

South Africa's summer crops hectares set to increase – 26 October 2016

- South Africa's 2016/17 summer crops "intentions to plant" data paints a mixed picture. Taking a broader view, the data shows an expected 15% year-on-year (y/y) increase in summer crops hectares, from 3.27 million hectares in 2015/16 production season to 3.75 million hectares in 2016/17 season. However, this is not shared amongst all crops. Maize, soybeans and groundnuts are set to show a recovery. Meanwhile, sorghum, sunflowerseed and dry beans hectares could decline in the 2016/17 production season.
- More specifically, yellow and white maize plantings could increase by 43% y/y and 8% y/y to 1.46 million and 1.01 million hectares, respectively (see **Chart 1**). The expected significant jump in white maize area is largely on the back of favourable market prices, relative to yellow maize prices. Soybeans area is set to increase by 3% y/y to 516 000 hectares - well below market expectations. Groundnuts area could increase by 48% y/y to 33 500 hectares, owing to favourable market prices and expected improvement in weather conditions. On the down side, sunflowerseed hectares are expected to decline by 7% y/y to 670 000 hectares. This is, in part, on the back of competition from other crops such as white maize. Moreover, sorghum plantings could see a further decline of 21% y/y this season to 38 300 hectares. Lastly, dry beans hectares could fall by 4% y/y to 33 000 hectares this season (see **Chart 1**).
- Also worth noting is that South Africa's third **wheat production estimate was revised up 2% from the previous estimate to 1.73 million tons**, owing to expected higher yields on the back of favourable weather conditions. Moreover, this is 20% higher than the previous season's crop of 1.44 million tons.
- **Looking ahead**, weather forecasts show a possibility of above normal rainfall around mid-summer, which could present favourable conditions for summer crop planting and growing activity. Moreover, maize production could recover to levels around 11.8 million and 13.0 million tons, due to an expected increase in area plantings as well as favourable weather outlook. Soil preparation is in its initial stages across the eastern parts of South Africa, and should commence in full swing over the coming weeks (see **Chart 2**).

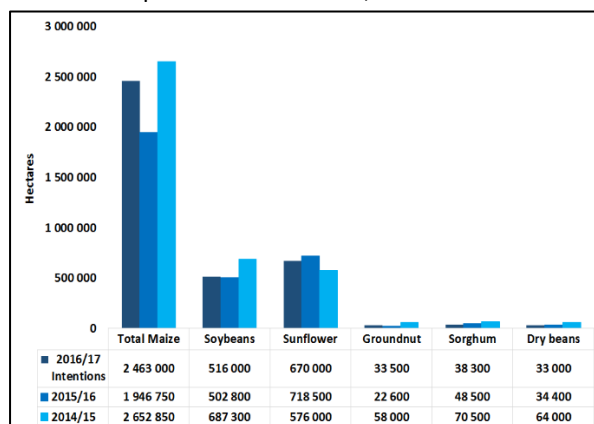


Chart 1: RSA 2016/17 summer crops intentions to plant
Source: CEC, Agbiz Research

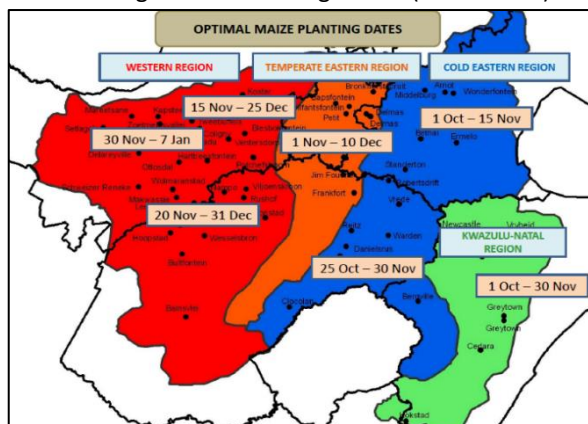


Chart 2: RSA optimal maize planting dates
Source: Grain SA, Agbiz Research

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