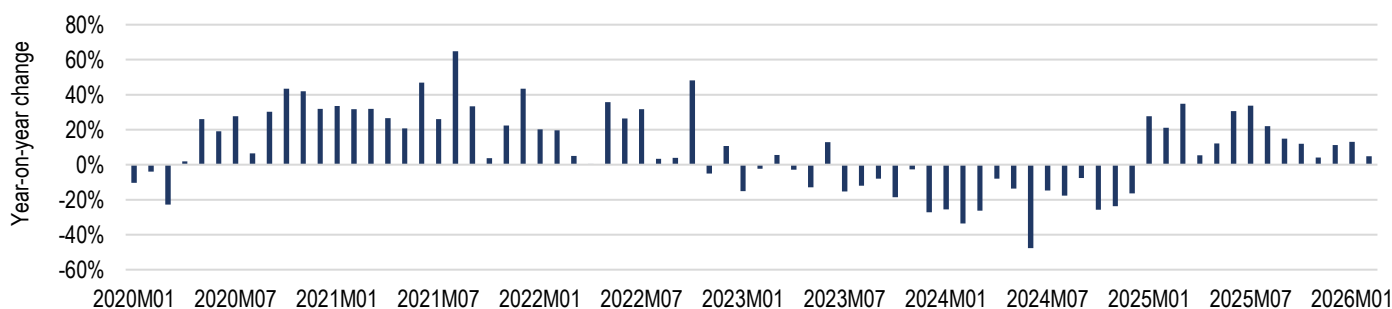


South Africa's agricultural machinery sales continue on a sound footing

- **We continue to observe an encouraging start to the year in South African agricultural machinery sales. These strong sales come after a robust 2025, when South Africa's tractor sales totalled 7,668 units, up 19% from 2024, and combine harvester sales totalled 207 units, up 3% from the previous year. The data we received this morning from the South African Agricultural Machinery Association shows that tractor sales amounted to 669 units in February 2026, up 5% year-on-year. The combine harvester sales were 19 units, up 63% from the previous month. These strong monthly sales follow the January 2026 uptick.**
- The expansion in summer grains and oilseeds area plantings in the 2025-26 season, combined with relatively better financial gains from the robust production in the previous 2024-25 agricultural season, particularly in field crops, horticulture, and wine grape harvests, mainly supported these sales.
- South Africa's 2025-26 area plantings for summer grains and oilseeds are 4.62 million hectares, up 4% from the previous season. This comprises maize, sunflower, soybeans, groundnuts, sorghum, and dry beans. Admittedly, we are in the early days of the 2025-26 season, but judging from these planting data and the favourable rainfall in South Africa's major crop-producing regions, we believe that 2025-26 may yet be another better year for South Africa's summer grains and oilseeds, although a slightly lesser harvest than in the 2024-25 season. We now have the first production estimate for the 2025-26 season, at 19.82 million tonnes. While this is 3% less than the 2024-25 season, it remains an encouraging estimate. We must not forget that the 2024-25 summer grains and oilseeds were the second-largest on record; therefore, being marginally lower than they were is not cause for concern.
- Ultimately, given such a promising season, agricultural machinery sales are likely to remain strong this year. Bearing in mind the risks in the Middle East and the implications for the South African economy, we still believe that the cost of capital may remain reasonably affordable in the coming months, thus strengthening some farmers' financial positions and underscoring our optimism about this year again.

Exhibit I: South Africa's tractor sales



Source: South African Agricultural Machinery Association and Agbiz Research