

South Africa's crop production estimates paint a mixed picture – 25 August 2016

- Recent data from the National Crop Estimate Committee (CEC) showed an upward revision in yellow maize production, up by 1% from the previous estimate to 4.2 million tons. Meanwhile, white maize production estimate remained unchanged from the previous month's estimate of 3.1 million tons. Soybeans and sunflowerseed production estimates also remained unchanged. However, groundnuts, sorghum and dry beans saw downward revision (see **Chart 1**).
- The CEC assessment points to a significant annual drop in **groundnuts (-57% year-on-year (y/y))**, **dry-beans (-52%y/y)**, **soybeans (-30%y/y)**, **maize (-27% y/y)** and **sorghum (-32%)**. The drop in production volume signifies the effects of the drought. The only exception was the **sunflower seed production estimate which saw a 12% y/y increase to 742 750 tons**, due to a 25% annual increase in hectares planted (see **Chart 1**).
- Against this background, South Africa will be a net importer of grains and oilseeds in the 2016/17 season, with industry import estimates for total grain and oilseeds imports (except wheat, barley, canola and rice) are expected to reach 4.2 million tons. The significant share of this goes to maize, whose total import estimate varies between 3.3 and 3.8 million tons, up from the 2015/16 imports of 1.97 million tons. Sorghum imports are set to reach 40 000 tons, up by 17% from last season's imports. Additionally, the soybean import forecast stands at 300 000 tons, almost double the volume imported in the previous season.
- Also worth noting is the **South Africa's first wheat production estimate which came out at 1.7 million tons, up by 17% from the previous season** (see **Chart 2**). This follows a period of favourable weather conditions across main wheat producing regions of the country (Western Cape and Free State province).
- Looking ahead**, we remain optimistic that summer crops production could rebound next season. We base our view on the expected improvement in weather conditions. The USDA already forecasts South Africa's 2017 maize production at 13 million tons, a full recovery from the current season.

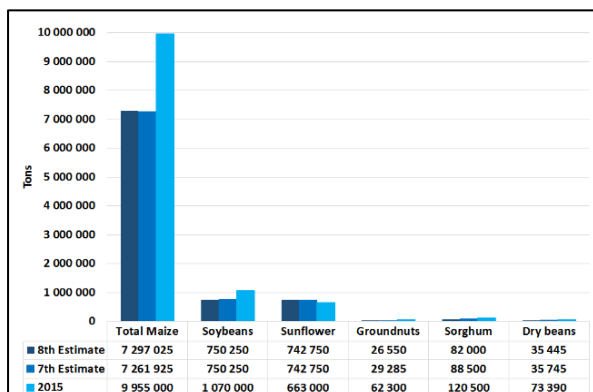


Chart 1: RSA 8th summer crops production estimates

Source: CEC, Agbiz Research

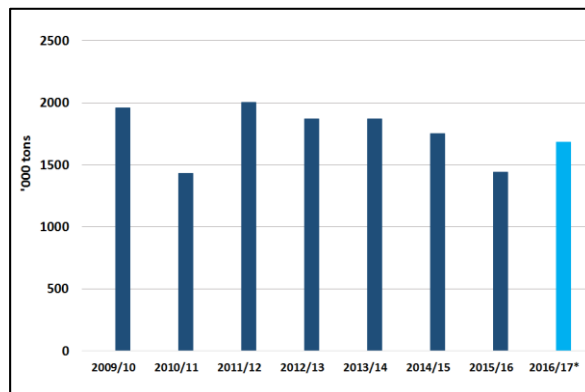


Chart 2: RSA wheat production estimates

Source: CEC, Agbiz Research

Wandile Sihlobo (wandile@agbiz.co.za) and Tinashe Kapuya (tinashe@agbiz.co.za)

Disclaimer: Everything has been done to ensure the accuracy of this information, however Agbiz takes no responsibility for any losses or damage incurred due to the usage of this information.