

Brief comments on South Africa's white maize market – 07 July 2016

- South Africa consumes an average 10.5 million tons of maize a year, with approximately 48% (5 million tons) being white maize and the balance is yellow maize.
- The general perception is that all the white maize is consumed in the food market, however, only 70% of the 5 million tons actually goes to human consumption. The rest is consumed by livestock as “maize chop” (see **Chart 1**).
- Within the human consumption component - super maize meal accounts for **78%**, special maize meal **16%**, samp **4%**, sifted maize meal **1%** and grits and rice also accounts for **1%** (see **Chart 2**).
- In the period between July 2015 and May 2016, monthly white maize (for human) consumption averaged 252 779 tons. In the past few months, the consumption trend showed a slight uptick, despite the higher maize prices.
- This year's domestic white maize production is forecast at 3.097 million tons. In order to supplement the domestic supplies, the country is set to import roughly 1.1 million tons of white maize. At the moment, **it is still unclear whether South Africa will be able to acquire this volume of maize from the global market, given the scarcity of the commodity**. That said, it is evident from data that South Africa's white maize demand is still strong regardless of the price increases (see **Chart 1**).
- In an event that the country does not get sufficient white maize supplies or the forecasted 1.1 million tons maize imports from the global market, what will the consumption pattern look like? - *There is a possibility that some consumers might shift to other substitute products such as rice and wheaten products. Moreover, there are also talks that there could be early plantings next season around the irrigation areas, which might possibly supply the market later on in the season. Some of the answers will unfold as the season progresses, and consumption patterns develop.*

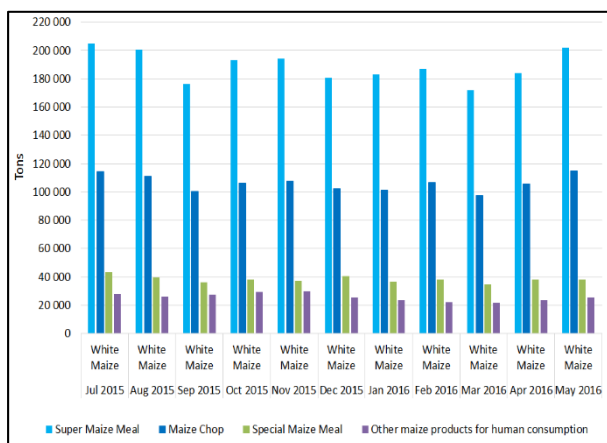


Chart 1: RSA white maize consumption

Source: SAGIS, Agbiz Research

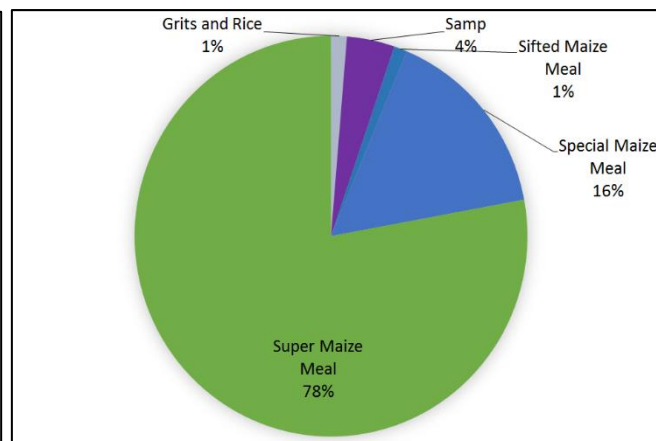


Chart 2: RSA white maize human consumption

Source: SAGIS, Agbiz Research

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