



Crops & Markets
First Quarter
2020
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agriculture, land reform
& rural development

Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

CROPS AND MARKETS

First quarter

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**DEPARTMENT OF AGRICULTURE, LAND REFORM &
RURAL DEVELOPMENT**



**agriculture, land reform
& rural development**

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SECTION B IS UNAVAILABLE DUE TO NON- FUNCTIONING OF THE SYSTEM.

SECTION A

ECONOMIC INDICATORS AND TRENDS

1. CROP ESTIMATES AND FORECASTS

Areas planted and fifth production forecast for summer crops for the 2020 production season

According to the fifth production forecast for summer crops by the Crop Estimates Committee (CEC) for the 2020 production season, the expected commercial **maize** crop was 15,514 million tons, which is 37,6% or 4,239 million tons more than the 11,275 million tons of the 2019 season. The estimated area planted to maize by South African commercial maize producers during the 2020 season is 2,611 million ha—13,5% or 310 300 ha more than the 2,301 million ha planted the previous season. The expected yield is 5,94 t/ha.

The ratio of white to yellow maize plantings was estimated at 62:38. The estimated white maize plantings were 1,616 million ha, which is an increase of 24,5% from the previous season's plantings of 1,298 million ha. Yellow maize plantings were estimated to be 994 500 ha—0,8% less than the 1,002 million ha for 2019.

During the 2020 production season, most of the country's maize crop was planted in the Free State (46,7%), North West (21,6%) and Mpumalanga (19,6%) provinces. The plantings of maize increased by 18,4%, from 1,030 million ha to 1,220 million ha in the Free State Province, and by 16,5%, from 485 000 ha to 565 000 ha in the North West Province. Plantings in Mpumalanga Province are estimated at 513 000 ha- an increase of 6,2% from the 483 000 ha planted for the 2019 season.

The production forecast for white maize was 9,075 million tons, which is 63,7% more than the 5,545 million tons of the previous season. The expected yield for white maize was 5,61 t/ha, as against 4,27 t/ha in 2019. In the case of yellow maize, the production forecast was 6,439 million tons, which is 12,4% more than the 5,730 million tons the previous season. The yield for yellow maize was expected to be 6,47 t/ha, as against 5,72 t/ha for 2019.

A **sunflower seed** crop of 765 960 tons was expected, which is 13,0% more than the 678 000 tons of the previous season. The area planted to sunflower seed was estimated at 500 300 ha, which is 2,9% lower than the 515 350 ha planted for 2019. The expected yield for 2020 was 1,53 t/ha, as against 1,32 t/ha in 2019.

The production forecast for **soya beans** was 1,261 million tons, which is 7,8% more than the 1,170 million tons of the previous season. The estimated area planted to soya beans was 705 000 ha, which is 3,5% or 25 500 ha less than the 730 500 ha planted for 2019. The expected yield was 1,79 t/ha, as against 1,60 t/ha in 2019.

The expected **groundnut** crop was 52 140 tons, which is 168,8% more than the 19 400 tons of the 2019 season. The area planted to groundnuts was estimated at 37 500 ha, which is 87,0% or 17 450 ha more than the 20 050 ha planted the previous season. The expected yield was 1,39 t/ha, as against 0,97 t/ha in 2019.

The production forecast for **sorghum** was 133 660 tons—5,2% more than the 127 000 tons of the previous season. The area planted to sorghum was estimated to be 42 500 ha, which is 15,8% or 8 000 ha less than the 50 500 ha planted for 2019. The expected yield was 3,14 t/ha, as against 2,51 t/ha the previous season.

The production of **dry beans** was expected to be 68 860 tons—3,8% more than the 66 355 tons of the previous season. The estimated area planted was 50 150 ha, or 15,4% less than the 59 300 ha planted the previous season, with an expected yield of 1,37 t/ha for 2020, as against a yield of 1,12 t/ha in 2019.

Area estimate and fifth production forecast of summer crops: 2020 production season*

Crop	Area planted 2020	Fifth forecast 2020	Area planted 2019	Final crop 2019	Change – tons 2020 vs 2019
	ha	tons	ha	tons	%
White maize	1 616 300	9 074 860	1 298 400	5 540 000	+63,7
Yellow maize	994 500	6 438 950	1 002 100	5 730 000	+12,4
Total maize	2 610 800	15 513 810	2 300 500	11 275 000	+37,6
Sunflower seed	500 300	765 960	515 350	678 000	+13,0
Soya beans	705 000	1 261 250	730 500	1 170 345	+7,8
Groundnuts	37 500	52 140	20 050	19 400	+168,8
Sorghum	42 500	133 660	50 500	127 000	+5,2
Dry beans	50 150	68 860	59 300	66 355	+3,8

* Forecasts and estimates exclude the non-commercial sector.

Intended plantings of winter crops for the 2020 production season

Producers' intentions to plant winter cereals are based on the results of a non-probability survey conducted by the Directorate: Statistics and Economic Analysis of the Department of Agriculture, Land Reform and Rural Development and reflects the position as at the middle of April 2020.

The figures for wheat represent the total number of hectares that are intended to be planted for grain, excluding any hectares that will be planted for fodder and grazing.

Early indications are that producers intend to plant 495 000 ha of **wheat** for the 2020 season. This is 8,3% or 45 000 ha less than 540 000 ha planted to wheat in 2019. The main producing areas are within the Western Cape with 320 000 ha (65%), followed by the Free State with 90 000 ha (18%) and the Northern Cape with 35 500 ha (7%).

The expected area planted to **malting barley** is 137 000 ha, which is 3,8% or 5 040 ha more than the 131 960 ha of the previous year. The expected area planted to **canola** is 72 000 ha, which is 2,7% or 2 000 ha less than the 74 000 ha planted in 2019. Producers intend to plant 23 500 ha of cereal oats, which is 11,9% or 2 500 ha more than the 21 000 ha of the previous season.

Please note that the preliminary area estimate of winter crops for 2020 will be released on 29 July 2020.

Intended plantings of winter cereals for the 2020 production season

Crop	Intended plantings* 2020	Area planted 2019	Final crop 2019	Change – ha 2020 vs 2019
	ha	ha	tons	%
Wheat	495 000	540 000	1 535 000	-8,3
Malting barley	137 000	131 960	345 000	+3,8
Canola	72 000	74 000	95 000	-2,7

Oats Cereal	23 500	21 000	16 500	+11,9
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*Based on conditions at the middle of April 2020

2. ECONOMIC INDICATORS OF THE SOUTH AFRICAN AGRICULTURAL SECTOR

Indicator (at current prices)	April 2018 to March 2019	April 2019 to March 2020	% change
Total gross farm income (R million)	279 569	297 436	+6,4
Intermediate expenditure (R million)	152 743	161 509	+5,7
Total farm cost (R million)	191 938	199 043	+3,7
Net farm income (R million)	93 531	104 905	+12,2
Domestic terms of trade (2010 = 1)	1,04	1,03	-1,0

Gross income from major products at current prices

	April 2018 to March 2019	April 2019 to March 2020	Change
Field crops	R million		%
Maize	24 229	28 118	+16,1
Wheat	7 099	6 173	-13,1
Sugar cane	8 022	10 294	+28,3
Sunflower seed	3 804	3 436	-9,7
Tobacco	617	452	-26,8
All field crops	58 090	59 150	+1,8
Horticulture			
Vegetables (including potatoes)	24 293	26 492	+9,1
Deciduous and other fruit	19 310	29 823	+54,4
Citrus fruit	20 778	20 481	-1,4
Viticulture	6 298	6 305	+0,1
Subtropical fruit	5 028	5 138	+2,2
All horticultural products	84 994	97 225	+14,4
Animal products			
Poultry meat	46 871	48 000	+2,4
Cattle and calves slaughtered	34 861	36 410	+4,4
Milk	15 855	16 903	+6,6
Eggs	11 000	10 331	-6,1
Sheep slaughtered	6 484	6 893	+6,3
All animal products	136 485	141 060	+3,4

3. ECONOMIC OVERVIEW

This article gives an overview of the major macroeconomic changes in the agricultural sector from the period 1 April 2018 to 31 March 2019 to the period 1 April 2019 to 31 March 2020.

Gross farming income

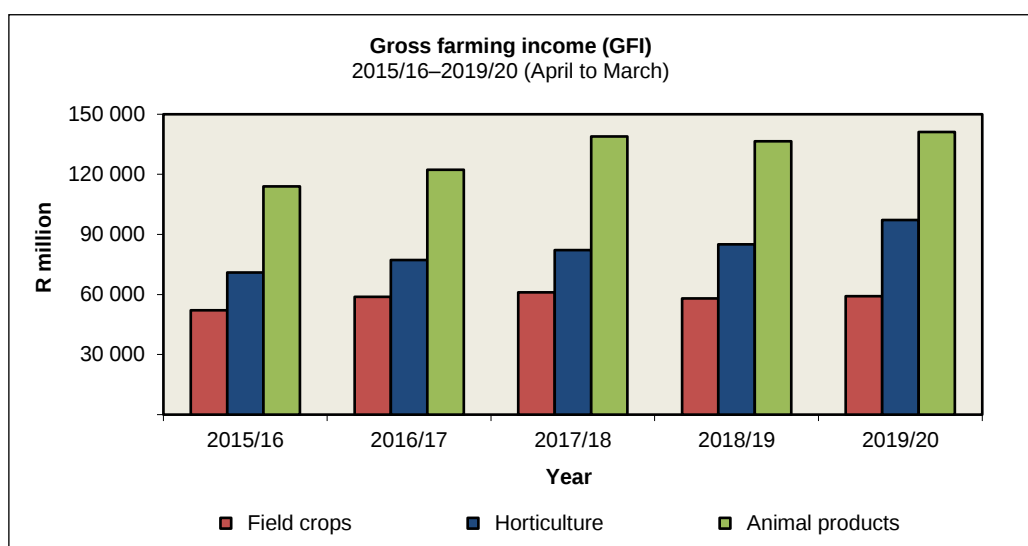
Gross farming income refers to the agricultural production that is marketed, together with the part that is for own consumption, both valued at basic prices.

Gross income from all agricultural products increased by 6,4% to R297 436 million for the year ended 31 March 2020. This was largely due to the increase in income from horticultural products by 14,4%, animal products by 3,4% and field crops by 1,8%.

The increase in income from horticultural products by 14,4% was mainly caused by the increase in income from deciduous and other fruit by 54,4%, vegetables by 9,1%, subtropical fruit by 2,2% and viticulture slightly by 0,1%.

The increase of 3,4% in income from animal products was the results of the increase in income derived from milk by 6,6%, sheep slaughtered by 6,3%, cattle and calves slaughtered by 4,4% and poultry meat by 2,4%.

The commodities which contributed to the increase in income derived from field crops were sugar cane by 28,3%, cotton by 18,8%, maize by 16,1%, and grain sorghum by 8,4%.



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.

Expenditure on intermediate goods and services increased by 5,7% and was estimated at R161 509 million for the period ended 31 March 2020. The expenditure on seed and plants and building and fencing material increased by 10,0% each, packing material by 9,0%, animal health and crop protection and farm services by 6,0% each, maintenance and repairs of machinery and implements by 5,0%, fuel by 4,1%, farm feeds by 4,0% and fertilisers by 3,0%.

Farm feeds was the largest expenditure item and accounted for 28,2% of the total expenditure on intermediate inputs, maintenance and repairs of machinery by 13,7%, farm services by 12,1%, fuel by 8,4%, seed and plants by 7,2%, animal health and crop protection by 6,2%, packing material by 5,1%, fertilisers by 4,6% and building and fencing material by 4,4%.

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

Prices earned by the farmers for their products increased on average by 2,4% due to the increase in prices of field crops and horticultural products by 12,0% and 4,3%, respectively.

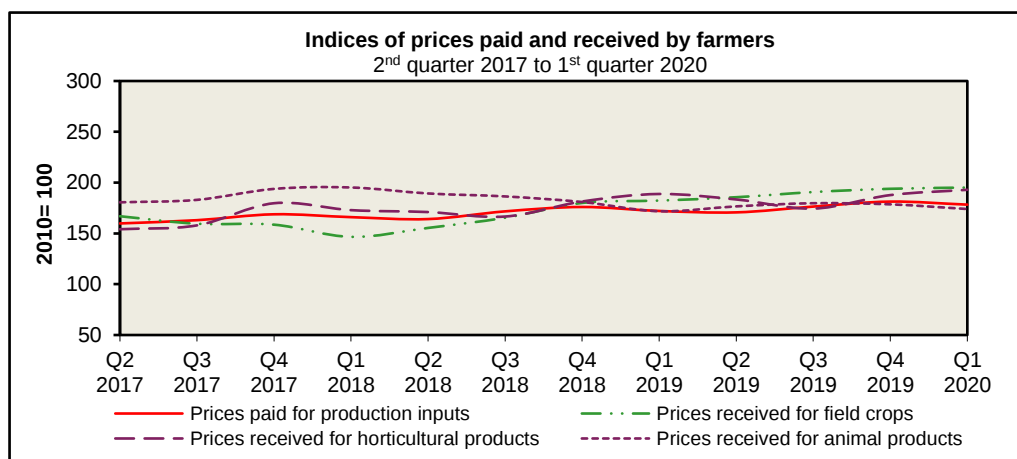
The increase in prices of field crops by 12,0% was the result of the increase in prices of summer grain by 17,4%, oilseeds by 10,6%, sugar cane by 9,2%, winter grain by 7,5% and hay by 2,4%.

The increase in prices of horticultural products by 4,3% was caused by the increase in prices of viticulture by 10,6%, vegetables by 4,0% and fruit by 3,3%.

The prices of animal products decreased on average by 2,7% due to the decrease in prices of pastoral products by 11,7%, poultry meat by 4,3% and slaughtered stock by 1,1%.

The prices paid for farming requisites, including machinery and implements, material for fixed improvements and intermediate goods and services increased by 3,3% for the period ended March 2020. Prices of animal health and crop protection by 5,1%, fencing material by 4,5%, building material and seeds by 4,4% each, maintenance and repairs by 3,9%, farm feed by 3,6%, packaging material and tractors by 2,4% each, trucks by 2,1% and fertilisers and fuel by 1,8% each.

Domestic terms of trade weakened by 1,0% as the result of the increase of 2,4% in prices earned by the farmers for their products, as opposed to a 3,3% increase in prices paid for their production inputs.



Net farm income and cash flow

The net farming income showed a substantial increase of 12,2% for the period ended March 2020, largely due to the increase in prices earned by the farmers for their agricultural products, despite the increased input costs. Interest payments increased by 9,4%, while labour costs and rent payments increased by 4,2% each.

The farmers' cash flow increased by 7,6% and was estimated at R102 116 million, from R94 895 million the previous period.

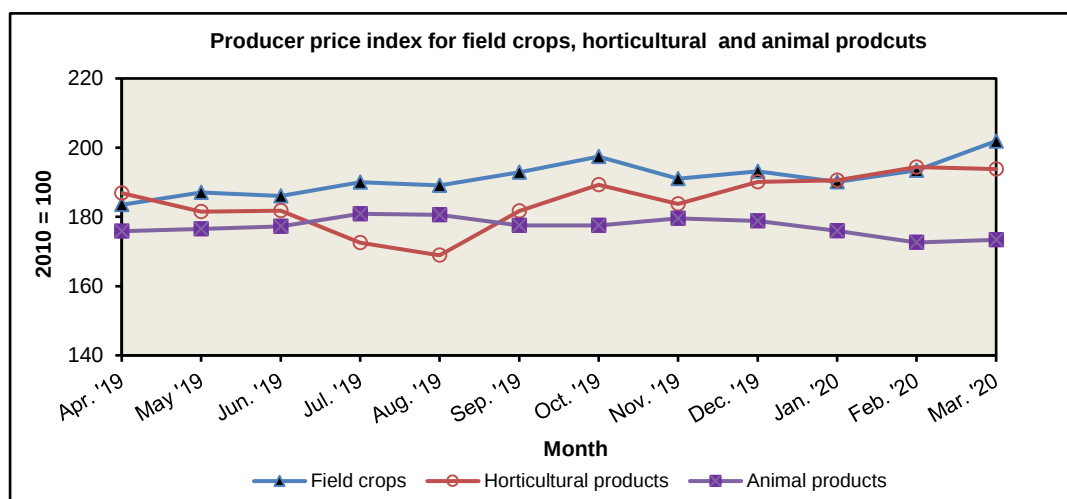
Conclusion

Gross farming income increased by 6,4% due to the increase in income derived from horticultural products by 14,4%, animal products by 3,4% and field crops by 1,8%. The increase in income from field crops and horticultural products was driven by the increase in prices of 12,0% and 4,3%, respectively, while that from animal products was caused by the increase of 5,2% in production levels.

Compiled by Ephaphrus Mankwane

4. INDICES OF PRODUCER PRICES OF AGRICULTURAL PRODUCTS

Product	Weight	January		February		March	
		2019	2020	2019	2020	2019	2020
		Index (2010 = 100)					
Field crops	23	178,1	190,1	183,5	193,4	185,3	201,9
Horticulture	27	187,5	190,6	188,8	194,4	189,9	193,8
Animal husbandry	50	172,6	176,0	168,4	172,6	174,4	173,4
Combined	100	177,9	183,1	177,3	183,2	181,1	185,4
Field crops							
Summer grains	46,3	195,1	216,5	208,2	209,3	202,5	222,8
Winter cereals	13,1	198,8	198,8	207,9	206,3	208,4	215,8
Oilseeds	11,4	150,5	130,0	141,4	169,8	150,0	174,4
Sugar cane	16,2	148,6	168,0	143,9	169,2	165,0	174,1
Hay	10,2	152,4	162,5	151,7	171,7	150,9	168,7
Dry beans	1,2	193,1	221,1	193,1	221,1	193,1	221,1
Cotton	0,3	193,5	192,2	193,5	192,2	193,5	192,2
Tobacco	1,2	160,4	147,6	160,4	147,6	160,4	147,6
Combined	100	178,1	190,1	183,5	193,4	185,3	201,9
Horticulture							
Viticulture	11	192,6	196,0	192,6	196,0	192,6	196,0
Vegetables	37	154,2	153,6	155,9	159,9	158,7	159,9
Fruit	52	210,2	215,7	211,4	218,6	211,4	217,4
Combined	100	187,5	190,6	188,8	194,4	189,9	193,8
Animal husbandry							
Pastoral products	2,5	320,7	274,7	325,7	279,7	327,6	271,8
Stock slaughtered	34,2	181,5	181,5	169,9	169,9	176,7	176,7
Milk	14,2	140,2	150,6	143,7	151,3	152,3	162,0
Poultry	49,1	186,1	174,3	166,3	175,0	171,2	169,4
Combined	100	172,6	176,0	168,4	172,6	174,4	173,4



5. CONSUMER PRICE INDICES

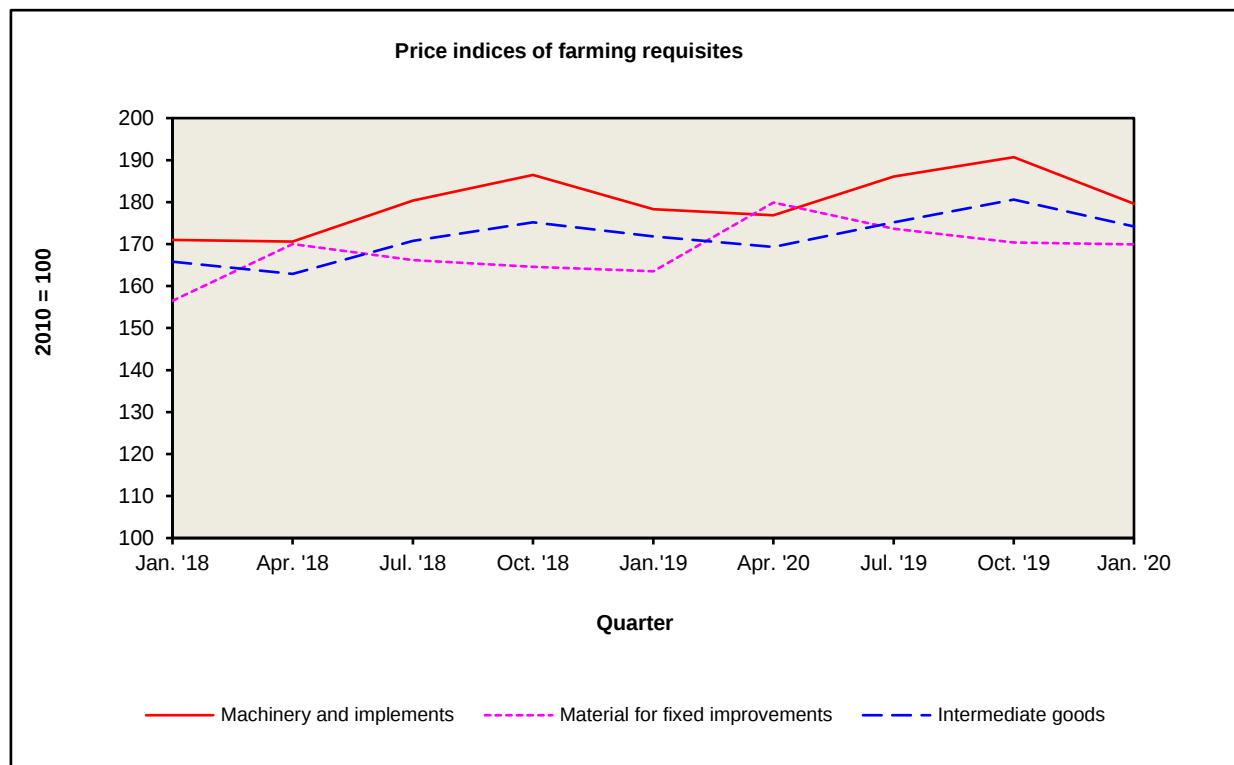
Item	Weight	January 2020	February 2020	March 2020
		Index (2010 = 100)		
All items	100,00	159,3	160,2	161,0
All items, excluding food	84,59	162,5	163,4	162,8
Food	15,41	177,9	177,5	178,3
Grain products	3,55	171,0	173,5	173,0
Meat	4,56	182,6	182,9	183,7
Fish and other seafood	0,37	185,8	185,2	184,7
Milk, cheese and eggs	1,74	165,4	179,8	168,7
Fats and oils	0,55	176,2	176,1	183,9
Fruit and nuts	0,23	154,6	162,1	182,9
Vegetables	1,61	174,0	175,3	176,6
Sugar	0,65	210,0	210,8	209,2
Coffee, tea and cocoa	1,21	178,2	174,0	176,9
Other	0,94	184,5	181,2	173,0

Source: Statistics South Africa

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

Period	Machinery and implements					Material for fixed improvements		
	Tractors	Lorries	Implement s	Irrigation equipment	Combined index	Building material	Fencing material	Combined index
2010	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0
2011	108,1	115,5	110,3	107,4	110,8	104,6	107,9	105,8
2012	114,5	133,3	123,7	117,7	123,0	114,5	117,2	115,5
2013	126,3	141,6	131,4	126,2	132,2	121,9	123,5	122,5
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	165,4	164,3	177,1	165,9	161,5	164,4
January	175,7	180,0	160,8	162,3	171,0	158,1	153,6	156,5
April	176,9	183,3	157,5	155,7	169,3	172,2	166,0	170,0
2017/18	174,0	185,0	162,0	161,1	171,5	160,2	156,3	158,9
July	180,5	202,6	162,1	170,9	179,2	165,1	168,4	166,2
October	180,8	204,8	181,3	168,3	186,5	168,2	157,9	164,6
2019	184,2	198,1	172,3	169,5	183,0	173,8	168,4	171,9
January	183,5	187,9	167,2	168,9	178,3	165,5	159,8	163,5
April	183,7	188,8	164,5	161,6	176,9	182,4	175,3	179,9
2019/20	182,1	193,5	168,9	167,4	180,6	170,3	165,3	168,6
July	183,9	210,3	168,9	175,0	186,1	172,5	175,9	173,7
October	185,8	205,6	186,6	172,3	190,7	174,6	162,7	170,4
2020								
January	185,7	190,0	167,2	168,9	179,6	171,3	167,2	169,9

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
2011	108,9	104,9	111,9	110,2	111,6	113,6	110,9	110,6
2012	115,4	121,8	129,0	123,8	128,0	125,3	126,3	125,4
2013	121,5	129,5	138,0	131,0	136,7	132,7	134,9	134,0
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	153,9	151,0	152,0	152,2
April	132,5	145,6	160,0	151,2	153,5	153,2	154,4	155,1
2015/16	130,0	140,0	157,1	150,0	154,4	150,0	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	159,3	160,3
2017	135,9	146,7	168,6	166,8	171,4	158,5	162,5	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	169,0	169,1	175,4	159,8	163,0	163,0
October	137,2	149,7	178,7	181,8	175,5	155,4	168,5	169,0
2018	138,4	156,3	171,0	178,9	180,8	165,1	168,5	169,2
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	164,0
2017/18	137,0	149,4	168,5	175,1	175,6	162,0	165,0	165,4
July	139,9	158,5	174,9	175,3	186,9	167,3	170,8	171,6
October	140,0	163,1	182,8	190,1	184,8	160,3	174,7	175,5
2019	141,2	158,1	177,0	187,8	187,1	172,4	174,2	175,1
January	139,7	151,9	172,6	181,2	189,4	174,7	171,8	172,1
April	141,2	160,5	165,7	186,9	175,1	172,3	169,3	170,7
2019/20	140,2	158,5	174,0	183,5	184,1	183,5	171,8	172,6
July	142,2	157,8	180,1	184,7	189,2	184,7	175,2	176,4
October	141,6	162,2	189,9	198,5	194,6	198,5	180,6	181,3
2020								
January	141,8	157,6	179,5	191,0	189,4	182,5	178,6	178,3



2020

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