

MAIZE SURPLUS

Small farmers' nemesis

Up to 30% of SA maize farmers face ruin as a result of depressed prices due to a maize oversupply, says Standard Bank agricultural banking director Willie du Plessis. Following two bumper harvests, SA is expecting a maize crop of over 13 Mt this year, its second-biggest yet, which will further swell the surplus.

"That will further decrease prices, and export opportunities have also been limited as international maize stocks have built up to the point where further inputs are not required," Du Plessis says.

The stronger rand won't help exports. Maize has fallen to about R1 100/t,



about half the price in 2008 and less than it costs farmers to produce it.

The competition commission has shot down a Grain SA proposal to establish a maize export pool to relieve supply pressures. Grain SA will apply for exemption. But "even if the export pool does see the light of day it will provide only short-term relief," says Du Plessis. Another idea is to divert maize to the growing biofuel industry.

"When the agricultural community is in [trouble], there is an enormous ripple effect on the nonagricultural community," says Solidarity union research head Johan Kruger. "If hundreds of farmers go bankrupt, local communities are plunged into crisis." He urges stakeholders to gather information to help address the situation.

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