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Report Highlights:

Corn production in South Africa is off to a reasonable start in marketing year 2023/24 after decent rainfall was recorded over most of the corn-producing areas. An exception, however, is the North West province, where limited and scattered rainfall during the first part of the rainy season resulted in low soil moisture. The drier conditions will hamper corn production in the province, although the full effect will only become clear over the next few months. The crop on the eastern side of the country is in good condition with sufficient soil moisture after adequate rainfall in the first part of January 2024. Hence, Post's estimate for South Africa's corn crop remains unchanged at 15.8 million metric tons for marketing year 2023/24. As a result, South Africa should maintain its status as a net exporter of corn.

Executive Summary

Post forecasts that South Africa should maintain its status as a net exporter of corn in marketing year (MY¹) 2023/24 (May 2024 to April 2025) with 3.0 million metric tons (MMT) of corn exports. Current production conditions in the main corn-producing areas are promising, therefore Post kept its estimate for South Africa's corn crop in MY 2023/24 unchanged at 15.8 MMT on 2.9 million hectares (MHa).

The corn crop of MY 2022/23 is South Africa's second largest on record, which means that South Africa's five largest corn crops were produced in the past seven years, driven mainly by improved yields and favorable weather conditions. The bumper crops places South Africa in a position to maintain export markets. In the first eight months of MY 2022/23, South Africa already exported 2.6 MMT of corn, primarily to South Korea, Japan, Taiwan, Zimbabwe, Botswana, and Vietnam. However, Post lowered its previous estimate for South Africa's corn exports in MY 2022/23 by 5 percent to 3.8 MMT. South Africa's corn exports started to decline in recent weeks after the Northern Hemisphere countries' corn harvest and consequent entry into the world market. In addition, due to structural and capacity constraints at South African ports, corn exports compete with local soybeans exports for loading slots. South Africa already exported 566,000 MT of soybeans in MY 2022/23, more than double that of the previous season. However, South Africa will continue exporting corn to countries where it has a competitive price advantage, including neighboring countries.

US\$1 = Rand 18.80 (01/16/2024)

¹ The MYs used in the text refer 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 kept its estimate for South Africa's corn crop (including commercial and subsistence producers) in MY 2023/24 unchanged at 15.8 MMT on 2.9 MHa, which is 7 percent lower than the corn crop of 17.1 MMT in MY 2022/23.

Corn production in South Africa is off to a reasonable start in MY 2023/24 after decent rainfall was recorded between October and December of last year over most of the corn-producing area. According to reports, producers also planted most of the pre-season intended corn area. An exception, however, is the North West province, where rainfall was limited and scattered during the first part of the rainy season resulting in low soil moisture and harsh production conditions. As a result, most producers delayed planting until the middle of December after receiving some rain. The drier conditions are expected to reduce planted corn area with contacts indicating that producers planted less than last season in the province. On average corn production in the North West province contributes about 17 percent to South Africa's total corn crop. On the other hand, South Africa's corn crop in the eastern side of the country appears promising with sufficient soil moisture after adequate rainfall during the first part of January 2024. However, it is still early in the season, and sufficient rainfall during February and March, especially during the corn plants' grain filling stages, will be a necessity to realize optimal yields.

The Crop Estimates Committee (CEC) will release its preliminary area planted estimates on January 30, 2024, which will paint a clearer picture of the area planted with corn in South Africa in MY 2023/24. It will also indicate the impact of the drier conditions in the western side of the corn-producing area on the final area planted with corn.

On November 28, 2023, the CEC released its final production estimate for MY 2022/23's summer rainfall crops (see [Crop Estimates](#)). According to the CEC, South Africa produced its fourth bumper crop in a row and second-largest corn crop on record in MY 2022/23 at 17.1 MMT (16.4 MMT from commercial producers and 664,040 MT from subsistence producers). This corn crop is 6 percent larger than the previous season's crop of 16.1 MMT. The CEC estimates a national average yield of 5.8 MT/ha, marginally lower than the record of 5.9 MT/ha set in MY 2016/17. The three main corn-producing areas in South Africa, namely the Free State (44 percent), Mpumalanga (22 percent), and North West (17 percent) provinces produced collectively 83 percent of MY 2022/23's corn crop. The white corn crop is estimated at 9.0 MMT (representing 53 percent of the total corn crop) and the yellow corn crop at 8.1 MMT.

Table 1 details the area planted, yield, and production figures for commercial white corn and yellow corn, as well as corn produced by subsistence farmers for MY 2021/22 (actual), MY 2022/23 (estimate), and MY 2023/24 (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	2021/22 (actual)			2022/23 (estimate)			2023/24 (forecast)		
<u>Commercial Production</u>									
White	1,575	5.0	7,850	1,521	5.6	8,500	1,500	5.1	7,660
Yellow	1,048	7.3	7,620	1,065	7.4	7,895	1,060	7.1	7,540
Sub Total	2,623	5.9	15,470	2,586	6.3	16,395	2,560	5.9	15,200
<u>Subsistence Production</u>									
White	297	1.6	482	279	1.7	473	220	1.8	400
Yellow	82	2.3	185	80	2.4	191	80	2.5	200
Sub Total	379	1.8	667	359	1.8	664	300	2.0	600
TOTAL	3,002	5.4	16,137	2,945	5.8	17,059	2,860	5.5	15,800

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

Post maintains its previous estimate and forecast for the commercial demand for corn in South Africa in MY 2022/23 and MY 2023/24 at 11.7 MMT and 12.0 MMT, respectively. South Africa's economic growth outlook over the medium term continues to be lackluster. The country's Gross Domestic Product (GDP) is estimated to have grown by a slow 0.8 percent in 2023 and is expected to grow by only 1 percent in 2024. In addition, there is growing pressure on consumer spending due to rising inflation and interest rates and a dull job market.

These economic conditions 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. In addition, South Africa's poultry industry is still recovering from a major outbreak of Highly Pathogenic Avian Influenza in 2023. Due to the extent of the outbreak and the number of birds affected, Post estimates that the local demand for corn as animal feed could drop by approximately 6 percent in MY 2022/23.

On the other hand, Post estimates that the human consumption of corn in MY 2022/23 and MY 2023/24 could raise by 4 percent and 3 percent, respectively. White corn, in the form of a meal, is the staple food for many South African households as it is a relatively inexpensive source of carbohydrates. Consumers are expected to increase reliance on staple starches to meet caloric demands in a high food inflation environment.

Table 2 outlines the commercial consumption for white corn and yellow corn in South Africa for the MY 2021/22 (actual), MY 2022/23 (estimate), and MY 2023/24 (forecast).

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
	2021/22			2022/23			2023/24		
	MY								
Human	4,983	702	5,685	5,200	700	5,900	5,350	700	6,050
Animal	1,583	4,365	5,948	1,800	3,800	5,600	1,800	4,000	5,800
Other	28	54	82	50	100	150	50	100	150
TOTAL	6,594	5,121	11,715	7,050	4,600	11,650	7,200	4,800	12,000

Source: Sagis

**Please note consumption figures in the PS&D tables vary, as the figures in the PS&D tables also include corn utilized by the subsistence farming sector and on-farm usage.*

Trade

South Africa is expected to maintain its status as a net exporter of corn in MY 2023/24. Post estimates South Africa will export around 3.0 MMT of corn on an estimated commercial corn crop of more than 15.0 MMT and higher beginning stocks.

For MY 2022/23, Post lowered its previous estimate for South Africa's corn exports in MY 2022/23 by 5 percent to 3.8 MMT. South Africa's corn exports started to decline in recent weeks after the Northern Hemisphere countries' corn harvest and consequent entry into the world market. In addition, corn exports compete with local soybeans exports for loading slots due to structural and capacity constraints at the ports. South Africa already exported 566,000 MT of soybeans in MY 2022/23, more than double the previous season. In the past, South Africa's trade in oilseeds was generally limited, as the bulk of production was destined for local crushing. However, with the surge in the local production of soybeans and crushing capacity reaching optimal levels, South Africa's soybean exports are expected to reach a historically high level of more than 650,000 MT in MY 2022/23.

In the first eight months of MY 2022/23, South Africa already exported 2.6 MMT of corn, primarily to South Korea, Japan, Taiwan, Zimbabwe, Botswana, and Vietnam (see also Table 3). These countries represented more than 75 percent of South Africa's corn exports. Exports to Asian countries consisted mainly of yellow corn, while corn exports to Zimbabwe and Botswana were largely white corn. South Africa will continue exporting corn to countries where it has a

competitive price advantage, including neighboring countries, especially Zimbabwe. South Africa's corn exports to Zimbabwe surged by more than 300 percent over the past three months. Post estimates that Zimbabwe will have to import at least 450,000 MT of corn in MY 2023/24 after production fell short to meet local demand.

Table 3

South Africa's Exports of Corn in MY 2021/22 and MY 2022/23

Countries	MY 2021/22 (1,000 tons)			Countries	MY 2022/23* (1,000 tons)		
	White corn	Yellow corn	Total		White corn	Yellow corn	Total
Taiwan	0	720	720	South Korea	0	492	492
Japan	0	605	605	Japan	0	468	468
Vietnam	0	353	353	Taiwan	0	463	463
Mexico	337	0	337	Zimbabwe	135	73	208
Italy	262	4	266	Botswana	171	20	191
Botswana	211	28	239	Vietnam	0	179	179
South Korea	95	130	225	Mozambique	90	47	137
Namibia	101	36	137	Namibia	91	40	131
Zimbabwe	119	10	129	China	0	112	112
Eswatini	37	87	124	Eswatini	34	57	91
China	0	108	108	Kenya	68	0	68
Mozambique	52	51	103	Guatemala	43	0	43
Kenya	87	0	87	Lesotho	43	0	43
Lesotho	76	9	85	Ghana	4	2	6
Portugal	53	0	53	Saudi Arabia	0	5	5
Honduras	47	0	47	Malawi	0	1	1
Guatemala	22	0	22				
Angola	0	6	6				
Saudi Arabia	0	6	6				
TOTAL	1,499	2,153	3,652	TOTAL	679	1,961	2,640

Source: Sagis

**Preliminary export data from May 1, 2023 to January 5, 2024*

Marketing

Local corn is trading in correlation with export parity prices, an indication of the current favorable production conditions and the availability of surplus corn in the local market (see Figure 1 and Figure 2). In addition, South Africa's local corn prices dropped by more than 18

percent year-on-year, in line with the decline of global corn prices. Table 4 indicates current and future prices of South African corn as of January 11, 2024.

Table 4

Local Corn Prices

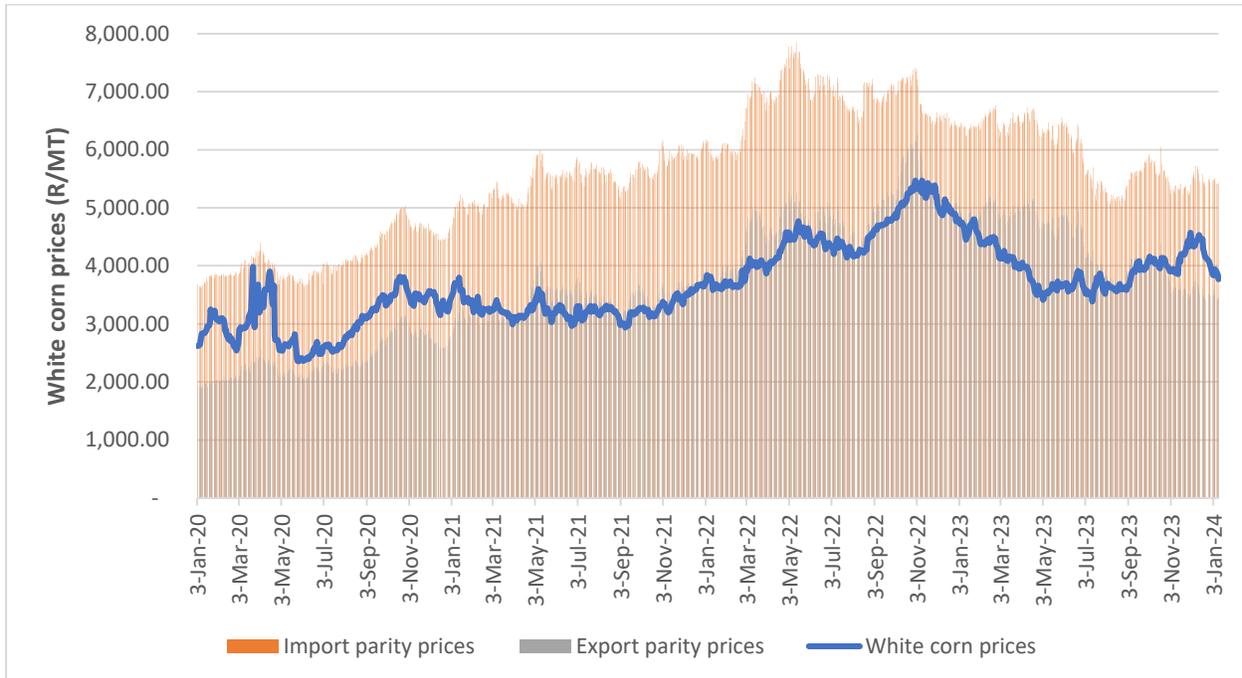
Commodity	Current and futures prices (year/month)				
	2024/01	2024/03	2024/05	2024/07	2024/09
White corn	R3,754/MT (\$200/MT)	R3,683/MT (\$196/MT)	R3,702/MT (\$197/MT)	R3,700/MT (\$197/MT)	R3,779/MT (\$201/MT)
Yellow corn	R3,658/MT (\$195/MT)	R3,640/MT (\$194/MT)	R3,676/MT (\$196/MT)	R3,673/MT (\$195/MT)	R3,757/MT (\$200/MT)

Source: GrainSA (as of 01/11/2024)

Note: US\$1 = Rand 18.80

Figure 1

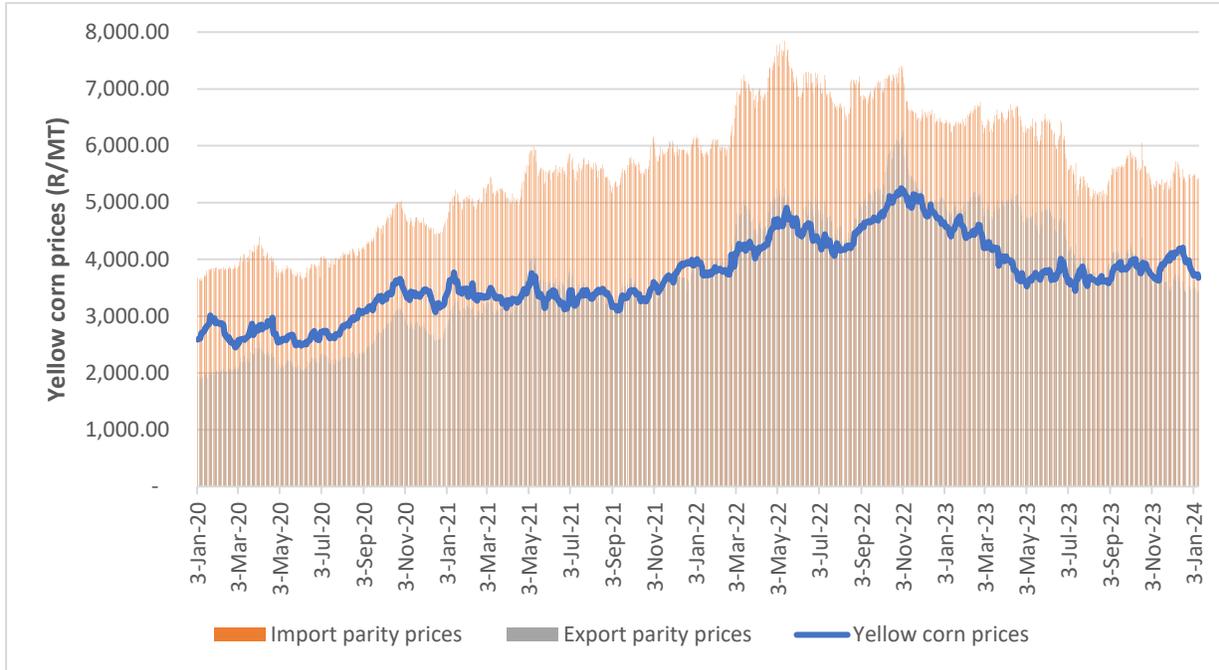
Trend in Local Price for White Corn Since January 2020



Source: GrainSA

Figure 2

Trend in Local Price for Yellow Corn Since January 2020



Source: GrainSA

Stocks

Ending stocks are estimated to increase by 26 percent to 2.5 MMT in MY 2022/23 on higher local production. However, stock levels are expected to fall back to levels of around 2.1 MMT in MY 2023/24, equaling about eight weeks of commercial utilization. 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, but with bumper crops in both corn and soybeans in MY 2022/23, temporary storage bunkers have been erected in higher production areas.

Table 5*Corn Production, Supply, and Distribution*

Corn Market Year Begins	2021/2022		2022/2023		2023/2024	
	May 2022		May 2023		May 2024	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	3002	3002	2945	2945	3000	2860
Beginning Stocks (1000 MT)	2124	2124	1954	1954	2254	2463
Production (1000 MT)	16137	16137	17100	17059	16800	15800
MY Imports (1000 MT)	0	0	0	0	0	0
TY Imports (1000 MT)	2	2	0	0	0	0
TY Imp. From U.S. (1000 MT)	2	0	1	0	0	0
Total Supply (1000 MT)	18261	18261	19054	19013	19054	18263
MY Exports (1000 MT)	3652	3652	3800	3800	3400	3000
TY Exports (1000 MT)	3830	3830	3616	3616	3400	3000
Feed and Residual (1000 MT)	6855	6855	6900	6650	7300	6850
FSI Consumption (1000 MT)	5800	5800	6100	6100	6300	6250
Total Consumption (1000 MT)	12655	12655	13000	12750	13600	13100
Ending Stocks (1000 MT)	1954	1954	2254	2463	2054	2163
Total Distribution (1000 MT)	18261	18261	19054	19013	19054	18263
Yield (MT/HA)	5.3754	5.3754	5.8065	5.7925	5.6	5.5245

(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 2023/2024 = October 2023 - September 2024

Attachments:

No Attachments