

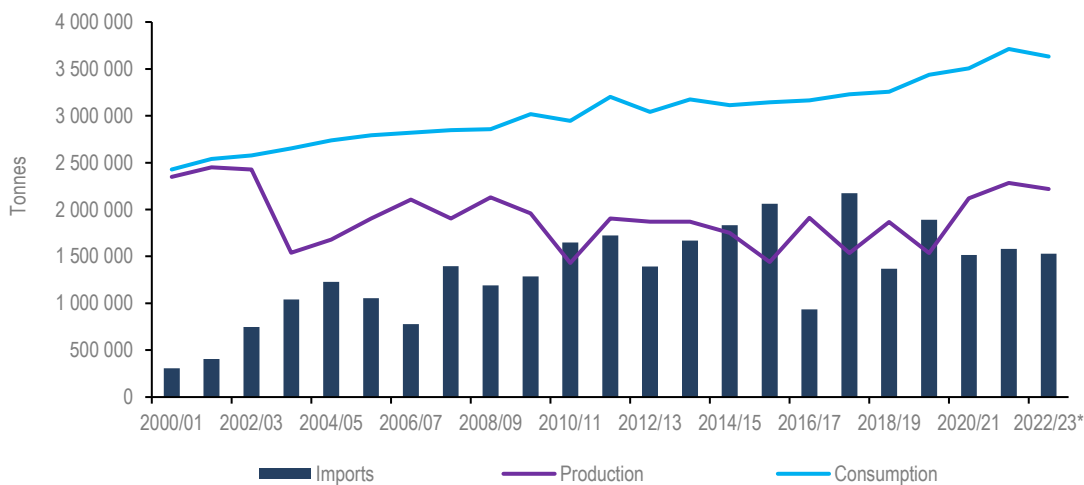
## South Africa's wheat production estimates roughly unchanged from October

South Africa is set to have a decent wheat harvest in the 2022/23 season. Last week, the Crop Estimates Committee released its fourth production estimates which show a mild improvement from October figures. The current harvest estimate is 2,2 million tonnes, which is roughly the same as the 2021/22 season, the largest harvest in two decades. Farmers lifted the area plantings to 566 800 hectares, from 523 500 hectares in the previous year. This was on the back of attractive prices following a surge in wheat prices after Russia invaded Ukraine, as well as good soil moisture in various wheat-growing regions of the country.

These harvest figures show that most of South Africa's wheat needs will be produced domestically this year. In that order, the Western Cape, Free State, Northern Cape and Limpopo are the largest producing provinces of this season's crop. Outside the Western Cape, the crop in other provinces benefited from irrigation. Importantly, we still see a possible upward revision of the domestic wheat harvest if the Western Cape, which produces nearly half of the domestic wheat. In our interactions with some producers in the province, we received encouraging feedback about the crop yields.

Still, South Africa will remain a net importer of wheat. We expect the country to import 1,5 million tonnes roughly unchanged from the previous year. The major wheat suppliers are likely to remain Argentina, Lithuania, Brazil, Australia, Poland, Latvia and the US. As we stated in our previous notes, if one looks into South Africa's wheat imports data for the past five years, Russia was one of the major wheat suppliers, accounting for an average share of 26% yearly. The suppliers mentioned above have now replaced this, but we are now seeing a return of Russia in the wheat suppliers for South Africa.

### Exhibit 1: South Africa's agriculture employment



Source: Sagis, CEC and Agbiz Research

05 December 2022

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