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

**Country:** South Africa - Republic of

**Post:** Pretoria

**Report Category:** Grain and Feed

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### **Report Highlights:**

Post forecasts that South Africa's corn area will expand in marketing year 2024/25. An 18 percent drop in the corn crop of marketing year 2023/24, due to an El Niño-induced mid-summer drought, prompted higher local corn prices that will initiate expansion in the area to be planted with corn for marketing year 2024/25. Under normal conditions, South Africa should maintain its status as a net exporter of corn in marketing year 2024/25. Despite diminished production, South Africa is expected to export about 1.5 million metric tons of corn in marketing year 2023/24. Strong regional demand, especially for white corn will drive exports to neighboring countries where production was hindered by drought.

## Executive Summary

Assuming normal weather conditions, South Africa's corn crop in marketing year (MY<sup>1</sup>) 2024/25 could rise to 16.5 million metric tons (MMT) on an expansion of planted area, maintaining the country's status as a net exporter of corn. The El Niño-induced mid-summer drought caused the smallest corn crop in five years in MY 2023/24 and prompted higher local corn prices. An expansion in the area to be planted with corn later in 2024 for MY 2024/25 is expected as producers anticipate that elevated prices will last into the new season. The white corn area is projected to surge due to the major drop in white corn production across the region in MY 2023/24. White corn is the preferred grain for production in Southern Africa. Milled into the form of a meal, white corn is the staple food for most households as a relatively inexpensive source of carbohydrates.

Despite the impact of an El Niño-induced drought, South Africa is expected to export about 1.5 MMT of corn in MY 2023/24. With regional corn supplies (especially white corn) very tight after the drought-stricken season, South Africa's corn exports will be routed to neighboring countries where demand is high. In MY 2022/23, South Africa exported 3.4 MMT of corn to more than 15 countries, with Zimbabwe, South Korea, Japan, Taiwan, and Botswana as the top five destinations.

US\$1 = Rand 18.10 (10/07/2024)

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<sup>1</sup> *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 forecasts that South Africa's corn area will expand by 4 percent to 3.1 million hectares (MHa) in MY 2024/25. In recent years, South Africa's commercial corn and subsistence corn areas remained firm at around 2.6 MHa and 360,000 ha, respectively. However, with a reduced corn crop of 14 MMT in MY2023/24, due to an El Niño-induced mid-summer drought, a bullish outlook on local corn prices will trigger an expansion in the area to be planted with corn later in 2024 for MY 2024/25. The white corn area is projected to surge most significantly in MY2024/25, as a major drop in white corn production occurred across the Southern Africa region (also refer to [Zambia Depends on Corn Imports to Maintain Food Security](#) and [Zimbabwe Grain and Feed Annual](#)). White corn is the staple food for many households in the region as it is an important source of carbohydrates. However, Post foresees that the oilseed area in South Africa will be maintained at elevated levels in MY 2024/25, as production dropped by 36 percent in MY 2023/24, restricting the land available for an extensive expansion in corn area.

Assuming a 5-year average yield and normal weather conditions, South Africa's corn crop for the MY 2024/25 could reach 16.5 MMT on 3.1 MHa, which is 18 percent larger than the expected corn crop of 14.0 MMT in MY 2023/24. Table 1 details area planted, yield, and production figures for commercial white corn and yellow corn as well as corn produced by subsistence farmers for MY 2022/23 (actual), MY 2023/24 (estimate), and MY 2024/25 (forecast).

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

	<b>2022/23</b> (actual)			<b>2023/24</b> (estimate)			<b>2024/25</b> (forecast)		
	<b>Area</b> (1,000ha)	<b>Yield</b> (MT/ Ha)	<b>Prod.</b> (1,000MT)	<b>Area</b> (1,000ha)	<b>Yield</b> (MT/ Ha)	<b>Prod.</b> (1,000MT)	<b>Area</b> (1,000ha)	<b>Yield</b> (MT/ Ha)	<b>Prod.</b> (1,000MT)
<b><u>Commercial</u></b>									
<b><u>Production</u></b>									
White	1,521	5.6	8,505	1,555	4.1	6,348	1,700	5.0	8,500
Yellow	1,065	7.4	7,925	1,081	6.5	7,057	1,050	7.0	7,340
<b>Sub Total</b>	<b>2,586</b>	<b>6.4</b>	<b>16,430</b>	<b>2,636</b>	<b>5.1</b>	<b>13,405</b>	<b>2,750</b>	<b>5.8</b>	<b>15,840</b>
<b><u>Subsistence</u></b>									
<b><u>Production</u></b>									
White	279	1.7	473	268	1.5	408	280	1.7	470
Yellow	80	2.4	191	79	2.1	167	80	2.4	190
<b>Sub Total</b>	<b>359</b>	<b>1.8</b>	<b>664</b>	<b>347</b>	<b>1.7</b>	<b>575</b>	<b>360</b>	<b>1.8</b>	<b>660</b>
<b>TOTAL</b>	<b>2,945</b>	<b>5.8</b>	<b>17,094</b>	<b>2,983</b>	<b>4.7</b>	<b>13,980</b>	<b>3,110</b>	<b>5.5</b>	<b>16,500</b>

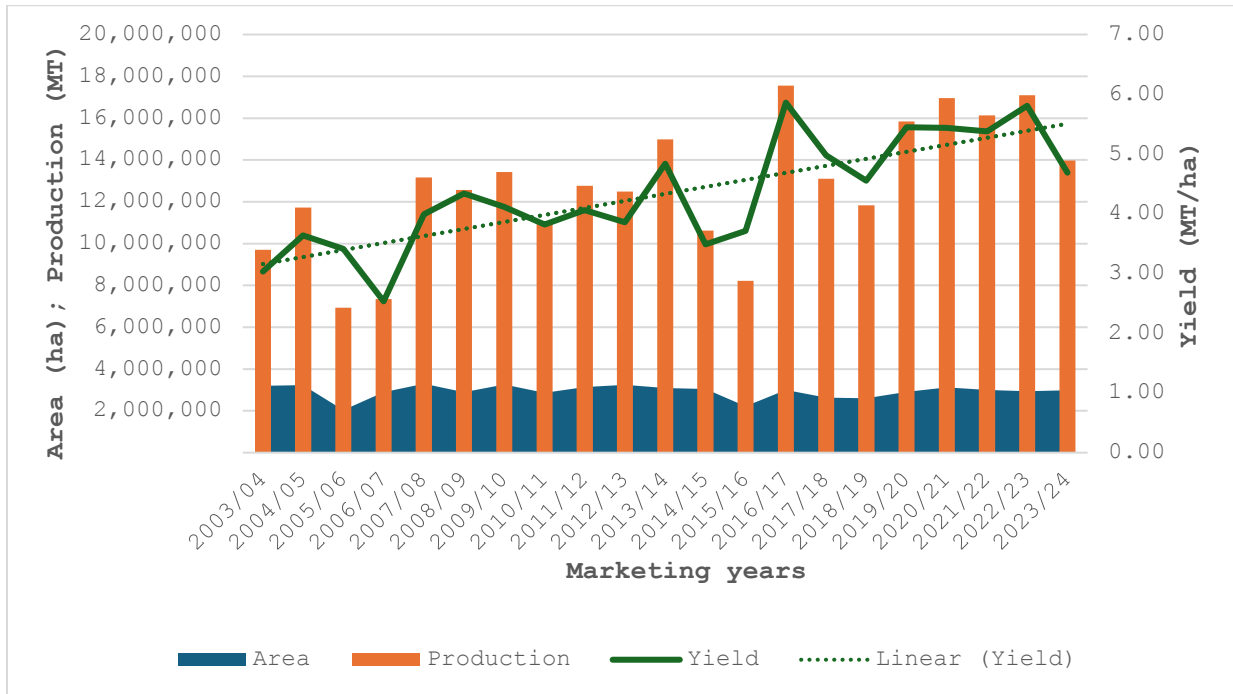
**Source:** Crop Estimates Committee (CEC) and Post estimates

South Africa's Crop Estimates Committee (CEC) released its fifth production estimate for summer rainfed crops for MY 2023/24 on June 27, 2024 (see [Crop Estimates](#)). According to the CEC, South Africa produced the smallest commercial corn crop in 5 years at 13.4 MMT, a drop of 18 percent from MY 2022/23. The CEC estimates the commercial average yield of 5.1 MT/ha, a drop of 20 percent from the previous season. A mid-summer drought and excessive heat across South Africa during the crucial vegetative and flowering stages for corn reduced the yield potential of the crop. Most of South Africa's corn is rainfed, with about 10 percent under irrigation. Therefore, sufficient rainfall during grain-filling stage is required for optimal yields. The commercial white corn crop is estimated at 6.3 MMT and the commercial yellow corn crop at 7.1 MMT, respectively 25 percent and 11 percent lower than in MY 2022/23.

The CEC also released the production estimates for the subsistence farming sector's corn crop. According to the CEC, subsistence farmers planted 347,000 ha of corn in MY 2023/24, 3 percent less than in the previous marketing year. Corn production by the subsistence sector is estimated at 575,000 MT, 13 percent smaller than the 664,040 MT produced in MY 2022/23. This means that South Africa's total corn crop for MY 2023/24 MY is estimated at 14 MMT on 3.0 MHa, a drop of 18 percent from MY 2022/23 (also see Figure 1).

**Figure 1**

*Area Planted, Production, and Yields of Corn in South Africa over the Past 20 Years*



Source: CEC

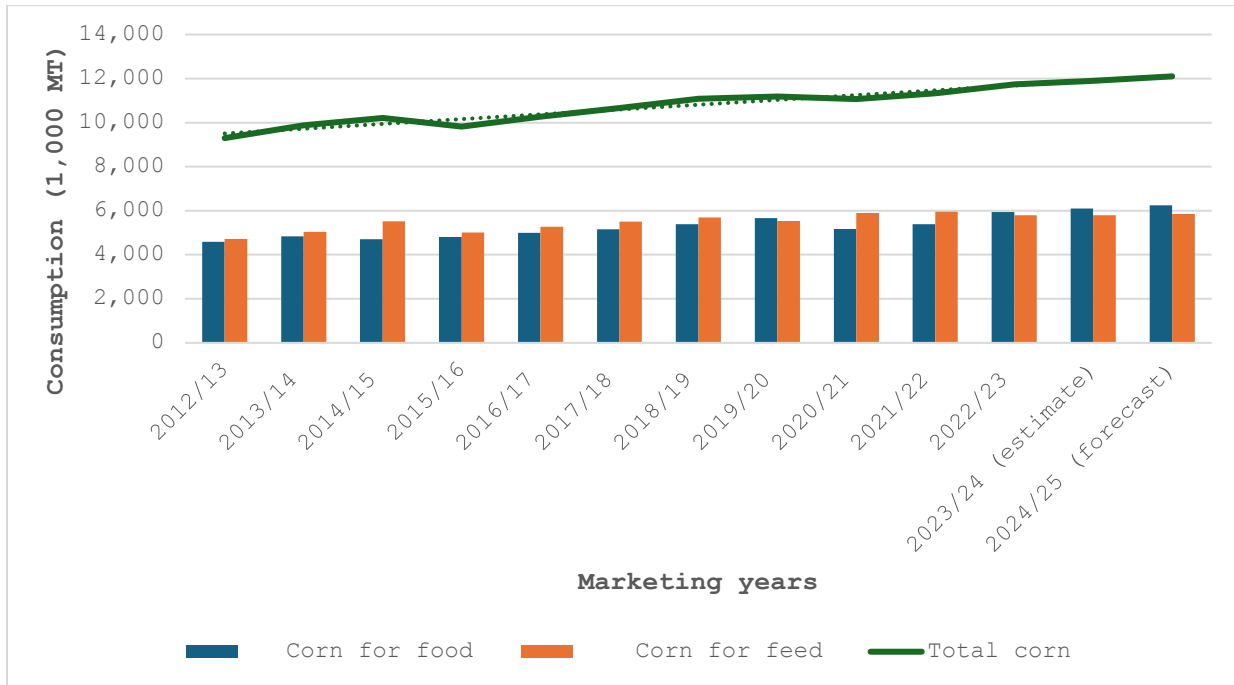
**Consumption**

Post maintains its previous estimates for commercial corn demand in MY 2023/24 and MY 2024/25 at 12 MMT and 12.2 MMT, respectively (see Table 2). This represents a marginal growth rate from MY 2022/23 and correlates with the average per annum growth rate in the consumption of corn during the past 10 years in South Africa (see Figure 2). Additionally, relatively high local corn prices will limit a substantial surge in corn demand.

Post made minor changes to its previous estimate for the commercial demand for corn in MY 2022/23 to correlate with the final consumption figures released by the South African Grain Information Services (Sagis) in June 2024. Total commercial corn consumption is estimated at 11.8 MMT, marginally more than the 11.4 MMT of corn consumed in MY 2021/22. However, corn for feed declined by 3 percent as the South African poultry industry was negatively impacted by a major outbreak of Highly Pathogenic Avian Influenza in 2023. On the other hand, corn for food surged by 10 percent as consumers on tight budgets raised consumption levels of staple foods while cutting back on expenditure for non-staple foods.

**Figure 2**

*The Consumption of Corn in South Africa*



**Source:** Sagis

Like many countries in Southern Africa, South Africa consumes both white and yellow corn. White corn, in the form of a meal, is the staple food for many households as it is a relatively inexpensive source of carbohydrates. On the contrary, the bulk of yellow corn is destined for the animal feed sector as the primary ingredient of most feed rations, particularly in the broiler industry. While white corn can also be used as animal feed depending on availability and price levels compared to yellow corn, yellow corn is not considered culturally acceptable for human foodstuff. White corn accounted for 55 percent of total domestic corn consumption in MY 2022/23, while yellow corn made up 45 percent.

Consumption figures in the Production, Supply, and Distribution (PS&D) table (Table 5) also include on-farm usage and corn utilized by the subsistence farming sector. Post made changes to its previous estimate for corn consumption in the PS&D table to incorporate the final commercial consumption data released by Sagis and a marginal growth rate.

Table 2 outlines the commercial consumption for white corn and yellow corn in South Africa for MY 2022/23 (estimate), MY 2023/24 (estimate), and MY 2024/25 (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
<b>Human</b>	5,364	578	<b>5,942</b>	5,500	600	<b>6,100</b>	5,650	600	<b>6,250</b>
<b>Animal</b>	1,097	4,696	<b>5,793</b>	300	5,500	<b>5,800</b>	500	5,350	<b>5,850</b>
<b>Other</b>	22	34	<b>56</b>	50	50	<b>100</b>	50	50	<b>100</b>
<b>TOTAL</b>	<b>6,483</b>	<b>5,308</b>	<b>11,791</b>	<b>5,850</b>	<b>6,150</b>	<b>12,000</b>	<b>6,200</b>	<b>6,000</b>	<b>12,200</b>

**Source:** Sagis

*\*Please note that consumption figures in the PS&D table include corn utilized by the subsistence farming sector and on-farm usages.*

**Trade**

South Africa should maintain its status as a net exporter of corn in MY 2024/25 with an expected commercial crop of above 15.0 MMT. Post estimates South Africa could export around 2.5 MMT of corn in MY 2024/25.

Despite diminishing production, South Africa is expected to export about 1.5 MMT of corn in MY 2023/24. Unlike other countries in the region, South Africa uses of innovative production technologies, such as genetically engineered seed and efficient and effective farming practices, including precision and conservation farming, which helped to lessen the full impact of the drought. South Africa's corn export will mainly focus on neighboring countries where import demand is elevated, and genetically engineered corn is acceptable for consumption. On the other hand, Zambia declared that only genetically engineered free corn will be permitted for imports, which largely excludes corn imports from South Africa. In the first 10 weeks of MY 2023/24, South Africa already exported 366,000 MT of corn, including 233,000 MT of white corn and 133,000 MT of yellow corn. Almost all the corn exports were destined for South Africa's neighboring countries (see Table 3).

In MY 2022/23, South Africa exported 3.4 MMT of corn, 6 percent less than the 3.7 MMT of corn that was exported in MY 2021/22. South Africa exported corn to more than 15 countries, with Zimbabwe, South Korea, Japan, Taiwan, and Botswana as the top five destinations and representing almost 70 percent of total corn exports. South Africa exported almost 1.3 MMT of white corn and 2.2 MMT of yellow corn. Exports to the Asian countries consisted mainly of yellow corn, while corn exports to South Africa's neighboring countries were largely white corn. Almost 50 percent or 1.6 MMT of corn was exported to South Africa's neighboring countries in

MY 2022/23, nearly double the tonnage of the previous marketing year, indicative of the higher import demand due to the drought.

South Africa imported 100,000 MT of yellow corn so far in MY 2023/24 from Argentina. South Africa also imported 32,844 MT of yellow corn from Argentina in MY 2022/23. With the evaluated local corn prices and the relatively high cost of inland transport (mostly by road), importing corn from South America to the Cape Town port to service the southern part of South Africa is sometimes more cost-effective than buying corn from the producing areas in the north of the country. Post expects corn imports could rise to 150,000 MT by the end of MY 2023/24.

**Table 3**

*South Africa's Exports of Corn in MY 2022/23*

<b>Countries</b>	<b>MY 2022/23</b>			<b>Countries</b>	<b>MY 2023/24<sup>1</sup></b>		
	<b>White Corn</b>	<b>Yellow corn</b>	<b>Total</b>		<b>White Corn</b>	<b>Yellow corn</b>	<b>Total</b>
	<b>May 1, 2023 – Apr 30, 2024</b>				<b>May 1, 2024 – Apr 30, 2025</b>		
	<b>(1,000 MT)</b>				<b>(1,000 MT)</b>		
<b><u>Export Destinations</u></b>				<b><u>Export Destinations</u></b>			
Zimbabwe	447	191	638	Zimbabwe	119	70	189
South Korea	0	492	492	Botswana	48	19	67
Japan	0	468	468	Namibia	33	9	42
Taiwan	0	463	463	Mozambique	10	14	24
Botswana	262	46	308	Eswatini	6	18	24
Namibia	178	62	240	Lesotho	17	2	19
Mozambique	137	65	202	Saudi Arabia	0	1	1
Vietnam	0	179	179				
Eswatini	61	84	145				
China	0	112	112				
Lesotho	69	3	72				
Kenya	68	0	68				
Guatemala	43	0	43				
Ghana	4	2	6				
Saudi Arabia	0	5	5				
Malawi	0	1	1				
<b>Total Exports</b>	<b>1,270</b>	<b>2,173</b>	<b>3,443</b>	<b>Total Exports</b>	<b>233</b>	<b>133</b>	<b>366</b>
<b><u>Imports</u></b>				<b><u>Imports</u></b>			
Argentina	0	33	33	Argentina	0	100	100
<b>Total Imports</b>	<b>0</b>	<b>33</b>	<b>33</b>	<b>Total Imports</b>	<b>0</b>	<b>100</b>	<b>100</b>

**Source:** Sagis

**Note:** 1. Preliminary export data from May 1, 2024, to July 5, 2024



## Marketing

South Africa's local corn prices moved away from export parity towards import parity levels during the past production season due to the impact of the mid-summer drought on the crop (see also Figure 3 and Figure 4). Currently, year-on-year white corn prices are almost 50 percent higher, trading above R5,100/MT (\$280/MT).

The El Niño-induced drought diminished white corn production in the region, most notably in Zambia and Zimbabwe. This has bolstered demand for South Africa's corn stock, pushing local prices at elevated levels. Local white corn is currently trading at about R1,400/MT (\$77/MT) above yellow corn prices illustrating the relative scarcity of white corn compared to yellow corn globally. On the other hand, local yellow corn prices rose year-on-year by only 5 percent, which is indicative of the accessibility of yellow corn in the international markets. Global yellow corn prices also dropped by 25 percent over the past year. Table 4 indicates the current and future prices of South African corn as of July 10, 2024.

**Table 4**

### *Local Corn Prices*

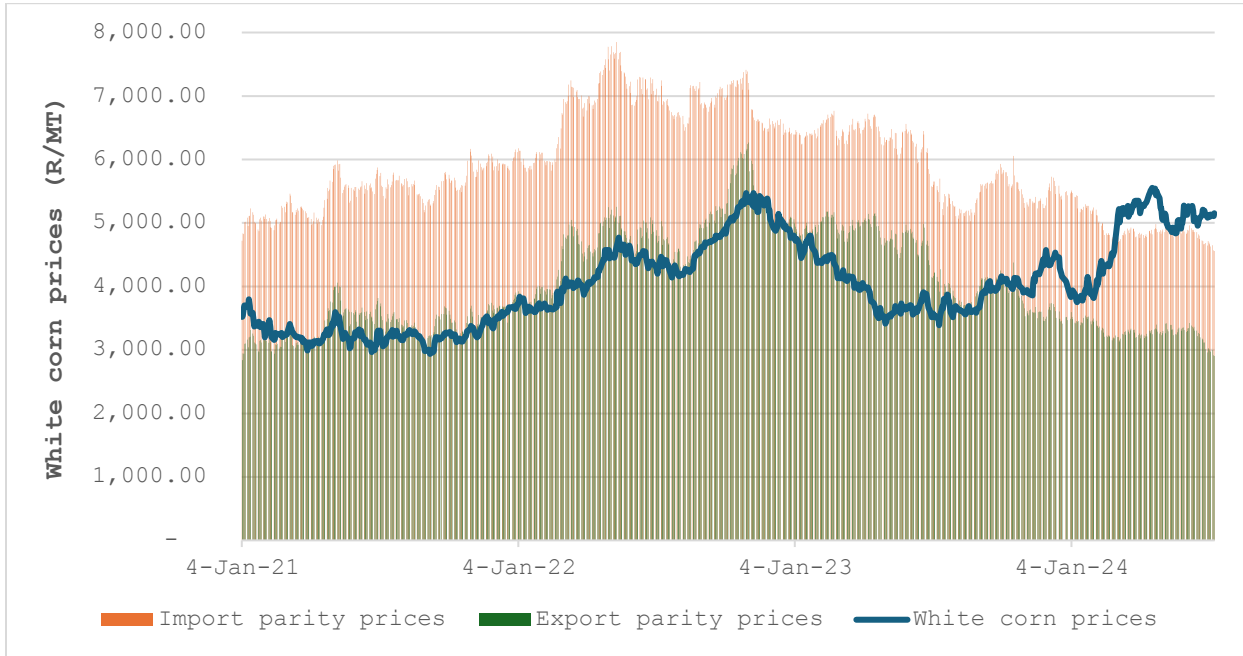
Commodity	Current and futures prices (year/month)				
	2024/07	2024/09	2024/12	2025/03	2025/05
White corn	R5,153/MT (\$285/MT)	R5,199/MT (\$287/MT)	R5,254/MT (\$290/MT)	R4,902/MT (\$270/MT)	R4,200/MT (\$232/MT)
Yellow corn	R3,739/MT (\$206/MT)	R3,818/MT (\$211/MT)	R3,906/MT (\$216/MT)	R3,876/MT (\$214/MT)	R3,770/MT (\$208/MT)

**Source:** GrainSA (as of 07/10/2024)

**Note:** US\$1 = Rand 18.10

**Figure 3**

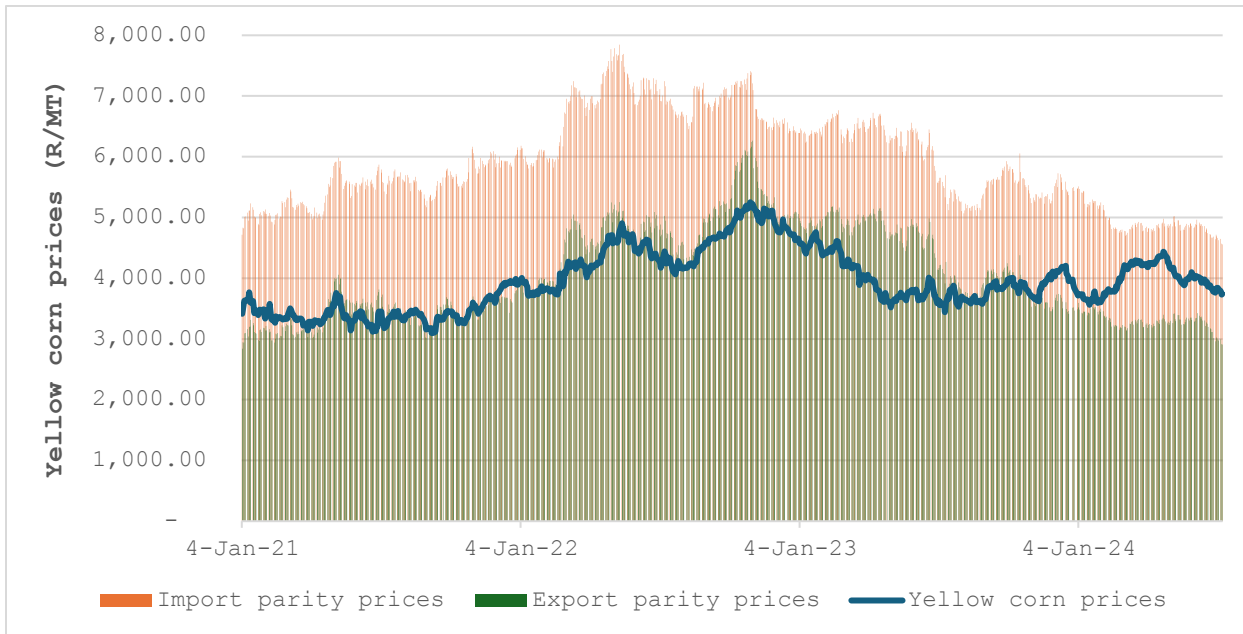
*The Trend in the Local Price for White Corn since January 2021*



Source: GrainSA

**Figure 4**

*The Trend in the Local Price for Yellow Corn since January 2021*



Source: GrainSA

## Stocks

Year-end stocks are estimated to expand by 20 percent to 1.8 MMT in MY 2024/25 on higher local production. However, in MY 2023/24 stock levels are expected to drop by 36 percent to 1.5 MMT, due to lower local production and higher corn demand in the region. Ending stocks in MY 2023/24 equal about one-and-a-half months of commercial utilization. Sagis calculated year-end stocks for MY 2022/23 at 2.4 MMT. Stocks are primarily stored by producer-owned agribusinesses (formerly cooperatives), traders, and processors. South Africa’s combined storage capacity for grain and oilseeds exceeds 20 MMT.

**Table 5**

### *Corn Production, Supply and Distribution*

Corn Market Year Begins South Africa	2022/2023		2023/2024		2024/2025	
	May 2023		May 2024		May 2025	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Harvested (1000 HA)	2945	2945	3000	2983	3150	3110
Beginning Stocks (1000 MT)	1954	1954	2401	2403	1051	1533
Production (1000 MT)	17100	17094	14000	13980	17000	16500
MY Imports (1000 MT)	33	33	150	150	0	0
TY Imports (1000 MT)	0	0	170	170	50	0
TY Imp. from U.S. (1000 MT)	1	0	0	0	0	0
Total Supply (1000 MT)	19087	19081	16551	16533	18051	18033
MY Exports (1000 MT)	3442	3443	3000	1500	3200	2500
TY Exports (1000 MT)	3619	3619	2700	1700	3400	3000
Feed and Residual (1000 MT)	6944	6610	6300	6700	6900	6800
FSI Consumption (1000 MT)	6300	6625	6200	6800	6500	6900
Total Consumption (1000 MT)	13244	13235	12500	13500	13400	13700
Ending Stocks (1000 MT)	2401	2403	1051	1533	1451	1833
Total Distribution (1000 MT)	19087	19081	16551	16533	18051	18033
Yield (MT/HA)	5.8065	5.8044	4.6667	4.6866	5.3968	5.3055

(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 2024/2025 = October 2024 - September 2025

OFFICIAL DATA CAN BE ACCESSED AT: [PSD Online Advanced Query](#)

## Attachments:

No Attachments