MONTHLY FOOD SECURITY BULLETIN OF SOUTH AFRICA DECEMBER 2023

Issued: 16 January 2024

Directorate: Statistics and Economic Analysis

- **The expected production of wheat is 2,152 million tons, which is 2,0% more than the previous seasons' crop of 2,110 million tons.**
- **The projected closing stocks of wheat for the current 2023/24 marketing year are 451 684 tons, which includes imports of 1,600 million tons. It is also 19,8% less than the previous years' ending stocks.**
- **Projected closing stocks of maize for the current 2023/24 marketing year are 2,854 million tons, which is 46,1% more than the previous years' ending stocks.**
- **The projected closing stocks of sorghum for the current 2023/24 marketing year are 42 666 tons, which is 9,1% less than the previous years' ending stocks.**
- **The projected closing stocks of sunflower seed for the current 2023/24 marketing year are 115 377 tons, which is 56,9% more than the previous years' ending stocks.**
- **The projected closing stocks of soybeans for the current 2023/24 marketing year are 312 397 tons, which is 81,7% more than the previous years' ending stocks.**
- **The annual percentage change in the CPI was lower at 5,95 in November 2023.**
- **The annual percentage change in the PPI for final manufactured goods was lower at 4,6% in November 2023.**
- **December 2023 tractor sales of 531 units were significantly (27%) less than the 729 units sold in December 2022.**

agriculture, land reform & rural development

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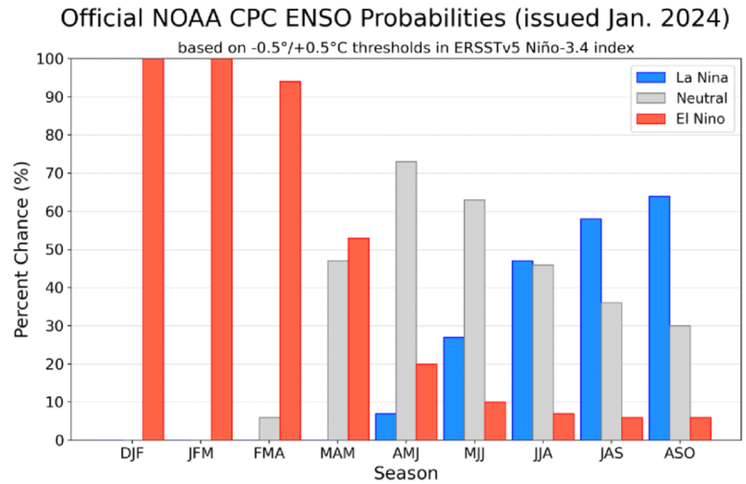
Contents

1. Weather conditions

1.1 Weather conditions

Figure 1: CPC Probabilistic ENSO outlook



- El Niño conditions are observed;
- Equatorial sea surface temperatures (SSTs) are above average across the central and eastern Pacific Ocean;
- The tropical Pacific atmospheric anomalies are consistent with El Niño; and
- El Niño is expected to continue for the next several seasons, with ENSO-neutral favored during April-June 2024 (73% chance). *(Source: NOAA Climate Prediction Centre)*

1.2 Level of dams

Available information on the level of South Africa's dams on 8 January 2024 indicates that the country has approximately 91% of its full supply capacity (FSC) available, which is 4,0% less as compared to the corresponding period in 2023. The dam levels in the Western Cape (20%) and Eastern Cape (5%) provinces all show improvements in the full supply capacity as compared to 2023. However, the Northern Cape (-28%), Gauteng (-14%), KwaZulu-Natal (-7%), North West (-7%), Free State (-6%), Limpopo (-3,0%) and Mpumalanga (-1%) provinces, all show decreases in full supply capacity as compared to 2023 for the above-mentioned period. The provincial distribution of South Africa's water supply including Lesotho and Swaziland is contained in **Table 1** below.

Table 1: Level of dams, 8 January 2024

Province	Net FSC million cubic meters	**08/01/2024 (%)**	Last Year (2023) (%)	% Increase/Decrease 2024 vs. 2023
Eastern Cape	1 729	84	79	5,0
Free State	15 657	95	101	-6,0
Gauteng	128	88	102	-14,0
Kindom of Lesotho*	2 363	97	102	-5,0
Kingdom of Eswatini*	334	100	100	-
KwaZulu-Natal	4 910	85	92	-7,0
Limpopo	1 480	84	87	-3,0
Mpumalanga	2 539	96	97	-1,0
North West	867	79	86	-7,0
Northern Cape	146	78	106	-28,0
Western Cape	1 868	80	60	20,0
Total	**32 022**	**91**	**95**	**-4,0**

Source: Department of Water and Sanitation

2. Grain production

2.1 Summer grain crops - 2023

Please note that the preliminary area planted estimate for summer field crops for 2024 will be released on 30 January 2024.

2.2 Winter cereal crops – 2022

The area estimate and fifth production forecast for winter cereals for the 2023 season was released by the Crop Estimates Committee (CEC) on 19 December 2023, and is as follows:

Table 2: Commercial winter cereals: Revised area planted and 5th production forecast - 2023 season

CROP	**Area planted 2023 Ha (A)**	**5th Forecast 2023 Tons (B)**	Area planted 2022 Ha (C)	Final estimate 2022 Tons (D)	Change % (B) ÷ (D)
Commercial:					
Wheat	**537 950**	**2 151 625**	566 800	2 110 000	1,97
Malting barley*	**107 600**	**360 220**	101 000	302 000	19,28
Canola	**131 200**	**237 450**	123 510	210 000	13,07
Cereal oats*	**27 500**	**36 200**	27 000	27 550	31,40
Sweet lupines	**16 000**	**16 800**	21 000	15 750	6,67
Total winter cereals	**820 250**	**2 802 295**	839 310	2 665 300	5,14

* Commercial only. Excluding barley or oats used as pasture, silage, hay and/or on the farm as fodder for livestock.

- The area estimate for **wheat** is 537 950 ha, which is 5,09% or 28 850 ha less than the 566 800 ha planted for the previous season. The expected production of wheat is 2 151 625 tons, which is 1,97% or 41 625 tons more than the previous seasons' crop of 2 110 000 tons, whilst the expected yield is 4,00 t/ha.
- The area estimate for **barley** is 107 600 ha, which is 6,53% or 6 600 ha more than the 101 000 ha of last season. The production forecast for **barley** is 360 220 tons, which is 19,28% or 58 220 tons more than the previous seasons' crop of 302 000 tons. The expected yield is 3,35 t/ha.
- The area planted to **canola** is 131 200 ha, which is 6,23% or 7 690 ha more than the 123 510 ha planted for the previous season. The expected **canola crop** is 237 450 tons, which is 13,07% or 27 450 tons more than the previous seasons' crop of 210 000 tons. The expected yield is 1,81 t/ha.
- The expected crop for **oats** for the 2023 season is 36 200 tons and the area planted is 27 500 ha. The expected yield is 1,32 t/ha. In the case of **sweet lupines,** the production forecast is 16 800 tons. The area estimate of sweet lupines is 16 000 ha, with an expected yield of 1,05 t/ha.

Please note that the sixth production forecast for winter cereals for 2023 will be released on 30 January 2024.

2.3 Non-commercial maize - 2023

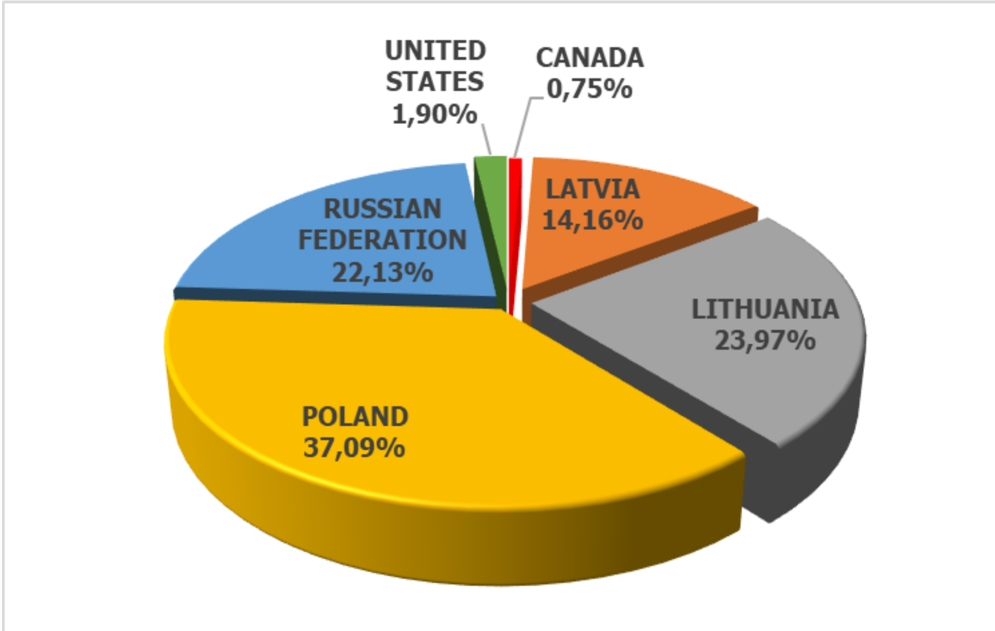
Please note that the preliminary area planted and production estimate of the non-commercial maize sector for the 2024 season on 25 April 2024.

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 DEC23 Annexure A.

3.1 Imports and exports of wheat for the 2023/24 marketing year

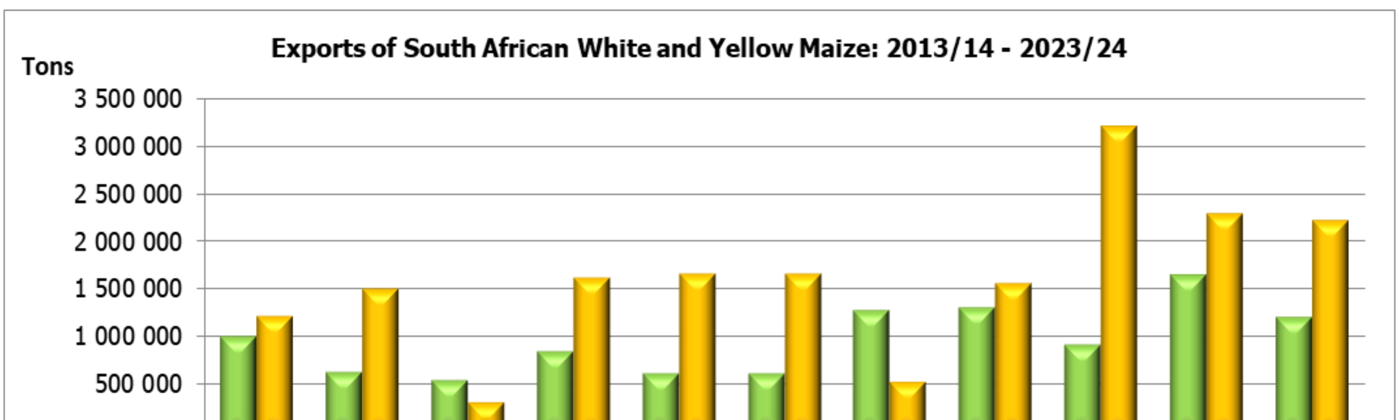
Graph 1: Major countries of wheat imports to South Africa: 2023/24 marketing year



- The progressive wheat imports (human consumption) for the 2023/24 marketing year (30 September 2023 to 5 January 2024) amount to 572 196 tons, with 37,09% or 212 199 tons from Poland, followed by 23,97% or 137 179 tons from Lithuania, 22,13% or 126 625 tons from the Russian Federation, 14,16% or 81 028 tons from Latvia, 1,90% or 10 865 tons from the United States and 0,75% or 4 300 tons from Canada. The exports of wheat (human consumption) for the above-mentioned period amount to 32 469 tons, of which 63,34% or 20 567 tons went to Zimbabwe, 20,00% or 6 494 tons went to Lesotho, 8,99% or 2 920 tons went to Botswana and 7,06% or 2 488 tons went to Namibia.

- ### 3.2 Exports of South African white and yellow maize

Graph 2: Exports of South African white and yellow maize: 2013/14 - 2023/24 marketing year

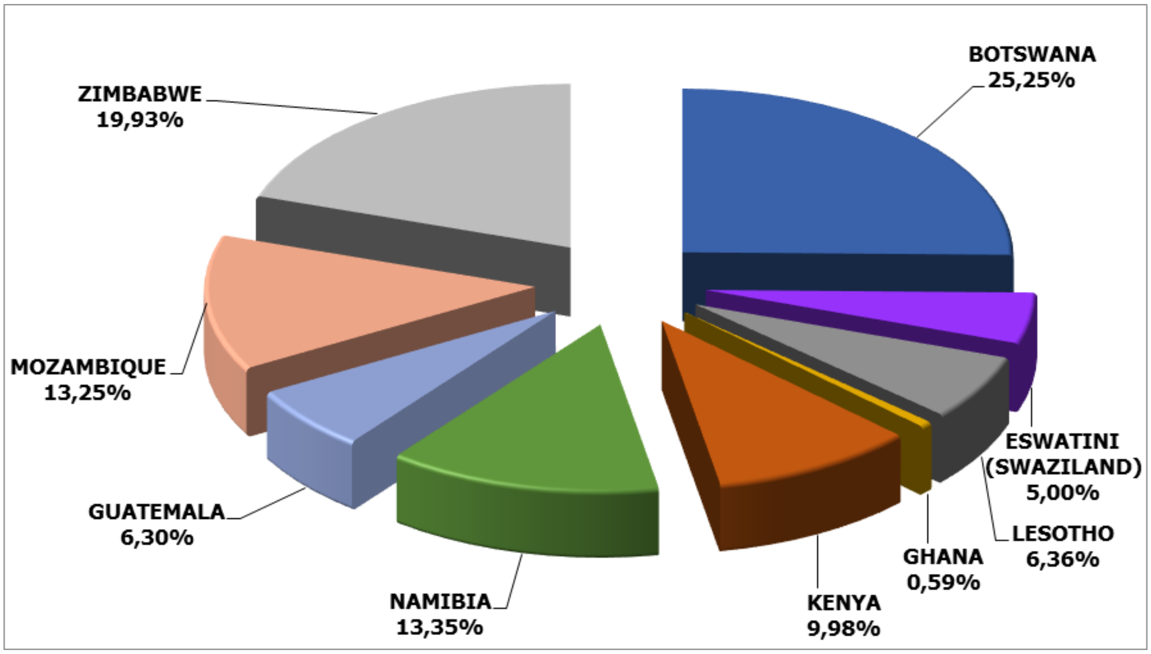


	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23*	2023/24*
White maize	1 008 923	640 807	557 063	851 969	617 000	616 651	1 275 446	1 304 475	924 434	1 654 525	1 205 000
Yellow maize	1 223 673	1 514 917	322 748	1 629 739	1 666 000	1 667 407	534 127	1 563 315	3 210 777	2 295 281	2 225 000

*Projection

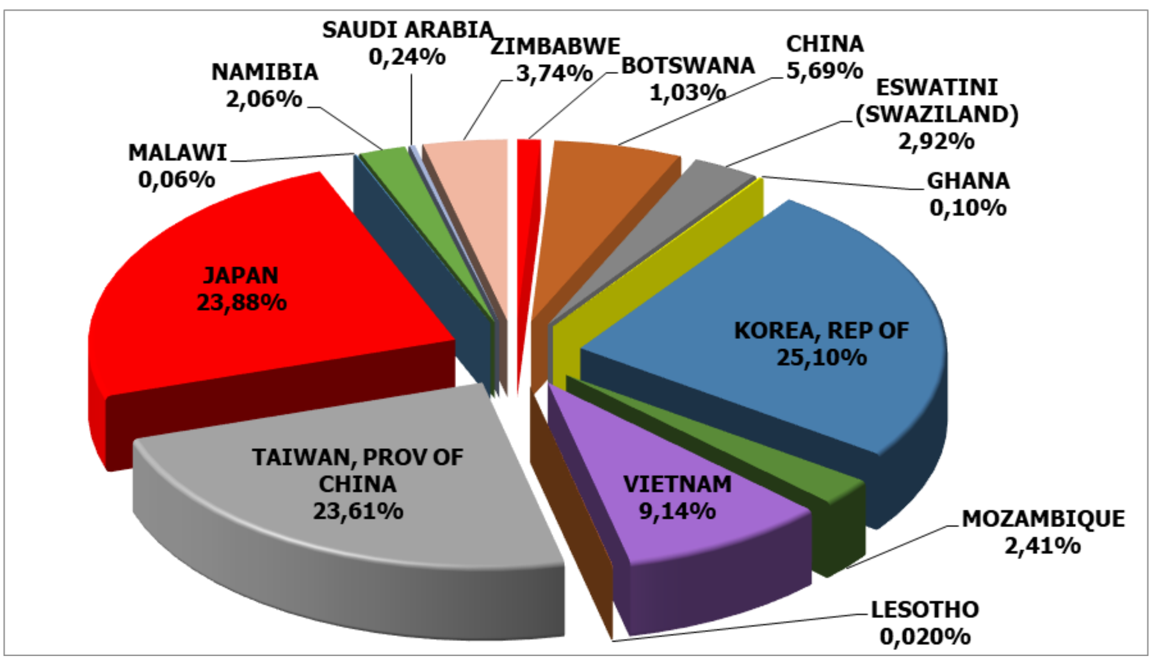
- The exports of white maize for the 2023/24 marketing year are projected at 1,205 million tons, which represents a decrease of 27,17% or 449 525 tons compared to the 1,654 million tons of the previous marketing year. Yellow maize exports for the mentioned period are projected at 2,225 million tons, which represents a decrease of 3,06% or 70 281 tons compared to the 2,295 million tons of the previous marketing year.

Graph 3: Major countries of white maize exports from South Africa: 2023/24 marketing year



- From 29 April 2023 to 5 January 2024, progressive white maize exports for the 2023/24 marketing year amount to 679 354 tons, with the main destinations being Botswana (25,25% or 171 512 tons), followed by Zimbabwe (19,93% or 135 400 tons), Namibia (13,35% or 90 670 tons), Mozambique (13,25% or 90 025 tons), Kenya (9,98% or 67 792 tons), Lesotho (6,36% or 43 215 tons), Guatemala (6,30% or 42 770 tons), Eswathini (Swaziland) (5,00% or 33 952 tons) and Ghana (0,59% or 4 018 tons). The imports of white maize for the mentioned period amount to zero.

Graph 4: Major countries of yellow maize exports from South Africa: 2023/24 marketing year



- From 29 April 2023 to 5 January 2024, progressive yellow maize exports for the 2023/24 marketing year amount to 1,961 million tons, with the main destinations being Republic of Korea (25,10% or 492 252 tons), followed by Japan (23,88% or 468 303 tons), Taiwan (23,61% or 463 086 tons), Vietnam (9,14% or 179 330 tons), China (5,69% or 111 493 tons), Zimbabwe (3,74% or 73 384 tons), Eswathini (Swaziland) (2,92% or 57 283 tons), Mozambique (2,41% or 47 313 tons), Namibia (2,06% or 40 305 tons), Botswana (1,03% or 20 102 tons), Saudi

Arabia (0,24% or 4 720 tons), Ghana (0,10% or 1 984 tons), Malawi (0,06% or 1 145 tons) and Lesotho (0,020% or 393 tons). The imports of yellow maize for the mentioned period amount to zero.

4. Market information

4.1 Consumer Price Index (CPI)

- Annual consumer price inflation was 5,5% in November 2023, down from 5,9% in October 2023. The CPI decreased by 0,1% month-on-month in November 2023.
- The main contributors to the 5,5% annual inflation rate were:
  - Food and non-alcoholic beverages (increased by 9,0% year-on-year and contributed 1,6%);
  - Housing and utilities (increased by 5,5% year-on-year and contributed 1,3%);
  - Miscellaneous goods and services (increased by 5,3% year-on-year and contributed 0,8%); and
  - Transport (increased by 4,3% year-on-year and contributed 0,7%).
- In November the annual inflation rate of goods was 7,1%, down from 8,1% in October; and for services it was 3,8%, unchanged from October.

4.2 Producer Price Index (PPI)

- Annual producer price inflation (final manufacturing) was 4,6% in November 2023, down from 5,8% in October 2023. The producer price index (PPI) decreased by 0,6% month-on-month in November 2023.
- The main contributors to the headline PPI annual inflation rate were:
  - Food products, beverages and tobacco products (increased by 4,7% year-on-year and contributed 1,2%);
  - Metals, machinery, equipment and computing equipment (increased by 6,8% year-on-year and contributed 1,0%); and
  - Coke, petroleum, chemical, rubber and plastic products (increased by 2,4% year-on-year and contributed 0,7%).
- The main contributor to the headline PPI monthly decrease was coke, petroleum, chemical, rubber and plastic products (decreased by 1,8% month-on-month and contributed -0,5%).
- The annual percentage change in the PPI for intermediate manufactured goods was -2,3% in November 2023 (compared with -2,9% in October 2023). The index increased by 0,2% month-on-month. The main negative contributors to the annual rate were chemicals, rubber and plastic products (-2,3%) and basic and fabricated metals (-0,5%). The main contributor to the monthly rate was sawmilling and wood (0,2%).
- The annual percentage change in the PPI for electricity and water was 16,1% in November 2023 (compared with 16,1% in October 2023). The index remained unchanged month-on-month. Electricity contributed 15,0% and water contributed 1,2% to the annual rate.
- The annual percentage change in the PPI for mining was -3,8% in November 2023 (compared with -2,2% in October 2023). The index decreased by 4,5% month-on-month. The main negative contributors to the annual rate were non-ferrous metal ores (-8,5%) and coal and gas (-2,3%). The main contributors to the monthly negative rate were non-ferrous metal ores (-3,6%) and coal and gas (-1%).
- The annual percentage change in the PPI for agriculture, forestry and fishing was 8,0% in November 2023 (compared with 12,0% in October 2023). The index decreased by 0,6% month-on-month. The main contributors to the annual rate were agriculture (6,6%) and fishing (1,2%). The main negative contributor to the monthly rate was agriculture (-0,4%).

4.3 Future contract prices

Table 3: Closing prices on Friday, 12 January 2024

	12 January 2024	12 December2023	% Change
RSA White Maize per ton (Jan. 2024 contract)	R3 780,00	R4 461,00	15,26
RSA Yellow Maize per ton (Jan. 2024 contract)	R3 653,00	R4 165,00	12,29
RSA Wheat per ton (Jan. 2024 contract)	R6 083,00	R5 887,00	3,33
RSA Sunflower seed per ton (Jan. 2024 contract)	R8 421,00	R9 380,00	-10,22
RSA Soya-beans per ton (Jan. 2024 contract)	R8 410,00	R9 413,00	-10,66
Exchange rate R/$	R18,65	R18,93	-1,48

Source: JSE/SAFEX

4.4 Agricultural machinery sales

- December 2023 tractor sales of 531 units were significantly (27%) less than the 729 units sold in December 2022. For the 2023 calendar year, tractor sales were approximately 9% down on the 2022 calendar year. Thirty-one combine harvesters were sold in December 2023, five more than the 26 units sold in December 2022. Calendar year 2023 combine harvester sales were significantly (35%) higher than those in 2022.
- With most summer crop plantings having been completed, the market is showing caution as to what will happen weather-wise in the next few weeks. Initial predictions were that the El Niño phenomenon was likely to result in lower than normal rainfall during the critical January and February months. Potential buyers of tractors therefore delayed their buying decisions until some degree of certainty in terms of rainfall developed. Present rainfall conditions are looking favourable, however, but rain will still be required through to the end of February in most areas.
- It is still early in the year to be predicting 2024 calendar year tractor sales. Nevertheless, expectations are that, despite the market being very competitive and this driving sales, calendar year 2024 tractor sales will be of the order of 10% down on last year.

Table 4: Agricultural machinery sales

Equipment class	Year-on-year December		Percentage Change %	Year-to-date December		Percentage Change %
	2023	2022		2023	2022	
Tractors	531	729	-27,16	8 374	9 175	-8,73
Combine harvesters	31	26	19,23	505	373	35,39

Source: SAAMA press release, January 2024

PLEASE NOTE: The Food Security Bulletin for January 2024 will be released on **5 February 2024**.

5. Acknowledgements

The Directorate: Statistics and Economic Analysis makes use of information sourced from various institutions and organisations within South Africa 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
- Grain South Africa (Grain SA)
- IGC Grain Market Report
- National Agricultural Marketing Council (NAMC)
- South African Agricultural Machinery Association (SAAMA)
- South African Futures Exchange (SAFEX)
- 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