

South Africa's summer crop production estimates lifted by 2% from last month

The National Crop Estimates Committee reaffirmed its view that South Africa is in for a good grain and oilseed harvest this season (albeit being less than the record achieved in 2016/17 season). The Committee revised its production estimates upwards by 2% from last month to 14.8 million tonnes¹. The notable uptick was on white maize, sunflower seed, sorghum and soybeans production. This was generally underpinned by favourable weather conditions across the summer crop growing areas, which subsequently lead to expectations of good yields. Encouragingly, there are forecasts of above-average rainfall over the summer crop growing areas within the next two months, which should sustain the crop in good condition throughout the production season.

- In detail, total maize production estimate was improved by 2% from last month to 12.4 million tonnes. Of this, 6.3 million tonnes is white maize, with yellow maize at 6.1 million tonnes. This is well above South Africa's annual maize consumption of roughly 10.5 million tonnes. Moreover, a crop of this magnitude, coupled with an expected large carryover stock of 4.2 million tonnes in the current marketing year imply that South Africa could remain a net exporter of maize in the 2018/19 marketing year which commences on 01 May 2018.
- Soybeans production estimate was also revised slightly upwards from last month to a new record level of 1.4 million tonnes, underpinned by a large area planted, as well as expected higher yields on the back of favourable weather conditions. Another upswing was on sunflower seed production estimate which was lifted by 2% from February 2018 to 749 205 tonnes (although down by 14% from 2016/17 harvest). The late plantings in the western parts of the Free State and North West provinces were the key drivers of this monthly uptick.
- Going forward, the weather will remain a key factor that could still influence the overall size of the summer crop harvest. The favourable weather forecasts for the next two month should support the crop.

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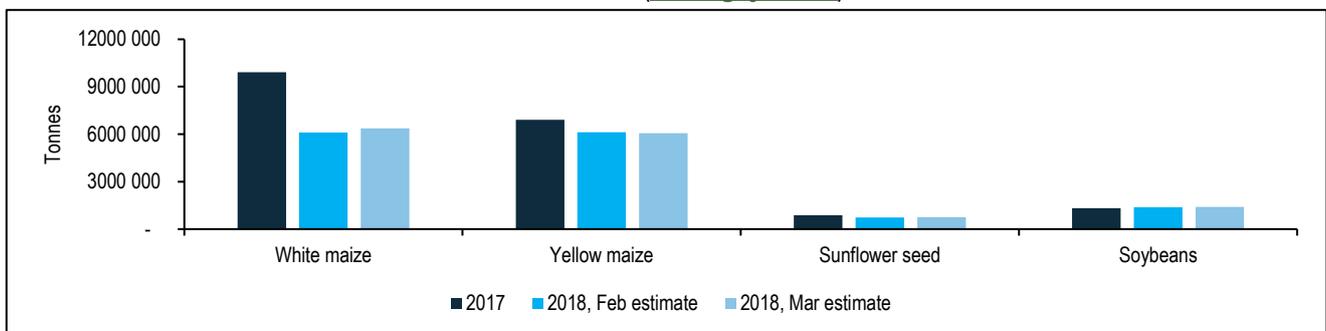


Chart 1: South Africa's 2017/8 second production estimates

Source: CEC, Agbiz Research

¹ Summer crops represents yellow maize, white maize, sunflower seed, soybean, groundnuts, sorghum and dry beans.

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