Wandile Sihlobo | Chief Economist | Email: wandile@agbiz.co.za

09 September 2026

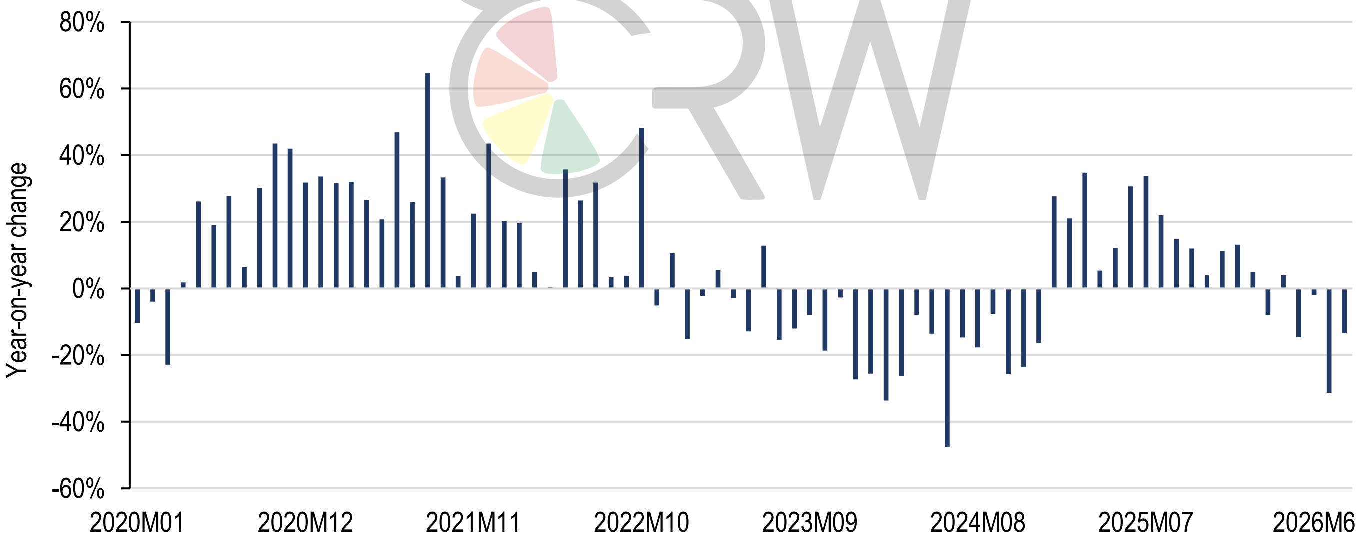
SA tractor sales continued to slow in August 2026

- We continue to see some cooling in South African tractor sales. Sales have declined for four consecutive months to 606 units in August 2026, down 13% from a year ago, according to recent data from the South African Agricultural Machinery Association. Higher input costs, driven by the U.S.-Iran war and the expected El Niño drought heading into the 2026-27 agricultural production season, are among the factors contributing to the sales decline. At its core, this moment came after a long period of strong sales, so a cooling period was expected, with the tractor replacement rate slowing. We also see weak combine harvester sales for similar reasons. In August 2026, combine harvester sales were down 20% year on year, with just 4 units sold.

- Indeed, for the near term, the agricultural conditions are broadly favourable for the 2025-26 season in some crops. In fact, the Crop Estimates Committee forecasts the 2025-26 summer grain and oilseed harvest at 21.6 million tonnes, up 5% y/y. This ample harvest is supported by expanded cultivated area and high yields from favourable La Niña summer rains. We see strong harvests also in fruits.

- Overall, we think this year's tractor sales will remain decent, as the first part of the year was relatively strong. The challenge started closer to mid-year, when we saw some cooling. For the rest of the year and going into 2027, the expected drought will weigh on farmers' finances and ultimately the machinery sales. High fertiliser and fuel prices, driven by Middle East instability, further weaken sales prospects for the coming year and into 2027.

Exhibit 1: South Africa's tractor sales



Source: South African Agricultural Machinery Association and Agbiz Research