

South Africa's 2016 final crop production estimates paint a mixed picture – 27 Sep. 2016

- South Africa's 2015/16 final summer crop production estimates data showed an upward revision in maize and sunflowerseed estimates from the previous ones. More specifically, yellow and white maize production estimates were revised up by 5% and 2% from the previous estimates to 4.28 million tons and 3.25 million tons, respectively. At the same time, sunflowerseed production estimate was revised up by 2% to 755 000 tons. Meanwhile, other crop estimates saw downward revisions, with the exception of dry-beans which remained unchanged from the previous estimate, at 35 445 tons (**Chart 1**).
- Overall, the National Crop Estimate Committee's assessment points to a significant annual drop in **groundnuts (-70% year-on-year (y/y))**, **dry-beans (-52%y/y)**, **soybeans (-31%y/y)**, **maize (-24% y/y)** and **sorghum (-38%)**. This decline in production volumes signifies the effects of the 2015/16 drought. The only exception is **sunflowerseed** crop production, which saw a **14% y/y** increase to **755 000 tons**, due to a 25% y/y increase in hectares planted, as well as light and scattered showers around late January 2016 (**Chart 1**).
- Also worth noting is South Africa's second **wheat production estimate which came out at 1.7 million tons**, up by 1% from the previous estimate and 18% from the previous season (**Chart 2**). This follows a period of favourable weather conditions across main wheat producing regions of the country.
- **Looking ahead**, we remain optimistic that summer crops production could rebound next season. We base our view on the expected improvement in weather conditions. Earlier this month, the USDA reiterated their view that South Africa's 2016/17 maize production could reach 13 million tons. In addition, industry estimates for South Africa's 2016/17 maize production (currently) vary between 11.8 and 13.0 million tons, all underpinned by an assumption that climatic conditions could normalise towards late spring into summer season. South Africa's grain sowing activity is set to commence next month, October 2016, across the eastern regions of the country (**Chart 2**). At the moment, weather forecasts presents a possibility of rainfall within these areas over the next eight days and that bodes well with planting activities.

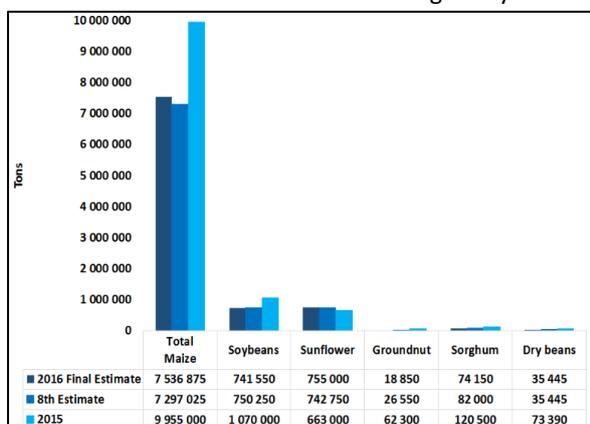


Chart 1: RSA final summer crops production estimates

Source: CEC, Agbiz Research

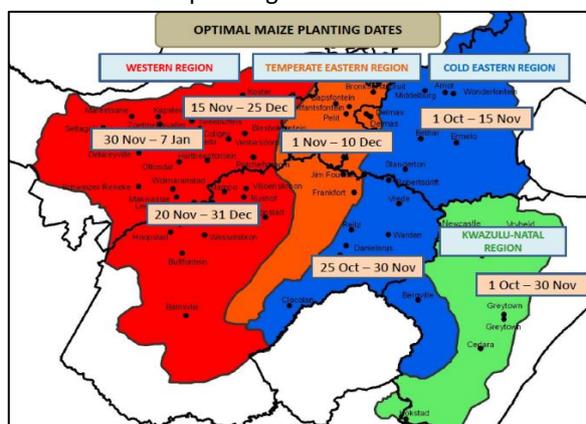


Chart 2: RSA optimal maize planting dates

Source: Grain SA, Agbiz Research

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