

South Africa's summer crops production estimates remain unchanged – 29 June 2016

- The **National Crop Estimate Committee** left grain and oilseeds (i.e. maize, sunflower seed, soybeans, groundnuts, sorghum and dry beans) **production estimates unchanged at 8.8 million tons**. The committee is left with one additional assessment until they reach their final view on this year's crop production volume.
- The assessment points to a significant annual drop in **groundnuts (-49% year-on-year (y/y))**, followed by **dry-beans (-48%y/y)**, **soybeans (-32%y/y)**, **maize (-28% y/y)** and **sorghum (-27%)**. The sunflower seed production estimate saw a 12% y/y increase to 742 750 tons, due to a 25% annual increase in hectares planted (**figure1**). The drop in other crops signifies the effects of the 2015/16 production year drought.
- On the back of this expected decrease, South Africa will be a net importer of grains this year in order to supplement the domestic supplies. The industry estimates for 2016/17 total maize import vary between 3.3 and 3.8 million tons, from 1.97 million tons in 2015/16 marketing year. Sorghum imports are set to reach 40 000 tons, from 34 316 tons in 2015/16 season. Moreover, the 2016/17 soybean import estimate is set to reach 265 000 tons, from 124 981 tons in the previous season. The 2016/17 sunflower seed imports are set to reach 45 000 tons from 36 064 tons. Lastly, groundnuts imports are set to reach 30 000 tons, from 14 604 tons in 2015/16 marketing year. **This brings the total grain (except wheat and rice) imports to 4.2 million tons (figure 2).**
- The imports have already started, but still at the initial stages. With 4.2 million tons of grain set to be imported this year, we do not foresee any blockages at the ports. Historical data suggests that the South African ports can handle **at least 5 million tons** a year.

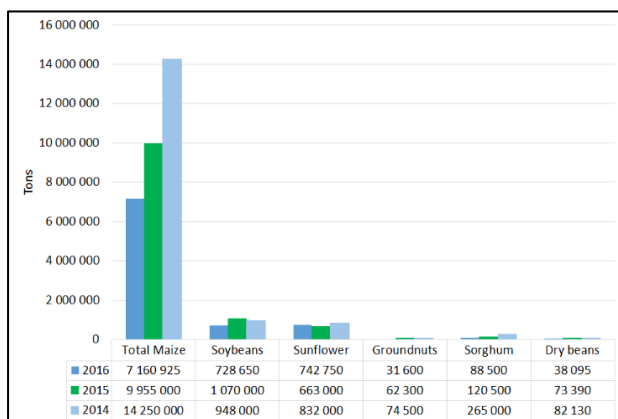


Figure 1: RSA 6th summer crops production estimates

Source: CEC, Agbiz Research

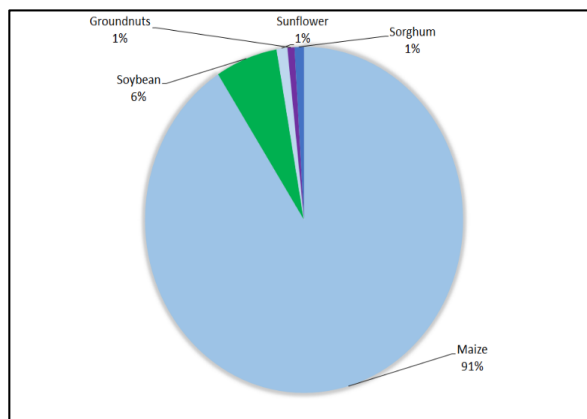


Figure 2: RSA 2016/17 grain imports estimates

Source: SASDE, Agbiz Research

Wandile Sihlobo (wandile@agbiz.co.za) and **Tinashe Kapuya** (tinashe@agbiz.co.za)

Disclaimer: Everything has been done to ensure the accuracy of this information, however Agbiz takes no responsibility for any losses or damage incurred due to the usage of this information.