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Uncertainty is high as the 2026-27 summer crop season starts

- South Africa's agricultural focus has shifted to the 2026-27 summer crop season, which begins this month. Farmers in some regions have started preparing the land for the new season. In a few weeks, we should see activity across all regions. Recent rains have further improved soil moisture, building on already better-than-normal levels from the 2025-26 season. During that period, the rainfall window was prolonged and continued through May, which is unusual, as rains tend to taper off around March.

- As for how much area farmers will plant, especially amid fears of an El Niño-induced drought and higher input costs because of the U.S.-Iran war, we will have an indication later this month. On October 27, 2026, the Crop Estimates Committee (CEC) will release its report on the farmers' intentions to plant for the 2026-27 season. The report will cover maize, sunflower seed, soybeans, groundnuts, sorghum, and dry beans.

- Ordinarily, South African farmers plant around 4.5 million hectares for summer crops. But in the 2025-26 season that we are leaving behind, the area increased to 4.6 million hectares as farmers took advantage of the favourable rainfall and crop prices. Of the 4.6 million hectares, about 59% (2.7 million hectares) was maize, with 26% (1.2 million hectares) being soybeans. Whether the farmers maintain this area will depend on how they view the risks associated with the expected El Niño-induced drought and their tolerance for the higher fertiliser and fuel prices.

- Broadly, while we expect the season ahead to be challenging for the sector, we don't anticipate a major reduction in the area planted for now. We still believe the favourable soil moisture at the start of the season may encourage decent plantings. Importantly, shorter-growing crop varieties may perform even better if we continue to receive moisture early in the season, as we are now seeing. Still, timing will be critical.

- On September 30, 2026, the South African Weather Service (SAWS), in its monthly seasonal Climate Watch report, reminded once again that we are already in the El Niño cycle. Amongst other things, the SAWS stated that "The El Niño-Southern Oscillation (ENSO), which is currently in a Strong El Niño state, and current predictions indicate that it will continue strengthening towards a very strong El Niño state within the next couple of months and last at least until the end of the 2026/27 summer season." SAWS further noted that "The typical signs that El Niño will affect South Africa are starting to materialise over the Pacific Ocean and it is expected that South Africa will experience the typical impacts of drier and warmer conditions during this coming summer. Predictions indicate that during late spring, early- and mid-summer there is increased chances for below-normal rainfall to occur over most of the north-eastern half of South Africa. This forecast is consistent with typical El Niño effects for Southern Africa."

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- Therefore, while the start of the upcoming season looks favourable with the recent rains and better soil moisture we noted, we remain in an environment of elevated risks to the farming sector. Farmers will need to gauge and assess these factors as they head into the start of the season this month. While being aware of these possible difficulties and planning for them is key, it's also important to remember these are forecasts, and uncertainty around them is very high. Thus, we have emphasised the need to cultivate short-growing cultivars of various crops where necessary, rather than reducing planting. Over the coming months, we will closely monitor these planting decisions, along with weather conditions.

- For households, the CEC's September 29, 2026, report underscored the positive sentiment we have expressed about the season we are leaving behind. The CEC again lifted the 2025-26 summer grain and oilseed production estimate by 0.5% from August to 21.7 million tonnes. This is up 6% from the previous season. The estimates comprise maize, sunflower seed, soybean, groundnuts, sorghum and dry beans. We see a monthly uptick mainly in maize, groundnuts, and dry beans. Seasonally, there is a broad increase and a record harvest for some crops, such as maize and soybeans. These data reaffirmed our optimism that we are approaching the start of the 2026-27 production season in a much better position on domestic grain and oilseed supplies than during the recent droughts. This further eases the worries about a notable surge in food prices, at least in the first part of the season. Still, looking ahead to the whole of 2027 and beyond, a lot will depend on the upcoming 2026-27 season, which faces various uncertainties.

WEEKLY HIGHLIGHT

SA's 2026-27 winter crop harvest prospects are up, but that masks the challenges in the wheat industry

- South Africa's 2026-27 winter crop is estimated at 2.67 million tonnes, up 2% year-on-year. While this figure is optimistic, it overshadows sector challenges that have persisted since the start of the season. For example, the higher input costs weighed on finances as the season began a few months after the U.S.-Iran war, with fertiliser and fuel prices surging. Drier weather in the Western Cape over the past few months added another challenge. As a result, farmers feared they would reduce the area planted for crops. Fortunately, they still planted a decent area of 851 510 hectares, up 1% from the 2025-26 season. About 57% of the area is wheat, 23% is canola, and the rest is barley, oats and sweet lupins. Most crops show a mild annual increase, except wheat, which declined somewhat in the 2025-26 season.

- If we look at the detailed data and start on the positive side, the 2026-27 barley harvest is estimated at 414 640 tonnes, up 20% year-on-year. The canola harvest is estimated at 377 770 tonnes, up 20% from the 2025-26 harvest. The oats harvest is estimated at 55 850 tonnes, up by 28% from the 2025-26 season. The 2026-27 sweet lupines harvest is at 18 000 tonnes, up 1%. The main driver of the higher harvest prospects for these winter crops is the expansion in area planted.

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- On the negative, South Africa's 2026-27 winter wheat harvest is estimated at 1.81 million tonnes, down 5% year-on-year. This is the lowest harvest in eight years. The decline in area planted, combined with the prospect of poor yields due to dryness in parts of the Western Cape over the past few months, is a major factor behind the expected lower harvest. Consequently, South Africa will likely increase wheat imports to around 2.0 million tonnes, up from 1.8 million tonnes last season. Indeed, production figures may still change as the season continues. After all, we are still in the second round of production estimates, and eight more estimates are to follow. Still, based on what we have observed on the ground and insights from farmers, we are more convinced that the 2026-27 season will remain challenging for wheat, and the country's import requirements will be higher going forward.

- Global wheat supplies remain broadly solid. For example, this month, the International Grains Council placed the 2026-27 global wheat production forecast at 820 million tonnes. Looking at this figure year on year may be worrying, signalling a 3% drop from the 2025-26 season. But over the long term, a harvest of 820 million tonnes is well above the long-term level of about 790 million tonnes. The only near-term challenge, and the major driver of price increases, is disruption to shipping infrastructure in Ukraine because of the Russia-Ukraine war.

What are we watching this week?

- We start the week with a global focus. Today, the U.S. Department of Agriculture (USDA) will release the **weekly U.S. crop progress report**, which provides insight into crop growing conditions, primarily for maize, sorghum, soybeans, and other major grains, for the 2026-27 production season. We are also getting insights into the harvest process, but it remains in the early stages. On September 27, 2026, about 57% of maize crops were rated good or excellent, well behind last year's 66% in the same week. Also worth noting: 58% of the soybean crops were rated good or excellent on September 27, 2026, slightly below last year's 62% in the same week.

- On Friday, the USDA will release the **U.S.'s Crop Production Annual Summary** report. This annual report covers U.S. crop production data for the past year for grains and oilseeds, sugar crops, cotton, tobacco, and others.

- On the domestic front, on Wednesday, the South African Grain Information Services (SAGIS) will publish its **weekly data on South Africa's Grain and Oilseed Producer Deliveries**. The harvest for the 2025-26 production season is nearing completion. In the first 22 weeks of the new marketing year, farmers delivered 15.0 million tonnes of maize to commercial silos. South Africa is poised to harvest an ample 17.5 million tonnes of maize, the largest harvest on record. The 2026-27 soybean marketing year soybean harvest is complete, and farmers continue to deliver to the commercial silos the last volumes of grains for the season. In the first 30 weeks, deliveries totalled 2.8 million tonnes against an estimated crop of 3.01 million tonnes. For sunflower seeds, producer deliveries in the first 30 weeks of the new 2026-27 marketing year totalled 823,469 tonnes against an expected crop of 874,805 tonnes.

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- South Africa's 2025-26 winter wheat harvest is complete, and the focus is on the new 2026-27 season. Moreover, the weather conditions in the Western Cape, the major-producing province, have not been favourable. Still, some farmers continue to deliver small volumes of the old crop to commercial silos. In the first 52 weeks of this 2025-26 marketing year, farmers have delivered about 1.85 million tonnes of wheat to commercial silos. This is 97% of the expected season harvest of 1.89 million tonnes (down 2% y/y).

- SAGIS will also publish its **weekly South Africa's Grains and Oilseeds Trade data** on Thursday. Last week, South Africa exported 19,177 tonnes of maize, all to neighbouring countries. In the 2026-27 marketing year, which started in May 2026, South Africa could export roughly 3.0 million tonnes of maize. This would be up from 2.4 million tonnes in the past season. South Africa has ample maize supplies, supported by robust production. South Africa's maize exports so far in the 2026-27 marketing year total 1.2 million tonnes, out of the expected 3.0 million tonnes.

- South Africa is a net wheat importer, and September 25, 2026, marked the 52nd week of the new 2025-26 marketing year. Cumulative imports to date total 1.94 million tonnes from Germany, the United States, Latvia, Canada, Australia, Brazil, Romania, Lithuania, Russia, and Poland. The 2025-26 marketing year ended in September 2026.

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