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South Africa, Republic of

Grain and Feed

Update

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Report Highlights:
South Africa experienced a February/March 2001 dry spell. Coupled with a decline in the area planted, the expected corn crop declined by 34% from the previous season to 7 million tons. This is less than domestic consumption but a carry over of nearly 2 miilion tons will ease the potential shortage. Exports picked up during January and February 2001 and are now expected to reach 1.5 million tons for the 2000/2001 season. Wheat deliveries during the 2000/2001 season were more than expected leading to higher local supplies and a decline in the need for imports. New season plantings are not expected to increase much this year.

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

Executive Summary

The second official estimate of the 2000 summer crops was recently released by the National Crop Estimates Committee. The estimate is for commercial production only and is based on conditions up to March 19, 2001. The following table contains the details:

CROP	Area Planted 1999 ‘000 Hectares	Production ‘000 Metric ton	Area planted 2000 ‘000 Hectares	Estimate ‘000 Metric ton
White corn	2 003	6 155	1 596	3 771
Yellow corn	1 227	3 986	1 103	2 862
Total corn	3 230	10 141	2 699	6 633
Sorghum	142	352	90	182
Peanuts (Shelled)	83	114	162	188
Sunflower seed	396	531	506	532
Soybeans	94	149	131	197
Dry beans	72	72	78	90
TOTAL	4 017	11 359	3 666	7 822

The second corn estimate is 98,000 tons more than the first estimate while the other products also show small variations. The decline in the estimated area planted to corn on commercial farms is 531,000 hectares, or 16.4% compared to the previous season, while the crop is expected to decline by 3.5 million tons, or nearly 35%. The decline in the total area planted to summer crops is 351,000 hectares or nearly 9%. The economics of corn production and the general financial situation of farmers are given as the main reason for the decline as weather conditions were generally favorable at planting. The total production of summer crops is, according to the estimate, expected to decline by more than 31% mainly due to the decline in acreage and the January-March 2001 drought.

CORN

PSD Table						
Country	South Africa, Republic of					
Commodity	Corn				(1000 HA)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		05/2000		05/2001		05/2002
Area Harvested	3868	3868	3300	3250	0	3500
Beginning Stocks	1022	780	2325	1950	1275	750
Production	10584	10585	7500	7000	0	8750
TOTAL Mkt. Yr. Imports	100	0	50	0	0	0
Oct-Sep Imports	350	270	50	0	0	0
Oct-Sep Import U.S.	261	100	0	0	0	0
TOTAL SUPPLY	11706	11365	9875	8950	1275	9500
TOTAL Mkt. Yr. Exports	1400	1500	300	500	0	700
Oct-Sep Exports	700	900	1100	750	0	500
Feed Dom. Consumption	4100	3565	4100	3500	0	3800
TOTAL Dom. Consumption	7981	7915	8300	7700	0	8150
Ending Stocks	2325	1950	1275	750	0	650
TOTAL DISTRIBUTION	11706	11365	9875	8950	0	9500

Production

The following table contains the second official estimate of the FAS 2000 (MY 2001/2002) corn crop on commercial farms as released by the National Crop Estimates Committee, combined with a forecast for the developing agriculture prepared in/ the Office of Agricultural Affairs.

CORN	1999 Area	1999 Yield	1999 Prod.	2000 Area	2000 Yield	2000 Prod.
Commercial	‘000 Hectare	Mt/ha.	‘000 Mt.	‘000 Hectare	Mt./ha	‘000 Mt.
White	2 003	3.07	6 155	1 596	2.36	3 771
Yellow	1 227	3.25	3 986	1 103	2.59	2 862
Total	3 230	3.14	10 141	2 699	2.46	6 633
Dev. sector		Estimate			Forecast*	
White	479	0.64	305	421	0.54	229
Yellow	159	0.87	138	130	0.78	138
Total	638	0.69	443	551	0.67	367
Total Corn		Estimate			Forecast*	
White	2 482	2.60	6 460	2 017	1.98	4 000
Yellow	1 386	2.98	4 124	1 233	2.43	3 000
Total	3 868	2.74	10 584	3 250	2.15	7 000

The initial official estimate was for a commercial corn crop of 6.535 million tons but this was considered to be conservative as weather conditions in February were not that bad. Conditions during March were again less than favorable and we now use the official estimate of the crop. Unfortunately the estimate of the crop in the developing sector is not yet available and a forecast was made by FAS/Pretoria. The net result of the further deterioration in weather conditions is that the total corn crop estimate declines from 7.5 million tons, as used in our previous report, to 7 million tons.

Consumption

An estimated white/yellow corn PS&D is supplied to give an indication of the current situation.

May/April	FAS 99	My 00/01	'000 Mt.	FAS 00	My 01/02	
CORN	White	Yellow	Total	White	Yellow	Total
B/Stocks*	510	270	780	1300	650	1950
Production**	6460	4125	10585	4000	3000	7000
Imports	0	0	0	0	0	0
Supply	6970	4395	11365	5300	3650	8950
Exports	875	625	1500	500	0	500
Cons.***	4795	3120	791 5	4700	3000	7700
E/Stocks	1300	650	1950	100	650	750

*Excludes early new season's deliveries which are included with the relevant season's deliveries.
** Commercial plus production in the developing areas.
*** Includes farm retentions.

The most significant change from our previous submission is the increased rate of exports. From May to December 2000 exports averaged 107,000 tons per month but in January 2001 it jumped to 217,000 tons followed by 160,000 tons in February. Indications are that the increased rate of exports are continuing and the marketing year export total is thus expected to increase from 1.2 to 1.5 million tons. The following table contains the details:
South African monthly corn exports: May 2000 to April 2001 season:

'000 metric tons	White	Yellow	Total
May - Dec 2000 average	70	37	107
January 2001	99	118	217
February	122	98	160
Total up to end of Febr.	722	513	1235
Estimated season total	875	625	1500

Because of the consistently high domestic price levels domestic consumption slowed down. From a local price of about R600/ton in September prices have increased to the R8-900/ton bracket. The following table contains the current price levels according to SAFEX:

SAFEX futures prices: Rand/metric ton, delivered Randfontein.

Commodity	April 2001	May	July	September	December	March 2002
White corn	800	810	820	838	884	915
Yellow	835	820	816	840	888	915

US Dollar = Rand 8.00 (04/02/2001)

In contrast the import parity price at Randfontein is about R1 120/ton and export realization about R600/ton after costs have been taken into account.

WHEAT

PSD Table						
Country	South Africa, Republic of					
Commodity	Wheat				(1000 HA)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		10/1999		10/2000		10/2001
Area Harvested	718	718	854	860	0	869
Beginning Stocks	771	771	550	507	0	525
Production	1749	1725	1983	2317	0	2225
TOTAL Mkt. Yr. Imports	625	624	517	321	0	350
Jul-Jun Imports	500	500	500	400	0	400
Jul-Jun Import U.S.	100	100	120	120	0	150
TOTAL SUPPLY	3145	3120	3050	3145	0	3100
TOTAL Mkt. Yr. Exports	55	72	50	70	0	70
Jul-Jun Exports	60	60	50	50	0	50
Feed Dom. Consumption	37	36	50	50	0	50
TOTAL Dom. Consumption	2540	2541	2550	2550	0	2560
Ending Stocks	550	507	450	525	0	470
TOTAL DISTRIBUTION	3145	3120	3050	3145	0	3100

Production

The final official estimate of the 2000 wheat crop amounted to 2.122 million tons but actual deliveries from October to February amounted to 2.317 million tons which we then have to accept as production. The increase in the crop size thus cuts back on import needs which is now only expected to reach 321,000 tons in the season ending September 2001.

A planting intentions survey was done recently and it appears that farmers are only planning to plant 869,000 hectares this year. The survey indicates that farmers intended to plant 375,000 hectares (43.2%) in the Free State and 370,000 hectares (42.6%) in the Western Cape. The rest is grown all over the country. The small overall increase in area to be planted is disappointing as it was expected that some of the area not planted to summer crops this season would be planted to wheat. Late season rains during April which would increase soil moisture levels could still increase the area to be planted. It appears that the economic situation and price prospects for wheat negates a major increase in area planted.

Current SAFEX prices for wheat are: May 2001; R1428/ton, December 2001; R 1260/ton. The current import parity price at the harbor is R1413/ton for US HRW # 2 while the delivered price at Randfontein is R1548/ton. The calculated export parity price is R665/ton.