1,2% in August 2009;
- Non-metallic mineral products: The annual rate decreased from 13,6% in July 2009 to 7,1% in August 2009;

- Metal products: The annual rate decreased from 3,4% in July 2009 to 0,0% in August 2009;
- Non-electrical machinery and equipment: The annual rate decreased from 9,5% in July 2009 to 0,6% in August 2009;
- Transport: The annual rate decreased from 8,3% in July 2009 to 1,5% in August 2009;
- Other manufacturers: The annual rate decreased from 1,7% in July 2009 to -0,4% in August 2009.

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

- Mining and quarrying: The annual rate increased from -15,2% in July 2009 to -14,6% in August 2009;
- Products of petroleum and coal: The annual rate increased from -32,6% in July 2009 to -30,2% in August 2009;
- Basic metals: The annual rate increased from -15,5% in July 2009 to -13,2% in August 2009;
- Electricity: The annual rate increased from 27,4% in July 2009 to 28,6% in August 2009.

From July 2009 to August 2009 the PPI for domestic output increased by 0,3%. The monthly increase of 0,3% in the PPI for domestic output was mainly due to monthly contributions from increases in the price indices for basic metals (0,3%) and electricity (0,2%). These increases were partially counteracted by decreases in the price indices for products of petroleum and coal (-0,1%) and mining and quarrying (-0,1%).

5.3 Monetary Policy Committee Statement

There are signs that the global economic recovery is underway, but the indications are that the pace of recovery is likely to be slow and uneven, particularly in the industrialised economies where banking sector concerns still persist. Domestic economic growth, which has been negative in each of the past three quarters, is expected to improve in the coming quarters. However, the domestic recovery is likely to be influenced by global growth developments and is subject to a relatively high degree of uncertainty. Domestic inflation has continued its downward trend but some risks to the outlook remain.

The Monetary Policy Committee (MPC) is of the view that the risks to the inflation outlook appear to be fairly evenly balanced. Given the current policy stance, inflation is expected to continue moderating and return to within the inflation target range during the forecast period. Accordingly, the MPC has announced on 22 September 2009 that it has decided to leave the repurchase rate unchanged at 7% per annum.

5.4 Futures contract prices

Table 8: DOMESTIC GRAIN PRICES AS QUOTED ON SAFEX (Rand/ton) ON 7 OCTOBER 2009

Futures contract prices (7/10/2009) in R/ton						
Commodity	**Oct 2009**	**Dec 2009**	**Nov 2009**	**Mar 2010**	**May 2010**	**Jul 2010**
White maize	R1 450	R1 463	R1 485	R1 527	R1 475	R1 490
Yellow maize	R1 323	R1 334	R1 358	R1 405	R1 419	R1 425
Wheat	R2 105	R2 148	n/a	R2 200	R2 261	n/a
Chicago corn contract	n/a	R1 064	n/a	R1 117	n/a	R1 190

Commodity	Oct 2009	Nov 2009	Dec 2009	Mar 2010	May 2010	
Sunflower seed	R2 600	n/a	R2 679	R2 720	R2 735	
Soya-beans	R2 643	R2 650	R2 690	R2 740	R2 445	

Source: SAFEX, 7 October 2009

5.5 Agricultural machinery sales

September tractor sales of 480 units were almost 43% less than the 840 units sold in September last year. On a year-to-date basis, tractor sales are now almost 25% less than they were at this time last year. September combine harvester sales were also sharply down on sales in September last year. On a year-to-date basis combine harvester sales are now 16% less than they were at this time last year.

The sharp downturn in the sales, when compared to last year, must be taken against the background of what was seen as an exceptional agricultural machinery sales year in 2008, particularly in the last four months of the year. Fundamentals affecting the market have not changed much in recent months. Low grain prices remain a point of concern. Bank finance, although still quite tight, has eased up a little. Potential purchasers of agricultural equipment are still very cautious, despite it still being very much a buyers' market. Once the summer rains start in earnest, however, and producers require equipment for soil preparation and planting, the cautious mood in the industry is likely to persist.

Table 9: Agricultural machinery sales

	Year-on-year September		Percentage Change %	Year-to-date September		Percentage Change %
Equipment class	**2009**	**2008**		**2009**	**2008**	
Tractors	480	840	-42,9	4 219	5 589	-24,9
Combine harvesters	3	25	-88,0	234	280	-16,4

Source: SAAMA press release, September 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 and Forestry (DWAF)
- 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