

MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA: AUGUST 2011

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Directorate: Statistics and Economic Analysis

Highlights:

- During the first 20 days of August 2011 rainfall occurrences was restricted to the coastal regions.
- The expected production of wheat is 1,862 million tons, which is 30,2% more than the previous seasons' crop of 1,430 million tons.
- The projected closing stocks of wheat for the 2010/11 marketing year was 503 000 tons, which includes imports of 1,68 million tons.
- The projected closing stocks of wheat for the coming 2011/12 marketing year is 632 000 tons, which includes imports of 1,5 million tons.
- The expected production of maize for 2011 is 10,679 million tons, which is 16,7% less than the 12,815 million tons of the previous year.
- The projected closing stocks of maize for the 2011/12 marketing year is 990 000 tons, which is the lowest total recorded since the 770 000 tons in the 1999/00 marketing year.
- The headline CPI (for all urban areas) annual inflation rate in July 2011 is higher at 5,3%.
- The annual percentage change in the PPI was higher at 8,9% in July 2011.
- Seasonally adjusted real GDP at market prices for the second quarter increased by an annualised rate of 1,3.%
- July tractor sales of 704 units were almost 65% up on the 427 units sold in July 2010.



**agriculture,
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Contents

1. Weather conditions	3
2. Grain production	4
2.1 Summer grain crops	4
2.2 Winter cereal crops	5
3. Cereal balance sheets	6
3.1 Winter cereals	6
3.2 Summer grains	7
4. Market information	11
4.1 Consumer Price Index (CPI)	11
4.2 Producer Price Index (PPI)	11
4.3 Gross domestic product (GDP)	12
4.4 Future contract prices and the exchange rate	12
4.5 Agricultural machinery sales	12
5. Acknowledgements	13

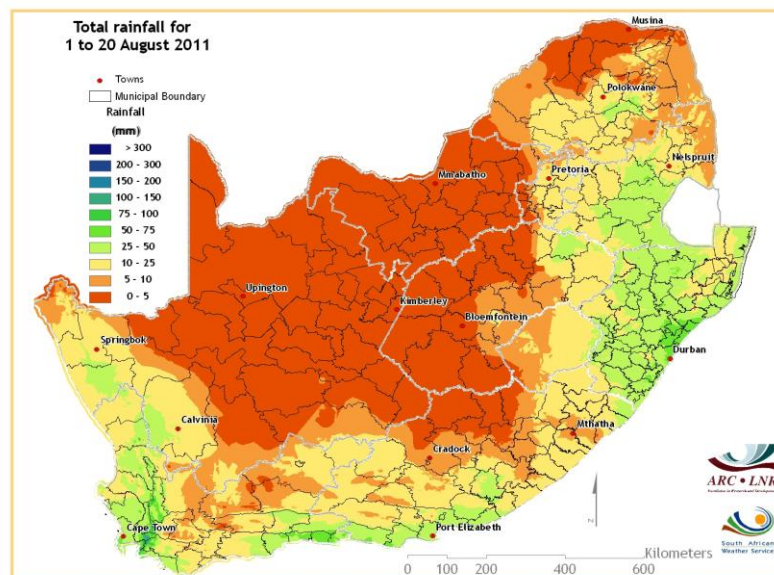


1. Weather conditions

1.1 Rainfall for August 2011

During the first 20 days of August 2011 rainfall occurrences was restricted to the coastal regions, receiving 50 to 100 mm of rainfall (Figure 1). The central regions were characterized by little or no rainfall occurrences for the mentioned period.

Figure 1: Total rainfall for 1 to 20 August 2011



Source: ARC: ISCW

1.2 Level of dams

Available information on the level of South Africa's dams on 29 August 2011 indicates that the country has approximately 93% of its full supply capacity (FSC) available, which is 8% 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, 29 August 2011

Province	Net FSC million cubic meters	29/8/2011 (%)	Last Year (%)
Eastern Cape	1 789	88	55
Free State	15 939	98	90
Gauteng	115	100	101
KwaZulu-Natal	4 530	83	81
Lesotho*	2 376	91	77
Limpopo	1 159	84	83
Mpumalanga	2 520	95	97
North West	808	94	80
Northern Cape	143	98	97
Western Cape	1 841	82	80
Total	31 220	93	85

Source: Department of Water Affairs

2. Grain production

2.1 Summer grain crops

The area planted estimate and seventh production forecast of summer grain crops for 2011, was released by the Crop Estimates Committee (CEC) on 25 August 2011, and is as follows:

Table 2: Commercial summer crops: Area planted estimate and seventh production forecast for 2011

Summer field crops	Area planted 2011 Ha (A)	7 th forecast 2011 Tons (B)	Area planted 2010 Ha (C)	Final crop 2010 Tons (D)	Change % (B) ÷ (D)
White Maize	1 418 300	6 199 900	1 719 700	7 830 000	-20,82
Yellow Maize	954 000	4 479 500	1 022 700	4 985 000	-10,14
Total Maize	2 372 300	10 679 400	2 742 400	12 815 000	-16,66
Sunflower seed	642 700	861 770	397 700	490 000	+75,87
Soya-beans	418 000	708 750	311 450	566 000	+25,22
Groundnuts	55 150	69 420	57 450	88 000	-21,11
Sorghum	69 200	159 700	86 675	196 500	-18,73
Dry beans	41 900	44 000	44 100	52 255	-15,80
Total	3 599 250	12 523 040	3 639 775	14 207 755	-11,86

Note: Forecast is for calendar year, e.g. productions season 2010/11 = 2011

- The area estimate for **maize** is 2,372 million ha, which is 13,5% less than the 2,742 million ha planted for 2010. The expected commercial maize crop is 10,679 million tons, which is 16,7% less than the 12,815 million tons of 2010. The expected yield is 4,50 t/ha as against 4,67 t/ha of 2010.
- The area estimate for white maize is 1,418 million ha, which represents a decrease of 17,5% compared to the 1,720 million ha planted for 2010. In the case of yellow maize the area estimate is 954 000 ha, which is 6,7% less than the 1,023 million ha planted for 2010.
- The production forecast of **white maize** is 6,200 million tons, which is 20,8% less than the 7,830 million tons of 2010. The yield for white maize is 4,37 t/ha as against 4,55 t/ha of 2010. In the case of **yellow maize** the production forecast is 4,480 million tons, which is 10,1% less than the 4,985 million tons of 2010. The yield for yellow maize is 4,70 t/ha as against 4,87 t/ha of 2010.
- The production forecast for **sunflower seed** is 861 770 tons, which is 75,9% more than the 490 000 tons of 2010. The area estimate for sunflower seed is 642 700 ha, which is 61,6% more than the 397 700 ha planted for 2010. The expected yield is 1,34 t/ha as against 1,23 t/ha of 2010.
- The production forecast for **soya-beans** is 708 750 tons, which is 25,2% more than the 566 000 tons of 2010. It is estimated that 418 000 ha have been planted to soya-beans, which represents an increase of 34,2% compared to the 311 450 ha planted for 2010. The expected yield is 1,70 t/ha as against 1,82 t/ha of 2010.
- The expected **groundnut** crop is 69 420 tons, which is 21,1% less than the 88 000 tons of last season. For groundnuts the area estimate is 55 150 ha, which is 4,0% less than the 57 450 ha planted for the previous season. The expected yield is 1,26 t/ha as against 1,53 t/ha last season.



- The production forecast for **sorghum** is 159 700 tons, which is 18,7% lower than the 196 500 tons of the previous season. The area estimate for sorghum decreased by 20,2%, from 86 675 ha to 69 200 ha against the previous season. The expected yield is 2,31 t/ha as against 2,27 t/ha of the previous season.
- In the case of **dry beans** the production forecast is 44 000 tons, which is 15,8% less than the 52 255 tons of the previous season. The area estimate is 41 900 ha, which is 5,0% less than the 44 100 ha planted for the previous season. The expected yield is 1,05 t/ha as against 1,18 t/ha of the previous season.

The area planted and final production forecast of summer grain crops for 2011 will be released on 27 September 2011.

2.2 Winter cereal crops

The revised area planted estimate and first production forecast of winter cereal crops for the 2011 production season, was also released by the Crop Estimates Committee (CEC) on 25 August 2011, and is as follows:

Table 3: Commercial winter crops: Revised area planted estimate and first production forecast for the 2011 production season

Winter cereal crops	Area planted 2011 Ha (A)	1st Forecast 2011 Tons (B)	Area planted 2010 Ha (C)	Final estimate 2010 Tons (D)	Change % (B) ÷ (D)
Wheat	606 700	1 861 880	558 100	1 430 000	+30,20
Malting barley	80 800	248 290	82 670	194 000	+27,98
Canola	43 510	57 340	34 820	36 900	+55,39
Total	731 010	2 167 510	675 590	1 660 900	+30,50

- The revised area estimate for **wheat** is 606 700 ha, which is 8,7% more than the 558 100 ha planted for the previous season. The expected production of wheat is 1,862 million tons, which is 30,2% more than the previous seasons' crop of 1,430 million tons. The expected yield is 3,07 t/ha as against 2,56 t/ha of the previous season.
- An estimated 265 000 ha or 44% is planted in the Western Cape, 235 000 ha or 39% in the Free State and 42 000 ha or 7% in the Northern Cape.
- According to producers the increase in the expected planting of wheat can mainly be attributed to prices that are better than the previous season.
- The production forecast for **malting barley** is 248 290 tons, an increase of 28% compared to the previous seasons' crop of 194 000 tons. The area planted is estimated at 80 800 ha, which is 2,3% less than the 82 670 ha planted for the previous season. The expected yield is 3,07 t/ha as against 2,35 t/ha of the previous season.
- The expected **canola** crop is 57 340 tons, which is 55,4% or 20 440 tons more than the previous seasons' crop of 36 900 tons – the highest crop ever produced in SA. The area estimate for canola is 43 510 ha, which is 25% more than the 34 820 ha planted for the previous season. The expected yield is 1,32 t/ha as against 1,06 t/ha.

The area planted estimate and second production forecast for winter cereals for 2011 will be released on 27 September 2011.

3. Cereal balance sheets

Supply and demand data for July 2011 was released by SAGIS on 24 August 2011. *(Preliminary information is subject to change on a monthly basis.)*

3.1 Winter cereals

Table 4: Supply and demand for Wheat as at 31 August 2011

Marketing year (October to September)	2009/10	2010/11*	2011/12*
Production & Calendar year	2009	2010	2011
	1000 tons	1000 tons	1000 tons
Supply			
Opening stocks: 1 October	694	579	503
SAGIS opening stocks	694	579	503
Gross production	1,967	1,436	1,868
Commercial production	1,916	1,401	1,833
Retentions by producers	42	29	29
Non-commercial	9	6	6
Total domestic supply	2,661	2,015	2,371
Plus: Imports	1,285	1,680	1,500
Total supply	3,946	3,695	3,871
Demand			
Commercial consumption	3,118	2,981	2,993
Human	2,991	2,880	2,880
Animal	26	14	25
Retentions by producers	42	42	42
Seed for planting purposes	17	23	23
Other consumption (released to end con's+withdrawn by prod's+retentions)	42	23	23
Non-commercial	9	6	6
Total domestic consumption	3,127	2,987	2,999
Plus: Exports	240	205	240
Products	35	35	35
Whole grain	205	170	205
Total demand	3,367	3,192	3,239
Closing stocks: 30 September	579	503	632
Pipeline requirements (80 days of human consumption)	656	631	631
Domestic shortfall / surplus	-1,122	-1,603	-1,259
Import gap	1,122	1,603	1,259
Surplus/Shortage above pipeline	-77	-128	1

**Projection*

Source: SAGIS, Directorate: Agricultural Statistics and Economic Analysis

- The projected closing stocks of wheat for the 2010/11 marketing year is 503 000 tons, which is 13,1% less than the previous year (579 000 tons). The decrease can mainly be attributed to the smaller wheat crop for the current 2010/11 marketing year. The projected closing stocks is also 15,3% lower than the 10 year average of 594 000 tons.

- According to the first production forecast for the 2011, a wheat crop of 1,862 million tons is expected for the coming 2011/12 marketing year. The projected closing stocks (30 September 2012) of wheat is 632 000 tons, which is 25,6% more than the previous year (503 000 tons). The increase can mainly be attributed to the larger expected wheat crop for the coming 2011/12 marketing year. The projected closing stocks is 6,4% more than the 10 year average of 594 000 tons.
- From 2 October 2010 up to 26 August 2011, the progressive wheat imports stands at 1,492 million tons, with the largest quantity (564 363 tons or 38%) imported from Argentina followed by the USA (553 412 tons or 37%). To meet local demand for the 2010/11 marketing year, total imports are projected at 1,680 million tons of wheat, the largest quantity ever recorded. Thus, already 89% of the import projection has realised.

3.2 Summer grains

Table 5: Supply and demand for White Maize as at 31 August 2011

Marketing Year: May - April	2009/10	2010/11	2011/12*
Calendar Year	2009	2010	2011*
	1000 tons	1000 tons	1000 tons
Supply			
Opening Stocks: 1 May	766	1 362	1 609
SAGIS Opening Stocks	766	1 362	1 609
Gross Production	7 154	8 164	6 596
Commercial production	6 660	7 623	6 081
Retentions by producers	115	119	119
Non-commercial	379	422	396
Total Domestic Supply	7 920	9 526	8 205
Imports			
Total Supply	7 920	9 526	8 205
Demand			
Commercial Consumption	4 709	6 371	5 868
Human	4 132	4 159	4 250
Animal	362	1 658	1 300
Gristing	68	56	60
Retentions by producers	86	102	102
Seed for planting purposes	19	16	16
Other consumption (released to end-con & withdrawn by producers)	42	379	140
Non-commercial	379	422	396
Total Domestic Consumption	5 088	6 793	6 264
Exports	1 470	1 124	1 270
Products	62	75	70
Whole grain	1 408	1 049	1 200
Total Demand	6 558	7 917	7 533
Closing Stocks: 30 April	1 362	1 609	672
Pipeline Requirements (45 days of human & animal consumption + gristing)	562	724	692
Domestic Surplus	2 270	2 009	1 249
Surplus/shortage above pipeline	800	885	-20

*Projection

Source: SAGIS, Directorate: Agricultural Statistics and Economic Analysis

- Closing stocks of white maize for the 2011/12 marketing year is 672 000 tons, which is the lowest total recorded since the 618 000 tons for the 2007/08 marketing year. It is also considerable (58,2%) less than the previous year (1,609 million tons). This decrease could mainly be attributed to the lower production figure of white maize during the 2011 calendar year. Considering the pipeline requirements of 692 000 tons of white maize and the shortage above pipeline requirements of 20 000 tons, South Africa could be in a tight stock situation at the end of the marketing year, which ends on 30 April 2012.

Table 6: Supply and demand for Yellow Maize as at 31 August 2011

Marketing Year: May - April	2009/10	2010/11	2011/12*
Calendar Year	2009	2010	2011*
	1000 tons	1000 tons	1000 tons
Supply			
Opening Stocks: 1 May	819	769	727
SAGIS Opening Stocks	819	769	727
Gross Production	5 413	5 133	4 648
Commercial production	4 965	4 541	4 071
Retentions by producers	310	408	408
Non-commercial	138	184	168
Total Domestic Supply	6 232	5 903	5 375
Imports	27		
Total Supply	6 259	5 903	5 375
Demand			
Commercial Consumption	5 033	3 924	4 088
Human	346	356	360
Animal	3 739	2 613	3 000
Gristing	18	17	20
Retentions by producers	295	394	394
Seed for planting purposes	15	14	14
Other consumption(released to end-con & withdrawn by producers)	620	530	300
Non-commercial	138	184	168
Total Domestic Consumption	5 171	4 108	4 256
Exports	319	1 068	800
Products	57	51	50
Whole grain	262	1 017	750
Total Demand	5 490	5 176	5 056
Closing Stocks: 30 April	769	727	319
Pipeline Requirements (45 days of human & animal consumption + gristing)	506	368	417
Domestic Shortfall / Surplus	556	1 427	702
Surplus/Shortage above pipeline	264	359	-97

*Projection, Source: SAGIS, Directorate: Agricultural Statistics and Economic Analysis

- Closing stocks of yellow maize for the 2011/12 marketing year is 319 000 tons, which is the lowest total recorded since the 301 000 tons for the 1995/96 marketing year. It is also 56,1% less than closing stocks of 727 000 tons for the 2010/11 marketing year. This decrease can mainly be attributed to the lower expected yellow maize crop for the 2011 calendar year. Considering the pipeline requirements of 417 000 tons of yellow maize and the shortage above pipeline of 97 000 tons, South Africa could be in a tight stock situation at the end of the marketing year in April 2011.



Table 7: Supply and demand for Maize as at 31 August 2011

Marketing Year: May - April	2009/10	2010/11	2011/12*
Calendar Year	2009	2010	2011
	1000 tons	1000 tons	1000 tons
Supply			
Opening Stocks: 1 May	1,585	2,131	2,336
SAGIS Opening Stocks	1,585	2,131	2,336
Gross Production	12 567	13 297	11 244
Commercial production	11 625	12 165	10 152
Retentions by producers	425	527	527
Non-commercial	517	606	564
Total Domestic Supply	14 152	15 429	13 580
Imports	27		
Total Supply	14 179	15 429	13 580
Demand			
Commercial Consumption	9 724	10 295	9 956
Human	4 478	4 515	4 610
Animal	4 101	4 271	4 300
Gristing	86	73	80
Retentions by producers	381	497	497
Seed for planting purposes	34	30	30
Other consumption (released to end-con & withdrawn by producers)	662	909	439
Non-commercial	517	606	564
Total Domestic Consumption	10 259	10 901	10 520
Exports	1 789	2 192	2 070
Products	119	126	120
Whole grain	1 670	2 066	1 950
Total Demand	12 048	13 092	12 590
Closing Stocks: 30 April	2 131	2 336	990
Pipeline Requirements (45 days of human & animal consumption + gristing)	1 068	1 092	1 108
Domestic Shortfall / Surplus	2 825	3 436	1 952
Surplus/shortage above pipeline	1 063	1 244	-118

*Projection

Source: SAGIS, Directorate: Agricultural Statistics and Economic Analysis

- The projected closing stocks of maize for the 2011/12 marketing year is 990 000 tons, which is the lowest total recorded since the 770 000 tons in the 1999/00 marketing year. It is also 57,6% less than the previous years' closing stock of 2,336 million tons. Considering the pipeline requirements of 1,1 million tons of maize and the shortage above pipeline requirements of 118 000 tons, South Africa could be in a tight stock situation at the end of the marketing year in April 2011.
- From 1 May up to 26 August 2011, the progressive white and yellow maize exports stand at 690 198 and 503 039 tons, respectively. Thus, this brings the progressive grand total of exports to 1,193 million tons.
- At this stage, it is projected that about 2,1 million tons of maize for the current marketing year, 1 May 2011 to 30 April 2012, could be exported, which means that already 57% of the export projection has realised.



Table 8: Supply and demand for Sorghum as at 31 August 2011

Marketing year: April - March Calendar year	2009/10 2009	2010/11 2010	2011/12* 2011*
	1000 tons	1000 tons	1000 tons
Supply			
Opening stocks: 1 April	62,5	93,2	58,1
SAGIS opening stocks	62,5	93,2	58,1
Gross production	320,8	235,9	199,1
Commercial production	279,3	196,5	159,7
Non-commercial	41,5	39,4	39,4
Total domestic supply	383,3	329,1	257,2
Plus: Imports	4,0	-	40,0
Total supply	387,3	329,1	297,2
Demand			
Food consumption	181,8	181,8	185,6
Malt	84,6	79,2	85,2
Meal	97,2	102,6	100,4
Brew	-	-	-
Feed consumption	8,1	8,6	9,5
Pet food	0,9	1,1	1,2
Poultry	5,3	4,8	5,4
Other feed	1,9	2,7	3,0
Total commercial consumption	189,9	190,4	195,1
Other consumption (released to end-con & withdrawn by producers)	11,0	13,4	12,3
Balancing item	-0,3	3,6	5,0
Non-commercial	41,5	39,4	39,4
Total domestic consumption	242,1	246,8	251,7
Plus: Exports	52,0	24,2	23,5
Exports through border posts	46,4	20,3	20,4
Exports through harbours	2,1	0,6	-
Products to African countries	3,5	3,3	3,1
Total demand	294,1	271,0	275,2
Closing stocks	93,2	58,1	22,0
Pipeline requirements (45 days of human & animal consumption + gristing)	23,4	23,5	24,0
Domestic surplus / deficit	117,8	58,8	-18,6
Import gap	-	-	18,6
Surplus/Shortage above pipeline	69,8	34,6	-2,1

*Projection

Source: SAGIS, Directorate: Agricultural Statistics and Economic Analysis

- The projected closing stocks of sorghum for the 2011/12 marketing year show a surplus of 22 000 tons, which is the lowest total recorded since the 21 900 tons for the 1999/00 marketing year. It is also considerably less (62,1%) less than the previous years' closing stock of 58 100 tons. This large decrease can mainly be attributed to the small carry-over stock of the previous marketing year, as well as the smaller expected crop for 2011.

4. Market information

4.1 Consumer Price Index (CPI)

- The headline CPI (for all urban areas) annual inflation rate in July 2011 was 5,3% (the highest level since February 2010). This rate was 0,3% higher than the corresponding annual rate of 5,0% in June 2011. On average, prices increased by 0,9% between June 2011 and July 2011.
- The food and non-alcoholic beverages index increased by 0,6% between June 2011 and July 2011. The annual rate increased to 7,4% in July 2011 from 7,1% in June 2011. The following components in the food and non-alcoholic beverages index increased: Fish (2,2%), meat (1,8%), bread and cereals (0,8%), hot beverages (0,6%), oils and fats (0,4%), other food (0,4%) and milk, eggs and cheese (0,3%). The following components decreased: Fruit (-4,0%), vegetables (-1,1%), sugar, sweets and desserts (-0,2%) and cold beverages (-0,2%).
- The housing and utilities index increased by 3,1% between June 2011 and July 2011, mainly due to a 16,0% increase in electricity and other fuels and an 8,7% increase in water and other services. The annual rate increased to 6,9% in July 2011 from 6,8% in June 2011.
- The transport index decreased by 0,3% between June 2011 and July 2011, mainly due to a 31c/litre decrease in the 95 octane and a 33c/litre decrease in the 93 octane price of petrol. The annual rate increased to 5,3% in July 2011 from 5,2% in June 2011.
- The restaurants and hotels index increased by 0,2% between June 2011 and July 2011. The annual rate increased to 5,4% in July 2011 from 1,1% in June 2011.
- The miscellaneous goods and services index increased by 0,5% between June 2011 and July 2011, mainly due to the insurance component. The annual rate increased to 4,4% in July 2011 from 4,2% in June 2011.
- The provinces with an annual inflation rate lower than or equal to headline inflation were Western Cape (5,2%), Gauteng (5,1%), Limpopo (5,1%) and KwaZulu-Natal (4,8%). The provinces with an annual inflation rate higher than headline inflation were Eastern Cape (6,5%), Free State (6,3%), Northern Cape (5,7%), North West (5,6%) and Mpumalanga (5,5%).

4.2 Producer Price Index (PPI)

- The Producer Price Index (PPI) for domestic output shows an annual rate of change of 8,9% in July 2011 (i.e. the PPI in July 2011 compared with July 2010). This rate is 1,5% higher than the corresponding annual rate of 7,4% in June 2011.
- This higher annual rate in July 2011 can be explained by increases in the annual rate of change in the Producer Price Index for:
 - Mining and quarrying: The annual rate increased from 7,1% in June 2011 to 11,8% in July 2011;
 - Agriculture: The annual rate increased from 5,1% in June 2011 to 6,2% in July 2011;
 - Chemicals and chemical products: The annual rate increased from 5,9% in June 2011 to 6,5% in July 2011;
 - Water and gas: The annual rate increased from 13,1% in June 2011 to 18,4% in July 2011;
 - Metal products: The annual rate increased from 3,0% in June 2011 to 5,7% in July 2011; and
 - Wearing apparel: The annual rate increased from 3,7% in June 2011 to 6,5% in July 2011.
- These increases were partially counteracted by a decrease in the annual rate of change for:
 - Forestry: The annual rate decreased from 4,6% in June 2011 to 1,8% in July 2011.
- From June 2011 to July 2011 the PPI for domestic output increased by 2,7%.
- The monthly increase of 2,7% in the PPI for domestic output was mainly due to monthly contributions from increases in the price indices of electricity (1,9%), mining and quarrying (0,4%), agriculture (0,1%), metal products (0,1%), non-electrical machinery and equipment (0,1%), water and gas (0,1%) and all other groups (0,1%). These increases were partially counteracted by a decrease in the price index of basic metals (-0,1%).

4.3 Gross domestic product (GDP)

- A disappointing performance by the manufacturing, mining and agriculture sectors in the second quarter of 2011 contributed to weaker than expected economic growth during the quarter. Seasonally adjusted real GDP at market prices for the second quarter increased by an annualised rate of 1,3% compared with a revised 4,5% (4,8%) growth in the first quarter.
- The main contributors to the 1,3% in the second quarter were: General government services with 0,8%; finance, real estate and business services with 0,6%; the wholesale, retail, and motor trade, catering and accommodation industry with 0,5%; and the transport, storage and communication industry with 0,4%.

4.4 Future contract prices and the exchange rate

Table 9: Closing prices on Monday, 29 August 2011

	29 August 2011	1 August 2011	% change August vs. August
RSA White Maize per ton (Sept. contract)	R2 270	R1 873	+21,2
RSA Yellow Maize per ton (Sept. contract)	R2 248	R1 869	+20,3
RSA Wheat per ton (Sept. contract)	R3 160	R2 970	+6,4
RSA Soya-beans per ton (Sept. contract)	R3 575	R3 336	+7,2
RSA Sunflower seed per ton (Sept. contract)	R3 900	R3 910	-0,3
Exchange rate R/\$	R7,10	R6,74	+5,3

Source: SAFEX

- Maize prices (September 2011 contract) ended higher on 29 August 2011, as compared to the 1 August 2011. Local white and yellow maize prices increased by 21% and 20%, respectively, for the mentioned period, following international price trends. Industry analysts are concerned about any drop in crop potential in the US, particularly with new-crop corn's end-of-year supplies already projected at precariously tight levels by government forecasters.
- Local wheat and soya-bean also showed increases of 6% and 7%, respectively, whereas sunflower seed prices showed a slight decrease of 0,3%, during the same period.
- For the mentioned period, the Rand depreciated by 5% against the US Dollar to reach R 7,10/US\$.

4.5 Agricultural machinery sales

- July tractor sales of 704 units were almost 65% up on the 427 units sold in July 2010. On a year-to-date basis tractor sales are 34% up on sales in the first seven months of last year. July combine harvester sales of 20 units were more than double the sales of 9 units sold in July 2010. On a current year-to-date basis combine harvester sales of 165 units were almost 19% up on those of the first seven months of last year.
- Since November 2010, month-on-month tractor sales have been higher than in the previous year, reflecting the continued optimism in the agricultural machinery market. Prospects for commodity prices, more specifically maize prices, seem favourable. Indications are that local grain stocks have been reduced significantly, primarily by higher exports. Prospects for the forthcoming wheat crop also seem favourable.
- Industry predictions for tractor sales for the 2011 calendar year have been revised upwards again this month, to between 6 400 and 6 700 units, approximately 25 to 30% up on 2010 sales.

Table 10: Agricultural machinery sales

Equipment class	Year-on-year		Percentage Change %	Year-to-date		Percentage Change %
	July			July		
	2011	2010		2011	2010	
Tractors	704	427	64,9	3 772	2 809	34,3
Combine harvesters	20	9	122,2	165	139	18,7

Source: SAAMA press release, August 2011



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:

- Agfacts
- Department of Water Affairs (DWA)
- Farmer's Weekly
- Grain South Africa (GrainSA)
- National Agricultural Marketing Council (NAMC)
- South African Agricultural Machinery Association (SAAMA)
- South African Futures Exchange (SAFEX)
- South African National Seed Organisation (SANSOR)
- 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