

October 20 2025

Reflections on the growing household poverty challenge in South Africa

- October 16th marks World Food Day, a celebration of the founding of the United Nations Food and Agriculture Organisation in 1945. This day is also an opportunity for countries to reflect on their food security conditions. Thus, this was one of the major discussion themes in South Africa's agriculture this past week. Viewed at a national level, South Africa is food secure, but this manifests differently at the household level, with many families continuing to struggle with food insecurity. Speaking in the Western Cape on October 17, President Cyril Ramaphosa also weighed in on the country's household food insecurity challenge, correctly highlighting the household poverty challenges and emphasizing the need to find ways of addressing the food insecurity crisis in the country.
- Food insecurity has many different explanatory factors. Income poverty is one driver of household food insecurity in the country. Moreover, the inefficient logistics and higher energy prices, amongst other factors that contribute to the cost structure of the economy, are sources of persistent cost pressure in the food value chain. These add upward pressure to food production costs, even in times of ample harvests. Still, the fact that we have a robust agricultural sector, with surpluses, helps a great deal in boosting food security at a national level.
- Indeed, South Africa remains with a conundrum of being food secure at the national level, and a net exporter of roughly half of its agriculture and food products a year in value terms. Clearly, our household food insecurity challenges are not just an agricultural matter, but a challenge that requires a broader economic policy response. This is particularly as the household food insecurity is primarily a challenge of a lack of household income to a large degree. Therefore, ensuring the growth of the economy and job creation likely have a more notable impact in resolving our poverty challenges than simply focusing on agriculture per se.
- This is not to negate the role agriculture can play. Indeed, the sector could play a positive role in creating jobs, specifically for the rural poor, where other sectors of the economy tend to be a lot smaller. But the sector alone will not be able to change the South African household food insecurity challenge. Focusing on the reforms in the economy that stimulate growth in the various sectors, boost investments, and subsequently employment should be the key focus of policymakers.
- A point could be made that South African households, although not seeing food prices rising at a faster pace than we witness in other countries globally, still pay reasonably higher prices for some products. The underlying drive of costs in the food system, amongst other factors, is the value chain associated costs, as we stated above. Therefore, observing only the agricultural commodities prices as the signal for food prices is not a sufficient indicator. Other notable food costs are associated with the processing and distribution of food products across the country.

- On top of this, South African households spend a significant portion of their wages on transport costs due to the deterioration of our public transport system. Therefore, public transport is another area that requires closer focus. Another area of household spending, which we have not done deep research on, but requires a closer is the share of household spending on gambling activities.¹ We are not attributing this factor to the rising household food insecurity in the country. Still, it warrants some attention given its growing prominence in the spending of South African households.
- Ultimately, South Africa should deal with the constraints to growth, investment and employment to address the growing poverty. The focus on agriculture is one aspect, but the policy response will need to be wider and focus on strengthening income security, particularly for more vulnerable households.

WEEKLY HIGHLIGHT

Zimbabwe has formally lifted the maize import ban

- We have recently received a note from the Zimbabwean authorities, informing us of their decision to lift the ban on the imports of maize into the country. Zimbabwe's Agricultural Marketing Authority stated, amongst other things, that: *"New Statutory Instrument (SI) 87 of 2025 on grains, oilseeds and products has recently been gazetted. The SI aims to: Open imports of maize, grains, oilseeds and products, thus removing the current ban on the importation of these."*
- The original rationale for placing the ban on maize imports was to support local farmers. The Zimbabwean authorities wanted to ensure that the maize millers and other users first procure the local supplies before looking to the world market. While this may look like a fair policy approach, it negates consumer welfare and creates uncertainty about the path forward. Notably, there was also no clear evidence that the country had sufficient locally produced maize supplies.
- In its recent post-harvest assessment for the 2024-25 season, the Zimbabwean government forecasts its maize harvest at 1.8 million tonnes. This is well above the estimate we have leaned on in our previous assessment, of 1.3 million tonnes from the Pretoria office of the United States Department of Agriculture (USDA). Admittedly, the Zimbabwean government has a history of being somewhat optimistic about its harvest estimates than the reality warrants. Thus, we suspect the actual harvest is perhaps close to the USDA's figure of 1.3 million tonnes.
- We say this because right after Zimbabwe announced a ban on its maize imports at the end of August, we learned of the shortages of maize that millers experienced. Had the country harvested 1.8 million tonnes, it would have been hard to imagine that news of shortages of maize supplies would have been announced that fast. The millers would have relied on the domestic supplies for some time, and perhaps start running out of the local supplies at the end of the year and in the first quarter of 2026.
- Remember, Zimbabwe's annual maize needs are about 2.0 million tonnes; therefore, a harvest of 1.8 million tonnes would have been close to meeting the local needs. The fact that the shortages were experienced so quickly following the ban means that the shortfall was notable. Be that as it may, what is

¹ <https://businesstech.co.za/news/government/837170/south-africa-has-a-new-crisis-and-its-getting-worse/>

heartening to see now is that the Zimbabwean households will be able to access competitively priced maize from the world market, which should help in easing the domestic food price inflation. The likely suppliers of maize to Zimbabwe will be South Africa and Zambia.

- Already, from the start of September 2025, which was a period under the "maize import ban", maize exports from South Africa to Zimbabwe amounted to 65,090 tonnes. This led us to wonder if the ban was already quietly removed, and the recent announcement is now a formality. Still, having the formal announcement out means that the flow of maize from the world market to Zimbabwe will continue with ease.
- Leaning towards the USDA's estimate that Zimbabwe's 2024-25 maize production is likely 1.3 million tonnes, we believe that the country's maize imports will be around 700,000 tonnes. This means for South Africa that the regional maize demand could be strong in the coming months, which is somewhat supportive of the domestic prices that have declined notably.
- South Africa's 2025-26 marketing year maize exports so far stand at 729,690 tonnes, which is far below the seasonal export forecast of 2.2 million tonnes. Zimbabwe accounts for 18% of these exports. The rest is spread across the Southern Africa region, including Venezuela, Sri Lanka, Taiwan, and Vietnam, amongst other importers.
- It is likely that with the formal lifting of the ban, Zimbabwe's share in South Africa's maize exports will increase. Zimbabwe is typically part of South Africa's maize markets, specifically for white maize exports for human consumption.

WEEK AHEAD

What are we watching this week?

- On the global front, we continue to experience some challenges with the key data from the U.S. Department of Agriculture because of the Government Shutdown. As a result, we doubt the USDA will release its weekly **U.S. Crop Progress** report scheduled for today. We also don't think the USDA will release its weekly **U.S. Grains and Oilseed Export Sales** data scheduled for Thursday.
- On the domestic front, on Wednesday, the South African Grain Information Services (SAGIS) will release its weekly data on South Africa's Grain and Oilseed **Producer Deliveries**. In the previous release on October 10, South African farmers delivered 56,454 tonnes of the new season maize to commercial silos. This was the 24th weekly delivery for the new season, bringing the overall maize deliveries so far to 14.33 million tonnes. South Africa's 2024-25 maize harvest is estimated at 16.18 million tonnes, a 26% increase year-on-year, primarily due to expected annual yield improvements.
- The 2025-26 marketing year for oilseeds started at the beginning of March 2025. In the first 32 weeks, the soybean producer deliveries totalled 2.66 million tonnes, out of the expected harvest of 2.75 million

tonnes. In the case of sunflower seeds, the first 32 weeks of the new 2025-26 marketing year's producer deliveries totalled 695,079 tonnes, of the expected harvest of 708,300 tonnes.

- Also on Wednesday, Statistics South Africa will release the **Consumer Price Index (CPI)** data for September 2025. If we look back on recent releases, it is clear that after accelerating for six consecutive months, South Africa's consumer food price inflation slowed, mildly, at 5.2% in August 2025, from 5.5% in the previous months. The primary drivers of the mild moderation were cereal products, fruit and nuts, and vegetables.
- On Thursday, SAGIS will publish its **weekly South Africa's Grains and Oilseeds Trade** data. In the week of October 10, South Africa exported 45,044 tonnes of maize, with about 69% going to Zimbabwe and the rest to other countries in the Southern African region. This placed South Africa's 2025-26 maize exports at 729,690 tonnes, out of the expected seasonal exports of 2.24 million tonnes. The current marketing year only ends in April 2026. We will likely see more robust export activity later in the year and in early 2026, when demand in the region is expected to be strong.
- While South Africa has an ample harvest and will remain a net exporter of maize, minor imports of yellow maize from Argentina are expected to continue for the coastal regions of South Africa. For example, so far in the 2025-26 marketing year, South Africa has imported 77,524 tonnes of yellow maize for feed in the country's coastal regions. These importers mainly take advantage of the affordable prices of Argentinian supplies.
- South Africa is a net wheat importer, and October 10 marked the second week of the new 2025-26 marketing year. The imports to date have totalled 92,705 tonnes from the United States, Australia, Lithuania, and Poland. We expect South Africa's 2025-26 wheat imports to reach 1.74 million tonnes, down from 1.83 million tonnes in 2024-25 marketing year because of an expected slight recovery in the domestic harvest.

