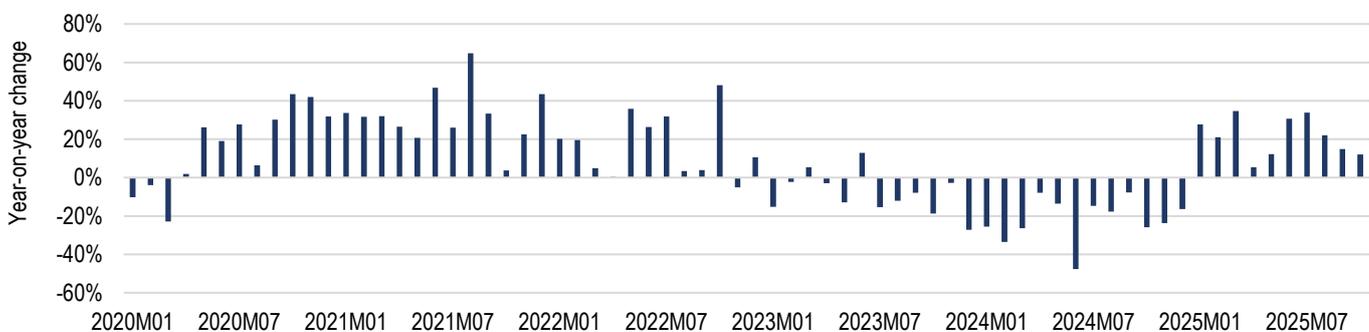


SA's tractor sales have remained strong since the start of 2025

- **When the agricultural sector is experiencing favourable production conditions, the interlinked industries tend to benefit. We are seeing such benefits in the agricultural machinery industry, which has seen robust sales for much of this year. More specifically, the tractor sales have increased for the past ten months, while combine harvester sales have cooled in the last five months, having started on a solid momentum.**
- This is evident in the October 2025 sales data. For example, the tractor sales are up 12% y/y, with 857 units sold. Meanwhile, the combine harvester sales were down 39%, with 17 units sold. The soft sales in combine harvester sales are not a significant concern, given the higher volume of sales in the past few months. Importantly, the cumulative sales of combine harvesters for the first nine months of 2025 are up 4% from the corresponding period in 2024, with 197 units sold.
- 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. This is likely to be another favourable season as there are prospects of La Niña rains, which should 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.
- **In essence, it is increasingly evident that South Africa's agricultural machinery sales will likely remain strong this year.** In addition to the improved agricultural production conditions for the 2024-25 season and the new 2025-26 season, interest rates have eased somewhat from last year's levels, which supports sales. Also worth noting is that some farmers may continue with machinery replacement in the coming months, which will ultimately support sales.

Exhibit I: South Africa's tractor sales



Source: South African Agricultural Machinery Association and Agbiz Research