

## What Zimbabwe's maize import ban means for SA

- South Africa's maize industry is export-oriented. Over the past five years, the country has exported roughly 3 million tonnes each year. One of its largest markets is Zimbabwe, typically accounting for about 18% of annual exports. But in the near term, we may see these exports declining. There is a policy change that may lead to such an eventuality. The Zimbabwean government has placed a ban on its imports of maize. This comes on the back of improved domestic production in the country, leading the regulators to believe that, at least for the near term, there are sufficient supplies and no need for imports. This is also an effort to protect the farmers that the government has supported with inputs at the start of the season.
- While we recognize the logic of the Zimbabwean policymakers, we generally prefer minimal interference in agricultural markets, as intervention may disrupt the efficient allocation of scarce resources or functioning of the market. We believe that in times of abundant harvests, farmers and agribusinesses must be allowed to export and benefit from the global market. In times of droughts or floods, trade must still be allowed. Indeed, there may be short-term economic pain for consumers through higher prices in deficit years when imports are needed, but this induces farmers to plant more in the succeeding seasons.
- The more immediate unintended consequence of Zimbabwe's ban is a limited price benefit to consumers, as the ban might artificially increase the domestic price by restricting more competitively priced imports from South Africa and other origins.
- It is also worth highlighting that Zimbabwe may not keep the ban for long. We are doubtful that the country has sufficient maize supplies for the entire marketing year. We believe that there may be a need for maize imports later in the season. This is because Zimbabwe's 2024-25 maize production is projected at 1.3 million tonnes, according to data from the Pretoria-based unit of the United States Department of Agriculture (USDA). This is just more than twice the output from the previous season, which was a drought period. Still, it is not sufficient to cover the country's maize annual needs of about 2,0 million tonnes, potentially leaving an import gap of around 700,000 tonnes.
- When Zimbabwe finally returns to the import market, South Africa may again be one of the suppliers. In the last marketing year, South Africa supplied nearly all of Zimbabwe's maize imports. However, in the 2025-26 marketing year, there may be some changes, with Zambia regaining its net exporter status as it expects a bumper harvest of 3.66 million tonnes. This far surpasses Zambia's maize consumption of 2.8 million tonnes per annum.

- South Africa also forecasts a robust maize harvest of 15.80 million tonnes, which is 23% higher than the previous 2023-24 season's crop. These forecasts are well above South Africa's annual maize needs of approximately 12.00 million tonnes, implying that South Africa will have a surplus and remain a net exporter of maize.
- For South African maize exporters, the message here is that Zimbabwe may not be a conducive market in the near term, as it has ample domestic supplies. However, later in the season, Zimbabwe may return to the market and import. The USDA forecasts suggest that the expected crop is insufficient to meet annual consumption. Again, it may be that the import need is less than we anticipate. Still, we believe imports may be required later in the season. At such time, South Africa may be ready and able to supply the volume Zimbabwe needs. For the near term, South Africa's maize exports will likely be to the Far East markets and the broader Southern Africa region.

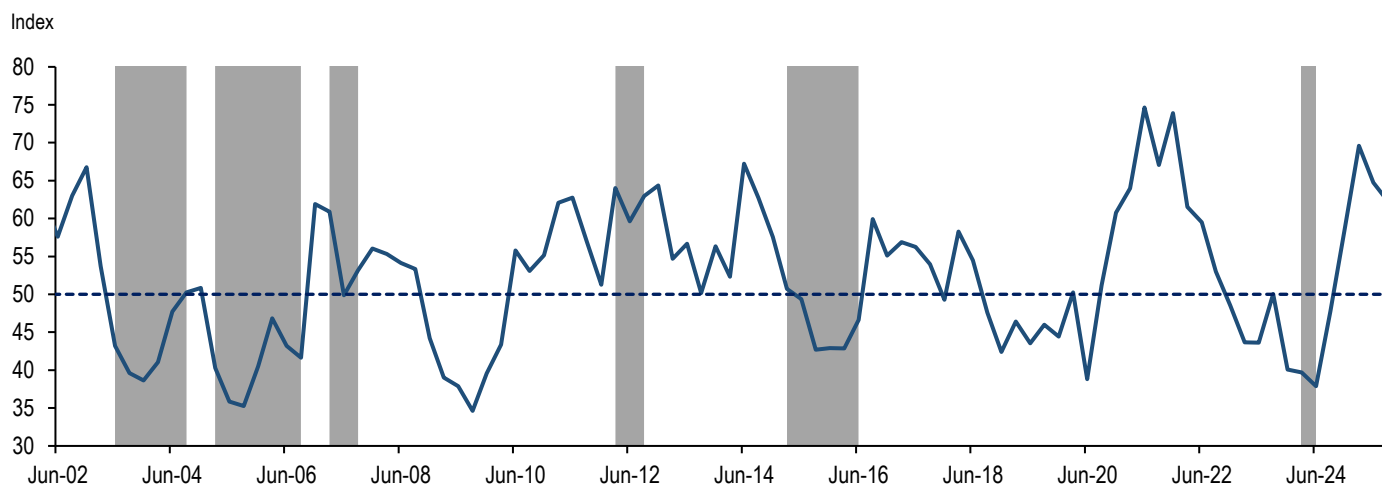
## WEEKLY HIGHLIGHT

### Agbiz/IDC Agribusiness Confidence Index declines slightly in Q3 2025

- The Agbiz/IDC Agribusiness Confidence Index (ACI) fell for a second consecutive quarter by 2 points to 63 in Q3 2025. Most respondents highlighted the adverse effects of foot-and-mouth disease and trade frictions with the U.S. as their primary concerns. Moreover, some noted the long-running challenges, such as poor service delivery by municipalities and slow progress in releasing government land to beneficiaries with title deeds to stimulate agricultural expansion, as limiting factors.
- Despite the slight decline, the current level of the ACI implies that South African agribusinesses remain optimistic about business conditions in the country. The favourable 2024-25 summer rains and improvements at the ports, which have enabled exports with minimal interruptions, are among the positives. The winter crop season is also looking positive for the 2025-26 harvest. This survey was conducted during the last two weeks of August, covering agribusinesses operating in all agricultural subsectors nationwide.
- Overall, the ACI results for Q3 2025 show that the mood remains upbeat in the sector, although several challenges confront some subsectors. What we take from these results is that the recovery of South Africa's farming sector will likely be uneven in 2025, with the livestock subsector under pressure, while other subsectors seem likely to grow.
- Moreover, the dominance of geopolitical concerns in respondents' views illustrates the strong dependence of South Africa's agricultural sector on export markets and the need to diversify these markets. BRICS, primarily China, India, Saudi Arabia, and South Africa, are among the key markets we should expand into. Still, as we drive diversification, we must work vigorously to retain the access we have in various markets in the EU, UK, Africa, Asia, the Middle East, and the Americas, amongst others.
- Also important are the collaborative efforts between business and government on addressing the biosecurity issues in South Africa's agriculture, along with pushing for better management of the

municipalities, and the release of the government-owned land to appropriately selected beneficiaries. This is key for long-term expansion in the sector.

## Exhibit I: Agbiz/IDC Agribusiness Confidence Index<sup>1</sup>



Source: Agbiz Research, South African Weather Service (Shaded areas indicate periods of drought in South Africa.)

## WEEK AHEAD

### What are we watching this week?

- We begin with a focus on the global front, where Today, the United States Department of Agriculture (USDA) will release its weekly U.S. **Crop Progress** report. As of August 31, approximately 69% of the maize crop was rated as good or excellent, which is significantly higher than the 65% rating at the same time last year. Moreover, approximately 65% of the soybean crop was again rated as good or excellent on August 24, which is roughly unchanged from the same week last year.
- The USDA will release its weekly **U.S. Grains and Oilseed Export Sales** data on Thursday.
- On the domestic front, on Tuesday, Statistics South Africa will release the **Gross Domestic Product (GDP)** data for the second quarter of 2028. Our focus will be on the agricultural sector in these data, and we expect the sector to show a mild performance after a strong start to the year because of the late harvest and animal diseases.
- 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 August 29, South

<sup>1</sup> The Agbiz/IDC Agribusiness Confidence Index reflects the perceptions of at least 25 agribusiness decision-makers on the 10 most important aspects influencing a business in the agricultural sector (i.e. *turnover, net operating income, market share, employment, capital investment, export volumes, economic growth, general agricultural conditions, debtor provision for bad debt and financing cost*). It is used by agribusiness executives, policymakers and economists to understand the perceptions of the agribusiness sector, and also serves as a leading indicator of the value of the agricultural output while providing a basis for agribusinesses to support their business decisions.

African farmers delivered 253,424 tonnes of the new season maize to commercial silos. This was the 18<sup>th</sup> weekly delivery for the new season, bringing the overall maize deliveries so far to 13.53 million tonnes. South Africa's 2024-25 maize harvest is estimated at 15.80 million tonnes, a 23% increase year-on-year, primarily due to expected annual yield improvements.

- The 2025-26 marketing year for oilseeds started at the beginning of March 2025. In the first 26 weeks, the soybean producer deliveries totalled 2.63 million tonnes, out of the expected harvest of 2.75 million tonnes. In the case of sunflower seeds, the first 26 weeks of the new 2025-26 marketing year's producer deliveries totalled 687,752 tonnes, of the expected harvest of 708,300 tonnes.
- Moreover, the wheat producer deliveries for the first 47 weeks of the 2024-25 marketing year stand at 1.88 million tonnes. The final harvest is 1.93 million tonnes, down from 2.05 million tonnes in the 2023-24 season.
- On Thursday, SAGIS will publish its **weekly South Africa's Grains and Oilseeds Trade** data. In the week of August 29, South Africa exported 15,112 tonnes of maize, all to the Southern African region. This placed South Africa's 2025-26 maize exports at 568,920 tonnes, out of the expected seasonal exports of 2.12 million tonnes. The current marketing year only ends in April 2026. We will likely see more robust export activity later in the year once farmers have completed the harvest and there is grain in the silos for export.
- Given the recovery in domestic maize production, we don't anticipate imports in the new marketing year; if any are made, they will be small, mainly for the coastal regions that will take advantage of the affordable prices of some supplies.
- South Africa is a net wheat importer, and August 29 was the 48th week in the 2024-25 marketing year. The imports to date have totalled 1.61 million tonnes. The seasonal import forecast is 1.74 million tonnes, down from 1.93 million tonnes in the previous season. So far, Russia, Lithuania, Poland, Latvia, Australia, Canada and Romania are the wheat suppliers to South Africa.