

Bullish grain supplies estimates will tame food inflation

South Africa's Crop Estimates Committee (CEC) made a further upward adjustment to its 2019/20 crop estimates by raising the expected output by 1.8% to 17.07 million tonnes of grain and oilseed crops. The country's biggest staple, maize, was raised by 1.7% from the first estimate in February 2020 to 14.81 million tonnes mainly due to a significant increase of 2.9% in the white maize from 8.29 million to 8.54 million tonnes.

 By [Paul Makube](#) 26 Mar 2020



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In the oilseed complex, the expected sunflower output jumped 4.6% month-on-month to 731,210 tonnes while the estimate for soybean advanced 2.1% month-on-month to 1.27 million which is 8.4% higher than the previous season and the third on record. Groundnuts also saw output increasing by 3.1% month-on-month to 56,060 tonnes, up by a whopping 189% year-on-year.

The season so far has progressed well, and all indications are that we are going to finish the year on a positive note. This is not only good development from a GDP perspective, this bullish supply outlook will help tame food inflation despite upward pressure from the weaker rand.

Finally, a sustained Rand weakness will continue to boost export revenues for exportable products such as maize and fruits.

ABOUT PAUL MAKUBE

Paul Makube is Senior Agricultural Economist at FNB.
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