

OPINION PIECE:

Rainfall across SA gets summer crops off to a good start

By Wandile Sihlobo, [Business Day](#), 05 February 2020

My last [column](#) two weeks ago painted a bleak picture of SA's 2019/2020 agricultural outlook, highlighting prospects of drought in some regions of the country. Lately, conditions have improved notably, and farmers managed to plant the area they intended.

This was confirmed by the preliminary plantings data released last week by SA's Crop Estimates Committee (CEC), which put the 2019/2020 summer crop area at 3.97-million hectares. This encompasses yellow maize, white maize, sunflower seed, soya beans, groundnuts, sorghum and dry beans.

This planting area is up 1% and 8% from the intentions to plant data released in October 2019 and area planted in the 2018/2019 season, respectively. There is an improvement in area plantings of all crops, with the exception of sorghum and dry beans, whose area planting fell 28% year on year and 13% year on year, respectively.

With soil moisture having improved across the country after recent rains, these numbers signal the possibility of a good harvest in the 2019/2020 production season. This would particularly be the case if there is widespread rainfall within the next two months.

In its latest monthly Seasonal Climate Watch released on January 31, the SA Weather Service indicated that most regions of the country could receive below-normal rainfall between February and April 2020. This does not bode well for summer crops, which will need good moisture over the next two months' pollination time for a number of regions that planted beyond the normal optimal planting periods because of delayed rainfall.

However, it is worth highlighting that this is not the first time the SA Weather Service has painted such a picture. In its December 2019 release the agency warned of the prospects of below-normal rainfall between January and March 2020, but the weather conditions during this period turned out differently. There was normal rainfall in most parts of the country in January and soil moisture improved notably, leading to favourable summer crop conditions.

In the case of staple grains such as maize, the CEC data reinforces the Agricultural Business Chamber of SA's view that SA could see its maize harvest improving by at least 11% from the 2018/2019 season, reaching 12.5-million tonnes.

Here we've applied the preliminary maize planting data of 2.5-million hectares (up 10% year on year), at an average yield of 5-tonnes per hectare, which is plausible with current soil moisture. The US agriculture department forecasts SA's 2019/2020 maize harvest at 12.8-million tonnes (commercial production only). Meanwhile, the International Grains Council (IGC) estimates 13.5-million tonnes.

What causes the difference between these organisations' estimates and ours is the yield assumptions. The US department has a yield estimate of 5.1-tonnes per hectare, while the IGC has a much higher yield estimate of 5.4-tonnes per hectare. Both estimates are plausible if SA receives normal rains to support the crop within the next two months.

The highest average maize yield SA achieved over the past decade was in 2016/2017 at 6.4-tonnes per hectare. That was a year of a record maize harvest of 16.8-million tonnes from 2.6-million hectares. Even if SA receives normal rains that support the crop, we doubt such a harvest would be possible in the 2019/2020 season.

Importantly, a bigger maize crop from the 2018/2019 commercial harvest of 11.3-million tonnes would mean SA will remain a net exporter of maize and also that food price inflation could be contained at comfortable levels in 2020. The country's food price inflation averaged 3.1% year on year in 2019, a year that saw elevated inflation of grain product prices and subdued meat prices.

Our sense is that 2020 food price inflation could average 4% year on year if there is a good maize harvest. Here I'm also assuming subdued red meat prices on the back of restricted exports after another outbreak of foot-and-mouth disease in the country.

- *Sihlobo is chief economist of the Agricultural Business Chamber of SA (Agbiz).*