

Brief reflections on South Africa's agricultural imports, with a particular focus on the wheat market

- South Africa is an agriculturally abundant country, with exports of over US\$15 billion in 2025. But the country still imports a sizable volume of agricultural products, spending over US\$7 billion a year, mainly on wheat, rice, palm oil, poultry products, and whiskies, among others. The major reason some of these key staple products are not produced domestically is environmental constraints. We are a semi-arid country and cannot efficiently produce rice or palm oil, which require plenty of water.
- In the case of poultry products, ongoing efforts under the national poultry master plan aim to increase domestic production and reduce imports. Currently, South Africa imports various poultry products from Brazil, the EU, and the U.S., amongst others, which account for roughly 20% of annual consumption. Over the years, higher feed costs have been among the key challenges for South Africa, but this is progressively changing as the country has seen a notable increase in domestic soybean production and is now a net exporter of soybeans. About 70% of the poultry input costs are the main feed, soybean and yellow maize.
- Therefore, the decline in the prices of these products helps the economics of domestic poultry farming. In the case of wheat, South Africa now imports about half of its annual consumption. But this was not always the case. Increased domestic consumption, alongside population growth and a shift in land use in parts of the Free State, have, over time, led to the need for higher imports. Farmers in some regions of the Free State have, since the deregulation of agricultural markets, switched to more profitable food crops, resulting in a decline in wheat production in those regions. South Africa now produces about half of its wheat in the Western Cape, with the balance coming from the Northern Cape, Free State, and Limpopo.
- The South African wheat industry's profitability has remained a challenge, especially in the Western Cape. The surge in input costs, combined with generally lower global wheat prices, has been the major factor in reducing the profitability of farming businesses. In the 2025-26 production year, amongst other issues, the start of the season was marked by unfavourable weather conditions and snail infestations in some regions of the Western Cape, forcing farmers to replant, which further increased production costs. The fact that the yields were also generally poor made things worse for the farmers. South Africa's 2025-26 wheat harvest is now forecast at 1.89 million tonnes, down by 2% from the previous season, according to the latest data from the Crop Estimates Committee. The decline in the harvest is primarily in the Western Cape, the core producing province, due to the challenges we highlight above. Production in other provinces is reasonably robust but not sufficient to change the national picture.

- The decline in domestic wheat production comes at a time when international wheat prices are under pressure amid an improving global wheat harvest. For example, the International Grains Council forecasts 2025-26 global wheat production at a record 842 million tonnes, up 5% year-on-year. This is on the back of ample harvests in the EU, Russia, the U.S., Canada, Australia, Argentina, Ukraine, and Kazakhstan, amongst others. It is partly these ample global supplies and lower global wheat prices that have led to calls for an increase in the domestic wheat import tariff. The wheat import tariff exists to provide some level of protection for domestic wheat producers while ensuring that consumer welfare is not sacrificed in the process. The key is to find some level of balance. South Africa will likely have to import around 1.85 million tonnes of wheat for the current marketing year, which ends in September, the same as the previous season. We initially expected imports to be lower, but the recent downward revisions to domestic production may necessitate an increase in import volume above our initial estimate of 1.75 million tonnes.
- Ultimately, while South Africa is an agriculturally abundant country, we remain an importer of many major food products. The reason for imports, however, primarily concerns environmental constraints rather than an unfavourable policy. Importantly, the import list also presents an opportunity for trading partners to increase trade with South Africa in these products, as South Africa pushes for greater exports of fruit, wine, nuts, meat, and grains, among others.

WEEKLY HIGHLIGHT

South Africa is in for a better 2025-26 summer grains and oilseed production season.

- These are still early days for South Africa's 2025-26 summer grains and oilseeds production season, but from the very start, it appears we are in yet another better production year. The favourable weather conditions since the start of the season in October 2025, combined with the expansion in area plantings, have always underpinned our optimism, and the crop production data released by the Crop Estimate Committee this afternoon further underscores it.
- We now have the first production estimate for the 2025-26 season, at 19.82 million tonnes. While this is 3% less than the 2024-25 season, it remains an encouraging estimate. We must not forget that the 2024-25 summer grains and oilseeds were the second-largest on record; therefore, being marginally lower than they were is not cause for concern. This production figure comprises maize, sunflower seed, soybean, groundnuts, sorghum, and dry beans. We see minor annual downward revisions in most crops, except for sunflower seed and groundnuts.
- If we zoom in on the major grains, the 2025-26 maize production estimate is 16.13 million tonnes, down 3% from the previous season but well above the long-term average production. Importantly, this expected harvest is well above South Africa's annual maize usage of 12.0 million tonnes. The 3% expected annual decline in the harvest is due to lower yields in some regions, despite higher plantings than in the previous season. About 8.51 million tonnes of white maize, with 7.62 million tonnes being yellow maize. Such a maize crop, combined with likely large carryover stocks from the current season, signals that South Africa will yet again remain a net exporter of maize in the 2026-27 marketing year that begins in May (this corresponds with the 2025-26 production season).

- The 2025-26 soybean harvest is estimated at 2.66 million tonnes, down 5% from the previous year, largely due to expected poor yields in some areas. Still, a harvest of 2.66 million tonnes is well above the long-term average and will keep South Africa in a net exporting position. The sorghum harvest will likely fall by 12% to 131,888 tonnes due to a reduction in planted area and expected poor yields in some regions. The dry beans harvest will be down by 13% to 78,594 tonnes, also due to reduced planted area and expected poor yields in some regions. For sunflower seed, the 2025-26 harvest is forecast at 754,475 tonnes, up 8% from the previous season, benefiting from an expansion in planted area. The 2025-26 groundnut harvest is forecast at 65,238 tonnes (up 3% y/y).
- In essence, we are still in the early days, but this first production forecast for the season provides valuable guidance on the potential harvest size for South Africa's 2025-26 grains and oilseeds production season. We still have nine more monthly forecasts to follow, which may contain some revisions. Still, provided that weather conditions have generally been favourable across most regions of South Africa, we are inclined to believe that we are in for a better 2025-26 summer season for grains and oilseed production. From a consumer perspective, these data will likely continue to put downward pressure on grain and oilseed prices, supporting our long-standing view of a moderating path of food price inflation in 2026.

What are we watching this week?

- We start the week by looking at the global front, where we have two data releases worth watching. Today, the U.S. Department of Agriculture (USDA) will release the **U.S. Fats and Oils report, covering the Oilseed Crushings, Production, and Consumption data**. On Friday, the Food and Agriculture Organisation of the United Nations will release its monthly global **Food Price Index results for February 2026**. The Index 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 publish its **weekly data on South Africa's Grain and Oilseed Producer Deliveries**. In the previous release on February 20, 2026, South African farmers delivered 78,109 tonnes of maize to commercial silos. This was the 43rd weekly delivery for the 2025-26 marketing year (which corresponds with the 2024-25 production season), bringing the overall maize deliveries so far to 15.40 million tonnes. South Africa's 2024-25 maize harvest is forecast at 16.65 million tonnes, a 28% year-on-year increase, driven by yield improvements.
- The 2025-26 oilseeds marketing year began at the start of March 2025. In the first 51st weeks, soybean producer deliveries totalled 2.75 million tonnes, accounting for 98% of the harvest of 2.80 million tonnes. In the case of sunflower seeds, the first 51 weeks of the new 2025-26 marketing year's producer deliveries totalled 702,575 tonnes.
- South Africa's 2025-26 winter wheat harvest has ended, and farmers continue to deliver the crop to commercial silos. In the first 21 weeks of this 2025-26 marketing year, farmers have delivered about 1.72 million tonnes of wheat to commercial silos. This is 91% of the expected season harvest of 1.89 million tonnes (down 2% y/y).
- On Thursday, SAGIS will publish its weekly **South Africa's Grains and Oilseeds Trade data**. In the week of February 20, South Africa exported 37,187 tonnes of maize, with approximately 44% going to Zimbabwe, and the remainder to other countries in the Southern African region. This placed South Africa's 2025-26 maize exports at 1.6 million tonnes, out of the expected seasonal exports of 2.4 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 110,448 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 February 13 marked the 20th week of the new 2025-26 marketing year. The cumulative imports to date have totalled 554,024 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 1.80 million tonnes, down from 1.84 million tonnes in the 2024-25 marketing year.