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Ref: 26.4.5

3 November 2008

## To all the members of the Crop Estimates Committee

**MEETING: FOURTH PRODUCTION FORECAST OF WINTER CEREAL CROPS (2008)**

Attached please find the Agenda and Minutes for the Crop Estimates Committee (CEC) meeting to be held on Tuesday, 25 November 2008 at **11:00** in the Board Room, 7th Floor, Sefala Building, 503 Belvedere Street, Arcadia, Pretoria.

**Please remember to submit your inputs before 12:00 on Monday, 24 November 2008.**

Kind regards,

**Marda Scheepers**

**SENIOR STATISTICIAN**

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|  | **CROP ESTIMATES COMMITTEE** |

**DATE**: 25 November 2008

**TIME**: 11:00

**VENUE**: Board Room, 7th Floor, Sefala Building, 503 Belvedere Street, Arcadia, Pretoria.

**AGENDA**

**FOURTH PRODUCTION FORECAST OF WINTER CROPS (2008)**

1. OPENING AND WELCOME

2. ATTENDANCE

3. PERSONALIA

4. FINALISATION OF AGENDA

5. APPROVAL OF PREVIOUS MINUTES

5.1 Meeting held on 23 October 2008

6. MATTERS ARISING

1. Meeting with ARC:ISCW

7. ADDITIONAL ITEMS

7.1

7.2

8. WEATHER CONDITIONS: INFORMATION SESSION

1. INPUTS FROM OTHER DATA SUPPLIERS

9.1

10. WINTER CROPS (2008 SEASON)

 10.1 Fourth production forecast

1. NEXT MEETING – 18 December 2008

**MINUTES OF THE CROP ESTIMATES COMMITTEE MEETING HELD ON 23 OCTOBER 2008 AT 10:00, BOARD ROOM, 7TH FLOOR, SEFALA BUILDING, ARCADIA, PRETORIA.**

**1.** **OPENING AND WELCOME**

The Chairperson, Mr R.D. Dredge, welcomed the attendees.

**2. ATTENDANCE**

**PRESENT:**

Mr R. Dredge Chief Director, Economic and Statistical Services, DoA

Ms E. Matsei Director, Agricultural Statistics, DoA

MrsR. Beukes Agricultural Statistics, DoA

Ms M. Scheepers Agricultural Statistics, DoA

Mr T. Newby ARC-Institute for Soil, Climate and Water

Mr J. Malherbe ARC-Institute for Soil, Climate and Water (partial attendance)

Mrs W. Durand ARC-Grain Crops Institute

Mr W. Kilian ARC-Small Grains Institute

Mr H. Cerfonteyn PDA-Western Cape

Mr A. Fourie PDA-Free State

Ms A. Swanepoel PDA-Northern Cape

Mr G. Müller PDA-KwaZulu-Natal

Mrs E. Victor PDA-North West

Mr J. Slabbert PDA-Limpopo

Mr M.L. Scheltens PDA-Mpumalanga

Dr. T Silwana PDA-Eastern Cape

**ABSENT WITH APOLOGY:**

Mr B. Netshifhefhe Agricultural Statistics, DoA

Ms O. Mathole Agricultural Statistics, DoA

Mr E. Kibuuka Stats SA

Mr F. Aucamp PDA-North West

Mrs Z. Rakuambo PDA-Gauteng

Ms Z. Mkula PDA-Eastern Cape

**3. PERSONALIA**

The following members were congratulated on their birthdays during October:

Eugene du Preez (17th), and

Willem Kilian (26th).

**4. APPROVAL OF PREVIOUS MINUTES**

The Minutes of the meeting held on 23 September 2008, were accepted without any amendments.

**5. MATTERS ARISING**

None.

**6. ADDITIONAL ITEMS**

**6.1 Meeting between Chairperson of CEC and new Chairperson of CELC**

The Chairperson informed the members that Mr D. Montshwe was appointed as the new chairperson of the Crop Estimates Liaison Committee (CELC). He further indicated that himself, Mr B. Netshifhefhe as well as Mrs R. Beukes met with Mr Montshwe on 14 October 2008. Find attached as Annexure A, the short notes of the meeting prepared by Mrs L. Mellet.

**6.2 Meeting with Chief Financial Officer of the DoA and members of the Maize Trust**

The Chairperson informed the meeting that a discussion was held between members of the Maize Trust (including Jannie de Villiers and Leon du Plessis) and the DoA (Tommie Marais, Johan Venter, Rodney Dredge and Ellen Matsei) on 21 October 2008. A few issues were discussed, *inter alia,* accurate crop estimates in a free market, financial assistance from the Maize Trust with regard to the development of new crop estimates models, and the ability of the DoA to fund the maintenance of the work once developed.

Furthermore, it was also noted that over a period of 14 seasons, the CEC has under-estimated the white maize crop in 13 of the 14 seasons (refer to graphs below). By implication, this leads to higher prices to farmers and higher prices to maize meal consumers. This is a high political risk, given the high food prices.

The Chairperson stated that the Chief Financial Officer, Tommie Marais, indicated that no additional DoA funds would be made available for crop estimates for the coming 2008/09 summer crop season. Therefore, the summer crop estimate activities have to be re-prioritized within the available budget of R5,9 million.

**7. WEATHER CONDITIONS: INFORMATION SESSION**

Mr J. Malherbe of the ARC: ISCW presented an overview of the weather conditions.

**Total rainfall for 1 to 20 October 2008 compared to the long-term mean:**

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|  |  |
| According to the South African Weather Service, the period 1 to 20 October 2008 was characterized by isolated rainfall occurrences across the country. The central, northern and western parts of the country remained dry for the mentioned period, but some good rainfall amounts were recorded in the eastern parts. Comparing the rainfall of the first 20 days of October with the long-term mean, it is evident that it was below-average for most of the country, but above-average in the southern parts of the winter rainfall areas.  |

**NDVI difference map for September compared to the long-term mean:**

|  |
| --- |
|  |
| Vegetation conditions for September compared to the long-term mean were normal to below-normal throughout the country. Higher vegetation activity than the long-term mean, is evident in the western parts of the Western Cape as well as the isolated areas of KwaZulu-Natal. |

**FOLLOW-UP ACTION**

* **Mr Newby suggested that a meeting should be scheduled between the DoA and ARC:ISCW to compile a report that addresses the impact of the weather conditions on the expected crop.**

**8. INPUTS FROM OTHER DATA SUPPLIERS**

8.1 National Crop Statistics Consortium

Mr Willem Kilian reported on the results obtained from the objective yield survey of wheat for the Western Cape Province. He elaborated on the new methodology used for this season’s survey (presentation attached as Annexure B). Mrs Beukes presented graphs indicating the trend of the objective yield inputs for the Western Cape Province over the past 4 seasons (graphs attached at Annexure C).

**9. WINTER CROPS (2008 PRODUCTION SEASON)**

9.1 Area estimate and third production forecast

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| CROP | **AREA PLANTED****2008****HA****A** | **3rd Forecast****2008****TONS****B** | 2nd Forecast2008TONSC | AREA PLANTED2007HAD | FINAL CROP2007TONSE | CHANGE2008 vs 2007%B/C |
| **Commercial:** |
| Wheat | **748 000** | **2 106 000** | 2 186 500 | 632 000 | 1 905 000 | -3,68 |
| Malting barley | **68 245** | **188 799** | 170 924 | 73 360 | 222 500 | +10,46 |
| Canola | **34 000** | **35 700** | 34 000 | 33 200 | 38 150 | +5,00 |
| TOTAL | **850 245** | **2 330 499** | 2 391 474 | 738 560 | 2 165 650 | -2,55 |

9.2 Discussion

|  |  |
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| WHEAT: | The production forecast for wheat was reduced to 2,106 million tons, which is 3,68% or 80  500 tons lower than the previous forecast of 2,187 million tons. The yield is 2,82 t/ha. The expected production was adjusted upwards to 822  500 tons in the Western Cape and downwards to 616  000 tons in the Free State.The area planted to wheat remained unchanged at 748  000 ha. An estimated 350  000 ha or 47% is planted in the Western Cape, 280  000 ha or 37% in the Free State and 50  000 ha or 7% in the Northern Cape. The unfavourable weather conditions in the Free State have necessitated a downward adjustment of the expected wheat crop. |
| OTHER CROPS: | The production forecast for malting barley was increased to188  799  tons, which is 10,46% more than the previous forecast of 170  924 ton. The area planted was also increased by 4,92% to 68  245 ha, while the expected yield is 2,77  t/ha.The expected canola crop is 35  700 tons, which is 5,0% more than the 34  000 tons of the previous forecast. The area estimate for canola was left unchanged at 34  000 ha. The expected yield is 1,05 t/ha. |

1. **SUMMER CROPS (2008/09 PRODUCTION SEASON)**

10.1 Summer crops – Intentions to plant: 2008/09 season

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| CROP | Intentions2008/09 | Area planted2007/08 | Final estimate2007/08 | Verandering/Change |
|  | Ha | Ha | Tons | % |
|  | as mid October 2008 |  |  |  |
|  | (A) | (B) | (C) | (A) ÷ (B) |
| Commercial: |
| White maize | 1  600  000 | 1  737  000 | 7 098 250 | -7,9 |
| Yellow maize | 962  000 | 1  062  000 | 4 922 900 | -9,4 |
| Maize | 2  562  000 | 2  799  000 | 12 021 150 | -8,5 |
| Sunflower seed | 586  400 | 564  300 | 885 560 | +3,9 |
| Soya-beans | 227  500 | 165  400 | 308 295 | +37,5 |
| Groundnuts | 57  500 | 54  200 | 85 360 | +6,1 |
| Sorghum | 94  900 | 86  800 | 260 425 | +9,3 |
| Dry beans | 54  000 | 43  800 | 58 975 | +23,3 |
| TOTAL | 3  582  300 | 3  713  500 | 13 619 765 | -3,5 |

10.2 Discussion

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| MAIZE: | Based on inputs received from a sample of producers, seed companies and Provincial Departments of Agriculture, the expected area planted to maize for the 2008/09 production season is estimated at 2,562 million ha, which is 8,5% or 237  000 ha less than the 2,799 million ha planted last season.The figures show that producers intend to plant 1,600 million ha for white maize, which is 137  000 ha (7,9%) less than in the previous season. In the case of yellow maize, the expected plantings is 962  000 ha, which is 100  000 ha (9,4%) less than in the previous season.These figures give an indication of the intentions of commercial farmers to plant summer crops as at the middle of October 2008. Farmers indicated that the main reasons for the decrease in area planted to maize are that they have to weigh up the availability of credit and the cost of finance, higher input costs and the current lower international maize prices. Over and above these reasons, the weather is also a decisive factor that will influence farmers’ decisions to plant summer grain crops. |
| OTHER CROPS: | In the case of sunflower seed the expected plantings increased by 3,9%, compared to the previous season. The plantings of soya-beans, groundnuts, sorghum and dry beans also show increases of 37,5%, 6,1%, 9,3% and 23,3%, respectively. |

**11.** The meeting adjourned at 12:13.

**12. NEXT MEETING**

The next meeting of the Crop Estimates Committee will be held DV on **Tuesday, 25 November  2008 at *11:00***. The meeting will be held in the **Board Room**, 7th Floor, Sefala Building, 503 Belvedere Street, Arcadia, Pretoria.

**Annexure A:**

**SHORT NOTES ON THE MEETING BETWEEN**

**CHAIRPERSONS OF CELC AND CEC**

**Room 236, Harvest House, Hamilton street, Arcadia**

**14 OCTOBER 2008, 14:00**

Attended by:

Mr Derick Montshwe, Mr Rodney Dredge, Mr Baldwin Netshifhefhe,

Ms Rona Beukes, and Ms Lizette Mellet

Apologies: Ms Ellen Matsei

1. **Introductions and Welcome**

All introduced themselves and welcomed Mr Montshwe as new Chairperson of CELC.

**2. Presentation on crop estimates (CEC)**

Mr Dredge explained the aim of crop estimates, the significance of crop forecasts, the current composition of CEC, confidentiality, the role of CELC, benchmark or check data, and subsistence agriculture.

On questions raised by Mr Montshwe on the reliability of the estimates and improving methodology, Mr Dredge and Mr Netshifhefhe assured him that the best technology is used and every effort is being made to improve the accuracy. All factors are considered and every input to the estimating process is considered and analysed before a figure is determined. All information is provided voluntary and no legislation exist with regard to the CEC.

**3. Request by SACOTA for an additional summer crops estimate**

CELC requested in its letter of 11 September 2008 to CEC to publish an additional summer crop estimate in September 2008. Mr Dredge explained again the reasons for not being able to adhere to the request, and also pointed out his frustration with the way in which the issue was handled: the secretariat of CELC should in future inform him beforehand on any correspondence to CELC which could affect the work of CEC.

**4. Issues submitted by NCM:**

The following two issues were raised by NCM in their letter of 10 October 2008 to the Chairperson of CELC:

**4.1 Funding of the CEC’s work**

Mr Dredge explained the current budgetary constraints. The DoA will meet with the Consortium on 16  October 08 to re-prioritize. The Maize Trust funds the development of projects but the future maintenance should be funded by government.

**4.2 Composition of CEC**

Mr Dredge mentioned a meeting with members of CELC earlier this year and mentioned that the proposals made to appoint a smaller technical committee is not acceptable to him, as it is not independent. The Chairperson of CELC should intervene to resolve the issue.

**5. Next CELC meeting**

The next CELC meeting is scheduled for 27 November 2008.

**6. Closure**

The meeting adjourned at 15:30.

**Annexure B:**

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**Annexure C:**