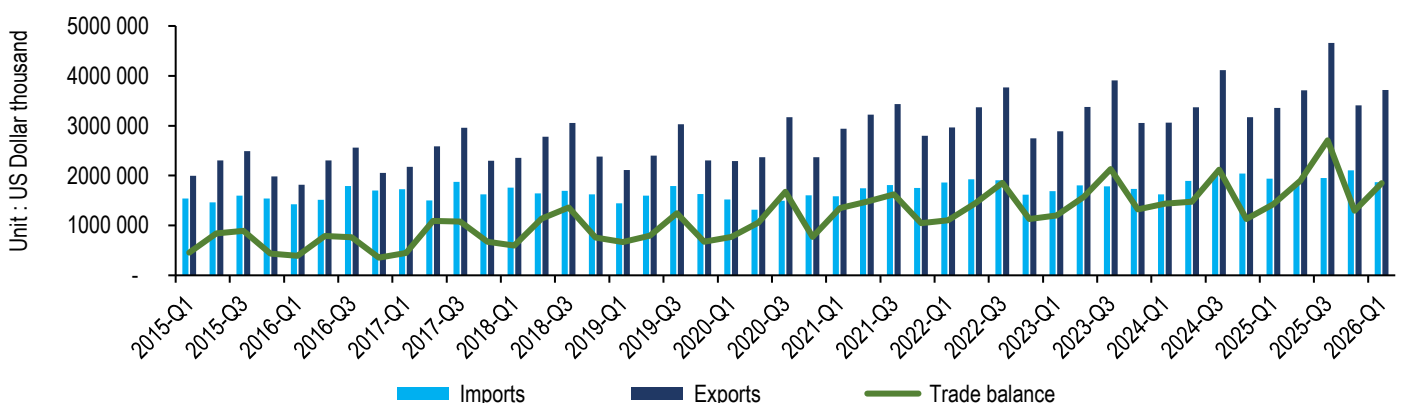


South Africa's agricultural exports jumped 11% in Q1, 2026

- South Africa's agricultural exports have had an excellent start to 2026, despite the uncertain global trade environment and often challenging domestic logistics. According to data from Trade Map, South Africa's agricultural exports totalled US\$3.7 billion in the first quarter of 2026, up 11% from the same period a year ago. This increase is a function of both higher volumes of various product exports and better commodity prices. The products that dominated the exports list in the first quarter were mainly grapes, apples and pears, maize, wine, apricots, cherries, peaches, sugar, wool, fruit juices, nuts, dates, avocados, pineapples, guavas, mangos, and soybean, among other products. While port efficiency has been gradually improving, we still observed isolated challenges at the Port of Cape Town during the first quarter. The Port of Cape Town experienced delays in its agricultural activities at the end of 2025 and into 2026. This was a peak export period for the table grapes industry. It was also at a time when the industry had an ample harvest.
- Some growers and exporters had to move the volume of the crop they would typically export through the Port of Cape Town to the Eastern Cape ports. For example, data from the South African Table Grape Industry show that the proportion of table grape exports shipped through the Port of Cape Town declined from 91% in the previous season to 76% in the 2025-26 season. Meanwhile, volumes shipped through Eastern Cape ports increased from 6% of total exports in 2024/25 to 21% this year. While higher export activity is generally welcomed at the Eastern Cape ports, transporting these volumes from remote regions to the Eastern Cape ports costs growers and exporters more compared to doing so through the Port of Cape Town.
- Therefore, while export values for the first quarter of 2026 are solid, the financial conditions of some growers were negatively affected by difficulties at the Port of Cape Town. Fortunately, there are ongoing conversations to improve the operations. Transnet has been collaborating with organised agriculture and other stakeholders to minimise friction going forward.

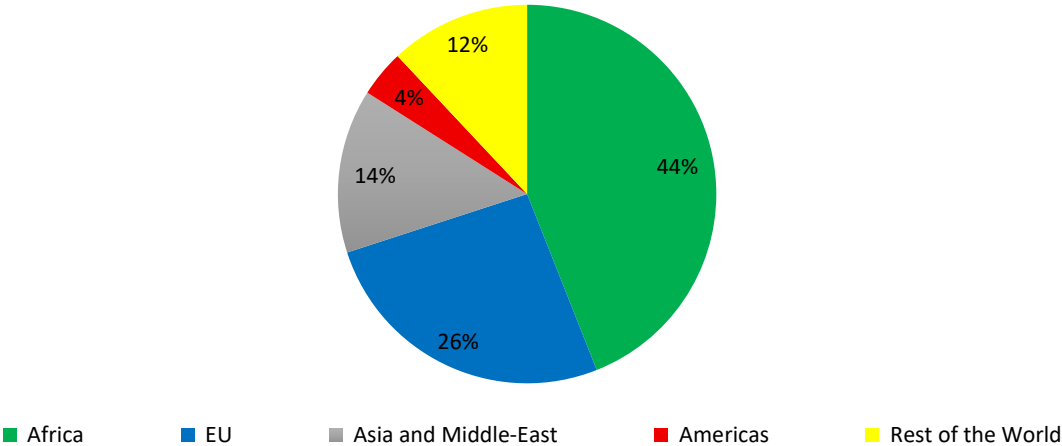
Exhibit I: South Africa's agricultural trade



Source: Trade Map and Agbiz Research

- From a regional perspective, the African continent maintained the lion's share of South Africa's agricultural exports in the first quarter of 2026, accounting for 44% of the total value. The products leading the export list in the African continent were maize, apples and pears, soybean, sugar, fruit juices, soybean oil, sunflower oil, and wine, amongst others.
- The EU was South Africa's second-largest agricultural market, accounting for 26% of exports. Grapes, apricots, cherries, peaches, plums, wine, apples and pears, dates, figs, pineapples, avocados, guavas, mangos, fruit juices, sugar, nuts, and citrus juices were amongst the primary agricultural products South Africa exported to the EU in the first quarter of 2026.
- As a collective, Asia and the Middle East were the third-largest agricultural markets, accounting for 14% of the total agricultural exports in the first quarter of 2026. The exports to this region primarily included apples and pears, wool, grapes, citrus, apricots, cherries, peaches, beef, mutton, berries, and wine, among other products.
- The Americas region accounted for 4% of South Africa's agricultural exports in the first quarter of the year. The main exported products include grapes, wine, nuts, sugar, apricots, cherries, peaches, plums, and fruit juices.
- Given ongoing concerns about higher U.S. tariffs, it is worth noting that agricultural exports have declined notably by 33% in the first quarter of 2026 compared with the same period in 2025. That said, this decline needs to be interpreted with caution, as there may have been some front-loading of exports ahead of the announcement of 'Liberation Day' tariffs. However, the tariffs have now been adjusted to 10%, from the previous higher rate of 30%, which may support export performance over the coming quarters.
- The rest of the world, including the United Kingdom, accounted for 12% of South African agricultural exports in the first quarter of 2026.

Exhibit 2: South Africa's agricultural exports by region in Q1, 2026



Source: Trade Map and Agbiz Research

- South Africa does not engage in one-way trade. The country imports various agricultural products. In the first quarter of 2026, South Africa's agricultural imports totalled US\$1.9 billion, a 4% increase year-

over-year decline, according to data from Trade Map. The decrease resulted from lower volume and prices of major products South Africa imports, such as wheat, palm oil, rice, poultry, and whiskies.

- As we have argued before, South Africa lacks favourable climatic conditions for growing rice and palm oil and thus relies on imports of these products. Regarding wheat, South Africa imports nearly half of the annual consumption. In the Free State province, which was once one of the country's major wheat-growing regions, production has declined notably over time due to unfavourable weather conditions and the lower profitability of wheat compared to other crops.
- Subsequently, when we account for the exports and imports, South Africa's agriculture sector recorded a trade surplus of US\$1.8 billion in the first quarter of 2026, up 30% year-on-year.
- In essence, the country has had a solid start to 2026 in terms of exports. Still, in the current environment of heightened geoeconomic tensions, South Africa's export-oriented agricultural sector must focus on maintaining its existing export markets and expanding into new ones. The focus for both policymakers and agribusinesses and organised agriculture should be on improving logistical efficiency. This entails investments in port and rail infrastructure, as well as improving roads in farming towns. In addition, South Africa must work diligently to maintain its existing markets in the EU, Africa, Asia, the Middle East, and the Americas. The South African Department of Trade, Industry and Competition, the Department of International Relations and Cooperation, and the Department of Agriculture should lead the way in expanding exports to existing markets and exploring new ones, guided by the country's Economic Diplomacy strategy.

WEEKLY HIGHLIGHT

South Africa's consumer food price inflation is at its lowest level in 14 months

- Although fears of high fuel prices resulting from the Middle East war persist, and indeed it remains an upside risk to South Africa's consumer food price inflation going forward, the near-term data continue to paint a comforting picture. The figures released by Statistics South Africa last week show that the consumer food price inflation slowed to 2.8% in April 2026, down from 3.4% in March. This is the lowest level in 14 months. There was a broad deceleration across the various food products. At the core of moderating consumer food price inflation are lower grain, fruit, and vegetable prices on the back of ample domestic and global supplies, and moderating vegetable oil prices, which underpin the softening of price inflation. We believe meat presents minimal risks to inflation. Base effects on meat prices, along with continued cattle slaughter, have helped ease price inflation.
- As we stated several times previously, on cereal products price inflation, we are in yet another better production year. South Africa's 2025-26 summer grains and oilseeds production is forecast at a record 20.8 million tonnes, up 1% from the 2024-25 season. This figure comprises maize, sunflower seed, soybean, groundnuts, sorghum, and dry beans. This ample harvest adds to already large stocks from the past season, keeping grain prices under pressure. Global grain prices are also under pressure from large harvests, further weighing on prices.
- In fruits, while the recent floods are destructive in parts of the Eastern and Western Cape, the country's fruit harvest is ample. We are even seeing strong exports of citrus, table grapes, and stone fruits, among others, due to a large domestic harvest. Solid exports also don't necessarily reduce local supplies; they

are key, and the local market remains well supplied. To highlight a few, we also saw strong performance in the various fruit products. For example, export volumes from the stone fruit and pome industries have increased by 12% year on year, driven by a large harvest. Also, the figures recently released by the South African Table Grape Industry show that the final figures for the 2025-26 table grape season inspected for export were 81.25 million cartons (4.5 kg cartons), a 3% year-on-year increase. The production conditions for vegetables remain broadly favourable, supporting increased field activity. The poultry industry also had a better start to the year, supported by lower feed prices (maize and soybeans).

- Regarding meat, the pace of cattle slaughter has declined somewhat, though not notably. Another fact worth keeping in mind is that during foot-and-mouth disease outbreaks, the country is typically temporarily closed to some export markets, leading to increased domestic supplies, even if the slaughtering has reduced somewhat.
- Overall, the fundamentals of agricultural supply remain solid and point to a moderation in consumer food price inflation. But the increases in fuel prices resulting from the Middle East war remain a key potential risk, potentially pushing food inflation higher later in the year. Fuel accounts for a substantial share of the distribution costs of food products. Fuel also accounts for 13% of grain farmers' input costs, but farmers are price takers and can't pass this cost on to consumers except by adjusting their planting decisions in the next season. However, that adjustment is not immediate. The immediate risk is the distribution costs of food products. Another medium-term risk is the forecast El Niño drought, but this may only affect the direction of 2027 food price inflation, as it affects the next season's crop.
- South Africa's headline inflation was 4.0% in April 2026, from 3.1% in March.

Exhibit 3: South Africa's consumer food inflation



Source: Stats SA and Agbiz Research

What are we watching this week?

- We start the week by looking at the global front, and this is another quiet week with two major data releases. On Tuesday, 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 planting has progressed notably across the U.S. For example, about 76% of the intended maize area had already been planted by May 17, which is slightly ahead of the five-year average planting progress of 70%. Moreover, about 67% of the intended soybean area had already been planted, ahead of the five-year average of 53%. On Thursday, the USDA will release the **Outlook for U.S. Agricultural Trade forecasts data**. These data entail the U.S. agricultural exports and imports for the upcoming fiscal year.
- On the domestic front, the Crop Estimates Committee will release **the fourth production forecast for summer field crops** on Tuesday.
- On Wednesday, the South African Grain Information Services (SAGIS) will publish its **weekly data on South Africa's Grain and Oilseed Producer Deliveries**. We have recently started the new 2026-27 season, and the harvest is still in its early stages. In the first three weeks of the new marketing year, the farmers delivered 405,156 tonnes of maize to commercial silos. We are far from the end of the season and are expecting an ample crop, with the latest production estimate suggesting we could see a record harvest of 16.8 million tonnes of maize.
- The 2026-27 soybean marketing year has recently started, and the first 11-week deliveries were at 1.3 million tonnes. There is a long way ahead, with the final crop estimate at a record 2.8 million tonnes. In the case of sunflower seeds, the first 11 weeks of the new 2026-27 marketing year's producer deliveries totalled 491,132 tonnes. There is still a long way to go, as the forecast harvest for the season is 821,630 tonnes.
- South Africa's 2025-26 winter wheat harvest is complete. Some farmers continue to deliver the crop to commercial silos. In the first 33 weeks of this 2025-26 marketing year, farmers have delivered about 1.82 million tonnes of wheat to commercial silos. This is 96% 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** only on Thursday. We are in a new marketing year: 2026-27. In the first three weeks of the new marketing year, South Africa exported 158,272 tonnes of maize. About 32% of the maize exports went to Zimbabwe, 31% to Vietnam, and the remainder to other countries in the Southern African region. South Africa's maize exports for the 2026-27 season are forecast at 2.90 million tonnes (up from 2.40 million tonnes). The current marketing year only ends in April 2027.
- South Africa is a net wheat importer, and May 15 marked the 33rd week of the new 2025-26 marketing year. The cumulative imports to date have totalled 1.2 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.