

South Africa's summer crop hectares show a notable recovery – 26 January 2017

- **South Africa's 2016/17 summer crop plantings data painted a mixed picture. On a broader view, the data showed a 19% year-on-year (y/y) increase in summer crop hectares - from 3.27 million hectares in 2015/16 production season to 3.88 million hectares. More specifically, maize, soybeans, dry beans and groundnuts hectares increased significantly on the one hand; while sorghum and sunflower seeds hectares showed a notable decline, on the other.**
- **On the positive side** - white and yellow maize plantings increased by 53% y/y and 6% y/y to 1.56 million and 992 000 hectares, respectively (see **Chart 1**). The significant uptick in white maize hectares is largely on the back of a positive supply response from favourable market prices, relative to other crops. Soybean hectares increased by 9% y/y to 542 200 hectares (well above the intentions to plant data of 516 000 hectares). Dry beans hectares increased by 31% from the previous season to 45 000 hectares. Moreover, groundnuts area doubled the previous season's area to 45 500 hectares.
- **On the downward side** - sunflower seed hectares declined by 7% from the previous season to 665 800 hectares. Sorghum saw the sharpest annual decline of 24% to 36 800 hectares (see **Chart 1**).
- Also worth noting is that South Africa's sixth **wheat production estimate was revised up by 1% from the previous estimate to at 1.89 million tons** due to higher yields on the back of favourable weather conditions. Moreover, this is 31% higher than the previous season's crop of 1.44 million tons (see **Chart 2**).
- **Looking ahead** - weather forecasts show a possibility of high rainfall over the summer crops growing areas within the next two weeks, which could improve crop growing conditions. With that said, it is worth noting that there are "unconfirmed" reports of armyworms in parts of Limpopo, Free State and North West provinces. We view this pest as a risk to summer crops. More information about this will unfold over the coming weeks.

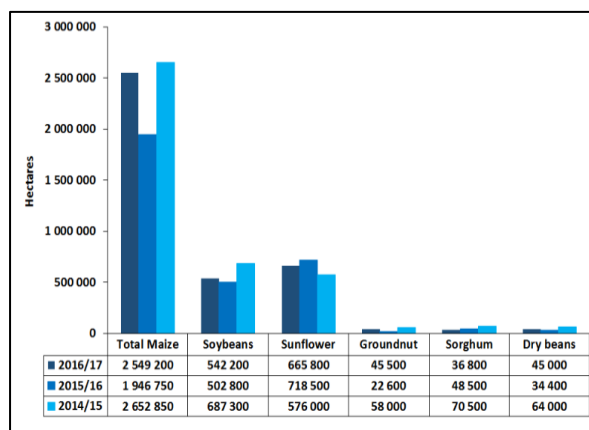


Chart 1: RSA 2016/17 summer crops preliminary plantings
Source: CEC, Agbiz Research

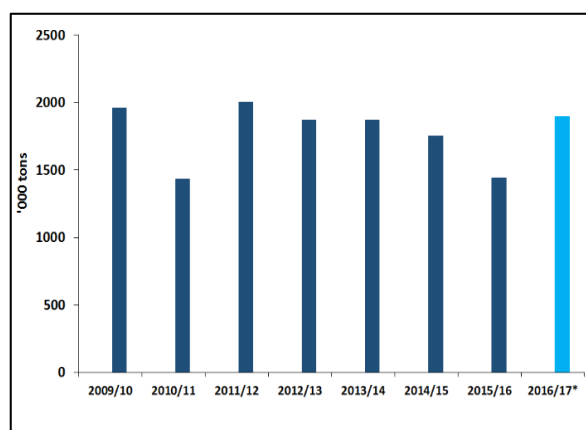


Chart 2: RSA wheat production
Source: CEC, Agbiz Research

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