

# Optimism high as farmers trod ahead to plant more in the new agriculture season

 By Paul Makube

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Early indications are that South Africa's farmers intend to plant almost 5% more hectares under summer crops for the 2021/22 production year, according to the latest update from the National Crop Estimates Committee.



Image source: [Gallo/Getty](#)

The expected total summer crop planted area is seen at 4.342 million hectares with the biggest increases of 11.81%, 14.48%, and 16.32% year-on-year for soybeans, drybeans and sunflower respectively. The combination of the relatively strong commodity prices and the bullish weather outlook incentivised farmers to plant more in the new season.

Sunflower prices recently reached a record high of R10,684/ ton which is 31% higher year-on-year (year-on-year) and up 21% since the beginning of the year. Although soybeans eased from the 2021 high of R10,000/ ton earlier in January, the relatively strong demand and favourable price levels stimulated interest in the industry.

However, the country's biggest crop shows a slight contraction of 1.1% year-on-year in the expected maize planted hectares to 2.73 million ha with reduction mainly in the white maize areas. White maize planted area estimate came in down 2.82% y/y to 1.44million ha. The huge 2021 harvest and the solid regional output for most of the countries where SA's white maize is marketed to probably had a big influence on farmer decisions.

## Increased planting areas

The combination of strong prices, solid export demand, and higher prices for yellow maize encouraged producers to increase planted area this season. Overall, the maize planted area remains well above the long-term trend and indicates another huge crop in the year ahead. Nonetheless, profit margins are not necessarily at record highs given the massive cost pressures emanating from energy complex with fuel prices reaching a record high early in the crop season.

The strength in international crude oil prices filtered through the value chain which saw its derivatives such fertilizer, pesticides, and herbicides prices increasing sharply this season. Overall, another fantastic agriculture season for South Africa in the year ahead.

## ABOUT PAUL MAKUBE

Paul Makube is Senior Agricultural Economist at FNB.

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