

Positive weather conditions help lift agriculture GDP output

 By [Paul Makube](#)

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The latest GDP update from Statistics South Africa (StatsSA) shows an impressive rebound in agriculture forestry and fishing industry sector fortunes for the first quarter of 2020, coming in up 27.8% with a 0.5 percentage point positive contribution to the country's GDP.



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While the higher contribution of field crops and horticultural products was expected, the performance of animal products came in as a surprise given the Foot-and-Mouth Disease (FMD) outbreak in November 2019 and earlier in January 2020 which resulted in some disruption to trading and auctions.

Good weather conditions boosted crop prospects, allowing farmers to plant 7% more hectares under commercial grain and oilseed crops. Planted area for maize, SA's largest staple, was alone 13% higher year-on-year at 2.61 million hectares. The expected total maize harvest now hovers around 15.51 million tonnes which is 37.7.6% higher relative to the 2019 levels according to the CEC June 2020 estimates. Meanwhile, strong export demand boosted maize revenues with first quarter of 2020 total of 512,800 tonnes which is 86% higher year-on-year.

In the oilseed complex, the soybeans estimate was 1.26 million tonnes which is 7.8% higher than last year despite a 3% contraction in planted area. The sunflower estimate was 13% higher year-on-year at 765,960 tonnes on much better yields as the planted area also decreased by 3%. The groundnuts harvest jumps 169% year-on-year at 52,140 tons due to a whopping 87% increase in hectares.

A combination of good production conditions, a sharply weaker rand and the rebound in exports boosted performance in the fruit sector. Averaging R15.36, the rand/ US dollar exchange rate depreciated by 4% on the last quarter of 2019 and 10% year-on-year which was beneficial for exporters.

Given the huge harvest outlook and activity in full swing for both the summer and winter grain and oilseed crops, as well as citrus, it is expected the current stellar performance from the sector will spill over into the subsequent quarters despite the Covid-19 disruptions.

ABOUT PAUL MAKUBE

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