

OPINION PIECE:

Drier weather conditions cast a worrying shadow over SA's agriculture sector

By Wandile Sihlobo, [Business Day](#), 05 November 2019

Over the past few months, I have written a [few essays](#) arguing that we shouldn't worry much about the current heatwave in South Africa and that rainfall could soon provide some relief. I made this argument, leaning on the South African Weather Services (SAWS) views contained in its Seasonal Climate Watch published on 30 September 2019. At the time, the agency indicated that the central and eastern regions of South Africa were likely to receive above-normal rainfall between November 2019 and January 2020. This, of course, would have been timely given that this is a critical period for planting decisions for most summer crops, particularly maize, sunflower seed, soybeans, sorghum, peanuts and dry beans.

But the latest [communication](#) from the local weather bureau released on 04 November 2018 paints a markedly deteriorated picture with respect to the rainfall outlook over the coming months. The latest forecasts point to a possibility for below-normal rainfall over the eastern regions of South Africa between November 2019 and January 2020. Meanwhile, the western regions of South Africa could receive above-normal rainfall over the same period. From January 2020 onwards, the projected likelihood of dryness across South Africa is higher compared to the last September forecast. Making matters worse is that temperatures are set to be higher than normal levels over this period.

This essentially means that the 2019/20 summer crop production season might not be as good as I anticipated. Moreover, although the latest report from the Crop Estimates Committee showed that farmers intended to lift the area plantings for summer crops by 7% y/y in 2019/20 production season to 3.9 million hectares, I am concerned that this might also not materialize if dryness persists as [weather forecasts suggest](#). The impact of this would then spillover to the livestock sector.

The key question is what does all this mean for broader agriculture performance going into 2020 and the food value-chain at large? It is too early to ascertain the impact as yet. One will have to monitor the developments in the fields for a few months in order to get a feel of potential agricultural performance in 2020. However, the latest data from SAWS suggest a growing likelihood that we will have a poor harvest, which will likely also have a negative impact on the livestock sector, all else being equal. Making matters worse is that the 2018/19 production season that we are coming off was not particularly good. It was dominated by dryness and as a result major summer crop harvests were down by double-digit from levels produced the previous season.

As I write this article, there hasn't been much activity on the fields thus far although the optimal planting window for our staple grain -- maize -- opened on 15 October in the eastern regions of South Africa, and closes on 15 November. The delays in planting are caused by dryness, as I indicated in the [previous post](#).

This is all very worrying, specifically for farmers, but consumers can relax a bit, for now. South Africa has sufficient grain supplies for the 2019/20 marketing year which

ends early 2020 (in February for oilseeds and April for maize). From April 2020 onwards, much will depend on what happens to the crop that is yet to be planted.

The news of drier weather conditions could, however, possibly lead to an uptick in agricultural commodity prices. The impact of which might filter through to consumer prices in three month time because of the lag from farm prices to consumer prices (I have discussed the food price transmission mechanism story [here](#)).

Given how badly South Africa needs rainfall, this is probably the only time where I wish these forecasts could be wrong. But science is science, and we have to work with the information we have at hand to plan for the months ahead. Thus far, the outlook for the agriculture sector is looking increasingly worrying.

- *Sihlobo is chief economist of the Agricultural Business Chamber of SA (Agbiz).*