

## South Africa's agriculture enters a critical month

- We are entering a busy period in South Africa's agricultural production cycle. On April 23, 2026, we are due to receive the Crop Estimate Committee's (CEC) third production forecast for 2025-26 summer grains and oilseeds. This estimate is typically a stronger indicator than the first two on how the season's harvest will look, as the crop has largely passed the pollination stage. At the same time, we are due to get the CEC data on farmers' planting intentions for 2026-27 winter crops. The weather outlook, winter crop prices, and the availability and cost of inputs, among other considerations, inform farmers' planting decisions for the season.
- At the end of this month, citrus farmers and strawberry growers will begin the harvest season and their export season. To them, the efficiency of domestic ports, shipping costs, and access to export markets less affected by the Middle East war are top-of-mind issues. We remain optimistic about the readiness of the domestic ports. The ports operated quite efficiently last season, ensuring a successful citrus export season. What worries us are the export markets, especially as South Africa's available citrus for exports may increase by approximately 3% to 5%, reaching a total of between 210 - 215 million 15kg cartons in 2026. Such volumes will require export markets. The Middle East, an important export market, may remain difficult to access. Making things more challenging is that we also anticipate stiff competition from higher citrus volumes from South America.
- Regarding the 2025-26 summer grains and oilseeds production season, the outlook has remained broadly positive. At the end of March, CEC projections placed South Africa's 2025-26 summer grains and oilseeds production at 20.3 million tonnes, which is 1% below the 2024-25 production season. We must not forget that the 2024-25 summer grains and oilseeds were the second largest on record. Therefore, the fact that the 2025-26 estimate is marginally lower than it was is not cause for concern, as this would still be robust output. This production figure comprises maize, sunflower seed, soybean, groundnuts, sorghum, and dry beans. It is likely that when the CEC releases an update on April 23, it will maintain a decent harvest projection or possibly raise the estimates slightly, as weather conditions have remained generally favourable and the crop is now maturing.
- With respect to the 2026-27 winter crop season, our focus will primarily be wheat, barley, canola and oats. Input costs are likely the major factor farmers will be most concerned about this time around, as fertiliser and fuel prices have increased notably since the start of the Middle East war. Still, it is unclear how many farmers had procured their inputs by the time the war started, and therefore, the planting intentions data will be valuable for providing that insight. Another key factor farmers will consider is the winter weather outlook. In its monthly Seasonal Climate Watch released on March 2, 2026, the South African Weather Service (SAWS) signalled prospects of a relatively drier winter season. The SAWS stated that "during the autumn and early winter, it is only the southern and eastern coastal areas that receive significant rainfall. For these areas, the south-eastern and eastern coastal areas are expected to receive above-normal rainfall, and the south-western parts below-normal rainfall".

- The south-western regions of South Africa that the SAWS cites include the Western Cape, where over two-thirds of South Africa's winter crops are cultivated. Still, it is too early to be certain. The update for this month will perhaps be more informative about the weather prospects for the season. Also worth noting is that wheat prices are likely to remain under pressure amid ample global supplies from the 2025-26 season. South Africa is a net importer of wheat and is exposed to global price movements, which ultimately means that, even domestically, global wheat prices may remain under pressure for some time. These factors matter in farmers' planting decisions, and right now we see more negative factors.
- In essence, South Africa's agriculture is in a critical month that guides us on the possible fortunes of summer and winter grain production, citrus, and strawberry production. For winter crops, the weather remains the major risk on the path forward, along with higher input costs. For other crops, higher fuel prices, rising shipping costs, and logistical challenges in the Middle East are major concerns. On this, a collaborative effort by government and business to open new markets and negotiate with existing markets to absorb more product than usual is key.

## WEEKLY HIGHLIGHT

### Global food prices remain at relatively lower levels than during the start of the Russia-Ukraine war

- Last week, the Food and Agriculture Organisation of the United Nations (FAO) released its flagship monthly report, the global Food Price Index results for March 2026, which averaged 128.5 points, up 2% from its revised February level. This Index mainly measures the monthly change in international prices of a basket of agricultural commodities, not actual retail prices. Price indices across all commodity groups, cereals, meat, dairy, vegetable oils, and sugar, rose to varying degrees because of the slightly firming demand, and some worries about the seasons ahead. Essentially, the Index is 1% above its value a year ago.
- Importantly, the current level is 20% below the peak reached in March 2022, which was the start of the Russia-Ukraine war. What is clear is that global agricultural prices, and particularly grain prices, are likely to remain at reasonably lower levels for some time. There are two major reasons why the price direction of agricultural commodities differs from the 2022 Russia-Ukraine war, which led to a surge in grain and fertiliser prices.
- First, there are currently ample global grain and other agricultural product supplies, which are adding downward pressure on prices. Second, the Middle East is not a major grain-producing region but an importer; therefore, a war at a time when we have ample grain and other agricultural supplies is unlikely to lead to an immediate increase in grain prices. If anything, there are challenges to those who export to this region. (South Africa is one of such exports, with the Middle-East making up 8% of South Africa's agricultural exports of US\$15.1 billion in 2025).
- But there will be some medium-term concerns about fertiliser prices and availability in some parts of the world. The northern hemisphere regions will start planting the 2026-27 summer crops from May, and the southern hemisphere will start around October. This will present higher cost pressures on farmers. But for consumers, the impact won't be immediate and can't be directly passed on unless farmers decide to reduce planting area because of higher input costs or difficulty accessing fertiliser. But we are not there at the moment.

- Essentially, we will only start to worry about the impact of all of this on global grain and other agricultural commodity prices if the war continues for longer and starts to affect fertiliser usage in the upcoming 2026-27 season. For now, the fuel is the immediate risk to food prices. In countries like South Africa, where 80% to 90% of agricultural products are transported by road, we are concerned about this issue. Indeed, the impact won't be immediate; there will be a lag, and some firms may absorb, to an extent, costs, cognizant that South Africans are currently under immense strain.

## What are we watching this week?

- We start the week by looking at the global front, which is relatively quiet. We only have one major data release on Wednesday, where the U.S. Department of Agriculture (USDA) will release the **U.S. Crop Production Historical Track Records** data. This monthly report provides historical estimates of acreage, yield, production, market-year-average price, and value; comparisons of preliminary and final planted and harvested acreage estimates; and comparisons of production forecasts with end-of-year and final production estimates. Includes information about barley, canola, corn, cotton, flaxseed, hay, oats, peanuts, rice, rye, sorghum, soybeans, sunflower, wheat, durum, beans, potatoes, sweet potatoes, tobacco, and sugar crops.
- On the domestic front, on Thursday, 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 March 27, 2026, South African farmers delivered 73,674 tonnes of maize to commercial silos. This was the 48th weekly delivery for the 2025-26 marketing year (which corresponds with the 2024-25 production season), bringing the overall maize deliveries so far to 15.82 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 just started this month, and the first 4-week deliveries were at 52,318 tonnes. We are a long way ahead, with the final crop estimate at 2.7 million tonnes, down 4% from the previous year, largely due to expected poor yields in some areas. In the case of sunflower seeds, the first 4 weeks of the new 2026-27 marketing year's producer deliveries totalled 77,012 tonnes. There is still a long way to go, as the forecast harvest for the season is 778,155 tonnes.
- South Africa's 2025-26 winter wheat harvest is complete. Some farmers continue to deliver the crop to commercial silos. In the first 26 weeks of this 2025-26 marketing year, farmers have delivered about 1.78 million tonnes of wheat to commercial silos. This is 94% of the expected season harvest of 1.89 million tonnes (down 2% y/y).
- On Friday, SAGIS will publish its weekly **South Africa's Grains and Oilseeds Trade data**. In the week of March 27, 2026, South Africa exported 49,741 tonnes of maize, with about 54% going to Zimbabwe, 16% to Namibia, and the remainder to other countries in the Southern African region. This placed South Africa's 2025-26 maize exports at 1.8 million tonnes, out of the expected seasonal exports of 2.4 million tonnes. The current marketing year only ends in 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 2.4 million tonnes export target for the season.
- 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 March 27 marked the 26th week of the new 2025-26 marketing year. The cumulative imports to date have totalled 937,703 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.