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SA's 2025-26 winter crop faced some weather-related challenges, but the harvest forecast remains above last season's levels

- As the summer crop growing areas of South Africa approach the start of the new season, the 2025-26 winter crops are far advanced. At the end of September 2025, we received the second production forecast for the season from the Crop Estimates Committee (CEC). There will be eight more production estimates to follow in the coming months, but the data we have begins to provide a reliable picture of the season we are in, which is challenging for some regions. The CEC lowered South Africa's overall winter crop harvest by 1% from the August 2025 estimate to 2.77 million tonnes (but still up 4% from the 2024-25 season). This estimate comprises wheat, barley, canola, oats and sweet lupines. There was a downward revision in almost all of the winter crops except for oats, which remained unchanged from August estimates.

- South Africa's 2025-26 winter wheat production is now forecast at 2.03 million tonnes, down marginally from the August estimate, but still up 5% from the same period last year. The annual improvement is boosted by the expected better harvest in the Northern Cape, Free State, Eastern Cape, and Limpopo. The Western Cape, which accounts for over half of South Africa's winter wheat production, is set to experience a mild decline in the harvest this year compared to the 2024-25 season because of the unfavourable weather conditions in some parts of the province.

- A potential wheat harvest of 2.03 million tonnes implies that South Africa may need to import approximately 1.74 million tonnes in the 2025-26 season to meet its annual needs. These imports are expected to be down 5% from the 2024-25 season.

- Fortunately, the world market has ample wheat supplies, which will ease the imports. The International Grains Council forecasts the 2025-26 global wheat harvest at a record 819 million tonnes, up 2% from the previous season. This is based on the expectation of ample supplies in the EU, Russia, Canada, Argentina, India, and the UK. The expected large global wheat production will boost global stocks, and consequently keep the international wheat prices under pressure for some time. This will be beneficial to the wheat importers and ultimately to consumers in South Africa. Therefore, while farmers may be strained by the expected poor harvest in some regions of the country, consumers are not ultimately at risk from a food price inflation perspective.

- In the case of barley, the 2025-26 harvest is forecast at 346,430 tonnes, which is 2% lower than the August estimate and 7% lower than the previous season. This is a result of both the decline in area plantings and expected poor yields in some regions. Regarding canola, the 2025-26 production is forecast at 311,640 tonnes, down 3% from the August 2025 estimate, but 7% up from the past season. The annual gains are primarily due to the expansion in area plantings. The overall crop has regions that suffered yield losses. Moreover, the start of canola plantings encounters various challenges, such as snail infestations in some regions, which lead to replanting and thus increase the costs for farmers. Therefore, while the canola harvest is expected to be up from a year ago, the financial conditions of farmers may still be strained.

- South Africa's 2025-26 oats production is forecast at 57,213 tonnes, unchanged from the August estimate and up 32% from a year ago due to the expansion in area plantings. Also worth highlighting is that South Africa's 2025-26 sweet lupine harvest is forecast at 21,000 tonnes, which is down 9% from August but 95% higher than a year ago, and also supported by the expansion in area plantings.

- Ultimately, South Africa's 2025-26 winter crop faces some weather-related challenges, which have led to a downward revision of the production forecast in certain regions. Still, the expected harvest is well above that of the 2024-25 season, which means, in terms of supplies, the country remains in a favourable position. Moreover, the ample global wheat supplies will also help alleviate concerns about food price inflation. We are early in the season, and as the season progresses, there may be some adjustments to the data.

WEEKLY HIGHLIGHT

Another boost to SA's 2024-25 summer grains and oilseed harvest

- We are ending South Africa's 2024-25 summer grains and oilseed production season on an optimistic note. We now have eight production estimates with two more to follow, which are unlikely to change the positive picture we have. The data released last week by the Crop Estimates Committee show an increase in South Africa's 2024-25 summer grains and oilseed harvest estimate, up by 2% from the August 2025 estimate to an expected 19.94 million tonnes (a 28% year-on-year increase). There is an annual uptick in all the crops, mainly supported by favourable summer rains and the decent area plantings. The base effects also help, as we struggled with a drought last year that weighed on the harvest. This ample crop will likely continue to put downward pressure on prices, which bodes well for a moderating path of consumer food price inflation.

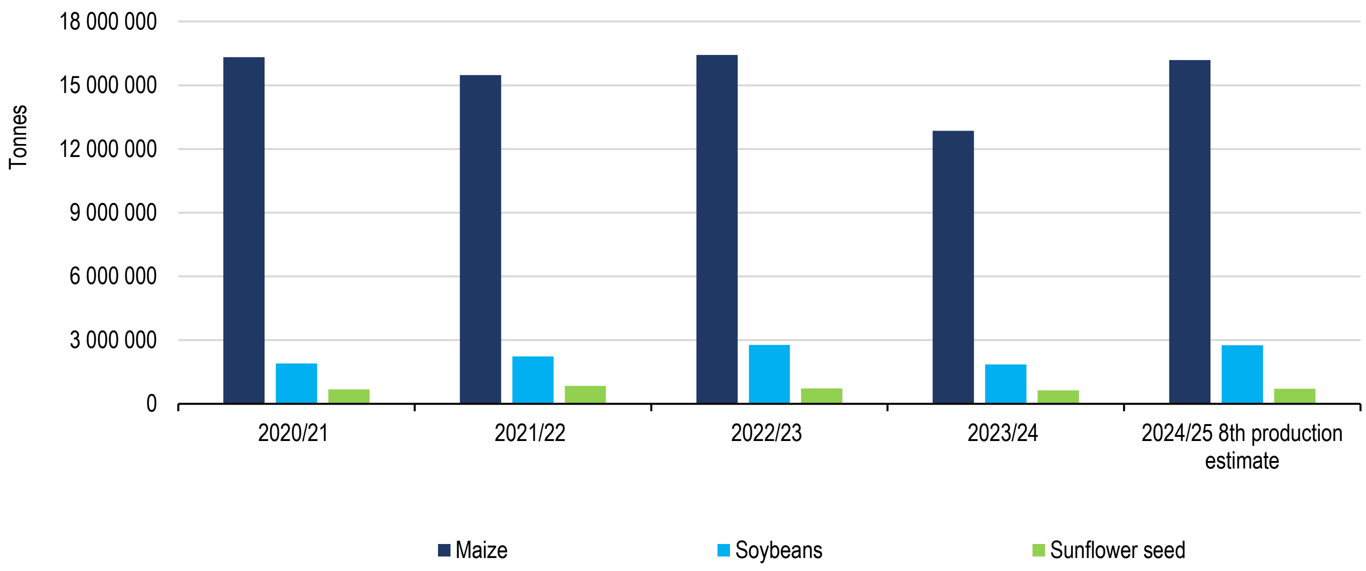
- A closer look at the data reveals that the monthly upward revisions were primarily in maize (+2%), dry beans (+5%) and sorghum (+5%). Meanwhile, the rest of the other crops were roughly unchanged from the previous month.

- More specifically, South Africa's maize harvest is now forecast at 16.12 million tonnes, which is 26% higher than the crop for the 2023-24 season. Importantly, these forecasts are well above South Africa's annual maize needs of approximately 12.00 million tonnes, implying that South Africa will have a surplus and remain a net exporter of maize.

- Regarding oilseeds, the soybean harvest is estimated at 2.75 million tonnes, representing a 49% year-over-year increase. Sunflower seeds are up 12% from the last season and are estimated at 708,300 tonnes. The groundnut harvest is estimated at 61,389 tonnes (up 18% y/y), sorghum production is estimated at 144,665 tonnes (up 48% y/y), and the dry beans harvest is at 90,556 tonnes (up 79%).

- Overall, South Africa has an ample supply of summer grains and oilseeds, and we will see the benefits of the harvest in the softening of commodity prices, which bodes well for consumer food price inflation. In a few weeks, the focus will be on the 2025-26 season, which also promises to be favourable, with prospects of La Niña rains.

Exhibit 1: SA's summer crop production estimates (selected crops)



Source: CEC and Agbiz Research

South Africa's agricultural machinery sales remain strong

- South Africa's agricultural machinery sales have remained reasonably robust since the start of 2025 and are likely to continue on this encouraging pace throughout the year. More specifically, the tractor sales have increased for the past nine consecutive months, while combine harvester sales have only cooled in the last four months, having started on a solid momentum.

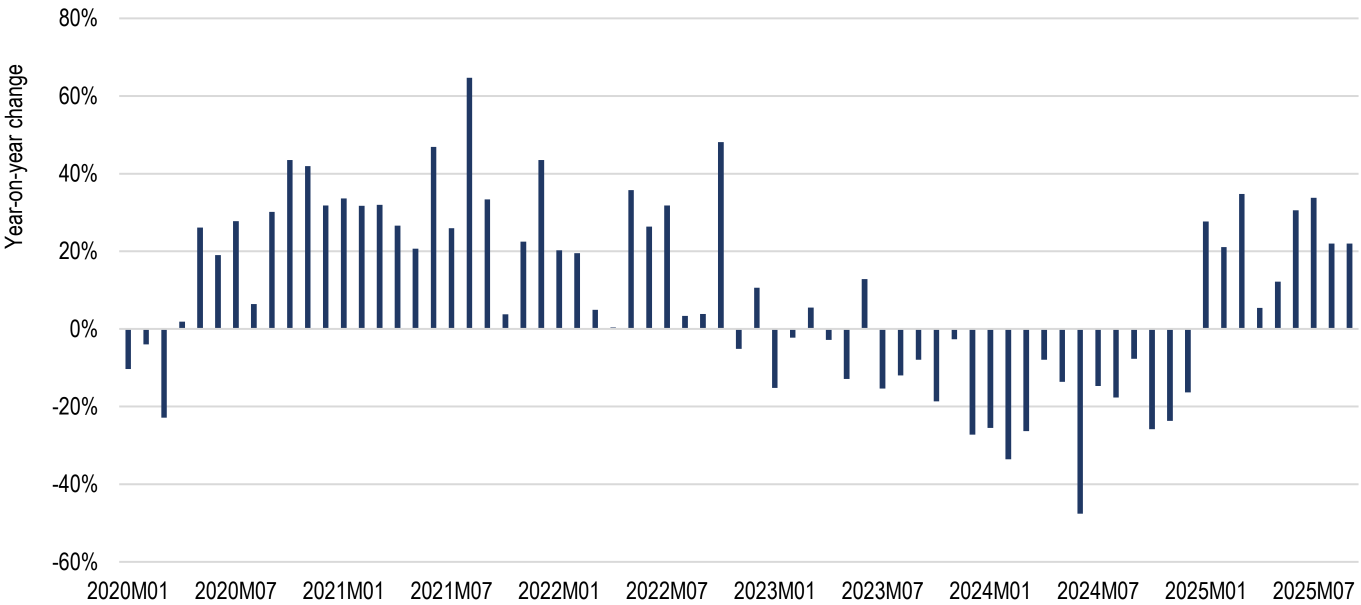
- The recent data for September 2025 also paints a mixed picture. For example, the tractor sales are up 15% y/y, with 758 units sold. However, the combine harvester sales were down 53%, with eight units sold. The soft sales in combine harvester sales are not a significant concern, given the higher volume of sales in the past few months. Importantly, the cumulative sales of combine harvesters for the first eight months of 2025 are up 17% from the corresponding period in 2024, with 180 units sold.

- The increase in agricultural machinery sales primarily reflects the positive sentiment in the sector regarding the 2024-25 field crop, horticulture, and wine grape harvest, supported by the favourable weather conditions. It also signals optimism about the season ahead. For example, (1) the Crop Estimates Committee forecasts the 2024-25 summer grains and oilseeds harvest at 19.94 million tonnes, up 28%

y/y. (2) South African sugar production for the 2024-25 production season is forecast to recover by 7% y/y to 2.09 million tonnes. (3) South Africa's wine grape harvest was 1.244 million tonnes, an 11% recovery from 2024. (4) The South African Table Grape Industry has also posted some upbeat production figures, and there are encouraging production data from citrus, various fruits, and vegetables.

- In essence, we expect South Africa's agricultural machinery to remain strong this year. In addition to the better agricultural production conditions, the interest rates have eased somewhat from last year's levels. Also worth noting is that some farmers may continue with machinery replacement in the coming months, which will ultimately support sales. There is also optimism about the upcoming 2025-26 season, which promises to be favourable, with prospects of La Niña rains.

Exhibit 2: South Africa's tractor sales



Source: South African Agricultural Machinery Association and Agbiz Research

WEEK AHEAD

What are we watching this week?

- We start the week with a focus on the global front, and today, the United States Department of Agriculture (USDA) will release its weekly U.S. **Crop Progress** report. The USDA will release its weekly **U.S. Grains and Oilseed Export Sales** data on Thursday. On the same day, the USDA will release its monthly flagship report, the **World Agricultural Supply and Demand Estimates Report (WASDE)**. The only major risk associated with these data releases is the Government Shutdown, which has affected the functionality of various U.S. departments. These present some level of uncertainty about whether the data will be published.

- On the domestic front, on Wednesday, the South African Grain Information Services (SAGIS) will release its weekly data on South Africa's Grain and Oilseed **Producer Deliveries**. In the previous release on September 26, South African farmers delivered 67,109 tonnes of the new season maize to commercial silos. This was the 22nd weekly delivery for the new season, bringing the overall maize deliveries so far to 14.21 million tonnes. South Africa's 2024-25 maize harvest is estimated at 16.18 million tonnes, a 26% increase year-on-year, primarily due to expected annual yield improvements.

- The 2025-26 marketing year for oilseeds started at the beginning of March 2025. In the first 30 weeks, the soybean producer deliveries totalled 2.66 million tonnes, out of the expected harvest of 2.75 million tonnes. In the case of sunflower seeds, the first 30 weeks of the new 2025-26 marketing year's producer deliveries totalled 694,341 tonnes, representing 98% of the expected harvest of 708,300 tonnes. Moreover, the wheat producer deliveries for the 52 weeks of the 2024-25 marketing year stand at 1.89 million tonnes. The final harvest is 1.93 million tonnes, down from 2.05 million tonnes in the 2023-24 season. We will soon be focusing on the new season, which started this month.

- On Thursday, SAGIS will publish its **weekly South Africa's Grains and Oilseeds Trade** data. In the week of September 26, South Africa exported 27,624 tonnes of maize, all of which was destined for the Southern African region. This placed South Africa's 2025-26 maize exports at 650,897 tonnes, out of the expected seasonal exports of 2.24 million tonnes. The current marketing year only ends in April 2026. We will likely see more robust export activity later in the year and in early 2026, when demand in the region is expected to be strong.

- While South Africa has an ample harvest and will remain a net exporter of maize, minor imports of yellow maize from Argentina are expected to continue for the coastal regions of South Africa. For example, so far in the 2025-26 marketing year, South Africa has imported 77,524 tonnes of yellow maize for feed in the country's coastal regions. These importers mainly take advantage of the affordable prices of Argentinian supplies.

- South Africa is a net wheat importer, and September 26 marked the 52nd week of the 2024-25 marketing year, which ended in September. The imports to date have totalled 1.83 million tonnes, surpassing the seasonal import forecast of 1.74 million tonnes (down from 1.93 million tonnes in the previous season). So far, Russia, Lithuania, Poland, Latvia, Australia, Canada and Romania are the wheat suppliers to South Africa.