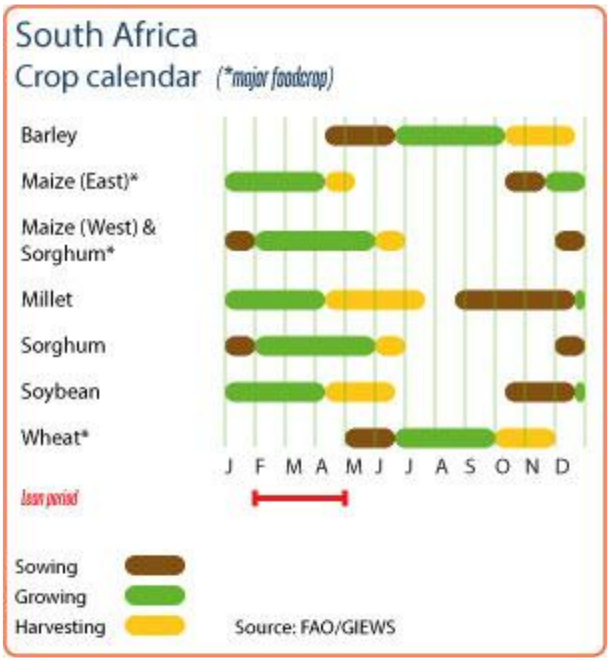
GIEWS Country Brief

South Africa

Reference Date: 15-May-2014

> **FOOD SECURITY SNAPSHOT**
> - Harvesting of the 2014 maize crop is well underway and production is estimated at a bumper level of 13.6 million tonnes
> - Improved outlook for the 2014/15 marketing year (May/April), following a tight supply situation last year
> - Maize prices, after record highs in March 2014, plummeted in April, reflecting improved production prospects

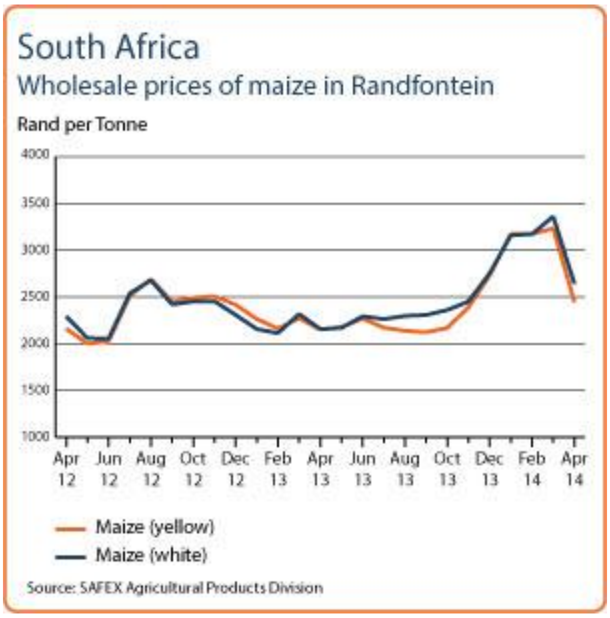


South Africa

Cereal production

	2009-2013 average	2013	2014 estimate	change 2014/2013
	000 tonnes			percent
Maize	12 431	12 486	13 629	9
Wheat	1 835	1 879	1 700	-10
Barley	258	268	294	10
Others	275	225	295	31
Total	14 799	14 858	15 918	7

Note: percentage change calculated from unrounded data.
Source: FAO/GIEWS Country Cereal Balance Sheets



Large maize output estimated for 2014

Harvesting of the maize crop is currently underway and is expected to be finalized in July. Latest production estimates indicate a substantial maize output of 13.6 million tonnes (including the contribution from the non-commercial sector). At this level, the maize output is expected to be about 9 percent above the below-average harvest of 2013, which was recently revised upwards following higher than expected farm deliveries. Despite uncertain prospects at the start of the season in October-November, due to moisture deficits in the Northwest Province (which contributes, on average, about 20 percent to the national output), favourable rains from December onwards improved vegetation conditions and led to an estimated rebound in yields, particularly for the commercial white maize crop, which is set to increase on an annual basis by about 1.5 million tonnes. In contrast, a small contraction in the yellow maize crop is foreseen, after a sizeable production gain in the previous year.

For other cereal crops, sorghum production is estimated to increase by nearly 60 percent to about 233 000 tonnes, while the winter wheat crop, currently being sown, is projected to decline on account of an expected contraction in plantings. Furthermore, production gains are estimated for the soybean and sunflower crops.

Improved supply outlook in 2014/15 marketing year

In contrast to last year, when maize supplies were comparatively tight, the outlook for the 2014/15 marketing year (May/April) is positive, with closing stocks forecast to more than double to 1.2 million tonnes. Exports, however, are forecast to decline moderately to under 2 million tonnes, compared to an average of about 2.1 million tonnes in the last five years, partly reflecting the improved production outlook in neighbouring import-dependent countries as well.

Large volumes of yellow maize exported in 2013

Significant volumes of maize were exported in the previous 2013/14 marketing year, mostly yellow maize to Asia. In total, just over 2 million tonnes were exported of which 900 000 tonnes were white maize. Zimbabwe, with a larger domestic supply gap, was the biggest importer in Africa. Similarly, larger volumes were also delivered to Botswana and Namibia to compensate for their reduced domestic harvests in 2013. To buffer against any potential supply shortfalls, South Africa imported a small quantity of maize from Ukraine, estimated at about 80 000 tonnes.

Sharp price declines reflect improved supply

outlook

Following a rapid price increase, on account of tight national supplies in 2013/14, improved production estimates instigated a sharp decline in April, reversing the strong gains observed since November 2013. Month-on-month prices in April fell by nearly one-quarter to ZAR 2 641 (white) and ZAR 2 446 (yellow) from their record highs in March, but still remain well above their year earlier quotations. In the first weeks of May, prices have continued to decline moderately and are nearing import-parity levels, creating more conducive conditions for exports.