

SA's 2025-26 winter crop production estimate slashed once more

- South Africa's 2025-26 winter crop harvest process is virtually over. This crop was planted in May 2025. The focus in the country is now on the 2025-26 summer crop season, which is still at its early stages, having been planted from October 2025. Still, we continue to receive the assessment of the harvest estimate for the 2025-26 winter crop. In recent months, the data have shown downward revisions. In its sixth production estimate, the Crop Estimate Committee (CEC) lowered South Africa's 2025-26 winter crop once again to 2.66 million tonnes, down 2% from the December 2025 estimates. The current harvest is almost aligned with the 2024-25 season's harvest. This estimate comprises wheat, barley, canola, oats and sweet lupines. The recent downward revision was mainly in wheat, oats, and sweet lupines; meanwhile, canola and barley were roughly unchanged.
- If we consider wheat, a major winter crop, the 2025-26 harvest is now estimated at 1.93 million tonnes, down 3% from the December 2025 estimate, and generally in line with the previous season's crop. The recent declines were mainly in the Western Cape, a major wheat-producing province, due to unfavourable weather conditions in some parts of the province. Meanwhile, other significant wheat-producing provinces, such as the Northern Cape, Free State, and Limpopo, expect larger harvests than in the 2024-25 season.
- A potential wheat harvest of 1.93 million tonnes implies that South Africa may need to import approximately 1.75 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 due to decent opening stocks from the previous season. The import activity will not be a significant challenge, given ample global wheat supplies.
- The International Grains Council forecasts a record 2025-26 global wheat harvest of 842 million tonnes, up 5% from the previous season. This is on the back of an ample harvest in the EU, Russia, the US, Canada, Australia, Argentina, Ukraine and Kazakhstan. Given ample global supplies and moderate usage, the 2025-26 global wheat stocks are forecast at 283 million tonnes, up 7% from the previous season. Thus, global wheat prices are likely to remain under pressure for some time due to large stocks.
- With the domestic wheat production figures we have at hand, combined with ample global wheat supplies, we view the situation as boding well for a moderating path of consumer food price inflation. However, from the farmers' perspective, this is a challenge. It is worth noting that increases in domestic wheat production costs over time, and the fact that some farmers had to replant in the Western Cape at the start of the season due to snail infestations, imply financial pressures on some. Essentially, the generally lower prices, while beneficial to consumers, put pressure on farmers. This remains a significant challenge for the domestic wheat industry; as a result, there have been calls for higher import tariffs.

- South Africa has an import tariff that seeks to strike a balance between the welfare of farmers and consumers. Adjustments to import tariffs are generally influenced by international wheat prices, amongst other factors.
- Beyond the wheat matters, the CEC forecast South Africa's 2025-26 barley harvest at 350 730 tonnes, unchanged from last month and 6% lower than the previous season. This is due to both the decline in area plantings and poor yields in some regions. Regarding canola, the 2025-26 production is forecast at 311,850 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 45,143 tonnes, down 7% from last month. Still, this is up 4% 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 18,900 tonnes, down 10% from last month and 2% lower than the previous year.
- Overall, South Africa's 2025-26 winter crop harvest is complete, and the yields in some regions are more disappointing than anticipated a few months ago. Still, this doesn't mean there are upside price pressures for consumers. The ample global wheat harvest and other grains are adding downward pressure on prices. However, the other challenge posed by ample global supplies is the tight margins for farmers. Thus, a careful balance of the domestic wheat import tariff remains part of the policy discussion and consideration by the authorities.

WEEKLY HIGHLIGHT

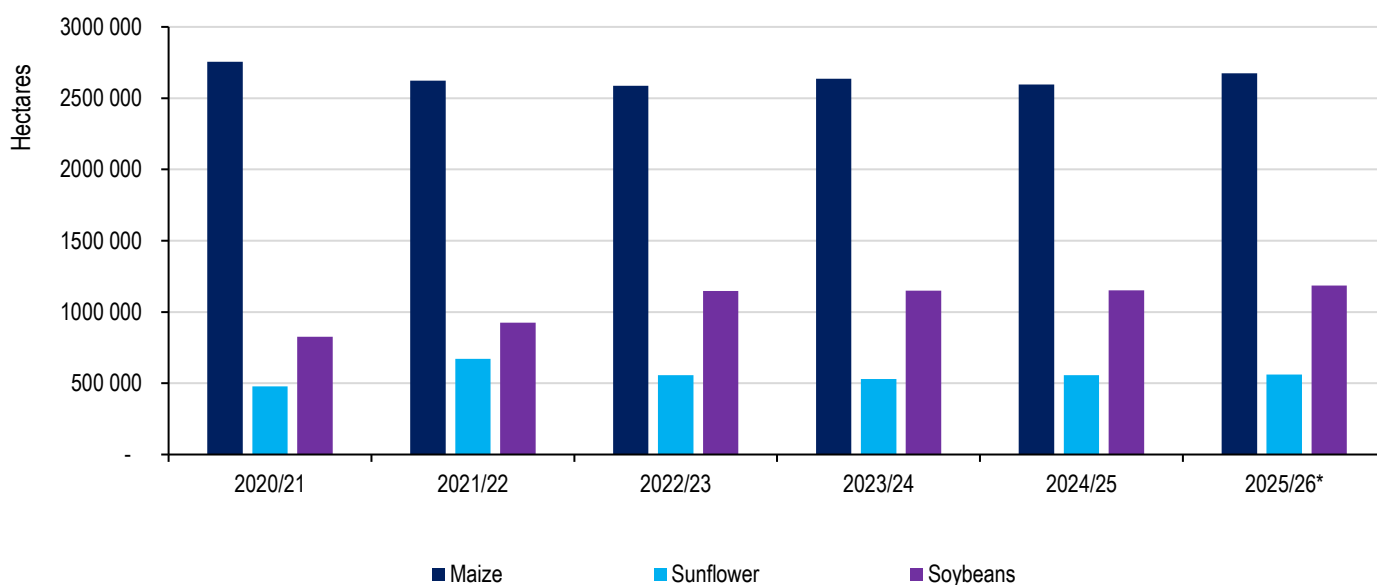
SA farmers are likely to have planted more area than initially intended

- At the end of last year, South African farmers signalled they would increase area plantings of summer grains and oilseeds for the 2025-26 season compared with the previous season. The data released by the Crop Estimates Committee last week shows that they followed up on their intentions. South Africa's 2025-26 preliminary area plantings for summer grains and oilseeds are 4.54 million hectares, up 2% from the previous season. There is a broad expansion in the area under major crops, with sorghum, groundnuts, and dry beans being the only crops showing a decline in the area farmers tilled. We are still in the early days, but judging from these planting data and the favourable rainfall, we are inclined to believe that 2025-26 may yet be another excellent year for South Africa's summer grains and oilseeds.
- A closer look at the data shows that maize plantings for 2025-26 are estimated at 2.67 million hectares, up 3% from the previous season. There is an increase in both white and yellow maize. White maize area plantings are 1.64 million hectares, with yellow maize at 1.03 million hectares. The soybean plantings are forecast at 1.19 million hectares, up 3% from the 2024-25 production season. The Free State and North West provinces show significant gains in planted area compared to the previous season. The 2025-26

sunflower seed plantings are forecast at 560,800 hectares, up 1% of the prior season. The Free State and Limpopo show much gains in the area compared with other provinces. Regarding the smaller grains, the 2025-26 groundnut seed area is forecast at 43,650 hectares (down 9% y/y), with sorghum area at 39,000 hectares (down 5% y/y), and dry beans plantings at 36,400 hectares (down 20% y/y).

- In essence, while these are still preliminary planting data, they signal that farmers have exceeded the intended area for 2025-26 summer grains and oilseeds plantings. Notably, the favourable rains across the country continue to support crop-growing prospects. We will know more about the potential yield size when the Crop Estimates Committee releases its first production figures on February 26. Still, with the data at hand and the excellent rains, we believe this may be yet another season of abundance.

Exhibit I: South Africa's area plantings (selected crops)



Source: Crop Estimates Committee, Agbiz Research

What are we watching this week?

- We are in another quiet week on the global front. We only have two major data releases. Today, the U.S. Department of Agriculture (USDA) will release the **U.S. Fats and Oils Supply and Demand data**. This will provide insights into the U.S.'s vegetable oil crushing, production, consumption, and stock levels. Moreover, on Friday, the Food and Agriculture Organisation of the United Nations (FAO) will release its monthly flagship report, the FAO Global Food Price Index. This report is a measure of the monthly change in international prices of a basket of food commodities.
- On the domestic front, we also have a reasonably quiet calendar. On Wednesday, the South African Grain Information Services (SAGIS) will publish its **weekly data on South Africa's Grain and Oilseed Producer Deliveries**. In the previous release on January 23, South African farmers delivered

49,952 tonnes of maize to commercial silos. This was the 39th weekly delivery for the 2025-26 marketing year (which corresponds with the 2024-25 production season), bringing the overall maize deliveries so far to 15.04 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 47th weeks, soybean producer deliveries totalled 2.73 million tonnes, accounting for 98% of the expected harvest of 2.77 million tonnes. In the case of sunflower seeds, the first 47 weeks of the new 2025-26 marketing year's producer deliveries totalled 695,269 tonnes, representing 97.8% of the expected harvest of 708,300 tonnes.
- South Africa's 2025-26 winter wheat season has progressed impressively, with harvest underway. In the first 17 weeks of this 2025-26 marketing year, farmers have delivered about 1.65 million tonnes of wheat to commercial silos. This is 85% of the expected harvest of 1.93 million tonnes for the season.
- On Thursday, SAGIS will publish its weekly **South Africa's Grains and Oilseeds Trade data**. In the week of January 23, South Africa exported 42,931 tonnes of maize, with approximately 56% going to Zimbabwe, and the remainder to other countries in the Southern African region. This placed South Africa's 2025-26 maize exports at 1.42 million tonnes, out of the expected seasonal exports of 2.40 million tonnes. The current marketing year only ends in April 2026. We expect more robust export activity this quarter, driven by stronger demand in the Southern Africa region.
- 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 110,447 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 January 23 marked the 17th week of the new 2025-26 marketing year. The cumulative imports to date have totalled 499 261 tonnes from the United States, Latvia, Canada, Australia, Brazil, Romania, Lithuania, Russia and Poland. We expect South Africa's 2025-26 wheat imports to reach 1.75 million tonnes, down from 1.83 million tonnes in the 2024-25 marketing year.