

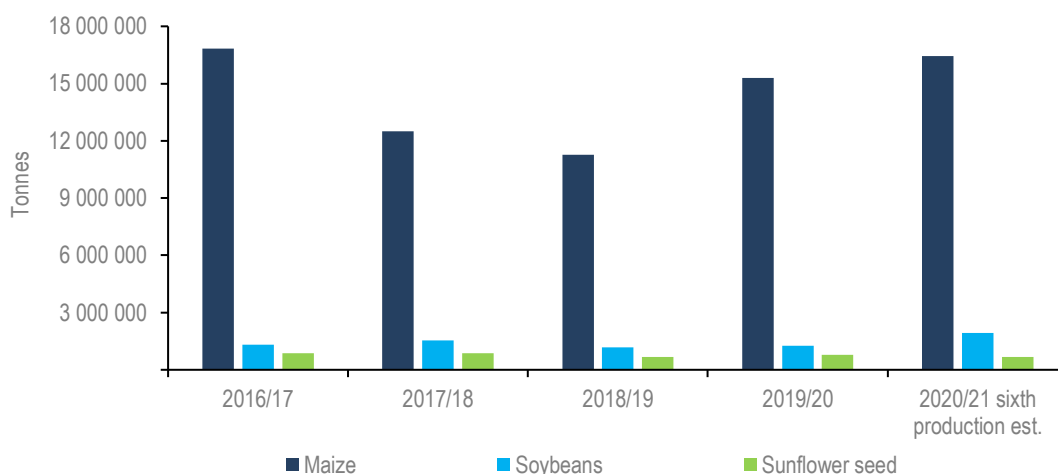
SA 2020/21 maize and sorghum production estimates lifted marginally in July

Although our focus is shifting towards the 2021/22 production season, which starts in October, we continue to monitor the production updates of South Africa's 2020/21 summer crops. Last week, the Crop Estimates Committee (CEC) released its sixth production estimate, reaffirming ample supplies. Most crop estimates were left roughly unchanged from June 2021 production figures except for commercial maize and sorghum, which were lifted by 3% and 5%, to 16,4 million tonnes and 203 980 tonnes, respectively. The non-commercial maize saw a much larger revision of an 8% increase from June 2021 to 636 440 tonnes. This placed South Africa's overall maize production for the 2020/21 season at 17,1 million tonnes. This is up by 8% from the 2019/20 production season and the second-largest harvest on record. Meanwhile, sorghum is up by 29% y/y and has the largest harvest in seven years.

Soybean's 2020/21 production estimate was left unchanged at a record 1,9 million tonnes (up 54% y/y), groundnuts at 58 900 tonnes (up 18% y/y), dry beans at 56 577 tonnes (down 13% y/y) and sunflower seed at 677 240 tonnes (down 14% y/y). As we highlighted in the previous month's update, the broadly large 2020/21 summer grain and oilseeds production estimate is on the back of increased area plantings for summer crops and favourable rainfall since the start of the season.

If we focus on the major grains, the current maize production data essentially mean South Africa would remain a net exporter in the 2021/22 marketing year. South Africa's annual maize consumption is roughly 11,5 million tonnes, which means there will likely be over 2,8 million tonnes of maize available for export markets, all else being equal (the official estimates, however, are that exports could amount to 2,6 million tonnes in 2021/22 marketing year, down 10% y/y because of expected weak demand in the Southern Africa region). Notably, the increased soybeans production also means a decline in soybean oilcake imports, which in a typical year is just under half a million tonnes a year.

Exhibit 1: South Africa's major summer grain and oilseeds production



Source: CEC and Agbiz Research

03 August 2021

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