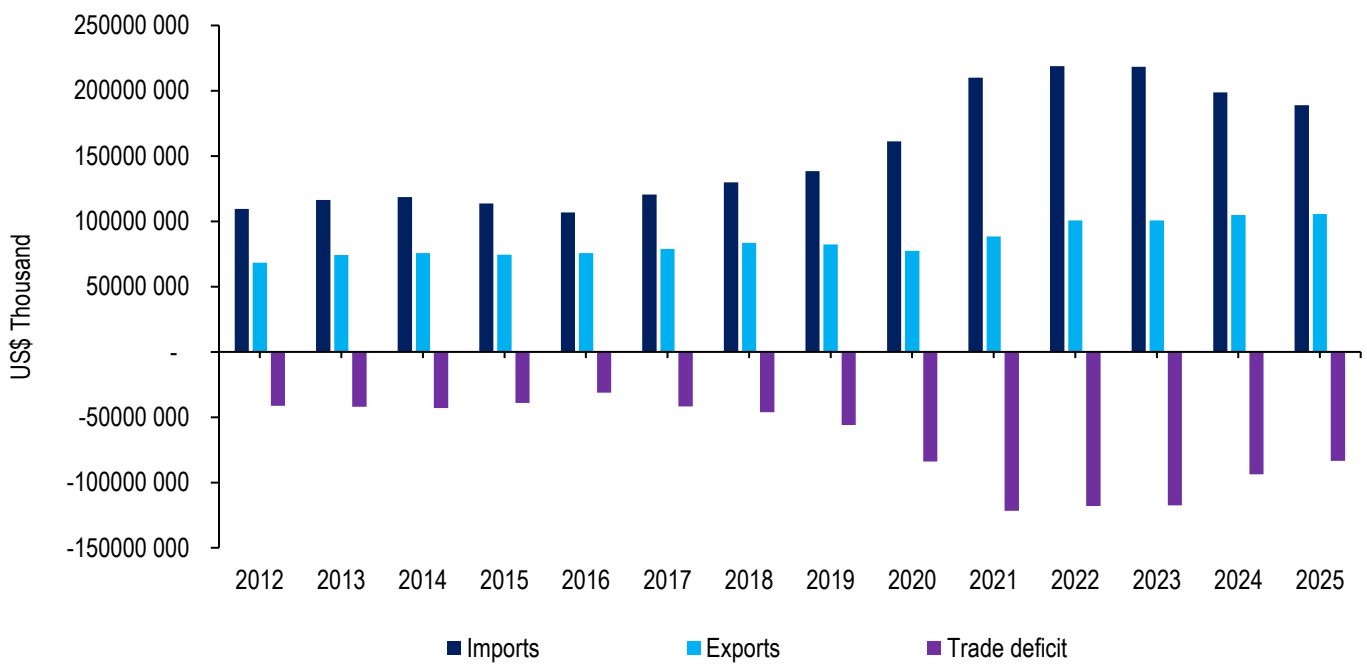


China presents a growth opportunity for South Africa's agricultural exports

- The major development in South Africa's agriculture this past weekend was on trade. The China-Africa Framework Agreement on Economic Partnership for Shared Prosperity (CAEPA) came into effect on 1 May 2026. China established the CAEPA as a framework to promote the common development of China and Africa, through boosting trade and investment.
- The CAEPA opened a two-year window for zero tariffs on agricultural products from South African suppliers to China, with quotas in some, mainly grains. For the majority of the agricultural products that South Africa typically exports to the world market and seeks to advance, such as various fruits, nuts, raisins, wine, and meats, the Chinese market is now available tariff-free for the next two years, before the advancement of the current trade arrangement, subject to meeting the prescribed Rules of Origin, including product-specific requirements, and on submitting a valid Certificate of Origin for customs clearance in China. This is a positive development for the South African agricultural sector, as it helps efforts to diversify exports. The South African agricultural sector is export-oriented, and deepening access at tariff-free rates in key markets such as China also supports agriculture's long-term growth agenda, which hinges not only on expanding domestic production but also on broadening exports.
- China is the second-largest agricultural importer in the world after the U.S., with average annual imports of US\$206 billion over the past five years (2021-2025). China's leading agricultural suppliers over this period include the U.S., Australia, Vietnam, Thailand, Indonesia, New Zealand, Argentina, Chile, Russia, and Canada, amongst others. The top imported products include soybeans, beef, berries, peaches and plums, vegetable oils, milk, poultry, pork, mutton, wool, wine, and spirits, among others. South Africa produces some of these products in surplus and exports them to a range of countries worldwide.
- The Chinese market, because of its global significance, has long been on the radar of South African agricultural exporters. However, the competitiveness of South African products has been hampered by tariffs. For example, South African wine producers faced tariffs of 14% to 20% when exporting to China, and macadamia nuts faced around 12% tariffs. Most of the South African agricultural competitors listed above in the Chinese market accessed it at zero tariffs, as some have trade agreements with China.
- South Africa accounted for a mere 0.4% share of China's agricultural imports, averaging about US\$206 billion over the past five years. With CAEPA coming into effect, South African exporters will now be on equal footing with the exporters listed above. The key determinant of success, amongst other things, will now mainly be product quality and cultivating relationships with businesses or importers in China.
- This market opening builds on South Africa's successful agricultural export journey, with exports in 2025 reaching a record US\$15.1 billion, up 10% from 2024. These exports were diverse across Africa, Europe, the UK, the U.S., the Middle East, and Asia.

- Importantly, in the current environment of heightened geoeconomic tensions, South Africa's export-oriented agricultural sector must maintain its existing export markets and expand into new ones such as China through CAEPA. The South African Department of Trade, Industry and Competition, the Department of International Relations and Cooperation, and the Department of Agriculture should lead the way in expanding exports to current markets and exploring new ones. South Africa should expand market access to key BRICS countries, including India, Saudi Arabia, and Egypt.
- Moreover, as the export promotion continues, the focus for both policymakers and agribusinesses and organized agriculture should be on improving logistical efficiency. This entails investments in port and rail infrastructure, as well as improving roads in farming towns.

Exhibit I: China's agricultural trade



Source: Trade Map and Agbiz Research

WEEKLY HIGHLIGHT

The Weather outlook and its implications for South Africa's agriculture

- On May 01 2026, the South African Weather Service (SAWS) released its monthly Seasonal Climate Watch report. Two points about the uncertain weather outlook and its impact on South Africa's agriculture over the coming months stand out in the report.
- First, there's a growing likelihood that we're entering an El Niño event. This will likely begin around October 2026, which is the start of the 2026-27 summer season. The SAWS stated that "the El Niño-Southern Oscillation (ENSO) is currently still in a neutral state; current predictions indicate that it will

rapidly move towards an El Niño state within the next few months and continue to strengthen up to spring and the start of the next summer season." Depending on the severity of the El Niño, it will likely negatively affect agricultural activity in South Africa and across Southern Africa. We will know how farmers react to this news and the area they decide to plant only later in the year. For now, the focus for South African farmers is on the 2025-26 season, whose crop is currently maturing and will soon begin harvest in many regions of South Africa.

- Second, South Africa has experienced favourable rainfall at the start of the 2026-27 winter crop season. However, we may encounter below-normal rainfall later in the season, which could impact the production of wheat, barley, canola and oats this year. The SAWS stated that "below-normal rainfall is expected for the south-western and southern coastal areas during this period." Depending on how severe the challenge is, it may affect agricultural activity. The farmers have already indicated their intention to reduce winter crop plantings, in part because of uncertainty about the weather outlook and higher input costs related to the Middle East war, as well as lower commodity prices.
- Overall, in the coming weeks and months, we will need to closely monitor weather developments and their impact on the winter crops, and ahead of the start of the 2026-27 summer crop later in the year. The current outlook is concerning across the board.

What are we watching this week?

- We start the week by looking at the global front, and today the U.S. Department of Agriculture (USDA) will release its **weekly U.S. crop progress report**, which provides insight into planting activity in maize, rice, sorghum, soybeans, and other major grains for the 2026-27 production season. The plantings are underway and will likely gain momentum in the coming weeks. We will watch this data closely, as it will also signal how U.S. farmers are adjusting plantings in light of higher fuel and fertiliser prices and concerns about the weather outlook.
- On the domestic front, the South African Grain Information Services (SAGIS) will publish its **weekly data on South Africa's Grain and Oilseed Producer Deliveries** only on Wednesday. In the previous release on April 17, 2026, South African farmers delivered 132,462 tonnes of maize to commercial silos. This was the 51st weekly delivery for the 2025-26 marketing year (which corresponds with the 2024-25 production season), bringing the overall maize deliveries so far to 16.17 million tonnes. South Africa's 2024-25 maize harvest is at 16.65 million tonnes, a 28% year-on-year increase, driven by yield improvements.
- The 2026-27 soybean marketing year has recently started, and the first 7-week deliveries were at 347,852 tonnes. There is a long way ahead, with the final crop estimate at a record 2.8 million tonnes. In the case of sunflower seeds, the first 7 weeks of the new 2026-27 marketing year's producer deliveries totalled 252,028 tonnes. There is still a long way to go, as the forecast harvest for the season is 821,630 tonnes.
- South Africa's 2025-26 winter wheat harvest is complete. Some farmers continue to deliver the crop to commercial silos. In the first 29 weeks of this 2025-26 marketing year, farmers have delivered about 1.80 million tonnes of wheat to commercial silos. This is 95% of the expected season harvest of 1.89 million tonnes (down 2% y/y).

- SAGIS will also publish its weekly **South Africa's Grains and Oilseeds Trade data** only on Thursday. In the week of April 17, 2026, South Africa exported 46,356 tonnes of maize, with about 53% going to Zimbabwe, 15% to Namibia, 12% to Botswana, and the remainder to other countries in the Southern African region. This placed South Africa's 2025-26 maize exports at 1.95 million tonnes, out of the expected seasonal exports of 2.40 million tonnes. The current marketing year only ends this month, April 2026. We have seen much softer demand for maize this year, partly due to ample global supplies. It seems unlikely that we will meet the 2.40 million tonnes export target for the season.
- While South Africa has an ample harvest and will remain a net exporter of maize, we have seen minor imports of yellow maize from Argentina for South Africa's coastal regions. For example, so far in the 2025-26 marketing year, South Africa has imported 110,448 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 April 17 marked the 29th week of the new 2025-26 marketing year. The cumulative imports to date have totalled 1.1 million tonnes from Germany, the United States, Latvia, Canada, Australia, Brazil, Romania, Lithuania, Russia, and Poland. We expect South Africa's 2025-26 wheat imports to reach 1.85 million tonnes, roughly the same as the 2024-25 marketing year.