

UPDATE: South Africa's bread and maize meal production – 26 September 2016

- Recent data from South African Grain and Information Services indicates that over the past 12 months (August 2015 - July 2016), South Africa produced, on average, 171 million units (loaves) of bread per month. Of this total, 50% was white bread, 49% brown bread and the balance was whole wheat bread (**Chart 1**).
- Over the observed period, brown bread production increased by 5%, from 87 million loaves in August 2015 to 91 million loaves in July 2016. At the same time, white bread production increased by 3%, from 85 million loaves to 93 million loaves. Total bread production increased by 4%, from 180 million loaves in August 2015 to 187 million loaves in July 2016 (**Chart 1**).
- Meanwhile, in the maize meal market South Africa produced, on average, 252 265 tons per month over the past 12 months (August 2015 and July 2016). About 75% of this total produced was super maize meal, 15% was special maize meal and the balance was samp, sifted maize meal and “grits and rice” (**Chart 2**).
- Also worth noting is that 30% of white maize production is consumed by the animal feed sector as “maize chop”, with only 70% of white maize making it to the final maize meal market.
- Between August 2015 and July 2016, South Africa's maize meal production decreased by 8%, from 265 839 tons to 243 745 tons. More specifically, super maize meal production declined by 7% within the observed period, from 200 230 tons to 185 421 tons. Moreover, special maize meal production fell by 14%, from 43 447 tons in August 2015 to 34 155 tons in July 2016 (**Chart 2**). These declines were partly due to substitution with other starches such as bread, potatoes and rice amongst others.
- Looking ahead**, despite the observed slight decline in maize meal production, over the long term we anticipate that maize meal production could stabilise at levels around 250 000 tons per month due to firm domestic demand. Meanwhile, bread production could also remain at current levels of 170 million units per month due to domestic demand. Overall, maize meal and bread are staple foods that are largely inelastic.

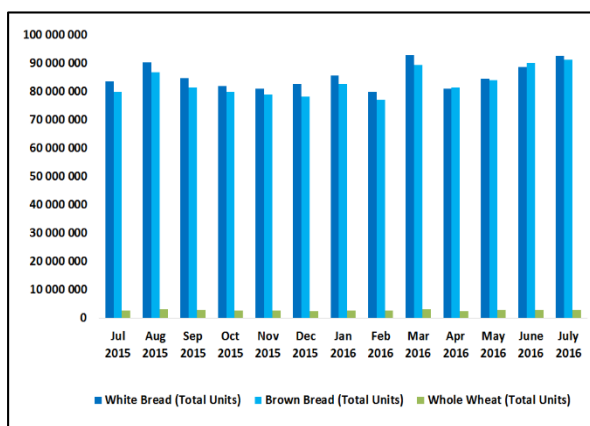


Chart 1: RSA monthly bread production

Source: SAGIS, Agbiz Research



Chart 2: RSA white maize meal production

Source: SAGIS, Agbiz Research

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