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AGRICULTURE

WANDILE SIHLOBO: Bumper maize crop helps bring some relief to consumers

Other summer crop commodities have also performed well, and the benefits of this are clear from the retail shelves

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Picture: ISTOCK

I often use this column to present an update of domestic and regional food and agricultural production conditions. Earlier in 2018 I shared the positive outlook for SA's summer and winter crop production.

As farmers wind up the summer crop harvest process and winter crop planting approaches completion in the country, I think it's appropriate to present an update again.

This time around I have good and bad news.

Starting with the good news, the major summer crop supplies such as maize and soya beans are in good shape thanks to good summer rainfall.

To illustrate this, SA's maize supplies could reach 16.7-million tonnes, well above the local demand of 10.8-million tonnes, according to data from the national supply and demand estimates committee.

The maize supplies figure combines opening stocks and expected production.

In addition, the 2018-19 soya bean supplies are estimated at 1.87-million tonnes, up 33% from the previous year. The figure includes the expected record production of 1.6-million tonnes, opening stock and the small volume of imports.

Other summer crop commodities have also performed well, and the benefits of this are clear from the retail shelves. On average in May the price of a 5kg bag of super maize meal in SA was down 22% from the same period in 2017. A litre of milk was down 1% from May 2017. A 2.5kg bag of sugar was down 9% from May 2018. Even the price of imported products, such as rice, has declined 3% from May 2017. Some other basic household products, such as

cooking oils and vegetables, have also declined from levels seen in 2017. This could continue to be a key theme over the next couple of months, which will help ease pressure on constrained consumers.

In terms of winter crops, the big story of 2017 was the Western Cape drought and the impact it had on field crops, livestock and horticulture. The winter rainfall in 2018 has been fairly good across the province, although not evenly distributed.

In a conversation with a couple of farmers this weekend I sensed some optimism about this season's harvest. The only area that seemed to urgently need follow-up rainfall was the southern Cape. But overall crops are in good shape.

When it comes to field crops, this area is of importance because it accounts for 64% of the total intended area of winter wheat of 500,500ha, and all canola is produced there, among other field crops. The actual production forecasts for winter crops will be clear at the end of August when the national crop estimate committee releases its first production forecasts.

Moving on to the bad news.


Last week the International Research Institute for Climate and Society at Columbia University indicated that its estimate of the probability of an El Niño occurrence in the 2018-19 production season is over 60%. Simply put, this means there is a good chance that SA will experience a drier season in 2019, which could potentially strain summer crops.

However, I should stress that these are still preliminary estimates. There will be some revisions over the coming months. The key estimates that will give us a clear indication will probably be the ones of August and September as we approach the summer crop production season, which commences in October.

I am sharing this message now to caution folks in the food space to plan better while we still have an abundance of good supplies of basic foodstuffs.

In closing, the forecasts of El Niño will possibly have a minimal effect on agricultural commodity prices in the near term, at least until there is some level of confidence in the forecast. South African consumers should therefore be in a fairly comfortable place in terms of food costs in 2018.

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