

Impact of timely, reliable and accurate crop estimates.

Sentinel Crop Monitoring Stakeholder Involvement Workshop

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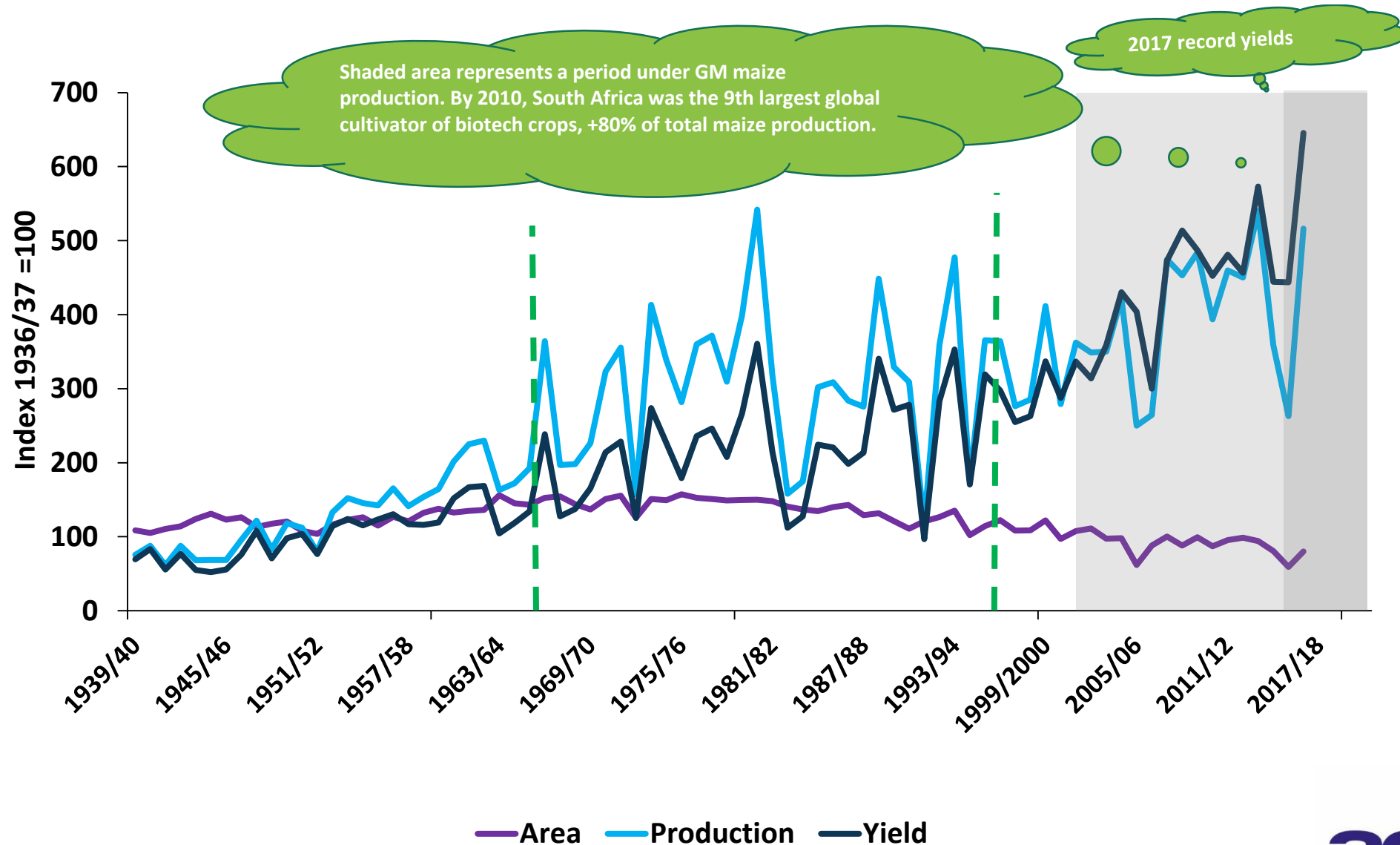


Market imperative

- Deregulation of agriculture in 1990's – open, competitive grain and oilseed markets
- Price discovery mechanism on a transparent electronic trade platform
- Local prices determined primarily by international price, exchange rate and local supply & demand fundamentals
- Increased price volatility requires a price hedging mechanism through a futures trading system
- To participate effectively in such a market, market information is critical, including the projected supply situation, to both buyers and sellers
- Thus need for accurate and timely crop estimates as a critical element of future supply
- Buying and selling strategies thus critical to farmers and traders alike



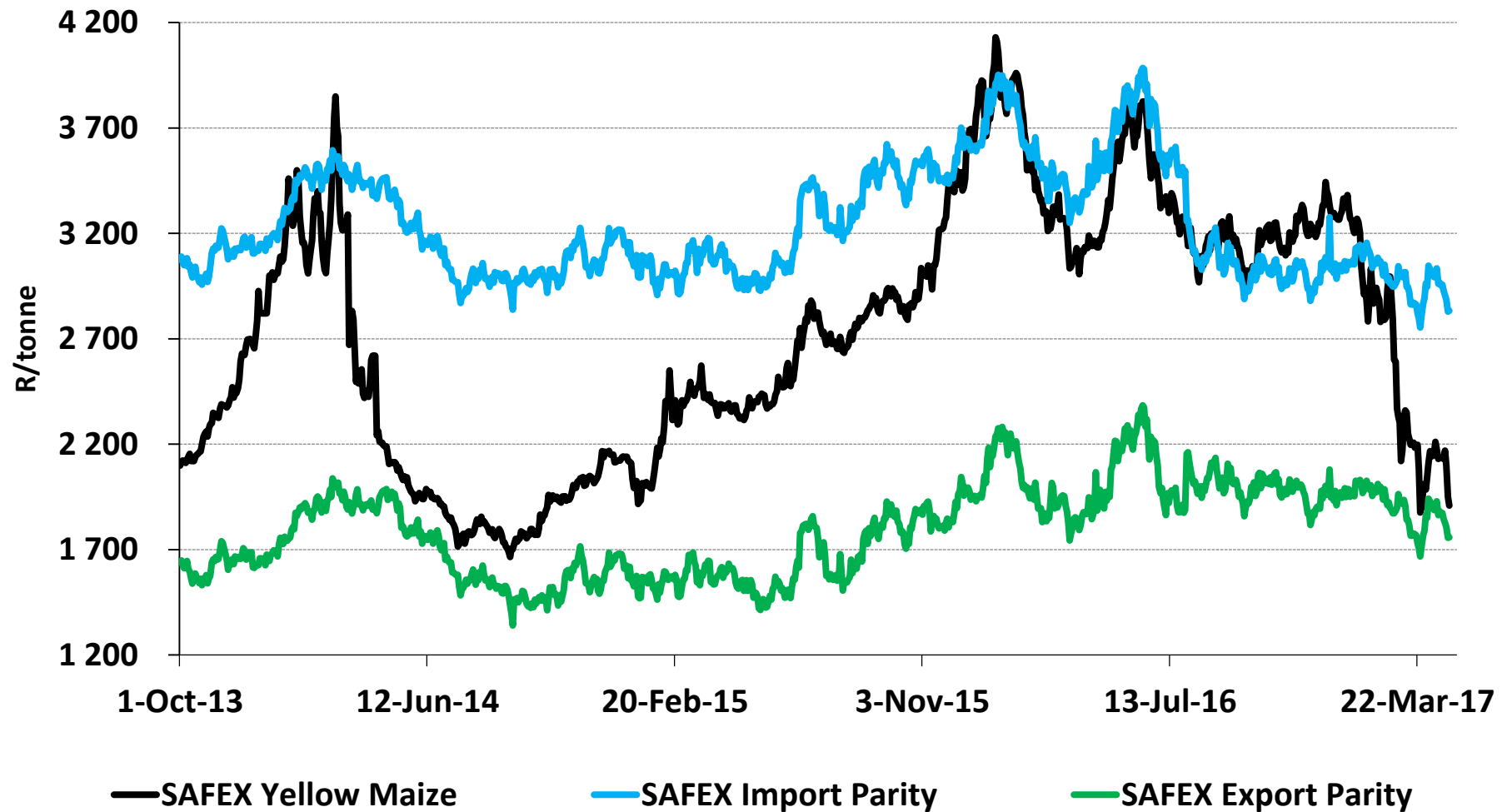
South African maize production...



Source: SAGIS, Agbiz Research

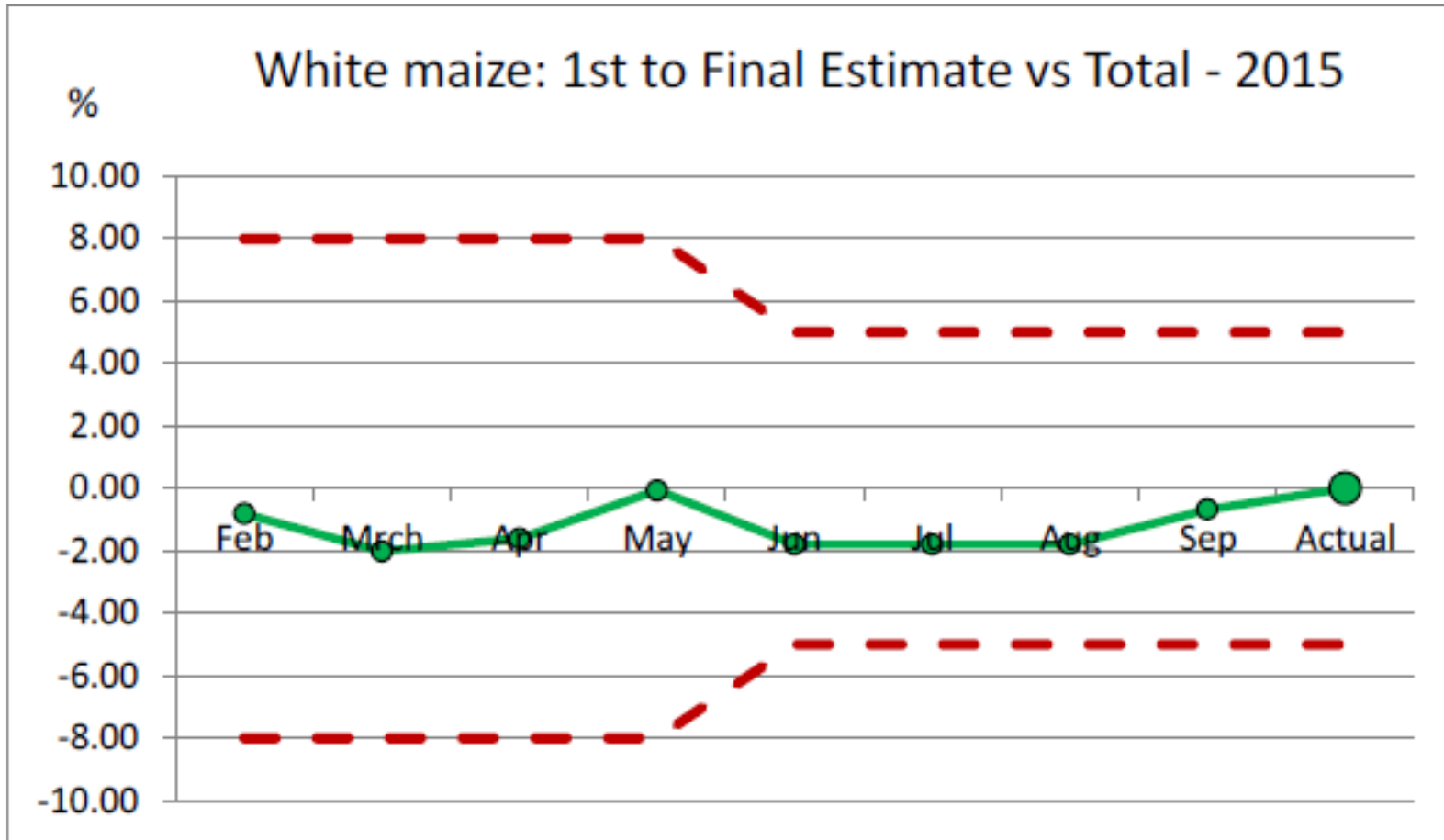


RSA yellow maize trading along export parity level...

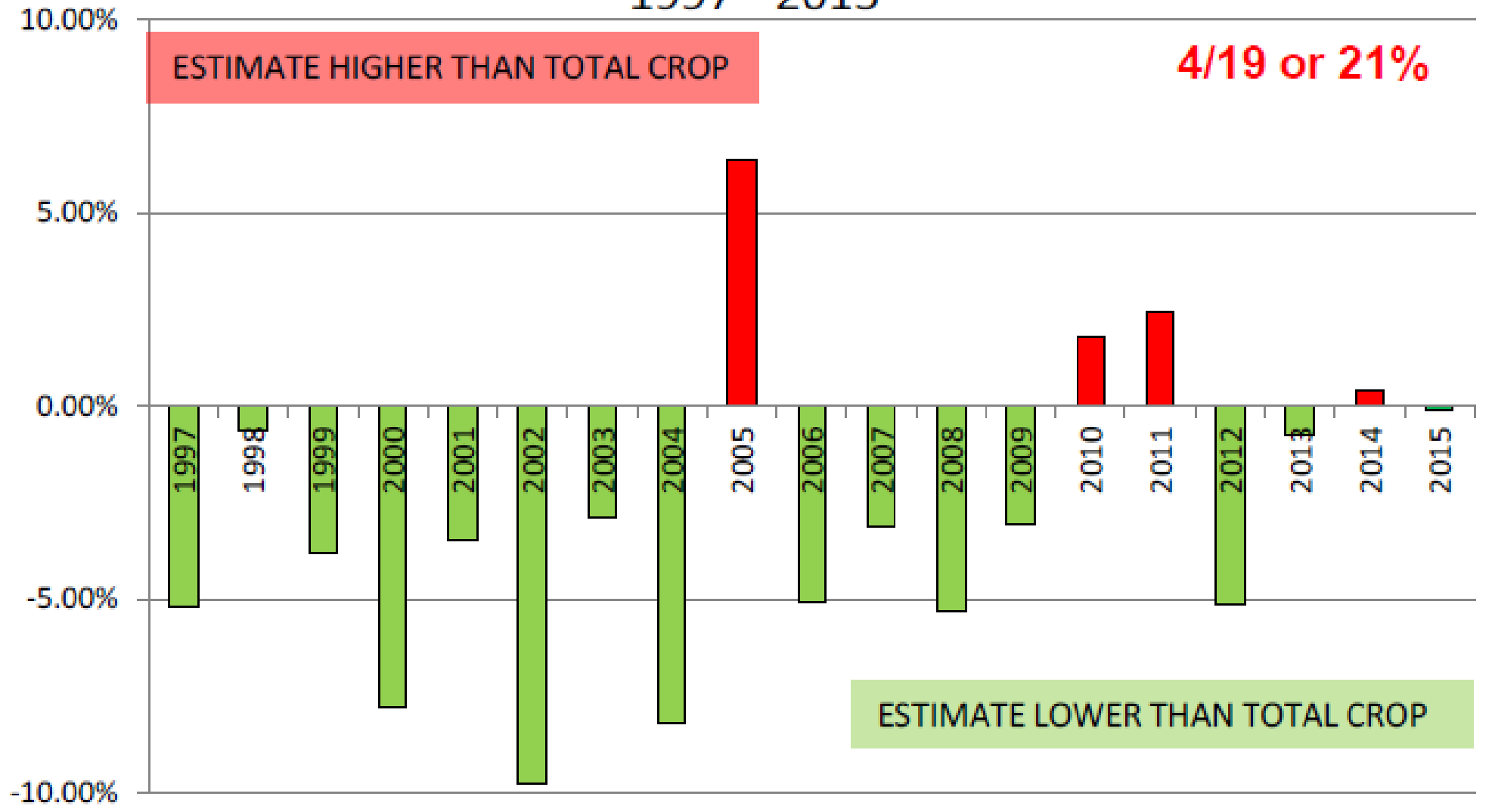


Source: Grain SA, Agbiz Research





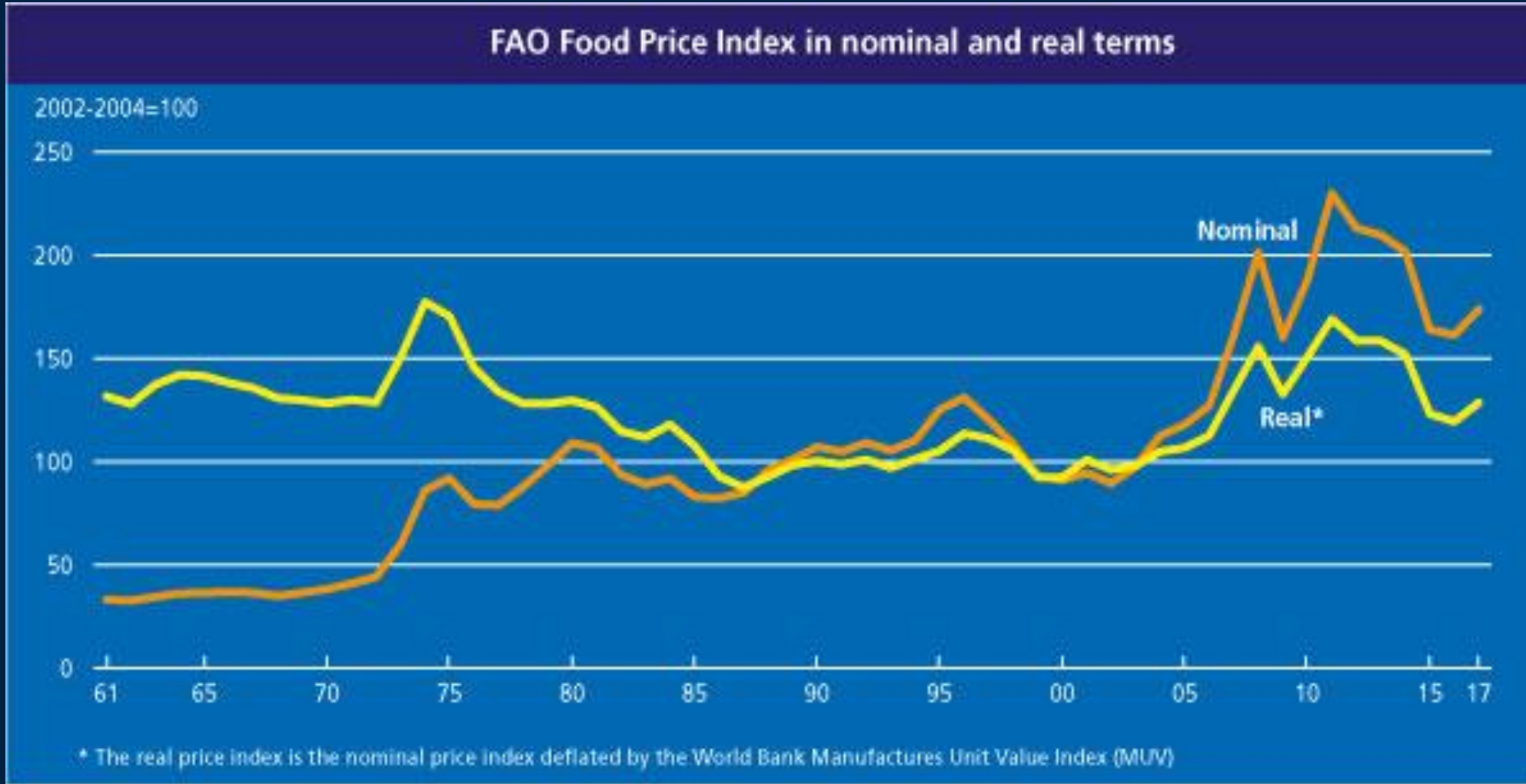
Final Estimate vs Total Crop 1997 - 2015



Food Security imperative

- Global food security crisis around 2008 – 2012
- Major focus of G20
- Drive to improve information systems in agriculture, including market information and crop estimates
- Accurate and timely crop estimates are necessary for government to assess food security situation, as well as to plan for emergencies in case of major shortfalls in supply.
- G20 established Agricultural Market Information System (AMIS) and Group on Earth Observations Global Agricultural Monitoring Initiative (GEOGLAM)

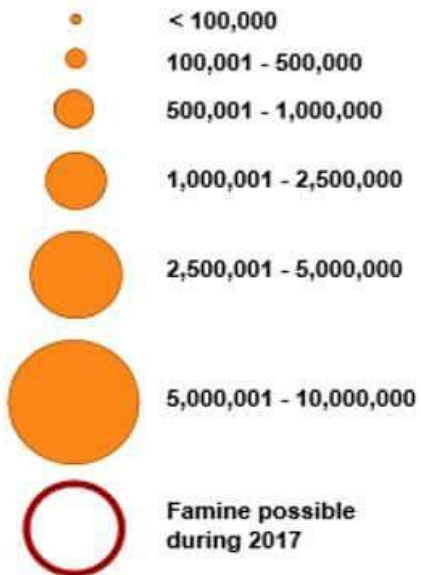
FAO Food Price Index



Source: FAO, May 2017

Food Assistance Needs in 2017 are Unprecedented

Estimated Acutely Food Insecure Populations*



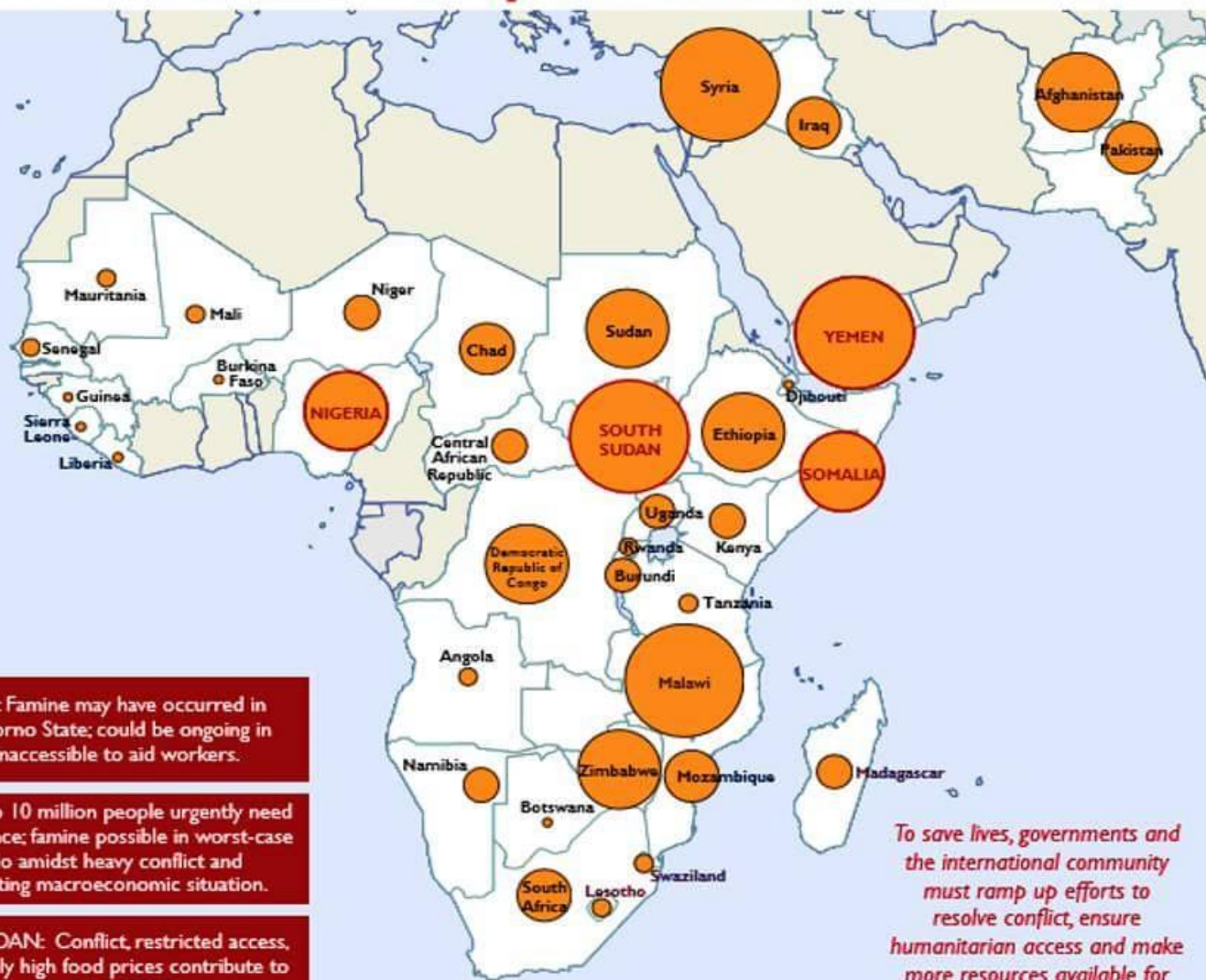
*Based on IPC-compatible phase classifications of Phase 3 or higher. More info at www.fews.net/IPC

Source: FEWS NET, OCHA, Southern Africa R/AC



Across 45 countries, some 70 million people will require emergency food assistance, 40% more than in 2015.

Famine threatens 4 countries



NIGERIA: Famine may have occurred in 2016 in Borno State; could be ongoing in areas inaccessible to aid workers.

YEMEN: 7 to 10 million people urgently need food assistance; famine possible in worst-case scenario amidst heavy conflict and deteriorating macroeconomic situation.

SOUTH SUDAN: Conflict, restricted access, and extremely high food prices contribute to famine risk in 2017.

SOMALIA: Failure of the Deyr rains and poor spring forecast threaten a repeat of 2011, when famine led to 260,000 deaths.

To save lives, governments and the international community must ramp up efforts to resolve conflict, ensure humanitarian access and make more resources available for emergency response.



Conclusion

- Accurate and timely crop estimates essential to industry and government alike:
 - Market info
 - Food security
 - Logistics planning
- Major progress in methodologies adopted and results obtained by CEC
- Must continuously endeavour to improve through adoption of new technologies and monitoring processes
- Regional impact?!



Thank you

