GIEWS Country Brief
South Africa

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FOOD SECURITY SNAPSHOT
- **Second largest cereal output on record in 2023**
- **Large maize exports forecast in 2023/24; cereal imports seen rising marginally**
- **Wholesale maize prices declined from record highs of December 2022**

Second largest cereal output on record in 2023

Harvesting of the main 2023 summer season crops was completed in mid-July, whilst the winter wheat and barley crops are expected to be harvested from October. Total cereal production in 2023 is forecast at 19.6 million tonnes (comprising of outputs from both the commercial and non-commercial sectors), 2.2 million tonnes above the five-year average and the second largest output on record following the all-time high in 2021.

Production of maize, the main cereal produced in the country, is estimated at an above-average level of 17 million tonnes in 2023. The large output primarily reflects high yields, attained due to generally conducive weather conditions throughout the cropping season. The 2023 maize area remained above the five-year average, as remunerative crop prices incentivised farmers to maintain a large acreage, despite the dissuading effects of high agricultural input prices, such as agrochemicals and fertilizers, that curbed profit margins. Although the high costs of inputs did not have a significant impact on maize production, there was a strong upsurge in 2023 soybean plantings (also produced in the summer months), given the relatively lower input requirements and consequently lower production costs compared to maize. The large area sown resulted in a record soybean output of nearly 2.8 million tonnes in 2023.

For the winter cereal crops, wheat production is forecast at a near-average 2 million tonnes, with an estimated cutback in plantings foreseen to be offset by good yields, reflecting mostly favourable weather conditions in the main producing states. Barley production in 2023 is expected to increase year on year, driven by large plantings, but it is still forecast to remain lower than the five-year average.

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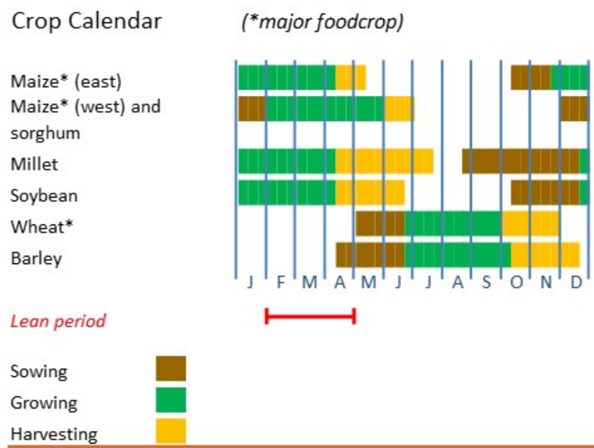
Crop Calendar



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Cereal Production

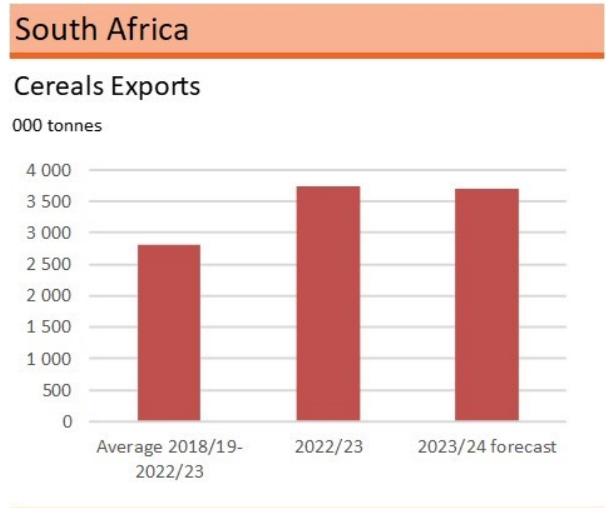
	2018-2022 average	2022	2023 forecast	change 2023/2022
	000 tonnes			percent
Maize	14 793	16 137	17 018	5.5
Wheat	2 011	2 249	2 000	-11.1
Barley	399	309	360	16.6
Others	206	158	171	8.3
Total	17 410	18 852	19 549	3.7

Note: Percentage change calculated from unrounded data.

Large maize exports forecast in 2023/24; cereal imports seen rising marginally

The country is set to continue to be a net exporter of maize in the 2023/24 marketing year (May/April), following four consecutive years of bumper harvests that bolstered domestic supplies and drove up stocks to bumper highs. Maize exports are forecast at a well above-average level of 3.6 million tonnes in 2023/24, with a large proportion of this volume likely to be shipped to Asian countries, as in preceding years. Significant quantities are also foreseen to be exported to neighbouring Southern Africa countries that accounted for about 45 percent of total country's maize exports over the previous five marketing years . In consideration of the prevailing El Niño and associated downside risks it poses to 2024 cereal production (the weather phenomenon normally supresses rainfall during the main cropping season), countries in the subregion may opt to import large quantities of maize in order to buffer national stocks and mitigate against potential supply constraints in 2024.

Cereal imports in 2023/24 are forecast at 2.7 million tonnes (mostly rice and wheat), slightly above the five-year average. Wheat imports are seen to reach about 1.7 million tonnes, up on last year reflecting the likely production downturn in 2023.

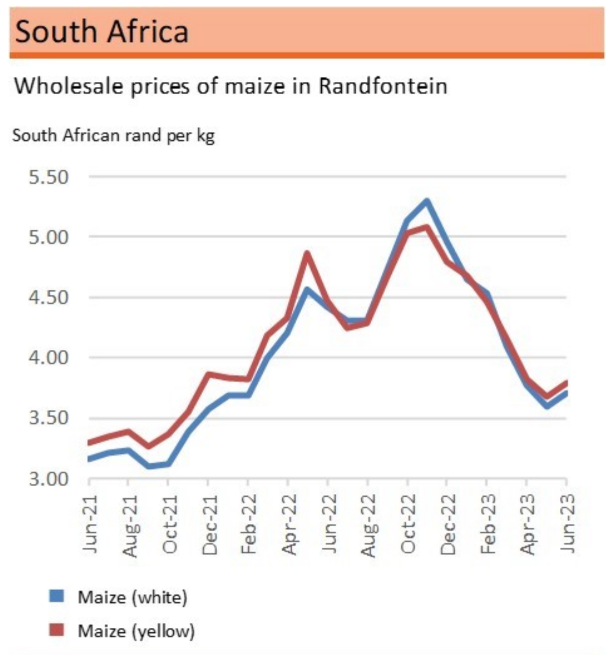


Notes: Includes rice in milled terms. Split years refer to individual crop marketing years (for rice, calendar year of second year shown).

Wholesale maize prices declined from record highs of December 2022

Following a five-month declining trend from the record highs of December 2022, wholesale prices of maize grain firmed in June 2023, albeit remaining about 15 percent lower year on year. Price movements and lower year-on-year levels mirror dynamics on the international market and reflect the robust domestic supply situation. Wholesale wheat prices were also firm in June 2023, mostly underpinned by international price movements given the country's position as an importer.

At the retail level, reflecting the falling wholesale prices, the food inflation rate decelerated in the April-June period, having reached a 14-year high in March 2023 following steady increases throughout 2022. However, the intermittent supply of electricity that has been affecting the country in 2023 continues to pose upside price risks, given the higher operational and production costs it imposes, while recent developments on the global cereal market, including the ban on rice imports from India, are further risks to price upswings in the coming months.



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This brief was prepared using the following data/tools:
FAO/GIEWS Country Cereal Balance Sheet (CCBS) https://www.fao.org/giews/data-tools/en/.
FAO/GIEWS Food Price Monitoring and Analysis (FPMA) Tool https://fpma.fao.org/.
FAO/GIEWS Earth Observation for Crop Monitoring https://www.fao.org/giews/earthobservation/.
Integrated Food Security Phase Classification (IPC) https://www.ipcinfo.org/.