

Voluntary Report – Voluntary - Public Distribution

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Report Name: Market Opens for United States Corn

Country: South Africa - Republic of

Post: Pretoria

Report Category: Grain and Feed, Biotechnology - Plants and Animals

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Report Highlights:

Import permits for genetically engineered (GE) corn from the United States are once again issued by South Africa. After a mid-summer drought that caused a 22 percent drop in production, South Africa needs to import corn to supplement domestic production. Domestic prices have surged due to the tight supply and greater South African exports to meet regional demand. South Africa only issues import permits for countries that are cultivating genetically engineered (GE) events that have been approved for food, feed and/or cultivation purposes in South Africa. Post worked closely with stakeholders to resolve the asynchronous issue to allow trade with the United States. On November 19, 2024, South Africa's Department of Agriculture informed stakeholders that all GE corn events that caused asynchrony with the United States had been resolved and that import permits will be issued for GE white and yellow corn from the United States.

Market Opens after Resolving Asynchronous Approvals

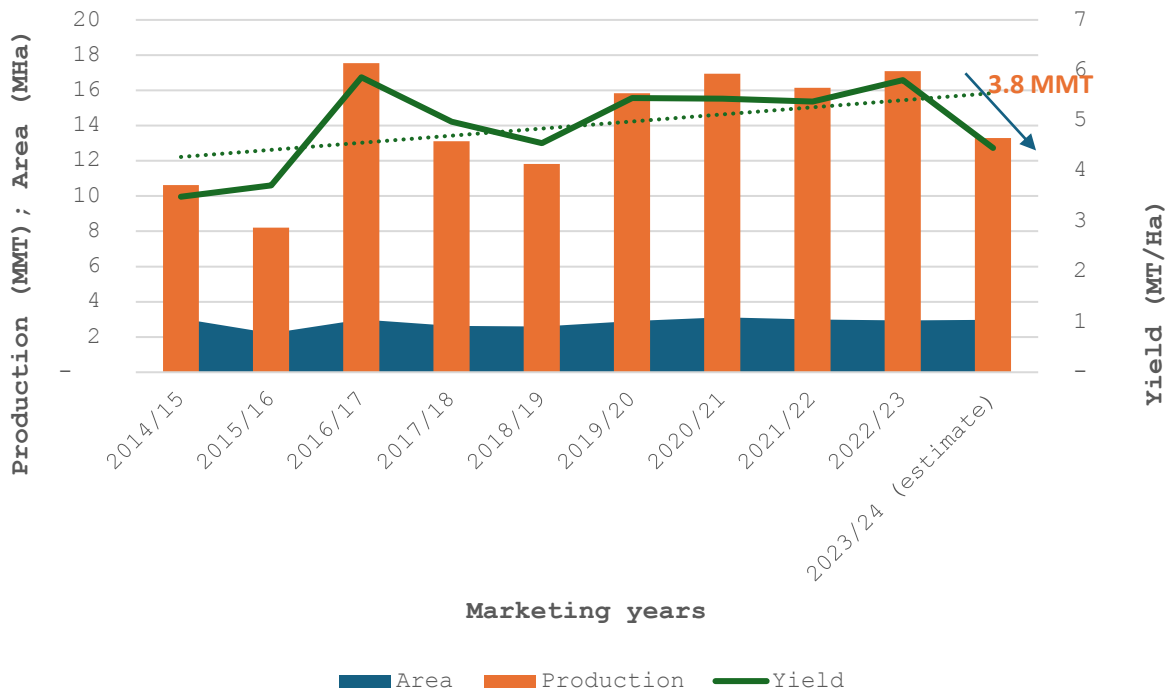
FAS/Pretoria worked closely with all stakeholders to resolve the asynchronous GE events to allow trade with the United States. These asynchronous approvals can pose significant risks to trade since South Africa applies zero tolerance for unintentional presence of GE events in food and feed imports. On November 19, 2024, the Department of Agriculture informed stakeholders that all GE corn events that caused asynchrony with the United States had been approved and that import permits will be issued for U.S. GE corn. Following a similar process, the South African market for GE soybeans from the United States opened on September 30, 2024 (also refer to [Market Opens for United States Soybeans](#)).

Market Opportunity: Lower Corn Production but Continuous Exports

South Africa could import approximately 800,000 metric tons (MT) of corn in marketing year (MY) 2023/24 (May 2024 – April 2025) according to local industry experts. This is after South Africa produced the smallest corn crop in 5 years at 13.3 million metric tons (MMT), 22 percent less than the previous marketing year (also refer to Figure 1). An *El Niño* induced mid-summer drought in 2024 coupled with excessive heat across South Africa during the crucial vegetative and flowering stages for corn reduced the yield potential of the crop.

Figure 1

Area Planted, Production, and Yields of Corn in South Africa over the Past 10 Years



Source: United States Department of Agriculture (USDA)

The white corn crop is estimated at 6.4 MMT and the yellow corn crop at 6.9 MMT, respectively, 2.6 MMT and 1.2 MMT smaller than in MY 2022/23. White corn is the staple food for many households in the region while yellow corn is mainly used for animal feed. South Africa has already imported 288,000 MT of yellow corn so far in MY 2023/24, exclusively from Argentina. During South Africa's previous severe drought in MY2015/16 and MY2016/17, the United States exported 273,200 MT of corn to South Africa at a value of almost \$60 million.

Despite diminishing production, South Africa is expected to export about 2 MMT of corn in MY 2023/24. South Africa's corn exports focus mainly on neighboring countries where import demand is elevated after the drought-stricken season. In the first 28 weeks of MY 2023/24, South Africa already exported 1.2 MMT of corn, including 790,000 MT of white corn and 413,000 MT of yellow corn. This creates a situation where domestic corn consumption demand requires imports. Furthermore, given the high cost of transportation from South Africa's summer rainfall production regions, it could cost less to import corn at the current price levels into southern ports than to transport South Africa's domestic crop to millers and feed manufacturers located in the southern and western coastal areas. South Africa's corn in the northern region will continue to serve the demand in neighboring countries.

Attachments:

No Attachments.