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## **Report Name:** Grain and Feed Annual

**Country:** South Africa - Republic of

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**Prepared By:** Dirk Esterhuizen and Amy Caldwell

**Approved By:** Ali Abdi

### **Report Highlights:**

South Africa's corn crop in marketing year 2023/24 has been affected by an El Niño induced mid-summer drought, resulting in an expected drop of more than 15 percent in crop volume. The drought is also impacting other countries in Southern Africa creating a bullish outlook on local corn prices that will trigger an expansion in the area to be planted with corn for marketing year 2024/25. While South Africa is expected to remain a net exporter of corn in MY 2024/25, wheat imports could rise in marketing year 2024/25 on higher expected exports. South Africa's wheat production is estimated to flatten, while a greater demand for wheat in Southern Africa is likely due to the regional drought. South Africa's rice imports are estimated to flatten as local demand is restricted. Consumer spending is under pressure due to relatively high inflation and interest rates, and an elevated unemployment rate.

## Executive Summary

The Grain and Feed annual report provides information regarding the production, supply and distribution for corn, wheat, and rice in South Africa for marketing year (MY<sup>1</sup>) 2022/23, MY 2023/24 and MY 2024/25.

South Africa should maintain its status as a net exporter of corn in MY 2024/25 on an expansion of planted area. With an estimated 15 percent drop in MY 2023/24's corn crop due to an El Niño induced mid-summer drought, a bullish outlook on local corn prices will trigger an expansion in the area to be planted with corn later in 2024 for MY 2024/25. The white corn area is projected to surge as a major drop in white corn production across the region is estimated in MY2023/24, as the current drought is also impacting grain production of several other countries, especially Zambia and Zimbabwe. White corn is the preferred grain for production in Southern Africa. Milled into form of a meal, white corn is the staple food for most households as a relatively inexpensive source of carbohydrates.

South Africa's wheat production is likely to flatten, while a greater demand for wheat in the region is expected due to the regional drought. Post forecasts a marginal decline in South Africa's wheat area to 530,000 hectares (ha) in MY 2024/25. With a decent wheat crop produced in MY 2023/24, coupled with a bearish outlook on local wheat prices, significant expansion in the area to be planted with wheat for MY 2024/25 is unlikely. As a result, Post forecasts that South Africa's wheat imports could rise to 2.0 MMT in MY 2024/25.

South Africa relies on duty-free rice imports to meet the local demand as rice production is insignificant in South Africa. South Africa's rice imports are traditionally dominated by Thailand and India. Together, these two countries supply more than 95 percent of South Africa's rice demand. In MY 2024/25, South Africa's rice imports are expected to flatten at 1.2 MMT as local demand is restricted. South Africa's economic growth outlook over the medium term continues to be lackluster. The country's economy grew by 0.6 percent in 2023 and is forecast to expand by only 1 percent in 2024 and 2025. In addition, there is growing pressure on consumer spending due to relatively high inflation and interest rates and a weak job market. South Africa's unemployment rate eased slightly to 32 percent in the fourth quarter of 2023, down from a record high of 35 percent in the last quarter of 2021.

US\$1 = Rand 18.70 (03/11/2024)

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<sup>1</sup> The MY's 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.

# CORN

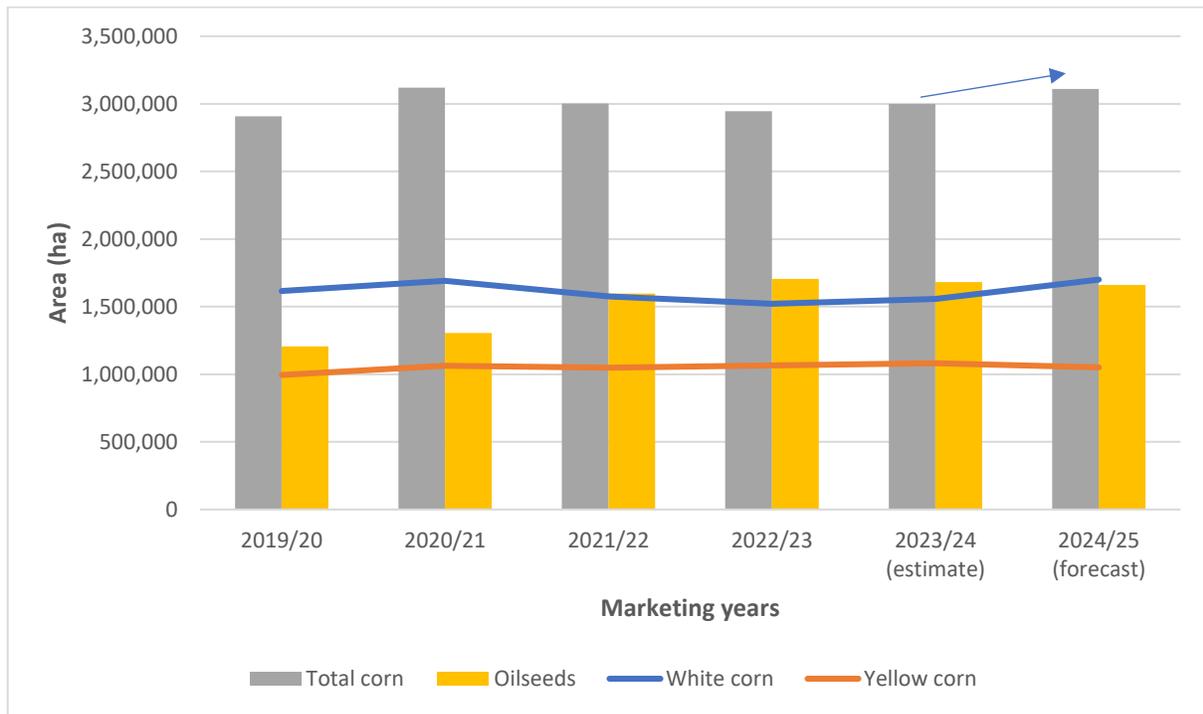
## Production

Post forecasts that South Africa’s corn area will expand by 4 percent to 3.1 million hectares (MHa) in MY 2024/25. In recent years, South Africa’s commercial corn area remained firm at around 2.6 Mha, while the non-commercial area is estimated at 360,000 ha (see Figure 1). However, with a corn crop below 15 MMT expected in MY 2023/24 due to drought conditions, a bullish outlook on local corn prices will trigger an expansion in the area to be planted with corn later in 2024 for MY 2024/25. The white corn area is projected to surge most significantly in MY2024/25, as a major drop in white corn production is estimated across the region. However, Post foresees that the oilseed area in South Africa will be maintained in MY 2024/25, limiting the availability of land for expansion of corn area.

Assuming a 5-year average yield and normal weather conditions, South Africa’s corn crop for the MY 2024/25 could reach 16.5 MMT on 3.1 MHa, which is 14 percent higher than the expected corn crop of 14.5 MMT in MY 2023/24. Table 1 details area planted, yield and production figures for commercial white corn and yellow corn as well as corn produced by subsistence farmers for MY 2022/23 (actual), MY 2023/24 (estimate), and MY 2024/25 (forecast).

**Figure 1**

*Corn and Oilseed Area in South Africa*



**Source:** South African Grain Information Services (Sagis)

**Table 1***Area Planted, Yield, and Production of Commercial and Subsistence Corn in South Africa*

	<b>Area 1,000ha</b>	<b>Yield MT/ha</b>	<b>Prod. 1,000MT</b>	<b>Area 1,000ha</b>	<b>Yield MT/ha</b>	<b>Prod. 1,000MT</b>	<b>Area 1,000ha</b>	<b>Yield MT/ha</b>	<b>Prod. 1,000MT</b>
<b>MY</b>	<b>2022/23 (actual)</b>			<b>2023/24 (estimate)</b>			<b>2024/25 (forecast)</b>		
<b><u>Commercial Production</u></b>									
White	1,521	5.6	8,505	1,558	4.4	6,800	1,700	5.0	8,500
Yellow	1,065	7.4	7,925	1,081	6.7	7,200	1,050	7.0	7,340
<b>Sub Total</b>	<b>2,586</b>	<b>6.4</b>	<b>16,430</b>	<b>2,639</b>	<b>5.3</b>	<b>14,000</b>	<b>2,750</b>	<b>5.8</b>	<b>15,840</b>
<b><u>Subsistence Production</u></b>									
White	279	1.7	473	280	1.3	350	280	1.7	470
Yellow	80	2.4	191	81	1.9	150	80	2.4	190
<b>Sub Total</b>	<b>359</b>	<b>1.8</b>	<b>664</b>	<b>361</b>	<b>1.4</b>	<b>500</b>	<b>360</b>	<b>1.8</b>	<b>660</b>
<b>TOTAL</b>	<b>2,945</b>	<b>5.8</b>	<b>17,094</b>	<b>3,000</b>	<b>4.8</b>	<b>14,500</b>	<b>3,110</b>	<b>5.5</b>	<b>16,500</b>

**Source:** Crop Estimates Committee (CEC) and Post estimates

In terms of MY 2023/24, Post lowered its previous estimate for corn production in South Africa by 8 percent to 14.5 MMT. Corn production was off to a reasonable start after decent rainfall was recorded between October and December of last year over most of the corn-producing area. An exception, however, was the North West province, where rainfall was limited and scattered during the first part of the rainy season resulting in low soil moisture. As a result, most producers in the North West province delayed planting until the middle of December after receiving some rain. Favorable conditions in most part of South Africa's corn-producing area during the early parts of January provided conducive growing condition, which improved chances for another bumper crop. However, excessive heat and limited rainfall across South Africa during the later parts of January and February deteriorated the yield potential.

In early March, Post visited the major corn producing areas of South Africa to interview industry analysts and producers and to assess crop conditions. In many areas, especially on the fields where sufficient groundwater is present, the potential for an average yield is still possible. However irreversible damage caused by the mid-summer drought and excessive heat is present in many areas. On these fields, follow-up rains in March will not have a significant impact on yields. Most of South Africa's corn is rainfed, with less than 20 percent under irrigation. Therefore, sufficient rainfall in February and March, during grain filling stage is required for optimal yields. Therefore, Post expects a drop of 17 percent in the

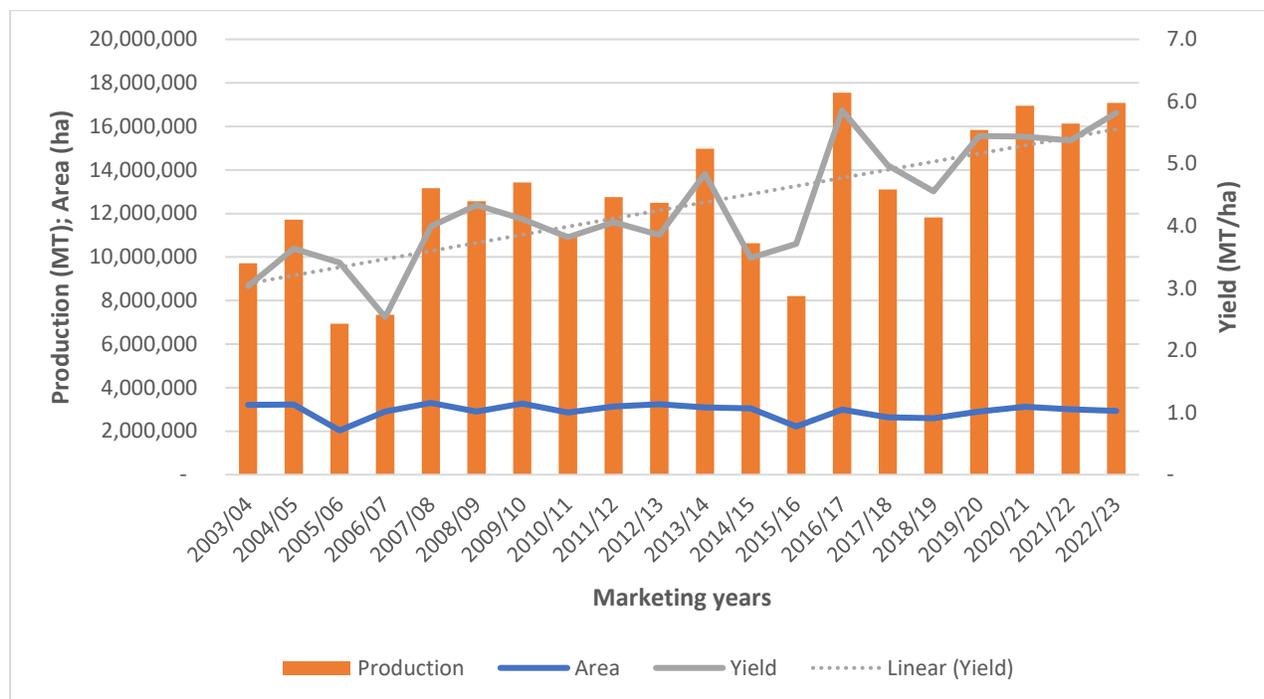
average national corn yield (commercial and subsistence production) to 4.8 metric tons per hectare (MT/ha) in MY 2023/24.

This estimate correlates with South Africa's Crop Estimates Committee (CEC) first commercial production estimate for summer rainfall crops on February 28, 2024 (see [Crop Estimates](#)). According to the CEC, South Africa could produce its smallest commercial corn crop in 5 years in MY 2023/24 at 14.4 MMT, a drop of 13 percent from MY 2022/23. The CEC estimates the commercial average yield of 5.4 MT/ha, a drop of 16 percent from the previous season. The commercial white corn crop is estimated at 7.0 MMT and the commercial yellow corn crop at 7.3 MMT, respectively 17 percent and 8 percent lower than in MY 2022/23. However, the CEC's second crop estimate that will be released later in March will provide a better sense of the impact of the current weather events on the successful pollination of the corn crop.

On February 8, 2024, the CEC finalized South Africa's commercial corn crop in MY 2022/23 at 16.4 MMT, after total producer deliveries for the marketing year and on-farm usage were considered. This means that South Africa's total corn crop, which includes both commercial and subsistence producers, for MY 2022/23 reached 17.1 MMT on 2.9 MHa at a national average yield of 5.8 MT/ha. This represents the second largest corn crop ever produced in South Africa and the fourth consecutive crop above 15.0 MMT (see Figure 2). The commercial yellow corn crop at 7.9 MMT with an average yield of 7.4 MT/ha was the largest on record. The main drivers for these bumper crops were favorable weather conditions, the use of new production technologies, such as genetically engineered seed and more efficient and effective farming practices, including precision and conservation farming.

**Figure 2**

*Area Planted, Production and Yields of Corn in South Africa over the Past 20 years*



**Source:** Sagis

### Consumption

Like many countries in southern Africa, South Africa consume both white and yellow corn. White corn, in the form of a meal, is the staple food for many households as it is a relatively inexpensive source of carbohydrates. On the contrary, the bulk of yellow corn is destined for the animal feed sector as the primary ingredient of most feed rations, particularly in the broiler industry. While white corn can also be used as animal feed depending on availability and price levels compared to yellow corn, yellow corn is not considered culturally acceptable for human food stuff.

Over the past 10 years, South Africa maintained an average growth rate of about two percent per annum in the consumption of corn (refer to Figure 3), driven by amongst others, population growth and a continuous immigration of people into South Africa, especially from other southern Africa countries. Economic growth and disposable income also play a role in the consumption rate of corn. In a constrained consumer spending environment, the consumption of basic staples such as corn meal will surge while meat consumption will be under pressure restricting a growing demand for feed corn.

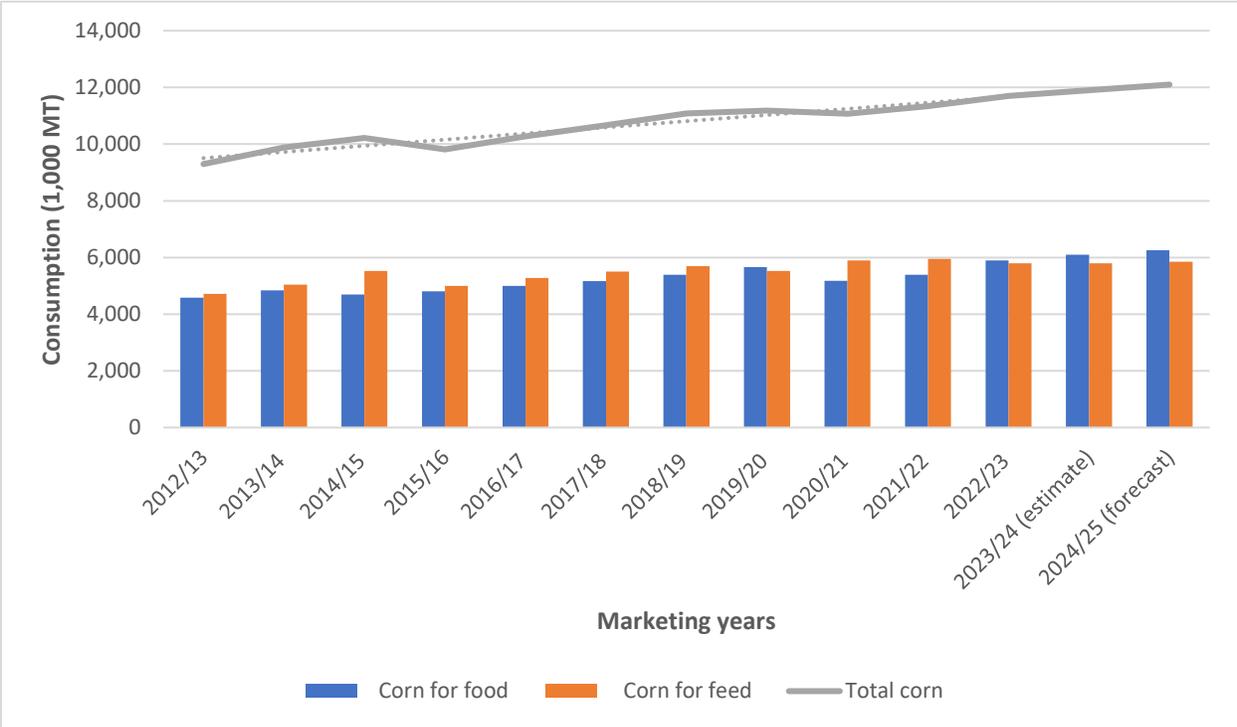
South Africa's economic growth outlook over the medium term continues to be lackluster. The country's Gross Domestic Product (GDP) grew by 0.6 percent in 2023 and is expected to expand by only 1 percent in 2024 and 2025. In addition, there is growing pressure on consumer spending

due to relatively high inflation and interest rates, coupled with an unemployment rate of more than 30 percent. Hence, Post expects the consumption of corn in South Africa will continue with the trend line in MY 2023/24 and MY 2024/25, driven mainly by growth in the human consumption of corn. Although corn prices are expected to be elevated, consumers on tight budgets are expected to maintain consumption levels cutting back on expenditure for non-staple foods. South Africa’s poultry industry is still recovering from a major outbreak of Highly Pathogenic Avian Influenza in 2023 and relatively high commodity prices which will hinder significant investments to expand the capacity of the broiler and feed manufacturing industries in the near term, making a major upsurge in feed demand for corn in South Africa unlikely.

Post elevated the previous consumption estimate for corn in MY 2022/23 to 11.8 MMT. This represents a marginal growth rate from MY 2021/22 and correlates with the latest utilization figures published by the South African Grain Information Services (Sagis). Table 2 outlines the commercial consumption for white corn and yellow corn in South Africa for MY 2022/23 (estimate), MY 2023/24 (estimate), and MY 2024/25 (forecast).

**Figure 3**

*The Consumption of Corn in South Africa*



**Source:** Sagis

**Table 2***Commercial Consumption of White and Yellow Corn in South Africa\**

CORN (1,000 MT)	White	Yellow	Total	White	Yellow	Total	White	Yellow	Total
<b>Human</b>	5,350	550	<b>5,900</b>	5,500	600	<b>6,100</b>	5,650	600	<b>6,250</b>
<b>Animal</b>	1,500	4,300	<b>5,800</b>	300	5,500	<b>5,800</b>	500	5,350	<b>5,850</b>
<b>Other</b>	50	50	<b>100</b>	50	50	<b>100</b>	50	50	<b>100</b>
<b>TOTAL</b>	<b>6,850</b>	<b>4,950</b>	<b>11,800</b>	<b>5,850</b>	<b>6,150</b>	<b>12,000</b>	<b>6,200</b>	<b>6,000</b>	<b>12,200</b>

**Source:** Sagis

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

**Trade**

South Africa should maintain its status as a net exporter of corn in MY 2024/25 with an expected commercial crop of above 15.0 MMT. Post estimates South Africa could export around 3.0 MMT of corn in MY 2024/25.

Post lowered South Africa's corn export estimate by one-third to 2.0 MMT for MY 2023/24, on an expected 15 percent drop in commercial corn production. An El Niño induced mid-summer drought coupled with high temperatures weakened the yield of the crop.

For MY 2022/23, Post estimates that South Africa's corn exports could reach 3.6 MMT. Although South Africa's corn exports to Asia ceased after the Northern Hemisphere countries' corn harvest and consequent entry into the world market, corn exports are now focused on neighboring countries where drought conditions limited corn production. In the past ten months of MY 2022/23, South Africa already exported 3.1 MMT of corn, with 1.2 MMT or 40 percent destined for South Africa's neighboring countries (see also Table 3). In the past two months corn exports to South Africa's neighboring countries surged by more than 55 percent with Zimbabwe the major importer, followed by Botswana, Namibia, and Mozambique. The higher demand for corn is expected to continue for the rest of the marketing year.

South Africa also intends to import about 70,000 MT of yellow corn in MY 2022/23 mainly from South America. With the evaluated local corn prices and the relative high cost of inland transport (mostly by road), importing corn from South America to the Cape Town port to service the southern part of South Africa is sometimes more cost effective than buying corn from the producing areas in the north of the country. Post expects imports could rise to 100,000 MT in MY 2023/24.

**Table 3***South Africa's Exports of Corn in MY 2022/23*

<b>MY<sup>1</sup> 2022/23</b>			
<b>May 1, 2023 – Apr 30, 2024</b>			
<b>(1,000 MT)</b>			
<b>Countries</b>	<b>White Corn</b>	<b>Yellow corn</b>	<b>Total</b>
<b><u>Export Destinations</u></b>			
South Korea	0	492	492
Japan	0	468	468
Taiwan	0	463	463
Zimbabwe	299	134	433
Botswana	219	30	249
Namibia	131	50	181
Mozambique	125	55	180
Vietnam	0	179	179
Eswatini	49	70	119
China	0	112	112
Kenya	68	0	68
Lesotho	52	1	53
Guatemala	43	0	43
Ghana	4	2	6
Saudi Arabia	0	5	5
Malawi	0	1	1
<b>TOTAL EXPORTS</b>	<b>990</b>	<b>2,063</b>	<b>3,053</b>

**Source:** Sagis**Note:** 1. Preliminary export data from May 1, 2023, to March 1, 2024**Marketing**

South Africa's local corn prices moved away from export parity towards import parity levels over the past month due to the anticipated impact of the mid-summer drought on the current crop (see also Figure 4 and Figure 5). White corn prices surged by 33 percent since February, trading above R5,000/MT (\$267/MT), its highest level the past two years. The El Niño induced drought impacting several countries in the region, most notably Zambia and Zimbabwe, has driven heightened demand for South Africa's white corn stock, pushing local prices to higher levels. Local yellow corn prices rose since February at a slower pace as there are more global suppliers of yellow corn. Table 4 indicates the current and future prices of South African corn as of March 8, 2024.

**Table 4**

*Local Corn Prices*

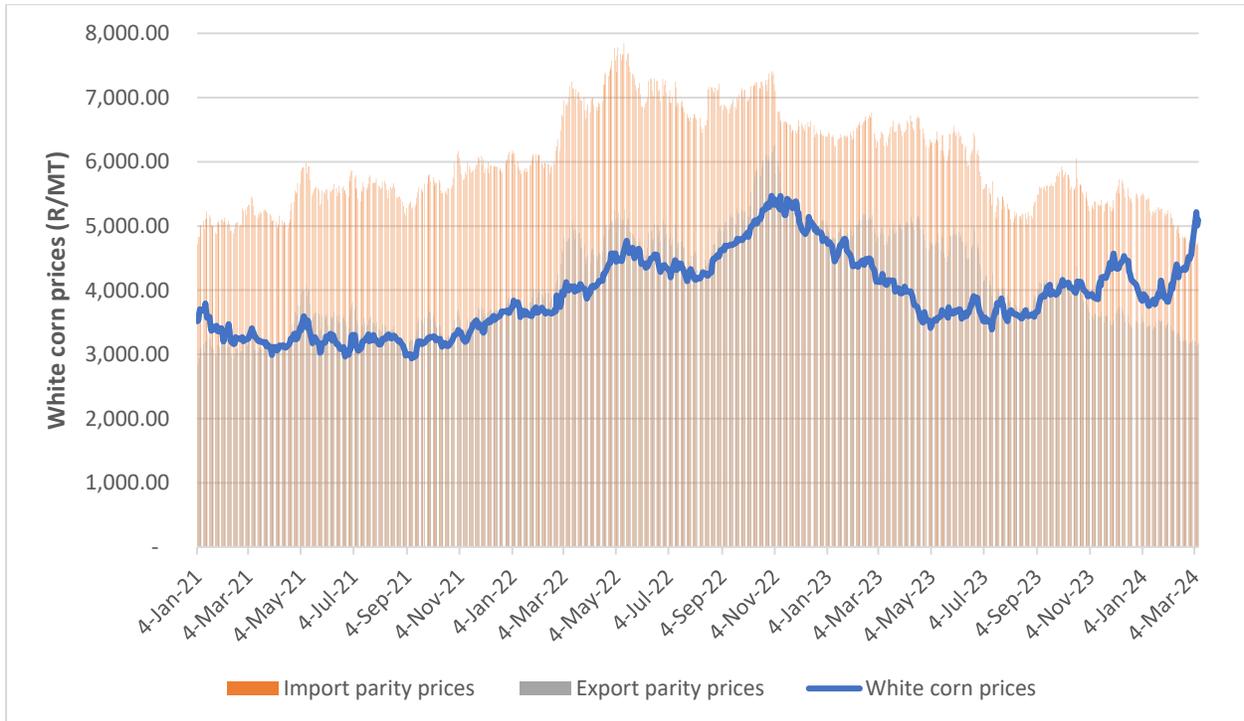
Commodity	Current and futures prices (year/month)				
	2024/03	2024/05	2024/07	2024/09	2024/12
White corn	R5,090/MT (\$272/MT)	R5,075/MT (\$271/MT)	R5,073/MT (\$271/MT)	R5,093/MT (\$272/MT)	R5,152/MT (\$276/MT)
Yellow corn	R4,146/MT (\$222/MT)	R4,129/MT (\$220/MT)	R4,150/MT (\$222/MT)	R4,227/MT (\$226/MT)	R4,298/MT (\$230/MT)

**Source:** GrainSA (as of 03/08/2024)

**Note:** US\$1 = Rand 18.70

**Figure 4**

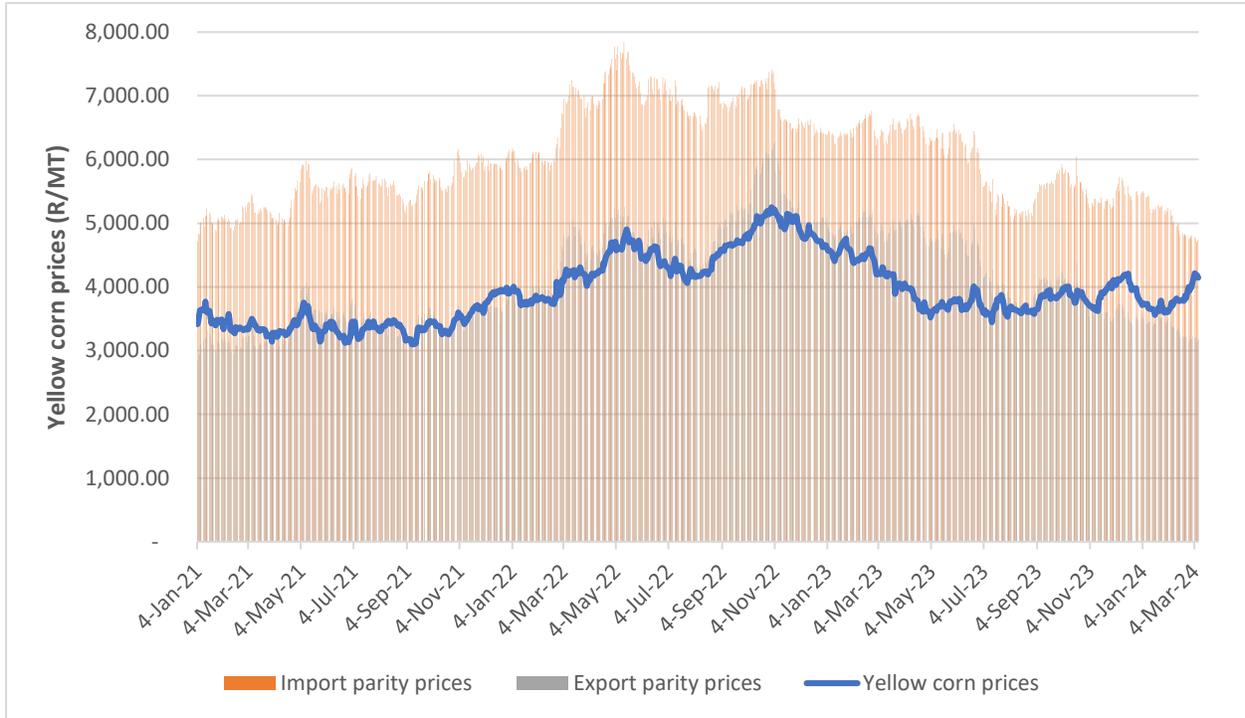
*The Trend in the Local Price for White Corn since January 2021*



**Source:** GrainSA

**Figure 5**

*The Trend in the Local Price for Yellow Corn since January 2021*



**Source:** GrainSA

### **Stocks**

Ending stocks are estimated to expand by 10 percent to 2.2 MMT in MY 2024/25 on higher local production, equaling about two months of commercial utilization. However, stock levels are expected to drop to 2.0 MMT in MY 2023/24, due to higher demand in the region. Stocks are primarily stored by producer-owned agribusinesses (formerly cooperatives), traders, and processors. South Africa's storage capacity for grain and oilseeds exceeds 20 MMT.

**Table 5***Corn Production, Supply and Distribution*

<b>Corn</b>	<b>2022/2023</b>		<b>2023/2024</b>		<b>2024/2025</b>	
	<b>May 2023</b>		<b>May 2024</b>		<b>May 2025</b>	
	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
<b>Market Year Begins</b>						
<b>South Africa</b>						
<b>Area Harvested</b> (1000 HA)	2945	2945	3000	3000	0	3110
<b>Beginning Stocks</b> (1000 MT)	1954	1954	2354	2518	0	2018
<b>Production</b> (1000 MT)	17100	17094	15500	14500	0	16500
<b>MY Imports</b> (1000 MT)	0	70	0	100	0	0
<b>TY Imports</b> (1000 MT)	0	0	0	170	0	0
<b>TY Imp. from U.S.</b> (1000 MT)	1	1	0	0	0	0
<b>Total Supply</b> (1000 MT)	19054	19118	17854	17118	0	18518
<b>MY Exports</b> (1000 MT)	3600	3600	2900	2000	0	3000
<b>TY Exports</b> (1000 MT)	3619	3619	3000	2000	0	3000
<b>Feed and Residual</b> (1000 MT)	7000	6900	6900	6800	0	6850
<b>FSI Consumption</b> (1000 MT)	6100	6100	6000	6300	0	6450
<b>Total Consumption</b> (1000 MT)	13100	13000	12900	13100	0	13300
<b>Ending Stocks</b> (1000 MT)	2354	2518	2054	2018	0	2218
<b>Total Distribution</b> (1000 MT)	19054	19118	17854	17118	0	18518
<b>Yield</b> (MT/HA)	5.8065	5.8044	5.1667	4.8333	0	5.3055

(1000 HA) ,(1000 MT) ,(MT/HA)  
 MY = Marketing Year, begins with the month listed at the top of each column  
 TY = Trade Year, which for Corn begins in October for all countries. TY 2024/2025 = October 2024 - September 2025

## **WHEAT**

### **Production**

Post forecasts a marginal decline in South Africa's wheat area to 530,000 ha in MY 2024/25. With a decent wheat crop produced in MY 2023/24, coupled with a bearish outlook on local wheat prices, a major expansion in the area to be planted with wheat in the autumn (southern hemisphere) of 2024 for MY 2024/25 is limited. An expansion of wheat plantings under irrigation is also unlikely due to South Africa's continuous power outages, known as loadshedding locally. In addition, South Africa's wheat area stagnated at around 500,000 ha per annum over the past 10 years (see Figure 6). In many regions of South Africa dryland wheat production is no longer viable due to climatic changes and lower profitability compared to other crops like corn and soybeans. However, South Africa is realizing a positive trend in wheat production, mainly driven by higher yields. South Africa's wheat yields have more than doubled over past 30 years (see Figure 7) with the introduction of improved cultivars, and more efficient and effective farming practices, including precision and conservation farming. Though, producers noted that the yield improvements in wheat are dwarfed in comparison to increases in corn and soybeans driven by biotechnology. With the positive trend in yield improvement expected to continue in future, South Africa will keep wheat production steady on fewer hectares under normal climatic conditions.

With an area of 530,000 ha and an assumed 3-year average yield of 4.0 MT/ha, South Africa could realize a wheat crop of 2.1 MMT in MY 2024/25, narrowly exceeding the wheat crop produced in MY 2023/24 and MY 2022/23. Table 6 reflects the area planted, yield and production figures of wheat in South Africa for MY 2022/23 (actual), MY 2023/24 (estimate) and MY 2024/25 (forecast).

**Table 6**

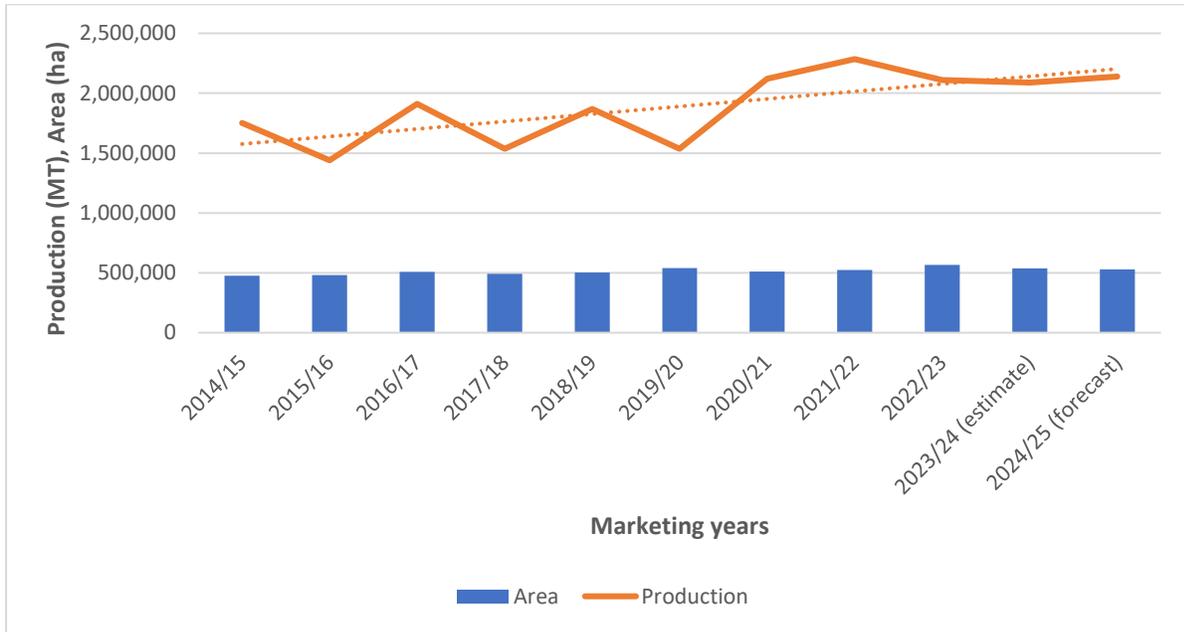
*Area Planted and Production of Wheat in South Africa*

<b>MY</b>	<b>Area (1,000 ha)</b>	<b>Yield (MT/ha)</b>	<b>Production (1,000 MT)</b>
<b>2022/23 (actual)</b>	567	3.7	2,110
<b>2023/24 (estimate)</b>	538	3.9	2,078
<b>2024/25 (forecast)</b>	530	4.0	2,140

**Source:** CEC

**Figure 6**

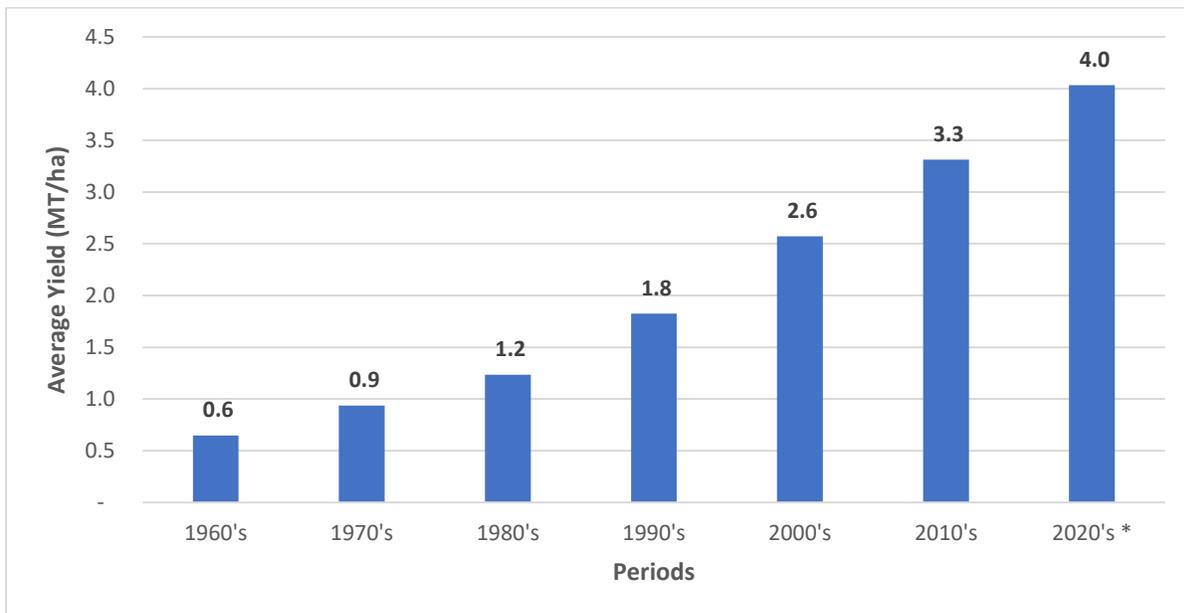
*Trends in the Area and Wheat Production in South Africa*



**Source:** Sagis

**Figure 7**

*Trends in the Average Wheat Yields in South Africa*



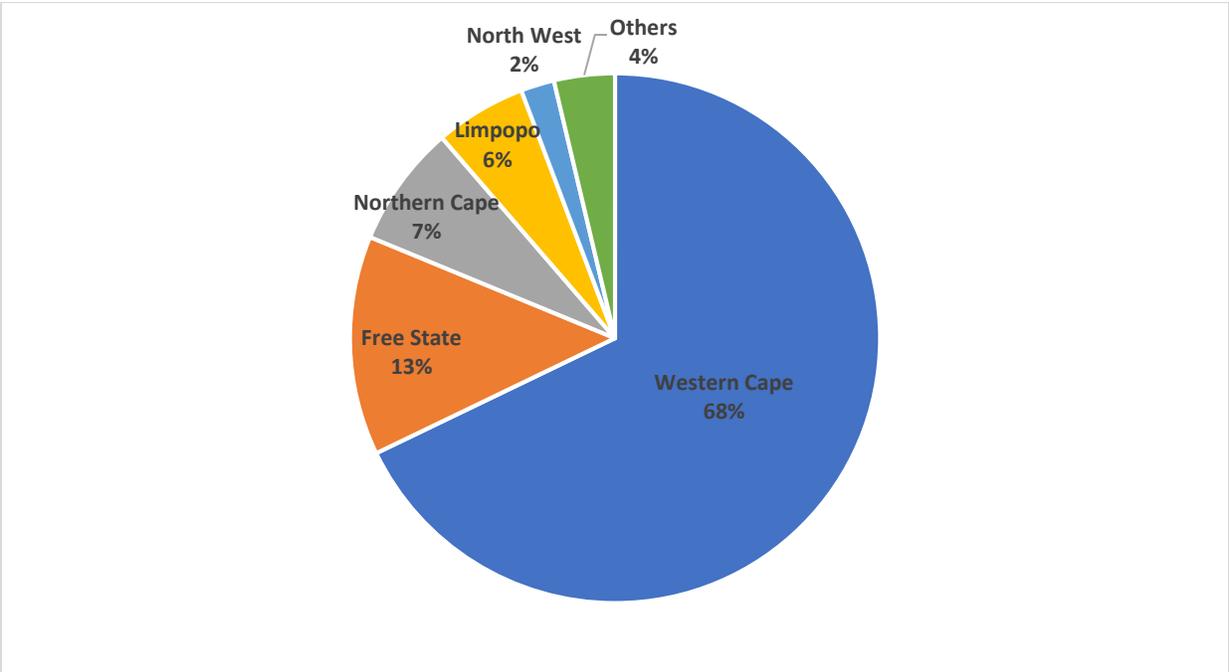
**Source:** Sagis

**Note:** \*Include only the first four years of the 2020's

On February 28, 2024, the CEC released the final estimate for MY 2023/24’s wheat crop. The CEC estimated the wheat crop at 2.1 MMT, a marginal drop from the previous marketing year on a 5 percent reduction in area. It is the fourth consecutive year that South Africa produced more than 2.0 MMT of wheat. Favorable weather conditions throughout the production season in the Western Cape province, a winter rainfall area, offset the drop in yields of the summer rainfall areas of the Free State and North West provinces. The average yield in the Western Cape province surge by 18 percent to 3.0 MT/ha in MY 2023/24. More than two-thirds of South Africa’s wheat is planted in the Western Cape province (also see Figure 8).

**Figure 8**

*The Distribution of Wheat Area by Provinces in South Africa*



Source: CEC

**Consumption**

Wheat is predominantly used for human consumption in South Africa. As economic growth continues to be sluggish, population growth is the main driver of wheat consumption. As a result, local wheat consumption grew on average by approximately one percent per annum over the past 10 years (see Figure 9). Post expects this trend to continue in MY 2024/25 with local wheat consumption marginally growing to 3.7 MMT. Post estimates wheat demand in MY 2023/24 just short of 3.7 MMT, marginally higher than in MY 2022/23 (see Table 7).

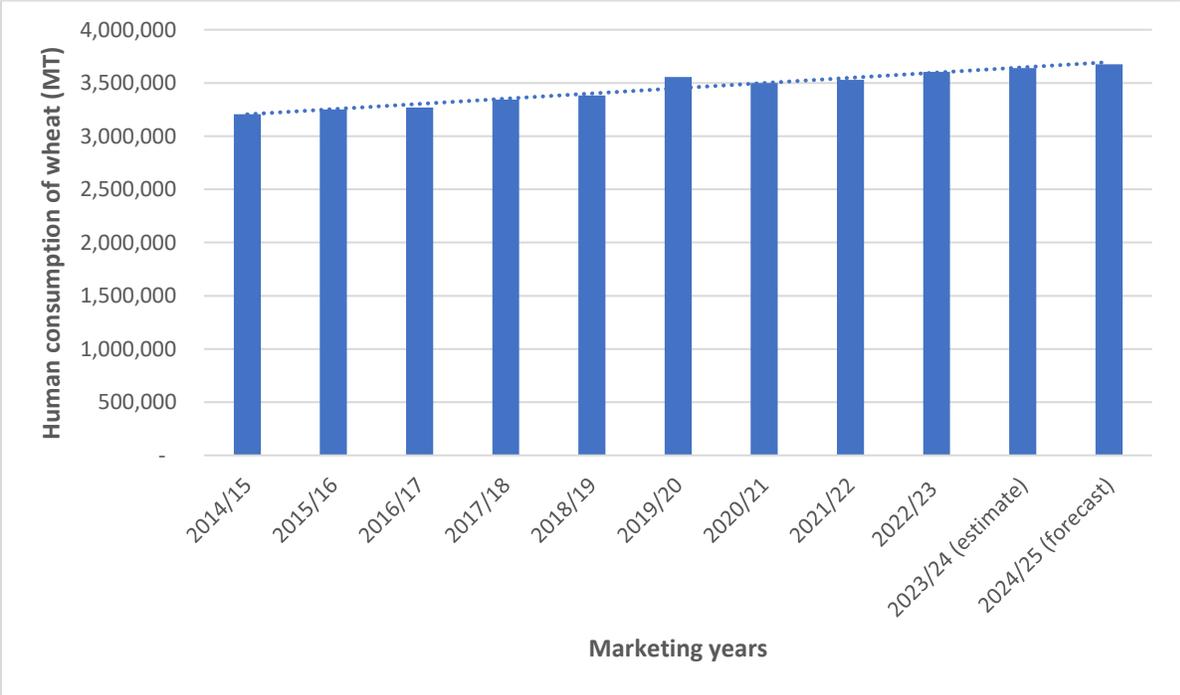
South Africa’s economic growth outlook over the medium term continues to be lackluster. The country’s GDP grew by a dim 0.6 percent in 2023 and is forecast to expand by only 1 percent in 2024 and 2025. In addition, there is growing pressure on consumer spending due to

relatively high inflation and interest rates, coupled with an unemployment rate of more than 30 percent. The reasons for South Africa trivial economic growth include prevailing electricity supply shortages, policy uncertainty, logistical infrastructure challenges, and volatile commodity prices. The struggling domestic economy will hinder any major upsurges in the demand for wheat.

Wheat is the second most important grain commodity consumed in South Africa after corn. The annual per capita consumption of corn, in the form of a meal, is the highest at 90kg/person, followed by wheat (60kg/person) and then rice (16kg/person). South Africa consumes around 2.4 billion loaves of bread per annum or 40 loaves of bread per person per year. In Table 7, the consumption of wheat in South Africa is illustrated for MY 2022/23 (actual), MY 2023/24 (estimate) and MY 2024/25 (forecast).

**Figure 9**

*Trends in the Human Consumption of Wheat in South Africa*



Source: Sagis

**Table 7***Consumption of Wheat in South Africa*

<b>Wheat (1,000 MT)</b>					
<b>Marketing year</b>	<b>Human<sup>1</sup></b>	<b>Animal</b>	<b>Seed</b>	<b>Other</b>	<b>TOTAL</b>
<b>2022/23 (actual)</b>	3,605	40	20	5	<b>3,635</b>
<b>2023/24 (estimate)</b>	3,640	20	20	5	<b>3,685</b>
<b>2024/25 (forecast)</b>	3,675	20	20	5	<b>3,720</b>

**Sources:** Sagis, Trade Data Monitor LLC

**Notes:** 1. Human consumption figures include local manufactured wheat products as well as imported products like wheat flour, uncooked pasta, and couscous.

**Trade**

Post forecasts that South Africa's wheat and wheat products imports could rise by 6 percent to 2.0 MMT in MY 2023/24 and should maintain that level in MY 2024/25. South Africa's wheat production is expected to flatten, while a higher demand for wheat in Southern Africa is expected. South Africa exports wheat to nearby countries in the region and acts as a conduit for grain imported from outside the region (also refer to Table 8). The current El Niño-induced drought is impacting grain production of several countries in the region, especially Zambia and Zimbabwe, which will enhance the demand of imported wheat. South Africa's exports of wheat and wheat products are expected to surge to approximately 400,000 MT in MY 2024/25 and MY 2023/24, due to higher regional demand. In MY 2022/23, South Africa exported 252,321 MT of wheat and 38,859 MT (wheat equivalent) of wheat products mostly to Zimbabwe, Botswana, and Zambia.

**Table 8***South Africa's Exports of Wheat by Country*

	MY 2022/23 (Oct 1, 2022 – Sept 30, 2023) MT	MY <sup>1</sup> 2023/24 (Oct 1, 2023 – Sept 30, 2024) MT
<b><u>Export Destinations</u></b>		
Lesotho	14,017	24,917
Zimbabwe	85,053	23,824
Botswana	79,193	19,654
Namibia	26,267	4,754
Zambia	44,515	968
Eswatini	3,276	0
<b>TOTAL EXPORTS</b>	<b>252,321</b>	<b>74,117</b>

**Source:** Sagis**Notes:** 1. Preliminary export data from October 1, 2023, to March 1, 2024

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

For the first five months of MY 2023/24 (October 2023 – February 2024), South Africa already imported 762,747 MT of wheat with Poland, Lithuania, Russia, and Latvia the major suppliers (see also Table 9).

In MY 2022/23, South Africa's wheat and wheat products imports grew by 4 percent to 1.8 MMT. South Africa imported 1.7 MMT of wheat and 152,291 MT (wheat equivalent) of wheat products in MY 2022/23. Poland, Russia, Australia, Lithuania, and Brazil were the major suppliers of wheat to South Africa. The United States supplied 18,547 MT of wheat to South Africa in MY 2022/23.

**Table 9***South Africa's Imports of Wheat by Country*

<b>MY 2022/23</b> <b>(Oct 1, 2022 – Sept 30, 2023)</b> <b>MT</b>		<b>MY<sup>1</sup> 2023/24</b> <b>(Oct 1, 2023 – Sept 30, 2024)</b> <b>MT</b>	
<b>Sources of Imports</b>		<b>Sources of Imports</b>	
Poland	512,319	Poland	262,696
Russia	263,783	Lithuania	191,788
Australia	260,151	Latvia	128,922
Lithuania	232,867	Russia	126,762
Brazil	135,833	Estonia	37,414
Germany	117,449	United States	10,865
Latvia	76,832	Canada	4,300
Argentina	33,719		
Czech Republic	32,856		
United States	18,547		
<b>TOTAL IMPORTS</b>	<b>1,684,356<sup>2</sup></b>		<b>762,747</b>

**Source:** Sagis**Notes:** 1. Preliminary import data from October 1, 2023, to March 1, 2024

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

Effective from July 2, 2021, there is no import tariff on wheat. The South African wheat tariff is calculated by means of a variable tariff formula to ensure that local wheat prices are maintained when the international prices are declining to support local producers and *vice versa* to support local consumers when international wheat prices are rising. The current zero import tariff effectively nullifies the advantages of the Economic Partnership Agreement (EPA) between South Africa and the European Union (EU). The EPA allows for an annual Tariff Rate Quota (TRQ) of 300,000 MT of wheat imported from countries in the EU.

**Table 10***South Africa's Import Tariffs for Wheat as of 03/11/2024*

General	European Union (EU)	European Free Trade Association (EFTA)	Southern Africa Development Community (SADC)	Mercosur	WTO Minimum Market Access	
					Annual quota	Extent of rebate
Free	Free	Free	Free	Free	108,279	Full duty less 14.4%

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

South Africa's current and future wheat prices as of March 8, 2024, are indicated in Table 11. As a net importer of wheat in a free market environment, local wheat prices usually follow the overall trend in import parity prices (see also Figure 10). In May 2022, local wheat prices reached a record level of R8,409/MT (\$450/MT) following the trend of higher global wheat prices due to the uncertainty created by the Russia-Ukraine conflict. However, wheat prices started to decline from the record levels and as of March 8, 2024, local wheat prices stood at R5,985/MT (\$320/MT), a 30 percent decline from the record price levels and a year-on-year drop of almost 10 percent. Local wheat prices will continue to be influenced by developments in the global market, as well as fluctuations in the South African exchange rate, and the production progress of the local wheat crop.

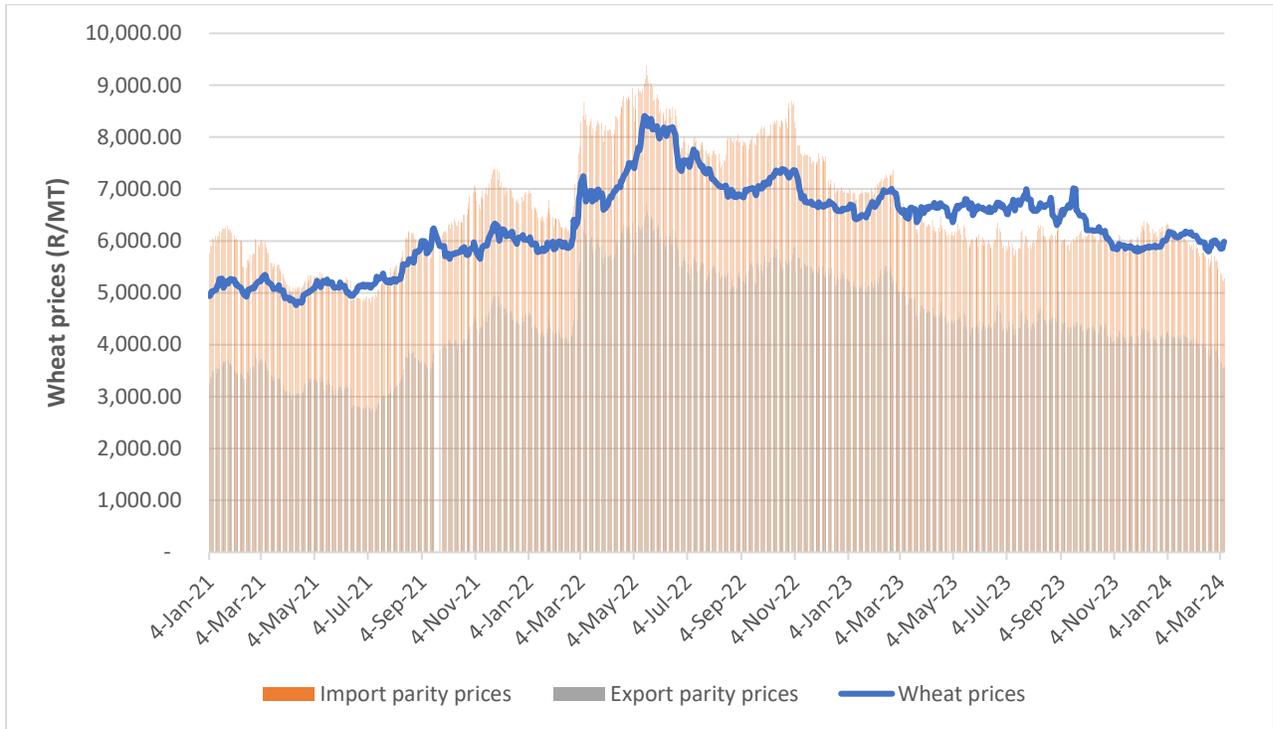
**Table 11***Local Prices for Wheat*

Commodity	Futures prices (year/month)				
	2024/03	2024/05	2024/07	2024/09	2024/12
Wheat	R5,985/MT (\$320/MT)	R5,979/MT (\$320/MT)	R6,018/MT (\$322/MT)	R5,986/MT (\$320/MT)	R5,850/MT (\$313/MT)

**Source:** GrainSA (as of 03/08/2024)**Note:** US\$1 = Rand 18.70

**Figure 10**

*The Trend in the Local Price for Wheat since January 2021*



**Source:** GrainSA

### Stocks

Ending stocks are expected to remain at above 450,000 MMT over the three marketing years under analysis, equaling about one-and-a-half month of commercial processing. Stocks are primarily stored by producer-owned agribusinesses (formerly cooperatives), traders, and processors.

**Table 12***Wheat Production, Supply and Distribution*

<b>Wheat</b>	<b>2022/2023</b>		<b>2023/2024</b>		<b>2024/2025</b>	
	<b>Oct 2022</b>		<b>Oct 2023</b>		<b>Oct 2024</b>	
	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>	<b>USDA Official</b>	<b>New Post</b>
<b>Market Year Begins</b>						
<b>South Africa</b>						
<b>Area Harvested</b> (1000 HA)	567	567	538	538	0	530
<b>Beginning Stocks</b> (1000 MT)	453	453	313	474	0	467
<b>Production</b> (1000 MT)	2110	2110	2200	2078	0	2140
<b>MY Imports</b> (1000 MT)	1600	1837	1900	2000	0	2000
<b>TY Imports</b> (1000 MT)	1404	1555	1850	1850	0	1900
<b>TY Imp. from U.S.</b> (1000 MT)	22	19	0	0	0	0
<b>Total Supply</b> (1000 MT)	4163	4400	4413	4552	0	4607
<b>MY Exports</b> (1000 MT)	320	291	300	400	0	400
<b>TY Exports</b> (1000 MT)	332	332	300	350	0	350
<b>Feed and Residual</b> (1000 MT)	30	45	20	25	0	25
<b>FSI Consumption</b> (1000 MT)	3500	3590	3600	3660	0	3695
<b>Total Consumption</b> (1000 MT)	3530	3635	3620	3685	0	3720
<b>Ending Stocks</b> (1000 MT)	313	474	493	467	0	487
<b>Total Distribution</b> (1000 MT)	4163	4400	4413	4552	0	4607
<b>Yield</b> (MT/HA)	3.7213	3.7213	4.0892	3.8625	0	4.0377

(1000 HA) ,(1000 MT) ,(MT/HA)  
 MY = Marketing Year, begins with the month listed at the top of each column  
 TY = Trade Year, which for Wheat begins in July for all countries. TY 2024/2025 = July 2024 - June 2025

# **RICE**

## **Production**

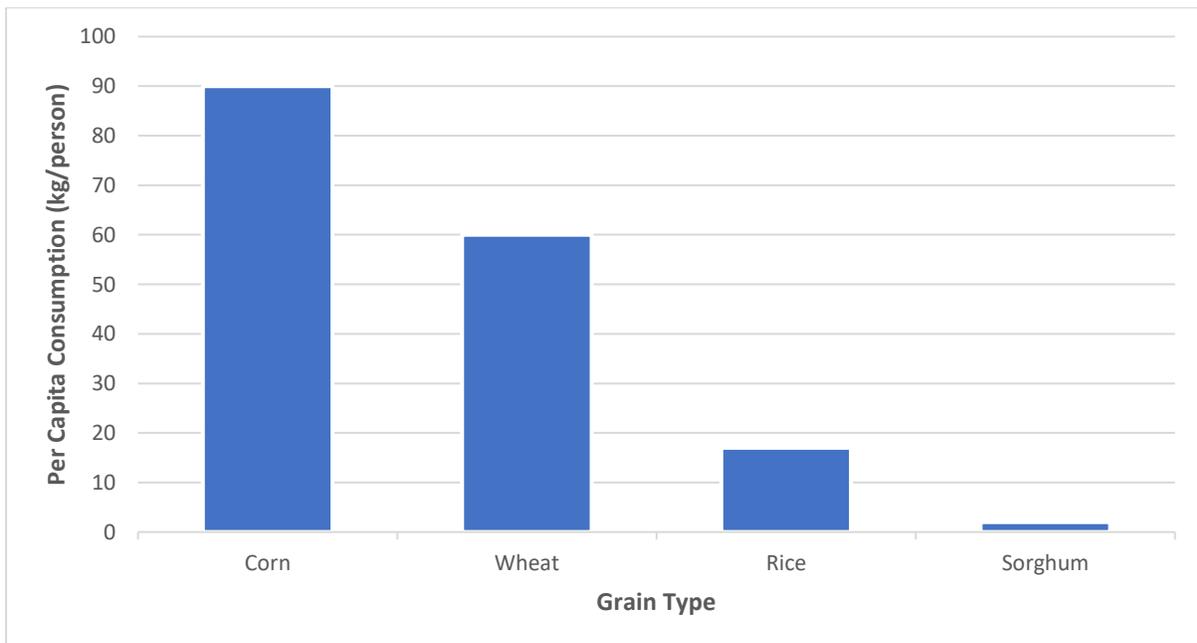
Rice production is insignificant in South Africa as farmers mainly focus on planting field crops. Corn, wheat, soybeans, and sunflower have a long history of production in South Africa, and cultivars better adaptable to the local climatical conditions were developed over time. Rice cultivation was never part of these developments due to the high-water requirements of the crop in a relatively water-scarce country. Therefore, South Africa is dependent on duty free rice imports to meet the local demand.

## **Consumption**

Corn, in the form of a flour, wheat products, and rice are the three major grains for human consumption in South Africa. The annual per capita consumption of corn is the highest at 90kg/person, followed by wheat (60kg/person), and then rice (16kg/person) (see also Figure 11). However, rice is the predominant food source of carbohydrates in some South African households, especially amongst the local Indian and Asian population of about 1.7 million. More than 90 percent of rice consumed in South Africa is parboiled with the balance made up primarily of the Basmati variety.

**Figure 11**

*South Africa's Annual Per Capita Consumption of the Major Grains*



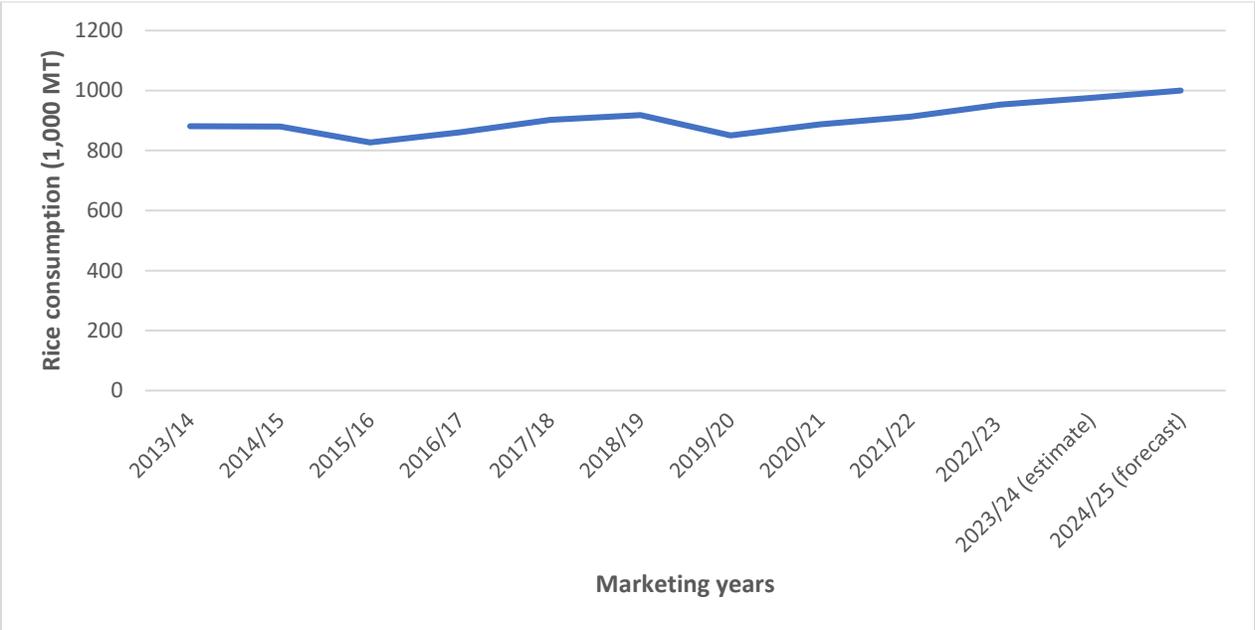
**Source:** Sagis, Department of Agriculture, Land Reform and Rural Development (DALRRD)

Post foresees that the marginal growth rate in the demand for rice will continue in MY 2023/24 and MY 2024/25 to 975,000 MT and 1.0 MMT, respectively. Over the past 10 years, there were no major demand surges for rice in South Africa (see also Figure 12) and the minimal upward trend is mainly driven by population growth. Coupled with higher retail prices for rice, reflecting an increase in global rice prices, compared to substitute products (see Figure 13), the consumption of rice in South Africa is not expected to grow significantly in the short term.

In addition, South Africa’s economic growth outlook over the medium term continues to be lackluster. The country’s GDP grew by a dismal 0.6 percent in 2023 and is expected to expand by only 1 percent in 2024 and 2025. In addition, there is growing pressure on consumer spending due to relatively high inflation and interest rates and a dull job market. South Africa's unemployment rate eased slightly to 32 percent in the fourth quarter of 2023, down from a record high of 35 percent in the last quarter of 2021. This will hinder any significant upsurge in rice consumption.

**Figure 12**

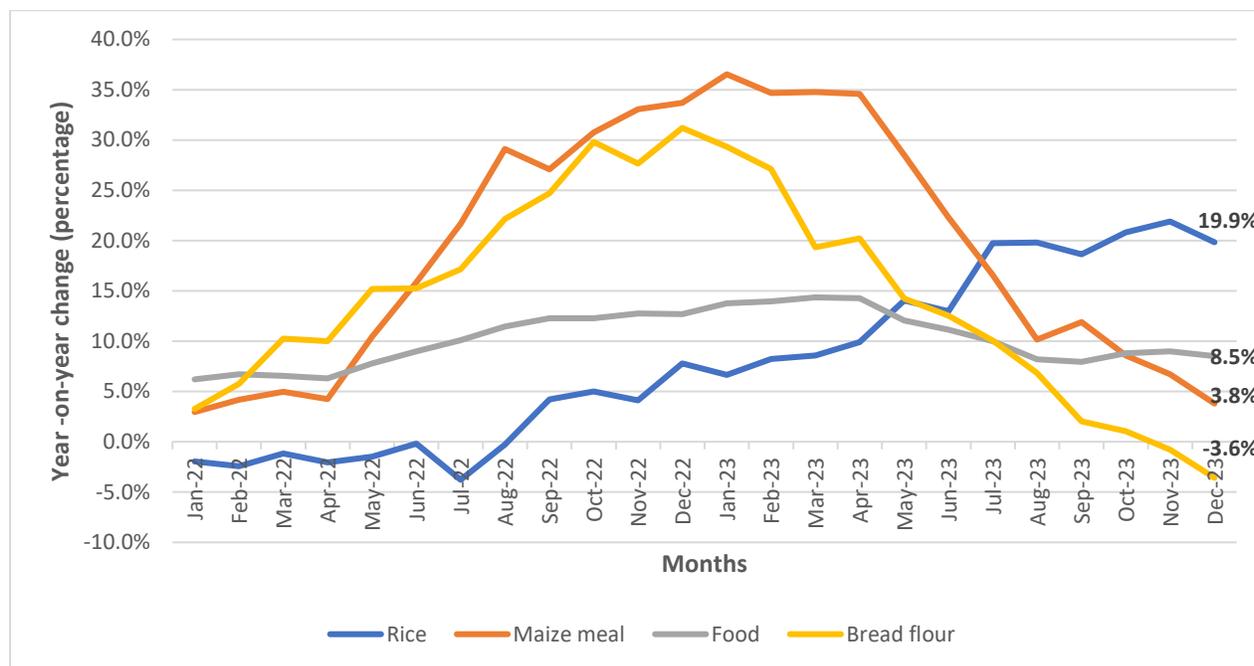
*Trends in the Consumption of Rice in South Africa*



**Source:** USDA’s Production, Supply and Distribution Online

**Figure 13**

*Trends in the Inflation Rates of Rice, Maize Meal, and Bread Flour in South Africa*



Source: Stats SA

## Trade

In MY 2024/25, South Africa’s rice imports are expected to flatten at 1.2 MMT as local demand is restricted. South Africa’s rice imports are traditionally dominated by Thailand and India. Together, these two countries supply more than 95 percent of South Africa’s rice demand. In the first nine months of MY 2023/24, South Africa imported 893,000 MT of rice (see also Table 13) and Post estimates imports could reach almost 1.2 MMT at the end of MY 2023/24. This represents growth of 6 percent from MY 2022/23, in line with a marginal change in local demand and an improvement in rice exports by South Africa.

South Africa imports rice for re-export to countries in southern Africa, especially to Botswana, Eswatini, Zimbabwe, Zambia, Namibia, and Lesotho (see Table 14). Although exports are relatively small this usually represents more than 10 percent of South Africa’s rice imports. In MY 2024/25, rice exports are expected to rise by 9 percent to reach 185,000 MT on growing demand in the region due to the impact of the current El Niño induced drought on grain production. In MY 2023/24 South Africa’s rice re-exports to the region is expected to surge by 15 percent to 170,000 MT driven by more sales to Botswana, Eswatini, Zambia and Zimbabwe. Rice consumption in the region is growing due to urbanization and dietary shifts, albeit from a relatively low base.

**Table 13***South Africa Imports of Rice (milled rice equivalent)*

	<b>MY 2022/23</b> <b>(May 1, 2022 – Apr 30, 2023)</b> <b>(1,000 MT)</b>	<b>MY<sup>1</sup> 2023/24</b> <b>(May 1, 2023 – Apr 30, 2024)</b> <b>(1,000 MT)</b>
<b><u>Sources of Imports</u></b>		
Thailand	838	660
India	221	179
Others not Listed	28	54
<b>Total</b>	<b>1,087</b>	<b>893</b>

**Source:** Trade Data Monitor, LLC**Note:** 1. Preliminary import data from May 1, 2023, to January 31, 2024**Table 14***South Africa Exports of Rice (milled rice equivalent)*

	<b>MY 2022/23</b> <b>(May 1, 2022 – Apr 30, 2023)</b> <b>(1,000 MT)</b>	<b>MY<sup>1</sup> 2023/24</b> <b>(May 1, 2023 – Apr 30, 2024)</b> <b>(1,000 MT)</b>
<b><u>Destination</u></b>		
Botswana	43	37
Eswatini	38	33
Zimbabwe	25	21
Zambia	11	13
Namibia	19	10
Lesotho	10	8
Others not Listed	3	1
<b>Total</b>	<b>149</b>	<b>123</b>

**Source:** Trade Data Monitor, LLC**Note:** 1. Preliminary import data from May 1, 2023, to January 31, 2024

**Table 15**

*Rice Production, Supply and Distribution*

Rice, Milled Market Year Begins South Africa	2022/2023		2023/2024		2024/2025	
	May 2022		May 2023		May 2024	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	0	0	0	0	0	0
Beginning Stocks (1000 MT)	80	80	65	65	0	70
Milled Production (1000 MT)	0	0	0	0	0	0
Rough Production (1000 MT)	0	0	0	0	0	0
Milling Rate (.9999) (1000 MT)	0	0	0	0	0	0
MY Imports (1000 MT)	1087	1087	1150	1150	0	1180
TY Imports (1000 MT)	1221	1221	1100	1100	0	1100
TY Imp. from U.S. (1000 MT)	0	0	0	0	0	0
Total Supply (1000 MT)	1167	1167	1215	1215	0	1250
MY Exports (1000 MT)	149	149	170	170	0	185
TY Exports (1000 MT)	159	159	160	160	0	180
Consumption and Residual (1000 MT)	953	953	975	975	0	1000
Ending Stocks (1000 MT)	65	65	70	70	0	65
Total Distribution (1000 MT)	1167	1167	1215	1215	0	1250
Yield (Rough) (MT/HA)	0	0	0	0	0	0

(1000 HA) ,(1000 MT) ,(MT/HA)  
 MY = Marketing Year, begins with the month listed at the top of each column  
 TY = Trade Year, which for Rice, Milled begins in January for all countries. TY 2024/2025 = January 2025 - December 2025

**Attachments:**

No Attachments