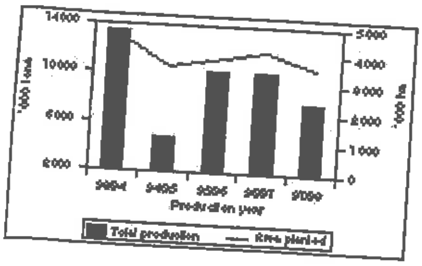
Maize profile

Background

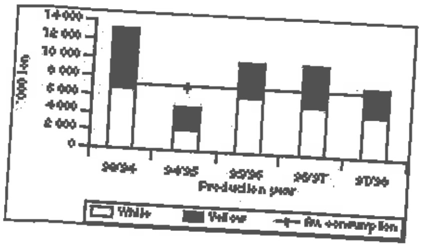
- The South African maize industry was deregulated in 1997 and is operating in a free-market environment.
- Producers may sell to whomever they wish and prices are determined by supply and demand.
- Regarding the international marketing of maize, phytosanitary requirements and quality standards must be adhered to.
- There is no government subsidy or any other form of direct financial aid to South African maize farmers.
- Maize is undoubtedly the country's most important field crop and the staple food of the population.

Production

- Maize can be produced in areas where the rainfall exceeds 350 mm per year. Production is dependent on an even distribution of rain throughout the growing season. Medium and high potential soils are preferable for maize production. Dryland production mainly takes place in the Free State (34 %), North West (32 %), Mpumalanga (24 %) and KwaZulu-Natal (3 %) Provinces.
- Maize is planted from October to December. Due to variation in rainfall pattern, temperature and duration of the growing season, planting time varies from the eastern to the western production areas. Tillage practices vary from plough to no-till depending on soil type and rainfall. A wide range of cultivars is available, adapted to the range of climatic and production conditions.
- The area planted per year varies between 3,8 and 4,8 million ha, which represents approx-imately 25 % of the country's total arable land.
- The average annual commercial production of maize during the past 10 years was 8,2 milliont (4,3 million t of white and 3,9 million t of yellow maize). Subsistence farmers produce an average of 500 000 t of maize, mainly white, for house-hold consumption each year. The local con-sumption requirements for maize are approx-imately 7,5 million t (4,4 million t white and 3,1 million t yellow).
- The average annual gross value of maize for the past five years is R4 808 million.



SA maize production (1993/94 to 1997/98)



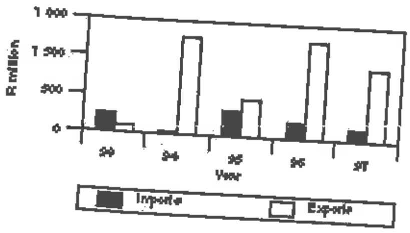
Production and consumption of maize (1993/94 to 1997/98)

Trade balance

The maize industry is an important earner of foreign exchange for the country through exports of maize and maize products.

The most important countries from which South Africa imported maize during the past three years were the United States, Argentina and Kenya.

South Africa exports maize mainly to Japan, Iran, Kenya and Venezueia. Other important markets are Zimbabwe, Zambia and Malaysia. Maize products are exported mainly to Mozambique, Angola and Zambia.



Imports and exports of maize and maize products

Farmers and farmworkers

Maize is produced by approximately 9 000 commercial farmers who provide direct employment for an estimated workforce of 128 000.

It is the staple diet of the people of South Africa. Maize is therefore produced by emerging farmers to provide in their basic household requirements. Excess production is sold as green mealies or grain to supplement the household income. Research is aimed at optimising production per unit area in order to improve the contribution of emerging farmers to the national maize production.

In addition, work opportunities are provided in various industries relying on maize as a raw material. The maize milling, stock-feed, wet milling, poultry and dairy industries are directly dependent on maize for their survival and employ thousands of workers.

Trade balance

Prior to May 1997, the Maize Board administered various arrangements relating to the marketing of maize. These marketing functions were funded by means of statutory levies.

The single-channel fixed-price system for maize on the local market was repealed at the end of April 1995, after which the marketing of maize became free. With regard to international marketing, single-channel export pools were operated by the Maize Board until April 1997.

Up to April 1997, the functions which were performed by the Maize Board were funded by statutory levies on maize. Research was financed by the Board and carried out by the Agricultural Research Council (ARC), Council for Scientific and Industrial Research (CSIR) and other research organisations.

On 30 April 1997, the Maize Board's functions were terminated. All its assets were transferred to the Maize Trust to be used to the benefit of the entire maize industry. No statutory levies are applicable since May 1997. Producers are also in a positions to make their own marketing arrangements. Producers negotiate prices according to market forces, spot, contract or futures prices. With regard to exports, phytosanitary requirements and quality standards must be adhered to and a Perishable Products Export Control Board (PPECB) certificate must be obtained. A tariff currently amounting to R31,50/t is applicable to imports.

The function of providing information on maize is currently performed by the South African Grain Information Service (SAGIS).

Research is financed with income from the Maize Trust and is undertaken by the ARC, CSIR and other research organisations.

Organisations

- The National Maize Producers' Organisation (NAMPO) is the representative body for farmers, which promotes their interests at all levels
- The Technical Advisory Forum represents all directly affected groups in the marketing of maize and maize products
- The Board of Trustees of the Maize Trust ensures that the income derived from the assets in the Trust is utilised according to the objective of the Deed of Trust but to the benefit of the entire industry
- SAGIS administers the information function.

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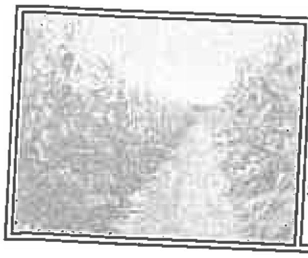

Published by the National Department of Agriculture
Obtainable from the Resource Centre, Directorate Communication, Private Bag X144, Pretoria 0001, South Africa