



# Session 6: The 2017 ReNAPRI Outlook on Maize, Wheat, Rice, Soybeans and Sugar

Session Moderator:

Prof. Ferdi Meyer

Presenters: Brian Chisanga and Tracy Davids

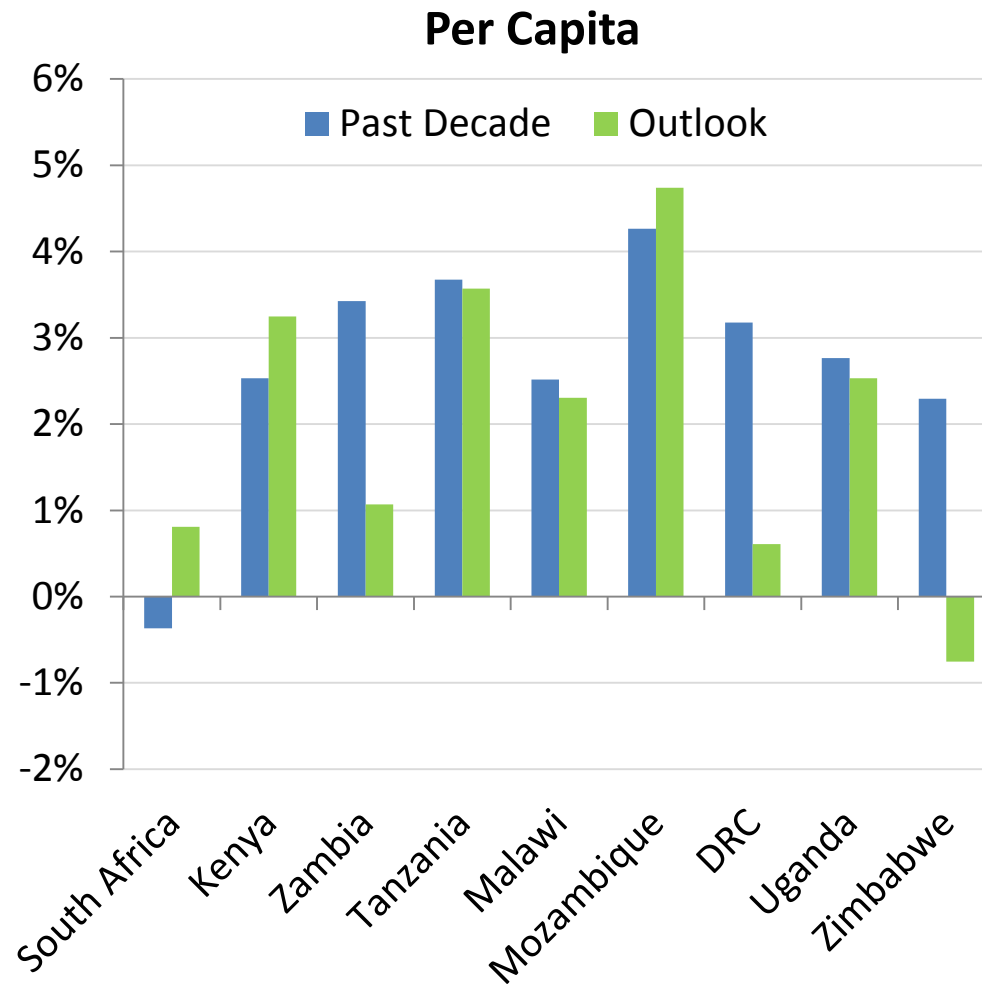
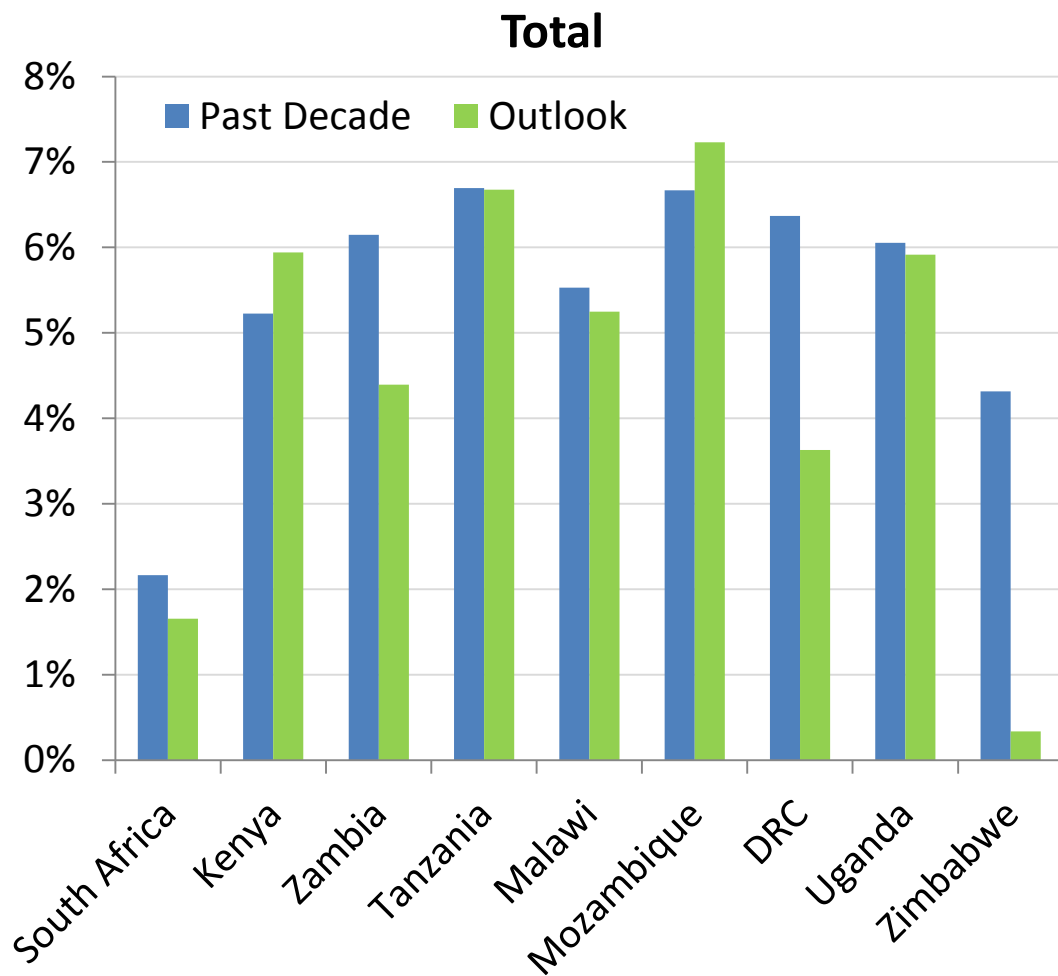


# Baseline Assumptions

- Stable weather conditions – thus less volatility
- Current policies remain in place – “business as usual”
  - Trade policies → absence of trade controls unless already implemented
  - Producer support / subsidies remain as is
  - Government procurement policies
- Oil price increasing from \$45 in 2016 to \$63 by 2022



## Growth in real GDP: Outlook vs. Past Decade



Source: IMF, 2017



- In most instances – growth slows from past, particularly in per capita terms
- Past decade growth underpinned by three main factors
  - Improved business and macro-economic environment
  - High commodity prices
  - Accommodative financial conditions globally
- External factors less supportive going forward



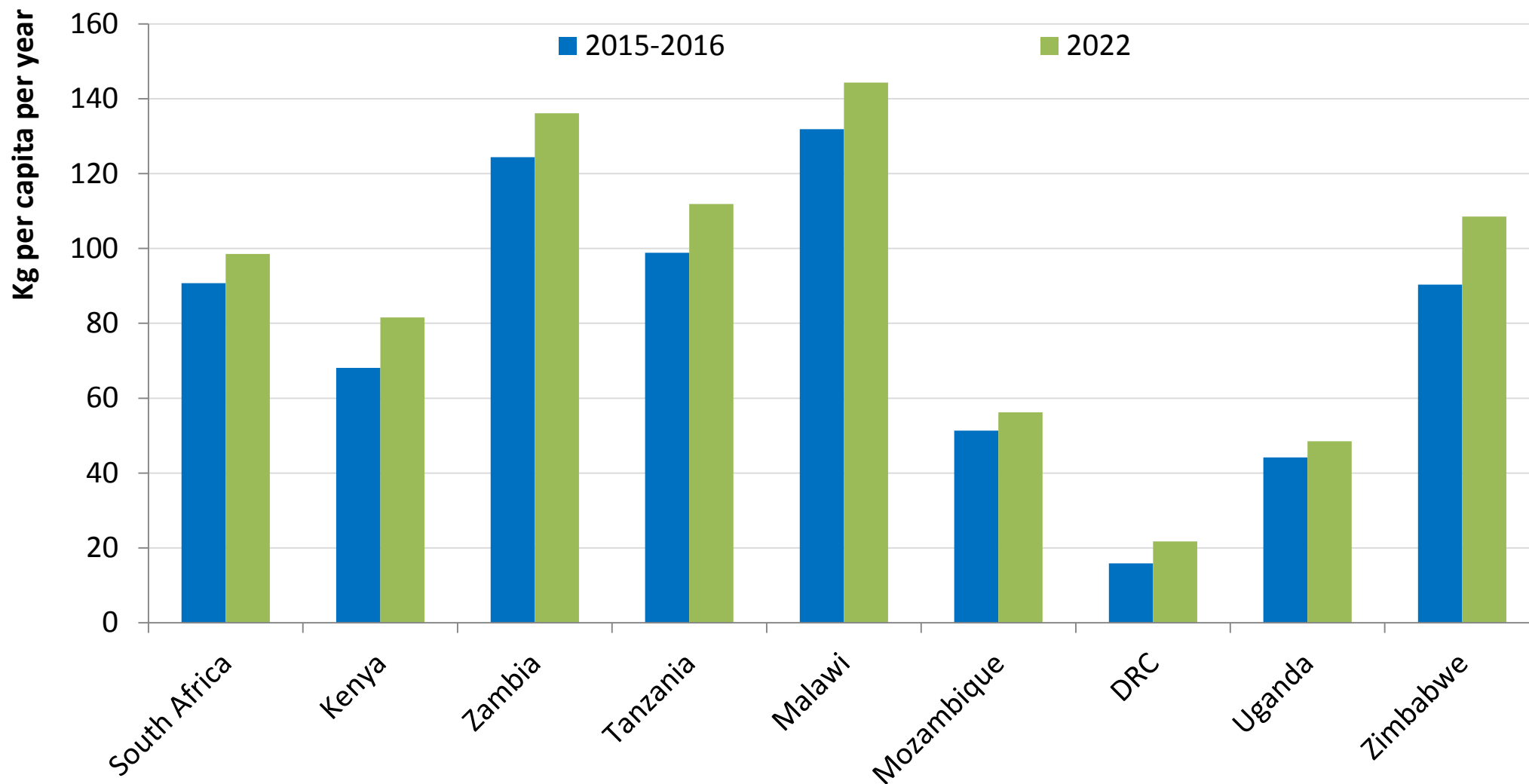
	Local Currency / US \$				Depreciation p.a.		
	2006	2016	2017	2022	Past Decade	2016-2017	Outlook
<b>South Africa</b>	6.77	14.71	13.40	15.79	6.78%	-8.92%	1.90%
<b>Kenya</b>	72.10	102.00	104.37	120.20	4.22%	2.32%	2.83%
<b>Zambia</b>	3.60	10.32	9.51	13.33	9.12%	-7.82%	5.34%
<b>Tanzania</b>	1251.93	2177.13	2250.54	2586.58	5.55%	3.37%	2.84%
<b>Malawi</b>	136.01	714.05	734.00	911.52	17.40%	2.79%	4.50%
<b>Mozambique</b>	24.98	61.14	65.50	70.49	6.50%	7.12%	2.05%
<b>DRC</b>	468.28	1072.14	1518.95	4597.95	7.51%	41.67%	24.66%
<b>Uganda</b>	1831.47	3420.21	3619.91	4131.82	6.83%	5.84%	2.96%

Source: IMF, 2017



# Food Demand: Maize

Per capita maize consumption

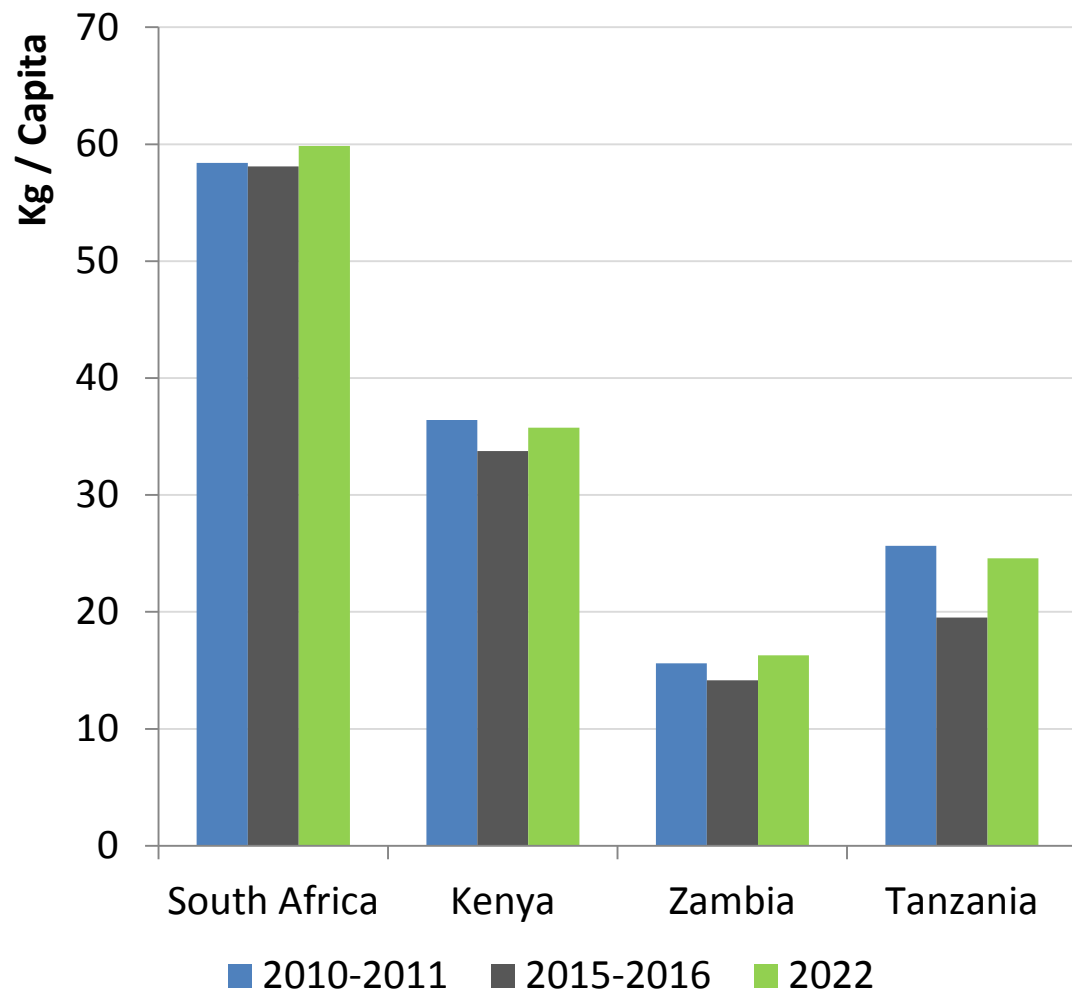


Total Food Demand: **6.8 Mil ton** additional maize by 2022

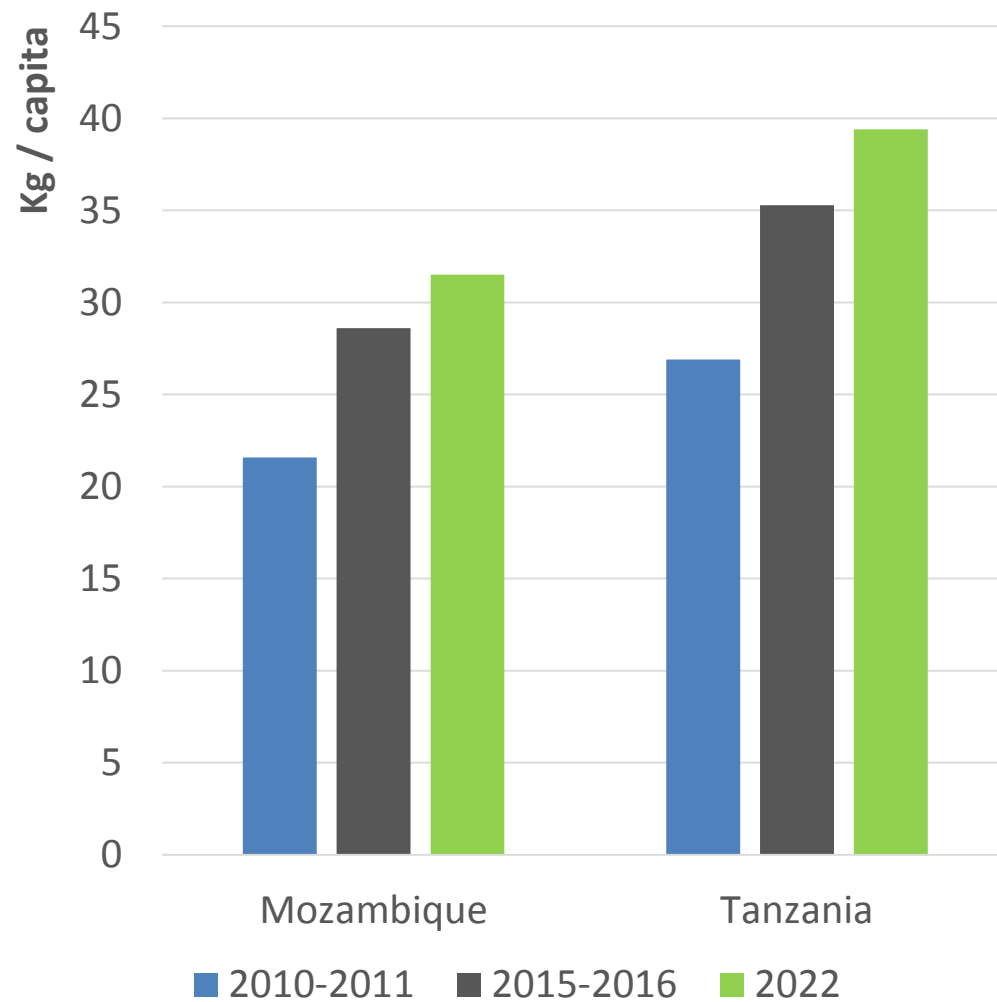


# Demand: Wheat and Rice

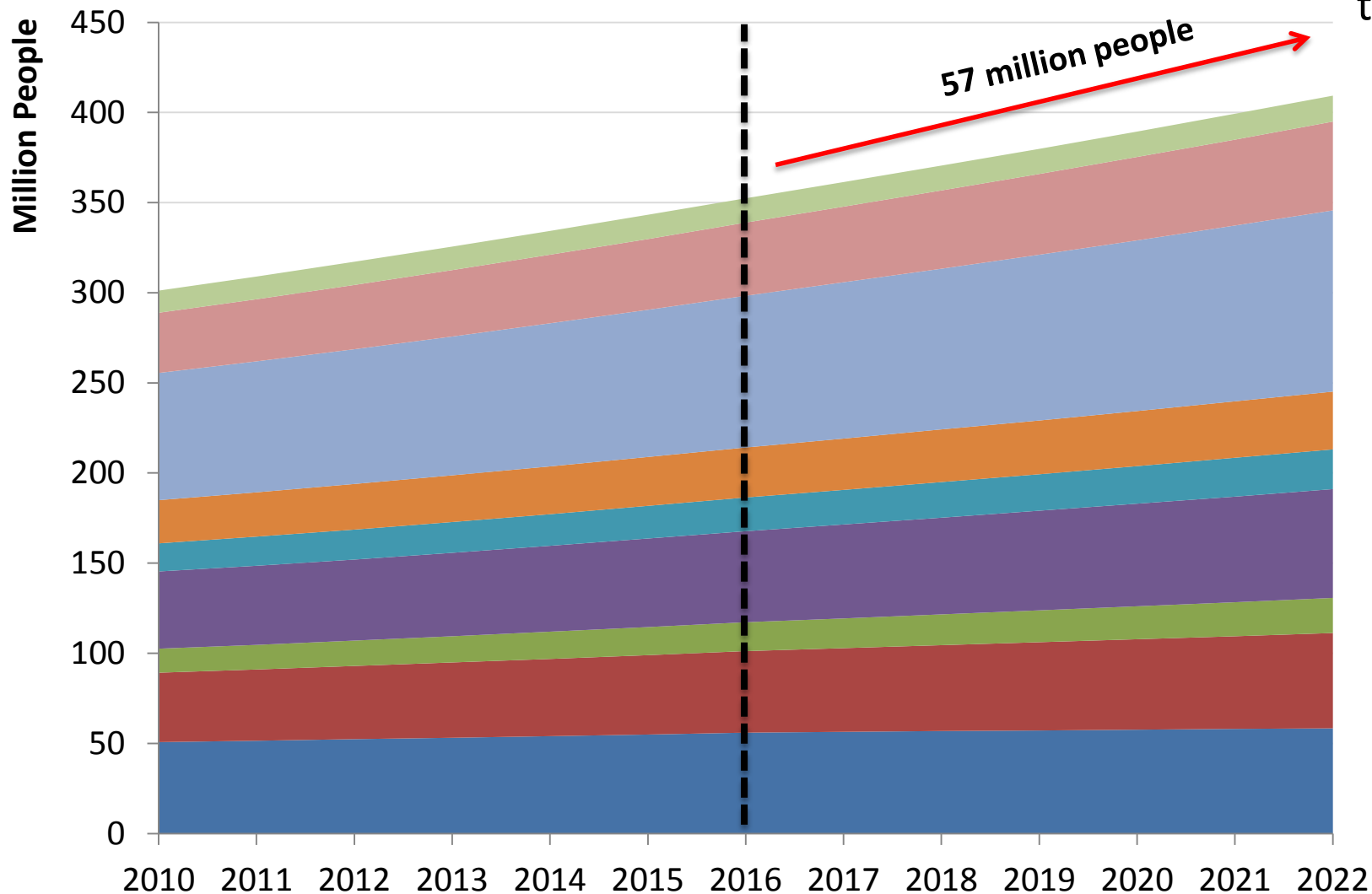
## Wheat



## Rice



## Population Growth



## Growth from 2016 to 2022

- Zimbabwe (7%)
- Uganda (22%)
- DRC (19%)
- Mozambique (15%)
- Malawi (19%)
- Tanzania (19%)
- Zambia (21%)
- Kenya (17%)
- South Africa (4%)

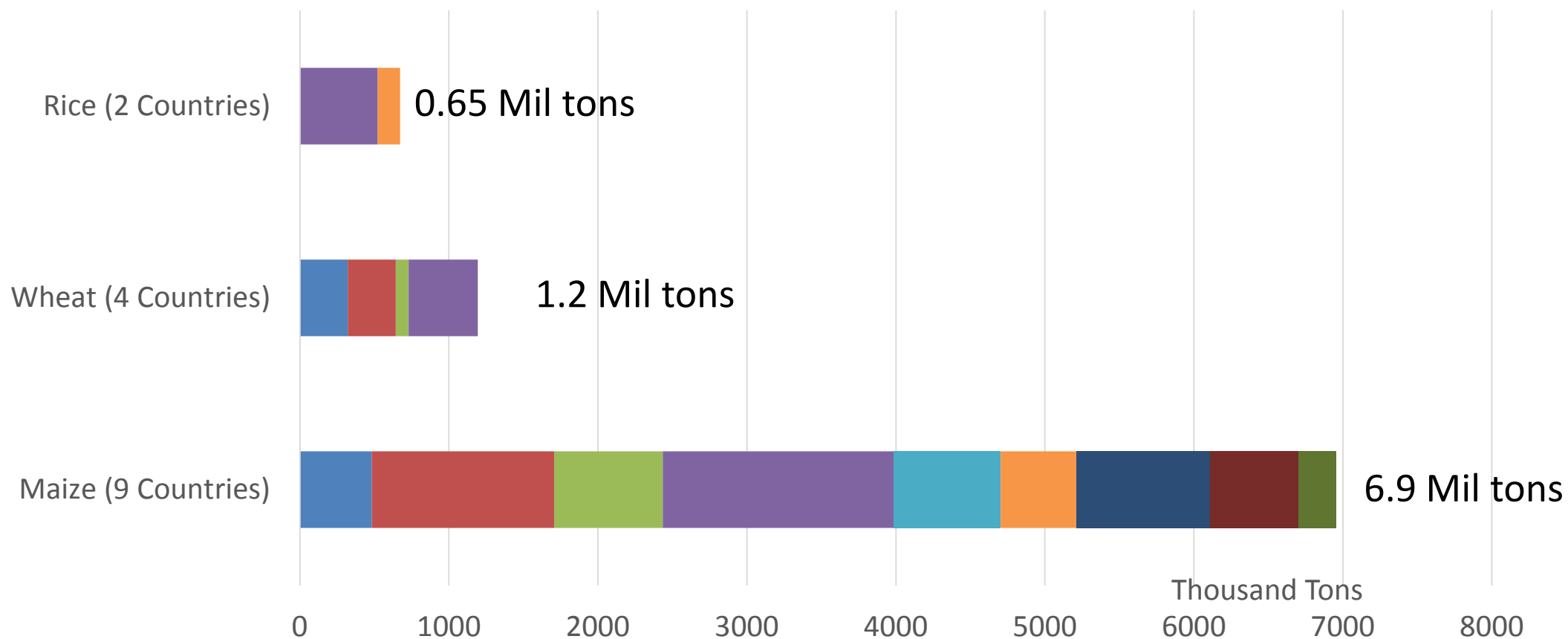
Source: IMF, 2017





# Significant growth in food use

Growth in consumption: 2022 vs. 2015-2016 – additional growth required

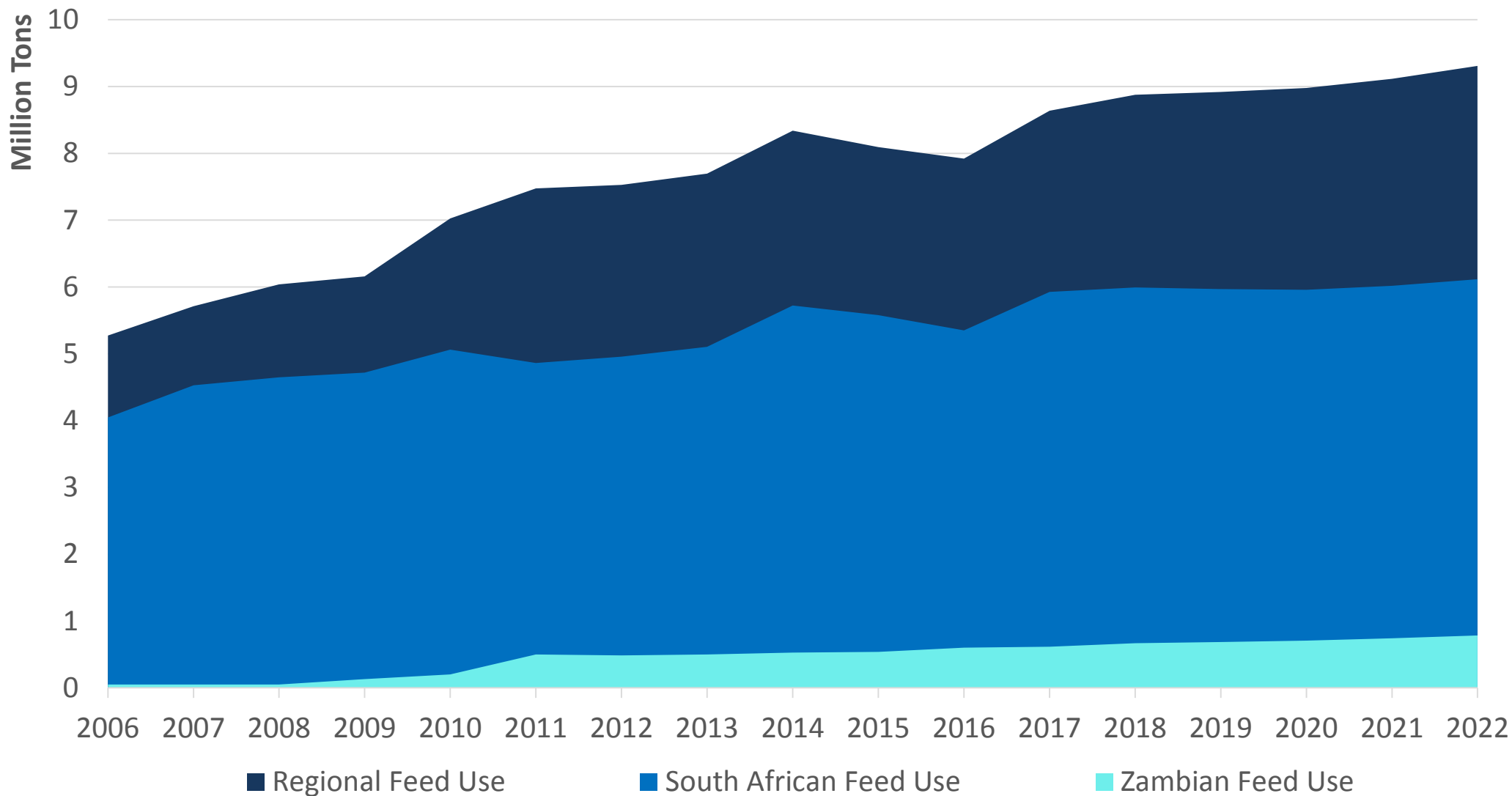


■ South Africa 
 ■ Kenya 
 ■ Zambia 
 ■ Tanzania 
 ■ Malawi 
 ■ Mozambique 
 ■ DRC 
 ■ Uganda 
 ■ Zimbabwe



# Regional Maize Consumption

## Feed consumption



## Production, Trade and Prices



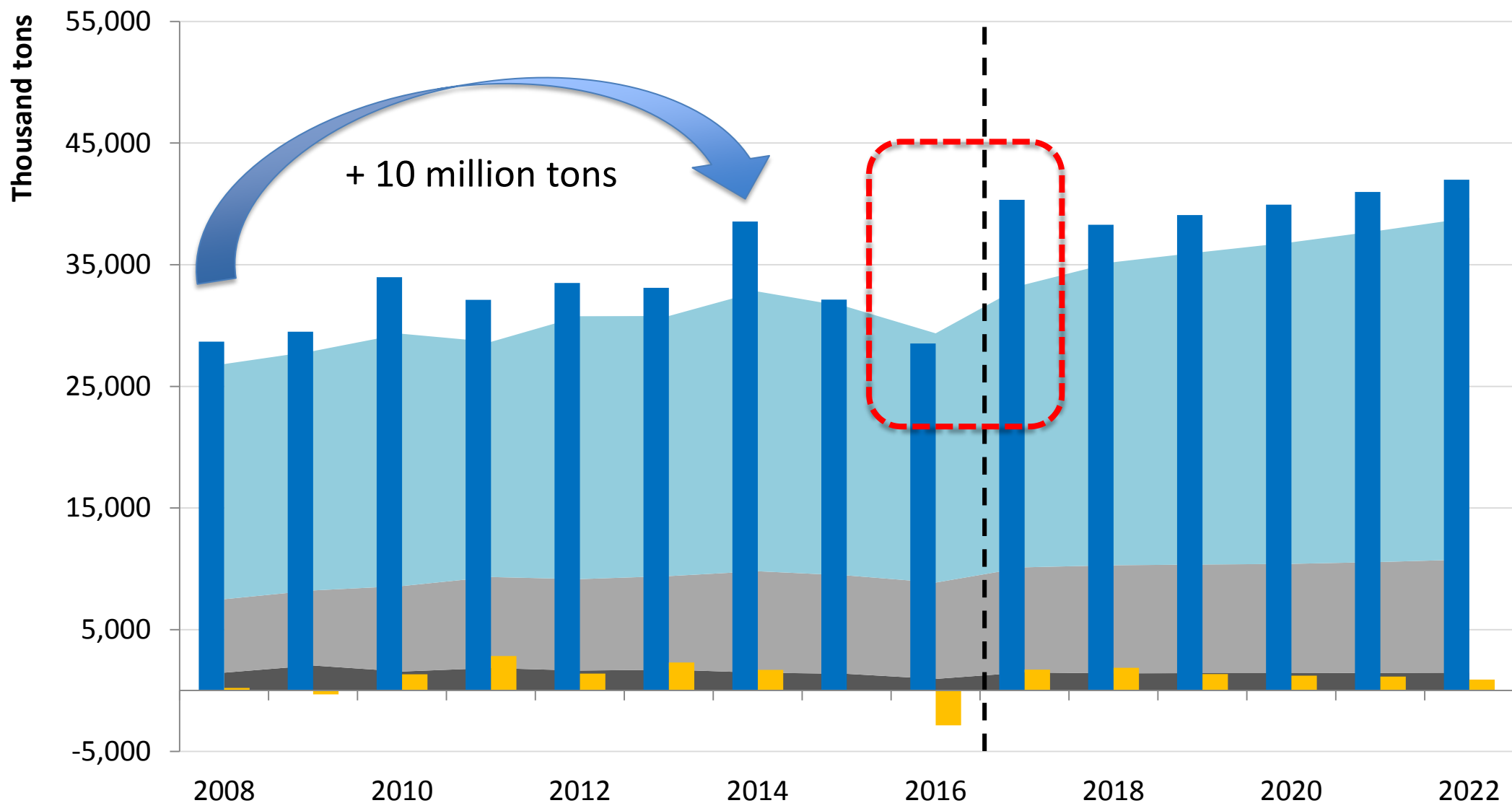
- Kenya
- Tanzania
- Uganda

- Malawi
- Mozambique
- South Africa

- Zambia
- Zimbabwe
- DRC



# Maize – Regional Overview



■ Consumption - Other & losses  
■ Consumption - Food  
■ Net trade

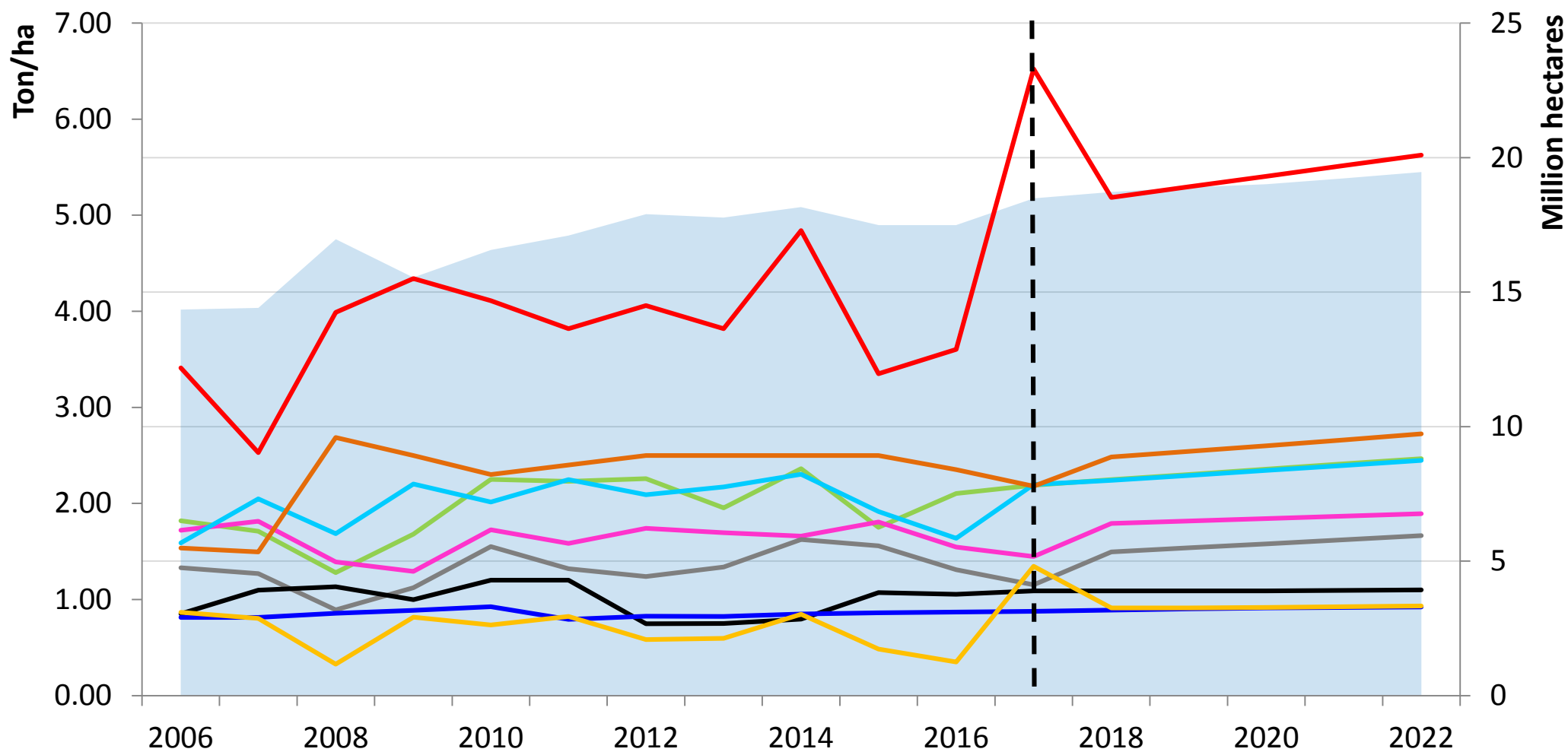
■ Consumption - Feed  
■ Production



# Production growth

	Avg. annual growth (2006-2016)		Avg. annual growth Outlook (2016-2022)		Absolute Growth Maize area planted		Absolute Growth Yields	
	Area	Yield	Area	Yield	2014-2016 '000 ha	2022 '000 ha	2014-2016 t/ha	2022 t/ha
South Africa	0.57%	1.55%	-0.38%	2.04%	2 786	2320.01	3.93	5.63
Zambia	5.72%	2.70%	1.17%	2.34%	1 426	1572.21	2.07	2.47
Kenya	2.32%	0.48%	1.52%	1.38%	2 130	2356.49	1.67	1.89
Tanzania	4.65%	2.41%	1.91%	2.67%	4 045	4642.94	1.50	1.66
Malawi	0.10%	2.26%	0.48%	2.23%	1 419	1521	1.95	2
Mozambique	0.28%	-1.03%	-0.10%	0.24%	1 601	1768.31	0.97	1.10
DRC	2.06%	0.24%	6.09%	0.91%	1 572	2373	0.86	1
Uganda	3.58%	4%	1.80%	2%	1 124	1300.94	2.45	2.72
Zimbabwe	-0.38%	-0.75%	2.86%	0.62%	1 622	1902.46	0.56	0.93

# Yield Growth & Total area



■ Total area: Right Axis

— Yield: Tanzania

— Yields: Uganda

— Yield: South Africa

— Yield: Malawi

— Yields: Zimbabwe

— Yield: Zambia

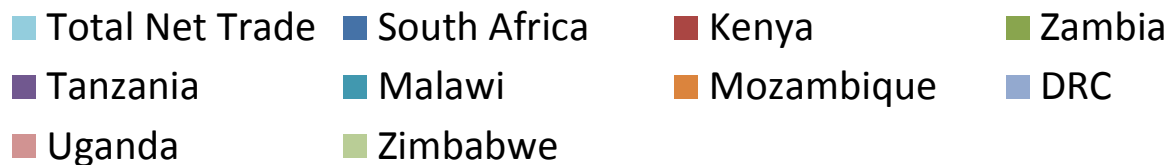
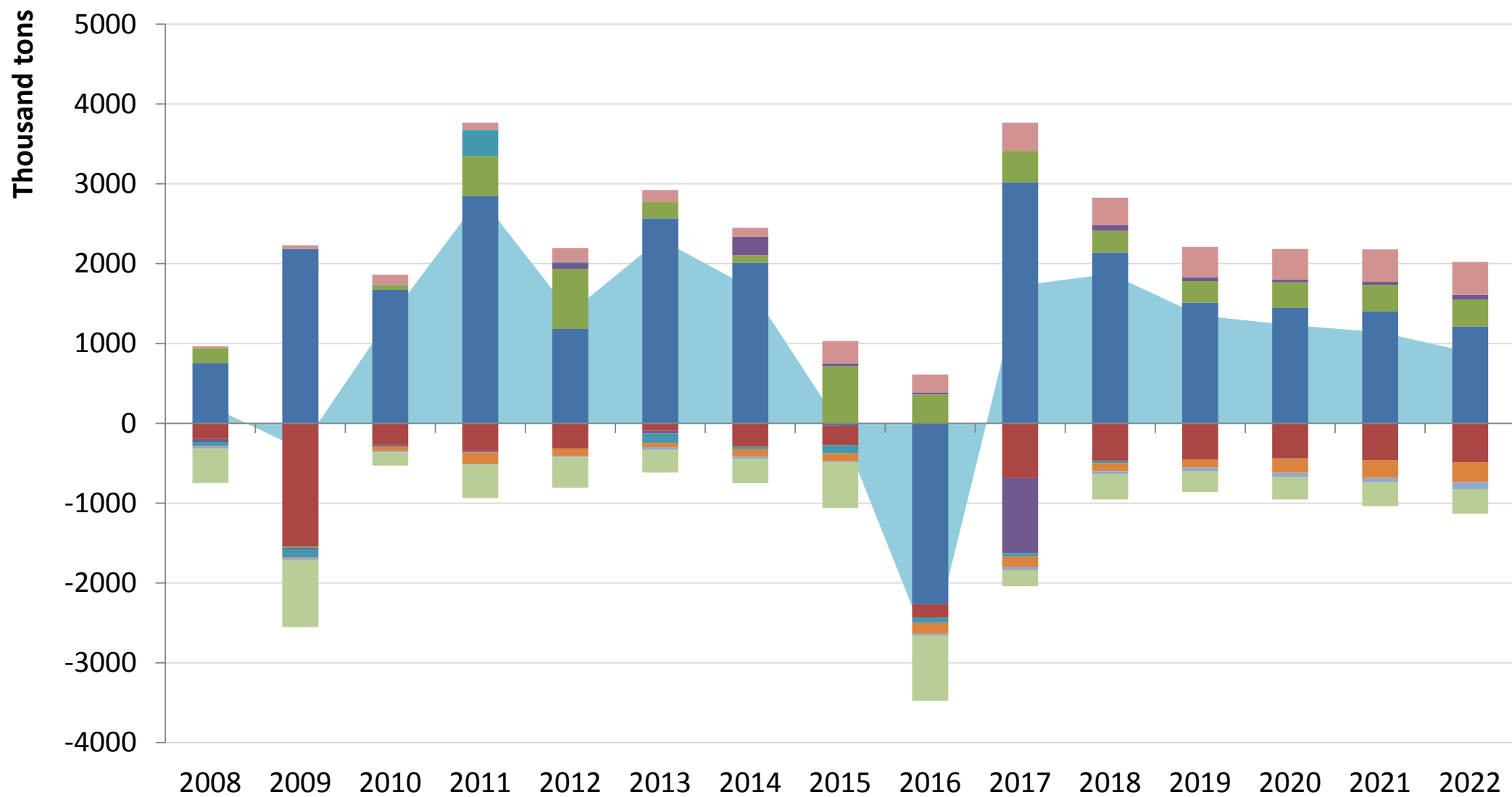
— Yield: Mozambique

— Yield: Kenya

— Yield: DRC

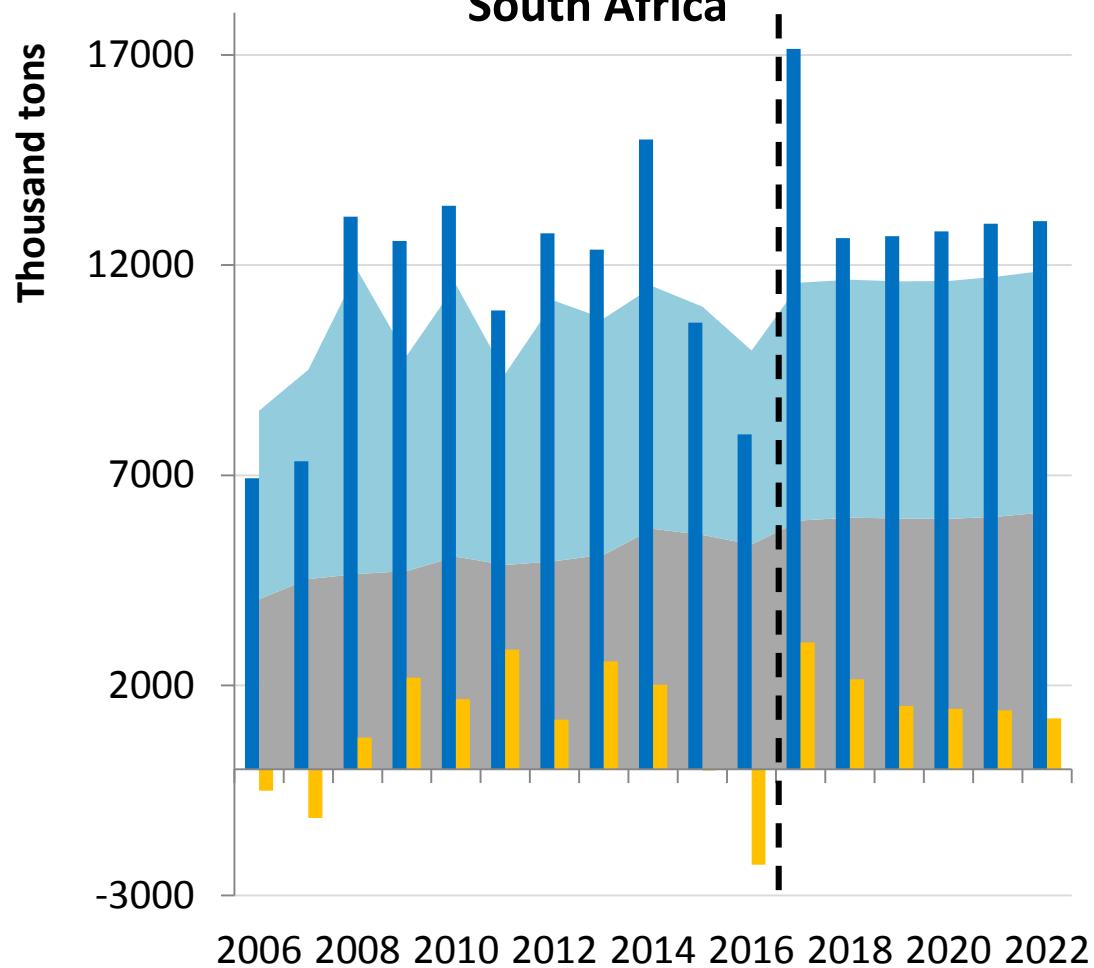


# Maize Trade: Regional Overview

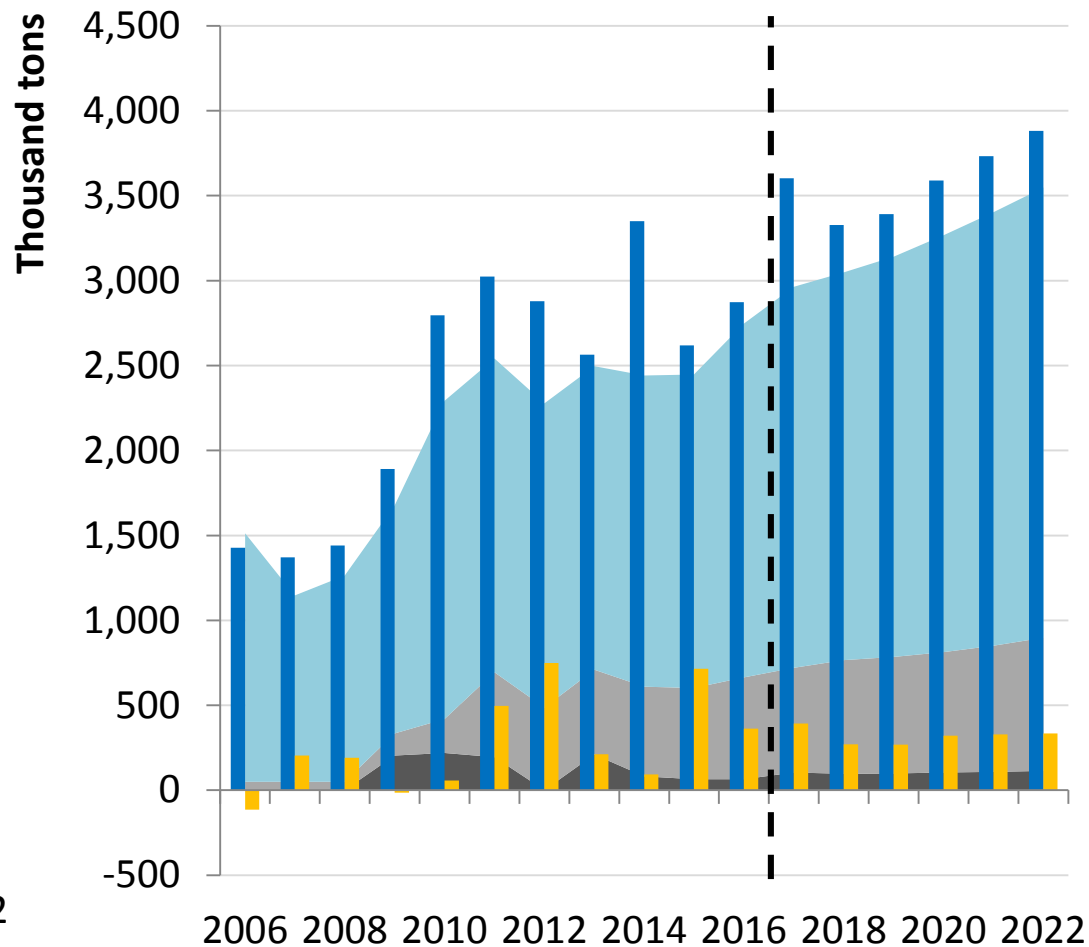


# Surplus Producers

## South Africa



## Zambia



■ Consumption: Feed

■ Consumption: Food

■ Production

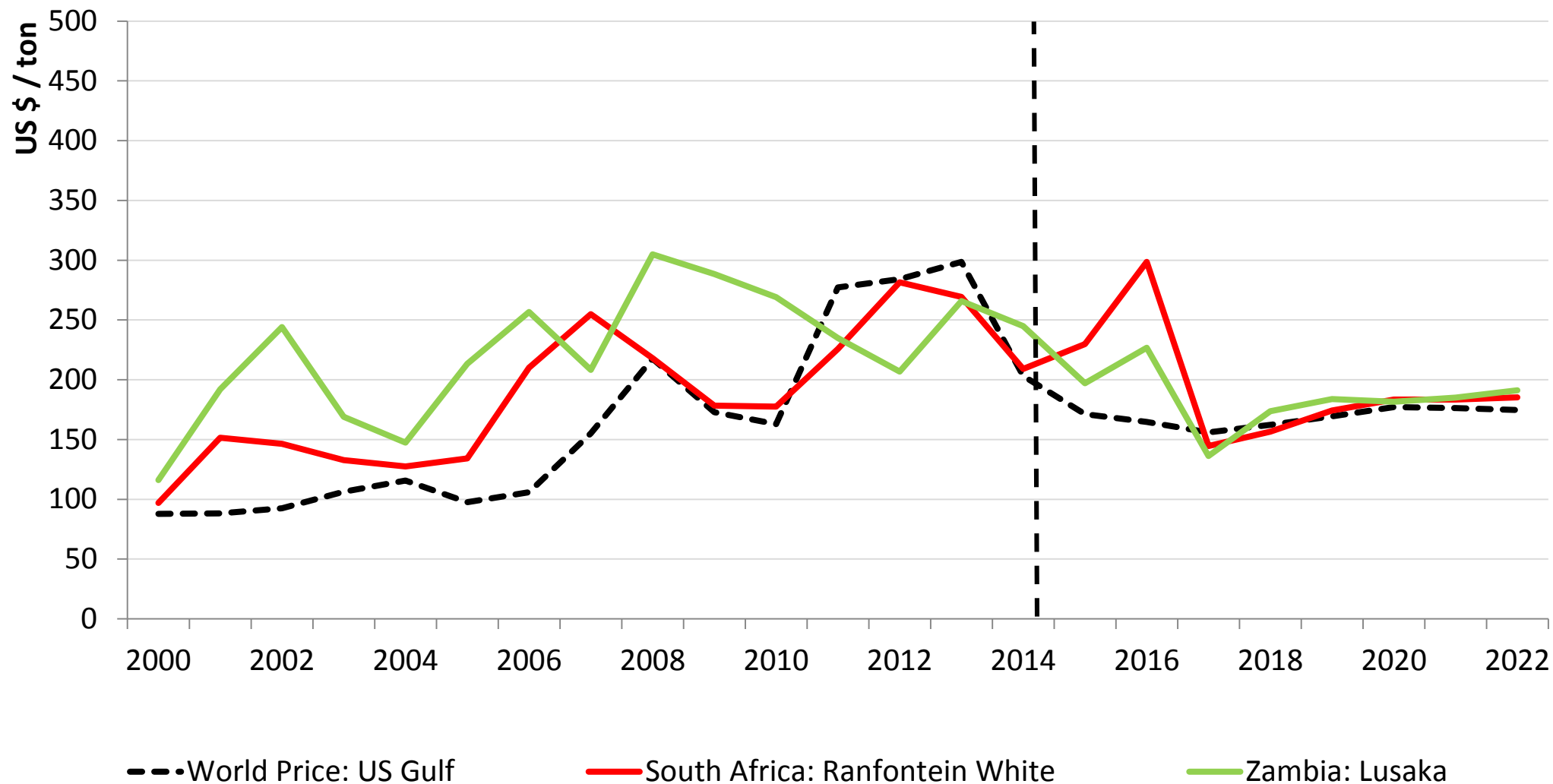
■ Net Trade

■ Consumption: Food

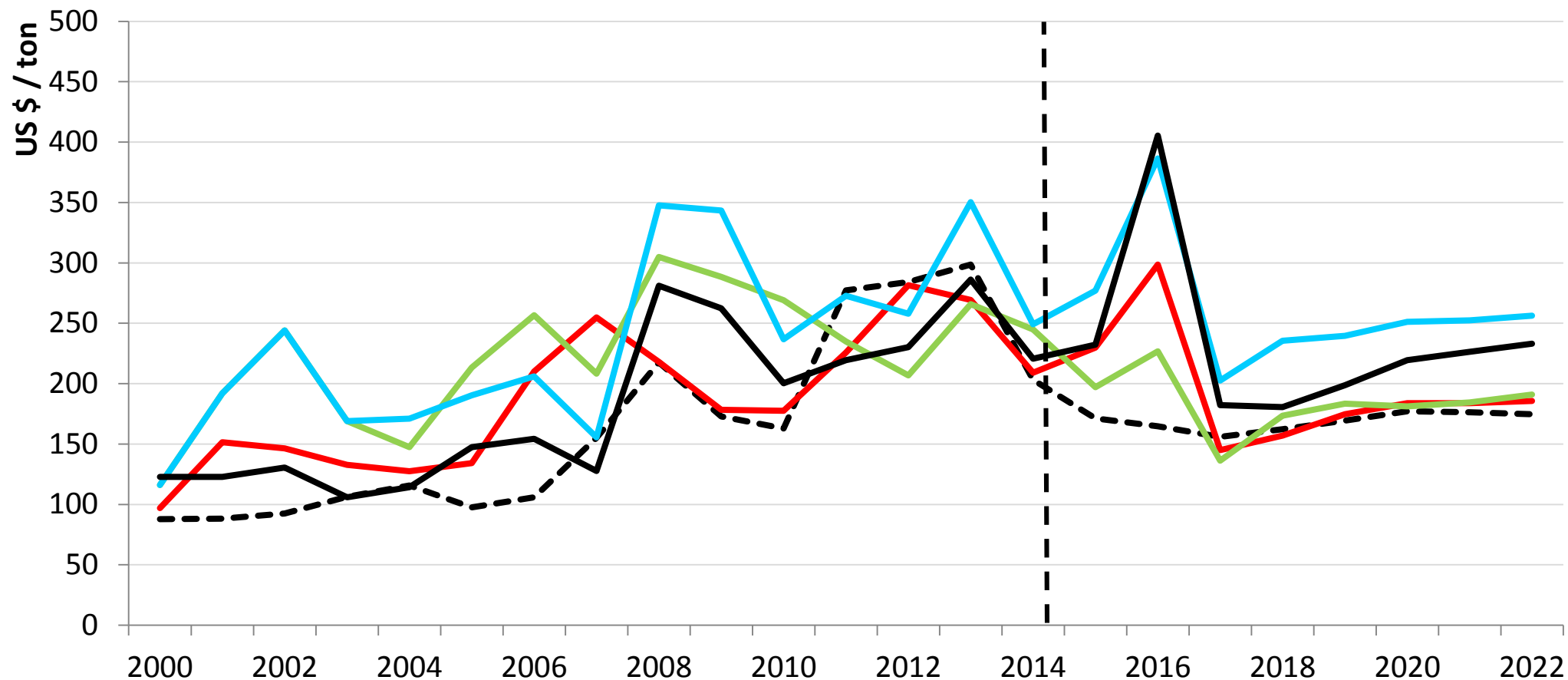




# Baseline Prices: Maize



# Baseline Prices: Maize



--- World Price: US Gulf

— South Africa: Ranfontein White

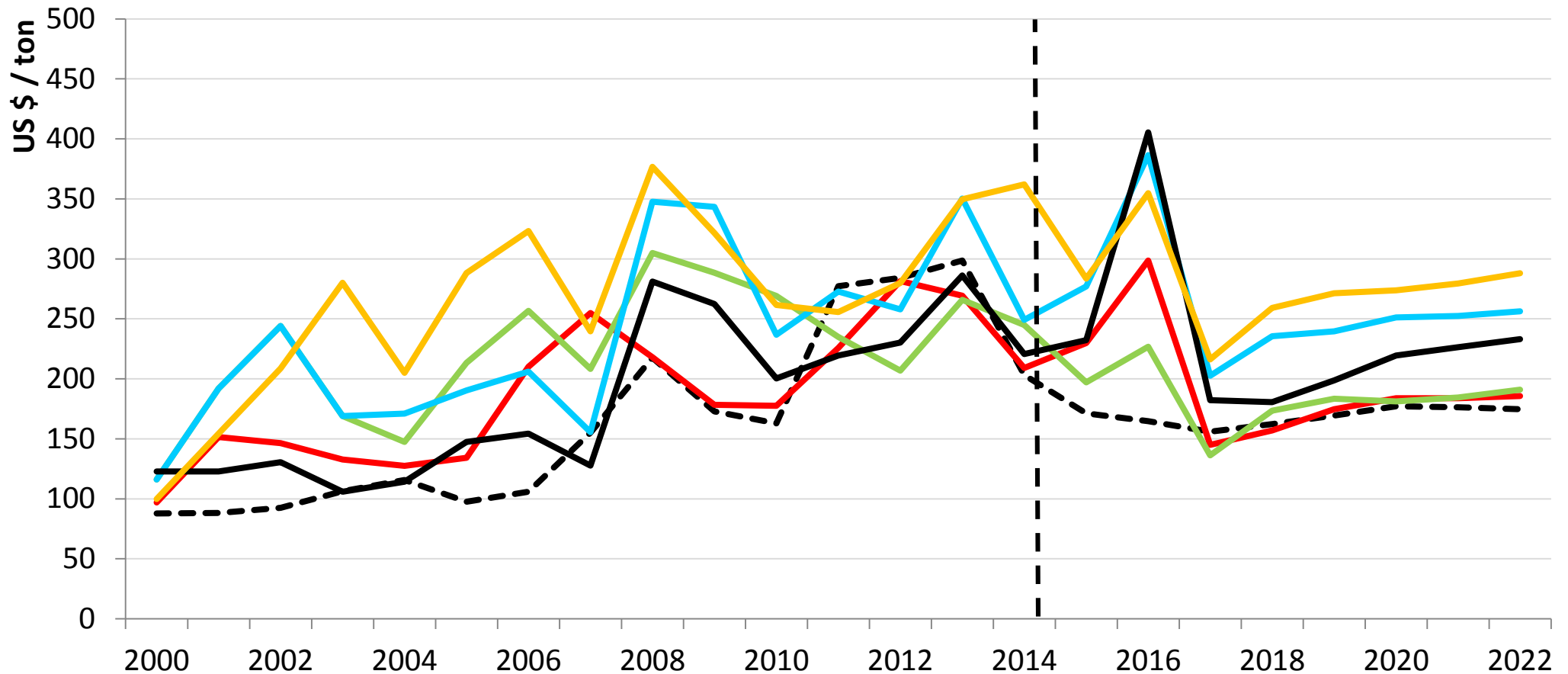
— Zambia: Lusaka

— Malawi: Lilongwe

— Mozambique: National Avg



# Baseline Prices: Maize



--- World Price: US Gulf

— South Africa: Ranfontein White

— Zambia: Lusaka

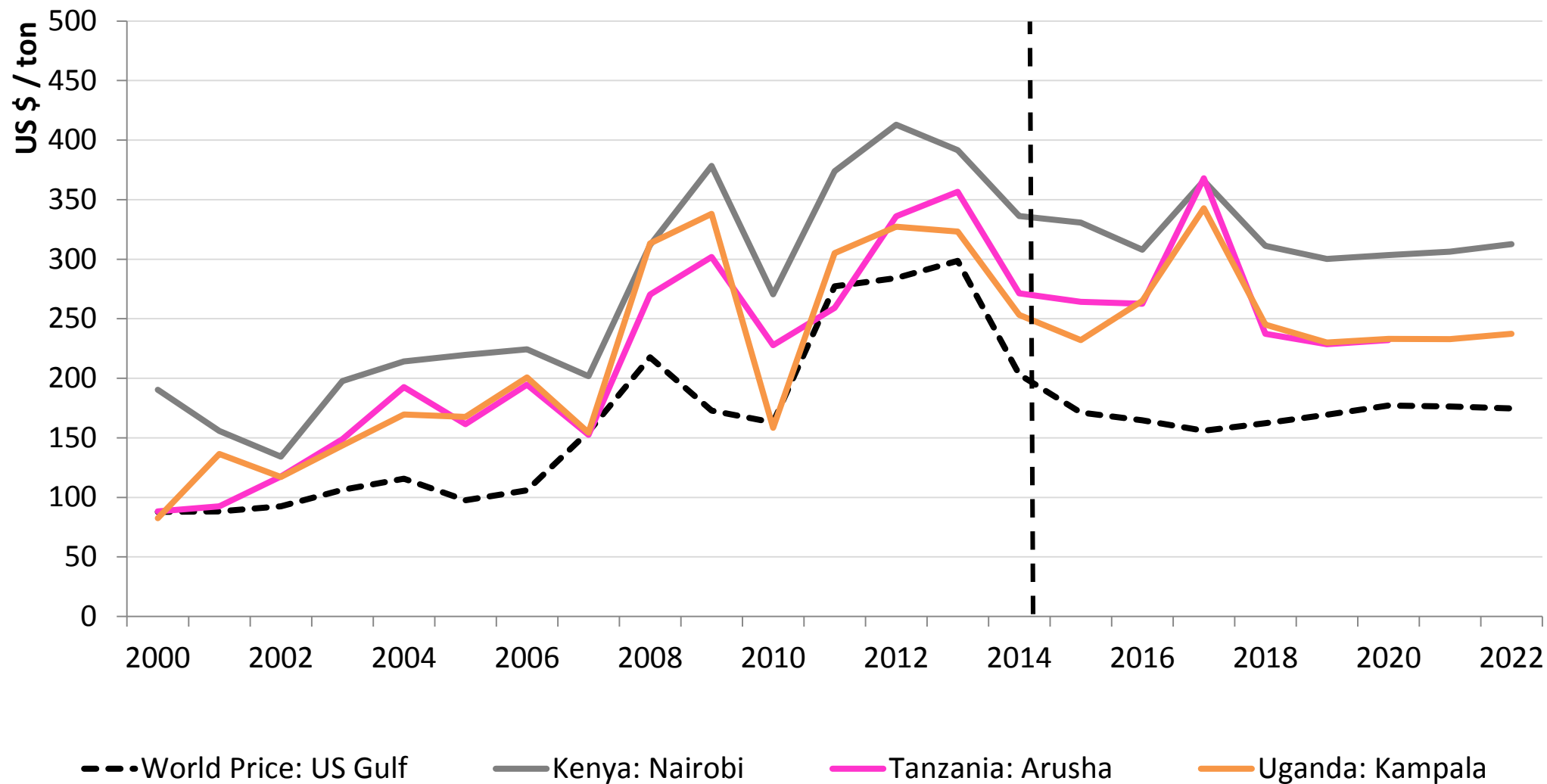
— Malawi: Lilongwe

— Mozambique: National Avg

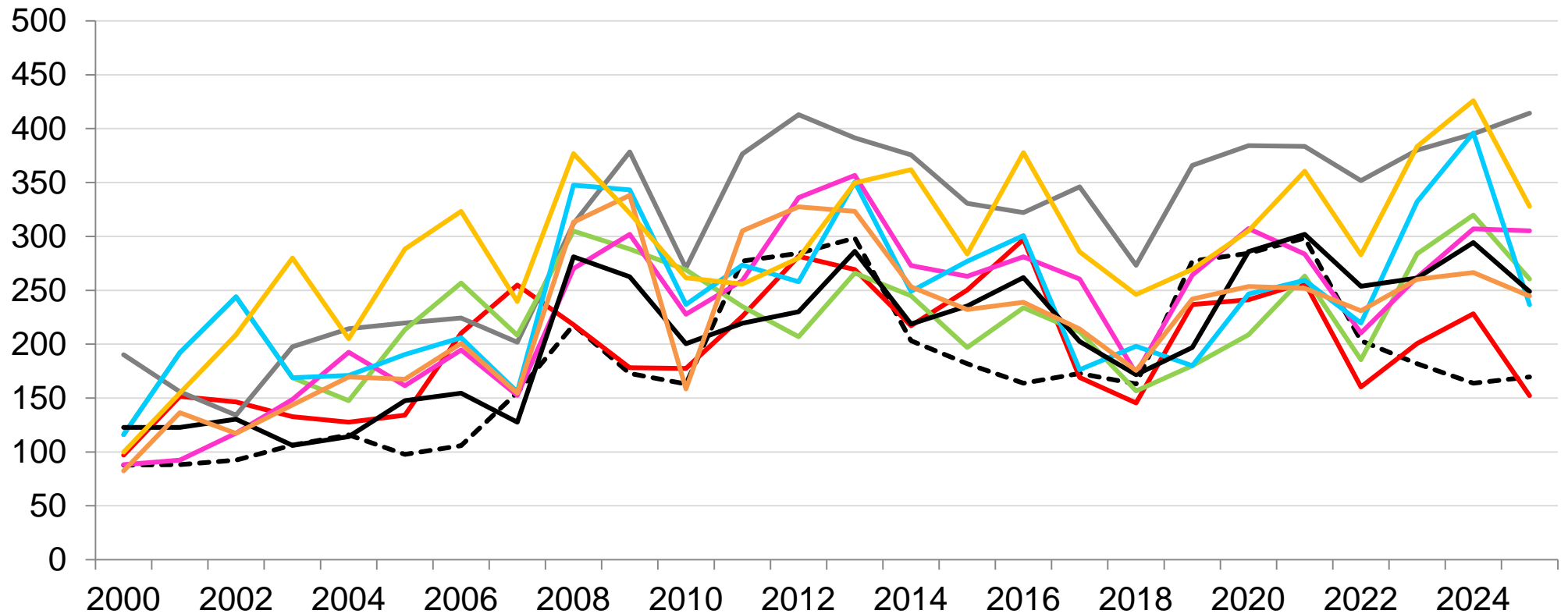
— Zimbabwe: Harare



# Baseline Prices: Maize



US \$ / ton



--- World Price: US Gulf  
 — Kenya: Nairobi  
 — Tanzania: Arusha  
 — Mozambique: National Avg  
 — Zimbabwe: Harare

— South Africa: Randfontein White  
 — Zambia: Lusaka  
 — Malawi: Lilongwe  
 — Uganda: Kampala



# Wheat Outlook

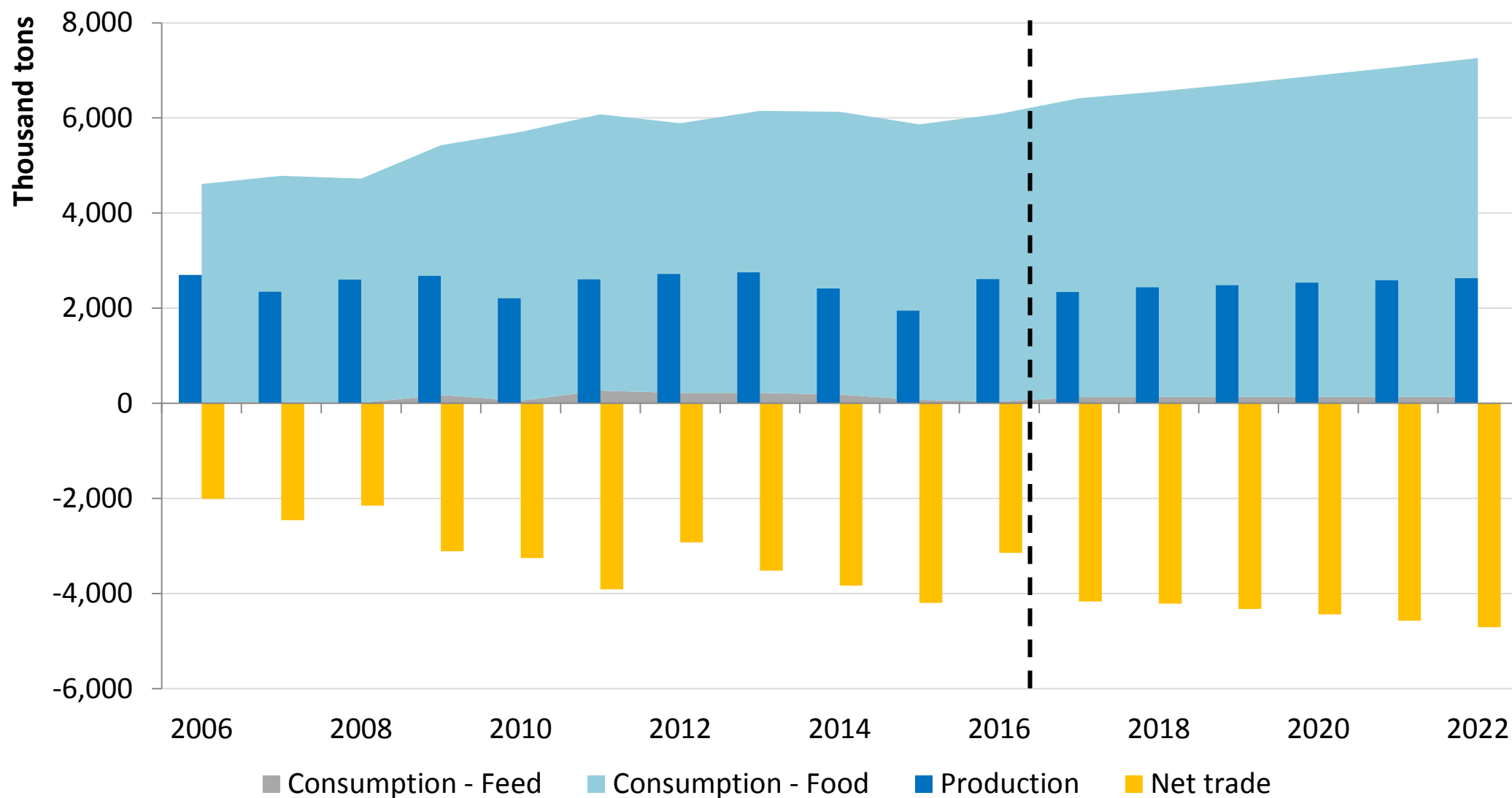


- Kenya
- Tanzania

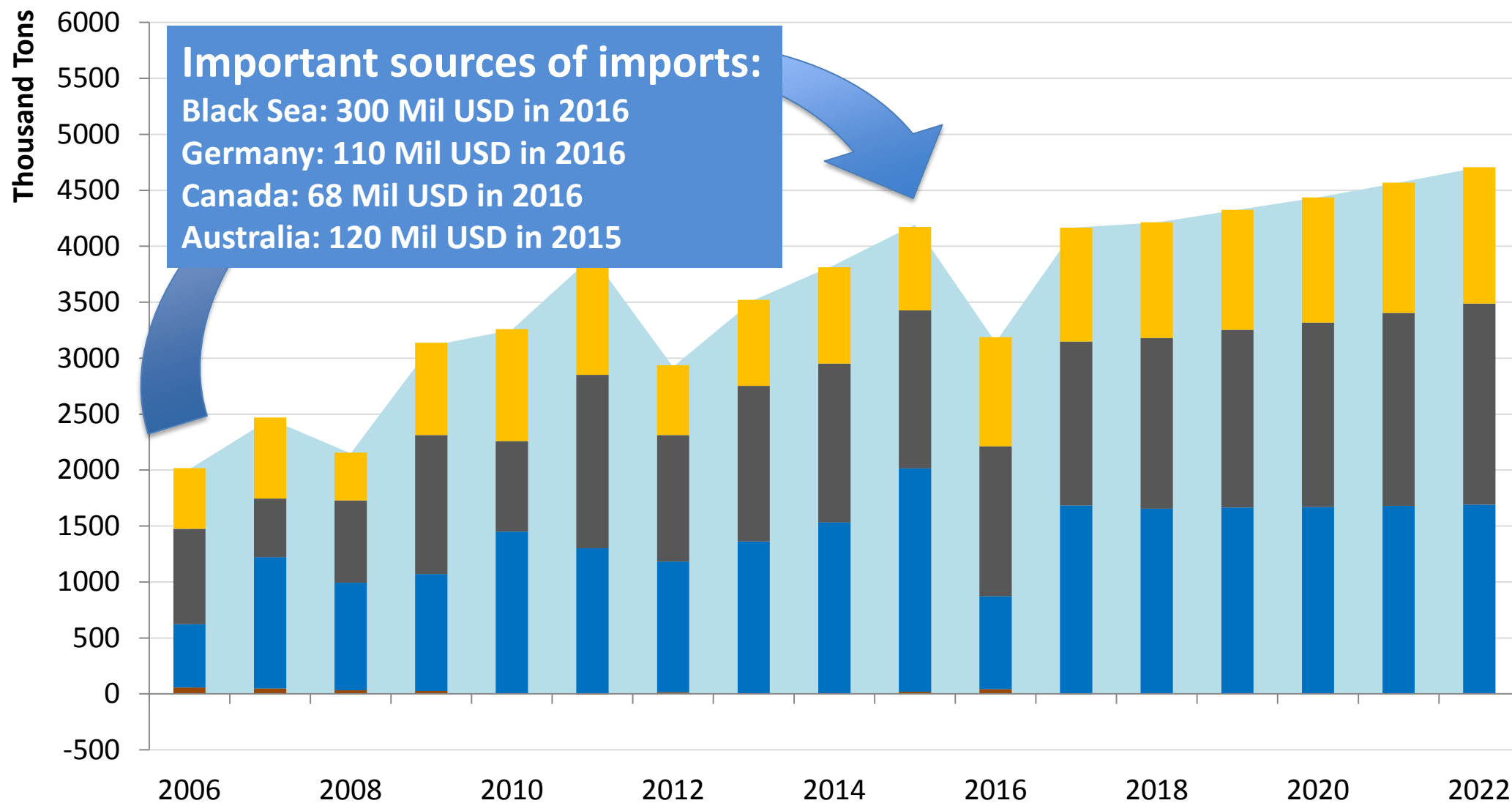
- South Africa
- Zambia



# Wheat Overview: KEN, TZA, ZAF, ZAM



# Wheat – Net imports

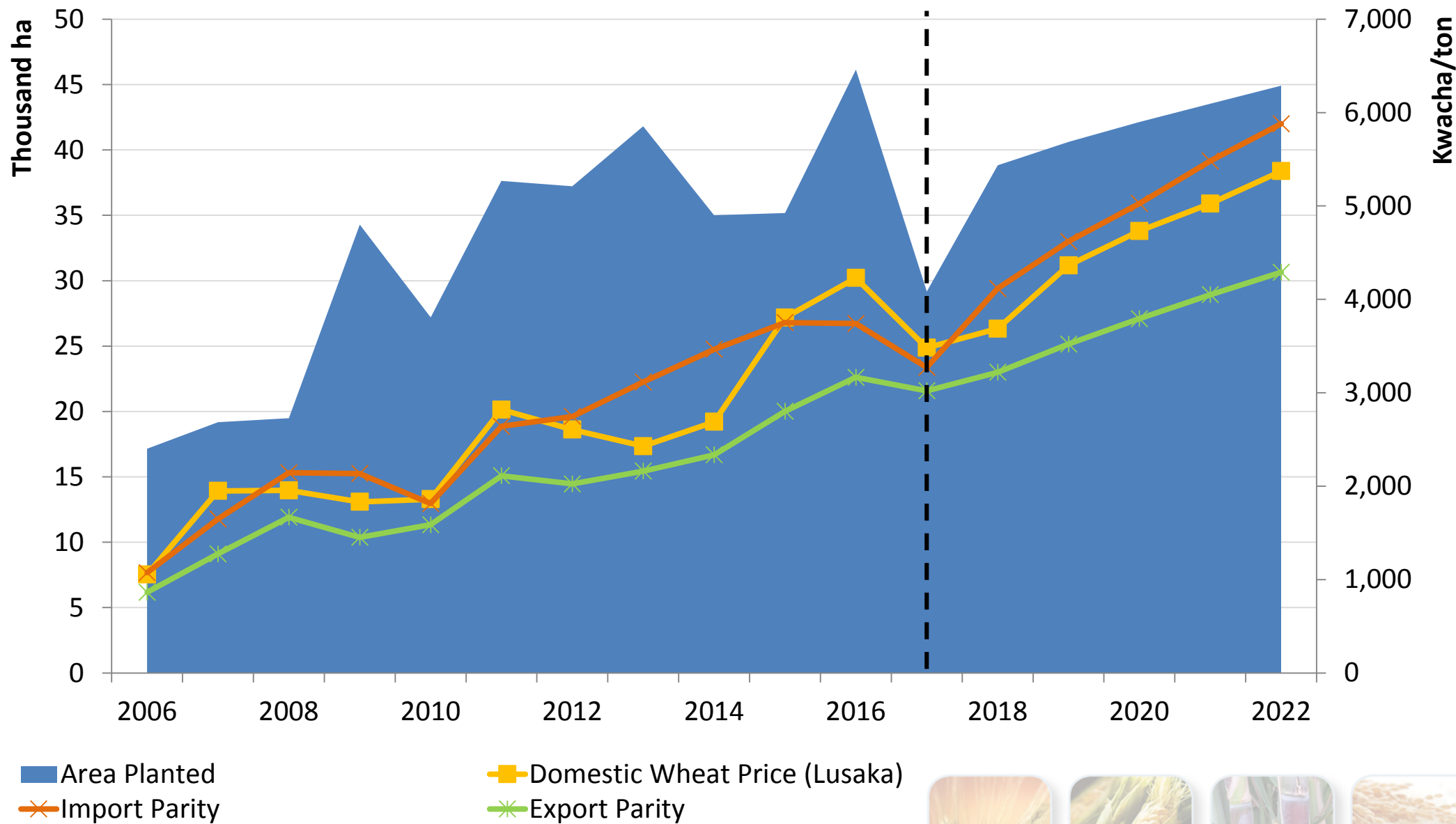


■ Total    
 ■ Tanzania    
 ■ Kenya    
 ■ South Africa    
 ■ Zambia

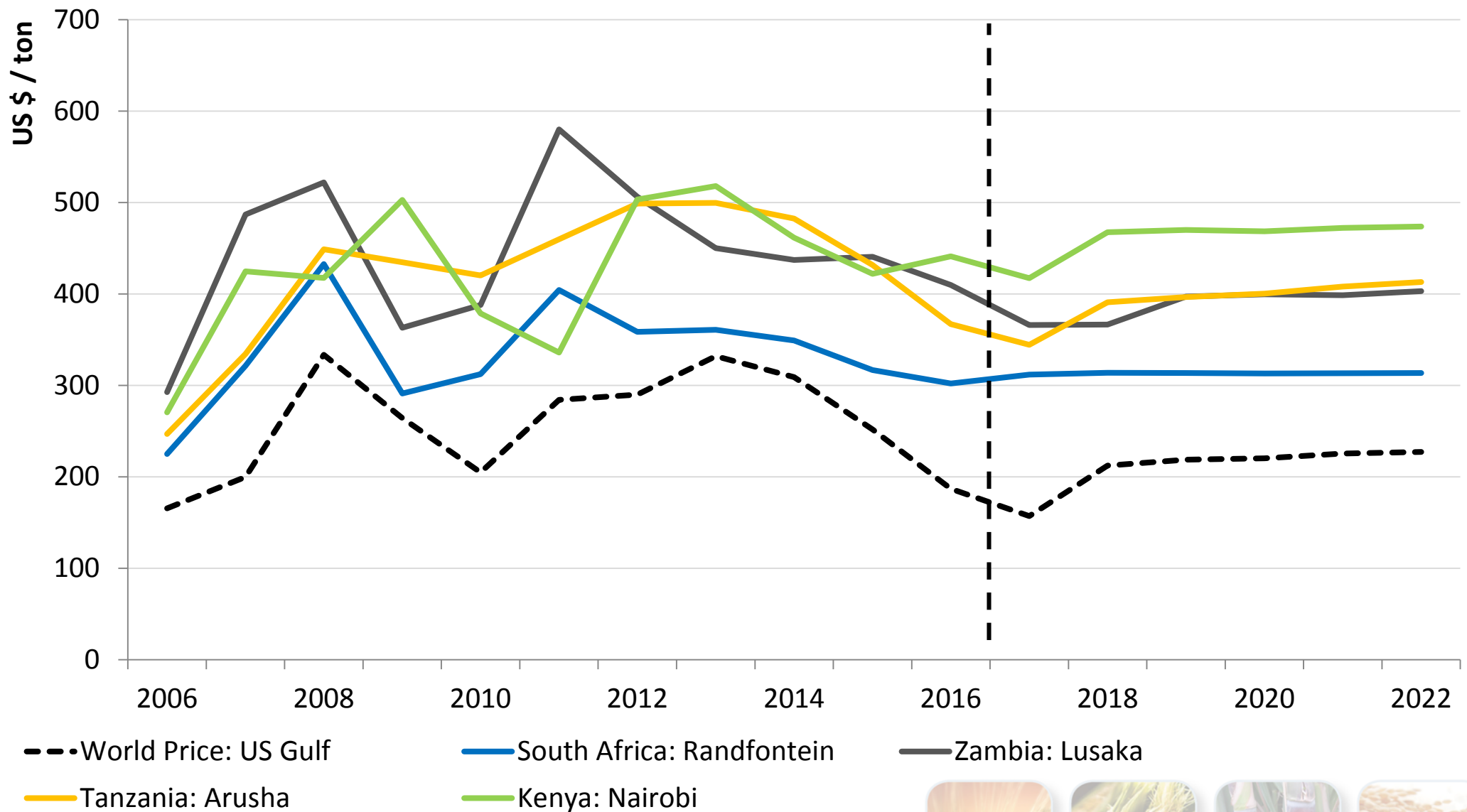




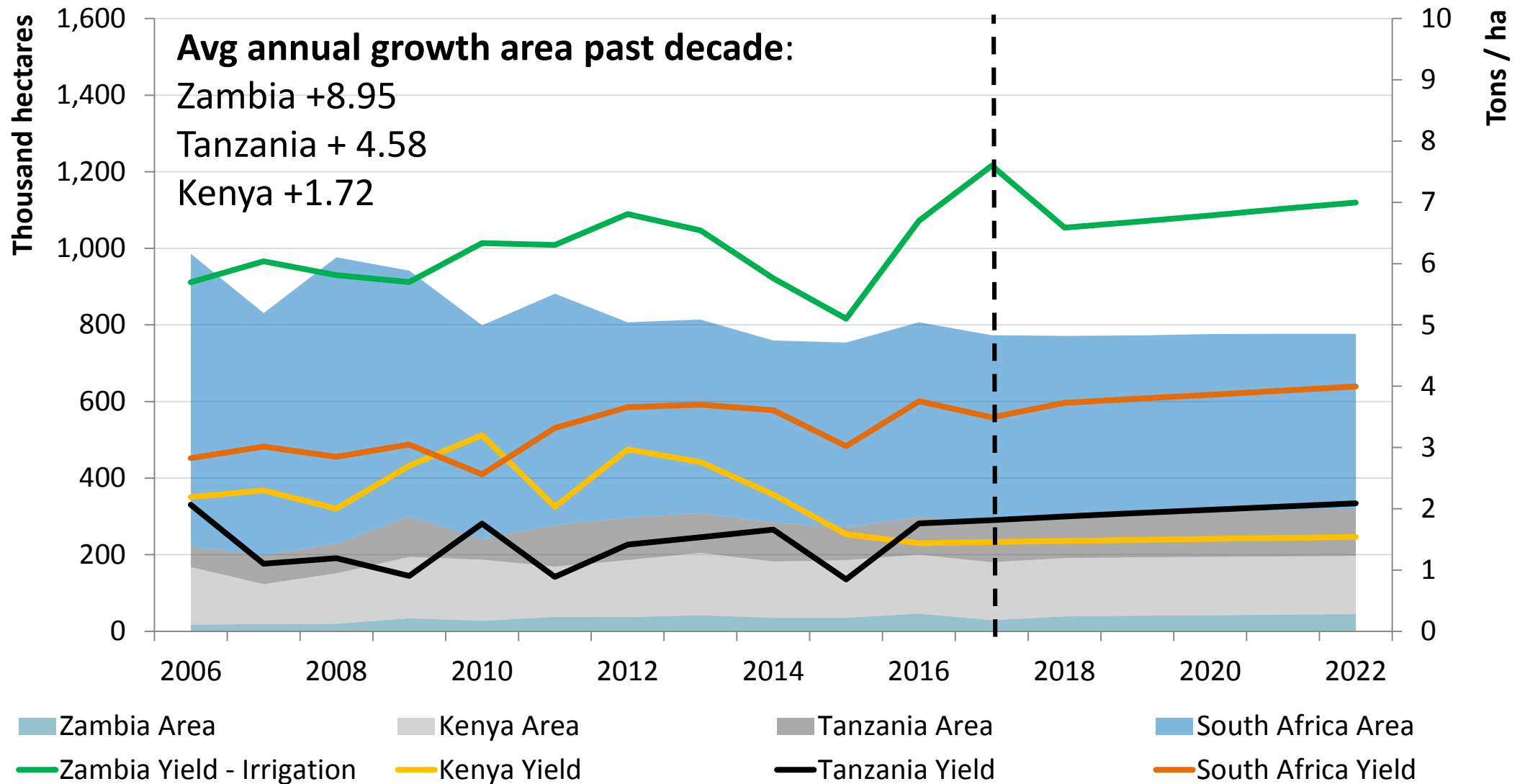
# Wheat expansion in Zambia



# Baseline Prices: Wheat



# Wheat Production Outlook

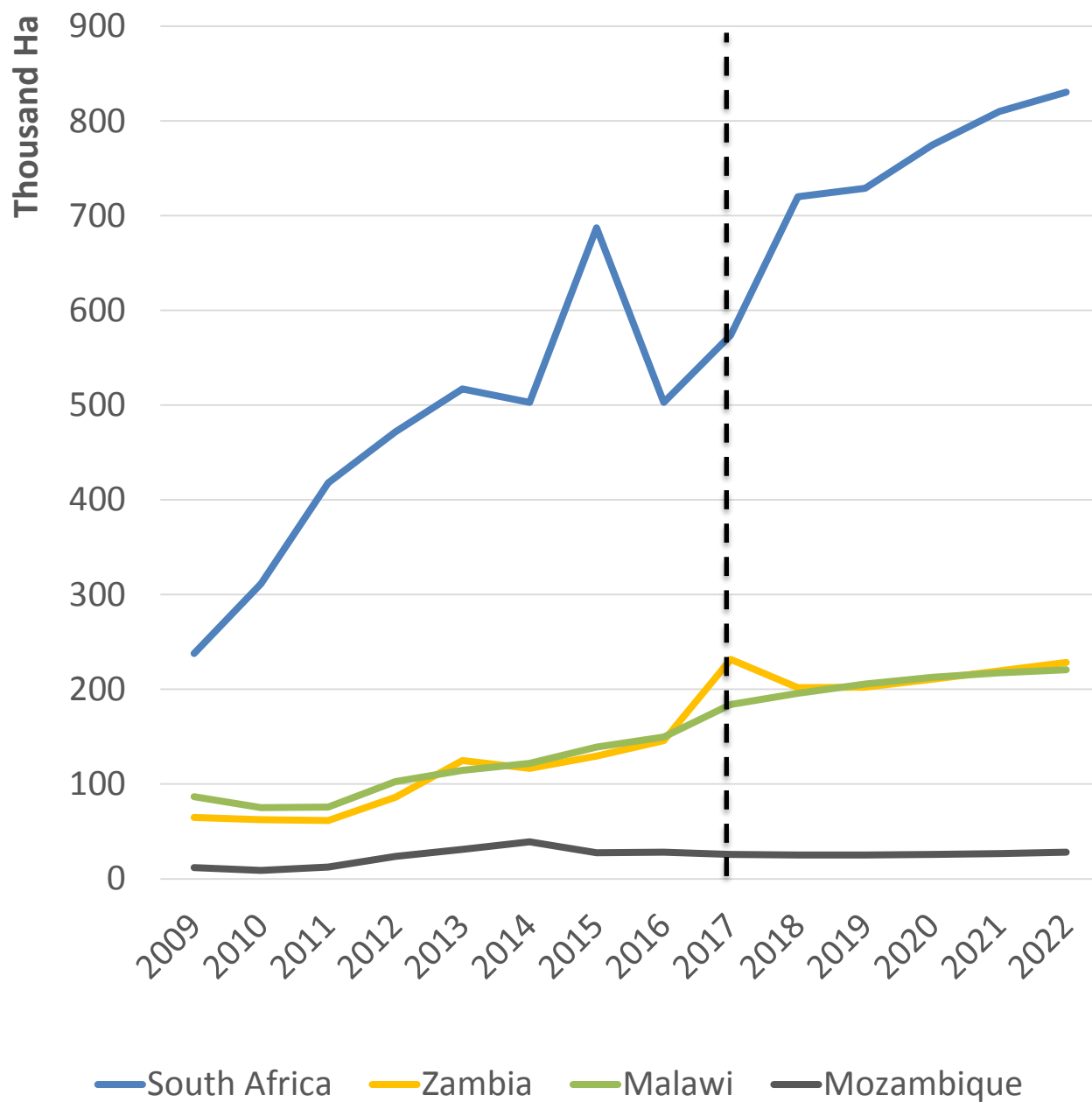




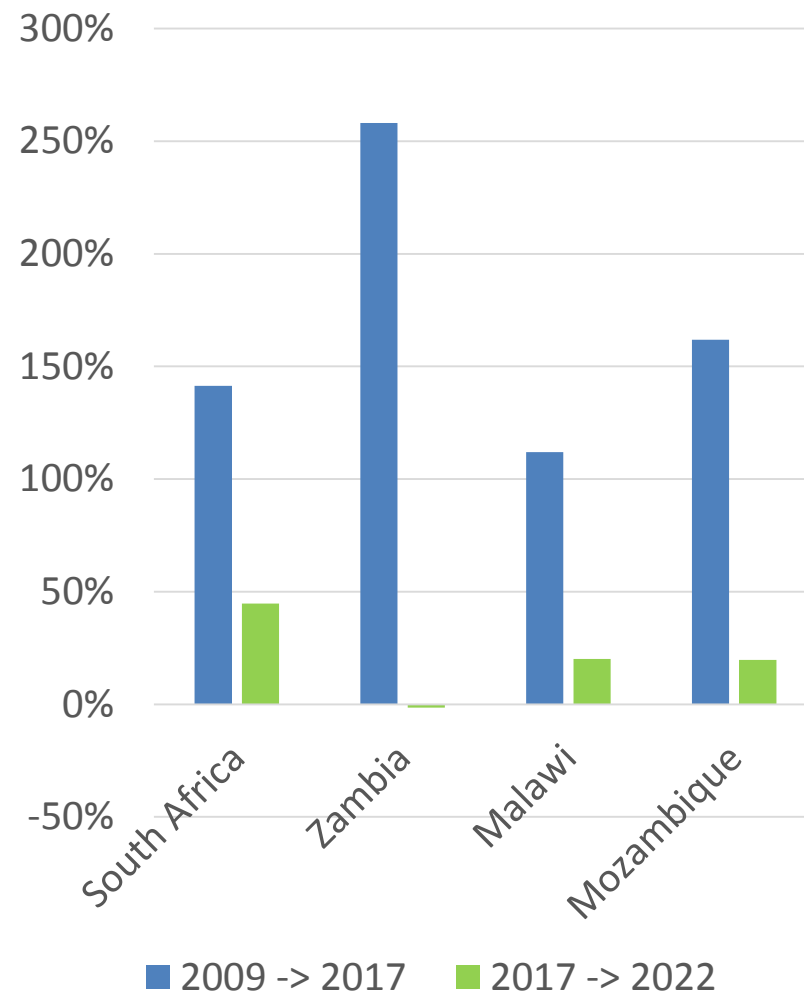
- South Africa
- Zambia
- Malawi
- Mozambique



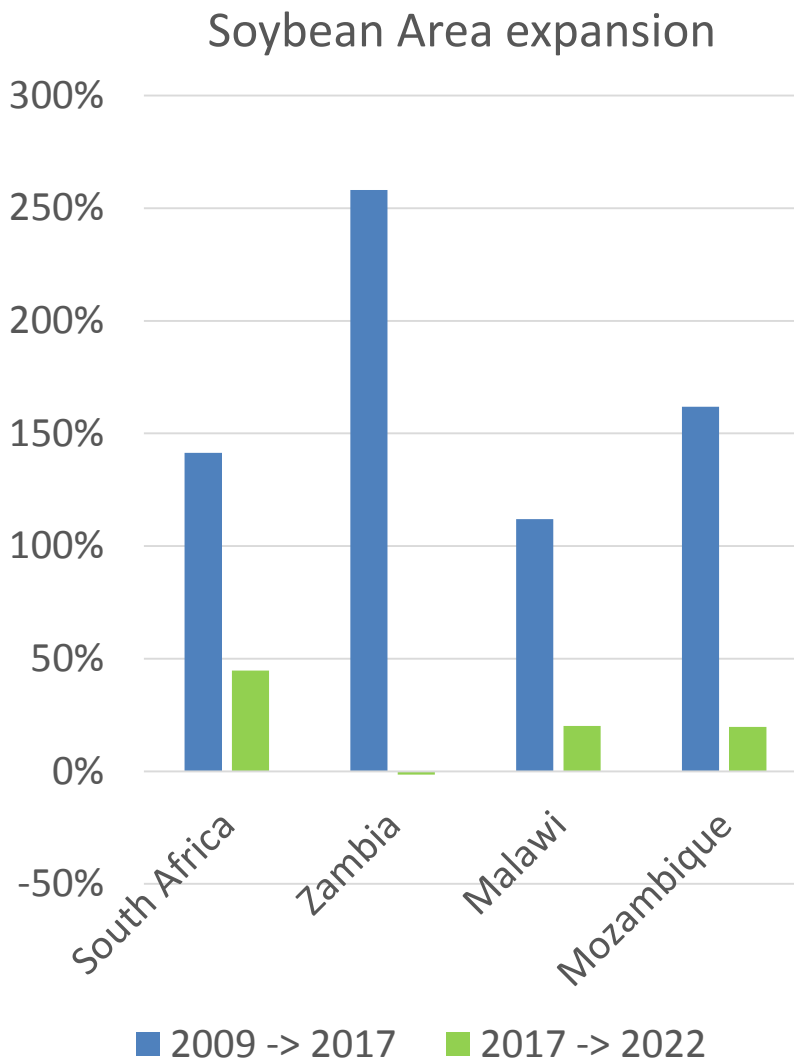
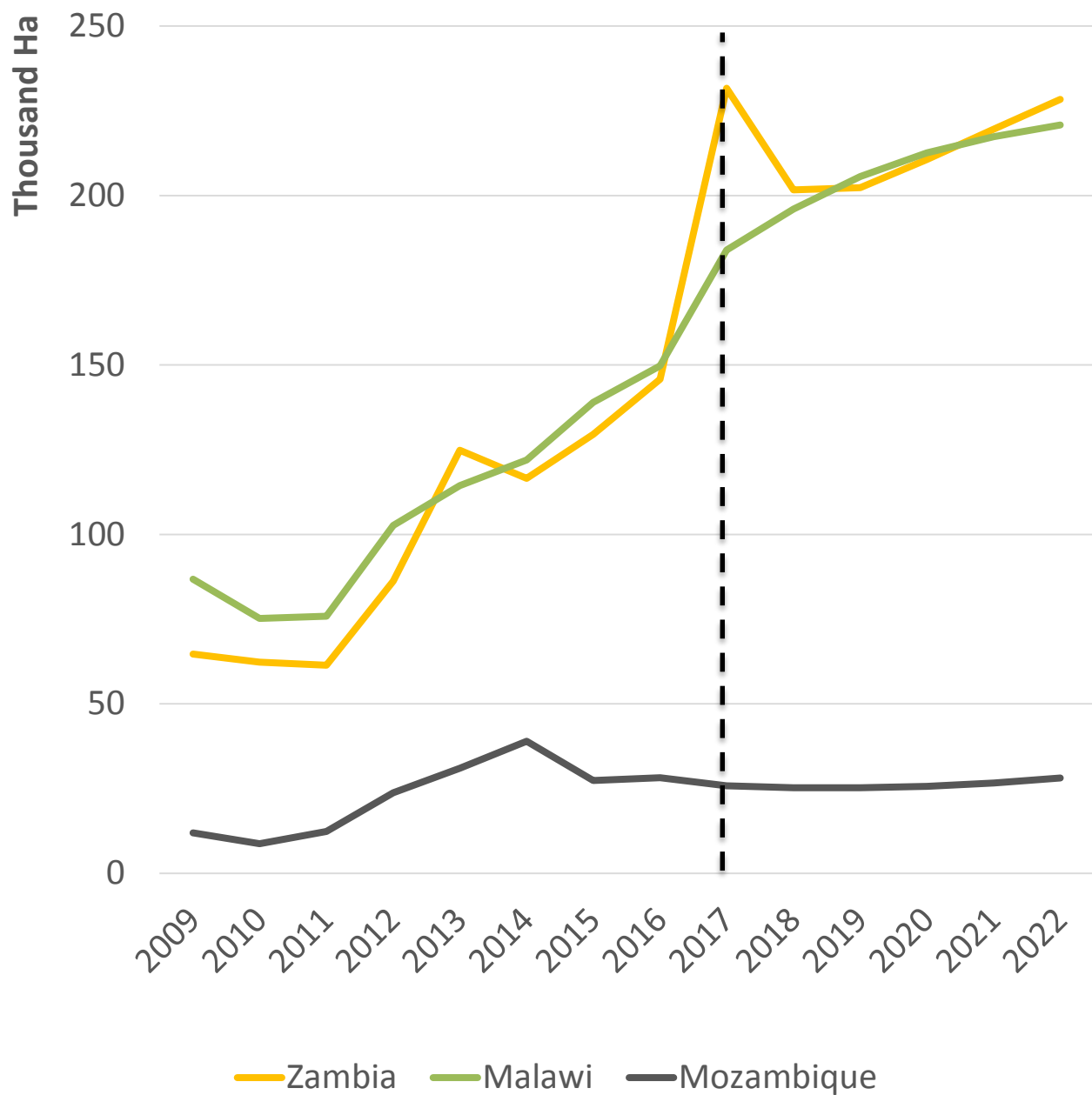
# Soybean area expansion



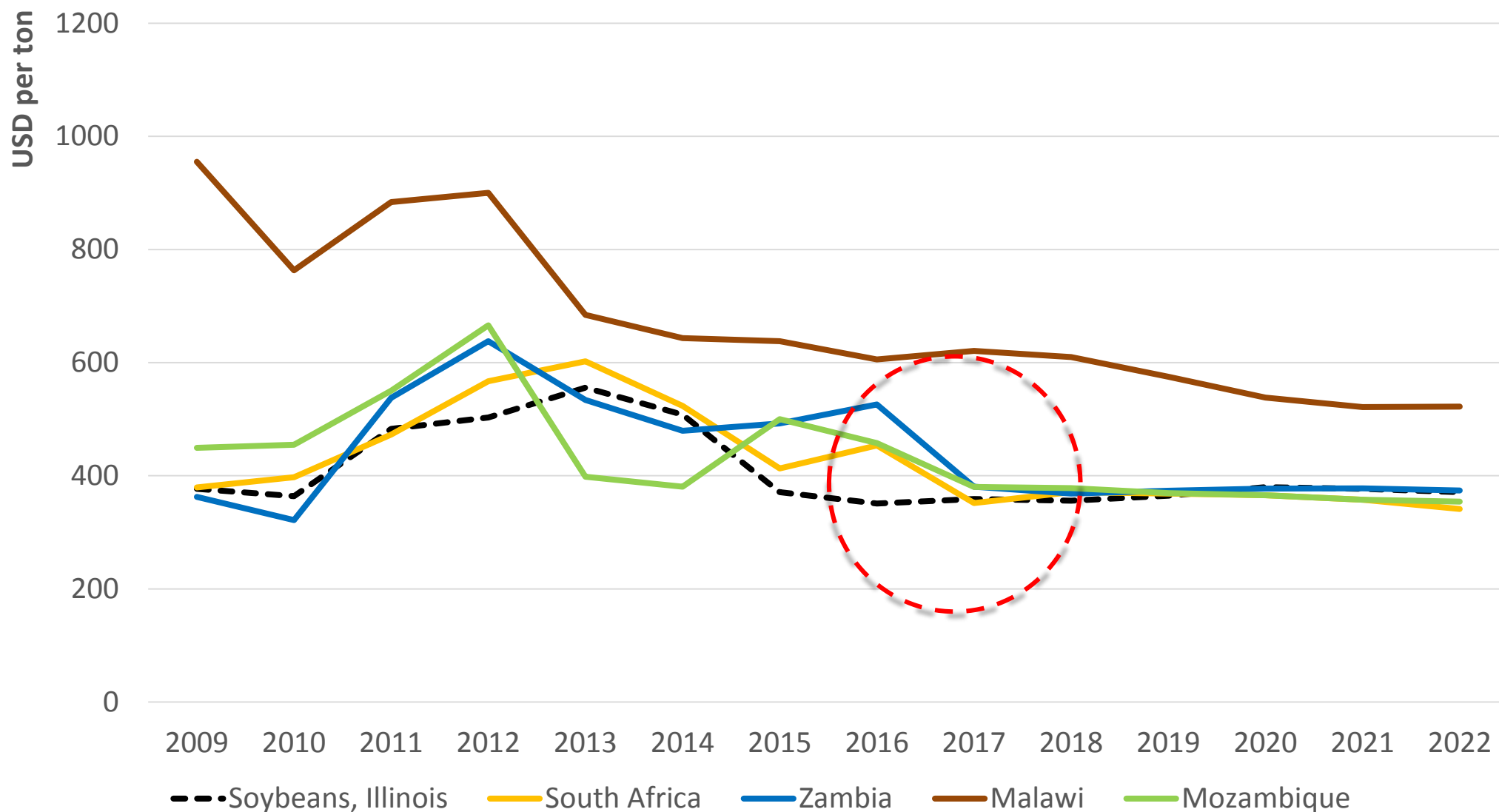
Soybean Area expansion



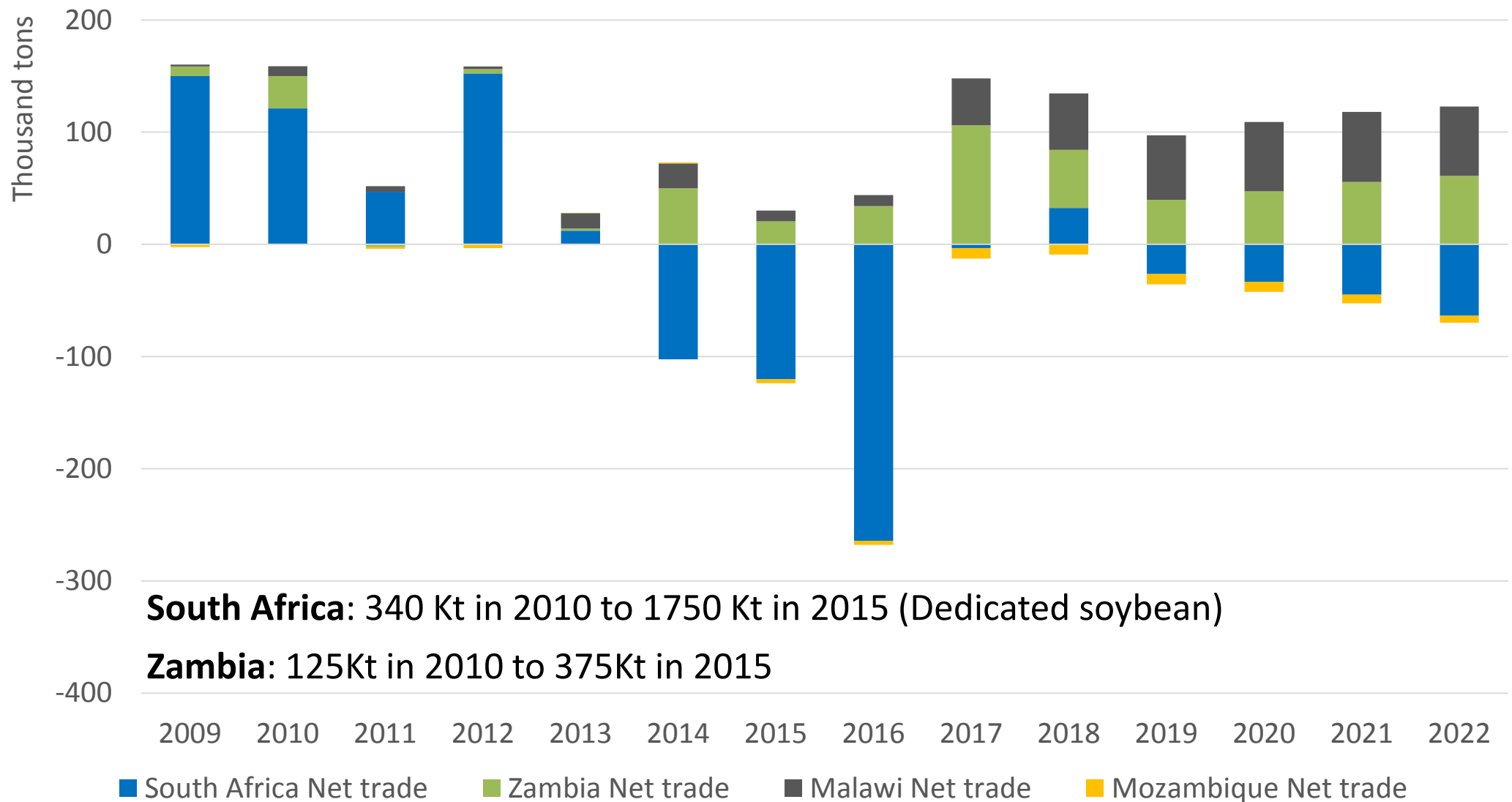
# Soybean area expansion



# Soybean Prices



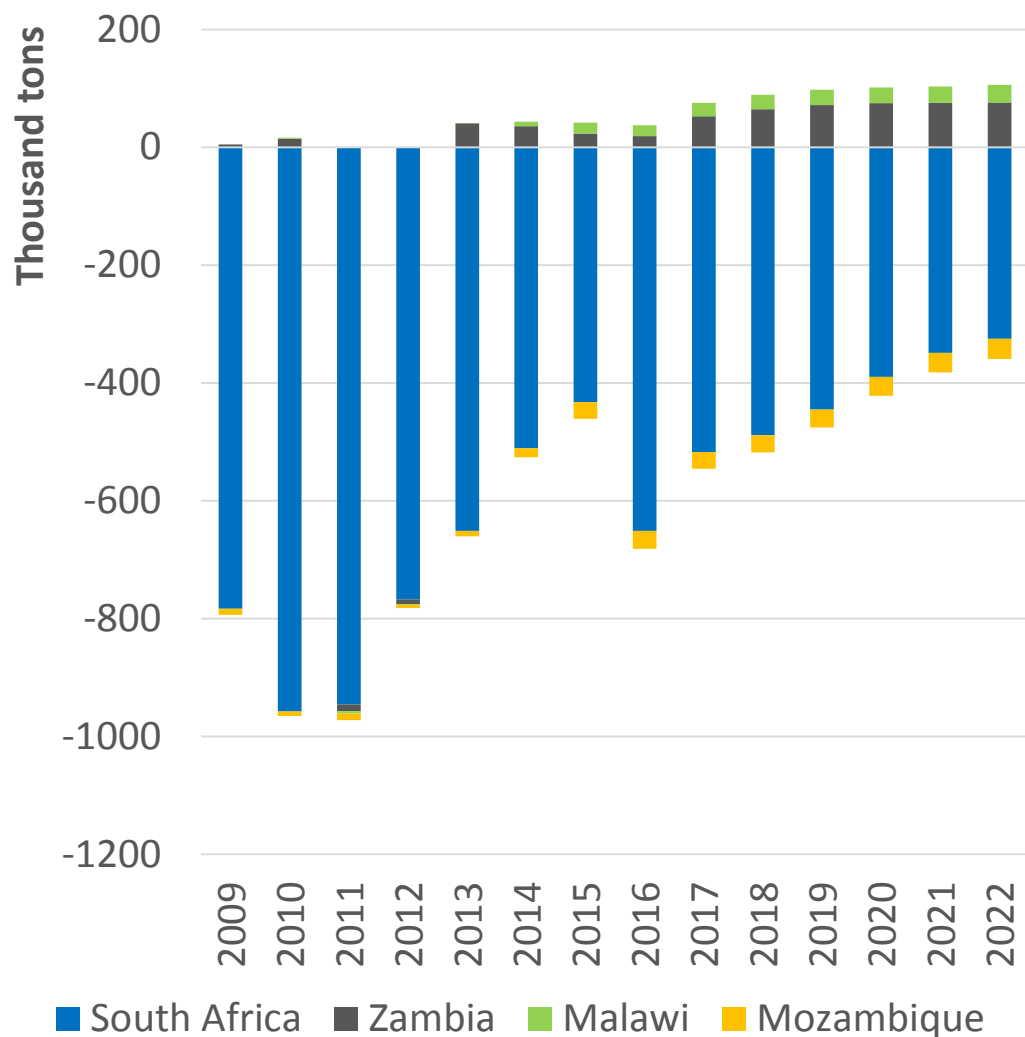
# Trade in Soybeans



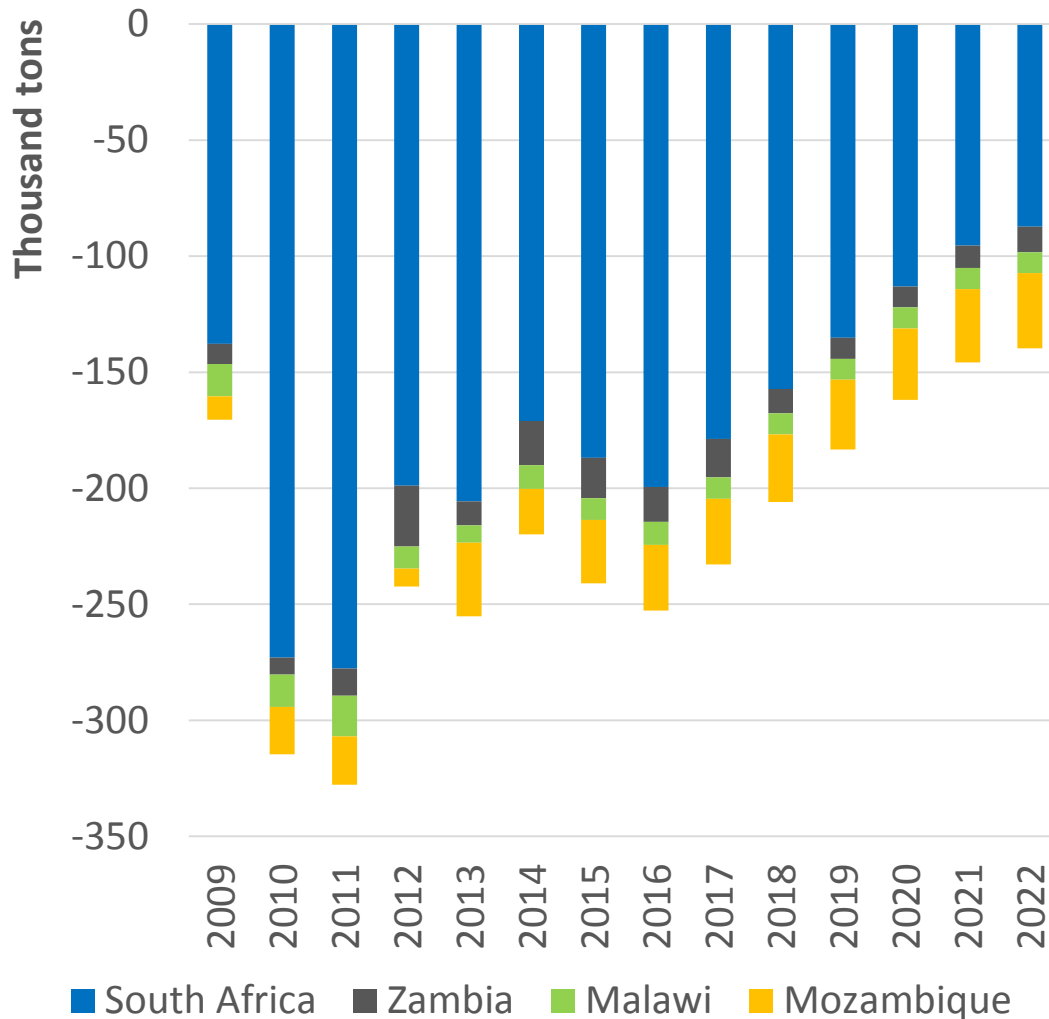


# Trade in Soybean Products

## Oilcake



## Oil

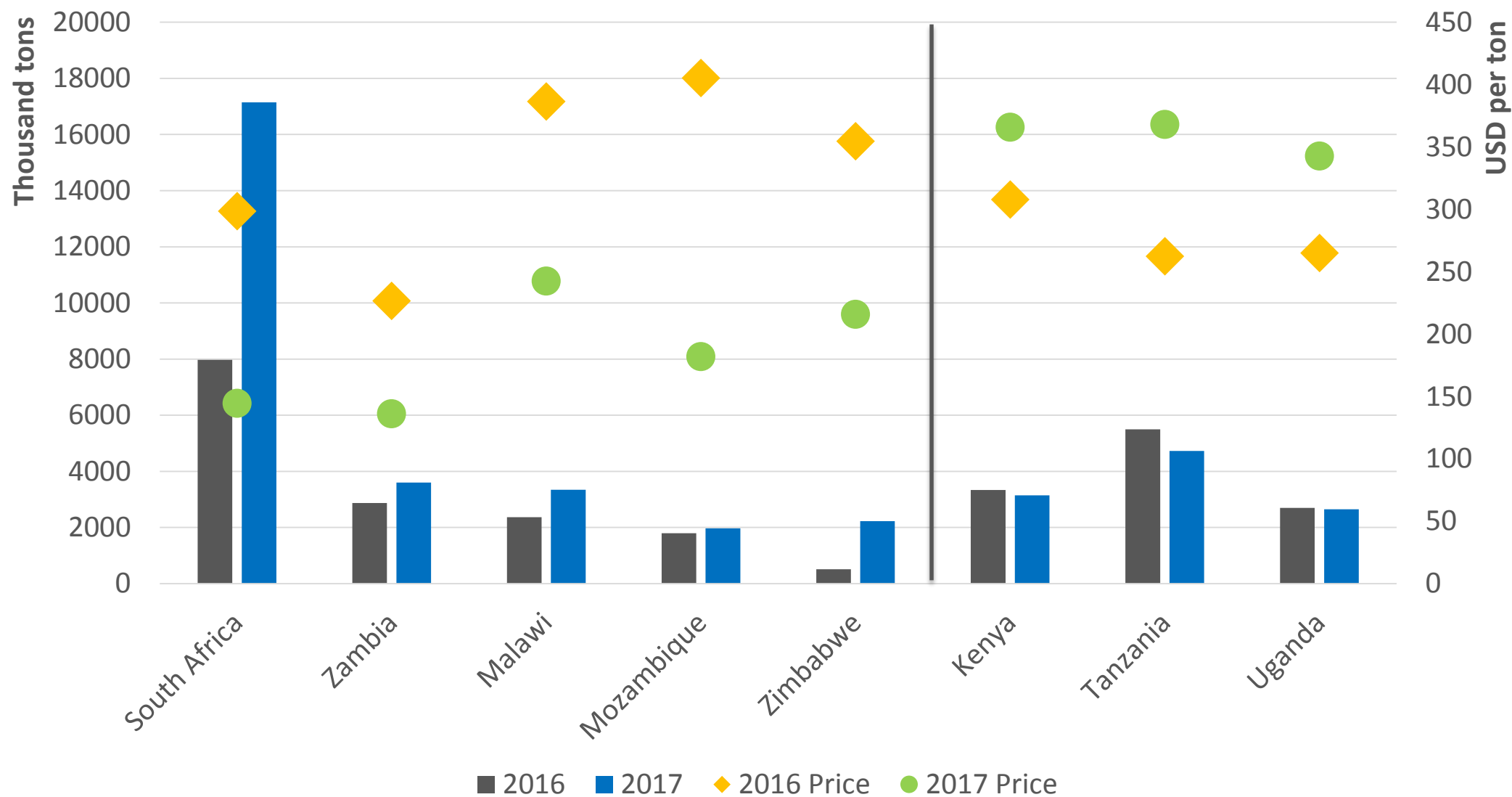


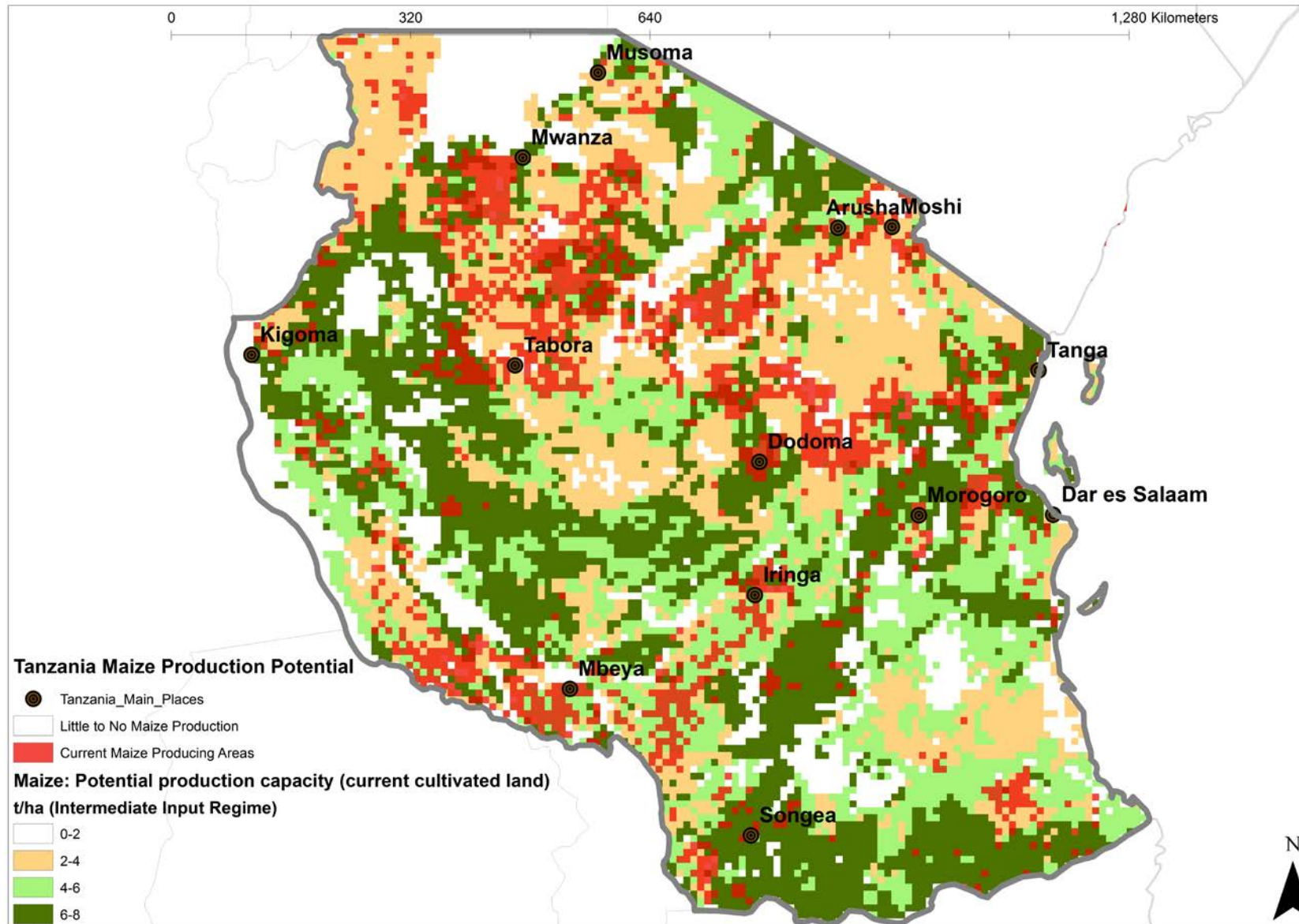
## Key uncertainties facing the Outlook presented

- Weather – following drought in 2015 and 2016, record harvest 2017 – what next?
- Macroeconomics – eg. Exchange rates? Growth?
- Productivity gains – Malabo declaration goals?
- Policy



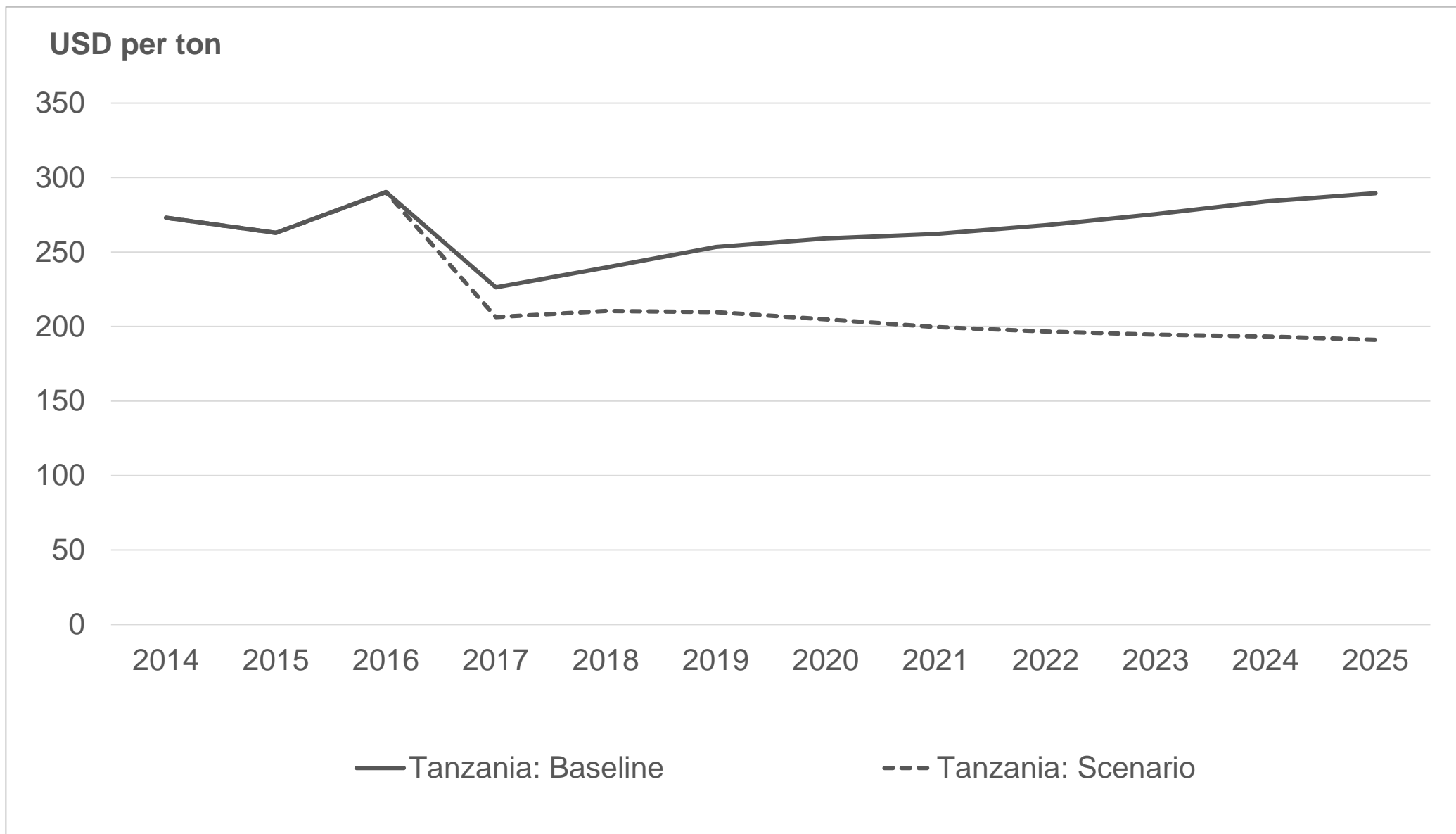
# Weather affecting prices and trade

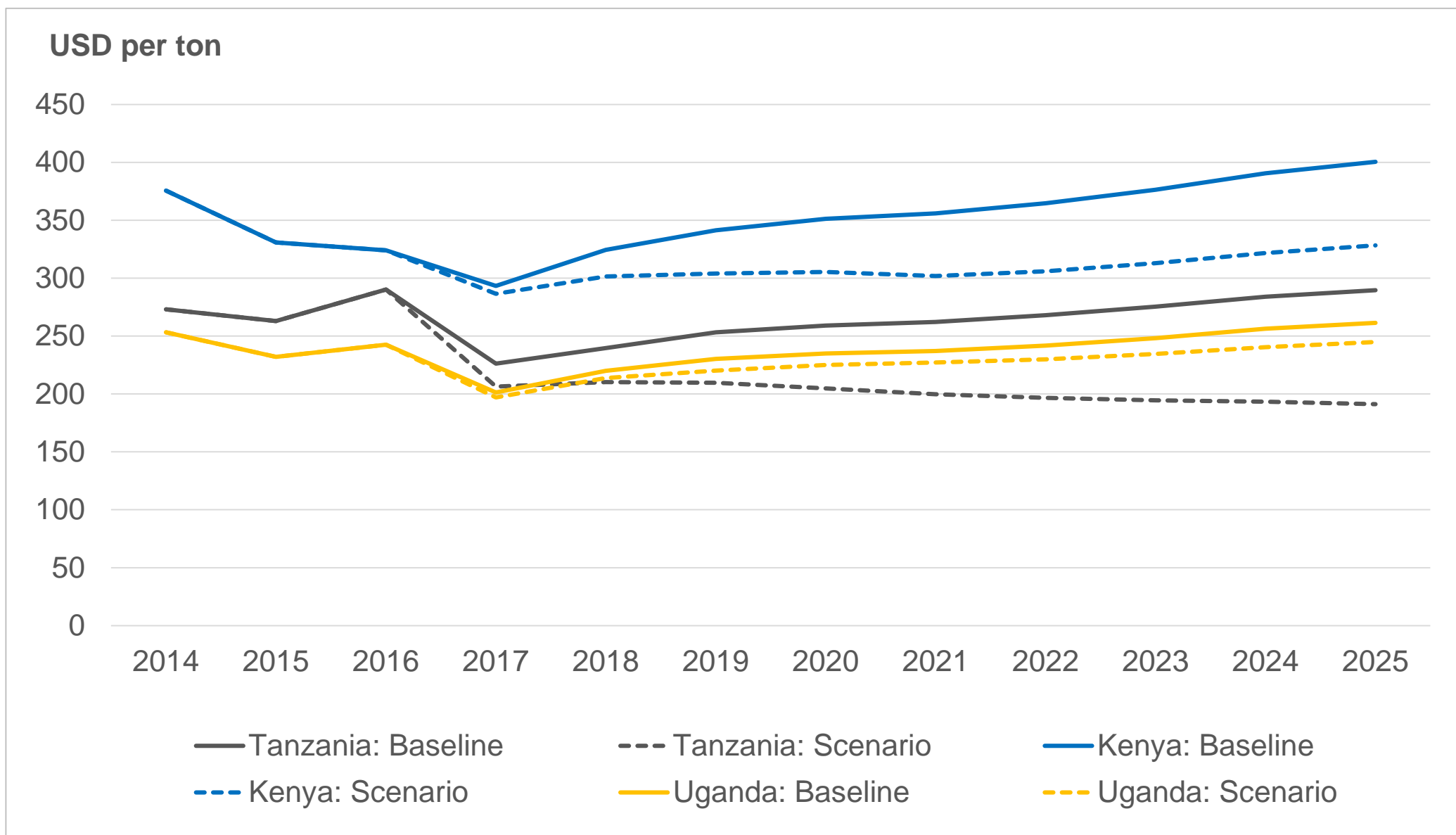




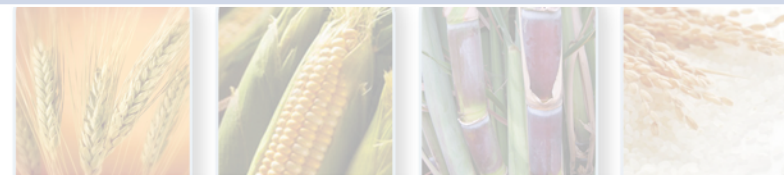
- Double rate of yield growth over outlook
- Avg annual growth of 5.7% per annum,
- National average yield to 2.51 tons per hectare by 2025.







Country	Baseline	Scenario 1: Increased Yield	Scenario 2: Increased yield and transport cost reduction
<b>Volume imported from Tanzania – Thousand tons</b>			
South Africa	0.00	0.00	0.00
Zambia	0.00	2.56	35.30
Malawi	0.00	2.86	67.05
Mozambique	0.00	0.00	20.95
Kenya	343.98	1235.84	1147.97
Uganda	0.00	0.00	4.77
Zimbabwe	0.00	0.00	0.00
Other	5.00	5.00	35.88



# Sugar Outlook



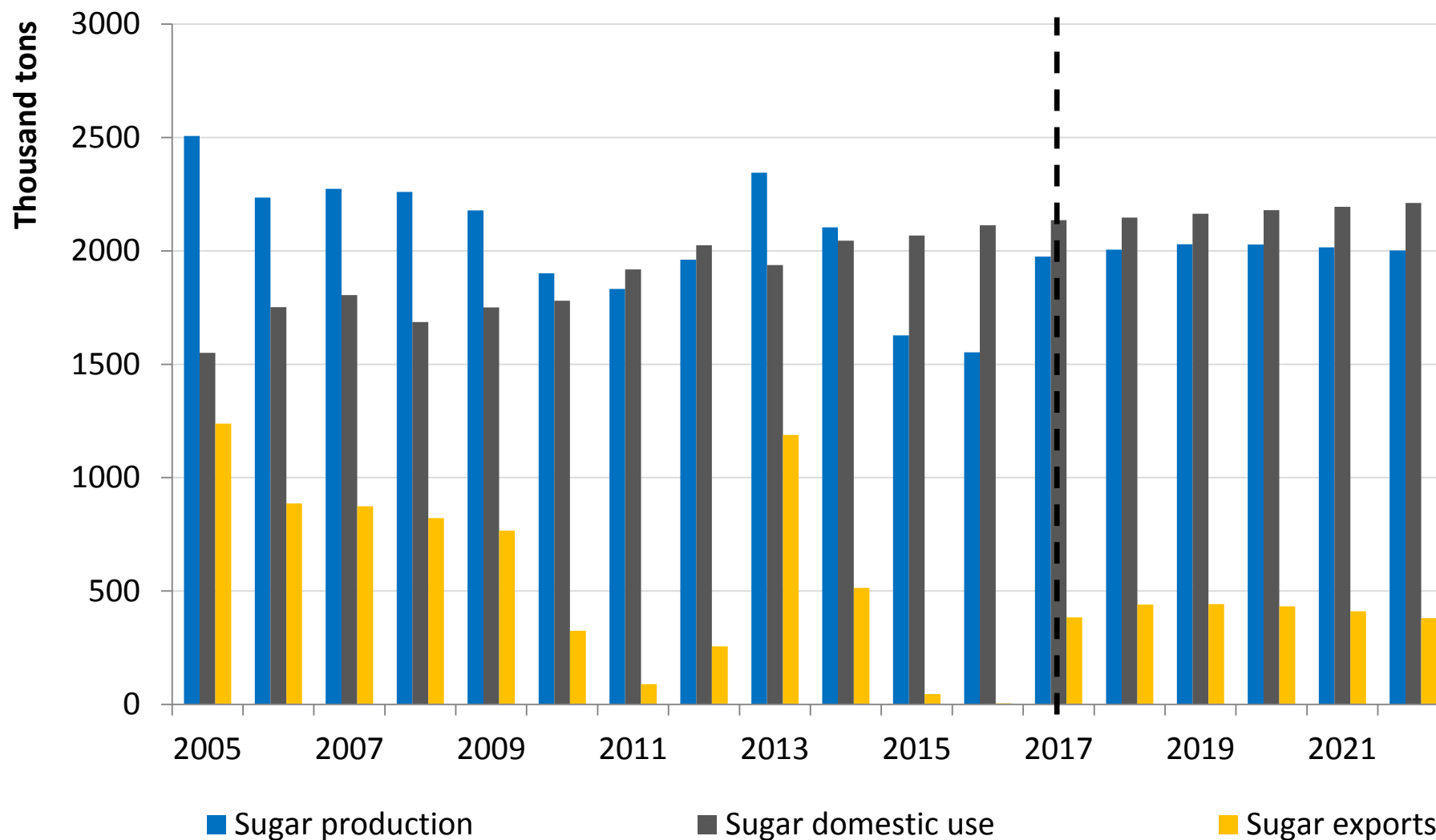
- South Africa
- Zambia





# Sugar - South Africa

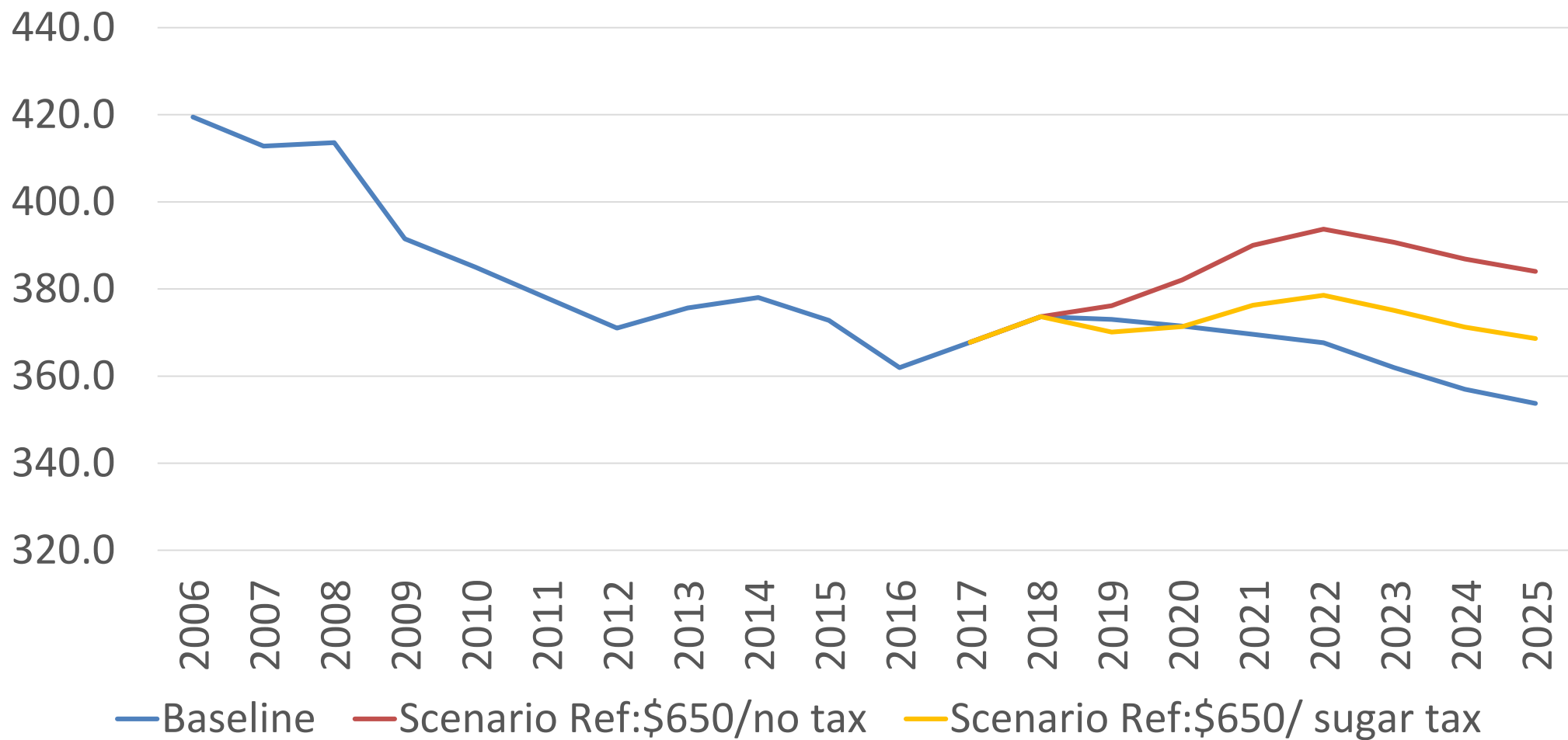
Production, Consumption, Trade and Prices



# Sugar - South Africa

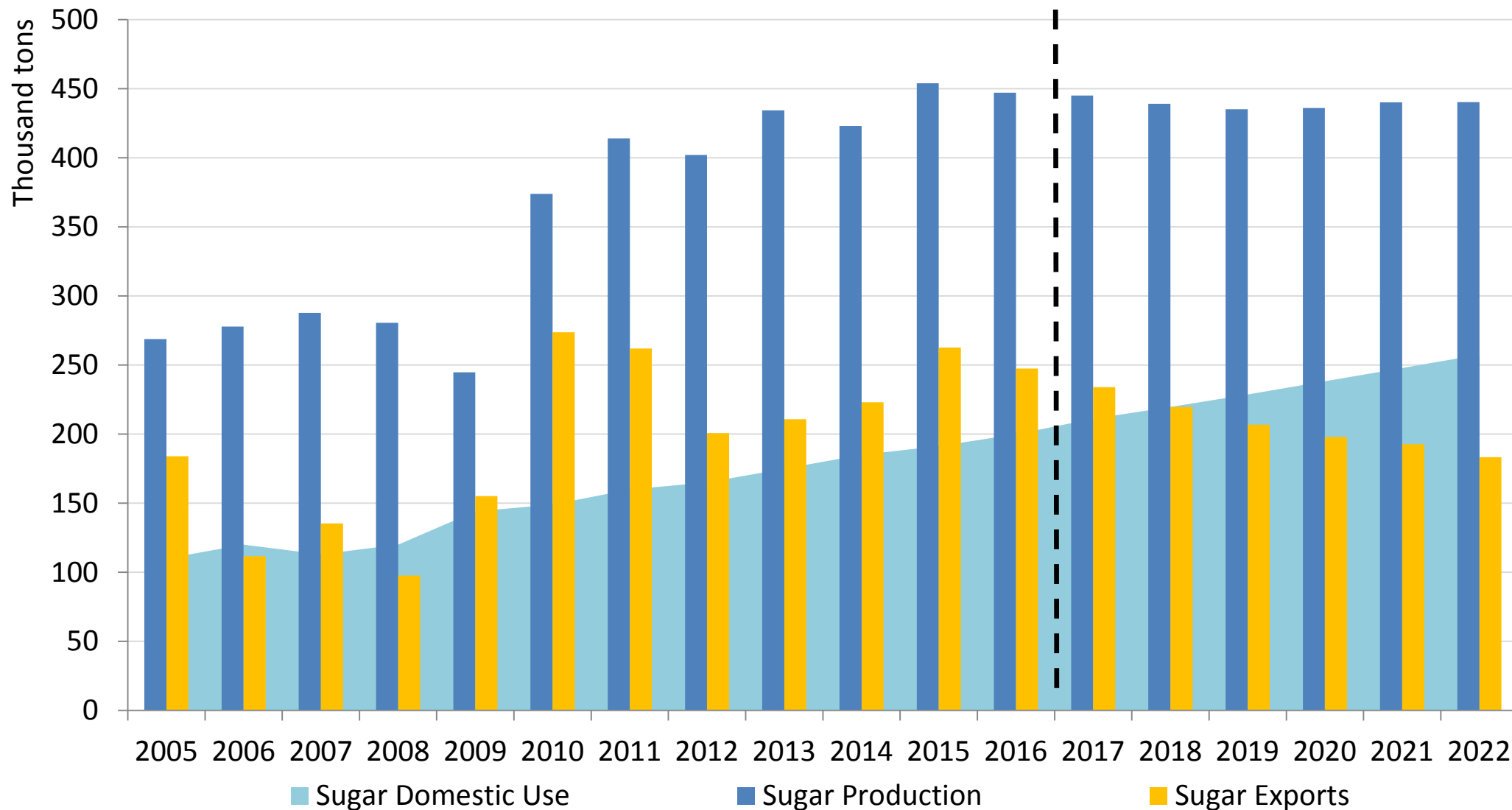
Impact of sugar tariff

SA cane area: Ref price \$650



# Sugar - Zambia

## Production, Consumption and Trade





# Thank you!



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## Acknowledgements

