

Harvest outlook impressive and raises hope agriculture sector rebound

 By [Paul Makube](#)

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Agriculture received some positive news this week. Firstly, it was the further upward revision to the country's crops estimates with South Africa's Crop Estimates Committee (CEC) pegging the 2019/20 crop 17.52 million tonnes of grain and oilseed crops which is up 2.6% from March and 31.3% higher year-on-year.



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At 15.22 million tonnes, the maize harvest will be the third-largest on record having been raised by 2.8% from the previous month and 35% year-on-year.

Encouragingly, soybean output jumped 1.7% from March despite earlier yield concerns to 1.29 million tonnes which is up 10% year-on-year.

While the sunflower harvest estimate came in unchanged month-on-month (m/m), it is still 10% up on last year. This is good news for consumers as food inflation is expected to remain contained in particularly the bread and cereals which decelerated by 3.8% year-on-year during March 2020.

Secondly, it is inevitable that fuel prices are going to fall in May and all indications are that it will be by a big margin. This

comes at the time when harvesting gets into full swing for the summer crop areas while the winter crop planting season begins.

The implications are reduced costs for farmers from planting, harvesting, and distribution bearing in mind that the distribution of agricultural produce is dominated by road transport with over 80% of grain is transported by road.

Thirdly, the lockdown regulations have been eased and wine can now be transported for the critical export market to ensure that we retain our markets and improve cashflows for producers. After earlier confusion with some of the provinces, the issue of livestock has been clarified and sales can continue unhindered.

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