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# GAIN Report

Global Agricultural Information Network

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## South Africa - Republic of

### Grain and Feed Annual

#### The Supply and Demand for Grain and Feed in South Africa

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**Report Highlights:**

Post estimates South Africa will have to import about 1.0 million tons of corn in the 2018/19 MY on an estimated 20 percent decline in commercial production due to drought conditions. However, South Africa should return as a net exporter of corn in the 2019/20 MY, mainly to its established markets in neighboring countries. Post forecasts South Africa's wheat imports for the 2019/20 MY will be around 1.9 million tons. Wheat imports are expected to decrease in the 2018/19 MY to 1.7 million tons, due to a 20 percent increase in production from the previous season's drought-reduced crop. In the 2019/20 MY, South Africa's rice imports are expected to increase by two percent to 1.1 million tons on marginal increases in demand.

## **Executive Summary**

Post forecasts that around 2.6 million hectares of corn will be planted by commercial producers later in 2019 for the 2019/20 MY, which is 13 percent higher than the area planted in the 2018/19 MY, mainly due to increased local corn prices. Under normal climatic conditions and taking into account the subsistence farming sector, South Africa's total corn crop for the 2019/20 MY could reach 13.3 million tons, representing a 30 percent increase from the 2018/19 MY. As a result, South Africa should return as a net exporter of corn in the 2019/20 MY, mainly to its established markets in neighboring countries.

The current condition of South Africa's 2018/19 MY corn crop can be divided into two distinctive and contrasting areas. The eastern side of South Africa's corn producing area received adequate rainfall and the crop is generally in a respectable condition. As a result, average to above average yields can be expected. On the other hand, the western side is characterized by late plantings, high temperatures and lack of rainfall. As a result, below average yields can be expected. Hence, Post kept its production estimate for commercial and subsistence producers unchanged at 10.0 million and 500,000 tons, respectively. Thus, total corn production is estimated at 10.5 million tons, 20 percent lower than the 2017/18 MY's crop of 13.1 million tons. As a result, Post estimates South Africa will have to import about 1.0 million tons of corn in the 2018/19 MY.

Post estimates that producers will plant about 500,000 hectares of wheat in the 2019/20 MY, which could realize a crop of about 1.7 million tons, if average yields and normal climatic conditions hold true. South Africa produced 1.8 million tons of wheat in the 2018/19 MY, which represents an increase of 20 percent from the previous year's drought reduced crop of 1.5 million tons. Post forecasts South Africa's wheat and wheat products imports for the 2019/20 MY, at 1.9 million tons, 12 percent more than in the 2018/19 MY, mainly due to an estimated eight percent decrease in local production. Post estimates that imports of wheat and wheat products in the 2018/19 MY will decrease by 25 percent to 1.7 million tons, due to the 20 percent increase in production.

Post forecasts a marginal 4 percent increase in South Africa's rice consumption in the 2019/20 MY to 980,000 tons, on the back of higher corn and wheat prices. As a result, South Africa's rice imports are expected to increase by two percent to 1.1 million tons in the 2019/20 MY. In the 2018/19 MY post estimates South Africa will import about 1.08 million tons of rice.

<sup>[1]</sup> The marketing years (MY) used in the text refers to the USDA marketing years in the PS&D table, and do not necessarily correspond with the marketing years used by the South African grain industry. US\$1 = Rand 14.50 (3/19/2019)

## **CORN**

## Production

The commercial area to be planted with corn for the 2019/20 MY is projected to be influenced positively by relatively high local corn price levels. Local white corn and yellow corn prices increased year-on-year by 45 percent and 32 percent, respectively. This illustrates the expected lower corn crop in the 2018/19 MY due to dry conditions. Local corn prices are expected to trade at relatively high price levels until next year's harvest season, giving commercial producers enough initiative to plant more fields to corn. Hence, Post forecasts that around 2.6 million hectares of corn will be planted by commercial producers in the 2019/20, which is 13 percent higher than the area planted in the 2018/19 MY. Under normal climatic conditions and taking into account the subsistence farming sector, South Africa's total corn crop for the 2019/20 MY could reach 13.3 million tons.

The current condition of South Africa's 2018/19 MY corn crop can be divided into two distinctive and contrasting areas. The eastern side of South Africa's corn producing area received adequate rainfall and the crop is generally in a good condition. As a result, average to above average yields can be expected. On the other hand, the western side, which produces mostly white corn, is characterized by late plantings, high temperatures and lack of rainfall. As a result, below average yields can be expected. The western side produces between 50 percent and 60 percent of South Africa's total corn crop.

On February 27, 2019, the Crop Estimates Committee (CEC) released its first commercial production estimate for South Africa's summer rainfall crops. According to the CEC, the South African commercial corn crop for the 2018/19 MY could reach 10.5 million tons on 2.3 million hectares at a national average yield of 4.6 tons per hectare. This represents a decline of 16 percent from the 12.5 million tons commercial corn crop produced in the 2017/18 MY. The CEC estimates the commercial white corn crop at 5.2 million tons, 21 percent lower than the 6.5 million tons produced in the previous season. The CEC estimates the commercial yellow corn crop at 5.4 million tons, 10 percent lower than the 6.0 million tons produced in the 2017/18 MY.

Notwithstanding these estimates, Post interviewed industry analysts and experts who all agreed that the South African corn crop could be even lower due to a lack of sufficient rainfall from mid-February in many parts of South Africa's primary corn producing areas. With the winter approaching, the risk of frost damage due to the late plantings is also high, especially in the western areas. Hence, Post kept its production estimate for commercial corn unchanged at 10.0 million tons on 2.3 million hectares at a national average yield of 4.3 tons per hectare. Post also kept its production estimate for subsistence producers unchanged at 500,000 tons. Thus, total corn production is estimated at 10.5 million tons, 20 percent lower than the 2017/18 MY's crop of 13.1 million tons.

On February 13, 2019, the CEC finalized the size of the 2017/18 MY commercial corn crop at 12.5 million tons, three percent lower than the final estimate. The CEC finalizes the South African corn crop annually after taking into account total producer deliveries and on-farm usage. Hence, South Africa's total corn crop (including commercial and subsistence producers) for the 2017/18 MY was finalized at 13.1 million tons on 2.6 million hectares at a national average yield of 5.0 tons per hectare.

The following table details area planted, yield and production figures for commercial white corn and yellow corn as well as corn produced by subsistence farmers for the 2017/18 MY (actual), 2018/19 MY (estimate), and 2019/20 MY (forecast).

**Table 1: Area planted, yield and production of commercial and subsistence corn in South Africa**

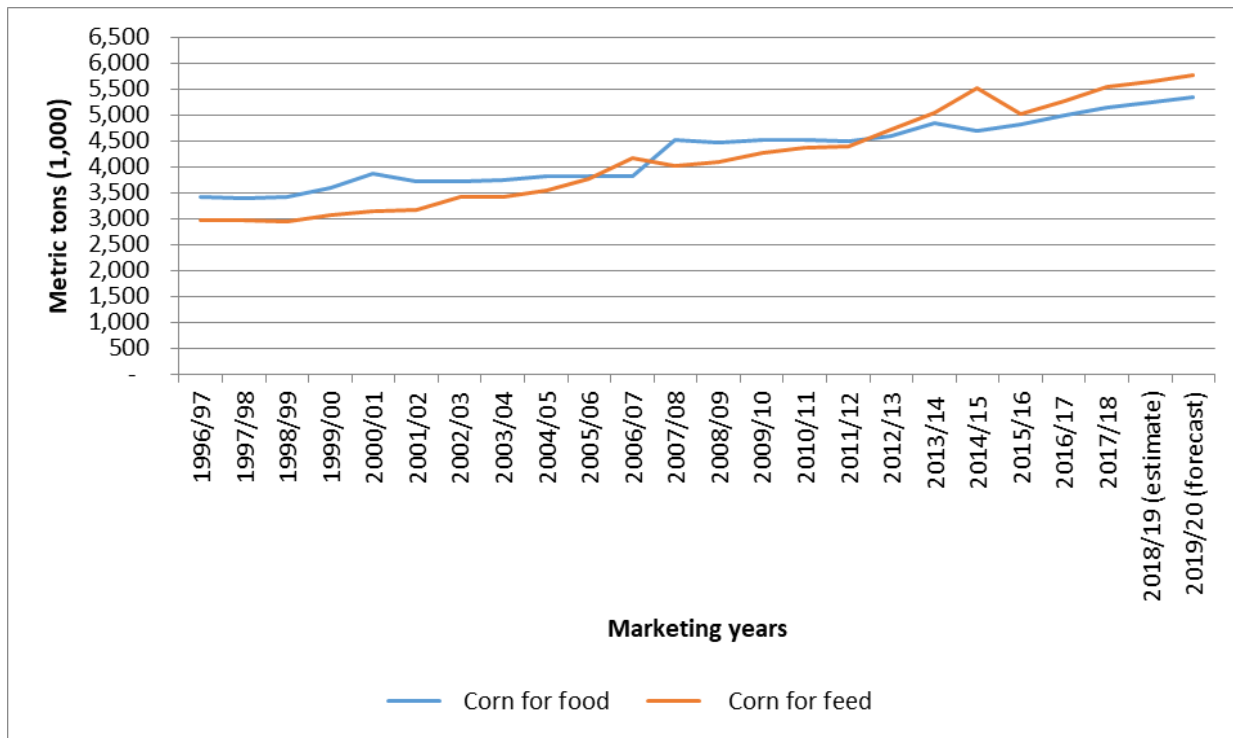
	Area 1,000ha	Yield t/ha	Prod. 1,000 t	Area 1,000ha	Yield t/ha	Prod. 1,000 t	Area 1,000ha	Yield t/ha	Prod. 1,000 t
<b>MY</b>	<b>2017/18</b>			<b>2018/19</b>			<b>2019/20</b>		
<b><u>Commercial corn</u></b>									
White	1,268	5.2	6,540	1,300	3.6	4,700	1,500	4.5	6,700
Yellow	1,051	5.7	5,970	1,000	5.3	5,300	1,100	5.5	6,100
<b>Sub Total</b>	<b>2,319</b>	<b>5.4</b>	<b>12,510</b>	<b>2,300</b>	<b>4.3</b>	<b>10,000</b>	<b>2,600</b>	<b>4.9</b>	<b>12,800</b>
<b><u>Subsistence corn</u></b>									
White	237	1.7	414	200	1.5	300	200	1.5	300
Yellow	78	2.3	180	100	2.0	200	100	2.0	200
<b>Sub Total</b>	<b>315</b>	<b>1.9</b>	<b>594</b>	<b>300</b>	<b>1.7</b>	<b>500</b>	<b>300</b>	<b>1.7</b>	<b>500</b>
<b>TOTAL</b>	<b>2,634</b>	<b>5.0</b>	<b>13,104</b>	<b>2,600</b>	<b>4.0</b>	<b>10,500</b>	<b>2,900</b>	<b>4.6</b>	<b>13,300</b>

Source: CEC

### Consumption

The consumption of corn in South Africa increased, on average, by about two percent per annum over the past ten years, mainly driven by population and economic growth (also refer to Figure 1). Post projects that this marginal increase in the demand for corn will continue in the 2019/20 MY. South Africa's economic growth is expected to continue to be sluggish in the next few years due to structural and policy constraints. The South African government estimates economic growth of less than two percent in 2019 and 2020, which will limit an excessive increase in the demand for corn. As a result, the commercial demand for corn is expected to increase by a marginal 2 percent to 11.4 million tons in the 2019/20 MY (also refer to Table 2).

**Figure 1: The commercial consumption of corn in the food and feed markets of South Africa since the 1996/97 MY.**



Post kept its previous estimate for the commercial demand for corn in South Africa for the 2018/19 MY unchanged at 11.2 million tons. This represents a two percent increase in the demand for corn from the previous season. However, Post foresees a 26 percent drop in the consumption of white corn, due to an estimated 28 percent decrease in white corn production (also refer to Table 2). This drop in the consumption of white corn will only be in the animal feed sector where more yellow corn will be used. Hence, Post predicts a 48 percent increase in the consumption of yellow corn in the 2018/19 MY, despite an estimated 11 percent decrease in yellow corn production. The main reason for the expected increase in the usage of yellow corn is its availability in the global markets for imports, while access to white corn is limited. Traditionally, white corn is mainly consumed as food, whereas yellow corn is used as feed.

Post kept the commercial demand for corn in the 2017/18 MY unchanged at 11.0 million tons. This figure correlates positively with the latest consumption figures released by the South African Grain Information Services (Sagis). Post expects 5.2 million tons of corn will be used for human consumption and 5.6 million tons will be milled for animal feed.

Table 2 outlines the commercial consumption for white corn and yellow corn in South Africa for the 2017/18 MY (actual), 2018/19 MY (estimate), and 2019/20 MY (forecast).

**Table 2: The commercial consumption of white and yellow corn in South Africa**

<b>CORN 1,000 Mt</b>	<b>White</b>	<b>Yellow</b>	<b>Total</b>	<b>White</b>	<b>Yellow</b>	<b>Total</b>	<b>White</b>	<b>Yellow</b>	<b>Total</b>
<b>MY</b>	<b>2017/18</b>			<b>2018/19</b>			<b>2019/20</b>		
<b>Human</b>	4,600	550	5,150	4,700	550	5,250	4,800	550	5,350
<b>Animal</b>	2,100	3,450	5,550	200	5,450	5,650	1,000	4,750	5,750
<b>Other</b>	100	200	300	100	200	300	100	200	300
<b>TOTAL</b>	<b>6,800</b>	<b>4,200</b>	<b>11,000</b>	<b>5,000</b>	<b>6,200</b>	<b>11,200</b>	<b>5,900</b>	<b>5,500</b>	<b>11,400</b>

**Source:** SAGIS; Grain SA

**Note:** Please note that consumption figures in the PS&D table also include corn utilized by the subsistence farming sector and commercial on-farm usages.

## Trade

Under normal climatic conditions South Africa should return as a net exporter of corn in the 2019/20 MY on increased commercial production. Post estimates that South Africa will export about 800,000 tons of corn in the 2019/20 MY, mainly to its established markets in neighboring countries.

On the other hand, Post estimates South Africa will have to import about 1.0 million tons of corn in the 2018/19 MY on an estimated 20 percent decline in commercial production due to drought conditions on the western side of corn producing area. South Africa will import mainly yellow corn, as it is more available on the global markets, to satisfy the local demand. With expected lower usage of white corn for animal feed and a carry-over stock of about 1.5 million tons, South Africa should have enough white corn available to meet local human demand, despite the expected 28 percent drop in production. South Africa will also continue to preserve its export markets in neighboring countries. Corn exports to South Africa's neighboring countries are expected to reach 700,000 tons in the 2018/19 MY.

In the 2017/18 MY, South Africa so far exported 2.0 million tons of corn consisting of 1.4 million tons of yellow corn and 347,751 tons of white corn (see also Table 3). The major customers for South Africa's yellow corn were Vietnam (691,248 tons), South Korea (212,000 tons), Japan (151,517 tons), Taiwan (106,398 tons) and Italy (99,450). Most of the white corn was exported to Botswana (165,932 tons), Italy (90,629 tons) and Mozambique (62,047 tons). Post believes South Africa will continue exporting corn to its neighboring countries in the remainder of the 2017/18 MY, but deep sea exports will cease due to the expected shortage in the 2018/19 MY. Total corn exports are expected to reach 2.1 million tons by the end of the 2017/18 MY.

South Africa already imported 50,000 tons of yellow corn from Brazil in the 2017/18 MY, on the back of the expected lower corn crop in the 2018/19 MY. Post estimates corn imports for the 2017/18 MY could reach 100,000 tons.

**Table 3: South Africa's exports and imports of white and yellow corn in the 2017/18 MY**

	<b>2017/18 MY<sup>1</sup></b> <b>May 1, 2018 – Apr 30, 2019</b> <b>(1,000 tons)</b>
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	<b>White corn</b>	<b>Yellow corn</b>	<b>Total</b>
<b><u>Export Destinations</u></b>			
Botswana	166	31	197
Ethiopia	38	0	38
Ghana	0	20	20
Italy	91	99	190
Lesotho	42	8	50
Japan	0	152	152
Mozambique	62	30	92
Namibia	45	38	83
North Korea	0	4	4
South Korea	0	215	215
Spain	18	0	18
Swaziland	14	86	100
Taiwan	0	106	106
Vietnam	0	691	691
<b>TOTAL EXPORTS</b>	<b>476</b>	<b>1,480</b>	<b>1,956</b>
<b><u>Imports</u></b>			
Brazil	0	50	50
Argentina	0	1	1
<b>TOTAL IMPORTS</b>	<b>0</b>	<b>51</b>	<b>51</b>

**Source:** SAGIS

**Note:** Preliminary export and import data from May 1, 2018 to March 8, 2019

## Prices

Local corn prices started to move away from export parity levels towards import parity levels at the end of 2018, as the drought conditions continued and producers struggle to plant (see also Figure 2 and Figure 3). Local white corn price increased by 45 percent year-on-year to R2,798/ton (\$193/ton) and yellow corn prices by 32 percent to R2,646/ton (\$182/ton) (see also Table 4 for future corn prices), illustrating the expected shortage of corn in the domestic market. As a relative large portion of the corn crop was planted late, climatic conditions, coupled with unpredictable movements in the South African exchange rate will continue to be major factors influencing fluctuation in the local corn prices in the next couple of months.

**Table 4: Local corn prices**

	<b>Futures prices (year/month)</b>				
<b>Commodity</b>	<b>2019/03</b>	<b>2019/05</b>	<b>2019/07</b>	<b>2019/09</b>	<b>2019/12</b>

White corn	R2,798/t (\$193/t)	R2,858/t (\$197/t)	R2,915/t (\$201/t)	R2,981/t (\$206/t)	R3,045/t (\$210/t)
Yellow corn	R2,646/t (\$182/t)	R2,689/t (\$185/t)	R2,696/t (\$186/t)	R2,751/t (\$190/t)	R2,818/t (\$194/t)

Source: GrainSA (as of 03/18/2019)

Note: US\$1 = Rand 14.50 (03/19/2019)

Figure 2: The trend in the local price for white corn since January 2017

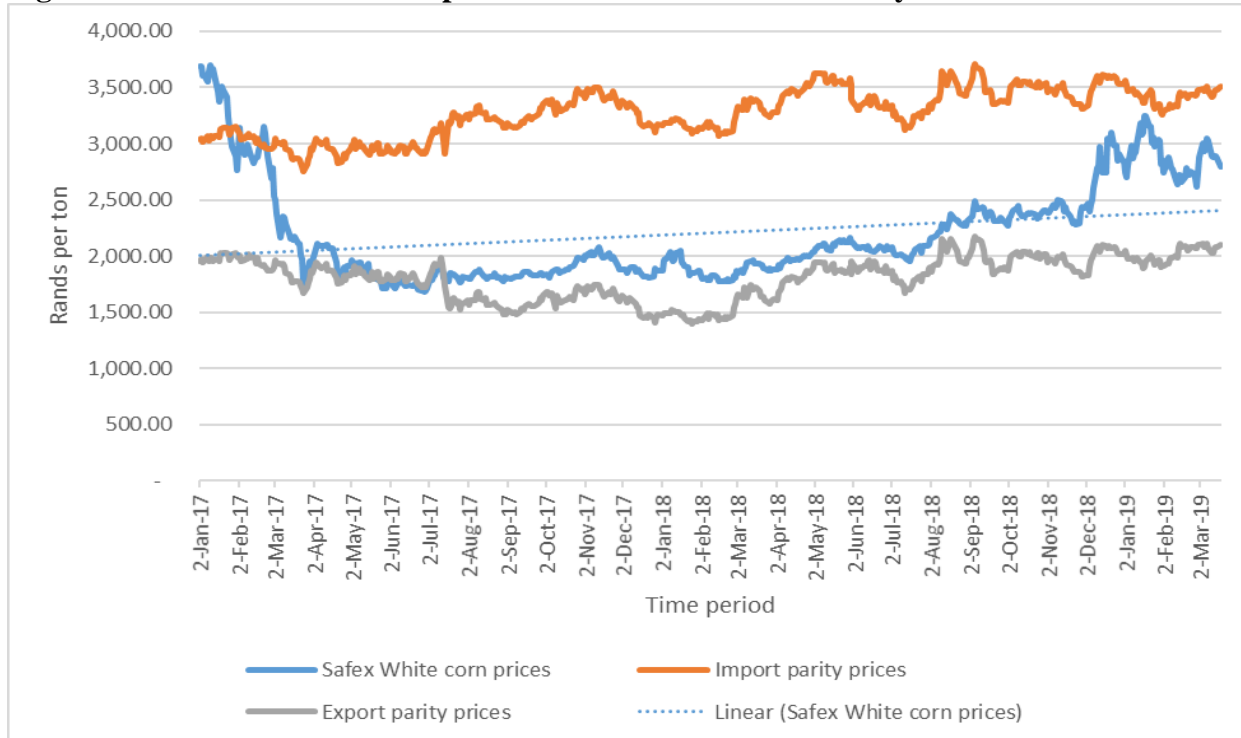
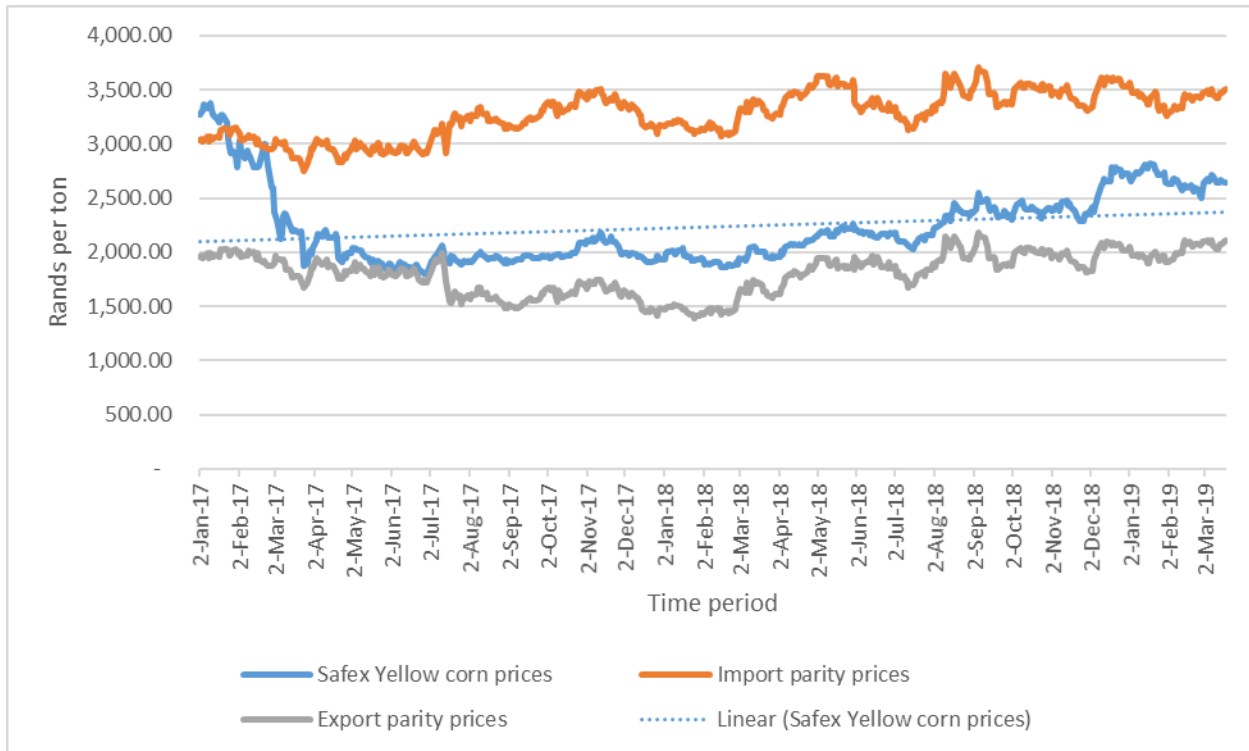


Figure 3: The trend in the local price for yellow corn since January 2017





**Table 5: PS&D Table for corn**

Corn Market Begin Year	2017/2018		2018/2019		2019/2020	
	May 2018		May 2019		May 2020	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	2634	2634	2400	2600	0	2900
Beginning Stocks	3695	3695	2899	2649	0	1249
Production	13104	13104	11000	10500	0	13300
MY Imports	300	100	100	1000	0	0
TY Imports	0	0	300	500	0	0
TY Imp. from U.S.	3	0	0	200	0	0
Total Supply	17099	16899	13999	14149	0	14549
MY Exports	2100	2100	1600	700	0	800
TY Exports	2361	2361	1600	700	0	800
Feed and Residual	6600	6400	5800	6450	0	6550
FSI Consumption	5500	5750	5500	5750	0	5850
Total Consumption	12100	12150	11300	12200	0	12400
Ending Stocks	2899	2649	1099	1249	0	1349
Total Distribution	17099	16899	13999	14149	0	14549
Yield	4.9749	4.9749	4.5833	4.0385	0	4.5862

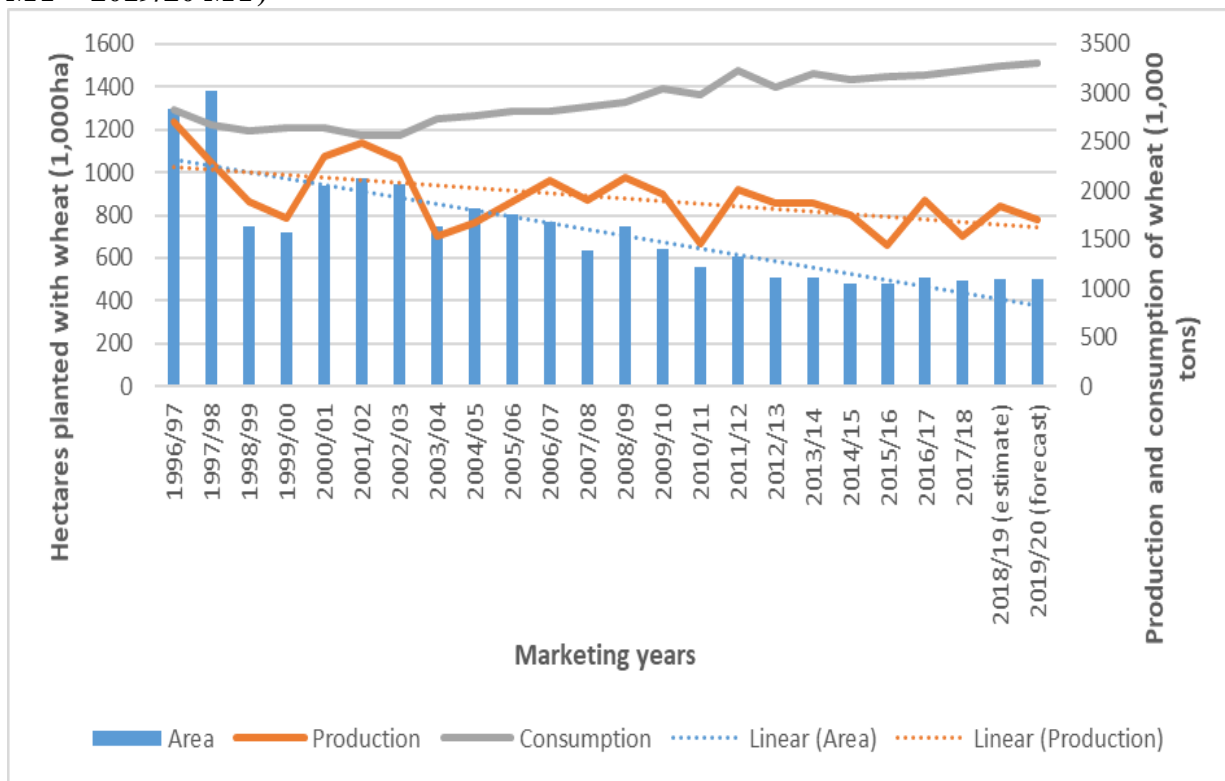
(1000 HA) ,(1000 MT) ,(MT/HA)

**WHEAT**

## Production

In recent years, South Africa’s wheat area has stagnated at around 500,000 hectares (see also Figure 4). This is almost a million hectares less than 20 years ago, before the deregulation of the wheat market. In a free market environment producers prefer to plant more profitable crops such as canola, oats, corn and soybeans. However, in some areas, especially in the Western Cape Province, wheat production is still the most competitive crop to plant. Hence, Post does not forecast any major change in area planted with wheat in the 2019/20 MY. Post estimates producers will plant about 500,000 hectares of wheat in the 2019/20 MY, which could realize a crop of about 1.7 million tons, if average yields and normal climatic conditions are assumed.

**Figure 4: The trends in wheat area planted, production and consumption in South Africa (1996/97 MY – 2019/20 MY)**



On February 27, 2019, the Crop Estimates Committee (CEC) released its final estimate for wheat production in South Africa for the 2018/19 MY. The CEC estimated that South Africa produced 1.8 million tons of wheat which represents an increase of 20 percent from the previous year’s drought reduced crop of 1.5 million tons. Two-thirds or 318,000 hectares of South Africa’s wheat area was planted in the Western Cape Province, which recovered from the extreme drought the previous season when production dropped by almost 50 percent. The CEC estimates the Western Cape wheat production at 890,400 tons in the 2018/19 MY, up 52 percent from the previous season’s 586,800 tons. The Western Cape, which is a winter rainfall area, produces almost 50 percent of South Africa’s total wheat production. The other major wheat producing areas are the irrigation fields in the Northern Cape Province and the Free State Province, mainly a summer rainfall area. Together these three provinces produced almost 85 percent of South Africa’s total wheat crop in the 2018/19 MY.

The following table reflects the area planted, yield and production figures of wheat in South Africa for the 2017/18 MY (actual), 2018/19 MY (estimate) and 2019/20 MY (forecast).

**Table 6: Area planted and production of wheat in South Africa**

MY	Area (hectares)	Yield (tons/ha)	Production (1,000 tons)
2017/18 (actual)	491,600	3.1	1,535
2018/19 (estimate)	503,350	3.7	1,841
2019/20 (forecast)	500,000	3.4	1,700

Source: The Crop Estimates Committee (CEC)

## Consumption

South Africa's annual wheat consumption increased on average by about one percent per annum the past ten years. Post expects this trend to continue in the 2019/20 MY with wheat consumption reaching 3.3 million tons. Due to slow economic growth major increases in the consumption of wheat are not foreseen. The South African government estimates economic growth of less than two percent in 2019 and 2020. Wheat demand in the 2018/19 MY is expected to be around 3.27 million tons (also refer to Table 7), in line with a one percent growth rate and marginally higher than the 3.23 million consumed in the 2017/18 MY.

In Table 7, the consumption of wheat in South Africa is illustrated for the 2017/18 MY (actual), 2018/19 MY (estimate) and 2019/20 MY (forecast).

**Table 7: Consumption of wheat in South Africa**

Wheat (1,000 tons)					
Marketing year	Human <sup>1</sup>	Animal	Seed	Other	TOTAL
2017/18 (actual)	3,205	3	18	4	3,230
2018/19 (estimate)	3,240	5	20	5	3,270
2019/20 (forecast)	3,270	5	20	5	3,300

Source: The South African Grain Information Services (Sagis) and Grain SA

Notes: Consumption figures in the PS&D table include imported products like wheat flour uncooked pasta and couscous.

## Trade

Post forecasts South Africa's imports of wheat and wheat products for the 2019/20 MY at 1.9 million tons, 12 percent more than in the 2018/19 MY, mainly due to an estimated eight percent decrease in local production.

Post estimates that imports of wheat and wheat products in the 2018/19 MY will decrease by 25 percent to 1.7 million tons, due to a 20 percent increase in production. For the first five months of the 2018/19 MY, South Africa imported 403,268 tons of wheat with Germany, Russia, and Latvia the major importers (see also Table 8). For the 2017/18 MY, South Africa's wheat and wheat products imports more than doubled to 2.3 million tons due to the drought reduced wheat crop.

**Table 8: South Africa's imports of wheat by country**

	<b>2017/18 MY</b> <b>(Oct 1, 2017 – Sept 30, 2018)</b> <b>Tons</b>	<b>2018/19 MY<sup>1</sup></b> <b>(Oct 1, 2018 – Sept 30, 2019)</b> <b>Tons</b>
<b>Import Suppliers</b>		
United States	87,064	7,955
Argentina	132,433	35,469
Canada	90,944	34,978
Czech Republic	47,904	22,453
Germany	282,312	128,290
Latvia	140,007	39,275
Ukraine	135,669	22,763
Poland	17,514	0
Romania	101,449	0
Lithuania	182,241	28,676
Russia	955,697	83,409
<b>TOTAL IMPORTS</b>	<b>2,173,234<sup>2</sup></b>	<b>403,268</b>

**Source:**  
Sagis  
**Notes:**

1.  
Preliminary import data from October 1, 2018 to March 8, 2019  
2.  
Trade

*figures in the PS&D table include the trade in wheat flour and other wheat products like uncooked pasta and couscous.*

South Africa also exports wheat to nearby countries in the Southern Africa region and acts as a conduit for grain imported from outside the region (also refer to Table 9). South Africa's exports of wheat and wheat products are expected to be around 200,000 tons in the 2019/20 MY and 2018/19 MY. In the 2017/18 MY, South Africa exported 183,000 tons of wheat and wheat products to countries in the Southern Africa region.

**Table 9: South Africa's exports of wheat by country**

	<b>2017/18 MY</b> <b>(Oct 1, 2017 – Sept 30, 2018)</b> <b>Tons</b>	<b>2018/19 MY<sup>1</sup></b> <b>(Oct 1, 2018 – Sept 30, 2019)</b> <b>Tons</b>
<b>Export destinations</b>		

Botswana	12,880	22,529
Lesotho	6,918	10,560
Namibia	12,373	1,688
Swaziland	10,943	798
Zambia	30,097	0
Zimbabwe	2,370	2,028
<b>TOTAL EXPORTS</b>	<b>75,581</b>	<b>37,603</b>

**Source:**  
Sagis  
**Notes:**

1.  
*Preliminary export*

*data from October 1, 2018 to March 8, 2019*

2. *Trade figures in the PS&D table include the trade in wheat flour and other wheat products like uncooked pasta and couscous.*

The current import tariff for wheat imports into South Africa is R490.70 per ton (\$33.84/ton) effective from October 19, 2018, which is higher than the previous import tariff of R298.50 (\$20.59/ton) published in September 2018. The South African wheat tariff is calculated by means of a variable tariff formula in order to ensure that local wheat prices are maintained when the international prices are decreasing and *vice versa* to support local consumers when international wheat prices are increasing. The Economic Partnership Agreement (EPA) between South Africa and the European Union (EU) that came into effect in 2016 allows for duty-free imports of 300,000 tons of wheat from countries in the EU annually. This duty-free allowance is effective from February 1, 2019 to October 31, 2019. An annual quota of 108,279 tons of wheat was also announced by the Department of Agriculture, Forestry and Fisheries (DAFF) that can enter South Africa at a rebate of 14.4 percent from the full duty (see also Table 10).

**Table 10: South Africa's import tariffs for wheat**

General	European Union (EU)	European Free Trade Association (EFTA)	Southern Africa Development Community (SADC)	Mercosur	Minimum Market Access	
					Annual quota	Extent of rebate
R490.70/ton (\$33.84/ton)	New EPA trade agreement - 300,000 tons import tariff free from February 1, 2019 to October 31, 2019.	R490.70/ton	Free	R490.70/ton	108,279	Full duty less 14.4%

**Source:** South African Revenue Services (SARS), Sagis

## Prices

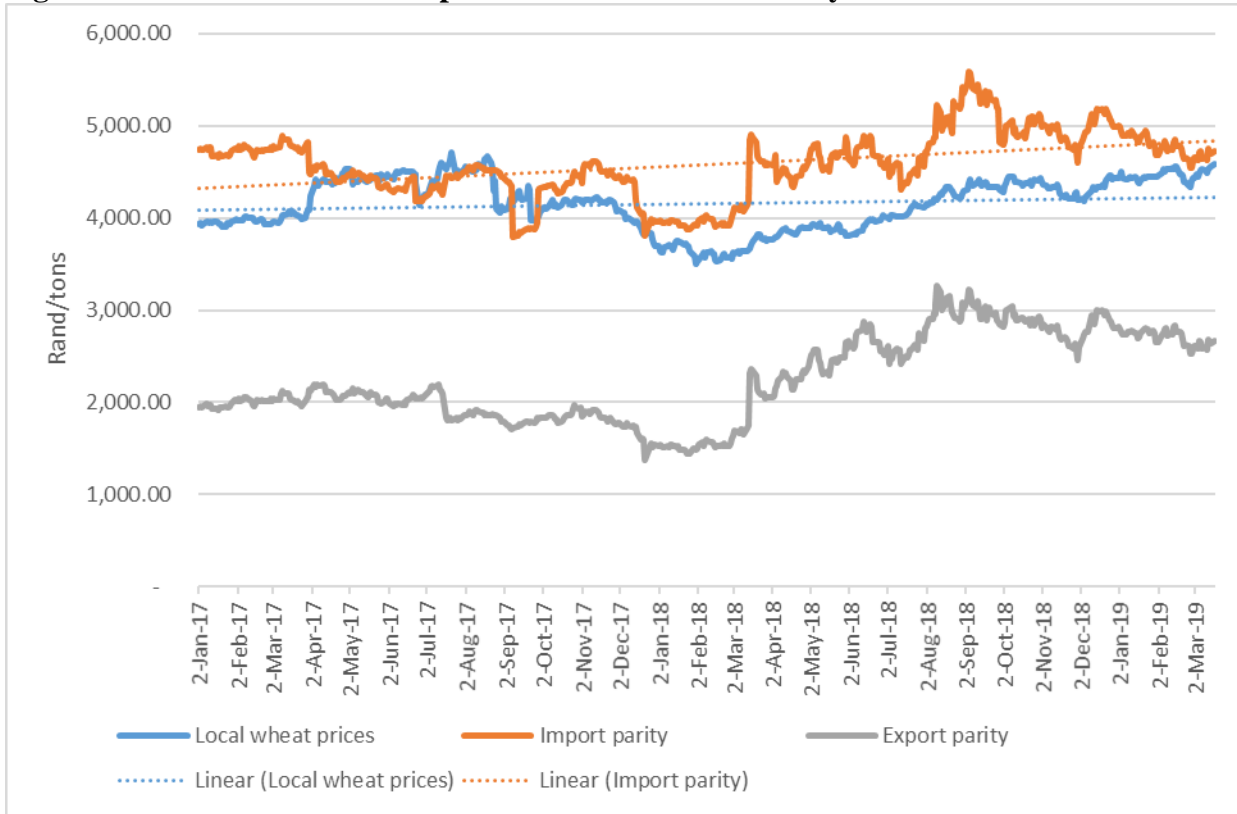
South Africa's local wheat prices are illustrated in Table 11. Local wheat prices are now trading at around R4,590 per ton (\$317/ton) and close to import parity levels of R4,730 per ton (\$326/ton). As South Africa is a net importer of wheat, local wheat prices usually follow the overall trend in import parity prices (see also Figure 5). As a result, local wheat prices increased by 20 percent year-on-year. Local wheat prices will continue to trade at import parity levels in the foreseeable future and as a result will be impacted by movements in world wheat prices, the strength of the South African rand exchange rate and the fluctuations in transport costs.

**Table 11: Local prices for wheat**

Commodity	Futures prices (year/month)			
	2019/03	2019/05	2019/07	2019/09
Wheat	R4,590/t (\$317/t)	R4,650/t (\$320/t)	R4,690/t (\$323/t)	R4,576/t (\$315/t)

**Source:** GrainSA (as of 03/18/2019)

**Figure 5: The trend in the local price for wheat since January 2017**



**Table 12: PS&D Table for Wheat**

Wheat Market Begin Year	2017/2018		2018/2019		2019/2020	
	Oct 2017		Oct 2018		Oct 2019	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	492	492	505	503	0	500
Beginning Stocks	494	494	834	789	0	750
Production	1535	1535	1800	1841	0	1700
MY Imports	2291	2289	1700	1700	0	1900
TY Imports	2033	2033	1700	1700	0	1900
TY Imp. from U.S.	125	125	0	0	0	100
Total Supply	4320	4318	4334	4330	0	4350
MY Exports	110	183	150	200	0	200
TY Exports	93	93	150	150	0	150
Feed and Residual	30	25	30	30	0	30
FSI Consumption	3346	3321	3380	3350	0	3380
Total Consumption	3376	3346	3410	3380	0	3410
Ending Stocks	834	789	774	750	0	740
Total Distribution	4320	4318	4334	4330	0	4350
Yield	3.1199	3.1199	3.5644	3.66	0	3.4
(1000 HA) ,(1000 MT) ,(MT/HA)						

## **RICE**

### **Production**

South Africa is dependent on rice imports to meet the local demand as rice production is insignificant in the country due to the high water requirements of the crop. As a result, rice imports are duty free and local consumption is derived from import data as supplied by the Global Trade Atlas.

### **Consumption**

Post forecasts a marginal four percent increase in South Africa's rice consumption in the 2019/20 MY to 980,000 tons (see also Table 13), on the back of higher corn and wheat prices. Consumers can substitute rice, wheat and corn products based on price and taste preferences. However, there is vast differences in the annual per capita consumption of these commodities in South Africa. For example, each South African consumes an annual average of around 100 kg of corn (mainly white corn), 58kg of wheat and only 16kg of rice. The demand for corn and wheat products is also relatively price inelastic, diminishing major shifts in consumption due to price movements. More than 90 percent of rice consumed in South Africa is parboiled with the balance made up primarily of Basmati.

Post also increased its previous local rice consumption estimates for the 2017/18 MY and 2018/19 MY to 900,000 tons and 940,000, respectively, to correspond with higher trade data.

**Table 13: Consumption of rice in South Africa**

<b>Marketing years</b>	<b>2017/18 (actual)</b>	<b>2018/19 (estimate)</b>	<b>2019/20 (forecast)</b>
<b>Consumption (1,000 tons)</b>	900	940	980

### **Imports**

In the 2019/20 MY, South Africa's rice imports are expected to increase by two percent to 1.1 million tons on the marginal increase in demand. In the 2018/19 MY post estimates South Africa will import about 1.08 million tons of rice. In the 2017/18 MY, South Africa imported 1.07 million tons of rice. Thailand and India, together, supply more than 90 percent of South Africa's rice demand, with Thailand's contribution almost 80 percent (see also Table 14).

**Table 14: South Africa imports of rice (metric tons)**

<b>Countries</b>	<b>2017/18 MY</b>	<b>2018/19MY<sup>1</sup></b>
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	(May 1, 2017 – Apr 30, 2018) (1,000 tons)	(May 1, 2018 – Apr 30, 2019) (1,000 tons)
United States	1	0
Thailand	837	615
India	155	175
Others not Listed	81	19
<b>Grand Total</b>	<b>1,074</b>	<b>809</b>

Source: Global Trade Atlas

Note: 1. Preliminary import data from May 1, 2018 to January 31, 2019

## Exports

South Africa imports relatively small amounts of rice to then re-export to neighboring countries, especially to Eswatini, Zimbabwe and Botswana. In the 2017/18 MY, South Africa exported about 112,000 tons of rice to neighboring countries. Post estimates rice exports would increase to about 120,000 tons in the 2018/19 MY and to 125,000 tons in the 2019/20 MY.

**Table 15: PS&D Table for rice**

Rice, Milled Market Begin Year	2017/2018		2018/2019		2019/2020	
	May 2017		May 2018		May 2019	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	0	0	0	0	0	0
Beginning Stocks	15	15	77	77	0	97
Milled Production	0	0	0	0	0	0
Rough Production	0	0	0	0	0	0
Milling Rate (.9999)	0	0	0	0	0	0
MY Imports	1074	1074	1100	1080	0	1100
TY Imports	1071	1071	1100	1000	0	1100
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	1089	1089	1177	1157	0	1197
MY Exports	112	112	125	120	0	125
TY Exports	113	113	125	120	0	125
Consumption and Residual	900	900	940	940	0	980
Ending Stocks	77	77	112	97	0	92
Total Distribution	1089	1089	1177	1157	0	1197
Yield (Rough)	0	0	0	0	0	0

(1000 HA) ,(1000 MT) ,(MT/HA)