

Despite lower Mpumalanga yields, overall harvest outlook still impressive

 By Paul Makube

26 Jun 2020

After lifting the 2019/20 maize harvest estimate by 2.4% to 15.89 million tonnes in its May 2020 report, the National Crop Estimates Committee (CEC) made a downward revision of the total maize output to 15.51 million tonnes which is however still 37.7.6% higher relative to the 2019 levels.



Image source: www.pixabay.com

The main contraction in output was for the yellow maize areas of Mpumalanga and Gauteng which were reduced by 3.1% and 1.6% respectively from the May estimate. Reports from Mpumalanga indicate that some areas experienced a severe midsummer drought with less rainfall in February. Although the situation improved towards the end of the season, damage had already been done as reflected in yield reduction during the current harvest.

In the oilseed complex, yields were also revised lower for soybeans which came in down by 2.3% from last month to 1.26 million tonnes but still 7.8% higher than last year.

The sunflower estimate remained unchanged while groundnuts were cut sharply by 16.5% from the previous estimate to 37,500 tonnes. Similarly, yield losses for sorghum and dry beans are down by 1.5% and 3.1% respectively from last month.

Food inflation expected to remain contained

While grain prices may initially edge higher in reaction to the revised estimates, the relatively hefty supply outlook will limit further upside in the medium term which is positive from an inflation perspective.

This is good news for consumers as food inflation is expected to remain contained in particularly the bread and cereals which decelerated further by 3.7% year-on-year (y/y) and unchanged month-on-month (m/m) during April 2020.

ABOUT PAUL MAKUBE

Paul Makube is Senior Agricultural Economist at FNB.

- 1% upward revision for maize estimates, still down 18.5% year-on-year - 26 Apr 2024
- Chocolate prices continue to rise - 8 Apr 2024
- Agribusiness confidence for Q1 2024 dimmed by bad weather and a plethora of challenges - 26 Mar 2024
- Food inflation decelerates to a 25-month low - 22 Mar 2024
- A big surprise as agriculture GDP plunges in the second half of 2023 - 7 Mar 2024

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>