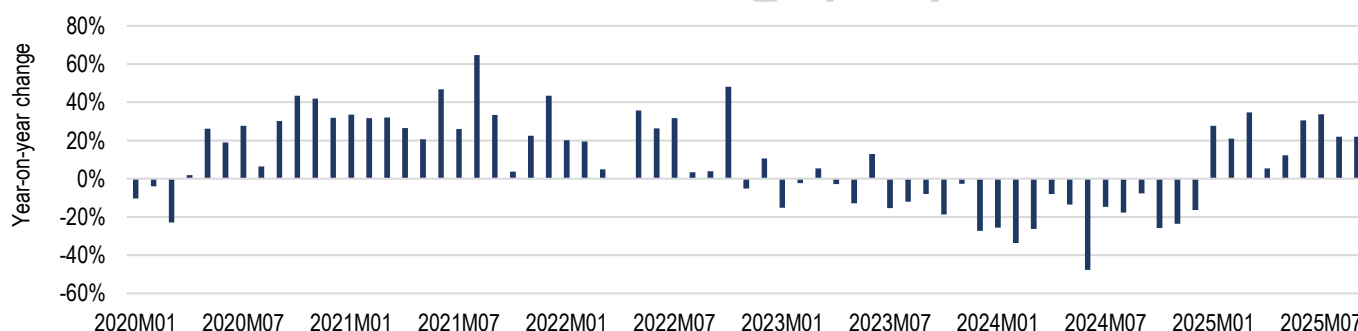


South Africa's agricultural machinery sales remain strong

- **South Africa's agricultural machinery sales have remained reasonably robust since the start of 2025 and are likely to continue on this encouraging pace throughout the year. More specifically, the tractor sales have increased for the past nine consecutive months, while combine harvester sales have only cooled in the last four months, having started on a solid momentum. The recent data for September 2025 also paints a mixed picture. For example, the tractor sales are up 15% y/y, with 758 units sold. However, the combine harvester sales were down 53%, with eight units sold. The soft sales in combine harvester sales are not a significant concern, given the higher volume of sales in the past few months. Importantly, the cumulative sales of combine harvesters for the first eight months of 2025 are up 17% from the corresponding period in 2024, with 180 units sold.**
- The increase in agricultural machinery sales primarily reflects the positive sentiment in the sector regarding the 2024-25 field crop, horticulture, and wine grape harvest, supported by the favourable weather conditions. It also signals optimism about the season ahead. For example, (1) the Crop Estimates Committee forecasts the 2024-25 summer grains and oilseeds harvest at 19.94 million tonnes, up 28% y/y. (2) South African sugar production for the 2024-25 production season is forecast to recover by 7% y/y to 2.09 million tonnes. (3) South Africa's wine grape harvest was 1.244 million tonnes, an 11% recovery from 2024. (4) The South African Table Grape Industry has also posted some upbeat production figures, and there are encouraging production data from citrus, various fruits, and vegetables.
- **In essence, we expect South Africa's agricultural machinery to remain strong this year.** In addition to the better agricultural production conditions, the interest rates have eased somewhat from last year's levels. Also worth noting is that some farmers may continue with machinery replacement in the coming months, which will ultimately support sales. There is also optimism about the upcoming 2025-26 season, which promises to be favourable, with prospects of La Niña rains.

Exhibit I: South Africa's tractor sales



Source: South African Agricultural Machinery Association and Agbiz Research