Supply and Demand

World maize production for the 2017/2018 season was estimated at 1 091.6 million tons according to the *International Grains Council Grain Market Report GMR 499 – 30 May 2019*, 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 124.5, 302.9 and 654.2 million tons respectively for food, industrial and feed purposes. World production for the 2018/2019 season is forecasted at 1 125.8 million tons and the 2019/2020 figure is projected to be 1 118.0 million tons.

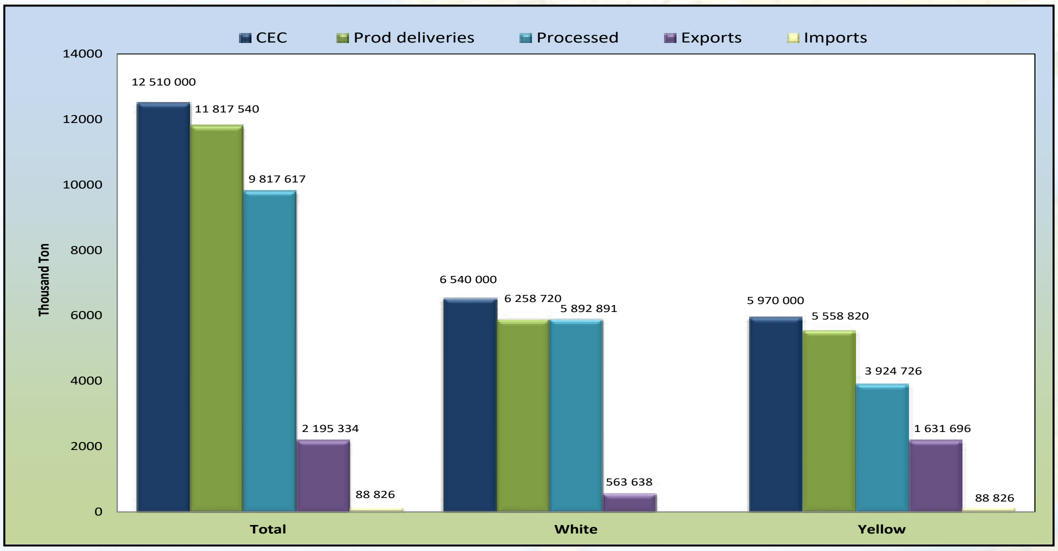
According to the *BFAP Agricultural Outlook 2018 – 2027*, demand growth prospects for white and yellow maize differs significantly over the next decade, due to the different underlying consumption trends. While white maize is consumed as a basic staple food, yellow maize provides the primary energy source in most animal feed rations. Growth in animal feed demand remains slow over the short-term following drought induced liquidation of the beef herd in 2016 and avian influenza induced culling in the layer industry in 2017. From 2020 onwards, growth in livestock production accelerates, resulting in a 21% increase in maize consumed as animal feed by 2027, relative to the 2015-2017 base period. The demand for yellow maize consequently grows much faster over the next decade than that of white maize.

Long-term trends in crop area also reflect the demand for feed related crops. In response to demand from the animal feed sector, yellow maize as well as soybean area planted has increased over the past decade at the expense of white maize. Going forward, yellow maize area continues to expand and is projected to surpass that of white maize by 2020, with sufficient yield gains in white maize production to supply fairly stagnant demand. White maize exports are also expected to slow. South Africa is facing increased competition from Zambia in many of the importing countries across Southern Africa. Zambia produces non-GM maize and faces a favourable transport differential relative to South African maize in key importing markets such as Zimbabwe. Some exports into the rest of Southern Africa however remain favourable to local maize, for example Maputo in the south of Mozambique.

Yellow maize production growth of 3.4% per annum over the next decade, is supported by a combination of area expansion and yield improvements. This growth is sufficient to supply the growing demand from livestock production, whilst also leaving an exportable surplus of approximately 1.3 million tonnes (± 14% of domestic production) by 2027.

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 2018/2019 marketing season



Information provided by SAGIS.