

Supply and Demand

World maize production for the 2019/20 season was estimated at 1 124.8 million tons according to the International Grains Council Grain Market Report GMR 520 – 29 April 2021, with the major maize producing countries being the USA, China and Brazil. The USA, Brazil, Argentina and the Ukraine are the biggest exporters of maize. Maize usage figures are estimated at 129.2, 293.4 and 692.2 million tons respectively for food, industrial and feed purposes. World production for the 2020/21 season is forecasted at 1 140.1 million tons and the 2021/22 figure is projected to be 1 192.3 million tons.

According to The Bureau for Food and Agricultural Policy (BFAP) Baseline, Agricultural Outlook 2020 – 2029, demand growth prospects for different summer crops differs substantially over the next decade, as a result of the differences in use and the underlying consumption trends related to these different products. While staple grains such as white maize and sorghum is predominantly consumed as food, the bulk of yellow maize is consumed as primary energy source in most animal feed rations.

Over the next decade, per capita consumption of white maize is projected to increase by 0.5% per annum, having declined by an annual average of 0.7% per annum over the past 10 years. This increase, in conjunction with a growing population, supports growth of 14% in white maize for human consumption by 2029 relative to the 2017-2019 base period. Relative prices dictate that a smaller share of white maize will be consumed as animal feed by 2029, compared to the base period.

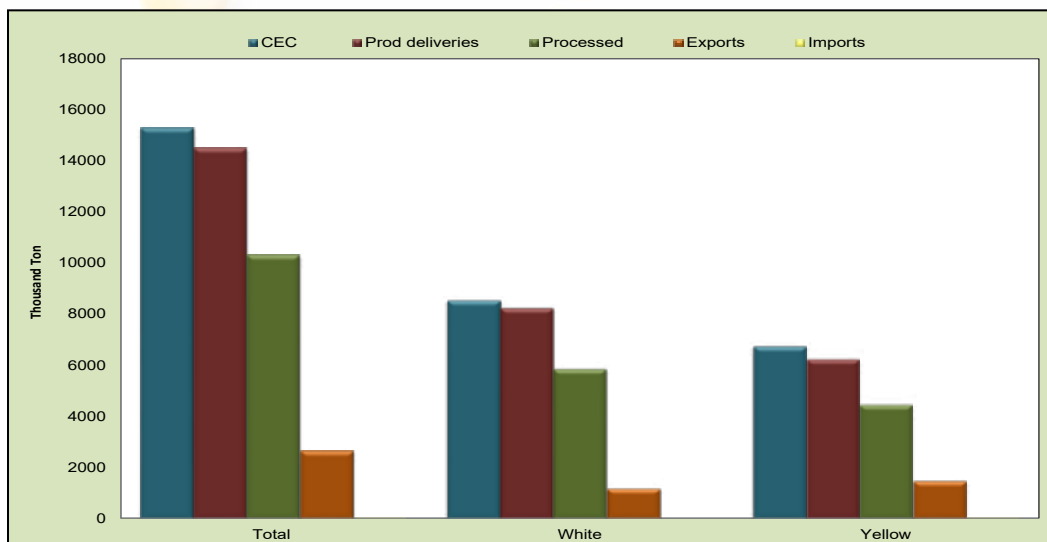
Despite slower growth demand for animal protein in South Africa, the commitments made by the poultry Masterplan, which underpins the projected decline in the share of imported products in domestic consumption, combined with export led expansion in the beef sector, still imply substantial growth in the demand for animal feed over the coming decade. Consequently, yellow maize consumption as animal feed is projected to rise by 22% over the next 10 years.

Area trends over the coming decade also reflect the demand prospects. White maize area continues to decline, contracting 12% by 2029 relative to the 2017-2019 base period. By contrast, the area cultivated to yellow maize continues to increase, expanding by 9% over the 10-year period to 2029.

Fairly consistent yield growth is expected for the major summer crops, based on the assumption of stable rainfall and continuous improvements of cultivars. The largest gain in yield is projected for white maize, where area is expected to contract further. With less marginal land in production as a result of the removal of a further 230 000 hectares of marginal area in the western production regions, yield gains of 25% over the same period is sufficient to meet projected demand growth. This, together with further gains in technology, enables a higher national average yield level. For crops like yellow maize and soybeans where area expands, the yield gains at national level are more subdued.

Local Supply and Demand figures, compiled by SAGIS, are provided in graphs and tables below and on pages 8 to 13.

Graph 14: Maize supply and demand overview 2020/21 marketing season



Information provided by SAGIS.