

## SA winter crops harvest estimates revised down

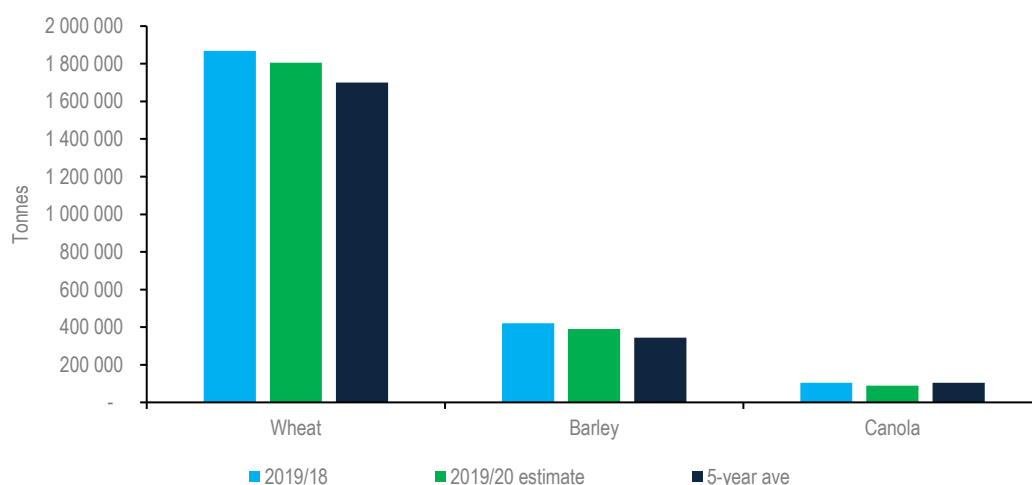
The dry and warm weather conditions experienced in the Western Cape since the end of August 2019 have taken a toll on winter crops and the impact is evident at a national level given the significance of the province. Figures released earlier in the afternoon containing the latest projections from South Africa's Crop Estimates Committee (CEC) show that the country's 2019/20 wheat, barley and canola production forecasts were lowered by 6%, 3% and 14% from last month to 1.81 million tonnes, 389 260 tonnes and 88 800 tonnes, respectively. Aside from the Western Cape, most other winter crop-producing provinces harvest expectations are somewhat stable compared to levels seen in August.

In the case of wheat and barley, the current harvest expectations are still well above the five-year average levels, while canola is down notably in part because of a reduction in area planted (Figure 1). The weather conditions have not improved in the province and there is now a greater risk of further crop damage in areas around the Swartland region where wheat is currently pollination – a growth stage that requires moisture. Other major winter crop-producing provinces such as Northern Cape, Free State and Limpopo, amongst others, are mainly under irrigation and can, therefore, withstand harsh conditions as dams are at levels over 50% on average as of 23 September 2019.

Be that as it may, the Western Cape is major producer, accounting for 61% of area plantings in winter wheat and nearly all canola, which means that the persistence of unfavourable weather conditions there could have a national impact as it is currently the case. We see a risk that the CEC might revise down further its winter crop production estimates when the next update comes out on 24 October 2019 given that weather conditions are still harsh in the province. The weather forecast between 26 September and 12 October show prospects of light showers in the coastal areas of the province, which might not make a meaningful improvement on soil moisture.<sup>1</sup>

In commodities such as wheat, the yield losses might not be compensated by an increase in prices for farmers. South Africa is a net importer of wheat – importing, on average, about 1.6-million tonnes per annum – and prices generally track the import parity price level. Therefore, while lower output levels would be negative for farmers, the effects on domestic consumer food price inflation may be relatively contained.

**Figure 1: South Africa's wheat production and consumption**



Source: SAGIS, CEC, Agbiz Research

<sup>1</sup> We base our views on wxmaps forecasts — a George Mason University-hosted weather forecast website.

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**Table 1: Summer crop production estimates**

Production season	Summer crops (tonnes)		
	Maize	Soybeans	Sunflower seed
2000/01	7 486 840	226 210	638 320
2001/02	9 731 830	223 000	928 790
2002/03	9 391 450	136 520	642 610
2003/04	9 482 000	220 000	648 000
2004/05	11 450 000	272 500	620 000
2005/06	6 618 000	424 000	520 000
2006/07	7 125 000	205 000	300 000
2007/08	12 700 000	282 000	872 000
2008/09	12 050 000	516 000	801 000
2009/10	12 815 000	566 000	490 000
2010/11	10 360 000	710 000	860 000
2011/12	12 120 656	691 050	527 110
2012/13	11 690 000	784 500	557 000
2013/14	14 250 000	948 000	832 000
2014/15	9 955 000	1 070 000	663 000
2015/16	7 778 500	742 000	755 000
2016/17	16 820 000	1 316 000	874 000
2017/18	12 510 000	1 540 000	862 000
2018/19*	11 080 960	1 170 345	680 940

Source: SAGIS and CEC

Notes:

\*Eighth summer crop production estimate