

SA 'must explore maize markets'

AGRI SA: WE HAVE TO CUT RELIANCE ON NEIGHBOURS

FIELD OF GREEN. Wheat field with a tree in the background in Bethlehem, Free State. Picture: Farmers Weekly

→ Surplus set to be exported to Far East countries.

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South Africa should start looking for new export markets and not rely on its African neighbours to sell some of its record maize crop of 16.41 million tons, according to Agri SA senior economist Hamlet Hlomendlini.

The country was not the only one in the Southern African Development Community (SADC) region to yield a higher-than-expected harvest. Zimbabwe had its highest crop estimate in nine years, according to its agriculture ministry of at least 2.2 million tons of maize would be produced at the end of the summer cropping season from the 1.2 million hectares of maize

planted. The country also banned grain imports in a bid to protect local farmers after saying it had produced enough to meet domestic demand.

Having missed a season in the export market after the drought last year, South Africa was now ripe for new markets, possibly in Japan and other Asian countries where demand for maize was higher. But this could prove a challenge where there was no existing bilateral trade agreements with SA.

"The concern is that the current season harvest is going to be the highest ever and South Africa doesn't consume as much maize.

"We consume about 10 million tons and anything left has to be exported. But the question has been raised in the industry whether we have the markets in place to actually export this maize. Those we had access to before (the drought) have had to look elsewhere to meet their demands and now that we are on the rebound we need to say hey,

remember us? We had a deal," said Hlomendlini.

He said entering new markets would not be a two-month job and in some instances, trade agreements may take well over a year. Earlier this year, Grain SA indicated it was expecting to export the anticipated surplus of 3.5 million tons and aimed to export all of it to Japan, South Korea and Taiwan.

But this did not mean South Africa should abandon the SADC market completely.

"If you look at the Southern African region, the main driver is South Africa. So if we don't produce optimally or fall short in producing enough, as we have seen, those countries are affected and have to look to other exporters to buy from. But now that we have this bumper crop, what is good for South Africa is that we already have an understanding with these markets, though we might have a few glitches like with Zimbabwe."

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