

South Africa closed its 2020/21 summer crop production season with a second largest harvest on record

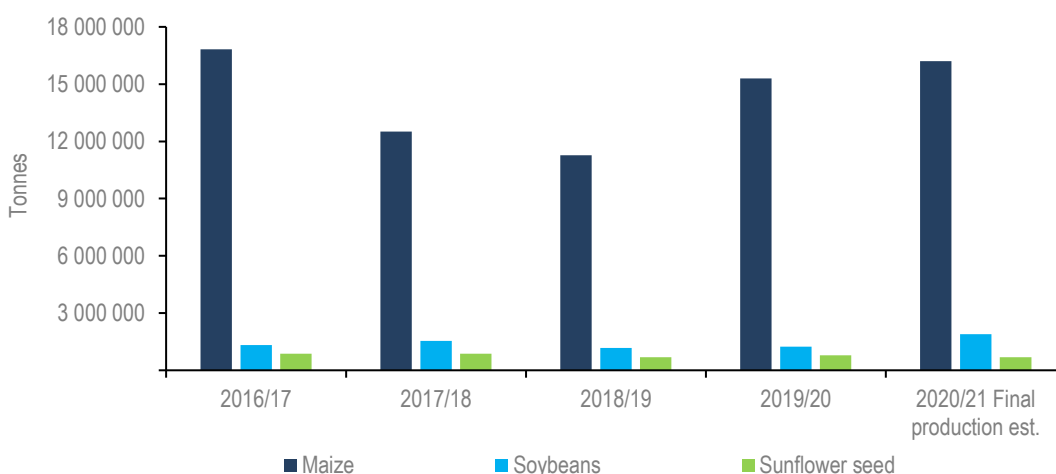
Last week the Crop Estimates Committee released its final estimates for the 2020/21 production season. Unsurprisingly, there were minimal adjustments from the previous month's estimates, which was the marginal lift in maize, sorghum, dry beans production estimates. South Africa essentially had its second largest grains harvest on record in 2020/21 production season. The highlights being the 16,2 million tonnes of maize (up 6% y/y), a second largest on record and soybeans at 1,9 million tonnes (up by 52% y/y) and a record harvest.

This latest production information will have minimal impact on the domestic grains and oilseeds prices, as much of the information is already factored in, and the focus has shifted to the new production season of 2021/22, which started in October.¹

Still, if we focus on the major grains in the 2020/21 production season, the current maize production data essentially mean South Africa would remain a net exporter in the 2021/22 marketing year. South Africa's annual maize consumption is roughly 11,5 million tonnes; hence the current export forecast is 3,42 million tonnes for the 2021/22 marketing year (this corresponds with the 2020/21 production year). This is up by 16% from the previous year, as a result of large production.

Notably, the increased soybeans production also means a decline in soybean oilcake imports, which in a typical year is just under half a million tonnes a year.

Exhibit 1: South Africa's major summer grain and oilseeds production



Source: CEC and Agbiz Research

¹ Farmers started planting in October in the eastern regions of South Africa, and progress has been good thus far. For example, over 80% of the intended area for maize and soybeans in Mpumalanga has already been planted. Similarly, eastern Free State farmers have planted roughly 75% of the intended area for maize crops. Meanwhile, the northwestern Free State regions have planted around 30% of the maize area, and North West province has only planted around 5% of the crop. The Eastern Cape and KwaZulu Natal is also progressing well with plantings.

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Wandile Sihlobo

Chief Economist

+27 12 807 6686

wandile@agbiz.co.za

www.agbiz.co.za

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