

What does Supply and Demand look like for maize in SA?

EXPORTS OF WHITE MAIZE CAN CAUSE TIGHT CLOSING STOCK

Maize supply and demand overview:

White maize:

- The complete Supply & Demand is illustrated in **Table 1**, with the following noted:
- Looking at month-to-month consumption trends compared to the previous five years, less white maize was used for food.
- White maize exports have increased significantly, reason being that Southern Africa's imports have increased (See Graph 1) due to failed harvests in those countries.
- Currently white maize stock is very tight, although it is still sufficient for local consumption, the demand is eating into the pipeline stock.

Yellow Maize:

- There is a significant increase on a month-to-month basis, compared to the last five years, in animal and industrial use of yellow maize. Yellow maize is cheaper than white maize, therefore basically no white goes into animal consumption.

The free market's role in supply and demand:

The free market is of critical importance in the maize market in South Africa for several reasons. In a free market, prices are determined by supply and demand. This enables farmers and traders to determine the actual market value of maize. If there is a surplus of maize, prices fall, conversely, if there is a shortage, prices rise. From the trading of white and yellow maize prices, it is evident the free market is working.

Graph 1: White maize exports

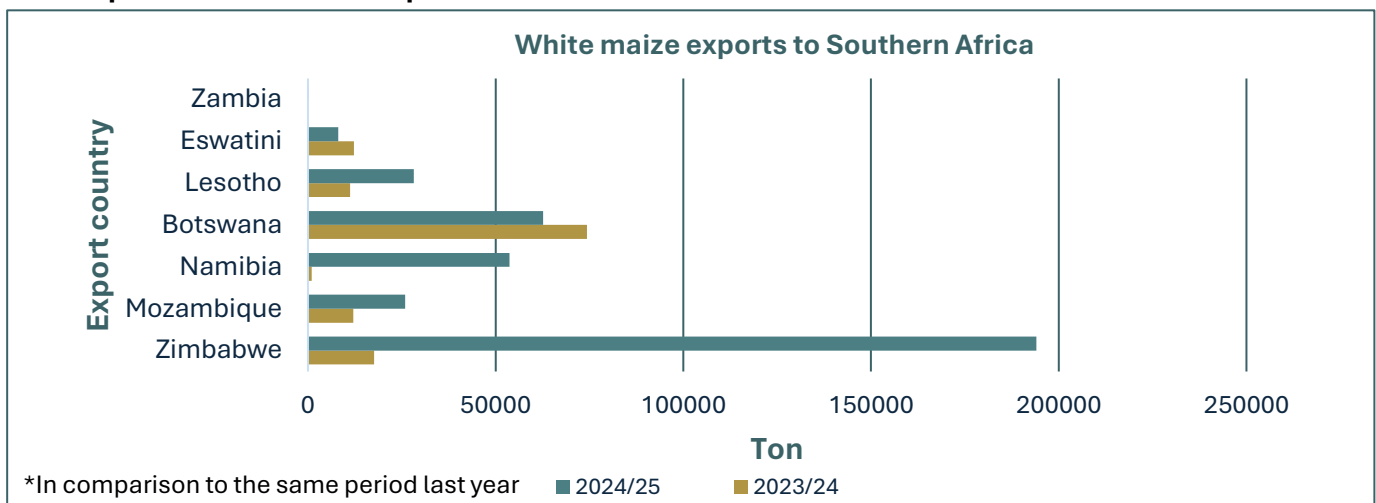


Table 1: Maize Supply & Demand

SUPPLY & DEMAND FOR MAIZE IN RSA	GSA PROJECTION WHITE MAIZE 2024/25*	GSA PROJECTION YELLOW MAIZE 2024/25*	GSA PROJECTION TOTAL MAIZE 2024/25*
29-Jul-24	(6th PRODUCTION ESTIMATE)	(6th PRODUCTION ESTIMATE)	(6th PRODUCTION ESTIMATE)
CEC (Crop Estimate 000ton)	6 347 700	6 985 650	13 333 350
Stock			0
Available for commercial use	6 209 700	6 506 284	12 715 984
Opening Stock (1 May)	1 346 568	1 053 987	2 400 555
Imports	0	363 000	363 000
Surplus	12 000	17 000	29 000
Total supply	7 516 268	7 940 271	0
Demand			0
Food	5 364 000	584 000	5 948 000
Feed	100 000	5 693 000	5 793 000
Other	25 000	56 000	81 000
Total RSA consumption	5 489 000	6 333 000	11 822 000
Exports			0
Products	440 000	120 000	560 000
Whole maize	1 100 000	665 000	1 765 000
Total exports	1 540 000	785 000	2 325 000
Total Demand	7 029 000	7 118 000	14 147 000
Pipeline stock (Ton)	487 268	822 271	1 309 539
Stock above the pipeline (months)	1,1	1,6	1,3
Stock above the pipeline (days)	32	48	41

The report was compiled by the applied economics and membership team of Grain SA. If you have any questions or require additional information, please contact the economics team: <https://www.grainsa.co.za/pages/about-grain-sa/organisational-structure>

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