

**Required Report:** Required - Public Distribution

**Date:** January 24, 2023

**Report Number:** SF2023-0002

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

**Country:** South Africa - Republic of

**Post:** Pretoria

**Report Category:** Grain and Feed

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

**Approved By:** Ali Abdi

### **Report Highlights:**

South Africa's grain production is off to a decent start in marketing year 2022/23. Above-average rains over most parts of the summer rainfall production area during November and December enhanced crop plantings and provided conducive growing conditions. However, excessive rains on the eastern side of South Africa's corn production area delayed planting operations and caused damage to already-planted crops that could negatively impact yields. The true effect will only become clear over the next few months. Hence, Post's estimate for South Africa's total corn crop (subsistence and commercial production) remains unchanged at 15.6 million metric tons for marketing year 2022/23. South Africa should maintain its status as a net exporter of corn. Regarding marketing year 2021/22, South Africa is heading to 3.0 million metric tons of corn exports after producing the third-largest crop on record.

## Executive Summary

Post's estimate for South Africa's total corn crop (subsistence and commercial production) remains unchanged at 15.6 million metric tons (MMT) for marketing year (MY<sup>1</sup>) 2022/23. Widespread and above-average rains in November and December over most parts of the summer rainfall production area boosted crop plantings and provided conducive growing conditions. However, excessive rains delayed planting operations in some areas, especially the eastern side of the country, and caused damage to already-planted crops that could negatively impact crop yields. The extent of the impact will become clear over the next few months.

South Africa is expected to maintain its status as a net exporter of corn in MY 2022/23. Post estimates South Africa will export around 2.5 MMT of corn on an estimated commercial corn crop of 15.0 MMT. For MY 2021/22, South Africa is heading for 3.0 MMT of corn exports, primarily to Taiwan, Japan, Vietnam, Botswana, and Mexico.

US\$1 = Rand 16.92 (01/11/2023)

---

<sup>1</sup> *The marketing years 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's estimate for South Africa's total corn crop (subsistence and commercial production) remains unchanged at 15.6 MMT for MY 2022/23. Green vegetation, the results of a La Niña induced rainy season is visible throughout South Africa's summer rainfall area, supporting the outlook for another positive agricultural season. Widespread and above-average rains in November and December over most parts of the summer rainfall production area boosted crop plantings. The favorable conditions continued in January with warmer and sunnier days providing conducive growing conditions for the developing crop. However, excessive rains in some parts of the Mpumalanga, the eastern Free State and Kwazulu-Natal provinces delayed planting operations to outside the optimal planting window (from October to mid-November) and damaged already-planted crops that could negatively impact yields. About half of typical production comes from the provinces impacted by heavy rains. The true effect will only become clear over the next few months. The South African Crop Estimates Committee (CEC) is tracking the impact of the heavy rains and will release its first summer crop production estimate by the end of February 2023.

On November 29, 2022, the CEC released its final production estimate for MY 2021/22's summer rainfall crops. The CEC estimated the South African corn crop for MY 2021/22 at 16.1 MMT (15.4 MMT from commercial producers and 667,000 MT from subsistence producers) on 3.0 million hectares (MHa) at a national average yield of 5.3 MT/ha. The corn crop of MY 2021/22 crop is the third-largest corn crop ever produced in South Africa and only the fifth time on record that corn production has exceeded 15.0 MMT. The three main corn producing areas in South Africa, namely the Free State (41 percent), Mpumalanga (23 percent) and North West (17 percent) provinces produced collectively 81 percent of MY 2021/22's corn crop. South Africa produced 8.3 MMT of white corn (representing 52 percent of the total corn crop) and 7.8 MMT of yellow corn.

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 in MY 2020/21 (actual), 2021/22 MY (estimate), and 2022/23 MY (forecast).

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

	Area 1,000ha	Yield MT/ha	Prod. 1,000MT	Area 1,000ha	Yield MT/ha	Prod. 1,000MT	Area 1,000ha	Yield MT/ha	Prod. 1,000MT
MY	2020/21 (actual)			2021/22 (estimate)			2022/23 (forecast)		
<b><u>Commercial production</u></b>									
White	1,692	5.1	8,600	1,575	4.9	7,790	1,550	5.2	8,100
Yellow	1,063	7.3	7,715	1,048	7.2	7,597	1,050	6.5	6,900
<b>Sub Total</b>	<b>2,755</b>	<b>5.9</b>	<b>16,315</b>	<b>2,623</b>	<b>5.9</b>	<b>15,387</b>	<b>2,600</b>	<b>5.7</b>	<b>15,000</b>
<b><u>Subsistence production</u></b>									
White	276	1.7	445	297	1.6	482	220	1.8	400
Yellow	87	2.3	191	82	2.3	185	80	2.5	200
<b>Sub Total</b>	<b>363</b>	<b>1.8</b>	<b>636</b>	<b>379</b>	<b>1.8</b>	<b>667</b>	<b>300</b>	<b>2.0</b>	<b>600</b>
<b>TOTAL</b>	<b>3,118</b>	<b>5.4</b>	<b>16,951</b>	<b>3,002</b>	<b>5.3</b>	<b>16,054</b>	<b>2,900</b>	<b>5.4</b>	<b>15,600</b>

**Source:** CEC and Post estimates**Consumption**

Post maintains its previous estimate and forecast for the commercial demand for corn in South Africa in MY 2021/22 and MY 2022/23 at 11.8 MMT and 12.0 MMT, respectively. This represents a marginal growth rate from MY 2020/21 and correlates with the latest utilization figures published by the South African Grain Information Services (Sagis). South Africa's economic growth outlook over the medium term remains lackluster due to prevailing policy uncertainty, structural constraints, including continuous power outages and growing pressure on consumer spending due to rising inflation and interest rates. The struggling domestic economy will hinder any major upsurges in the demand for corn, especially with the current relatively high commodity price environment.

Table 2 outlines the commercial consumption for white corn and yellow corn in South Africa for the MY 2020/21 (actual), MY 2021/22 (estimate), and MY 2022/23 (forecast).

**Table 2***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>2020/21</b>			<b>2021/22</b>			<b>2022/23</b>		
<b>Human</b>	4,887	688	<b>5,575</b>	5,000	650	<b>5,650</b>	5,100	650	<b>5,750</b>
<b>Animal</b>	2,407	3,491	<b>5,898</b>	2,200	3,800	<b>6,000</b>	2,000	4,100	<b>6,100</b>
<b>Other</b>	29	73	<b>102</b>	50	100	<b>150</b>	50	100	<b>150</b>
<b>TOTAL</b>	<b>7,323</b>	<b>4,252</b>	<b>11,575</b>	<b>7,250</b>	<b>4,550</b>	<b>11,800</b>	<b>7,150</b>	<b>4,850</b>	<b>12,000</b>

**Source:** Sagis

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

**Trade**

South Africa is expected to maintain its status as a net exporter of corn in MY 2022/23. Post estimates South Africa will export around 2.5 MMT of corn on an estimated commercial corn crop of 15.0 MMT.

For MY 2021/22, South Africa is heading for 3.0 MMT of corn exports. In the first eight months of MY 2021/22, South Africa already exported 2.4 MMT of corn (see Table 3). So far, South Africa exported 1.7 MMT of yellow corn and 611,727 MT of white corn. The top five markets are Taiwan, Japan, Vietnam, Botswana, and Mexico. These countries represent 75 percent of South Africa's corn exports. Exports to the Asia countries consist exclusively of yellow corn, while corn exports to Botswana and Mexico are mainly white corn. More white corn exports to Mexico are expected in the coming months.

**Table 3***South Africa's Exports of Corn in MY 2020/21 and MY 2021/22*

MY 2020/21 May 1, 2021 – Apr 30, 2022 (1,000 tons)				MY <sup>1</sup> 2021/22 May 1, 2022 – Apr 30, 2023 (1,000 tons)			
Countries	White corn	Yellow corn	Total	Countries	White corn	Yellow corn	Total
<b><u>Export Destinations</u></b>				<b><u>Export Destinations</u></b>			
Taiwan	0	880	880	Taiwan	0	588	588
Japan	0	825	825	Japan	0	555	555
Vietnam	0	500	500	Vietnam	0	352	352
South Korea	0	430	430	Botswana	151	9	160
Botswana	243	12	255	Mexico	147	0	147
Italy	174	27	201	Italy	129	0	129
Namibia	123	44	167	South Korea	0	105	105
Eswatini	46	103	149	Eswatini	19	61	80
Mozambique	74	44	118	Mozambique	31	30	61
Spain	0	103	103	Lesotho	46	9	55
Lesotho	53	0	53	Namibia	25	30	55
Angola	17	16	33	Portugal	52	0	52
Ghana	0	10	10	Zimbabwe	27	1	28
Zimbabwe	5	0	5	Honduras	25	0	25
Saudi Arabia	0	2	2	Angola	0	6	6
Seychelles	0	1	1	Saudi Arabia	0	6	6
<b>TOTAL EXPORTS</b>	<b>735</b>	<b>2,997</b>	<b>3,732</b>	<b>TOTAL EXPORTS</b>	<b>652</b>	<b>1,752</b>	<b>2,404</b>

**Source:** Sagis**Note:** 1. Preliminary export data from May 1, 2022, to January 6, 2023**Prices**

South Africa's local corn prices are trading in correlation with export parity levels, an indication of the availability of surplus corn and a positive outlook for the current season. As a result, local corn prices dropped by around 11 percent the past three months due to the strengthening of the local currency and the decline in global corn prices. Nevertheless, local white corn and yellow prices are trading, respectively, 20 percent and 14 percent higher than a year ago. Table 4 indicates the current and future prices of South African corn as of January 11, 2023. Local corn prices will continue to move with export parity levels in the near future and will be impacted by the development of the local corn crop, the trend in global corn prices and South Africa's volatile exchange rate.

**Table 4**

*Local Corn Prices*

Commodity	Futures prices (year/month)				
	2023/01	2023/03	2023/05	2023/07	2023/09
White corn	R4,512/MT (\$267/MT)	R4,450/MT (\$263/MT)	R4,320/MT (\$255/MT)	R4,276/MT (\$253/MT)	R4,341/MT (\$257/MT)
Yellow corn	R4,430/MT (\$262/MT)	R4,455/MT (\$263/MT)	R4,397/MT (\$260/MT)	R4,357/MT (\$258/MT)	R4,414/MT (\$260/MT)

**Source:** GrainSA (as of 01/11/2023)

**Note:** US\$1 = Rand 16.92

**Figure 3**

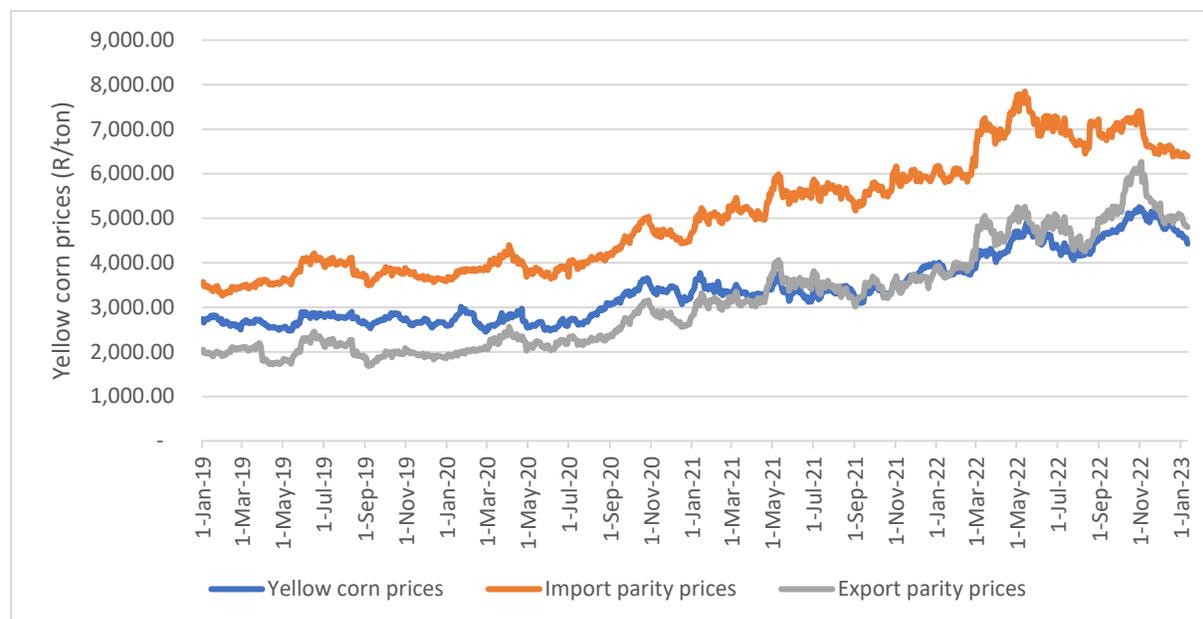
*The Trend in the Local Price for White Corn since January 2019*



**Source:** GrainSA

**Figure 4**

*The Trend in the Local Price for Yellow Corn since January 2019*



Source: GrainSA

**Table 5**

*Corn Production, Supply and Distribution*

Corn Market Year Begins	2020/2021		2021/2022		2022/2023	
	May 2021		May 2022		May 2023	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	3118	3118	3000	3002	3000	2900
Beginning Stocks (1000 MT)	2117	2117	2124	2124	1924	1878
Production (1000 MT)	16951	16951	16100	16054	16700	15600
MY Imports (1000 MT)	8	8	0	0	0	0
TY Imports (1000 MT)	6	6	0	0	0	0
TY Imp. from U.S. (1000 MT)	1	1	0	0	0	0
Total Supply (1000 MT)	19076	19076	18224	18178	18624	17478
MY Exports (1000 MT)	3732	3732	3200	3000	3400	2500
TY Exports (1000 MT)	2751	2751	3830	3830	3400	2000
Feed and Residual (1000 MT)	7220	7220	7200	7300	7300	7400
FSI Consumption (1000 MT)	6000	6000	5900	6000	6000	6100
Total Consumption (1000 MT)	13220	13220	13100	13300	13300	13500
Ending Stocks (1000 MT)	2124	2124	1924	1878	1924	1478
Total Distribution (1000 MT)	19076	19076	18224	18178	18624	17478
Yield (MT/HA)	5.4365	5.4365	5.3667	5.3478	5.5667	5.3793

(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 2022/2023 = October 2022 - September 2023

**Attachments:**

No Attachments