

## South Africa's 2021/22 summer crop harvest is at decent levels, with soybeans reaching a fresh high

South Africa's 2021/22 summer crop harvest is in full swing across the country. The feedback from farmers about the yields they are receiving has been encouraging. Hence, we believe that the data that the Crop Estimates Committee (CEC) released this afternoon is unlikely to change much over the coming months. The CEC released its fifth production estimate and introduced minor adjustments from the previous month.

For example, South Africa's 2021/22 maize production is estimated at 14,68 million tonnes, down by 0,3% from last month. This is on the back of a slight downward revision of white maize estimates, which is now estimated at 7,47 million tonnes, while yellow maize was adjusted upwards and is currently at 7,21 million tonnes. Essentially, this is down by 10% from the 2020/21 season crop but well above the 10-year average maize harvest of 12,80 million tonnes and annual domestic consumption of 11,80 million tonnes. Importantly, this means that South Africa will remain a net exporter of maize, which we anticipate to be just over 3,0 million tonnes in the 2022/23 marketing season (note: this marketing year corresponds with the 2021/22 production season).

Another important and most welcome adjustment in the data released this afternoon was the 8% increase in South Africa's soybeans harvest for the 2021/22 season to a record 2,09 million tonnes. This will help lessen South Africa's reliance on soybean oilcake imports. As we pointed out in our note yesterday, in the week of 17 June 2022, about 1,9 million tonnes had already been delivered to commercial silos. Sunflower seed, unsurprisingly, was lowered marginally by 0,2% from last month to 961 350 tonnes. We suspected this would happen, given the relatively slow pace of producer deliveries. Still, the deliveries issue could be explained by the fact that the crop was planted late, and the harvest is in full swing. On 17 June 2022, about 594 236 tonnes had already been delivered to commercial silos.

Aside from these major summer crops, the sorghum harvest is estimated at 140 820 (+3% m/m), dry beans harvest at 53 565 tonnes (-4% m/m), and groundnuts are at 54 900 tonnes (-22% m/m).

In sum, these mainly optimistic production data will have minimal impact on prices. As with the previous few years, the domestic grains and oilseeds prices primarily follow the global markets. The Russia-Ukraine war worries and concerns about 2022/23 global production continue to present upside support on prices, reflected in the South African grains market. Still, the fact that supplies improved provides comfort regarding the availability of essential grains and oilseeds. The upside price movements or elevated prices bode well for farmers in areas that didn't experience much crop damage. They stand to benefit from slightly higher grains and oilseeds prices. Meanwhile, the consumers, livestock, dairy, sheep, goats and poultry producers will likely experience increased costs over the foreseeable future.

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**Wandile Sihlobo**

Chief Economist

+27 12 807 6686

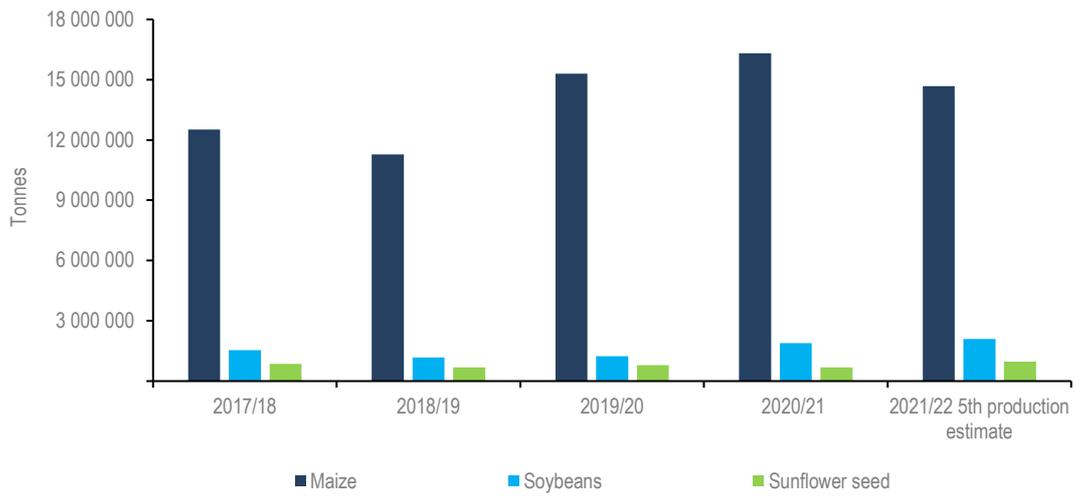
wandile@agbiz.co.za

[www.agbiz.co.za](http://www.agbiz.co.za)

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



Source: CEC and Agbiz Research