

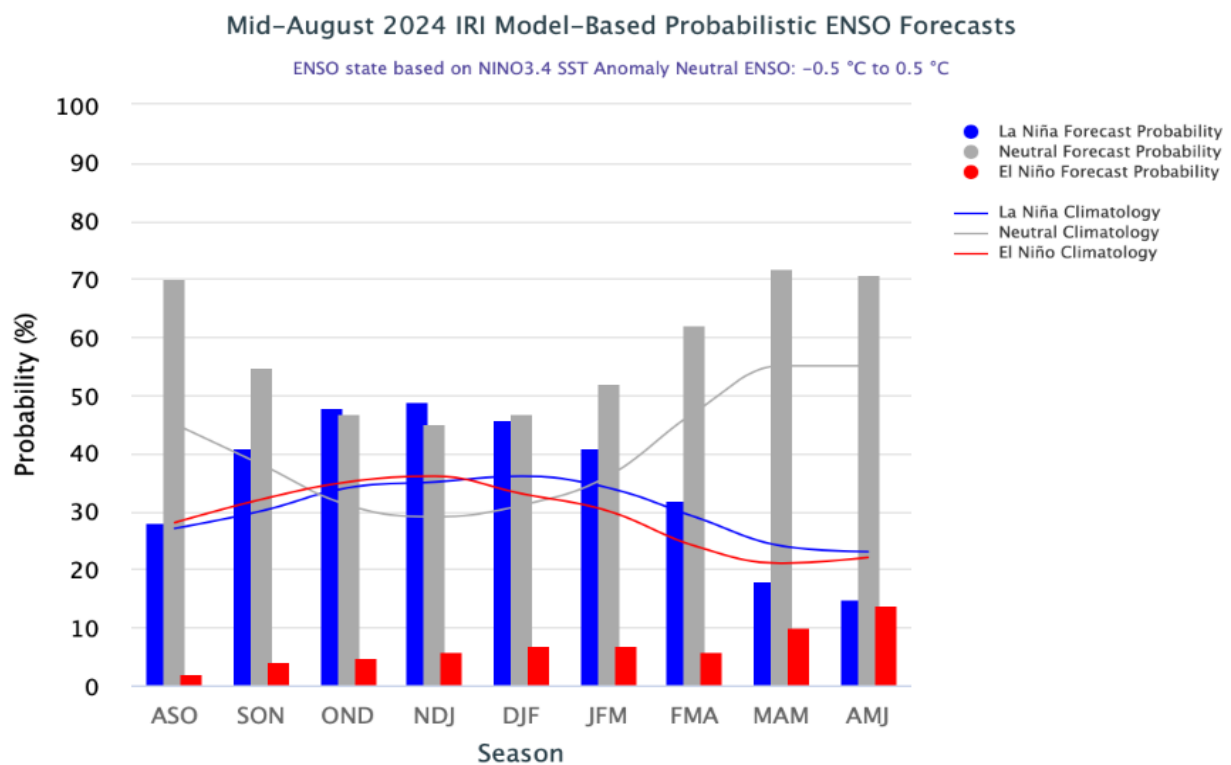
Will the 2024-25 season be a recovery period for SA agriculture?

- By this time next month, the fields across the eastern regions of South Africa will likely be busy. Farmers will be tilling the land for the 2024-25 summer grains and oilseed production season in mid-October. It will be another month before the country's western regions start till the land, from mid-November. The variation in the optimal planting windows is mainly due to the differences in rainfall patterns.
- From now on through the season, the weather outlook will remain a primary focus for the agricultural stakeholders. We are, after all, emerging from a challenging 2023-24 summer grains and oilseed season that resulted in major crop losses. The latest figures from the Crop Estimates Committee show that the 2023-24 summer crop may have fallen as much as 22% from the previous season to 15,69 million tonnes.
- The 2024-25 season seems likely to be a recovery period. So far, global weather forecasters such as the International Research Institute for Climate and Society at Columbia Climate School (IRI) continue to indicate an optimistic outlook about rainfall prospects. For example, the IRI sees a possibility of La Niña occurrence from this month to April 2025. This weather event typically brings above-normal rainfall for South Africa and the entire Southern Africa region.
- The critical period for rainfall for South Africa's summer grains and oilseed is between October and the end of February the following year. This is a period between planting and pollination of the crop. The months after are essential, but the crop could still have decent yields even if there is less rain after the pollination.
- In the 2023-24 season, the drought was at its harshest as the crop started the pollination period from February to the end of March. Had this been delayed by roughly a month, the outcomes would have differed greatly for the better. The summer grains and oilseeds encompass yellow maize, white maize, sunflower seeds, soybeans, groundnuts, sorghum, and dry beans, and these are the crops whose planting season will start soon.
- Also worth noting is that other forecasters, such as the Australian Bureau of Meteorology, also see a possibility of the La Niña occurrence, although still without a firm view. For example, on September 3, the Australian Bureau of Meteorology indicated that "The El Niño-Southern Oscillation Outlook is currently at La Niña Watch, meaning there are some signs that a La Niña may form in the Pacific Ocean later in 2024. A La Niña Watch does not guarantee that a La Niña will develop."
- This cautious view by the Australian weather authorities is similar to what we see in South Africa. On August 31, the South African Weather Service (SAWS), in its monthly Seasonal Climate Watch, indicated that "The El Niño-Southern Oscillation is currently still in a Neutral state and is predicted to weaken further. Current predictions indicate the development of a La Niña state during the start of the summer

season, however, there is still significant uncertainty in the predictions." SAWS further added "It is advised to monitor the ENSO system, as significant changes in the system may occur after the winter period due to increased prediction skill. Current predictions focus on the spring and early summer seasons and indicate wetter conditions along the south-eastern coastal areas during spring as well as the central parts in early summer."

- This suggests the likelihood of La Niña in the 2024-25 season and potentially favourable rainfall. How South African farmers will factor these weather prospects into their planting decisions is unclear. We will have an idea of their view on October 29, when the Crop Estimates Committee releases the 2024-25 season's farmers' planting intentions data. We believe the weather outlook, input costs, and commodity prices will be significant considerations for farmers ahead of the season.
- The improvement of weather conditions is not only for crops but also for the horticulture and livestock industry. The dam levels that horticulture relies on will benefit from improved rainfall. Equally, the grazing veld for the livestock industry will also benefit from better rainfall.
- From now on, we will closely monitor these weather patterns and attempt to assess their implications for agriculture. So far, the data presented continues to support a view of a potential recovery in South Africa's agriculture in the 2024-25 season.

Exhibit I: The prospects of La Niña in the 2024-25 season (blue bars)



Source: International Research Institute for Climate and Society at Columbia Climate School