



Oilseed production to increase

The next decade could be a boom period for oilseed production in South Africa. **Denene Erasmus** reports.

The recent increase in oilseed prices prompted farmers to increase plantings of sunflower, soya bean and canola. And prices and plantings of most oilseeds are expected to continue increasing over the next decade, which will cause the area planted to maize to decline.

This was one of the most notable trends in the commodity outlooks published as part of the Bureau for Food and Agricultural Policy's (BFAP) agricultural baseline outlook for 2012 to 2021 (Baseline 2012).

Baseline 2012, which was compiled under the leadership of Dr Ferdi Meyer of the University of Pretoria, was released in Cape Town recently and provides a 10-year outlook for summer and winter grains as well as oilseeds.

MAIZE

According to the report, high maize prices saw local summer grain

producers increase maize plantings from 2,37 million hectares in 2011 to 2,7 million hectares in 2012.

Total plantings for the 2013 season are likely to remain at the same level as 2012.

However, total maize acreage is expected to decline over the baseline period as producers switch to oilseeds while the continuing expansion of mining activities in important maize growing areas such as Mpumalanga adds to acreage losses, said Baseline 2012.

Despite the lower total maize plantings, total production is expected to remain at around 12 million tons, as yields are expected to increase by approximately 2% per year if normal weather conditions prevail.

Over the baseline period, South Africa is likely to remain a net exporter of white maize, but may have to import yellow maize by the

end of the period as the growth in demand for yellow maize is likely to outpace production.

WHEAT

South Africa's wheat producers planted a total of 605 000ha of wheat during 2011 – 8% more than in 2010. This, combined with increased yields, resulted in a 33% increase in local wheat production, and fewer imports were needed to bridge the supply gap in 2011.

But, according to Baseline 2012, despite the higher 2011 wheat price and good yields, producers in the summer rainfall area are expected to decrease plantings by 17% in 2012 because of the higher maize plantings and less favourable soil moisture conditions at the start of the 2012 wheat planting season.

Although no significant increases in wheat plantings are expected over the baseline period,

local wheat plantings aren't likely to continue the declining trend of the previous decade, said the report.

Based on the assumption of normal weather condition, total wheat plantings are expected to consolidate at just above 600 000ha between 2012 and 2021.

OILSEEDS

Local oilseed prices have risen in line with the sharp increase in world prices, and sunflower, soya bean and canola prices are expected to remain at record levels for the 2012 and 2013 season, said Baseline 2012.

It's estimated the Safex price for sunflower seed will increase from around R4 500/t in 2011/2012 to over R5 500/t in 2021, while the Safex price for soya beans will initially decrease somewhat from around R4 000/t. Thereafter it's likely to increase steadily to R5 000/t by 2021.

Canola prices are expected to increase from around R4 500/t in 2012 to over R6 500/t in 2021. "This will provide a major drive for producers to expand the acreage under oilseed production," said Baseline 2012.

Sunflower seed plantings are expected to increase to above 600 000ha in the 2013 season and the sunflower crop is expected to recover to above 850 000t – more than 57% higher than the 2012 production level.

According to the report, over the longer term, sunflower seed plantings will decline to approximately 550 000ha, but at the same time yields are expected to improve – which would result in a crop of 900 000t by the end of the baseline period.

Despite the generally disappointing yields in 2012, it's estimated that soya bean hectares will jump further in 2013 on the back of record high prices that can already be contracted for the 2013 season, said the report.

The area under soya beans will grow to just below 900 000ha as more producers include soya beans on a greater scale in their crop rotation programme.

The projected increase, together with higher yields, will result in a local soya bean crop of more than 2 million tons by the end of the baseline period.

It's estimated that canola plantings will increase from 43 500ha in 2011 to 50 000ha in 2012, and will grow steadily over the baseline period to reach almost 55 000ha in 2021.

ABOVE:

Despite a higher 2011 wheat price, Baseline 2012 is still expecting producers in the summer rainfall area to decrease plantings by 17% in 2012.

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