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Wandile Sihlobo | Chief Economist | Email: wandile@agbiz.co.za

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Leading global agricultural producers must avoid export restrictions

- Major global agricultural exporting countries are approaching the current Middle East crisis differently than they did in other recent crises. In the past, we have seen swift policy reactions and implementation of export bans on some farming inputs or agricultural commodities in response to global shocks and uncertainty. While the appeal of such policy responses is that they are beneficial to domestic consumers of exporting countries in the short term, these policies also have negative effects on food security challenges in importing countries and disadvantage farmers in countries that rely on imported fertilisers and agrochemicals. It is now nearly two months since the Middle East war started, and we haven't seen a generalized shift to such export restrictions. This approach must continue, as it will help support global food security.

- Part of the reason for the current favourable policy environment by agricultural exporting countries is the ample supply of agricultural products in the world market. For example, estimates from the U.S. Department of Agriculture place global sugar production in 2025-26 at a record 189 million tonnes, underpinned by strong harvests in Brazil, India, and other countries. It is for this reason that the Food and Agriculture Organization of the United Nations's (FAO) monthly global Sugar Price Index averaged 92 points in March 2026, down 21% from a year ago. Global dairy supplies also remain plentiful, with strong production across the major exporting countries, except Australia, where the industry is under pressure. Thus, the FAO's global Dairy Price Index averaged 121 points in March 2026, down 19% from a year ago.

- Global grains and oilseed supplies are also robust. For example, in its March 2026 report, the International Grains Council (IGC) placed the 2025-26 global grains and oilseed production at 2.5 billion tonnes, up 9% from a year ago. These include maize, wheat, soybean, and rice, amongst major grains and oilseeds. If we zoom in on wheat, the 2025-26 global harvest was a record 845 million tonnes, underpinned by ample harvests across major producing regions such as the EU, Russia, the U.S., Canada, Australia, Ukraine, China, and India, among others.

- Regarding 2025-26 global maize supplies, the harvest is estimated at 1.3 billion tonnes, up 6% from the previous season. The large harvests in the U.S., Brazil, Argentina, Ukraine, China, India, and South Africa boosted this. We saw similar harvest conditions in rice, with the IGC placing the 2025-26 global rice harvest at a record 544 million tonnes. This large harvest was supported mainly by India, China, Bangladesh, and Vietnam, amongst others. In soybeans, the harvest for the 2025-26 season is well above average, at 426 million tonnes, on the back of large harvests in the U.S., Brazil, Argentina, China, and Paraguay, amongst others. The 2025-26 sunflower seed production was also robust, at 56 million tonnes, up 8% from the previous season, driven by large harvests in Russia, Ukraine, the EU, Argentina, Kazakhstan, and South Africa.

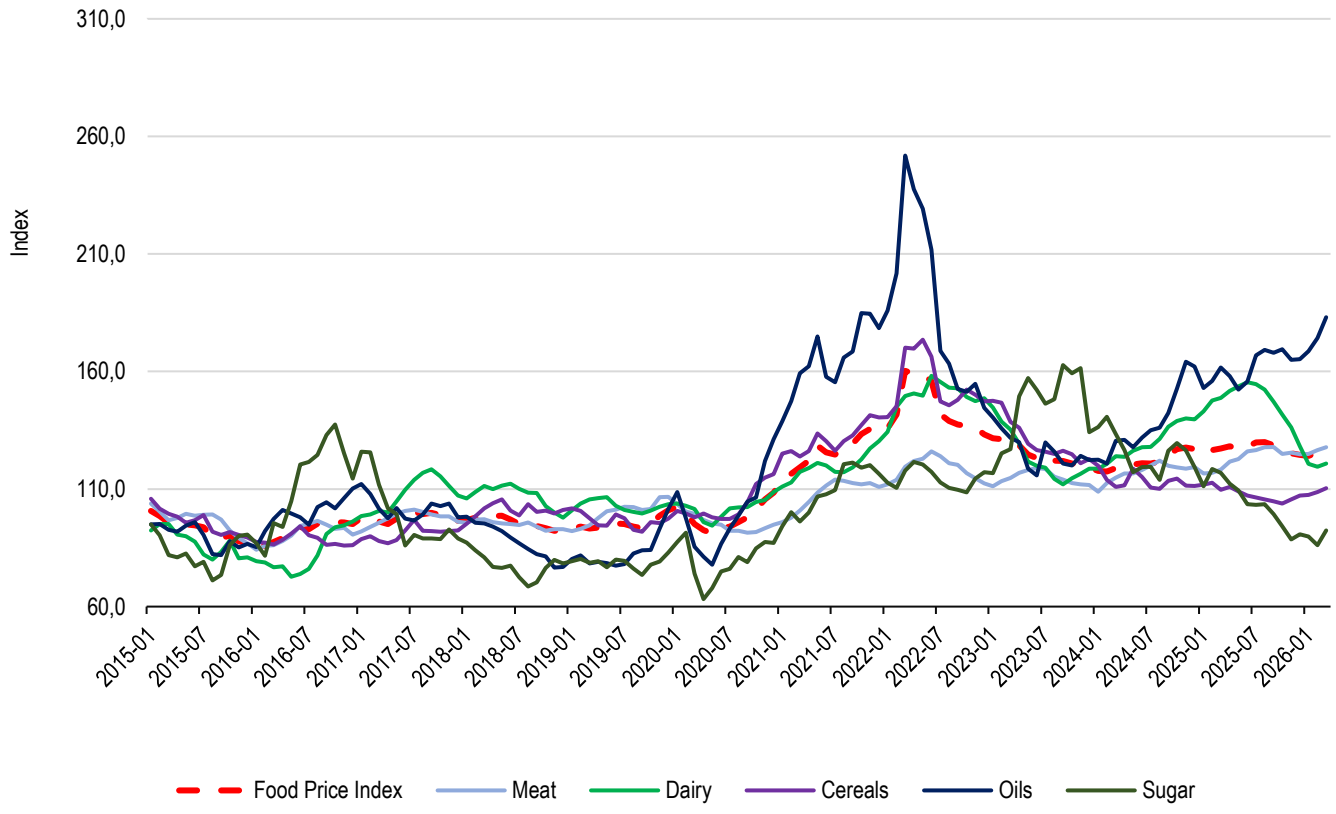
- These are not the only agricultural value chains that saw a robust harvest. We also saw ample harvests of various fruits and nuts in the major producing countries globally, including South Africa. In an environment of such large supplies, it makes sense that exporting countries, while they recognise the

risks of higher fertiliser and fuel prices, should not rush to introduce policy changes that would primarily disadvantage importing countries and cause panic in global agricultural markets.

- Indeed, there are risks for the 2026-27 season, which starts in May 2026 in most regions of the Northern Hemisphere. The projected El Niño, higher fuel and fertiliser prices, and lower commodity prices on the back of large supplies are some of the factors that will influence farmers' planting decisions. We will not know for certain the area they planted until June. In the Southern Hemisphere, we start planting in October, and we will know the actual area planted only in January 2027. The same factors that may constrain the 2026-27 season in the Northern Hemisphere remain the key points of consideration in this side of the world.

- The outcome of the 2026-27 agricultural season will only become clearer in mid-2027, and it is then that the world can make more informed decisions about the path ahead for global food supplies. Still, to navigate this environment more effectively, the world's leading agricultural producers and input suppliers must maintain a flexible export policy and avoid restrictions that could trigger panic.

Exhibit 1: Global food price index



Source: FAO and Agbiz Research

What are we watching this week?

- We start the week by looking at the global front, and today the U.S. Department of Agriculture (USDA) will release its **weekly U.S. crop progress report**, which provides insight into planting activity in maize, rice, sorghum, soybeans, and other major grains for the 2026-27 production season. The plantings have only started in a few areas so far, and will likely gain momentum from next month. We will watch this data closely, as it will also signal how U.S. farmers are adjusting plantings in light of higher fuel and fertiliser prices and concerns about the weather outlook.

- On Friday, the USDA will release its **U.S. Food Price Outlook report**. This file provides data on U.S. food prices and forecasts annual food price changes up to 18 months ahead. This report will also give us insight into how the U.S. views agricultural supplies, which ultimately influence views on food prices.

- 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**. In the previous release on April 10, 2026, South African farmers delivered 103,413 tonnes of maize to commercial silos. This was the 50th weekly delivery for the 2025-26 marketing year (which corresponds with the 2024-25 production season), bringing the overall maize deliveries so far to 16.00 million tonnes. South Africa's 2024-25 maize harvest is at 16.65 million tonnes, a 28% year-on-year increase, driven by yield improvements.

- The 2026-27 soybean marketing year has recently started, and the first 6-week deliveries were at 245,701 tonnes. We are well ahead, with the final crop estimate at 2.7 million tonnes, down 4% from the previous year, largely due to expected poor yields in some areas. In the case of sunflower seeds, the first 6 weeks of the new 2026-27 marketing year's producer deliveries totalled 191,968 tonnes. There is still a long way to go, as the forecast harvest for the season is 778,155 tonnes.

- South Africa's 2025-26 winter wheat harvest is complete. Some farmers continue to deliver the crop to commercial silos. In the first 28 weeks of this 2025-26 marketing year, farmers have delivered about 1.79 million tonnes of wheat to commercial silos. This is 95% of the expected season harvest of 1.89 million tonnes (down 2% y/y).

- Also on Wednesday, Statistics South Africa will release the **Consumer Price Index (CPI) data** for March 2026. Our focus on these data will be on the food category. The impact of the Middle East war will also begin to show in these data.

- On Thursday, SAGIS will publish its weekly **South Africa's Grains and Oilseeds Trade data**. In the week of April 10, 2026, South Africa exported 36,174 tonnes of maize, with about 51% going to Zimbabwe, 13% to Namibia, and the remainder to other countries in the Southern African region. This placed South Africa's 2025-26 maize exports at 1.9 million tonnes, out of the expected seasonal exports of 2.4 million tonnes. The current marketing year only ends this month, April 2026. We have seen much softer demand for maize this year, partly due to ample global supplies. It seems unlikely that we will meet the 2.4 million tonnes export target for the season.

- While South Africa has an ample harvest and will remain a net exporter of maize, we have seen minor imports of yellow maize from Argentina for South Africa's coastal regions. For example, so far in the 2025-26 marketing year, South Africa has imported 110,448 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 April 10 marked the 28th week of the new 2025-26 marketing year. The cumulative imports to date have totalled 1.0 million tonnes from Germany, the United States, Latvia, Canada, Australia, Brazil, Romania, Lithuania, Russia, and Poland. We expect South Africa's 2025-26 wheat imports to reach 1.85 million tonnes, roughly the same as the 2024-25 marketing year.