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REPUBLIC OF SOUTH AFRICA

CROPS AND MARKETS

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CONTENTS

UNFORTUNATELY THIS SECTION IS NOT AVAILABLE DUE TO THE NON-FUNCTIONING OF THE SYSTEM USED TO COMPILE THE FRESH PRODUCE MARKET STATISTICS.

SECTION A

ECONOMIC INDICATORS AND TRENDS

1. CROP ESTIMATES AND FORECASTS

Preliminary estimate of areas planted to summer field crops for the 2019 production season

The preliminary estimate of areas planted to summer crops for the 2019 production season was released by the Crop Estimates Committee (CEC) on 29 January 2019. Less favourable rainfall and warm temperatures in the western producing areas over the past few weeks prevented producers from planting their intended areas with summer crops, especially in the Free State and North West provinces.

The estimate for maize was 2,269 million ha, which is 2,2% less than the 2,319 million ha planted the previous season and 7,3% less than the intended plantings figure of 2,448 million ha released in October 2018.

The area estimate for white maize was 1,257 million ha, which represents a decrease of 0,9% from the 1,268 million ha planted for the 2018 season. In the case of yellow maize, the area estimate was 1,012 million ha, which is 3,7% less than the 1,051 million ha planted for 2018.

The preliminary area estimate for sunflower seed was 444 000 ha, which is 26,2% less than the 601 500 ha planted the previous season. As some producers have not yet finished plantings, mainly because of unfavourable weather conditions, rainfall within the next weeks may still influence farmers' decisions to plant sunflower seed. It was also estimated that 743 600 ha had been planted to soya beans, which represents a decrease of 5,5% from the 787 200 ha planted for the 2018 season.

For groundnuts, the area estimate was 19 200 ha, which is 65,9% less than the 56 300 ha planted the previous season. The area planted to sorghum increased by an estimated 59,7%, from 28 800 ha to 46 000 ha. In the case of dry beans, the area estimate was 56 000 ha, which is 5,0% more than the 53 360 ha planted the previous season.

Preliminary estimate of areas planted to summer grain crops: 2019

Crop	Area planted 2019	Area planted 2018	Final crop 2018	Change in area 2019 *vs* 2018
	ha	ha	tons	%
White maize	1 257 000	1 268 100	6 540 000	-0,9
Yellow maize	1 011 900	1 050 750	5 970 000	-3,7
Maize	2 268 900	2 318 850	12 510 000	-2,2
Sunflower seed	444 000	601 500	862 000	-26,2
Soya beans	743 600	787 200	1 540 000	-5,5
Groundnuts	19 200	56 300	57 000	-65,9
Sorghum	46 000	28 800	115 000	+59,7
Dry beans	56 000	53 360	69 360	+5,0

Sixth production forecast for winter field crops for 2018

According to the sixth production forecast of winter crops, also released by the CEC on 29 January 2019, the expected wheat crop for 2018 was 1,799 million tons, which is 17,2% or 263 800 tons more than the 1,535 million tons of the previous season. The expected yield was 3,57 t/ha, compared to 3,12 t/ha the previous season. The area estimate for wheat was 503 350 ha, as against 491 600 ha for 2017—an increase of 2,4%.

The main contributing provinces to the expected wheat crop were the Western Cape, with a production forecast of 874 500 tons (48,6%), followed by the Free State with 340 000 tons (18,9%) and the Northern Cape with 294 500 tons (16,4%). The expected yield for the Western Cape was 2,75 t/ha, which is 52,8% higher than the 1,80 t/ha of the previous season. A yield of 3,40 t/ha was expected for the Free State, which is 19,0% lower than the 4,20 t/ha for 2017. The expected yield for the Northern Cape was 7,75 t/ha, compared to 8,20 t/ha the previous season—a decrease of 5,5%.

The production forecast for malting barley was 421 790 tons, which is 37,4% or 114 790 tons higher than the 307 000 tons of the previous season. The area planted was estimated at 119 000 ha and the expected yield was 3,54 t/ha.

The expected canola crop was 103 950 tons, while the area estimate was 77 000 ha, with an expected yield of 1,35 t/ha.

Estimated areas planted and sixth production forecast for winter cereals: 2018

Crop	Area planted 2018	Sixth forecast 2018	Area planted 2017	Final crop 2017	Change in production 2018 vs 2017
	ha	tons	ha	tons	%
Wheat	503 350	1 798 800	491 600	1 535 000	+17,2
Malting barley	119 000	421 790	91 380	307 000	+37,4
Canola	77 000	103 950	84 000	93 500	+11,2

Updates on these figures can be found on the following websites:

www.daff.gov.za/statistics and economic reports
www.sagis.org.za/CEC: Crop estimates

2 ECONOMIC INDICATORS OF THE SOUTH AFRICAN AGRICULTURAL SECTOR

Indicator (at current prices)	Jan. to Dec. 2017	Jan. to Dec. 2018	% change
Total gross farming income (R million)	278 531	281 835	+1,2
Intermediate expenditure (R million)	141 992	150 859	+6,2
Total farming cost (R million)	179 171	189 520	+5,8
Net farming income (R million)	104 565	98 758	-5,6
Domestic terms of trade (2010 = 1)	1,08	1,04	-3,7

Gross income from major products at current prices

	Jan. to Dec. 2017	Jan. to Dec. 2018	Change
Field crops:	R million		%
Maize	31 480	23 517	-25,3
Wheat	5 860	6 823	+16,4
Sugar cane	8 364	7 993	-4,4
Sunflower seed	4 002	3 826	-4,4
Tobacco	604	680	+12,7
All field crops	63 557	57 329	-9,8
Horticulture:			
Vegetables (including potatoes)	22 053	23 099	+4,7
Deciduous and other fruit	19 732	21 865	+10,8
Citrus fruit	19 329	20 686	+7,0
Viticulture	5 827	5 020	-13,9
Subtropical fruit	3 987	4 791	+20,2
All horticultural products	79 184	84 478	+6,7
Animal products:			
Poultry meat	44 050	47 964	+8,9
Cattle and calves slaughtered	35 859	35 967	+0,3
Milk	17 471	16 302	-6,7
Eggs	10 766	12 268	+14,0
Sheep slaughtered	7 248	6 505	-10,3
All animal products	135 789	140 028	+3,1

3. ECONOMIC OVERVIEW

This article gives an overview of the major macroeconomic trends in the agricultural sector for the period 1 January to 31 December 2018. Aggregates are compared with the period 1 January to 31 December 2017.

Gross farming income

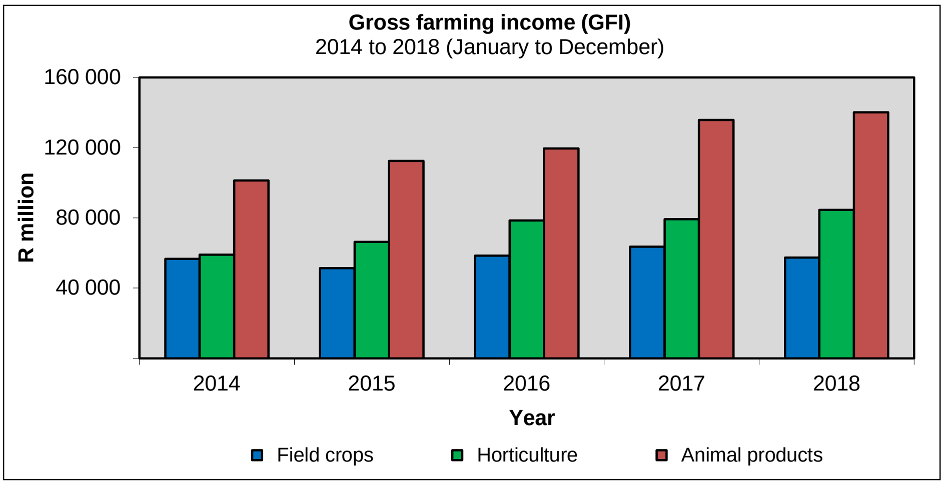
Gross farming income refers to both the part of agricultural production that is marketed and production for own consumption, valued at basic prices.

Gross income derived from all agricultural products increased by 1,2% to R281 835 million for the period ended 31 December 2018. This can be attributed to the increase in income made from horticultural and animal products by 6,7% and 3,1%, respectively.

The income from field crops decreased by 9,8%, largely because of the decrease in income derived from groundnuts by 38,0%, maize (25,3%), grain sorghum (16,6%), sugar cane and sunflower seed (4,4%) each and dry beans (3,1%).

The increase of 6,7% in income from horticultural products was influenced by the increase in income made from subtropical fruit by 20,2%, deciduous and other fruit by 10,8%, citrus fruit by 7,0% and vegetables by 4,7%.

The increase in income from animal products by 3,1% was driven by the increase in income made from eggs by 14,0%, poultry meat by 8,9% and cattle and calves slaughtered slightly by 0,3%.



Expenditure on intermediate production inputs

Expenditure on intermediate production inputs refers to the value of the goods and services that were purchased to be consumed as inputs during the production process.

The expenditure on intermediate goods and services increased by 6,2% to R150 859 million, from R141 992 million the previous period. This was mainly the result of the increase in expenditure on seed and plants and building and fencing material by 10,0% each, packing material (9,0%), maintenance and repairs of machinery and implements (8,1%), farm services and animal health and crop protection (6,0%) each, farm feeds (3,7%), fuel (3,1%) and fertilisers (3,0%).

Farm feeds had the largest share of 28,7% as an expenditure item, followed by maintenance and repairs of machinery and implements (13,8%), farm services (12,2%), fuel (8,5%), seed and plants (6,9%), animal health and crop protection (6,2%), packing material (4,9%), fertilisers (4,8%) and building and fencing material (4,2%).

Prices received and paid by farmers as well as terms of trade

The prices received by farmers for their products increased marginally by 0,9% as the result of the increase in prices of horticultural and animal products by 5,9% and 2,6%, respectively.

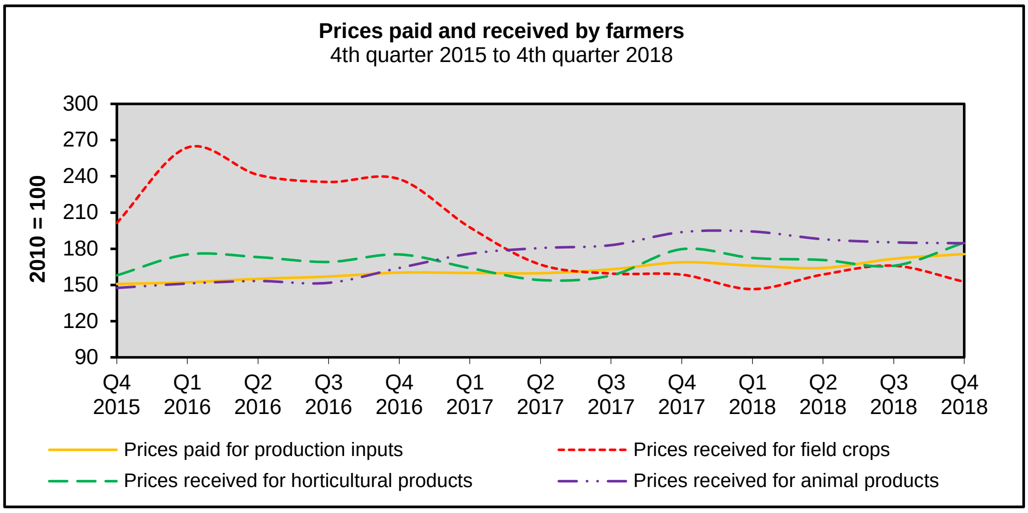
The prices of field crops decreased by 8,6%, mainly because of the decrease in prices of sugar cane by 12,1%, summer grains by 11,4%, oilseeds by 5,7%, winter grains and tobacco by 3,7% each, dry beans by 3,6% and hay slightly by 0,2%.

The increase in prices of horticultural products by 5,9% was boosted by the increase in prices of viticulture by 19,5%, vegetables by 12,0% and fruit slightly by 0,6%.

The prices of animal products increased by 2,6% and was caused by the increase in prices of pastoral products by 23,5%, poultry meat by 4,5% and slaughtered stock by 1,4%.

The prices paid for farming requisites, including machinery and implements, material for fixed improvements as well as intermediate goods, increased by 4,0%. The prices paid for animal health and crop protection increased by 7,2%, trucks by 7,1%, fuel by 6,5%, building material by 5,7%, fencing and packaging materials by 5,5% each, seeds by 5,0%, maintenance and repairs of machinery and implements by 4,1%, tractors by 4,0%, fertilisers by 1,8% and feeds by 1,4%.

The domestic terms of trade declined by 3,7%, from 1,08 to 1,04 due to the increase of 4,0% in production costs, as opposed to a marginal increase of only 0,9% in prices received by the farmers for their products.



Net farming income and cash flow

The increases of 1,2% in gross farming income and 6,2% in expenditure on production inputs resulted in a decrease in net farming income by 5,6%. Interest payment increased by 8,7%, labour costs by 5,9% and rent payment by 4,4%.

The farmers' cash flow decreased by 7,0% and was estimated at R99 669 million, compared to R107 189 million of the previous period.

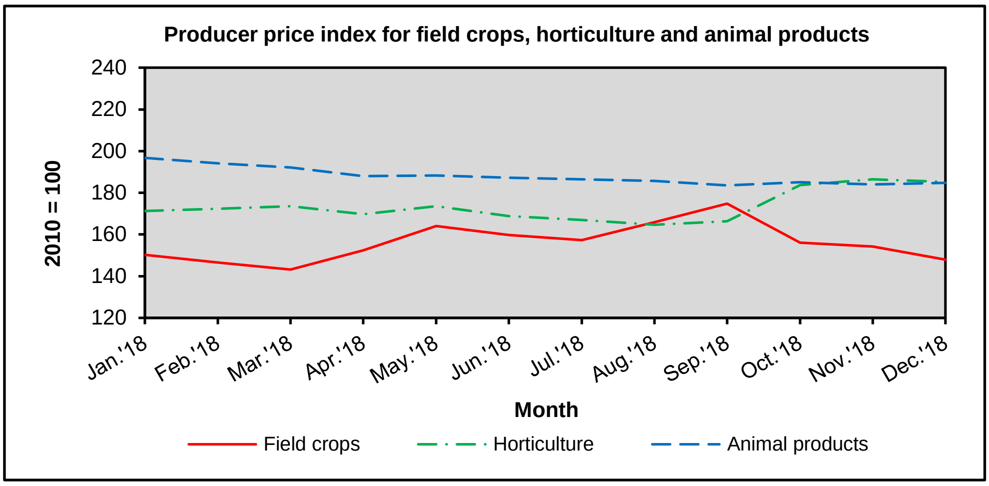
Conclusion

The increase in gross farming income was mainly driven by the increase in income made from horticultural and animal products by 6,7% and 3,1%, respectively. The increases in incomes from these products were driven by the increase in both prices and production levels, especially of subtropical fruit by 32,6%, citrus fruit (16,4%), pigs slaughtered (9,7%), poultry meat (5,8%), milk (3,0%) and eggs (1,6%).

Compiled by Ephaphrus Mankwane

4. INDICES OF PRODUCER PRICES OF AGRICULTURAL PRODUCTS

Product	Weight	October		November		December	
		2017	2018	2017	2018	2017	2018
		Index (2010 = 100)					
Field crops	22,8	157,8	156,0	158,0	154,2	160,0	148,0
Horticulture	26,9	182,5	183,7	176,7	186,5	180,0	185,2
Animal products	50,3	188,8	185,1	193,7	184,0	198,8	184,8
Combined	100,0	180,1	178,1	181,0	177,9	184,9	176,5
Field crops							
Summer grains	46,3	148,8	148,4	148,1	144,5	157,8	130,4
Winter cereals	13,1	187,8	185,0	187,0	183,7	181,4	195,5
Oilseeds	11,4	143,3	145,8	148,4	146,7	134,7	137,9
Sugar cane	16,2	172,8	157,0	172,3	154,7	170,2	152,7
Hay	10,2	142,0	150,8	143,0	155,3	144,8	156,4
Dry beans	1,2	230,6	222,3	230,6	222,3	230,6	222,3
Cotton	0,4	200,7	193,5	200,7	193,5	200,7	193,5
Tobacco	1,2	165,5	180,7	165,5	180,7	165,5	180,7
Combined	100,0	157,8	156,0	158,0	154,2	160,0	148,0
Horticulture							
Viticulture	11,0	137,5	164,4	137,5	164,4	137,5	164,4
Vegetables	37,0	166,9	168,3	149,0	169,3	163,5	166,4
Fruit	52,0	203,1	198,8	204,7	203,4	200,7	203,0
Combined	100,0	182,5	183,7	176,7	186,5	180,0	185,2
Animal husbandry							
Pastoral products	2,5	295,1	343,8	316,8	313,9	312,0	316,7
Stock slaughtered	34,2	196,1	202,1	198,6	202,2	209,1	204,7
Milk	14,2	168,1	144,5	168,1	144,5	168,1	141,2
Poultry	49,1	184,3	176,8	191,3	176,0	194,7	176,6
Combined	100,0	188,8	185,1	193,7	184,0	198,8	184,8



5. CONSUMER PRICE INDICES

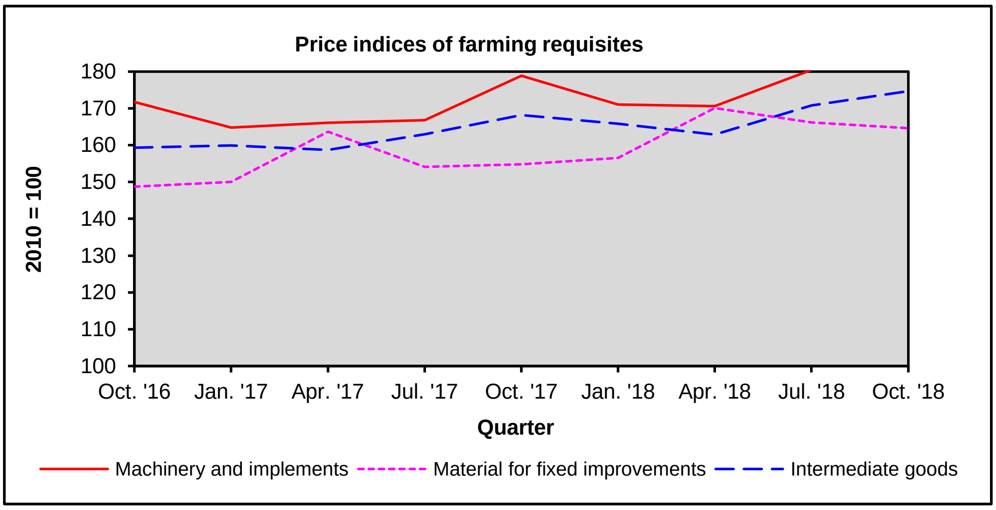
Item	Weight	October 2018	November 2018	December 2018
		Index (2010 = 100)		
All items	100,00	155,2	155,4	151,1
All items, excluding food	84,59	156,7	155,0	153,3
Food	15,41	171,1	171,0	172,1
Grain products	3,55	157,9	161,4	165,0
Meat	4,56	180,6	178,3	179,0
Fish and other seafood	0,37	163,7	163,9	162,8
Milk, cheese and eggs	1,74	157,9	162,6	163,3
Fats and oils	0,55	162,5	161,2	161,5
Fruit and nuts	0,23	136,5	145,9	146,2
Vegetables	1,61	176,9	166,2	163,7
Sugar	0,65	199,1	197,7	199,8
Coffee, tea and cocoa	1,21	187,2	197,0	194,0
Other	0,94	163,8	164,5	165,9

Source: Statistics South Africa

6. PRICE INDICES OF FARMING REQUISITES (BASE YEAR: 2010 = 100)

Period	Machinery and implements					Material for fixed improvements		
	Tractors	Trucks	Imple-ments	Irrigation equipment	Combined index	Building materials	Fencing materials	Combined index
2010	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
2014	139,0	151,1	139,0	138,9	142,5	128,6	131,0	129,5
2015	148,6	159,8	143,7	146,5	150,2	139,5	137,8	138,9
2016	165,9	169,8	154,7	156,2	162,6	151,0	145,7	149,1
January	163,4	163,2	147,0	149,4	156,9	148,3	137,5	144,5
April	164,8	166,6	152,2	153,4	160,3	156.5	150,9	154,5
2015/16	158,3	165,6	147,5	150,8	156,2	143,8	140,2	142,5
July	164,7	166,7	153,1	161,4	161,5	147,6	150,8	148,7
October	170,8	182,8	166,4	160,4	171,8	151,5	143,5	148,7
2017	171,6	179,9	159,9	159,1	169,1	157,0	153,1	155,6
January	170,8	172,9	154,3	155,9	164,8	151,7	146,9	150,0
April	172,1	175,4	155,7	153,9	166,1	165,8	159,8	163,7
2016/17	169,6	175,2	157,4	157,9	166,1	154,1	150,2	152,8
July	170,9	174,6	155,7	164,1	166,7	152,9	156,3	154,1
October	172,6	196,9	174,1	162,4	178,9	157,7	149,4	154,8
2018	178,5	192,7	165,5	164,3	177,1	165,9	161,5	164,4
January	175,7	180,0	160,8	162,3	171,1	158,1	153,6	156,5
April	176,9	183,3	157,5	155,7	170,6	172,2	166,0	170,0
2017/18	174,0	185,0	162,0	161,1	171,8	160,2	156,3	158,9
July	180,5	202,6	162,1	170,9	180,4	165,1	168,4	166,2
October	180,8	204,8	181,3	168,3	186,4	168,2	157,9	164,6

Period	Intermediate goods and services							All farming requisites combined
	Fertilisers	Fuel	Feeds	Animal health and crop protection	Packing material	Maintenance and repairs	Combined index	
2010	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
2014	124,6	141,5	146,4	139,0	144,9	139,0	142,9	142,3
2015	127,5	136,4	152,7	146,1	151,0	145,7	147,4	147,3
2016	131,4	142,9	163,6	153,9	159,1	151,6	155,7	156,2
January	131,8	139,6	157,0	148,9	153,5	151,0	152,0	152,2
April	132,5	145,6	160,0	151,2	153,7	153,2	154,5	155,1
2015/16	130,0	140,0	157,1	150,0	154,4	149,9	151,4	151,5
July	131,0	143,0	166,5	153,2	163,7	152,5	156,9	157,1
October	130,2	143,2	170,7	162,4	165,1	149,7	159,4	160,3
2017	136,0	146,7	168,6	166,8	171,4	158,5	162,4	162,9
January	133,8	146,4	164,3	156,9	172,5	160,5	159,9	160,0
April	135,7	146,0	162,4	159,5	162,4	158,4	158,7	159,8
2016/17	132,7	144,6	166,0	158,0	165,9	155,3	158,7	159,3
July	137,1	144,6	167,0	169,1	175,4	159,8	163,0	163,0
October	137,2	149,7	178,7	181,8	175,5	155,4	168,2	168,8
2018	138,4	156,3	171,0	178,9	180,8	165,1	168,5	169,3
January	136,2	149,8	166,6	172,6	181,7	167,1	165,8	166,0
April	137,5	153,7	159,7	177,0	169,7	165,5	162,9	164,1
2017/18	137,0	149,4	168,5	175,1	175,6	162,0	165,0	165,5
July	139,9	158,5	174,9	175,7	186,9	167,3	170,8	171,7
October	140,0	163,1	182,8	190,1	184,8	160,3	174,7	175,6



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