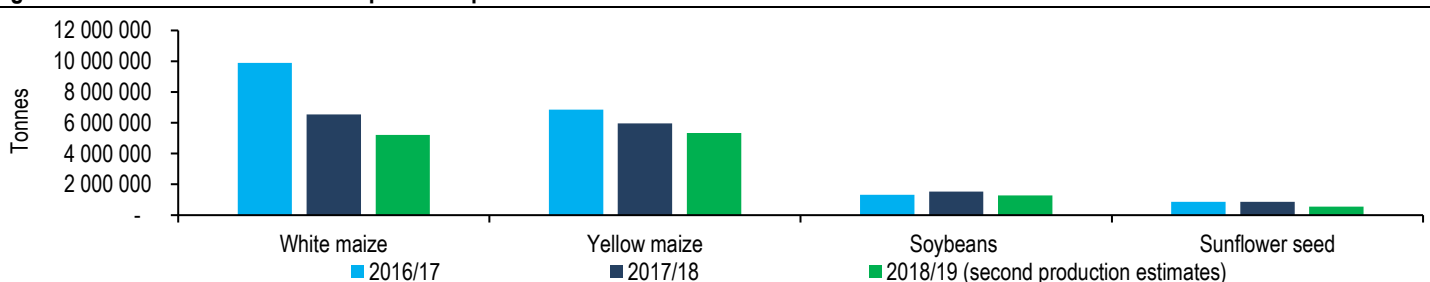


SA's summer grains and oilseeds production estimates lifted marginally

- South Africa's Crop Estimates Committee (CEC) lifted its estimates for the country's 2018/19 grains and oilseeds production by 0.4% from last month to 12.7 million tonnes. There were no adjustments in most commodities' production estimates with the exception of sorghum which was lowered by 3% from last month, while the maize estimate was lifted marginally, and thus overshadowed the decline in sorghum, resulting into an overall increase in the grains and oilseeds estimate (see Figure 1). With that said, the overall grains and oilseeds production estimate is still 16% lower than the 2017/18 harvest due to a reduction in area planted, and expectations of relatively lower yields in some areas.**
- To dive into more details of major crops, South Africa's maize production was lifted, marginally, from last month to 10.6 million tonnes. This is slightly above *Reuters* analysts' consensus forecast of 10.5 million tonnes, but well below last year's harvest (Figure 1). White maize accounts for 49%, with yellow maize making up 51%. Weather conditions in the eastern side of South Africa, which predominantly produce yellow maize, have been favourable over the past few weeks, and that is reflected in the expected harvest. But we are concerned about white maize yield expectations owing to dryness experienced over the past couple of weeks in the western regions of the country -- white maize areas. There is already evidence of deterioration in crop conditions in some regions, which leads us to believe that there could be a downward revision of the estimates in the coming months. Be that as it may, if South Africa harvests at least 10.0 million tonnes of maize this season, which will be added to an opening stock of 3.0 million tonnes when the 2019/20 marketing year starts on 01 May 2019, then there could be sufficient supplies in the market, and that will cover the country's annual consumption of about 10.8 million tonnes.
- Similar to white maize, sunflower seed, is predominantly produced in the western parts of South Africa, and has somewhat been negatively affected by drier weather conditions. This too raises concerns of a possible downward revision of the current production estimate of 563 590 tonnes, which is presently an unchanged figure from last month. Above all, some crops in the western parts of South Africa were planted nearly a month later than the optimal period due to delayed rainfall, therefore, the one factor that most farmers fear is possible frost in the coming months as that could lead to poor yields. The CEC will release its third production update on 25 April, which will paint a clearer picture of the crop in the light of the aforementioned possible risks to the current estimates. This summer crop outlook remains a key factor for food price inflation over the coming quarters.

Figure 1: South Africa's summer crop second production estimates for 2018/19 season



Source: Crop Estimate Committee, Agbiz Research

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