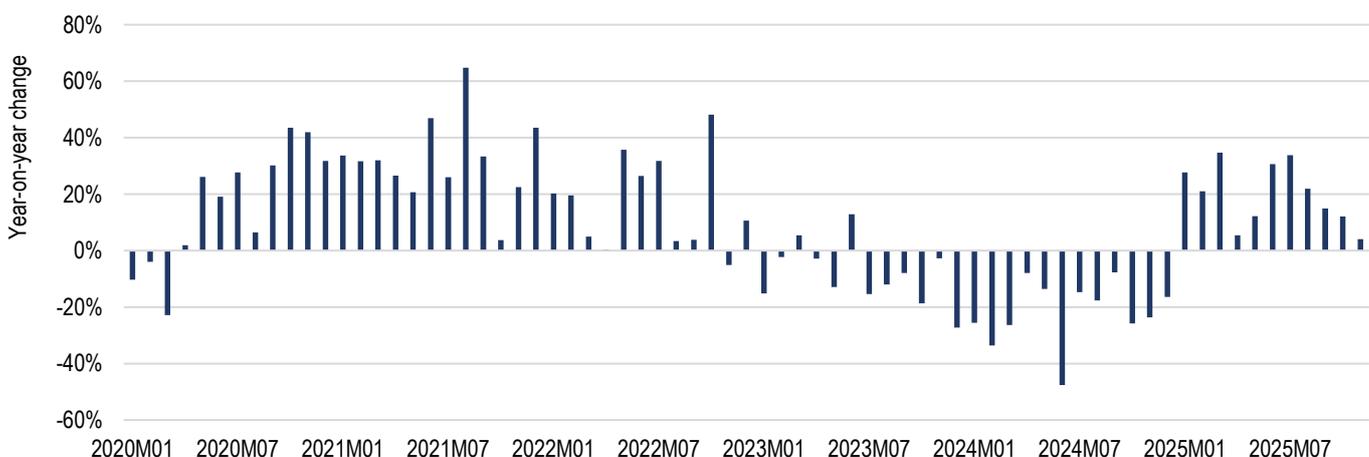


SA agricultural machinery sales remain robust

- **We are ending 2025 on a strong note in the agricultural machinery industry. We now have data for the 11 months of 2025. Cumulative tractor sales are 7,176 units, up 19% year-on-year. The combine harvesters sales for the 11 months are at 200 units, up by 3%. The sales have generally been robust throughout the year, with combine harvesters only cooling in recent months. But the broad picture for the year will be a period of recovery.**
- Amongst other things, the increase in agricultural machinery sales primarily reflects 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, which has recently started. The 2025-26 season will likely deliver another year of ample harvests, as La Niña rains are expected to support production conditions across various subsectors of agriculture. 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.
- **We now have comfort that South Africa's agricultural machinery sales will be strong in 2025, resembling the gains in agriculture.** In addition to the improved agricultural production conditions for the 2024-25 season and the promising prospects for the new 2025-26 season, interest rates have eased somewhat from last year's 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 can continue on this path through 2026, as the cost of capital remains affordable and the sector is likely to deliver another year of ample harvests.**

Exhibit I: South Africa's tractor sales



Source: South African Agricultural Machinery Association and Agbiz Research