Cereal production forecast at above-average level in 2021

Harvesting of the 2021 main cereal crops, mainly maize and sorghum, began recently and an above-average production is expected.

Following a delayed onset, seasonal rainfall has generally been well distributed in spatial terms. Soil moisture levels during the sowing period were mostly conducive for planting operations and early crop development. Despite localized damage to standing crops in southern areas on account of torrential rainfall in late December 2020 and early January 2021, the heavy rains were mostly conducive for crops across the country. As of mid-April 2021, just prior to the harvest period, cumulative rainfall amounts were estimated to be above to above average. Reflecting the conducive rains, vegetation indices in April indicated favourable crop conditions across most of the country, including the main producing areas in the north and west, portending to high crop yields.

Overall, cereal production is forecast at about 120 000 tonnes, nearly 25 percent above the good level in 2020 and about 13 percent more than the previous five-year average.

Import requirements of cereals anticipated to decrease yearly in 2021/22

Cereal import requirements in the 2021/22 marketing year (April/March) are estimated at a near-average level of 190 000 tonnes, about 10 percent below the high volume in 2020/21 when the country sought to build up stocks amid the COVID-19 pandemic.

Imports of maize are estimated at a near-average level of 76 000 tonnes, reflecting adequate domestic availabilities from the large
carryover stocks and the foreseen good output in 2021. Import requirements of wheat, which is produced in negligible volumes, are estimated at a near-average level of 80 000 tonnes.

Cereal prices increased steeply since late 2020

Following a hike in the prices of bread and cereals between April and June 2020 amid the start of the COVID-19 pandemic, in part reflecting market disruptions, prices increased thereafter but at more gradual rates and as of March 2021 were about 20 percent higher on a yearly basis. The increased price levels mainly reflect the high cereal prices in South Africa, the country’s main supplier of grains, while a slowdown in cross-border trade in January and February 2021, following new COVID-19 containment measures, led to a moderate uptick in food inflation rates.

High prevalence of food insecurity in early 2021

About 580 000 people were estimated to be facing acute food insecurity (IPC Phase 3: “Crisis” and above) during the October 2020-March 2021 period. At this level, the number of people in need of food assistance was 35 percent above the corresponding period in 2019/20. The prevalence of food insecurity increased from 30 to 40 percent of the analyzed population and of particularly concern was the increase in the number of people in IPC Phase 4: “Emergency”, estimated at 100 000 compared to 70 000. Overall, high prices of food and the loss of jobs and incomes associated to the COVID-19 pandemic were the main drivers of the increase in the prevalence and severity of food insecurity.

Acute food insecurity levels are likely to decrease from May onwards with the start of the 2021 cereal harvest which will increase food availability. At the same time, households’ access to food is also expected to improve, reflecting increased crop sales. However, a slow economic recovery and the possibility of a third wave of COVID-19 cases in the country and neighbouring South Africa, which increases the risk of the enforcement of new containment measures, could prolong the high levels of unemployment and cause further income losses among the most vulnerable households.

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