

16 January 2024

A positive start to the 2023/24 summer crop production season

- When the 2023/24 South Africa's agricultural season started, we feared production conditions would become more challenging than we have seen in the last few seasons. The weather had shifted from a prolonged period of La Niña conditions, which came with a lot of rainfall, to an El Niño, which typically brings drought in Southern Africa. However, the rainfall conditions in early part of the 2023/24 season are looking different compared with earlier expectations. We saw heavy rainfall at the end of 2023 and the beginning of this year throughout most summer rainfall regions of South Africa. The only province that has not received as much rainfall is the North West.
- Against a backdrop of better-than-expected conditions, farmers could plant their usual crops in provinces such as the Free State, Eastern Cape, KwaZulu-Natal, Mpumalanga, and Limpopo. Meanwhile, the North West saw delays in plantings because of slightly delayed rainfall compared with other provinces. The irrigation regions, such as the Northern Cape, also planted on time, benefitted from higher dam levels and reduced loadshedding during the summer holidays to support crop conditions.
- The latest survey done by Grain South Africa shows that crop conditions in provinces that received early rainfall are favourable, and farmers' plantings of most summer crops may have reached the intended area at the start of the season. The farmers in some of these provinces indicated that they expect above-average yields. The significant risk on the horizon that farmers fear is the possibility of hail, especially in areas such as the eastern Free State prone to hail. Still, by mid-January, hail had not caused much damage in these areas, and the crops were in favourable condition.
- Some farmers in these areas also feared that a mid-summer drought would negatively impact crops, particularly the late-planted crops. However, with the South African Weather Service expecting rainfall to continue until March 2024, we are optimistic that a drought won't be a challenge. The crops would need significant rainfall around February, primarily during pollination time. Beyond pollination, we believe the crops would still be in good condition even if rainfall slows. However, this would likely be a reality for the central and the eastern regions. There remains a risk of dryness in the country's western areas, particularly the North West, which already did not receive as favourable rainfall as other provinces.
- In its Seasonal Climate Watch report of 19 December 2023, the South African Weather Services (SAWS) underscored this point of possible dryness in the western regions, stating that the "multi-model rainfall forecast indicates mostly below-normal rainfall over most of the country during January to May, except for the central and eastern coastal areas indicating higher likelihood of above-normal rainfall."

- With that said, the reality has thus far proven to be better than the SAWS's projections as we have continued to see favourable rainfall across the country since the start of this month, and it is not limited to the coastal regions. If the showers could remain favourable for the remainder of this month and through to the end of February across the country, we could confidently expect another ample agricultural harvest.
- At the start of the 2023/24 summer crop production season, farmers intended to plant 4,5 million hectares of land, which is up 2% from the previous season. Given the feedback from the Grain South Africa survey, we feel compelled to believe that farmers met their expected planting area in most provinces. If there are any reductions in area, they will likely be in the white maize regions of the North West. At the end of this month (30 January 2024) the Crop Estimates Committee will release its preliminary area planted estimate for summer grains 2024. This data will give us a better sense of the planted area. The data for the following month will provide us with a view of the possible size of the harvest.
- While we devoted a large share of this note to summer crops, these favourable production conditions also support grazing veld for livestock, vegetable production, fruit production, and other agricultural activities. The cautious view that we started the 2023/24 production season might be proven to have been too pessimistic, and South Africa could have yet another favourable agricultural season. A lot will unfold in the coming months, but there are now some reasons to be more optimistic about the production conditions.

Policy considerations

- The favourable production conditions would allow more time to be devoted to long-term policy issues that the sector still needs to resolve. The significant issues that should remain in the policy discussion this year include the need to tackle the problems constraining South Africa's agricultural growth potential head-on. These are the weakening municipalities, deteriorating roads, rising crime, inefficient logistics, animal diseases, lack of progress in registering new agrochemicals and seeds, slow launching of the Land Reform Agency and releasing government land to beneficiaries, and persistent load-shedding.
- The government and private sector should collaboratively work to resolve these constraints to attract investments and boost the long-term growth of the agricultural sector. The sector should focus more on these aspects for the remainder of 2024.