

## **Better rainfall and late planting boosts harvest forecast**

*By Wandile Sihlobo, [Business Day](#), 28 February 2019*

The numbers released on February 27 by SA's crop estimates committee underscores the message of optimism about agricultural conditions carried in [my column](#) on February 20.

The data shows that SA farmers planted 3.7-million hectares of summer grains and oilseeds. This is up 3% from the preliminary estimates released in January, but still 3% lower than the 2017/2018 production season. This encompasses white maize, yellow maize, sunflower seed, soya beans, ground nuts, sorghum, and dry beans. About 61% of it is maize (white and yellow).

Not only did area plantings improve, but the production estimates also paint a promising picture, with an overall maize harvest forecast of 10.5-million tons, which is well above the Reuters analysts' consensus forecast of 9.9-million tons. Aside from the area expansion, it seems recent rainfall in parts of the country has also increased optimism that most areas could receive better yields than initially expected.

People who have been following the SA agricultural sector for some time would argue that a potential harvest of 10.5-million tons for maize is no cause for celebration. After all, this is 16% lower than the 2017/2018 maize harvest, and well below a long-term average harvest of 12-million tons.

But I am gaining more comfort in the fact that the 2019/2020 marketing year (this corresponds with the 2018/2019 production season) will start with a large opening stock of about 3.5-million tons, which should provide a buffer to the market. Therefore, the expected harvest of 10.5-million tons will add to these stocks and potentially put SA's maize supplies at a minimum of 14-million tons, all else being equal.

To provide perspective, SA consumes about 10.8-million tons of maize a year, so these numbers show the country could be in good standing in terms of maize supplies in the 2019/2020 marketing year.

I should warn, however, that it is still early in the season, and the crop is at its early stages of development and will need moisture over the coming months.

Crop conditions are favourable following good rainfall in the past couple of weeks and the weather outlook for the next fortnight is positive.

The SA Weather Service forecasts above-normal rainfall between February and April 2019, which should support the late-planted areas. This is a welcome development, but it is unclear if it will lead to a notable improvement in yields. The key concern for late-planted areas is the possibility of frost later in the season, as that could negatively affect yields.

Going forward, it will be important to keep an eye on the update of the production estimate, which will be released on March 26, as it will paint a more realistic picture, with crops nearing their maturing stage in some areas.

The recent improvement in rainfall and farmers' resilience in continuing to plant well beyond the optimal dates could mean SA will remain self-sufficient in maize and not a net importer as many feared at the beginning of the year.