

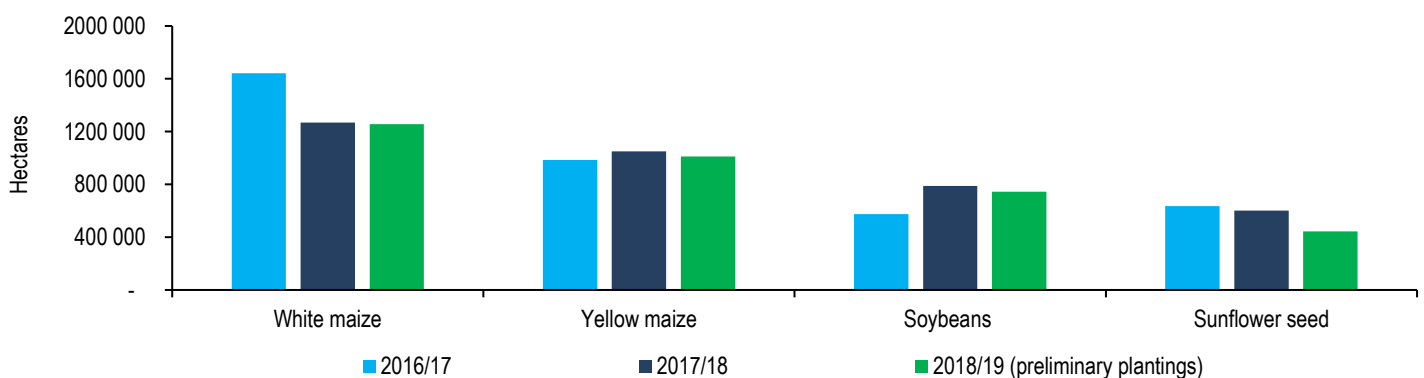
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SA maize hectares could be revised down further in the coming months

- **Today the Crop Estimate Committee's summer grains preliminary plantings data showed that the area planted to maize is 2.3 million hectares. About 1.3 million hectares is white maize, with 1.0 million hectares being yellow maize. This came as a surprise as we had projection of 1.98 million hectares. We suspect that the late plantings might have been more than anticipated following early January rainfall. While this a welcome development, it is important to stress that these are initial estimates, there could be a revision next month and our view still leans towards a possible downward adjustment.**
- The important question at the moment is, what size of maize crop will South Africa have in the 2018/19 production season? The estimates in the market currently vary between 10.4 and 12.0 million tonnes, which is plausible if one assumes the aforementioned area and average yields, although that is dependent on good rainfall which is still proving to be a challenge at the present moment in the western areas of the South African maize-belt.
- Given that South Africa's maize consumption is about 10.8 million tonnes a year, a harvest of at least 10.4 million tonnes or even as low as 8.0 million tonnes would still ensure sufficient supplies for the country, as there could be fairly large stocks of about 3.4 million tonnes at the beginning of the 2019/20 marketing year in May 2019. This is under the assumption that there could be minimal exports, which is yet to be seen as our neighbouring countries could experience a shortage. Essentially, today's data does not change our food inflation outlook of a possible moderate uptick this year to an average of 5% despite the recent increase in maize prices (for more information on food inflation, see [*Consumers will feel the pinch ... but not everywhere*](#), 24 January 2019).
- The other crop that came as a surprise was sunflower seed area plantings, at about 444 000 hectares down by 26% from the area planted in 2017/18 production year. Unlike the case of maize where we expected a decline in area planting, we had anticipated an uptick on sunflower seed following increased planting activity earlier this month. We foresee a possible upward adjustment when the Committee releases its revised estimates in February. Soybean plantings are estimated at 743 600 hectares, down by 6% from the previous season.

Figure 1: South Africa's summer crop preliminary planting data for 2018/19 season



Source: Crop Estimate Committee, Agbiz Research

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