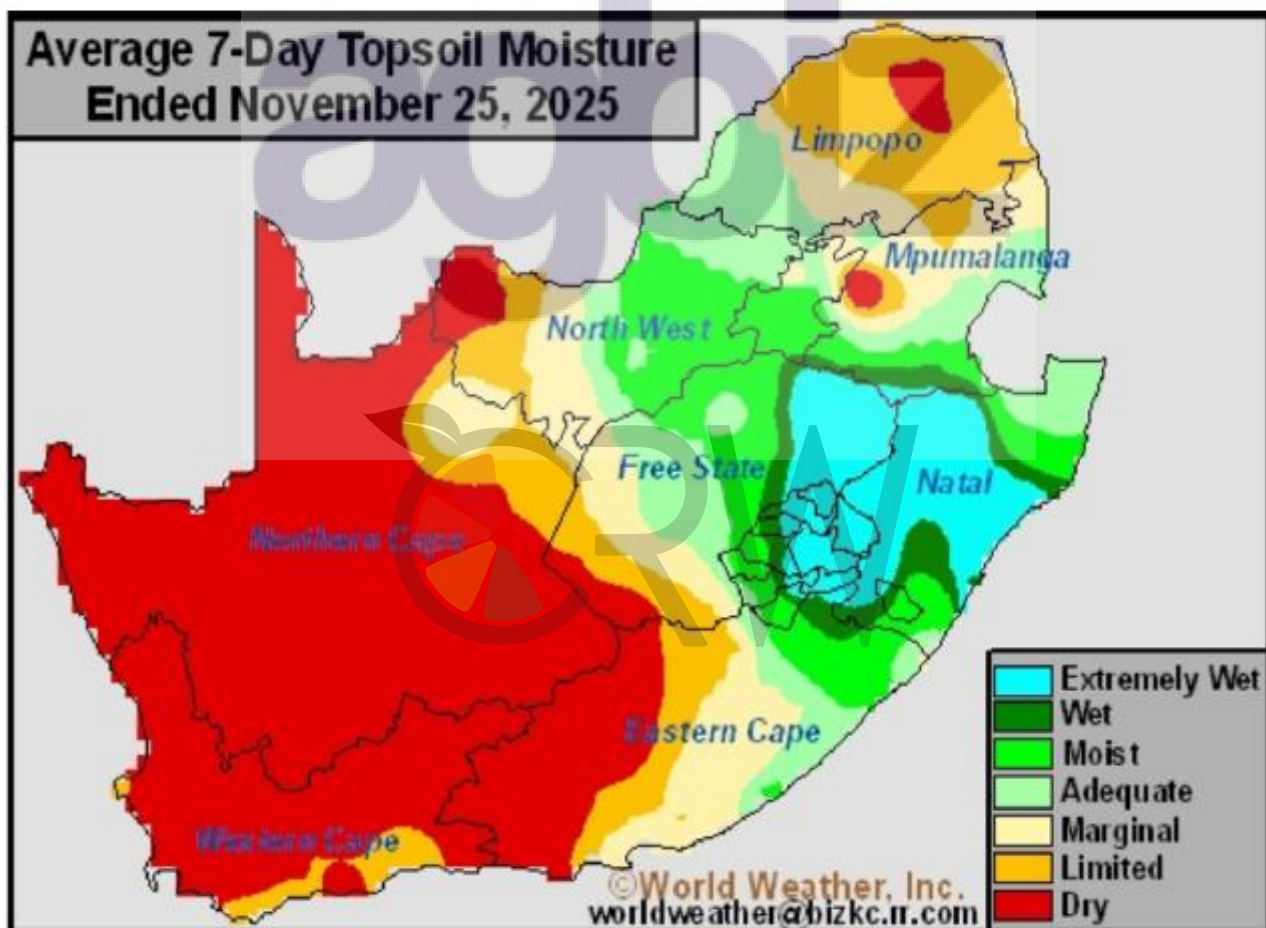


Evolving factors shaping the outlook for SA agriculture in 2026

- We continue to receive encouraging reports on the prospects for La Niña-induced rainfall during the 2025-26 summer season. Most regions of the country have received excellent rain since the start of October. Soil moisture has improved notably across various areas of the country (see Exhibit 1). The latest forecasts from the International Research Institute for Climate and Society at Columbia University (IRI) indicate a high likelihood of La Niña-induced rains continuing through to February 2026. This period covers the planting through to the flowering of the summer crop, which are stages that require more moisture for development. After the flowering period, warmer, sunnier weather typically helps with crop maturation.
- Better rainfall prospects are beneficial not only to field crops but also to the livestock and horticulture subsectors. For the livestock subsector, improvements in the grazing veld, at a time when feed prices are also falling, are a welcome development, as the industry has struggled with financial pressures due to foot-and-mouth disease.
- Moreover, the start of vaccination against foot-and-mouth disease on the 12 million head of cattle nationwide (with 7.2 million in commercial herds) suggests the industry may finally be entering a recovery period. Still, it is too early, and the vaccination process will be a major logistical undertaking, in addition to the challenge of securing sufficient vaccines. Still, the fact that we now have a clearer direction for the country provides some comfort. What will also be vital from now on is the inclusion of domestic private labs in vaccine manufacturing, rather than relying solely on imports and the revival of state-owned institutions.
- In the horticulture subsector, rainy weather reduces the irrigation period and helps save on energy costs somewhat. Importantly, having the dam levels recover across the major fruit and vegetable-producing areas helps ensure that, even as we approach the winter season in 2026, field activities will continue normally with better soil moisture and irrigation. These favourable weather conditions have set the country up for excellent fruit and vegetable yields going into 2026.
- Still, on the profitability side, a lot will depend on the success of export activity. In 2025, the ports performed better, particularly in the first three quarters of the year, helping to keep exports robust. For example, the cumulative value of agricultural exports for the first three quarters of the year is US\$11.7 billion, representing a 10% increase from the corresponding period in 2024. Although there is still room for improvement in port efficiency, we have witnessed notable gains compared to recent months despite the U.S.'s implementation of tariffs. This has supported export activity and illustrates the gains from ongoing policy reforms in South Africa's network industries.

- Separately, we are now in another busy export period for table grapes, and Transnet's continued efforts and focus on supporting exports will help ensure we end 2025 on a positive footing and start 2026 on a strong path. A sharper focus by Transnet is needed even more now, as the Western Cape, a major table grape export port, has recently experienced challenging wind conditions. Therefore, ensuring there is sufficient staff on site to push exports, even in challenging weather, is more crucial. Such effort and focus by Transnet and other logistics organizations will be needed through the stone fruit export season into 2026.
- In field crops, planting of grains and oilseeds is underway. The farmers are optimistic and aiming to plant 4.5 million hectares, up 1% from the 2024-25 season. The favourable weather prospects may help ensure that South Africa gets an even bigger harvest than the 20.21 million tonnes in the 2024-25 production season (already up 30% from the previous year).
- In essence, the weather outlook remains favourable for South Africa's agriculture going into the 2025-26 summer season. Interventions through livestock vaccination and a stronger focus on improving port efficiency will help ensure widespread gains in the sector, supporting solid growth in 2026.

Exhibit I: South Africa's Influence From La Niña Ensures More Rain



Source: World Weather Inc

WEEKLY HIGHLIGHT

South Africa's 2025-26 winter crop harvest estimate is mildly down from last month, but still at decent levels

- We feel at ease that South Africa's 2025-26 winter crop harvest will remain at decent levels. The data released last week by South Africa's Crop Estimates Committee show that the 2025-26 winter crop harvest is 2.76 million tonnes, down slightly by 0.5% from the previous month. This estimate comprises wheat, barley, canola, oats and sweet lupines. The mild downward revisions are mainly on wheat (0.3%), barley (1%), and oats (6%). Still, the current overall winter crop production estimate is up 4% from the 2024-25 production season. We are now on the fourth production estimate with six more to follow. However, at this stage, the figures are more realistic and unlikely to change significantly as the harvest progresses.
- For the major winter crop, wheat, farmers have delivered about 960,378 tonnes to commercial silos since the start of October 2025. This volume equals 47% of South Africa's expected 2025-26 wheat harvest of 2.03 million tonnes. In the expected overall 2.76 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.
- 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 ample global wheat supplies. The International Grains Council forecasts a record 2025-26 global wheat harvest of 827 million tonnes, up 3% from the previous season.
- The 2025-26 barley harvest is forecast at 341,770 tonnes, down 1% from last month, and 8% lower than the previous season. This is due to 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, unchanged from last month and 7% up from the previous season. The annual gains are primarily due to increased area plantings.
- South Africa's 2025-26 oats production is forecast at 53,813 tonnes, down 6% from last month. Still, this is up 24% 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, unchanged from last month and 9.3% higher than the previous year, and also supported by the expansion in area plantings.
- Overall, South Africa's 2025-26 winter crop harvest is underway, and yields look decent across the various regions. 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.

WEEK AHEAD

What are we watching this week?

- We start on the global front, and this is a quiet week, with mainly two data releases. The U.S. Department of Agriculture (USDA) will release its **weekly U.S. Grains and Oilseed Export Sales data** scheduled for Thursday. The Food and Agriculture Organization of the United Nations will release its flagship monthly report, the **global Food Price Index**, on Friday. The FAO Food Price Index is a measure of the monthly change in international prices of a basket of food commodities, which helps us gain perspective on global food price inflation.
- On the domestic front, on Tuesday, Statistics South Africa will release **the third-quarter 2025 Gross Domestic Product (GDP) data**. Our focus on these data will primarily be on agriculture. South Africa's agricultural gross value added expanded by 2.5% quarter-on-quarter (seasonally adjusted) in the second quarter. This followed the 18.6% quarter-on-quarter in the first quarter of the year. The expansion was primarily due to the improved performance of certain field crops and the horticulture subsectors.
- 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 November 21, South African farmers delivered 45,543 tonnes of new-season maize to commercial silos. This was the 30th weekly delivery for the new season, bringing the overall maize deliveries so far to 14.70 million tonnes. South Africa's 2024-25 maize harvest is estimated at 16.44 million tonnes, a 28% 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 38 weeks, soybean producer deliveries totalled 2.69 million tonnes, accounting for 97% of the expected harvest of 2.77 million tonnes. In the case of sunflower seeds, the first 38 weeks of the new 2025-26 marketing year's producer deliveries totalled 693,700 tonnes, of the expected harvest of 708,300 tonnes.
- South Africa's 2025-26 winter wheat season began in October. But we are seeing that farmers are moving quickly to deliver the new season's crop to commercial silos. This crop was planted from the start of May. In the first eight weeks of this 2025-26 marketing year, farmers have delivered about 960,378 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 November 21, South Africa exported 47,336 tonnes of maize, with approximately 55% going to Zimbabwe, and the remainder to other countries in the Southern African region. This placed South Africa's 2025-26 maize exports at 1.07 million tonnes, out of the expected seasonal exports of 2.24 million tonnes. The current marketing year only ends in April 2026. We will likely see more robust export activity later 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 November 21 marked the seventh week of the new 2025-26 marketing year. The cumulative imports to date have totalled 402,516 tonnes from the United States, Latvia, 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.
- Agbiz will release last quarter of 2025 results of **South Africa's (Agbiz/IDC) Agribusiness Confidence Index** on Friday. This is a sentiment indicator in the South African farming and agribusiness sectors.

