

Drought seen cutting 2015 maize output: survey

South African maize output is expected to be lower this year, according to a BDpro survey of traders, citing the drought conditions in the Free State and North West.

Recent reports of dry and hot weather affecting the size of the expected commercial crop has triggered big price swings on the South African Futures Exchange.

The actively traded white maize contract for July delivery surged to highs of R3,000 a ton on February 17 before pulling back aggressively to close at R2,500 a ton on Wednesday.

"It is extremely difficult to determine the size of the crop given the patchy rainfall we have had thus far," Robinson Mulder De Waal Financial's trader Hendrik Mulder said, predicting a range of between 10.5-million tons and 10.7-million tons.



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Last year, South African farmers harvested 14.3-million tons - the largest such crop since the early 1980s.

CJS Securities soft commodities analyst Piet Faure sees the first production estimate at 10.6-million tons, citing the drought conditions that damaged the expected yields between January and February this year.

Grain SA said on February 12 that summer grains - maize, sunflower and soya beans - were at a critical stage because of the lack of follow-up rain.

"It is a shifting target day by day but my forecast currently sits at 9.8-million tons," independent trader Andrew Fletcher said.

Source: BDpro

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