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

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South Africa's 2025-26 winter crop production prospects remain positive

- We have been concerned that the unfavourable weather conditions in parts of the Western Cape would result in further downward revisions of South Africa's 2025-26 winter crop production prospects. The Western Cape is a major producing province, accounting for more than two-thirds of the country's winter crops. But we were heartened to see that at the end of October 2025, the Crop Estimate Committee did not slash the production prospects in its monthly update. The harvest estimate remained unchanged from the September 2025 figures, at 2.77 million tonnes, representing a 4% increase from the 2024-25 season. This estimate comprises wheat, barley, canola, oats and sweet lupines. This is a third production estimate with seven more to follow. However, at this stage, the figures are more realistic and unlikely to change significantly going forward, as the season has progressed.

- The crop has matured in various regions to the extent that harvests have recently begun and will continue to gain momentum in the coming months. If we consider the major winter crop, wheat, the farmers had delivered to the commercial silos about 202,755 tonnes since the start of October 2025. This equals 10% of South Africa's expected 2025-26 wheat harvest of 2.03 million tonnes. In the expected overall 2.77 million tonnes of South Africa's 2025-26 winter crop harvest, approximately 2.03 million tonnes are wheat. The harvest is up 5% from the 2024-25 season. The annual improvement is boosted by the expected better harvest in the Northern Cape, Free State, Eastern Cape, and Limpopo. The Western Cape, which accounts for over half of South Africa's winter wheat production, is expected to experience a mild decline in the harvest this year compared to the 2024-25 season due to unfavourable weather conditions in some parts of the province.

- As we stated in our previous notes, a potential wheat harvest of 2.03 million tonnes implies that South Africa may need to import approximately 1.74 million tonnes in the 2025-26 season to meet our annual needs. These imports are expected to be down 5% from the 2024-25 season. The import activity is not expected to be a significant challenge, given the ample global wheat supplies available. The International Grains Council forecasts a record 2025-26 global wheat harvest of 827 million tonnes, up 3% from the previous season. This is on the back of a large harvest in the EU, Russia, the US, Canada, Argentina, India and the United Kingdom. Consequently, the 2025-26 global wheat stocks are expected to recover by 3% from the previous season to 275 million tonnes. This will ultimately add downward pressure on global wheat prices, which is favourable for consumers in importing countries, such as South Africa. Still, wheat farmers may be under pressure to some extent, depending on the triggers of the domestic wheat tariff, which is intended to support them to some extent.

- Regarding other smaller winter crops, the production estimates also remain unchanged from the September figures. For example, the 2025-26 harvest is forecast at 346,430 tonnes, which is 7% lower than the previous season. This is a result of both the decline in area plantings and expected poor yields in some regions. Regarding canola, the 2025-26 production is forecast at 311,890 tonnes, 7% up from the previous season. The annual gains are primarily due to the expansion in area plantings. The overall crop has regions that suffered yield losses. Moreover, the start of canola plantings encounters various challenges, such as snail infestations in some regions, which lead to replanting and thus increase the costs for farmers. Therefore, while the canola harvest is expected to increase from last year, the financial conditions of farmers may still remain strained. South Africa's 2025-26 oats production is forecast at 57,213 tonnes, a 32% increase from the previous year, due to increased area plantings. Also worth highlighting is that South Africa's 2025-26 sweet lupine harvest is forecast at 21,000 tonnes, 95% higher than the previous year, and also supported by the expansion in area plantings.

- Overall, South Africa's 2025-26 winter crop faced various challenges since the start of the season. However, the overall harvest seems to have stabilised in decent areas. The harvest is underway, and we will gain more insight into the yield conditions as it progresses. With the production figures we have at hand, combined with global wheat supplies, we view the situation as boding well for a moderating path of food price inflation.

WEEKLY HIGHLIGHT

South Africa ends an excellent 2024-25 grain and oilseeds harvest and begins another promising season

- South Africa's 2024-25 summer grain and oilseeds production season was excellent. In its 9th production estimate released last week, the Crop Estimate Committee lifted South Africa's 2024-25 production harvest by 1% from the September estimate to 20.08 million tonnes. This figure comprises maize, soybean, sunflower seed, groundnuts, sorghum, and dry beans. The upward revision was primarily due to maize, while other production estimates remained unchanged from the September figure. The current estimate for the 2024-25 summer grain and oilseed season is 30% higher than the previous season. 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.

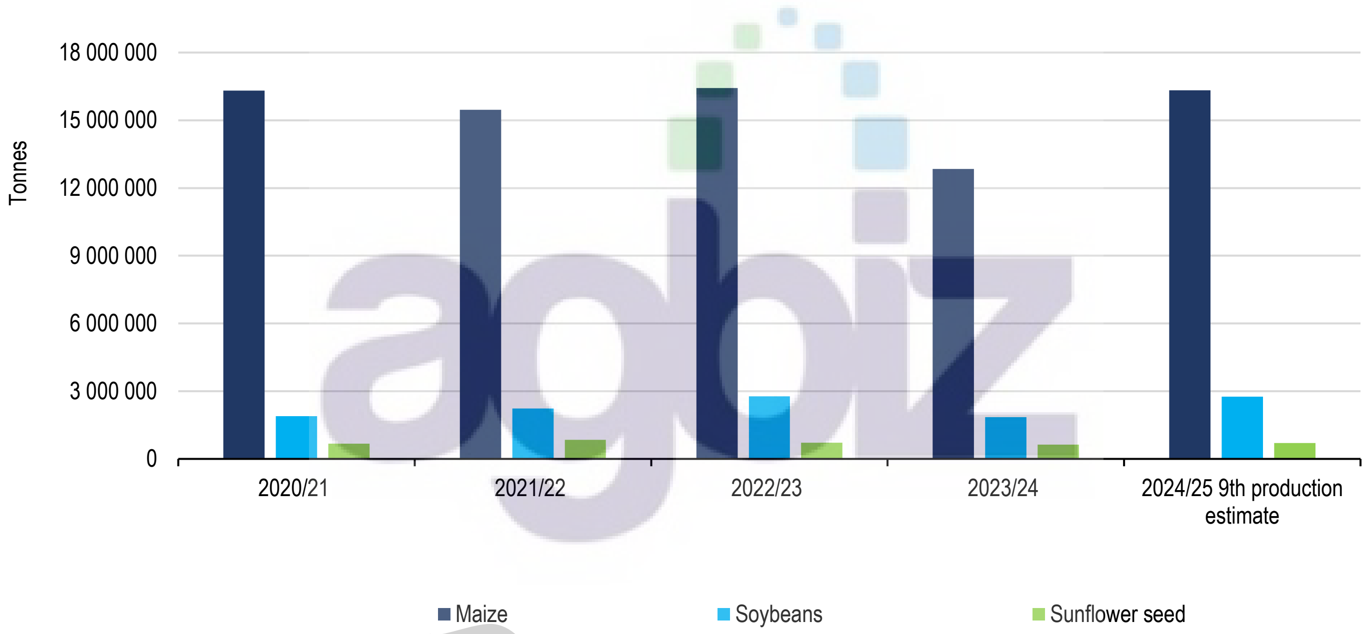
- The new 2025-26 production season is just starting and is shaping up to be excellent. The farmers intend to plant 4,49 million hectares, up by 1% from the 2024-25 season we are ending. We will have more to say about this new season in our upcoming notes, including our views on possible harvest sizes. It suffices to say that we remain optimistic about another favourable season, given the expected La Niña rains.

- A closer look at the data reveals that South Africa's 2024-25 maize harvest is now at 16.32 million tonnes, 27% higher than the 2023-24 season's crop. Importantly, these forecasts are well above South Africa's annual maize needs of approximately 12.00 million tonnes, indicating a surplus and continued net maize exports.

- 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 forecast at 144,665 tonnes (up 48% y/y), and the dry beans harvest is at 90,556 tonnes (up 79%).

- Overall, South Africa has an ample supply of summer grains and oilseeds, and we can expect to see the benefits of the harvest in softer commodity prices, which bodes well for consumer food price inflation. The focus is now shifting to the 2025-26 season, which also promises to be favourable, with prospects of La Niña rains. The farmers also intend to slightly increase area plantings for the new year, and planting activity has started positively in the eastern and central regions of the country. Against this promising outlook, we believe South Africa's food price inflation may continue to moderate into 2026; however, there is a potential upside risk from the outbreak of foot-and-mouth disease.

Exhibit 1: SA's summer crop production estimates (selected crops)



Source: CEC and Agbiz Research

WEEK AHEAD

What are we watching this week?

- As always, we start on the global front. We continue to experience challenges with key data from the U.S. Department of Agriculture due to the Government Shutdown. As a result, we doubt the USDA will release its weekly **U.S. Crop Progress** report scheduled for today. We also don't think the USDA will release its weekly **U.S. Grains and Oilseed Export Sales** data scheduled for Thursday.

- On Friday, the Food and Agriculture Organization of the United Nations (FAO) will release the October 2025 update of the **global Food Price Index**. This is a measure of the monthly change in international prices of a basket of food 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 October 24, South African farmers delivered 54,849 tonnes of new-season maize to commercial silos. This was the 26th weekly delivery for the new season, bringing the overall maize deliveries so far to 14.48 million tonnes. South Africa's 2024-25 maize harvest is estimated at 16.32 million tonnes, a 27% increase year-on-year, primarily due to expected annual yield improvements.

- The 2025-26 oilseeds marketing year began at the start of March 2025. In the first 34 weeks, soybean producer deliveries totalled 2.67 million tonnes, accounting for 97% of the expected harvest of 2.75 million tonnes. In the case of sunflower seeds, the first 33 weeks of the new 2025-26 marketing year's producer deliveries totalled 693,140 tonnes, of the expected harvest of 708,300 tonnes.

- South Africa's 2025-26 winter wheat season began at the start of October. But we are seeing that farmers have begun delivering the new season crop, which was planted from the start of May. In the first four weeks of this year, farmers have delivered about 202,755 tonnes of wheat to commercial silos. These are still early days, and the harvest is expected to gain momentum in the coming months. South Africa's 2025-26 winter wheat harvest is forecast at 2.03 million tonnes, a 5% increase from the previous year.

- On Thursday, SAGIS will publish its **weekly South Africa's Grains and Oilseeds Trade** data. In the week of October 24, South Africa exported 67,052 tonnes of maize, with about 42% going to Zimbabwe, 35% to Mozambique, and the rest to other countries in the Southern African region. This placed South Africa's 2025-26 maize exports at 851,413 tonnes, out of the expected seasonal exports of 2.24 million tonnes. The current marketing year only ends in April 2026. The current marketing year only ends in April 2026. We will likely see more robust export activity later in the year and in early 2026, when demand in the region is expected to be strong.

- While South Africa has an ample harvest and will remain a net exporter of maize, minor imports of yellow maize from Argentina are expected to continue for South Africa's coastal regions. For example, so far in the 2025-26 marketing year, South Africa has imported 77,524 tonnes of yellow maize for feed in the country's coastal regions. These importers mainly take advantage of the affordable prices of Argentinian supplies.

- South Africa is a net wheat importer, and October 24 marked the fourth week of the new 2025-26 marketing year. The imports to date have totalled 239,290 tonnes from the United States, Australia, Lithuania, Russia and Poland. We expect South Africa's 2025-26 wheat imports to reach 1.74 million tonnes, down from 1.83 million tonnes in the 2024-25 marketing year, due to a slight recovery in the domestic harvest.