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Report Highlights:

This report contains the preliminary official estimate of the area planted to corn in 2000. The area planted on commercial farms declined 17.8% compared to 1999 to reach the lowest level in sixty years. Economic conditions are blamed for the cutback. The smaller area planted and current hot and dry weather favors a crop forecast of about 7.5 million tons, nearly 30% smaller than the 1999 crop. With the carry over of about 2 million tons from the previous crop this should be sufficient to supply in local demand and allow some exports.

Includes PSD changes: Yes
Includes Trade Matrix: No
Unscheduled Report
Pretoria [SF1], SF

Executive Summary	1
CORN	2
Production	2
WHEAT	5
Production	5

Executive Summary

The National Crop Estimates Committee recently released its preliminary estimates of the area planted to summer crops on commercial farms for the 2000/2001 (FAS 2000) season. According to the estimate, the total area planted to summer crops, i.e., corn, sorghum, peanuts, sunflower, soybeans and dry beans decreased from 4.1 million hectares in 1998 to 4.0 million in 1999 and 3.6 million hectares in 2000. (The estimates for the developing agricultural sector are not yet available). The 10% reduction in the area planted may be excessive and the final area planted figure may be higher. It is clear that the area planted to agronomic crops is decreasing and the industry is blaming economic conditions as weather conditions were generally favorable at the time of planting. The economics of grain production suffered with the introduction of the free market system and the financial position of farmers deteriorated to such an extent that many were not able to finance the new season's crops.

The following table contains the details:

South Africa, Preliminary estimate of the commercial area planted to summer crops; 2000/2001 season:

Crop,	1998/99, FAS 99 '000 Hectares	1999/2000, FAS 00 '000 Hectares	2000/2001, FAS 2000 '000 Hectares
Corn	2 905	3 230	2 655
Sorghum	99	142	98
Peanuts	95	83	142
Sunflower	828	396	472
Soybeans	131	94	123
Dry Beans	65	72	72
Total summer crops	4 123	4 017	3 562

CORN

PSD Table						
Country	South Africa, Republic of					
Commodity	Corn				(1000 HA)(1000 MT)	
	Revised	1998	Preliminary	1999	Forecast	2000
	Old	New	Old	New	Old	New
Market Year Begin		05/1999		05/2000		05/2001
Area Harvested	3567	3568	3868	3868	3400	3250
Beginning Stocks	817	807	1022	780	2225	2000
Production	7724	7724	10584	10585	8500	7500
TOTAL Mkt. Yr. Imports	569	569	100	0	50	0
Oct-Sep Imports	307	410	350	270	50	0
Oct-Sep Import U.S.	191	250	261	100	0	0
TOTAL SUPPLY	9110	9100	11706	11365	10775	9500
TOTAL Mkt. Yr. Exports	204	530	1500	1200	1000	1000
Oct-Sep Exports	798	450	500	900	1300	850
Feed Dom. Consumption	3850	3680	4100	3665	4100	3800
TOTAL Dom. Consumption	7884	7790	7981	8165	8300	8150
Ending Stocks	1022	780	2225	2000	1475	350
TOTAL DISTRIBUTION	9110	9100	11706	11365	10775	9500

Production

The preliminary forecast of the 2000 area planted to corn on commercial farms is 2.665 million hectares, which are 17.8% less than the 3.23 million hectares planted in 1999. This is the smallest area planted in sixty years and 42% down from the record of 4.6 million hectares planted in 1966. In September 2000 the planting intentions survey revealed planned plantings of only 2.466 million hectares when prices were very low but the November survey indicated 2.613 million hectares while prices were rising.

The estimate for white corn is 1.572 million hectares or 59.2% of the total and 1.083 million for yellow corn or 40.8% of the total. The largest production areas for white corn are in the North West Province and the Free State, each with 620,000 hectares this year. The North West dropped by 220,000 hectares from 840,000 last year while the Free State dropped by 130,000 hectares from 750,000 hectares last year. Mpumalanga follows with 214,000 hectares (270,000 hectares).

The Free State is the largest producer of yellow corn with 365,000 hectares (450,000 last year), followed by Mpumalanga with 310,000 hectares (330,000) and the North West with 270,000 hectares (310,000).

The following table contains the area planted to corn in the different provinces:

Province	Area Planted	2000/01	FAS 2000	Area Planted	1999/00	FAS 1999
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Hectares	White	Yellow	Total	White	Yellow	Total
W Cape	400	1 000	1 400	0	1 440	1 440
N Cape	3 800	20 000	23 800	4 000	20 000	24 000
Free State	620 000	365 000	985 000	750 000	450 000	1 200 000
E Cape	4 500	6 000	10 500	6 000	7 000	13 000
Natal	25 500	46 000	71 500	30 000	50 000	80 000
Mpumalanga	214 000	310 000	524 000	270 000	330 000	600 000
N Province	32 000	9 600	41 600	38 000	4 000	42 000
Gauteng	52 000	55 000	107 000	65 000	55 000	120 000
NorthWest	620 000	270 000	890 000	840 000	310 000	1 150 000
TOTAL	1 572 200	1 082 600	2 654 800	2 003 000	1 227 440	3 230 440

Early season rainfall was good and the planting and early development of the crop went well. Favorable rainfall continued up to the third week of December when warmer and drier conditions benefitted the development of the crop and fieldwork including the harvesting of the wheat crop in the Free State. Since the second week of January 2001, the traditional January/February heat wave has hit most of the corn growing areas just as the crop in the eastern areas started tasseling. Excessive heat at this stage can limit fertilization and the consequent development of the cob and the situation is being monitored very closely. Another week or two without widespread rains can severely damage the crop.

The 1998 crop on commercial farms yielded about 2.5 tons per hectare and the 1999 crop 3.1 tons. When we take into account that when the area planted is cut back it is mainly the poorer fields that are abandoned, a commercial yield of about 2.7 metric ton per hectare can be expected at this stage, producing a 7.15 million ton commercial crop compared to the 10.1 million tons produced in 1999. The 2.7 tons per hectare forecast already reflects the current weather problems but this can become a much bigger negative factor if the heat continues and the rains stay away. The crop in the developing sector is also expected to show a decline in the area planted and yield with the result that we only expect a 7.5 million ton crop this year. The following table contains the details:

CORN	1999 Area '000 ha.	1999 Crop '000 mt.	2000 Area '000 ha	2000 Crop '000 mt.
Commercial	Estimate	Estimate	Estimate	Forecast

White	2003	6155	1572	4130
Yellow	1227	3986	1083	3020
Total	3230	10141	2655	7150
Developing sector				
White	479	305	na	na
Yellow	159	138	na	na
Total	638	444	595	350
TOTAL CORN	3868	10585	3250	7500

Local futures prices on SAFEX have been showing a steady increase since September 2000 when it reached a low of less than R600/ton to the May 2001 price of R860/ton for white and R830/ton for yellow. The upwards trend in the prices, and especially the relatively high prices at harvest in May 20001 continuing into July (R875 and R835/ton) reflects the concern about the crop. With the Rand/Dollar exchange rate on January 31 down to Rand 7.88 to the Dollar, part of the increase in domestic prices can be the result of the devaluation of the Rand.

WHEAT

PSD Table						
Country:	South Africa					
Commodity:	Wheat					
		1998		1999		2000
	Old	New	Old	New	Old	New
Market Year Begin		10/1998		10/1999		10/2000
Area Harvested	748	748	718	718	854	860
Beginning Stocks	1005	1005	771	771	550	507
Production	1884	1884	1749	1725	1983	2122
TOTAL Mkt. Yr. Imports	483	483	625	624	517	421
Jul-Jun Imports	432	432	500	500	500	500
Jul-Jun Import U.S.	77	77	250	250	250	250
TOTAL SUPPLY	3372	3372	3145	3120	3050	3050
TOTAL Mkt. Yr. Exports	74	74	55	72	50	70
Jul-Jun Exports	70	70	60	60	50	50
Feed Dom. Consumption	58	58	37	36	50	50
TOTAL Dom. Consumption	2527	2527	2540	2541	2550	2550
Ending Stocks	771	771	550	507	450	430
TOTAL DISTRIBUTION	3372	3372	3145	3120	3050	3050

Production

South Africa's 2000 wheat crop developed very well while rain damage to the quality of the crop was less than expected. The latest estimate of the wheat crop shows an increase of 2.4% from 2.072 million tons for the previous estimate to 2.122 million tons. The increase was mainly in the Free State where the yield increased from 1.92 tons per hectare to 2.05 tons per hectare and the expected production increased from 710,400 to 758,500 tons.

Rain and hail in December damaged the crop in the Free State and it was feared that the quality of the crop would deteriorate. Farmers were, however, allowed to store the crop in the cooperative silos which allowed the falling number to increase and allowed the crop to make the baking grade. The falling number, tests the enzyme activity in the kernel which determines baking quality. A minimum test result of 250 is needed to qualify for the better grade and consequently better price. The crop will still be short of domestic demand; as a result more than 400,000 tons are expected to be imported in 2001.