



REGISTERED NO. 1936/008920/08
Association not for gain
ESTABLISHED 1936

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27 November 2008

FOR IMMEDIATE RELEASE

PRESS RELEASE

INACCURATE CROP ESTIMATES CONTRIBUTES TO HIGH FOOD PRICES

The National Chamber of Milling hits at the Department of Agriculture today following the announcement that the actual white maize crop for 2007/08 came in at 7,48 mt, substantially higher than what was estimated during the season. *'This was a huge under estimation given the current circumstances of high food prices. Crop estimates play an important role in determining food prices'* Jannie de Villiers, Executive Director of the National Chamber of Milling said. The National Crop Estimates Committee was on average 10,7% out from the first (February 2008 – 6,3 mt) to the final (August 2008 – 7,1 mt) white maize estimate. The role players in the industry earlier agreed with the Department of Agriculture to aim at a $\pm 5\%$ accuracy margin. *'This means that we have paid too much for our white maize this year'* De Villiers said.

If Government is serious about food prices, they should avail enough funding and acquire the right skills to do a better job. The Maize Trust has spent R13.7 million during the past three years in a partnership with the Department of Agriculture in an effort to improve the situation.

In analysing the estimates for the past fourteen seasons, the National Chamber of Milling found that the white maize crop was under estimated 13 out of 14 years implying that we are paying too much for our maize. It would have been more excusable if over and under estimates were more evenly spread.

It is not that the National Crop Estimates Committee cannot get it right, the average accuracy of the yellow maize crop the past seven years was within the 5% target. The wheat estimates were also at an acceptable accuracy level, but somehow they cannot get the most basic staple food, white maize, right.

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