

Voluntary Report – Voluntary - Public Distribution

Date: February 19,2021

Report Number: SF2021-0006

Report Name: Planted Area for Summer Field Crops at a 20 year High

Country: South Africa - Republic of

Post: Pretoria

Report Category: Grain and Feed, Oilseeds and Products

Prepared By: Dirk Esterhuizen

Approved By: Kyle Bonsu

Report Highlights:

South Africa is continuing to experiencing a positive trend in the area planted with summer rainfall field crops during the past two decades. As a result, South African farmers planted a 20-year high of 4.1 million hectares with summer rainfall field crops in the 2020/21 MY. This trend is mainly driven by an increase in soybean plantings. Due to increased local demand through investments in oilseed processing plants and the increased affinity by farmers to use soybeans as a rotational crop with corn, soybean plantings increased by more than 6-fold over the past 20 years. Adding favorable weather conditions to the 20-year high in plantings, South Africa's agricultural industry is optimistic that a bumper summer rainfall crop could be produced in the 2020/21 MY.

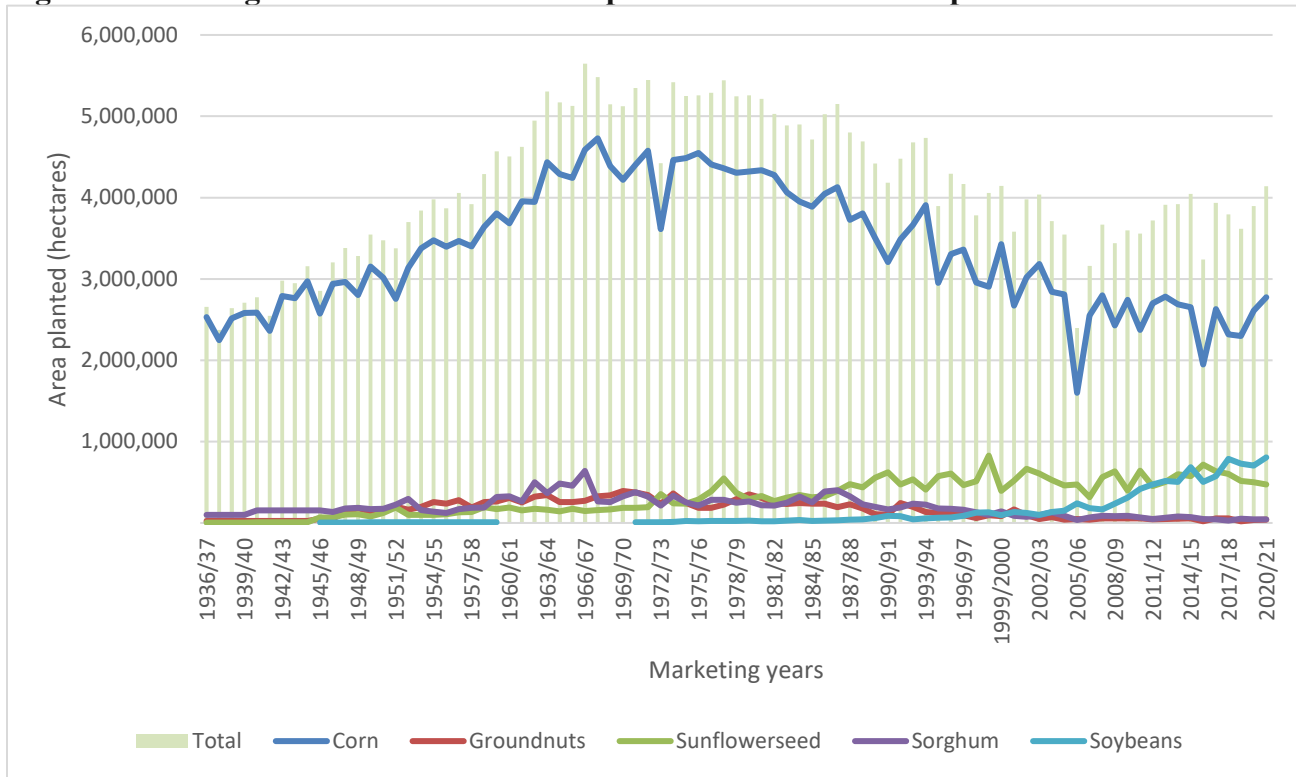
Increased area planted with summer rainfall field crops

South Africa is experiencing a definite positive trend in the area planted with summer rainfall field crops over the past 2 decades, which culminated in a 20-year high in the 2020/21 MY (see also Figure 1). Summer rainfall field crops include corn, soybeans, sunflower, peanuts and sorghum. According to the first area estimate by the South African Crop Estimates Committee (CEC), farmers planted an area of 4.1 million hectares with summer rainfall field crops in the 2020/21 MY, 6 percent higher than the 3.9 million hectares planted in the previous marketing year. The CEC estimates that farmers planted 2.8 million hectares to corn, 806,000 hectares to soybeans, 473,300 hectares to sunflower, 43,300 hectares to sorghum and 40,050 hectares to peanuts.

South Africa had an exceptional start to the 2020/21 MY, with widespread rains during October 2020 and November 2020 in most of the summer rainfall producing areas. Coupled with favorable oilseeds and corn prices, the ample rainfall created the perfect combination for opportunism in the farming community of South Africa that resulted in increased field crop plantings.

South Africa's largest area planted with summer crops was in the 1966/67 MY, when 5.6 million hectares were planted. During that time, the South African corn market was regulated by the Maize Board established under the Agricultural Marketing Act of 1937; however, the Maize Board was abolished by the new Agricultural Marketing Act of 1996. Since then, South Africa's corn market has operated in a relatively free market environment, where local and international factors have an impact on the local corn industry.

Figure 1: The long-term trends in the areas planted with summer crops in South Africa



The positive trend in area planted with summer rainfall field crops in South Africa the past 20 years is mainly driven by an increase in soybean plantings (see Figure 2). This marketing year (2020/21) farmers planted a record area of 806,000 ha with soybeans, an increase of 14 percent from the previous marketing year. Twenty years ago, South African farmers planted a mere 134,000 hectares with soybeans. Sunflower area stayed relatively flat the past 20 years, while there is a definite decline in the areas planted with corn, peanuts and sorghum in favor of soybean plantings.

In the past decade, South Africa invested on expanding its soybean processing capacity to replace soybean meal imports. As a result, about 1.5 million tons of additional oilseed processing capacity has been added, bringing South Africa's current total oilseed processing capacity to an estimated 2.5 million tons per annum. Due the demand-pull from the investments and the increased affinity by farmers to use soybeans as a rotational crop with corn, soybean plantings increased by more 6-fold the past 20 years.

Figure 2: The trends in the areas planted with summer crops in South Africa the past 20 years

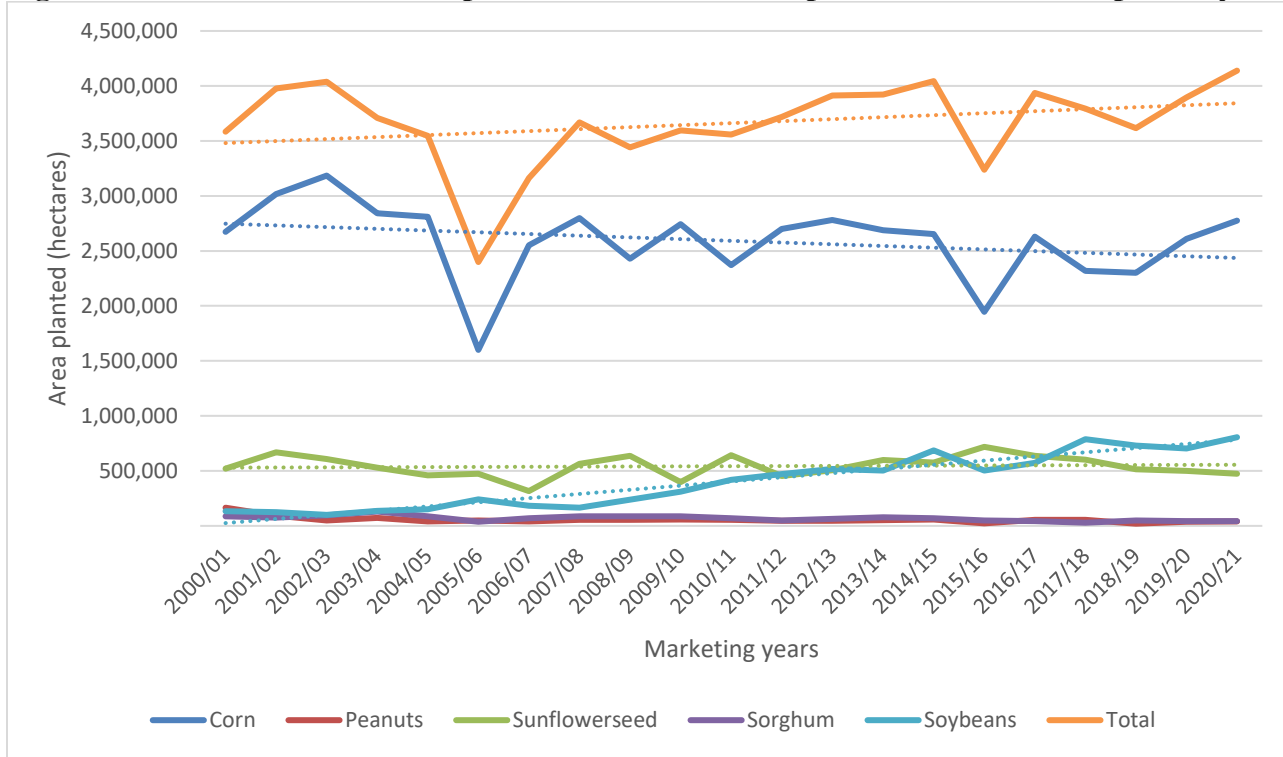
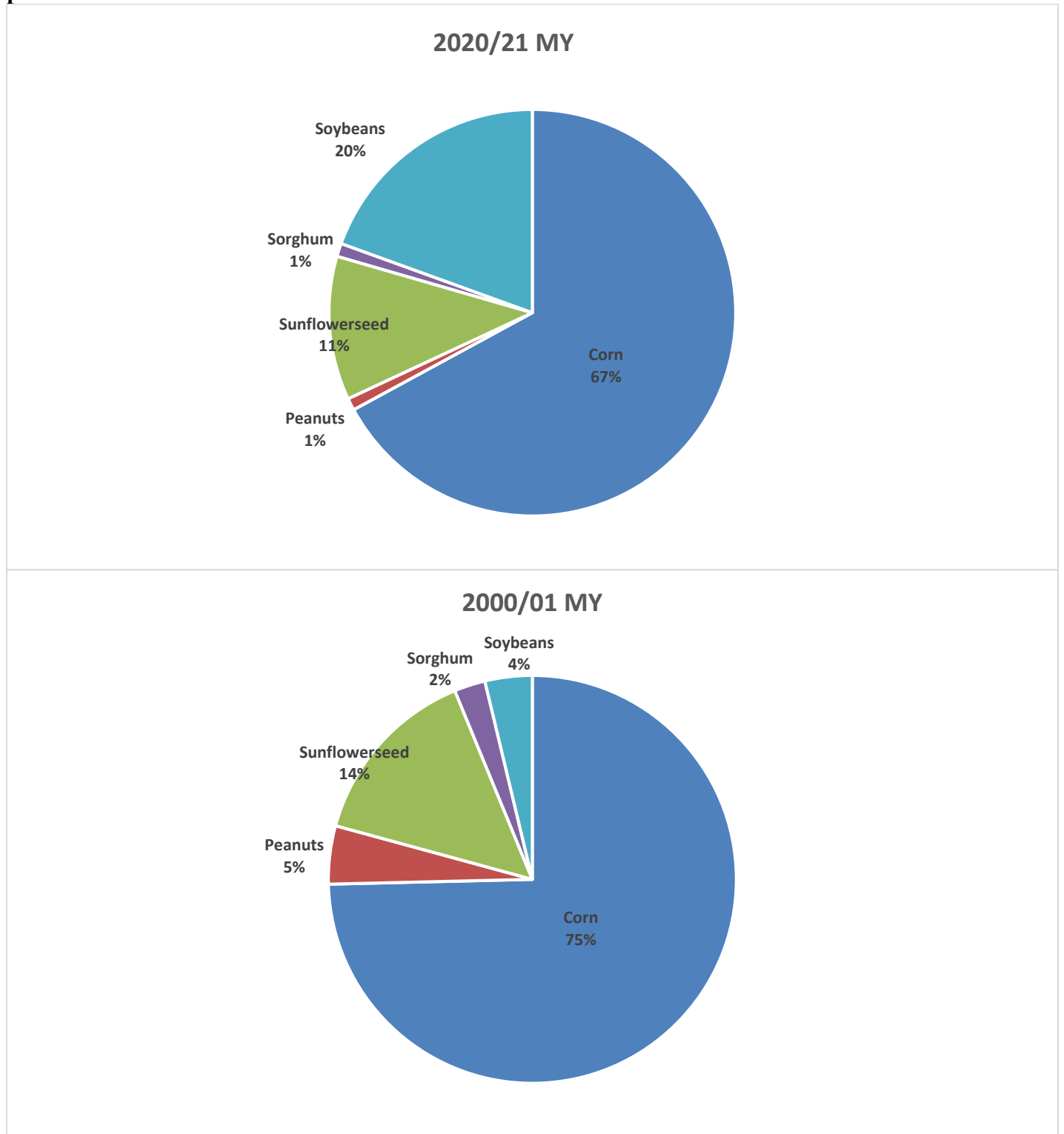


Figure 3 compares the different summer rainfall field crops' contribution to the total area planted in the 2000/01 MY and 2020/21MY. Soybeans plantings' contribution increased from 4 percent in the 2000/01 MY to 20 percent in the 2020/21 MY, illustrating soybeans positive attraction to South African famers the past 20 years. Post believe this trend will continue in future as an increased amount of higher yielding, pest resistant and locally adopted soybean seeds reach the South African market.

Figure 3: A comparison the different summer rainfall field crop's contribution to the total area planted in the 2000/01 MY and 2020/21MY.



Favorable weather conditions continued during December 2020 and January 2021 over most of the summer rainfall production region of South Africa, providing conducive growing conditions. The medium-term weather forecast to March from the South African Weather Services appears favorable for continued rainfall (La Niña weather pattern). Adding a 20-year high in plantings and positive enhancements in farming technologies, South Africa's agricultural industry is optimistic that a bumper summer rainfall crop in the 2020/21 MY could be produced.

Attachments:

No Attachments.