

SA is likely to have a better winter crop harvest in the 2025-26 season

- Grain production recovery remains one of the key themes for SA's agriculture this year. Following an excellent summer grains and oilseed harvest for the 2024-25 season, estimated at 19.55 million tonnes (up 26% year-over-year), South Africa also appears poised to have a decent winter crop harvest. Prospects for the winter appeared more uncertain in the early parts of the season. At the start of the 2025-26 winter crop season, we were concerned that what looked like unfavourable rainfall prospects for the season, combined with higher input costs, would discourage planting. Early in the season, the South African Weather Service (SAWS) signalled a concerning outlook for rainfall prospects, stating in July 2025, that "During Late winter and early spring, the south-western parts of the country are still expected to receive below-normal rainfall."
- Fortunately, for many winter crop-producing regions of the Western Cape, the weather turned out positively, delivering favourable rainfall that supported better plantings and continued to present conducive growing conditions for the crops. In other winter crop-growing regions of the country, the longer-than-usual summer rainfall period improved soil moisture and dam levels, all of which are beneficial to winter crops, especially in irrigation regions. There are sufficient water supplies to support the crop throughout the season.
- Farmers pushed through and planted a decent area of 841,685 hectares, up 3% from the previous season, according to data from the Crop Estimate Committee (CEC). This comprises wheat, barley, canola, oats and sweet lupines. We observed an increase in plantings of most of these crops, except for barley, which declined slightly. But the optimism does not end with an increase in the area plantings. The yield potential is promising. The CEC forecasts South Africa's 2025-26 winter crops harvest at 2.79 million tonnes, up by 5% from the previous season. Production is expected to increase on most crops, except for barley, where the challenge is that farmers have shifted the area to other crops, partly due to profitability reasons.
- If we delve into the details, starting with wheat, the 2025-26 production is estimated at 2.04 million tonnes, a 6% increase from the previous season, due to a slight increase in plantings and expected better yields. The improvement is primarily driven by the majority of provinces, with the Western Cape being the major producer, followed by the Northern Cape, Free State, and Limpopo, among others. If such a crop materialises, we could see a mild decline in import requirements in the 2025-26 marketing year. Already, the South African Supply and Demand Estimates Committee forecasts 2025-26 wheat imports at 1.74 million tonnes, a 3% decrease from the previous season.

- The canola crop is projected to reach a new high of 320,043 tonnes, up by 10% from the previous season. This is also boosted by both the increase in plantings and the expected better yields. This harvest prospect reinforces South Africa's position as a relatively new exporter of canola products. South Africa is now a net exporter of canola, having recently exported to countries such as Germany and Belgium. The 2025-26 oat production is forecast at 57,213 tonnes (up 32% year-on-year), with production of sweet lupines at 23,100 tonnes (up 20% year-on-year). On the downside, the 2025-26 barley harvest is estimated at 352,675 tonnes, down 55% from the previous season.
- All things considered, 2025-26 appears to be a relatively better winter crop season compared to last season for the country, from a volume perspective. Indeed, for farmers, profitability remains under pressure due to higher input costs at the start of the season, and the fact that in some regions of the Western Cape, farmers had to replant their canola fields because of snail infestations, further increasing costs. From a consumer perspective, the better harvest and generally low global grain prices bode well for a moderating path of food price inflation. Indeed, we are still early in the season, and this is a first production estimate. We will need to closely monitor the weather conditions and the evolution of production conditions and prospects in the coming months.

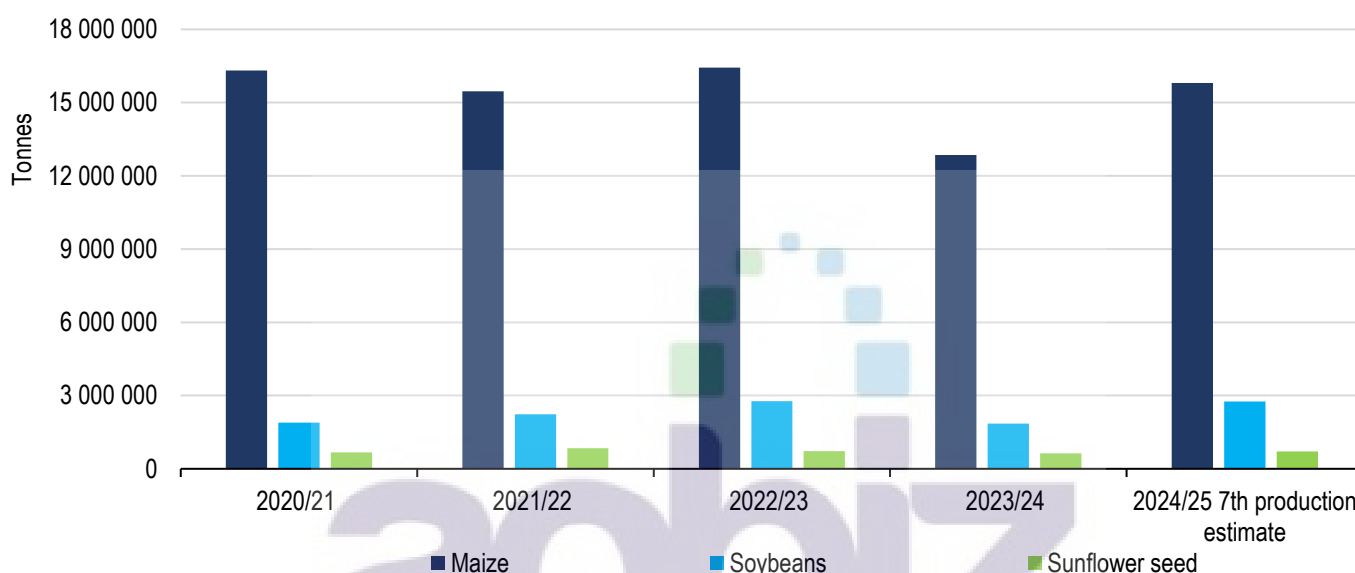
WEEKLY HIGHLIGHT

SA's 2024-25 summer grains and oilseed harvest estimate lifted again

- With South Africa's 2024-25 summer grains and oilseed production season nearing its end, and the new season set to start soon, we are encouraged to see further improvements in the harvest estimate. The data released at the end of August by the Crop Estimates Committee show that South Africa's 2024-25 summer grains and oilseed harvest is up by 4% from the July 2025 estimate to an expected 19.55 million tonnes (up 26% year-on-year). There is an annual uptick in all the crops, mainly supported by favourable summer rains and the decent area plantings. The base effects also help, as we struggled with a drought last year that weighed on the harvest. This ample crop will likely continue to put downward pressure on prices, which bodes well for a moderating path of consumer food price inflation.
- A closer look at the data reveals that the monthly upward revisions were primarily in maize (+5%), dry beans (+16%) and soybeans (+1%). Meanwhile, the rest of the other crops were roughly unchanged from the previous month. More specifically, South Africa's maize harvest is now forecast at 15.80 million tonnes, which is 23% higher than the crop for the 2023-24 season. Importantly, these forecasts are well above South Africa's annual maize needs of approximately 12.00 million tonnes, implying that South Africa will have a surplus and remain a net exporter of maize.
- Regarding oilseeds, the soybean harvest is estimated at 2.75 million tonnes, representing a 49% year-over-year increase. Sunflower seeds are up 12% from the last season and are estimated at 708,300 tonnes. The groundnut harvest is estimated at 61,389 tonnes (up 18% y/y), sorghum production is estimated at 137,970 tonnes (up 41% y/y), and the dry beans harvest is at 86,407 tonnes (up 71%).

- Overall, South Africa is experiencing a recovery season for its grain and oilseed production, although some areas may face quality challenges, particularly with white maize. Still, the quality issues do not fundamentally alter the available volume for milling acceptability or food supplies, although they may weigh on farmers' profitability. We continue to see the benefit of the ample harvest in the softening commodity prices, which bodes well for consumer food price inflation.

Exhibit I: SA's summer crop production estimates (selected crops)



Source: CEC and Agbiz Research

WEEK AHEAD

What are we watching this week?

- We begin with a focus on the global front, where on Tuesday, the United States Department of Agriculture (USDA) will release its weekly **U.S. Crop Progress** report. As of August 24, approximately 71% of the maize crop was rated as good or excellent, which is significantly higher than the 65% rating at the same time last year. Moreover, approximately 69% of the soybean crop was again rated as good or excellent on August 24, which is slightly above the 67% rating in the same week last year.
- The USDA will release its weekly **U.S. Grains and Oilseed Export Sales** data on Friday.
- Also on Friday, the Food and Agriculture Organisation of the United Nations (FAO) will release the August 2025 results of its monthly flagship publication, the **FAO Global Food Price Index**. The Index measures the monthly change in international prices of a basket of agricultural commodities.
- On the domestic front, on Wednesday, the South African Grain Information Services (SAGIS) will release its weekly data on South Africa's Grain and Oilseed **Producer Deliveries**. In the previous release on

August 22, South African farmers delivered 384,085 tonnes of the new season maize to commercial silos. This was the 17th weekly delivery for the new season, bringing the overall maize deliveries so far to 13.53 million tonnes. South Africa's 2024-25 maize harvest is estimated at 15.80 million tonnes, a 23% increase year-on-year, primarily due to expected annual yield improvements.

- The 2025-26 marketing year for oilseeds started at the beginning of March 2025. In the first 25 weeks, the soybean producer deliveries totalled 2.62 million tonnes, out of the expected harvest of 2.75 million tonnes. In the case of sunflower seeds, the first 25 weeks of the new 2025-26 marketing year's producer deliveries totalled 684,265 tonnes, of the expected harvest of 708,300 tonnes.
- Moreover, the wheat producer deliveries for the first 47 weeks of the 2024-25 marketing year stand at 1.88 million tonnes. The final harvest is 1.93 million tonnes, down from 2.05 million tonnes in the 2023-24 season.
- On Thursday, SAGIS will publish its **weekly South Africa's Grains and Oilseeds Trade** data. In the week of August 22, South Africa exported 14,428 tonnes of maize, all to the Southern African region. This placed South Africa's 2025-26 maize exports at 553,808 tonnes, out of the expected seasonal exports of 2.12 million tonnes. The current marketing year only ends in April 2026. We will likely see more robust export activity later in the year once farmers have completed the harvest and there is grain in the silos for export.
- Given the recovery in domestic maize production, we don't anticipate imports in the new marketing year; if any are made, they will be small, mainly for the coastal regions that will take advantage of the affordable prices of some supplies.
- South Africa is a net wheat importer, and August 22 was the 47th week in the 2024-25 marketing year. The imports to date have totalled 1.57 million tonnes. The seasonal import forecast is 1.74 million tonnes, down from 1.93 million tonnes in the previous season. So far, Russia, Lithuania, Poland, Latvia, Australia, Canada and Romania are the wheat suppliers to South Africa.

