

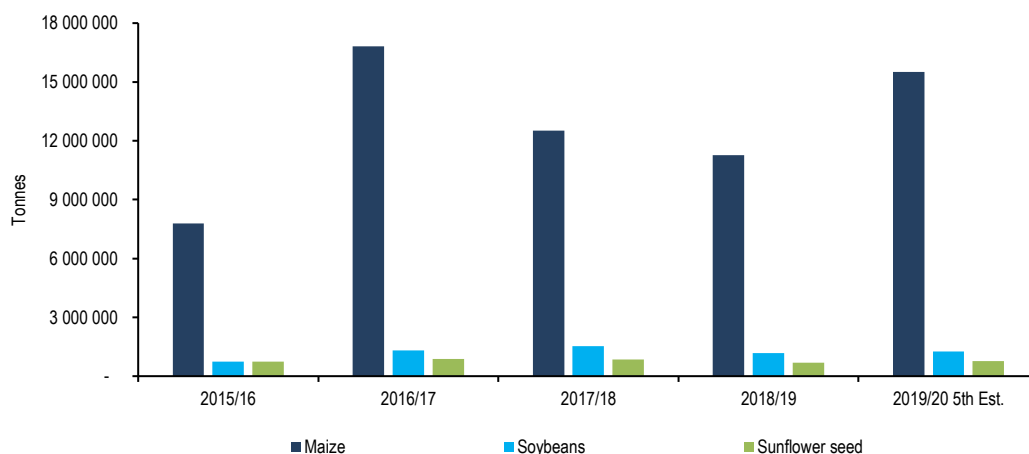
SA set to have its second-largest summer grains harvest on record

South Africa's 2019/20 fifth summer crop production estimates data released this afternoon by the Crop Estimates Committee (CEC) reinforced the view that the country will have large grains supplies. The CEC left most production estimates roughly unchanged from the previous month with a notable downward revision of 17% from the previous month in groundnuts production estimate, which is now at 52 140 tonnes. Nevertheless, this is still more than double the 2018/19 season's groundnuts harvest. The 2019/20 maize and soybean harvest were revised down, marginally, by 0.5% and 2% from the previous month to 15.5 million tonnes and 1.3 million tonnes, respectively. Meanwhile, sunflower seed was left unchanged at 765 960 tonnes.

In the case of maize, about 9.1 million tonnes is white maize, with 6.4 million tonnes being yellow maize, which makes up a total of 15.5 million tonnes. The current maize harvest is up 38% from the 2018/19 harvest and is the second-largest harvest on record. The soybeans and sunflower seed 2019/20 harvests are up 8% y/y and 13% y/y, respectively. The increase in this season's summer crop harvest is mainly supported by an expansion in area planted in the case of maize and favourable weather conditions which led to improvements in yields.

As in the previous month, the data essentially means that South Africa would remain a net exporter of at least 2.7 million tonnes in the 2020/21 marketing year which started in May 2020 and ends in 2021, up 89% y/y. This is at a time when Southern and East African maize import needs could outpace those of the previous year because of poor harvests on the back of drought and locust invasion. South Africa could also export maize beyond the African continent to other deep-sea markets such as Japan, Taiwan, Vietnam and South Korea who were not prominent in the 2019/20 marketing year. In the case of soybeans and sunflower seed, South Africa will remain a net importer of their products, sunflower oil, and soybean oilcake (meal), despite the expected increase in domestic production.

Exhibit 1: South Africa's selected summer crops production forecasts



Source: SA's Crop Estimates Committee, Agbiz Research

25 June 2020

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