

South Africa's farming fortunes are positive at the start of 2026

- The South African farming sector had a broadly positive start to 2026. This is notwithstanding the challenges posed by foot-and-mouth disease in cattle, African swine fever in the pig industry, and floods in the northeastern regions of South Africa at the start of the year. Still, higher economic activity across field crops and horticulture sufficiently supported growth in the sector.
- The figures released this morning by Statistics South Africa show that the country's agricultural gross value added expanded by 3.9% quarter-on-quarter (seasonally adjusted) in the first quarter of 2026, from a 0.4% in the last quarter of 2025. These robust growth figures also align with the strong trade figures for the first quarter. For example, in the first quarter of 2026, South Africa's agricultural exports totalled US\$3.7 billion, up 11% from the same period a year ago, according to data from Trade Map. Better exports were a function of both higher export volumes across various products and higher commodity prices.
- If we zoom in on field crops, we will likely continue to see encouraging figures in agriculture over the coming quarters due to the ample harvest this year. In the current 2025-26 production season, South Africa still has an ample harvest, with an expected record summer grain and oilseed harvest of 21.1 million tonnes, up 3% up year-on-year (y/y). This production figure comprises maize, sunflower seed, soybean, groundnuts, sorghum, and dry beans.
- The poultry industry is also performing well and benefiting from affordable feed (maize and soybean prices are down by 10-30% from a year ago). We also see robust volumes in fruits and vegetables, although in the second quarter of the year, we may see a slight impact of the recent floods on growth figures.
- Overall, the agricultural sector's start of the year is encouraging from an economic activity perspective. Still, this overshadows some of the underlying challenges, such as the lingering impact of foot-and-mouth disease, which we hope will soon ease as vaccination progresses. The African swine fever in the pork industry is another challenge.
- Looking ahead, higher input costs due to the Middle East war, along with the expected El Niño drought, will weigh on the sector heading into 2027. This year, the impact of these factors may remain limited. The season most exposed is 2026-27, which starts in October 2026 for summer grains and oilseeds.