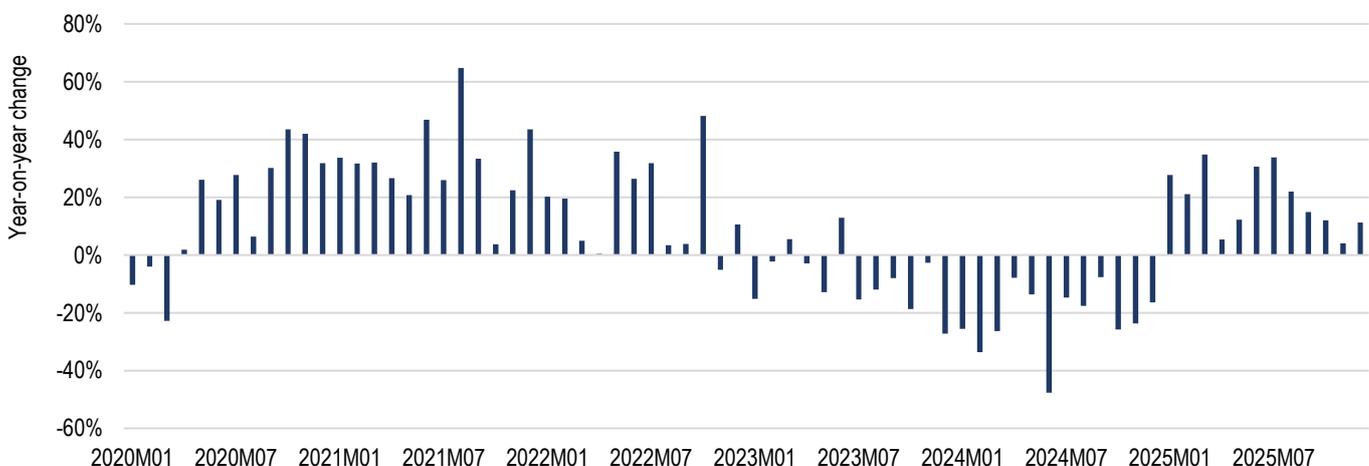


## 2025 was a solid year for South Africa's agricultural machinery sales

- **We now have full-year data on South Africa's agricultural machinery sales for 2025. The data mirror the optimism we have shared for months as we have observed strong tractor and combine harvester sales. South Africa's 2025 tractor sales amounted to 7,668 units, up 19% from 2024. The combine harvester sales amounted to 207 units in 2025, up by 3% from the previous year. These solid sales may continue in 2026, as the agricultural conditions, particularly in field crops and horticulture, remain favourable.**
- Amongst other things, the solid agricultural machinery sales in 2025 primarily reflect the financial gains from the better 2024-25 agricultural season, particularly in field crops, horticulture, and wine grape harvests, which were mainly supported by favourable weather conditions. Moreover, the strong tractor sales signal farmers' optimism about the 2025-26 agricultural season. The 2025-26 season will likely deliver another year of ample harvests, as La Niña rains continue to support production conditions across various agricultural subsectors. In the case of summer grains and oilseeds, farmers intend to plant 4.1 million hectares in the 2025-26 season, up 1% from the previous year. We will likely see decent plantings in other crops.
- Moreover, in addition to improved agricultural production conditions for the 2024-25 season and promising prospects for the new 2025-26 season, interest rates have eased somewhat from recent higher levels, and the affordable cost of capital supports sales. **Most importantly, we don't see the strong sales as a matter of just 2025; we are optimistic that we may continue on this path in 2026, as the cost of capital remains affordable and the sector is likely to deliver another year of ample harvests, all of which strengthen some farmers' financial positions.**

### Exhibit I: South Africa's tractor sales



Source: South African Agricultural Machinery Association and Agbiz Research