

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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## South Africa - Republic of

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### South Africa Corn Exports Accelerate in the Midst of a Record Crop

**Report Categories:**

Grain and Feed

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**Report Highlights:**

As a result of the historically high corn crop, South Africa returned to being a net exporter of corn in the 2016/17 MY, after the drought in the previous marketing year forced South Africa to import more than 2.2 million tons of corn. In the first four months of the 2016/17 MY, South Africa already exported 1.2 million tons of corn at an average of 65,000 tons of corn per week. However, post estimates South Africa will only export about 2.5 million tons of corn in the 2016/17 MY, which will leave a relatively large carry-over stock for the next marketing year.

## South Africa Corn Exports Accelerate in the Midst of a Record Crop

### Corn production

The South African Crop Estimate Committee (CEC) released its seventh production estimate for the 2016/17 MY corn crop on August 29, 2017. The CEC increased its estimate for the South African corn crop by almost three percent, or by 444,175 tons, to a record high level of 17.1 million tons (including commercial and subsistence producers) on 3.0 million hectares. This represents an increase of 109 percent from the 2015/16 MY's corn crop of 8.2 million tons. A record high commercial white corn crop of 9.7 million tons is expected, almost three times more than in the previous marketing year. The commercial yellow corn crop is estimated at 6.8 million tons, 55 percent higher than the previous season.

The following table details area planted and production figures for commercial white corn and yellow corn as well as corn produced by subsistence farmers for the 2015/16 MY (actual) and 2016/17 MY (estimate).

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

|                         | Area<br>1,000ha | Yield<br>t/ha | Prod.<br>1,000 t | Area<br>1,000ha | Yield<br>t/ha | Prod.<br>1,000 t |
|-------------------------|-----------------|---------------|------------------|-----------------|---------------|------------------|
| MY                      | 2015/16         |               |                  | 2016/17         |               |                  |
| <b>Commercial corn</b>  |                 |               |                  |                 |               |                  |
| White                   | 1,015           | 3.4           | 3,409            | 1,643           | 5.8           | 9,654            |
| Yellow                  | 932             | 4.7           | 4,370            | 986             | 6.6           | 6,760            |
| <b>Sub Total</b>        | <b>1,947</b>    | <b>4.0</b>    | <b>7,779</b>     | <b>2,629</b>    | <b>6.1</b>    | <b>16,413</b>    |
| <b>Subsistence corn</b> |                 |               |                  |                 |               |                  |
| White                   | 191             | 1.5           | 286              | 249             | 1.9           | 464              |
| Yellow                  | 75              | 2.0           | 150              | 118             | 2.3           | 267              |
| <b>Sub Total</b>        | <b>266</b>      | <b>1.6</b>    | <b>436</b>       | <b>367</b>      | <b>2.0</b>    | <b>731</b>       |
| <b>TOTAL</b>            | <b>2,213</b>    | <b>3.7</b>    | <b>8,215</b>     | <b>2,996</b>    | <b>5.6</b>    | <b>17,144</b>    |

Source: CEC

### Corn exports

As a result of the historically high corn crop, South Africa returned to being a net exporter of corn in the 2016/17 MY, after the drought in the previous marketing year forced South Africa to import more than 2.2 million tons of corn. In the first four months of the 2016/17 MY (May 1, 2017 to September 1, 2017), South Africa has already exported 1.2 million tons of corn, which included 394,156 tons of white corn and 790,692 tons of yellow corn (see also Figure 1 and Table 2). This means South Africa is on average exporting about 65,000 tons of corn per week. White corn is mainly exported to Kenya (224,659 tons), as many parts of Kenya have been impacted by drought. The major markets for South Africa's yellow corn are Japan (410,707 tons), Taiwan (213,926 tons) and South Korea (107,241 tons). South Africa is also exploring other deep sea export markets in the east and middle-east such as

Malaysia, Philippines, Vietnam, Saudi-Arabia and Iran. However, post estimates South Africa will only export about 2.5 million tons of corn in the 2016/17 MY.

After taking into account domestic commercial consumption, post estimates South Africa have about 3.0 million tons of white corn and 1.5 million tons of yellow corn available for exports. If South Africa exports all the available yellow corn and another 600,000 tons of the white corn, total corn exports could reach approximately 2.5 million tons in the 2016/17 MY. An oversupplied regional market after a favorable agricultural season and a weak global market for white corn, limits South Africa’s export opportunities, which will leave a relatively large carry-over stock, especially in white corn, for the next marketing year.

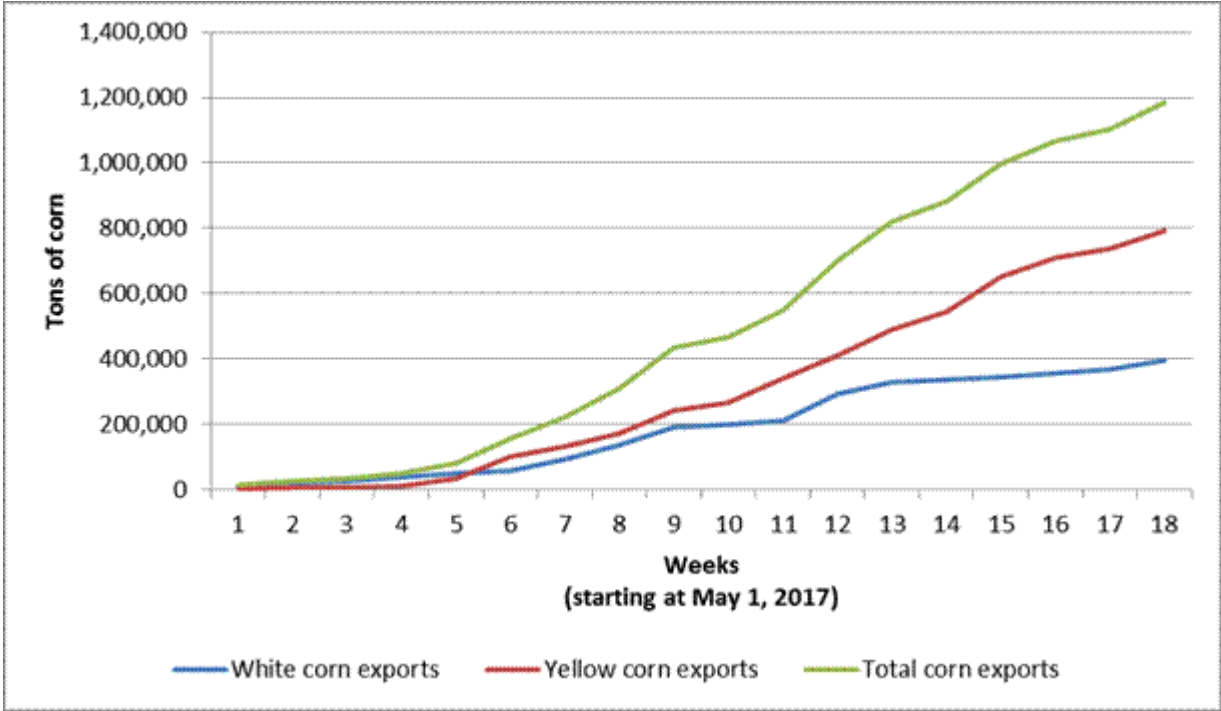


Figure 1: Acceleration of South Africa’s corn exports in the midst of a record crop

Table 2: Export and import countries for white and yellow corn (1,000 tons)

|                                   | <b>2015/16 MY</b>                 |                    |              | <b>2016/17 MY<sup>1</sup></b>     |                    |              |
|-----------------------------------|-----------------------------------|--------------------|--------------|-----------------------------------|--------------------|--------------|
|                                   | <b>May 1, 2016 – Apr 30, 2017</b> |                    |              | <b>May 1, 2017 – Apr 30, 2018</b> |                    |              |
|                                   | <b>White corn</b>                 | <b>Yellow corn</b> | <b>Total</b> | <b>White corn</b>                 | <b>Yellow corn</b> | <b>Total</b> |
| <b><u>Export Destinations</u></b> |                                   |                    |              |                                   |                    |              |
| Angola                            | 0                                 | 0                  | 0            | 0                                 | 2                  | 2            |
| Botswana                          | 135                               | 70                 | 205          | 78                                | 8                  | 86           |
| North Korea                       | 0                                 | 6                  | 6            | 0                                 | 1                  | 1            |
| Kenya                             | 16                                | 0                  | 16           | 225                               | 0                  | 225          |
| Lesotho                           | 84                                | 13                 | 97           | 37                                | 2                  | 39           |
| Japan                             | 0                                 | 0                  | 0            | 0                                 | 411                | 411          |
| Malawi                            | 3                                 | 0                  | 3            | 0                                 | 0                  | 0            |
| Mozambique                        | 42                                | 27                 | 69           | 17                                | 6                  | 23           |
| Namibia                           | 81                                | 15                 | 96           | 12                                | 14                 | 26           |
| South Korea                       | 0                                 | 0                  | 0            | 0                                 | 107                | 107          |
| Swaziland                         | 54                                | 70                 | 124          | 15                                | 25                 | 40           |
| Taiwan                            | 0                                 | 0                  | 0            | 0                                 | 214                | 214          |
| Tanzania                          | 10                                | 0                  | 10           | 0                                 | 0                  | 0            |
| Zimbabwe                          | 121                               | 90                 | 211          | 10                                | 1                  | 11           |
| <b>TOTAL EXPORTS</b>              | <b>546</b>                        | <b>291</b>         | <b>837</b>   | <b>394</b>                        | <b>791</b>         | <b>1,185</b> |
| <b><u>Imports</u></b>             |                                   |                    |              |                                   |                    |              |
| Argentina                         | 0                                 | 990                | 990          | 0                                 | 0                  | 0            |
| Brazil                            | 0                                 | 94                 | 94           | 0                                 | 0                  | 0            |
| Mexico                            | 500                               | 0                  | 500          | 0                                 | 0                  | 0            |
| Romania                           | 0                                 | 36                 | 36           | 0                                 | 0                  | 0            |
| Ukraine                           | 0                                 | 372                | 372          | 0                                 | 0                  | 0            |
| United States                     | 145                               | 100                | 245          | 0                                 | 0                  | 0            |
| <b>TOTAL IMPORTS</b>              | <b>645</b>                        | <b>1,592</b>       | <b>2,237</b> | <b>0</b>                          | <b>0</b>           | <b>0</b>     |

**Source:** SAGIS

**Note:** 1. Preliminary export and import data from May 1, 2017 to September 1, 2017