

Supply and Demand

World maize production for the 2020/21 season was estimated at 1 131.5 million tons according to the *International Grains Council Grain Market Report GMR 532 – 19 May 2022*, with the major maize producing countries being the USA, China and Brazil. The USA, Argentina, Brazil and the Ukraine are the biggest exporters of maize. Maize usage figures are estimated at 132.0, 298.0 and 678.6 million tons respectively for food, industrial and feed purposes. World production for the 2021/22 season is forecasted at 1 213.8 million tons and the 2022/23 figure is projected to be 1 183.8 million tons.

According to *The Bureau for Food and Agricultural Policy (BFAP) Baseline, Agricultural Outlook 2021 – 2030*, demand growth prospects for the various summer crops diverge due to differences in use and as a result also fundamentally different drivers affecting markets. 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.

After declining over the past decade, per capita consumption of maize is projected to increase by an average of 0.5% per annum over the next 10 years. This increase, in conjunction with a growing population, supports growth of 12% in white maize for human consumption by 2030 relative to the 2018-2020 base period. Relative prices dictate that a smaller share of white maize will be consumed as animal feed by 2030, compared to the base period.

Despite slower growth demand for animal protein in South Africa, the commitments made by the poultry Masterplan, which should result in some import replacement and consequently a 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 34% over the next 10 years. In excess of a million tons of white maize is set to be utilised as animal feed by 2030.

White maize area increased sharply over the last two years and is projected to remain firm in the short term, before returning to the longer term trend and decline from 2023 onwards. The short term gains are nevertheless such that by 2030, white maize area will be similar to the levels planted on average between 2018 and 2020. Yield gains of 24% over the same period are sufficient to support the projected demand growth. The area cultivated to yellow maize however, continues to increase, expanding by 8% over the 10-year period to 2030.

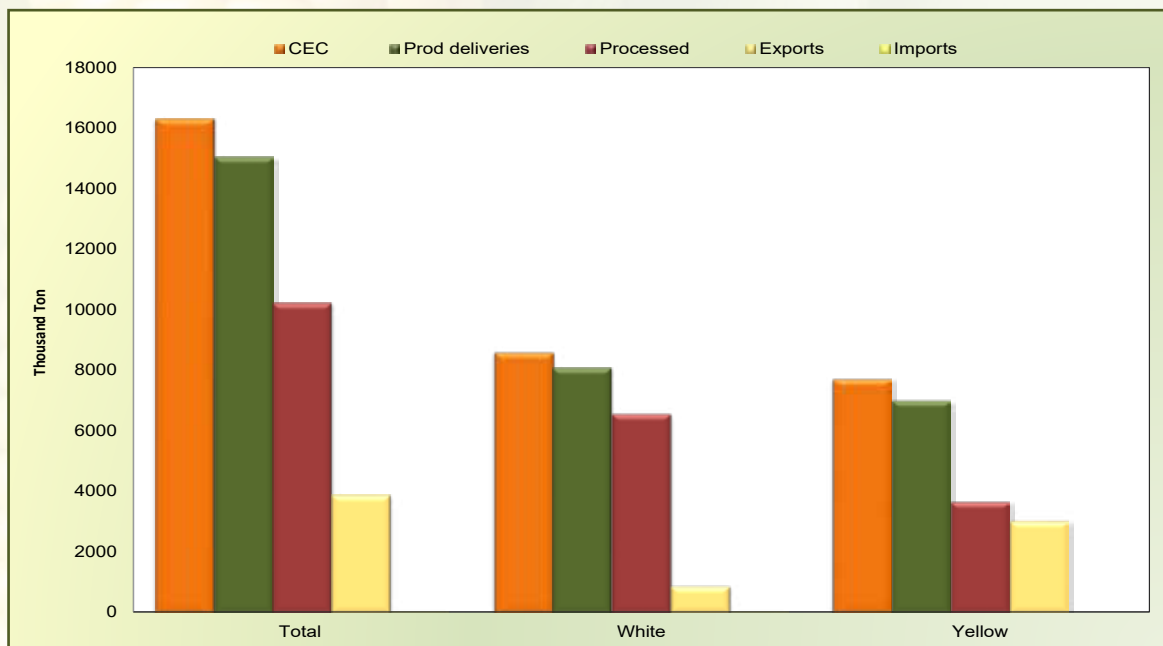
The percentage change in area and yield for the major summer crops, comparing 2030 to the 2018-2020 base period, reflects fairly consistent yield gains based on continuous improvements in cultivar technology, as well as consistent evolution of production practices and area dynamics. Relative to the base period, white maize yields are expected to improve by 24% by 2030, largely due to technological gains. Ample production for the local market and an exportable surplus to neighbouring countries are thus provided. Yellow maize yield gains are a bit more subdued than white maize, owing to further area expansion, but are still expected to improve by 20% over the next decade.

Maize production growth over the outlook period is projected to be sufficient to sustain domestic demand and yield a consistent exportable surplus. This surplus will fluctuate in line with weather dynamics, but in normal years, white maize exports are expected to stabilise below a million tons.

White maize is mostly exported into the Southern African region, where South Africa is facing increasing competition. Zambia for example produces non-GM white maize. Yellow maize exports are projected to increase over the outlook period since it is easier to trade in the global market. This increase in exports is however less than the increase in production.

Local Supply and Demand figures, compiled by SAGIS, are provided in the graph below and in tables and graphs on pages 9 to 14.

GRAPH 14: MAIZE SUPPLY AND DEMAND OVERVIEW 2021/22 MARKETING SEASON



Information provided by SAGIS.

