

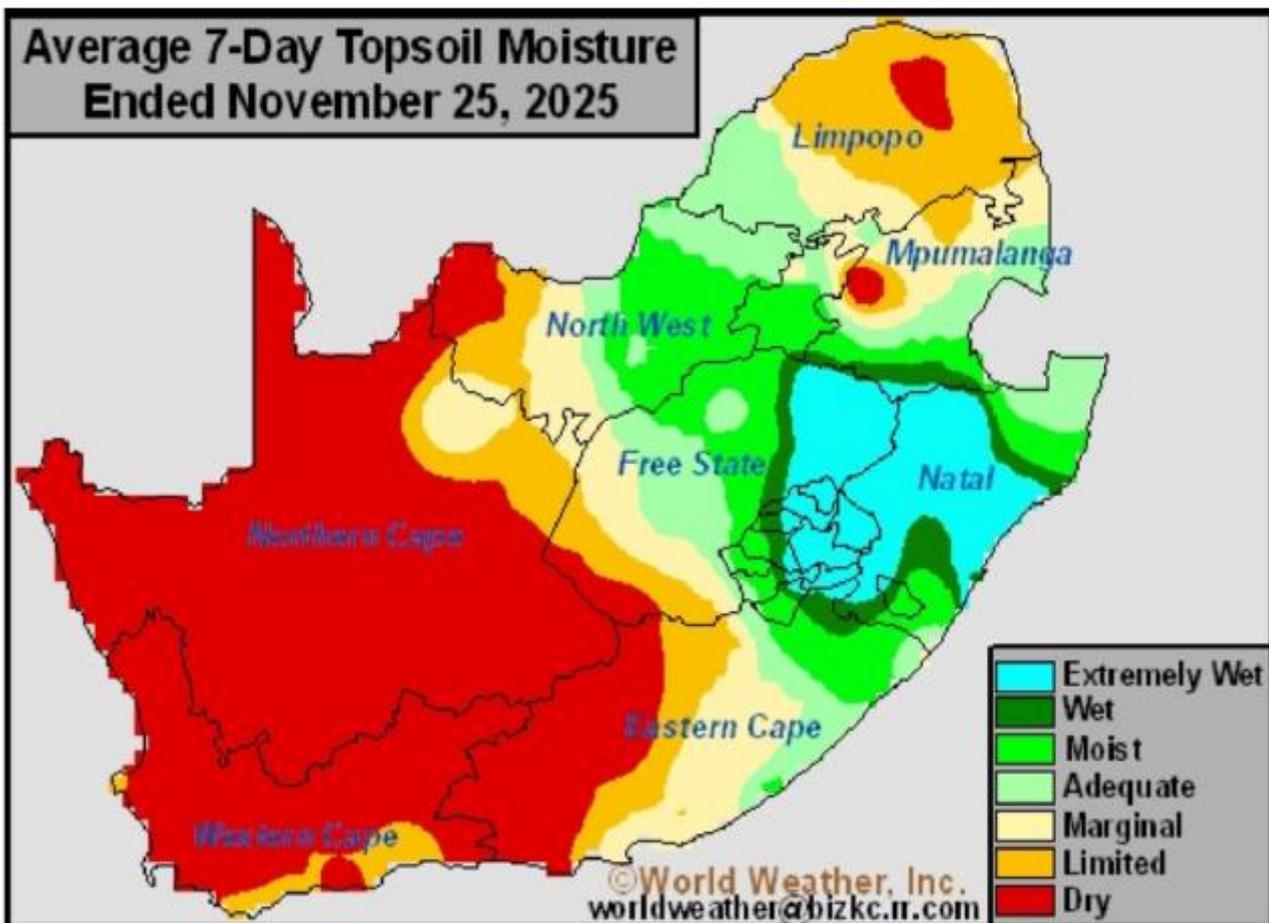
December 3, 2025

Evolving factors shaping the outlook for SA agriculture in 2026

- We continue to receive encouraging reports on the prospects for La Niña-induced rainfall during the 2025-26 summer season. Most regions of the country have received excellent rain since the start of October. Soil moisture has improved notably across various areas of the country (see Exhibit 1). The latest forecasts from the International Research Institute for Climate and Society at Columbia University (IRI) indicate a high likelihood of La Niña-induced rains continuing through to February 2026. This period covers the planting through to the flowering of the summer crop, which are stages that require more moisture for development. After the flowering period, warmer, sunnier weather typically helps with crop maturation.
- Better rainfall prospects are beneficial not only to field crops but also to the livestock and horticulture subsectors. For the livestock subsector, improvements in the grazing veld, at a time when feed prices are also falling, are a welcome development, as the industry has struggled with financial pressures due to foot-and-mouth disease.
- Moreover, the start of vaccination against foot-and-mouth disease on the 12 million head of cattle nationwide (with 7.2 million in commercial herds) suggests the industry may finally be entering a recovery period. Still, it is too early, and the vaccination process will be a major logistical undertaking, in addition to the challenge of securing sufficient vaccines. Still, the fact that we now have a clearer direction for the country provides some comfort. What will also be vital from now on is the inclusion of domestic private labs in vaccine manufacturing, rather than relying solely on imports and the revival of state-owned institutions.
- In the horticulture subsector, rainy weather reduces the irrigation period and helps save on energy costs somewhat. Importantly, having the dam levels recover across the major fruit and vegetable-producing areas helps ensure that, even as we approach the winter season in 2026, field activities will continue normally with better soil moisture and irrigation. These favourable weather conditions have set the country up for excellent fruit and vegetable yields going into 2026.
- Still, on the profitability side, a lot will depend on the success of export activity. In 2025, the ports performed better, particularly in the first three quarters of the year, helping to keep exports robust. For example, the cumulative value of agricultural exports for the first three quarters of the year is US\$11.7 billion, representing a 10% increase from the corresponding period in 2024. Although there is still room for improvement in port efficiency, we have witnessed notable gains compared to recent months despite the U.S.'s implementation of tariffs. This has supported export activity and illustrates the gains from ongoing policy reforms in South Africa's network industries.

- Separately, we are now in another busy export period for table grapes, and Transnet's continued efforts and focus on supporting exports will help ensure we end 2025 on a positive footing and start 2026 on a strong path. A sharper focus by Transnet is needed even more now, as the Western Cape, a major table grape export port, has recently experienced challenging wind conditions. Therefore, ensuring there is sufficient staff on site to push exports, even in challenging weather, is more crucial. Such effort and focus by Transnet and other logistics organizations will be needed through the stone fruit export season into 2026.
- In field crops, planting of grains and oilseeds is underway. The farmers are optimistic and aiming to plant 4.5 million hectares, up 1% from the 2024-25 season. The favourable weather prospects may help ensure that South Africa gets an even bigger harvest than the 20.21 million tonnes in the 2024-25 production season (already up 30% from the previous year).
- In essence, the weather outlook remains favourable for South Africa's agriculture going into the 2025-26 summer season. Interventions through livestock vaccination and a stronger focus on improving port efficiency will help ensure widespread gains in the sector, supporting solid growth in 2026.

Exhibit I: South Africa's Influence From La Niña Ensures More Rain



Source: World Weather Inc

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