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July 28, 2026

SA's 2025-26 summer grain and oilseed harvest lifted again

- **We continue to see upside revisions of South Africa's summer grain and oilseed production estimates. This afternoon, the Crop Estimates Committee released its sixth production forecast. It slightly nudged up the country's 2025-26 summer grain and oilseed harvest to 21.5 million tonnes, up 0.3% from the previous month, and up year-on-year (y/y). This ample harvest is on the back of the expansion of the area under cultivation and the high yields from favourable La Niña summer rains.**

- If we zoom in on the major grains, the 2025-26 maize production estimate is 17.4 million tonnes, up 4% from last season, and the largest harvest on record. About 9.39 million tonnes of white maize, with 7.97 million tonnes being yellow maize. Such a maize crop, combined with likely large carryover stocks from the current season, signals that South Africa will once again be a net exporter of maize in the 2026-27 marketing year (corresponding to the 2025-26 production season). South Africa's annual maize consumption is 12.00 million tonnes. There are over 3.0 million tonnes for exports and ample carryover stocks for next year. Notably, the harvest is still underway in the various parts of the country because of the late start of the season, and the quality of the crop in the areas that have been harvested is decent.

- The 2025-26 soybean harvest is estimated at a record 3.04 million tonnes, largely due to higher yields in some regions and large-area plantings (the harvest is up 9% y/y). The sunflower seed crop is estimated at 874 805 tonnes, down mildly from the previous month, but up by 23% y/y. There is also a decent harvest of small grains, such as groundnuts, sorghum, and dry beans.

- **From a consumer perspective, these grain and oilseed production data will continue to put downward pressure on prices, supporting our long-standing view of a moderating path of consumer food price inflation in 2026.** South Africa's consumer food price inflation has slowed, at 1.4% in June 2026, from 1.6% in May. This was the lowest level since December 2010. There was a broad deceleration across various food products, and grains were among the key products underpinning the moderation in consumer food price inflation.

- Looking ahead, **the medium-term risk is the forecast El Niño drought, but it will affect the 2026-27 summer grain crop, which will only be planted from October 2026.** This harvest will only enter the market in mid-2027. If the heatwaves we see in the northern hemisphere are any indication, then the upcoming summer crop season may be profoundly challenging for South Africa's agriculture. Notably, the expected El Niño drought also poses an upside risk to consumer food price inflation. Another major risk is the ongoing Middle East war and its impact on fertiliser and fuel prices.