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South Africa, Republic of

Grain and Feed

Monthly Update

2003

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Report Highlights:
South Africa's current, 2003 wheat crop is estimated at 1.48 million tons, 36% smaller than the previous crop. Fortunately the carry over at the beginning of the season in October was close to 900,000 tons and imports started immediately. To date imports already amount to 175,000 tons including 150,000 tons from the US. Total seasonal imports are likely to reach 1.1 million tons, the bulk supplied by the US. The 2003 corn crop, still being planted, is also in trouble. Low soil moisture at the end of winter and patchy, late, rainfall to date is casting a shadow over the crop's prospects. An estimate is due December 5 after which we will re-assess the situation. We are keeping our 7.5 million ton estimate unchanged until more information becomes available.

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

Summary

South Africa's current, 2003, wheat crop is estimated at 1.48 million tons, 36% less than the previous crop and the lowest crop in eleven years. The decline is mainly due to a cutback in area planted and low rainfall. Fortunately the carry over at the start of the season was close to 900,000 tons and imports started immediately. Since the beginning of the new season in October 2003 imports already amount to about 175,000 tons including 150,000 tons from the US. Total marketing year imports are likely to reach about 1.1 million tons, the bulk supplied by the US.

The 2003 corn crop, currently being planted, is also in trouble. Starting with very low soil moisture after a long, dry, winter, and rainfall to date has been patchy. Farmers were intending to cut back on the area planted due to low prices and the late rains may have also influenced planting intentions. The next planting survey is due December 5, which should clarify matters, after which we can make a more meaningful estimate than the current 7.5 million tons. We expect the total crop estimate for the 2002 crop to be adjusted to about 9.7 million tons at the same time. With a healthy carry over from the present crop and mainly yellow corn imports needed, we do not foresee any serious shortages developing within the Republic of South Africa.

www.sagis.org.za
www.grainsa.co.za
www.safex.co.za
www.fews.net
www.wfp.org
www.grains.org

WHEAT

PSD Table

Country **South Africa**

Commodity **Wheat**

	2001	Revised	2002	Estimate	2003	Forecast	
	[Old]	[New]	[Old]	[New]	[Old]	[New]	
Market Year Begin		10/2001		10/2002		10/2003	
Area Harvested	959	959	941	941	748	748	(1000 HA)
Beginning Stocks	487	571	587	588	1007	897	(1000 MT)
Production	2490	2415	2320	2387	1675	1478	(1000 MT)
TOTAL Mkt. Yr. Imports	561	563	1000	870	1000	1100	(1000 MT)
Jul-Jun Imports	561	561	1018	1018	1000	1000	(1000 MT)
Jul-Jun Import U.S.	18	18	63	63	0	250	(1000 MT)
TOTAL SUPPLY	3538	3549	3907	3845	3682	3475	(1000 MT)
TOTAL Mkt. Yr. Exports	379	320	250	310	200	320	(1000 MT)
Jul-Jun Exports	379	379	328	328	200	320	(1000 MT)
Feed Dom. Consumption	10	10	10	10	10	10	(1000 MT)
TOTAL Dom. Consumption	2572	2641	2650	2638	2650	2650	(1000 MT)
Ending Stocks	587	588	1007	897	832	505	(1000 MT)
TOTAL DISTRIBUTION	3538	3549	3907	3845	3682	3475	(1000 MT)

Production

The fourth official crop estimate of the 2003 wheat crop was released on November 20. The estimate was decreased to 1,478,200 tons, 87,000 tons less than the previous estimate. This is 843,000 tons or 36% lower than the previous crop, and the lowest crop in eleven years. The reasons for the decline in production include drought in the Western Cape and Free State, and the fall in pre-season wheat prices. The fall in prices was due to cheap wheat imported from Europe and the appreciation of the S.A. Rand. The main production area is now the Western Cape, with a production forecast of 503,750 tons or 34.1% of the crop, followed by the Free State, with a production forecast of 487,500 tons (33%). The area planted estimate remained unchanged at 748,000 hectares. The expected yield is 2.0 mt/ha. as against 2.5 mt/ha. for the previous season. The following table contains the details:

Wheat production by Province	Area planted 2002	Production 2002/03	Area planted 2003	Prod. Estimate 2003/04
	Hectares	Tons	Hectares	Tons
Western Cape	383,000	938,350	325,000	503,750
Northern Cape	50,000	272,500	43,000	251,550
Free State	432,000	756,000	325,000	487,500
Eastern Cape	3,500	10,675	2,000	6,000
Natal	8,600	40,420	7,000	32,900
Mpumalanga	22,000	113,300	9,000	36,000
Limpopo	13,500	54,000	9,000	36,000
Gauteng	2,500	12,000	2,000	6,200
North-West	26,000	123,500	26,000	118,300
TOTAL	941,100	2,320,745	748,000	1,478,200

The production figures for previous seasons in the PS&D are based on actual deliveries and usually exceed the crop estimate.

Consumption

Total domestic utilization for the October 2002/September 2003 season amounts to 2.638 million tons, compared to 2.641 million tons for 2001/2002. Milling for human consumption amounted to 2.575 million tons compared to 2.519 million tons for the previous season, an increase of 2.2%. A small increase in consumption is foreseen for 2003/04.

Commercial PS&D's, based on actual movement through the silos, can be supplied for the previous two seasons:

Commercial wheat PS&D	MY 2001/2002 '000 mt.	MY 2002/2003 '000 mt.
Beginning stocks	571	588
Deliveries from farms	2415	2387
Imports for SA	407	747
Imports for re-export	156	123
Total imports	563	870
Total supply	3549	3845
Exports, from SA, products	75	41
Whole grain	74	138
Re-export	171	131
Total exports	320	310
Domestic disappearance	2641	2638
Ending stocks	588	897

Trade

Since the start of the new marketing year in October 2003 to November 21, South Africa imported 113,112 tons of US wheat for own use and 38,924 tons for re-export to its African neighbors. Total imports from the US since October 1 thus amounted to 152,036 tons. Canada supplied 21,682 tons for re-export pushing total imports to 173,718 tons. The following table compares imports over the past two seasons with the cumulative MY 03/04 imports.

South Africa, Wheat imports, Metric tons	For South Africa	For re-export to African countries	Total
MY Oct.01/Sept.02	407,000	156,000	563,000
MY Oct.02/Sept.03	747,000	123,000	870,000
Oct.03/Nov.21			
USA	113,112	38,924	152,036
Canada	0	21,682	21,682
Progressive total	113,112	60,606	173,718

Exports over the past two seasons and to November 21 in the current season compare as follows:

South Africa, Wheat exports, Metric tons	South African wheat	Imported wheat	Total
MY Oct.01/Sept.02			
Wheat products*	75,000	0	75,000
Whole wheat	74,000	171,000	245,000
Total	149,000	171,000	320,000
My Oct.02/Sept.03			
Wheat products	41,000	0	41,000
Whole wheat	138,000	131,000	269,000
Total	179,000	131,000	310,000
Oct.03/Nov.21, 2003			
Botswana			10,591
Lesotho			5,662
Swaziland			8,281
Zimbabwe			2,012
Zambia			3,978
Progressive total			30,524

CORN

PSD Table

Country South Africa

Commodity Corn

	2001	Revised	2002	Estimate	2003	Forecast	UOM
	(Old)	[New]	[Old]	[New]	[Old]	[New]	
Market Year Begin		05/2002		05/2003		05/2004	MM/YYYY
Area Harvested	3533	3533	3575	3566	3300	3253	(1000 HA)
Beginning Stocks	490	490	1943	1945	1693	1725	(1000 MT)
Production	10050	10050	9200	9405	8900	7500	(1000 MT)
TOTAL Mkt. Yr. Imports	923	925	250	75	250	475	(1000 MT)
Oct-Sep Imports	726	726	800	540	200	75	(1000 MT)
Oct-Sep Import U.S.	403	300	0	25	0	0	(1000 MT)
TOTAL SUPPLY	11463	11465	11393	11425	10843	9700	(1000 MT)
TOTAL Mkt. Yr. Exports	1074	1070	1000	1200	1000	1000	(1000 MT)
Oct-Sep Exports	1182	1182	900	1000	1000	1000	(1000 MT)
Feed Dom. Consumption	3846	4050	4100	4100	4100	4125	(1000 MT)
TOTAL Dom. Consumption	8446	8450	8700	8500	8700	8475	(1000 MT)
Ending Stocks	1943	1945	1693	1725	1143	225	(1000 MT)
TOTAL DISTRIBUTION	11463	11465	11393	11425	10843	9700	(1000 MT)

Production

At this stage the 2003 corn crop currently being planted is in trouble.

The October/November rainfall was going to be the deciding factor but it has been disappointing. The eastern production area, mainly in the Mpumalanga province, received some general rain and most farmers were able to plant. In the Northwest Province good rainfall was also reported but it has been patchy in the Free State. The optimum planting window in the Eastern area is mid October to mid November. Planting in the western areas can continue to mid December as the first date that frost can be expected determines planting times. Frost is likely to occur earlier in the higher, colder, eastern areas limiting the length of the growing season. Heavy general rain is urgently needed over the whole of the summer rainfall grain growing area, especially as soil moisture levels were very low after the long dry winter.

A planting intention survey was done earlier and the results of a new survey will be announced on December 5, which should give a better idea of the prospects for the new crop. While weather conditions over the next few weeks will determine developments, the data for the past two seasons plus a 2003 forecast is given in the following table:

CORN	FAS 01	MY 02/03	FAS 02	MY 03/04	FAS 03	MY 04/05
Comm.	Area ‘000 ha.	Production ‘000 mt.	Area ‘000 ha.	Production ‘000 mt.	Area ‘000 ha.	Production ‘000 mt.
White	1843	5537	2083	5862	1826	4500
Yellow	1174	4194	1017	3256	977	2800
Total	3017	9732	3100	9119	2803	7300
Small scale						
White	408	245	368	221	350	150
Yellow	109	72	98	65	100	50
Total	517	317	466	286	450	200
Total crop						
White	2251	5782	2451	6083	2176	4650
Yellow	1283	4266	1115	3321	1077	2850
Total	3533	10049	3566	9405	3253	7500

The FAS 02 crop estimate is still subject to review with the commercial white corn crop likely to be increased to about 6.3 million tons and the yellow corn crop decreased to about 3.1 million tons for a total of about 9.4 million tons. These adjustments are based on producer deliveries to date. For our analysis, the total crop estimate is not as important as the actual deliveries to the silos and the increased crop is used in the calculations.

The FAS 03 forecast is preliminary and based on normal rainfall for the rest of the season. It includes a 15% downwards adjustment of what would be expected under normal conditions, for damage already caused by the dry, hot weather. These figures could change dramatically over the next few months.

Consumption

Commercial deliveries, that is corn delivered to the silos according to SAGIS, forms the basis of the commercial PS&D. Corn produced and consumed outside the formal trading environment is not well documented. To correlate the commercial PS&D with a specific crop we use the March to February deliveries and not the formal May to April marketing year. The reason is that the quantity of early deliveries has been increasing. The March and April deliveries are then deducted from the May 1 carry over and added to the new season’s deliveries. From the beginning of March 2003 to the end of October total deliveries amounted to 8.855 million tons, consisting of 6.135 million tons white- and 2.720 million tons yellow corn. The deliveries strengthen the argument for an increase in the FAS 02, MY 2003/2004 commercial corn crop estimate. The following table uses the adjusted estimate:

FAS 2002 est.	MY 2003/04 est.	Commercial PS&D	
‘000 Metric tons	White	Yellow	Total corn
Beginning stocks	1265	680	1945
Rev. Com. Crop est.	6300	3100	9400
Farm retentions	100	300	400
Delivery est.	6200	2800	9000
Imports	0	75	75
Total Supply	7465	3555	11020
Exports	1100	100	1200
Dom. Disapp.	4700*	3050	7750
Ending stocks	1665	405	2070

* Including an additional 300,000 tons used for feed.

A forecast for the 2004/05 season can be supplied:

FAS 2003 forecast	MY 2004/05 for.		
'000 Metric tons	White	Yellow	Total corn
Beginning stocks	1665	405	2070
Crop forecast	4500	2800	7300
Farm retentions	65	305	370
Deliveries	4435	2495	6930
Imports	0	475	475
Total Supply	6100	3375	9475
Exports	900	100	1000
Dom. Disapp.	4400	3275	7675
Ending stocks	800	0	800

The table is only a forecast of how the new season could develop. Basically South Africa needs about 7.7 million tons for local use and about 1 million tons for exports into the region, for a total of 8.7 million tons. With the more than 2 million ton carry over expected at the end of the current season, the need drops to 6.7 million tons. About 1.7 million tons can be produced under irrigation, which cuts the amount needed from the dry land crop. In the table above, where the commercial crop is forecast at 7.3 million tons, at least 475,000 tons of imports will be needed to maintain stock levels.

Trade

Imports

South Africa, Corn imports, Metric tons	White corn	Yellow corn	Total corn
MY May01/April/02			
For South Africa	47,000	348,000	395,000
For re-export	7,000	3,000	10,000
Total	54,000	351,000	405,000
MY May 02/April/03			
For South Africa	274,000	651,000	925,000
For re-export	48,000	292,000	340,000
Total	326,000	943,000	1,265,000
May 03/Nov. 21			
For South Africa	0	48,585	48,585
For re-export	0	0	0
Total	0	48,585	48,585

The imports for re-export shown above for the past two seasons resulted from the famine in the region and consisted mainly of food aid shipped through South African ports. Some assistance continues but it is either shipped through Mozambique or purchased in South Africa. As shown in the table no imports for re-export occurred since May 1, 2003 at the start of the current local marketing season. The main reasons for the cutback in aid include better crops in the recipient countries and the reluctance of some governments, mainly Zimbabwe, to accept genetically modified food. As the aid shipments are not part of normal trade and unlikely to attain similar high levels again soon, it was not brought into the long term S&D situation.

Exports

In My 2001/02 South Africa exported 1.281 million tons of own corn and 2,000 tons of imported corn. In My 2002/03 local corn exports dropped to 925,000 tons and imported corn exports jumped to 340,000 tons. To date, in My 2003/04 about 660,000 tons of mainly South African corn was exported. The following table gives us a clear indication of export destinations.

South Africa, Corn exports, Metric tons	White corn	Yellow corn	Total whole corn
MY May 01/April 02			
SA corn	760,000	521,000	1,281,000
Imported corn	0	2,000	2,000
Total	760,000	523,000	1,283,000
MY May 02/April 03			
SA corn	744,000	326,000	1,070,000
Imported corn	55,000	236,000	291,000
Total corn	799,000	562,000	1,361,000
May03/November 21	Mainly South African	Corn	
Zimbabwe	244,088	16,281	260,369
Zambia	6,829	0	6,829
Mozambique	59,789	5,290	65,079
Namibia	27,123	10,368	47,491
Botswana	95,497	576	96,073
Swaziland	15,669	15,935	31,604
Lesotho	70,733	2,008	72,741
Angola	14,834	0	14,834
Kenya	48,150	0	48,150
Congo	225	0	225
Madagascar	9,396	528	9,924
Cape Verde	5,053	0	5,053
Mauritius	0	1,333	1,333
Japan	0	10,374	10,374
Comoros	0	15	15
Total	597,386	62,708	660,094