**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION 325 / NW335E**

**MINISTER OF AGRICULTURE, FORESTRY AND FISHERIES:**

**Ms A Steyn (DA) to ask the Minister of Agriculture, Forestry and Fisheries:**

 **QUESTION**

 (a)Why did the National Crop Estimates Committee issue its preliminary production forecast for the summer 2016 crops in January 2016, (b) who requested such a forecast to be issued so early in the year and (c) what is the expected margin of error when releasing a forecast so early in a year? 325/NW335E

**REPLY**

1. At an emergency maize meeting held on 8 December 2015, it was agreed that if weather conditions did not improve, a formal industry-wide meeting should be held on 15 January 2016, to evaluate the impact of the drought, particularly on the production of maize; to acknowledge the necessity of industry cooperation in dealing with the situation; and, to reach consensus on actions required to address the looming shortage of food in the country.

Therefore, one of the actions strongly supported, was to release a production forecast for the new season a month earlier (during January 2016), because a reliable official estimate of *inter alia* the size of the expected maize crop, was required (as a result of the drought situation) in order for industry to plan properly. Kindly note that the Crop Estimates Committee (CEC) has traditionally released a preliminary area planted to summer grain crops estimate for the new season during January.

1. At the follow-up emergency maize meeting held on 15 January 2016, where about 70 Maize Steering Committee Members/Industry role-players/Interested parties were present, it was decided to send a formal request to the Department and the national Crop Estimates Committee, which falls under the auspices of the DAFF, to release a crop estimate prior to the traditional first estimate in February 2016.

Also, at this meeting, it was noted that an earlier crop estimate would assist the Grains and Oilseeds Supply and Demand Estimates Committee, under the auspices of the NAMC, to release information on the availability of maize regarding the new marketing season, which commences on 1 May 2016, a bit earlier.

1. Since this is the first time that the CEC has released a preliminary production forecast during January, and no previous data sets exist to compare it against, the CEC is not in a position to comment on the reliability of such an early forecast. However, it should be noted that the Crop Estimates Liaison Committee, an oversight body over the CEC, has set a norm for the CEC to be within 8% for the 1st to the 4th estimate from the final crop size; and to be within 5% for the 5th to 8th estimate from the final crop size.

In considering the accuracy of the estimates of the Crop Estimates Committee over the past 5 seasons, the Committee was (except for 2014) always within the required norm of 8% for the February estimate vs the final crop size.

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| Season | Estimate within the required norm of 8% from the (actual) crop size. |
| 2010 | +0,5% |
| 2011 | +6,6% |
| 2012 | -3,4% |
| 2013 | +4,6% |
| 2014 | -11,0% |
| 2015 | -2,9% |

Furthermore, the preliminary production forecast released in January 2016, was exclusively based on information provided by farmers, with no inputs from other role-players.