

Voluntary Report – Voluntary - Public Distribution

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Report Name: Declining Trend in Sorghum Production to Continue

Country: South Africa - Republic of

Post: Pretoria

Report Category: Grain and Feed

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Report Highlights:

Sorghum production in South Africa decreased over the past two decades as producers preferred to plant more profitable crops, like corn and oilseeds. Post estimates that the decreasing trend in sorghum production will continue in the 2021/22 MY, although sorghum production increased to a 7-year high of 189,885 tons in the 2020/21 MY, on favorable weather conditions. Post estimates a 16 percent drop in sorghum production to 160,000 tons in the 2021/22 MY, on eight percent less area. As a result, Post estimates sorghum imports for the 2021/22 MY will increase to 20,000 tons. On the other hand, a significant drop in sorghum imports is expected in the 2020/21 MY, after a 20 percent increase in production. Through the past five years the United States established itself as the major supplier of sorghum to South Africa.

Summary

Post estimates that the overall decreasing trend in sorghum production in South Africa will continue in the 2021/22 marketing year (MY) from March 2022 to February 2023, with an eight percent drop in area planted to 45,000 hectares. If normal climatic conditions and average yields are assumed a sorghum crop of 160,000 tons could be produced in the 2021/22 MY, a drop of 16 percent from the 2020/21 MY. As a result, sorghum imports are expected to increase 20,000 tons.

South Africa's sorghum crop for the 2020/21 MY (March 2021 – February 2022) is estimated at a 7-year high of 189,885 tons, an increase of 20 percent from the previous season's 158,000 tons. As a result, Post estimates sorghum imports will drop significantly to just 5,000 tons in the 2020/21 MY. Through the past five years the United States established itself as the major supplier of sorghum to South Africa.

In South Africa, sorghum is mainly used for human consumption (about 91 percent of sorghum usage), which include food (sorghum meal) and beverage (malt) consumption. South Africa's sorghum meal consumption hovers around 95,000 tons per year. However, Post expects an increase of six percent to 100,000 tons in the 2020/21 MY, on increased production. In the 2021/22 MY, Post expects sorghum meal consumption will decrease to 95,000 tons as production is projected to drop by 15 percent from the 2020/21 MY. Sorghum demand for malting is expected to remain at around 60,000 tons in both the 2020/21 MY and 2021/22 MY. Only seven percent of sorghum in South Africa ends up as animal feed, as corn is the preferred grain used by the animal feed manufactures.

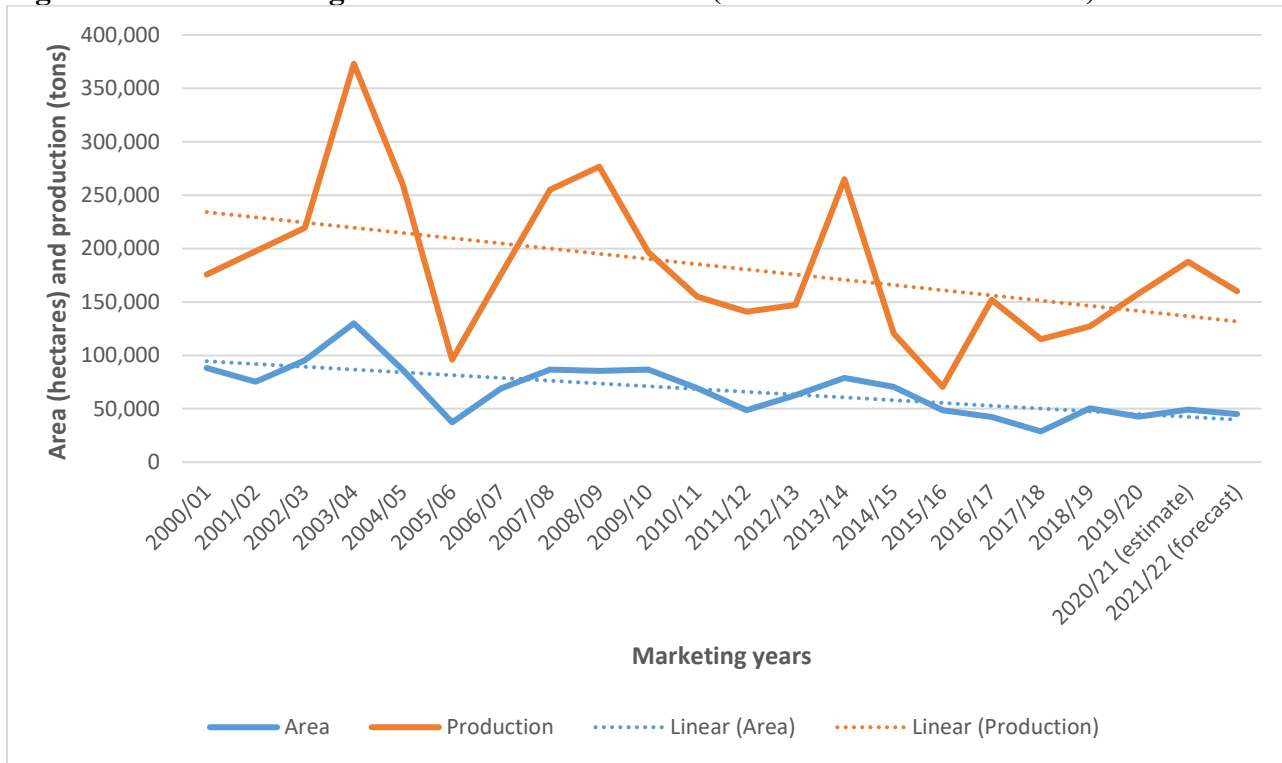
Production

Grain sorghum is the fourth largest summer crop produced in South Africa after corn, soybeans and sunflower. Although, sorghum production reached a seven year high in the 2020/21 MY (see also Figure 1), it only represents about one percent of South Africa's total summer crop output. After the deregulation of South Africa's agricultural markets in 1997, sorghum production decreased dramatically from an average production of more than 420,000 tons per annum, to an average production of less than 150,000 tons per annum the past five years. Sorghum area reached an all-time low of 28,800 hectares in the 2017/18 MY. A major reason for the decline of sorghum production in South Africa the past 20 years is that sorghum yield levels have failed to increase at the same positive rate as yield levels of corn and oilseeds, resulting in less competitive gross margins (see also Figure 2 which compares the average yield levels of corn and sorghum). Unless technology changes occur that could improve sorghum productivity, producers will continue to switch to more profitable crops and the decreasing trend in hectares planted with sorghum in South Africa will continue.

As a result, Post estimates that the overall decreasing trend in sorghum production in South Africa will continue in the 2021/22 MY, with a 9 percent drop in area planted to 45,000 hectares. If normal climatic conditions and average yields are assumed a sorghum crop of 160,000 tons could be produced in the 2021/22 MY, a drop of 16 percent from the 2020/21 MY.

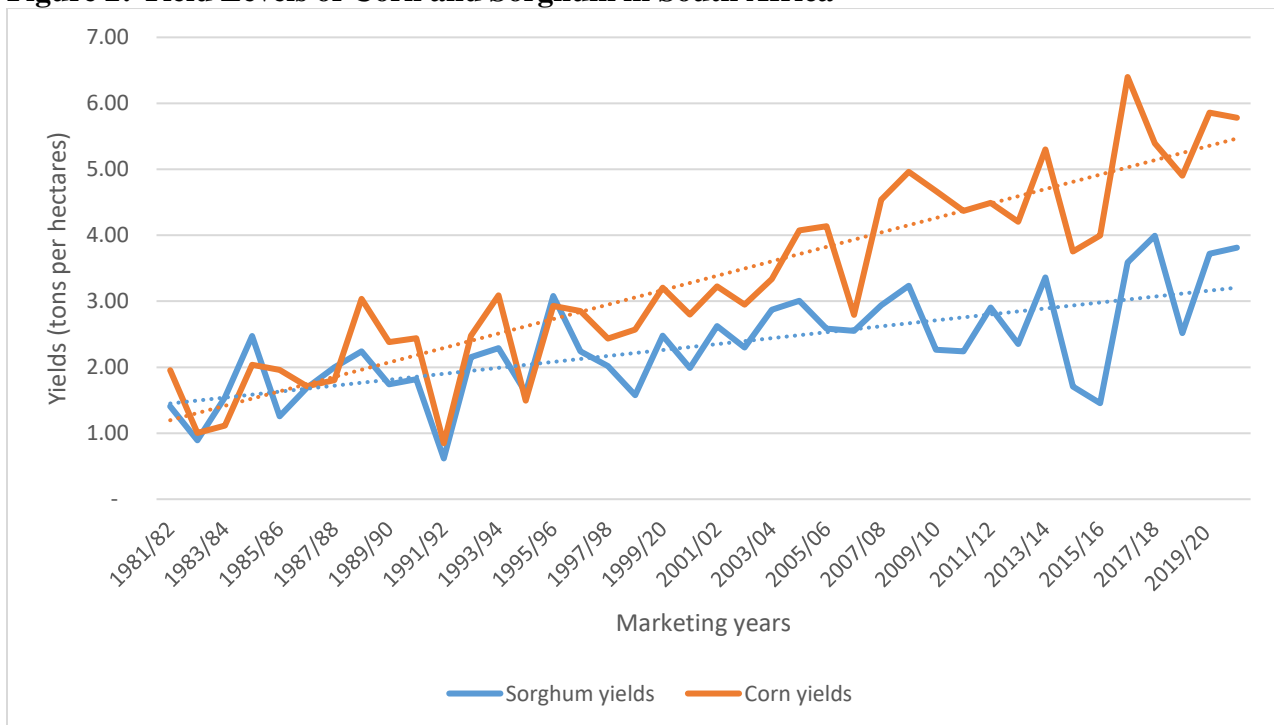
In addition, Post estimates that the area to be planted with oilseeds in South Africa for the 2021/22 MY will continue on the positive trend of the past 10 years, which will hinder an increase in sorghum area planted. Post estimates producers will plant 545,000 hectares with sunflower seed and 850,000 hectares with soybeans, respectively, 15 percent and 3 percent more than the previous marketing year (also refer to the following document: [Oilseeds annual](#)).

Figure 1: Trends in Sorghum Area and Production (2000/01 MY – 2021/22 MY)



Source: South African Grain Information Services (Sagis)

Figure 2: Yield Levels of Corn and Sorghum in South Africa



Source: GrainSA

South Africa had an exceptional start to the 2020/21 MY, with widespread rains during October 2020 and November 2020 ensuring summer crop producers completed plantings on time. Favorable weather conditions continued into February 2021 over most of the summer rainfall production region, providing conducive growing conditions that have positively influenced projected yields. On April 29, 2021, the South African Crop Estimates Committee (CEC) released the third commercial production estimate for summer rainfall crops. According to the CEC, South African producers planted 49,200 hectares of sorghum which represent an increase of 16 percent from the previous season. As a result of increased area and favorable weather conditions, sorghum production is estimated at a 7-year high of 189,885 tons, an increase of 20 percent from the previous season.

In terms of the 2019/20 MY, the CEC finalizes South Africa’s summer rainfall crop annually in February, after considering total producer deliveries and on-farm usage. The size of the 2019/20 MY sorghum crop was finalized at 158,000 tons on 42,500 hectares, 24 percent larger than the previous season.

Table 1 contains area planted, yields and production figures for sorghum for the 2019/20 MY (actual), 2020/21 MY (estimate) and 2021/22 MY (forecast).

Table 1: Area Planted and Production of Sorghum in South Africa

MY	Area (1,000 hectares)	Yield (tons/ha)	Production (1,000 tons)
2019/20	43	3.7	158
2020/21 (estimate)	49	3.9	190
2021/22 (forecast)	45	3.6	160

Source: Crop Estimates Committee (CEC); Post calculations

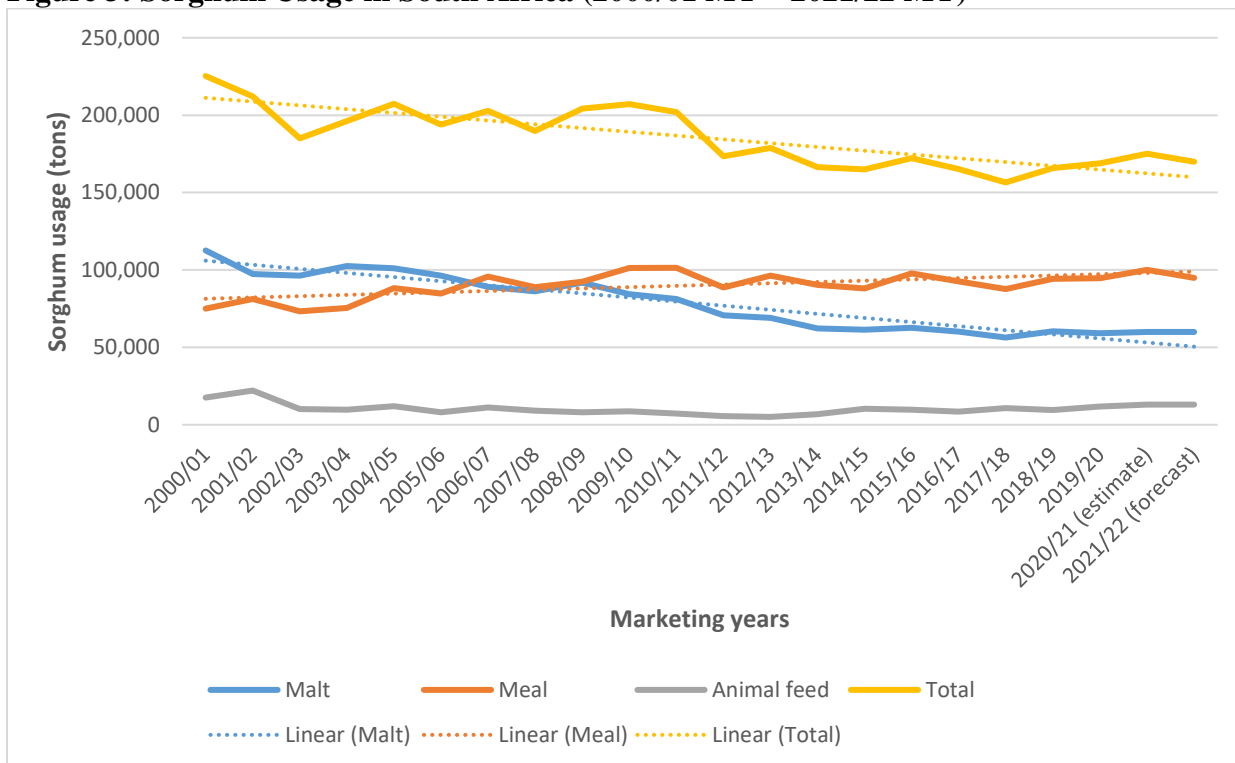
Consumption

In South Africa, sorghum is mainly used for human consumption (about 91 percent of sorghum usage), which includes food (sorghum meal) and beverage (malt) consumption. However, total sorghum consumption in South Africa declined by 25 percent the past two decades, mainly due to the decrease in the usage of sorghum for malt (see Figure 3). Malt is used for manufacturing sorghum beer (traditional African beer). Sorghum used for malting decreased by almost 50 percent over the past 20 years to about 60,000 tons as consumer prefer to increasingly drink lager instead of sorghum beer.

Around 57 percent of total sorghum consumption in South Africa is in the form of sorghum meal. Sorghum meal, also known as “Mabele,” competes with other grain products like corn meal and wheat products and is generally served as a breakfast cereal. Only seven percent of sorghum in South Africa ends up as animal feed as corn is the preferred grain used by the animal feed manufactures. The animal feed market is comprised of sorghum processed for pet food, poultry and livestock.

South Africa’s sorghum meal consumption hovers around 95,000 tons per annum (see also Table 2). However, Post expects an increase of six percent to 100,000 tons in the 2020/21 MY on increased production. In the 2021/22 MY, Post expects sorghum meal consumption will decrease to 95,000 tons as production is projected to move back to the trend line. Sorghum demand for malting is expected to remain at around 60,000 tons in both the 2020/21 MY and 2021/22 MY. In the 2019/20 MY, 59,000 tons of sorghum was used for malting. Major increases in the consumption of sorghum products are not expected as economic growth in South Africa is forecast to remain sluggish in the next couple of years due to the impact of the COVID-19 pandemic, as well as structural and policy constraints.

Figure 3: Sorghum Usage in South Africa (2000/01 MY – 2021/22 MY)



Source: Sagis

Table 2: Consumption of Sorghum in South Africa in 1,000 tons

Marketing year	Sorghum meal	Malt	Total human consumption	Animal feed	Others	TOTAL
2019/20	95	59	154	12	3	169
2020/21 (estimate)	100	60	160	13	2	175
2021/22 (forecast)	95	60	155	13	2	170

Source: Sagis; Post calculations

Trade

Over the past 10 years, South Africa moved from a net exporter to a net importer of sorghum as local production decreased. Average annual imports over the past 10 years amounted to around 45,000 tons. However, in the 2020/21 MY, Post estimates sorghum imports will drop significantly to just 5,000 tons as sorghum production increases to a seven-year high. Sorghum imports are expected to increase again in the 2021/22 MY to 20,000 tons, on decreased domestic production. Sorghum imports for the 2019/20 MY are estimated at 26,000 tons. In the past five years the United States has established itself as the major exporter of sorghum to South Africa with a more than 90 percent share of the total sorghum imports to South Africa.

South Africa continues to export sorghum to its neighboring countries, especially to Eswatini. In the 2019/20 MY, exports amounted to 7,000 tons, an increase of 44 percent from the previous year on increased production. Post estimates that exports will be around 10,000 tons in the 2020/21 MY and 2021/22 MY.

Table 3: Production, Supply and Distribution for Sorghum

Sorghum	2019/2020		2020/2021		2021/2022	
Market Begin Year	Mar-20		Mar-21		Mar-22	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested	43	43	45	49	0	45
Beginning Stocks	44	44	52	52	0	60
Production	158	158	170	188	0	160
MY Imports	30	26	10	5	0	20
TY Imports	21	21	10	0	0	0
TY Imp. from U.S.	0	0	0	0	0	0
Total Supply	232	228	232	245	0	240
MY Exports	5	7	5	10	0	10
TY Exports	5	5	5	10	0	10
Feed and Residual	15	15	15	15	0	15
FSI Consumption	160	154	170	160	0	155
Total Consumption	175	169	185	175	0	170
Ending Stocks	52	52	42	60	0	60
Total Distribution	232	228	232	245	0	240
Yield	3.7	3.7	3.8	3.8	-	3.6

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

Attachments:

No Attachments.