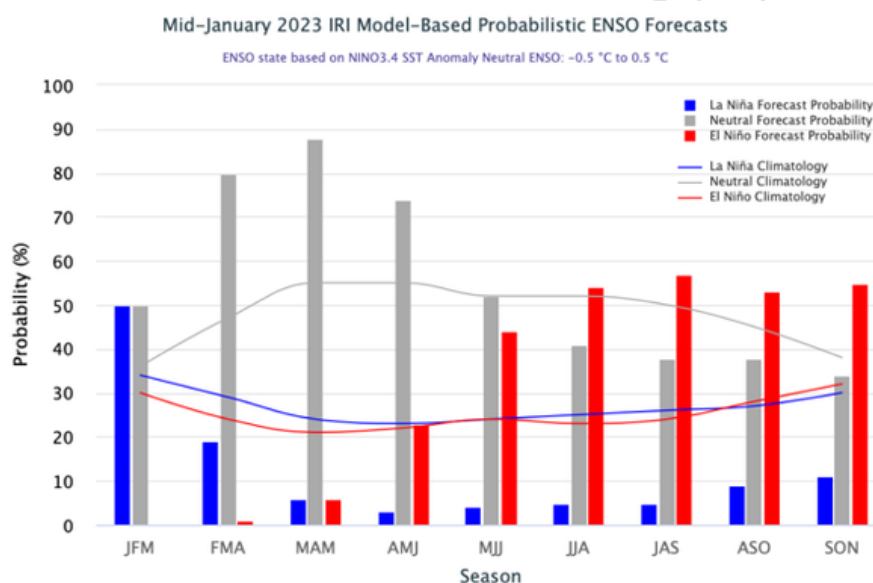


"The public have an insatiable curiosity to know everything, except what is worth knowing" Oscar Wilde

EL NINO: PIECE BY WANDILE SIHLOBO OF AGBIZ

Since folks are worried about the expected El Niño and its impact on food prices in South Africa, I should make a few observations on this issue. A major challenge that could confront South Africa's agricultural sector in a few months is a change in weather conditions from favourable rains to drier and hot conditions. This would be a switch from a prolonged period of La Niña to El Niño. South Africa has had four seasons of La Niña induced heavy rains from 2019/20 to 2022/23. These above-normal rains supported agriculture leading to higher yields across various field crops, fruits and vegetables. The livestock industry also benefitted from improved grazing pasture. Importantly, having four consecutive La Niña seasons was an unusual occurrence. The typical cycles are two seasons of higher rainfall followed by normal-drier seasons. Excluding the current trend, the only other period in the recent past with three successive years of conducive weather conditions and a large crop harvest ran through the 2007/08, 2008/09, and 2009/10 production seasons. This period brought a sizeable agricultural yield to the country. But the scientists at the International Research Institute for Climate and Society at Columbia University see a potential occurrence of an El Niño later in the year – see the red bars in the chart. This weather phenomenon would bring below-normal rainfall and hotter temperatures in South Africa. If it is intense, this could resemble the bleak agricultural conditions we witnessed during the last El Niño drought in the 2015/16 season, where staple crops such as maize dropped to 8,2 million tonnes, well below South Africa's consumption levels of 11,8 million tonnes. This shortfall necessitated imports of maize to supplement domestic needs. Other field crops, fruits, vegetables and livestock also experienced severe losses. But I doubt things will be this bad. So far, all indications indicate a weak El Niño and the soil moisture remains reasonably favourable across South Africa. Thus, I remain optimistic that the 2023/24 agricultural season in South Africa should be okay, although crop yields could drop considerably from the levels of the past few years. Also, one has always to remember that there will likely be a big crop in the world market brought by the changes in weather conditions. If my view is correct, we shouldn't have a notable uptick in consumer food price inflation in 2024; if anything, we should see a softer pace than the expected 2023 levels. Citrus growers are advised to plan for drier conditions going forward.

Exhibit 1: El Niño occurrence possibilities (red bar)



Source: International Research Institute for Climate and Society at Columbia University