USDA Foreign Agricultural Service
GAIN Report
Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 02/06/2009

GAIN Report Number: SF9002

South Africa, Republic of

Grain and Feed

Annual

2009

Approved by:
Scott Sindelar
U.S. Embassy

Prepared by:
Dirk Esterhuizen

Report Highlights:
The 2008/09 marketing year wheat crop in South Africa is estimated at 2.1 million tons, 9.2 percent more than the previous season. However, about 1.180 million tons of wheat still needs to be imported to meet the local demand. With the decline in the wheat price the prospect for profitable wheat production in South Africa is uncertain. This will result in producers scaling down production in the 2009/10 marketing year. The size of the 2008/09 marketing year corn crop in South Africa is estimated at 12.7 million tons, 84.5 percent more than the previous season. As a result, South Africa will have approximately 2.1 million tons of corn available for export. With 2.6 million hectares planted with corn for the 2009/10 marketing year and the favorable weather outlook for the rest of the production season, the conditions are ripe for South Africa to produce back-to-back corn surpluses. South Africa decreased its rice imports by more than 30 percent mainly due to the increase in the global price of rice and to the availability of rice because of export restrictions implemented by many rice producing countries.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
Pretoria [SF1]
[SF]

Executive Summary

The 2008/09 marketing year wheat crop in South Africa is estimated at 2.1 million tons on 748,000 hectares. This represents a 9.2 percent increase in production from the 1.9 million tons produce for the 2007/08 marketing year on 632,000 hectares. For the 2008/09 marketing year, however, the yield at 2.78 tons per hectare is lower than the 3.02 tons per hectare for the 2007/08 marketing year. With the decline in the wheat price, prospects for profitable wheat production in South Africa are uncertain. This will result in producers scaling down production for the 2009/10 marketing year. Total consumption of wheat for the 2008/09 marketing year is estimated at 2.843 million tons, 1.4 percent less than the previous season. This means that about 1.180 million tons of wheat will need to be imported to meet the domestic demand.

The size of the 2008/09 marketing year commercial corn crop is estimated at 12.7 million tons. The white corn crop was finalized at 7.5 million tons on 1.7 million hectares which is 75 percent more white corn than the previous year. The yellow corn crop was finalized at 5.2 million tons on 1.1 million hectares which is 86 percent more than the previous season. For the 2009/10 marketing year it is estimated that about 2.6 million hectares of corn were planted, which is 7.3 percent or 203,000 hectares less than the previous season. However, above-average rainfall is expected during the summer in the grain production region which will result in South Africa producing back-to-back corn surpluses. The area to be planted with corn later in 2009 will be influenced in a positive manner by a combination of the relative high local price levels, the current above average expected crop and an expected decrease in input cost.

The human consumption of white corn in South Africa increased by 15.5 percent in the first eight months of the 2008/09 marketing year compared to the same period in the 2007/08 marketing year. For the 2008/09 marketing year, South Africa will have approximately 2.1 million tons of corn, mainly white corn, available for export.

The value of rice imports by South Africa have almost doubled from 2007 to 2008 while the quantity imported decreased by more than 30 percent. This decrease in rice imports was mainly due to the huge increase in the global price of rice and also the availability of rice due to export restriction implemented by many rice producing countries including India, South Africa's second largest source of imports.

US$1 = Rand 10.00 (02/05/09)

Sources:

www.sagis.org.za
www.grainsa.co.za
www.safex.co.za
www.nda.agic.za
www.agrisa.co.za

WHEAT

Production

The 2008/09 marketing year wheat crop in South Africa is estimated at 2.1 million tons on 748,000 hectares. This represents a 9.2 percent increase in production from the 1.9 million tons produce for the 2007/08 marketing year on 632,000 hectares. The 18.4 percent increase in hectares planted in the 2008/09 marketing year was the result of the wheat price trading at relatively high levels (above R4000/ton) during the 2008 planting season. Since then the wheat price has decreased significantly and is now trading at about R2800/ton. Since October 2008, 1.990 million tons of wheat have already been delivered by producers.

For the 2008/09 marketing year, however, the yield at 2.78 tons per hectare is lower than the 3.02 tons per hectare for the 2007/08 marketing year. The decrease in yield is mainly due to a lack of spring rain in the Free State province wheat producing areas and too much rain in the Western Cape.

Table 1 contains the production details of wheat by provinces in South Africa. In the Free State province, one of the main dry land wheat producing areas in South Africa, 30 percent more wheat was planted for the 2008/09 marketing year compared to the previous season. In the Western Cape, the other main dry land wheat producing area in South Africa, 7.7 percent more wheat was planted. In the other provinces wheat is mainly produced under irrigation explaining the higher average yields in those provinces.

Table 1: Area planted and production of wheat by provinces in South Africa

Marketing year	**2007/08 (Actual)**			**2008/09 (Estimate)**		
	Area planted	**Yield**	**Production**	**Area**	**Yield**	**Production**
	Ha.	**Mt/ha**	**Mt.**	**Ha.**	**Mt/ha**	**Mt.**
W. Cape	325 000	2.5	812 000	350 000	2.4	840 000
N. Cape	42 000	6.3	264 500	50 000	6.4	320 000
Free State	215 000	2.7	570 000	280 000	2.0	560 000
E. Cape	3 800	4.0	15 200	5 500	4.0	22 000
KwaZulu	6 000	4.8	28 800	7 500	4.8	35 625
Mpumalanga	5 000	5.0	25 000	8 000	5.3	42 400
Limpopo	11 000	5.5	60 450	20 000	5.5	110 000
Gauteng	1 700	6.5	11 050	2 000	6.2	12 400
North West	22 500	5.2	118 000	25 000	5.5	137 500
TOTAL	**632 000**	**3.0**	**1 905 000**	**748 000**	**2.8**	**2 079 925**

Source: Crop Estimates Committee

With the decline in the wheat price, prospects for profitable wheat production in South Africa are uncertain. This will result in producers scaling down production in the coming season. It is estimated that around 650 000 hectares will be planted with wheat in 2009, which on average will realize a wheat crop of about 1.8 million tons for the 2009/10 marketing year.

Consumption

In the first three month of the 2008/09 marketing year, South Africans consumed 4.5 percent less wheat than the same period the previous season. This decreased wheat consumption can be attributed to the huge increase in local bread retail prices because of the increase in the price of wheat. The price of bread is South Africa has increased by more than 35 percent since October 2007 (see also SF8011 and SF8043). Although the price of bread will be stable for the rest of 2009, post estimates the total consumption of wheat for the 2008/09 marketing year at 2.843 million tons, 1.4 percent less than the previous season. As a result about 1.180 million tons of wheat will need to be imported to meet the domestic demand. In Table 2 the consumption of wheat in South Africa is shown for marketing years 2007/08 (actual), 2008/09 (estimate) and 2009/10 (forecast).

Table 2: Consumption of wheat in South Africa

	Wheat (1000 tons)				
Marketing year	**Human**	**Animal**	**Seed**	**Other**	**TOTAL**
2007/08	2.844	1	22	14	2.881
2008/09	2.804	2	22	15	2.843
2009/10	2.840	5	20	15	2.880

Source: South Africa Grain Information Service (SAGIS)

Trade

For the 2007/08 marketing year, South Africa imported 1.396 million tons of wheat. Most of the wheat was imported from Argentina (684,160 tons) and the United States (406,562 tons). Wheat was also imported from Canada (194,764 tons) and Germany (111,013 tons). As for the 2008/09 marketing year, South Africa has already imported 385,818 tons of wheat. Most of the wheat, 209,538 tons, was imported from Argentina and the rest from the United States (64,392 tons), Germany (61,218 tons), Canada (34,569 tons) and Australia (16,101 tons).

South Africa, however, also exports wheat to the Southern Africa region and also acts as a conduit for imported grain. In the 2007/08 marketing year South Africa exported 214,337 tons of wheat from its own stocks to neighboring countries in the Southern Africa region and 92,984 tons of imported wheat. Botswana (108,092 tons), Lesotho (97,005 tons) and Swaziland (34,485 tons) were the main markets. For the 2008/09 marketing year 112,229 tons of wheat (55,788 ton own stock and 56,501 ton imported wheat) has already been exported to the neighboring countries.

Policy

The International Trade Administration Commission (ITAC) in South Africa has zero-rated the two percent import duty on wheat (1001.90) and wheat flour (1101.00) in January 2009 after the decision was gazetted in December 2008. According to ITAC there is no justification for a duty on wheat and wheat flour due to the high international wheat price. While ITAC has abolished the two percent blanket import duty, it reinstated the 1999 variable tariff that was applied before the blanket duty was introduced. That tariff takes effect only if the wheat price falls below $157 a ton. According to the Chamber of Milling in South Africa, the impact of the change in tariff will minimally affect the price of bread.

This decision by ITAC rejects the demand by farmers for more tariff protection against cheaper imported wheat. Farmers argue that they cannot continue to produce wheat in South Africa profitably anymore. The decreasing trend in the area planted with wheat in South Africa over the past 20 years is proof of this. Wheat farmers also argue that an increase in the price of bread caused by higher tariffs would be well worth the effect a revival of wheat production in South Africa would have on rural economic development and improvement in food security. However, the farmers' arguments were considered weak when compared to the low income status of the majority of South Africans for whom bread is a staple food.

Import Trade Matrix

Country	South Africa		
Commodity	Wheat		
Time Period	Oct/Sept	Units:	Metric tons
Imports for:	2007/08		**2008/09***
U.S.	406562	U.S.	64392
Others		Others	
Canada	194764		34569
Argentina	684160		209538
Germany	111013		61218
Australia			16101
Total for Others	989937		321426
Others not Listed	0		0
Grand Total	1396499		385818

*** From 10/01/2008 to 01/30/2009**

Export Trade Matrix

Country	South Africa		
Commodity	Wheat		
Time Period	Oct/Sept	Units:	Metric ton
Exports for:	2007/08		**2008/09***
U.S.	0	U.S.	0
Others		Others	
Botswana	108092		31776
Lesotho	97005		44439
Swaziland	34485		11875
Namibia	24530		4441
Zambia	16404		9821
Zimbabwe	26555		9547
Total for Others	307071		111899
Others not Listed	250		330
Grand Total	307321		112229

*** From 10/01/2008 to 01/30/2009**

Prices

The SAFEX prices for wheat as of 01/30/2009 are shown in the following Table. Local prices have increased since December 2008 but remain at about R700 per ton less than during the same period last year and more than R1,000 per ton less than during planting season (see Figure 1). The current increase in the price of wheat is mainly due to the devaluation of the Rand against the US dollar and the increase in the international price of wheat.

Table 3: SAFEX future prices for wheat

	SAFEX Futures prices (01/30/2009)				
Commodity	**2009/02**	**2009/03**	**2008/05**	**2008/07**	**2008/12**
Wheat	R2806/t ($281/t)	R2839/t ($284/t)	R2891/t ($289/t)	R2940/t ($294/t)	R3365/t ($337/t)

Source: SAFEX

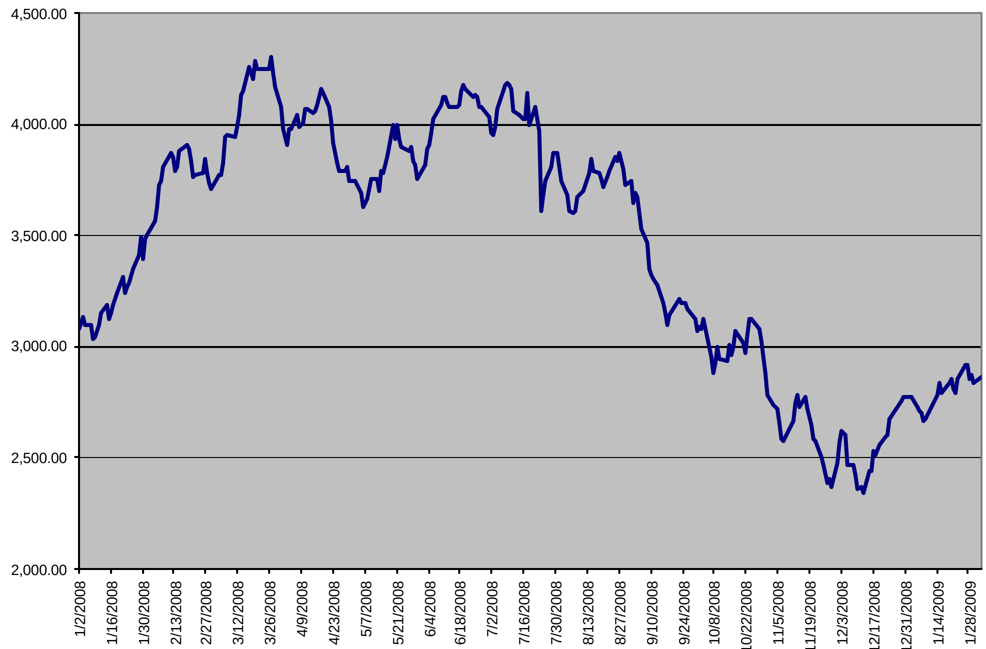

Figure 1: The trend in the SAFEX price for wheat since January 2008

Wheat South Africa (1000HA) 1000MT)	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Oct 2007			Market Year Begin: Oct 2008			Market Year Begin: Oct 2009		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Area Harvested	632	800	632	750		748			650
Beginning Stocks	462	600	462	607		575			652
Production	1,905	2,100	1,905	2,000		2,080			1,800
MY Imports	1,400	1,000	1,396	1,500		1,180			1,300
TY Imports	1,215	1,000	1,215	1,500		950			1,000
TY Imp. from U.S.	0	0	415	0		400			400
Total Supply	3,767	3,700	3,763	4,107		3,835			3,752
MY Exports	300	325	307	300		340			300
TY Exports	206	0	290	300		300			200
Feed Consumption	10	25	1	10		2			5
FSI Consumption	2,850	2,850	2,880	3,200		2,841			2,875
Total Consumption	2,860	2,875	2,881	3,210		2,843			2,880
Ending Stocks	607	500	575	597		652			572
Total Distribution	3,767	3,700	3,763	4,107		3,835			3,752

CORN

Production

The Crop Estimates Committee (CEC) increased its final corn crop production estimate for the 2008/09 marketing year above the figure released on August 27, 2008 (see SF8039). The corn production figures were increased after incorporating the actual deliveries to date as recorded by the South African Grain Information Service and on-farm use and retentions as determine by a maize utilization survey. The area harvested remains unchanged at 2.8 million hectares.

The CEC's final crop estimate announced in August 2008 underestimated the commercial corn by 5.4 percent. The groundnuts crop was underestimated by 3.9 percent. As for sunflower seed, soybeans and sorghum, the CEC overestimated the crops by 1.6 percent, 9.3 percent and 2.1 percent respectively.

The size of the 2008/09 marketing year commercial corn crop is now estimated at 12.7 million tons. The white corn crop was finalized at 7.5 million tons on 1.7 million hectares which is 75 percent more white corn than the previous year. The yellow corn crop was finalized at 5.2 million tons on 1.1 million hectares which is 86 percent more than the previous season. By the middle of January 2008, 7.3 million tons of white corn and 4.7 million tons of yellow corn had already been delivered by producers.

The 2008/09 corn crop of 12.7 million tons is the second highest crop recorded by South Africa in the past 50 years. The highest was the 1981/82 marketing year with a crop size of 14.9 million tons. The 1981/82 crop was, however, produced on 4.5 million hectares compared to the 2.8 million hectares of the current year's crop. In fact, the 2008/09 marketing year's average corn crop yield of 4.5 tons per hectare is the highest ever recorded by South Africa. The 2007/08 production year was indeed, climatically, a very favorable year for corn farmers in South Africa. In 2006/07, South Africa experienced El Niño conditions and suffered a terrible drought. In 2007/08 the effects of La Niña brought above-normal rainfall over the majority of South Africa. Isolated areas of the eastern half of the country were the exception.

The first estimate of the area planted with corn for the 2009/10 marketing year was released on January 27, 2009. It is estimated that 2.6 million hectares of corn were planted, which is 7.25 percent or 203,000 hectares less than the previous season. The area planted is, however, 1.3 percent more than the projected planted area of 2.562 million hectares released during October 2008. The area estimate for white corn is 1.6 million hectares, which represents a decrease of 8.0 percent from the previous season. The area estimate for yellow corn is 997,500 hectares, which is 6.1 percent less than the 1.1 million ha planted last season.

Although the increase in input costs and the availability of credit played a role in the decrease in the hectares planted with corn, the primary reason was less than normal rainfall in the corn producing areas of South Africa before and during the planting season. Overall corn planting was done much later than usual. In some areas farmers planted up to two weeks later than normal. Some plantings even took place after the optimum planting dates for the region and this could reduce the yield.

The estimate of the area planted with sunflower seed is 600,000 hectares, which is 6.3 percent more than the 564,300 hectares planted during the previous season. It is estimated that 198,000 hectares have been planted with soybeans, which represents an increase of 19.7 percent compared to the 165,400 ha planted last season. Groundnuts area planted is estimated at 50,450 hectares which is 6.9 percent less than the 54,200 hectares planted for the previous season. The area estimate for sorghum is basically the same as last season at 86,600 hectares.

Above-average rainfall is expected for the rest of the summer period over the grain production region of South Africa that should benefit the current corn crop. The rainfall expectations are positive because of the cooler than normal sea temperatures over the Pacific Ocean. With 2.6 million hectares planted with corn and the favorable weather outlook for the rest of the season, the conditions are ripe for South Africa to produce back-to-back corn surpluses.

The area to be planted with corn later in 2009 will be influenced in a positive manner by a combination of the relatively high local price levels, the current above average expected crop and an expected decrease in input cost (e.g. fertilizer, fuel, interest rates etc.). Hence, it is forecast that around 2.8 million hectares of corn will be planted later in 2009 under normal climatic conditions. This will, on average, result in a crop exceeding 10 million tons

The following table contains area planted and production figures of white and yellow corn for the 2008/09 (actual), 2009/10 (estimate) and 2010/11 (forecast) marketing years.

Table 4: Area planted and production of corn in South Africa

CORN	Area 000ha	Yield t/ha	Prod. 000 t	Area 000ha	Yield t/ha	Prod. 000 t	Area 000ha	Yield t/ha	Prod. 000 t
Marketing year	**2008/09**			**2009/10**			**2010/11**		
White	1.737	4.3	7.480	1.599	3.8	6.000	1.800	3.6	6.480
Yellow	1.062	4.9	5.220	998	4.0	4.000	1.000	3.8	3.800
TOTAL	2.799	4.5	12.700	2.596	3.9	10.000	2.800	3.7	10.280

Source: SAGIS and CEC

Table 5: Area planted with corn by province in South Africa

	2008/09 (Actual)	2009/10 (Estimate)
	Area	Area
	1000 Ha	1000 Ha
WHITE CORN		
Western Cape	1	2
Northern Cape	3	3
Free State	690	656
Eastern Cape	3	4
KwaZulu-Natal	41	37
Mpumalanga	268	240
Limpopo	41	33
Gauteng	80	75
North West	610	550
TOTAL	**1.737**	**1.599**
YELLOW CORN		
Western Cape	3	4
Northern Cape	52	48
Free State	480	430
Eastern Cape	13	12
KwaZulu-Natal	42	39
Mpumalanga	250	255
Limpopo	16	15
Gauteng	36	35
North West	170	160
TOTAL	**1.062**	**998**
TOTAL		
Western Cape	4	5
Northern Cape	55	51
Free State	1.170	1.086
Eastern Cape	16	16
KwaZulu-Natal	83	76
Mpumalanga	518	495
Limpopo	57	48
Gauteng	116	110
North West	780	710
TOTAL	**2.799**	**2.596**

Source: CEC

Consumption

In South Africa human consumption of corn (mainly white corn) increased by 15.5 percent in the first eight months of the 2008/09 marketing year compared to the same period for the 2007/08 marketing year. This is attributable to the higher retail price for wheat products such as bread and macaroni that have increased on average by more than 37 percent and rice by more than 90 percent since October 2007, while the price of corn meal has only increased by 7 percent (see also SF8011 and SF8043). Many South Africans are returning to buying cheaper basic grains rather than more expensive foods because of the current economic pressures.

For the 2008/09 marketing season it is estimated that approximately 4.5 million tons of corn, mainly white corn, will be used for human consumption and approximately 4.3 million tons, mainly yellow corn, for animal consumption. The total corn consumption for the 2008/09 marketing season is estimated at approximately 9.3 million tons, an increase of 9.2 percent from the previous season. For the 2009/10 marketing season corn consumption is estimated at 9.520 million tons, an increase of 2.9 percent over the 2008/09 marketing season. It is estimated that human consumption will stay the same, but animal consumption of corn will increase because of relatively lower prices.

The following table contains the commercial consumption for white and yellow corn for the 2008/09 (actual), 2009/10 (estimate) and 2010/11 (forecast) marketing years:

Table 6: The commercial consumption of white and yellow corn in South Africa

CORN 000 t	**White**	**Yellow**	**Total**	**White**	**Yellow**	**Total**	**White**	**Yellow**	**Total**
Marketing year	**2008/ 09**			**2009/ 10**			**2010/ 11**		
Human	4.140	310	4.450	4.200	250	4.450	4.290	250	4.540
Animal	900	3.425	4.325	900	3.500	4.400	900	3.590	4.490
Other	198	282	480	310	360	670	200	300	500
TOTAL	5.238	4.017	9.255	5.410	4.110	9.520	5.390	4.140	9.530

Source: SAGIS, Grain SA

Trade

For the 2008/09 marketing year South Africa will have approximately 2.1 million tons of corn, mainly white corn, available for export. As of January 30, 2009, South Africa had already exported 1.451 million tons of corn of which 1.216 million tons were white corn and 235.268 tons yellow corn. Of the 1.451 million tons exported, 1.239 million tons were destined for countries in Africa. Zimbabwe (393,136), Mozambique (224,565) and Botswana (215,177) were the primary destinations. According to Grain South Africa about 400,000 tons of corn was exported through the World Food Program and distributed throughout Africa.

Table 7 shows the different export and import countries for white and yellow corn for the 2007/08 marketing year and so far for the 2008/09 marketing year (from May 2008 to January 30, 2009).

Table 7: Export and Import Countries for white and yellow corn for marketing years 2007/08 and 2008/09 (May 2008 to Jan 2009) (1 000 tons)

Marketing year	2007/08 (1 May 2007 – 30 April 2008)		2008/09 (1 May 2008 – 23 Jan 2009)	
	White corn	Yellow corn	White corn	Yellow corn
Export Destinations				
Angola			2	
Botswana	132	3	215	1
Benin			4	
Cameroon			4	
Ethiopia			9	
Ghana			2	
Guinea			1	2
Iran			33	104
Kenya			93	
Lesotho	77	8	67	5
Mauritius			12	
Malaysia				34
Mozambique	47		209	16
Namibia	56	18	67	16
Senegal			5	
Somalia			43	
Swaziland	39	44	8	29
Tanzania			45	
Togo			2	
Yemen				28
Zambia			1	
Zimbabwe	45		392	1
TOTAL EXPORTS	**397**	**72**	**1.216**	**235**
Import Suppliers				
Argentina		1.074		
Brazil				27
Zambia	42			
Malawi	1			
Tanzania	4			
TOTAL IMPORTS	**46**	**1.074**	**0**	**27**

Source: SAGIS

Import Trade Matrix

Country	South Africa		
Commodity	Corn		
Time Period	May/April	Units:	MT
Imports for:	2007/08		**2008/09***
U.S.	0	U.S.	0
Others		Others	
Argentina	1073511		
Zambia	42017		
Malawi	805		
Tanzania	3528		
Brazil			27
Total for Others	1119861		27
Others not Listed	0		0
Grand Total	1119861		27

***May 2008 - 30 January 2009**

Export Trade Matrix

Country	South Africa		
Commodity	Corn		
Time Period	May/April	Units:	MT
Exports for:	2007/08		**2008/09***
U.S.	0	U.S.	0
Others		Others	
Botswana	134625		215177
Lesotho	84648		71808
Namibia	73589		82561
Mozambique	47315		224565
Swaziland	83214		37073
Zimbabwe	45668		393136
Iran			137748
Somalia			42958
Yemen			27500
Mauritius			12400
Malaysia			34089
Tanzania			45357
Kenya			92532
Ethiopia			9386
Total for Others	469058		1426290
Others not Listed	0		24815
Grand Total	469058		1451105

*** May 2008 - 30 January 2009**

Prices

The SAFEX prices as of January 30, 2009 are shown in the following Table. White corn is trading at about the same level as a year ago, however, current yellow corn prices are less than the R1900 per ton compared to a year ago (see Figure 2). Both yellow corn and white corn prices are around export parity price levels. The deterioration of the Rand exchange rate supports higher export parity price levels which in turn impacts positively on domestic price levels. As a result of the Rand's value, corn prices moved only slightly downward during the past three months but decreased significantly in dollar terms. Given the higher than expected corn plantings and the current favorable climatic conditions, corn price levels should decrease, however, further deterioration of the Rand can keep prices at higher levels.

Table 8: The SAFEX prices of white corn and yellow corn

	SAFEX Futures prices (01/23/2009)				
Commodity	**2009/02**	**2009/03**	**2009/05**	**2009/07**	**2009/09**
White corn	R1815/t ($182/t)	R1781/t ($178/t)	R1749/t ($175/t)	R1750/t ($175/t)	R1795/t ($180/t)
Yellow corn	R1700/t ($170/t)	R1715/t ($172/t)	R1700/t ($170/t)	R1702/t ($170/t)	R1757/t ($176/t)

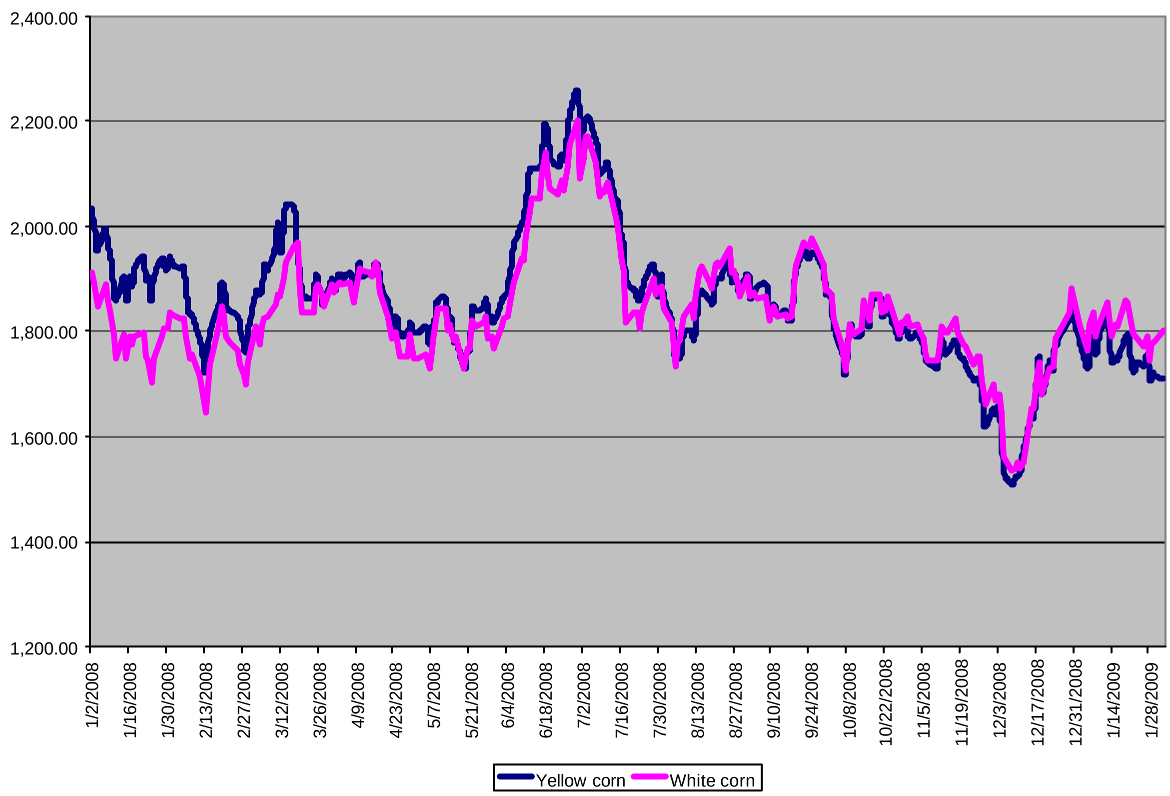

Figure 2: Trends in the SAFEX price of white corn and yellow corn since January 2008

Corn South Africa (1000HA) 1000MT)	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: May 2008			Market Year Begin: May 2009			Market Year Begin: May 2009		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Area Harvested	3,300	2,799	2,799	3,000	3,200	2,596			2,800
Beginning Stocks	1,661	1,366	1,661	3,325	1,876	3,042			1,822
Production	13,164	11,598	12,700	10,500	11,450	10,000			10,280
MY Imports	200	0	36	200	0	100			500
TY Imports	521	523	520	300	0	300			600
TY Imp. from U.S.	1	0	0	0	0	0			0
Total Supply	15,025	12,964	14,397	14,025	13,326	13,142			12,602
MY Exports	2,000	2,100	2,100	2,500	2,300	1,800			1,500
TY Exports	1,124	1,000	1,095	2,500	1,200	2,045			1,000
Feed Consumption	5,000	4,400	4,325	5,000	4,400	4,400			4,490
FSI Consumption	4,700	4,588	4,930	4,600	4,720	5,120			5,140
Total Consumption	9,700	8,988	9,255	9,600	9,120	9,520			9,630
Ending Stocks	3,325	1,876	3,042	1,925	1,906	1,822			1,472
Total Distribution	15,025	12,964	14,397	14,025	13,326	13,142			12,602

Rice

South Africa does not produce rice, mainly due to the high water requirements of the crop in a generally dry country. Imports are duty free and consumption is based on the import data supplied by the World Trade Atlas. South Africa's imports of rice decreased significantly in 2008. The value of rice imports almost doubled from 2007 to 2008 while the quantity imported decreased by more than 30 percent. This decrease in rice imports was mainly due to the huge increase in the global price of rice and also the availability of rice due to export restriction implemented by many rice producing countries including India, South Africa's second largest source of imports. The average import price paid by South Africa for rice in 2008 was R5,850 per ton compared to the R2,040 per ton in 2007. The local retail price of rice also increased by more than 90 percent since October 2007, impacting negatively on the local demand for rice.

Table 9: Imports of rice to South Africa

Rice (1000 tons)	2006	2007	2008 (estimate)
Total imports	817	963	665

Source: World Trade Atlas

India's market share in South Africa in terms of rice has decrease significantly from 31 percent in 2007 to 14 percent in 2008. India's market share has been replaced by China, Vietnam and Brazil. Rice imports from the United States also increased from 101 tons in 2007 to 833 tons in 2008. Thailand, with more than 77 percent market share is, however, still the dominant supplier of rice to South Africa.

Import Trade Matrix

Country South Africa
Commodity Rice, Milled

Time Period	Jan/Dec	Units:	MT
Imports for:	2007		2008*
U.S.	101	U.S.	833
Others		Others	
Thailand	644,332		470,534
India	298,721		86,605
China	8,057		20,187
Vietnam	460		15,635
Brazil	309		7,793
Australia	4,232		2,219
Pakistan	3,034		3,222
Uruguay	1,778		1,080
Total for Others	960,923		607,275
Others not Listed	1,554		1,544
Grand Total	962,578		609,652

*01/01/2008 – 11/30/2008

Rice, Milled South Africa (1000HA) 1000MT)	2007			2008			2009		
	2007/2008			2008/2009			2009/2010		
	Market Year Begin: Jan 2007			Market Year Begin: Jan 2008			Market Year Begin: Jan 2009		
	Annual Data Displayed		New Post	Annual Data Displayed		New Post	Annual Data Displayed		Jan
			Data			Data			Data
Area Harvested	0	0	0	0		0			0
Beginning Stocks	56	0	56	50		86			50
Milled Production	0	0	0	0		0			0
Rough Production	0	0	0	0		0			0
Milling Rate (.9999)	0	0	0	0		0			0
MY Imports	850	825	963	850		665			720
TY Imports	850	825	963	850		665			720
TY Imp. from U.S.	0	0	0	0		1			1
Total Supply	906	825	1,019	900		751			770
MY Exports	8	25	8	0		25			25
TY Exports	8	25	0	0		25			25
Total Consumption	848	800	925	850		676			680
Ending Stocks	50	0	86	50		50			65
Total Distribution	906	825	1,019	900		751			770