

South Africa's 7th summer crops production estimates paint a mixed picture – 27 July 2016

- Recent data from the National Crop Estimate Committee showed an upward revision in maize and soybean production estimates. Meanwhile, groundnuts and dry beans saw downward revision. Sunflower seed and sorghum estimates were left unchanged from the previous ones (see **Chart 1**). The committee will release their final view on this year's crop production volume on the 25 August 2016.
- Moreover, this assessment points to a significant annual drop in **groundnuts (-53% year-on-year (y/y))**, followed by **dry-beans (-51%y/y)**, **soybeans (-30%y/y)**, **maize (-27% 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 (see **Chart 1**). The drop in production signifies the effects of this season's drought.
- Against this background, South Africa will be a net importer of grains and oilseeds in the 2016/17 season. Currently, 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, up by 17% from last season's imports. Additionally, soybean import forecast stands at 265 000 tons, which is two folds the volume imported in the previous season. Sunflower seed imports are set to reach 45 000 tons, up by 25% from the previous season. Groundnuts imports are set to reach 30 000 tons, also two folds the volume imported last season. This brings South Africa's 2016/17 total grain and oilseeds imports (except wheat, barley, canola and rice) to 4.2 million tons (see **Chart 2**).
- The imports of grains and oilseeds 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 shipping ports. Historical data suggests that the South African ports can handle **at least 5 million tons** a year.

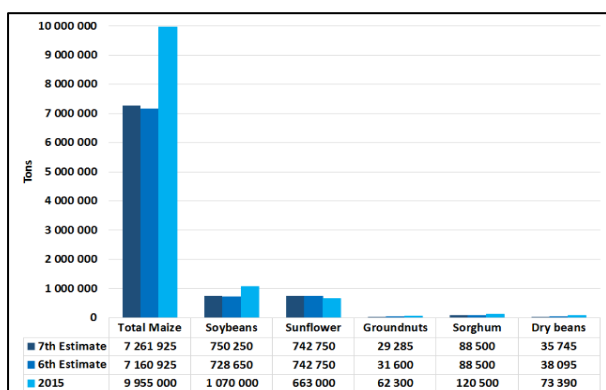


Chart 1: RSA 7th summer crops production estimates

Source: CEC, Agbiz Research

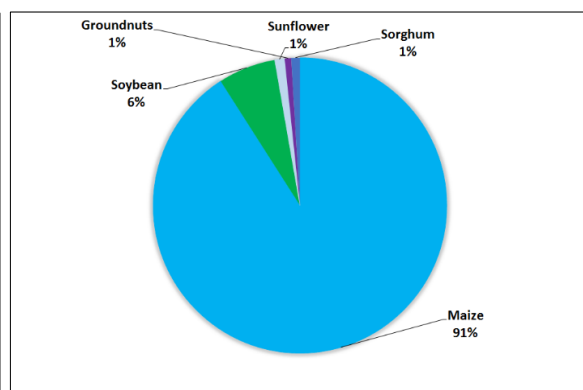


Chart 2: RSA 2016/17 grain imports estimates

Source: SASDE, Agbiz Research

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