

Table grape industry's challenges illustrate the urgency of modernising logistics

- A critical element of our growth strategy for South Africa's agriculture is expanding export opportunities. If we don't open new export markets, efforts to expand production without growing international demand for our produce will not succeed. This is well understood in government and in organized agriculture. The China-Africa Framework Agreement on Economic Partnership for Shared Prosperity (CAEPA), which came into effect at the start of May 2026 and zeroed out tariffs on African products entering the Chinese market for the next two years, is a positive development. China is a major export market for South African farmers, alongside the EU, the U.K., the U.S., the African continent, and various markets in Asia and the Middle East. South Africa is working to retain these markets while seeking broader access at lower tariffs in various other Middle Eastern and Asian markets.
- As we proceed with these export market expansion efforts, we also need to improve port logistics. In 2025, Transnet, working collaboratively with various private-sector organisations and organised agricultural groups, made significant progress. We saw efficiencies improve in the Port of Durban and in the Eastern Cape ports. The various agricultural subsectors, including the citrus industry, benefited from these improvements. In addition to the ample volume of agricultural produce, improved port efficiency boosted South Africa's robust agricultural exports, which reached a record US\$15.1 billion in 2025, up 10% from 2024.
- But this improvement was not consistent across the country throughout the year. The Port of Cape Town experienced delays in its agricultural activities at the end of 2025 and into 2026. This was a peak export period for the table grapes industry. It was also at a time when the industry had an ample harvest. For example, the figures recently released by the South African Table Grape Industry (SATI) show that the final figures for the 2025-26 table grape season inspected for export were 81.25 million cartons (4.5 kg cartons), a 3% year-on-year increase.
- But when these products had to be exported, the Port of Cape Town faced various challenges, including weather-related issues. Some growers and exporters had to move the volume of the crop they would typically export through the Port of Cape Town to the Eastern Cape ports. For example, the data from SATI shows that the proportion of table grape exports shipped through the Port of Cape Town declined from 91% in the previous season to 76% in the 2025-26 season. Meanwhile, volumes shipped through Eastern Cape ports increased from 6% of total exports in 2024/25 to 21% this year. While higher export activity is generally welcomed at the Eastern Cape ports, transporting these volumes from remote regions to the Eastern Cape ports costs growers and exporters more than it does through the Port of Cape Town.
- What started as one of the best years in the table grape industry ended up as one of the most logistically and cost-intensive seasons. Such inefficiencies provide a lesson for the South African agricultural sector: it needs to focus not only on expanding export markets but also on consistently working with Transnet

to improve port efficiency. This is a path the industry has taken, and Transnet has been collaborative in working to avoid a challenging season in the future.

- Moreover, one of the issues we have discussed in the past, but which is equally important as a supportive measure for the sector's growth, is the state of the road network. Investment in improving roads is also a priority, as it weighs on the agricultural industry's profitability and could slow export activity. Indeed, the broader expansion of South Africa's agriculture cannot be limited to planting; exports are key. Still, export efforts must always be paired with stronger logistical support. Agbiz and its members focus on these aspects, which are key to the sector's economic sustainability.

WEEKLY HIGHLIGHT

South Africa's Agricultural Conditions Assessment Committee paints a mixed outlook for the first quarter of 2026

- This past week, the Agricultural Conditions Assessment Committee of South Africa (ACAC) released its first-quarter 2026 report, providing a brief synopsis that is valuable for understanding the sector's gross value added performance at the start of this year. At the onset, the ACAC stated that: *"The first quarter (Q1) of 2026 presented a mixed bag of fortunes for the agriculture sector. Although the ACAC expects a generally positive growth rate, it is most likely going to be significantly slower compared to the increase of 15.8% recorded in the same quarter of 2025."*
- In zooming into the details of the sector's underlying issues, ACAC noted that: *"In field crops, Q1 typically represents a period of late deliveries from the previous year's winter crops (wheat, barley, canola, oats and sweet lupins). Based on the latest estimates of the Crop Estimates Committee, last year's crop and the late deliveries are very much in line with the previous season's crop. Therefore, no major deviations in terms of output from winter cereal crops are expected."*
- The picture is much more positive in terms of the summer crop assessment, as ACAC states that: *"In terms of summer crops, Q1 is also the period during which farmers are nurturing the crops that were planted, with a range of activities including top dressing of fertilisers, herbicide and pesticide management, etc. Based on the latest estimates by the Crop Estimates Committee (CEC), the total cropping area for summer crops has expanded by about 5% for the current (2025/26) production season. The ACAC expects that the expanded area under production, as well as favourable rainfall conditions, will have boosted overall usage of fuel, fertiliser, and chemicals. In terms of prices, most of these activities took place before the start of the war and the consequent sharp rise in input prices in February."*
- *"When it comes to the outlook for Q2, the latest CEC estimates project a record grain and oilseeds crop of 20.8 million tons, driven by increased plantings and favourable weather conditions in most regions. This, however, comes at a time when prices are very low—approximately 20% to 30% below those seen in the previous season. Overall, output in summer grains and oilseeds in Q2 2026 is unlikely to reach the levels achieved in Q2 2025. Furthermore, rising input costs, particularly fertiliser and fuel, are affecting farmers' overall profitability. The ACAC will reflect on the impact of high input costs in Q3, when the CEC releases the intended plantings of the next summer crop."*

- The production conditions remained broadly similar to those of other field crops, but the benefits of all may become clear over the next couple of quarters. For fruits and vegetables, production conditions are broadly positive, which may support stronger sector performance in Q1 2026 and throughout much of the year.
- The one subsector that remains a challenge is the livestock and poultry sector. The issues of foot-and-mouth disease remain very much on the mind and continue to constrain the subsector's performance. Still, the poultry industry faces much better conditions, with relatively affordable feed prices and better production conditions. Thus, it was unsurprising that ACAC observed that: *"In livestock, Q1 of 2026 has also presented a mixed bag of fortunes. Considering the largest industry, poultry, there has been solid growth in output numbers (expected to be in the region of 5% compared to 2025), and chicken prices in Q1 were approximately 8% higher than in 2025. The industry has also benefited from much lower feed costs, driven by lower maize and soybean meal prices. Overall, the ACAC expects positive growth numbers from the poultry industry."*
- However, in the case of the cattle industry, ACAC noted that: *"When it comes to dairy, the industry has been severely affected by the negative impact of foot-and-mouth disease (FMD), with production numbers down. Higher prices and lower feed costs have partially offset lower production."*
- Moreover, *"The red meat industry in Q1 2026 has also been significantly impacted by an outbreak of foot-and-mouth disease, leading to a sharp contraction in supply and a corresponding surge in market prices. The disease outbreak has placed severe pressure on slaughter numbers, resulting in a notable year-on-year (YoY) decline. Cattle slaughterings decreased by approximately 17%, and pig slaughterings declined by 10%. The reduction in slaughterings and consequent lower supply of red meat has driven substantial price increases compared to Q1 2025."*
- Overall, these production dynamics suggest we are likely to have another generally positive year, but beneath the positivity lies a mixed picture. Beef and dairy producers, along with pork producers, are constrained by animal diseases. Meanwhile, other subsectors will see better outputs on the back of favourable weather conditions.
- **Disclaimer:** *I am the co-Chair of ACAC. The ACAC comprises the Department of Agriculture, various industry and commodity associations (Agbiz, Agri SA, Grain SA, AFMA, SATI, CGA, Fruit SA, MPO, Hortgro, SA Wines, Potatoes SA, amongst others), research organisations such as the Bureau for Food and Agricultural Policy (BFAP), and other statistics users such as the SA Reserve Bank and Stats SA.*

What are we watching this week?

- As always, 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. On Tuesday, the USDA will release the U.S. Crop Production data, which is primarily a historical report. In essence, the report contains crop production data for the past year for grains and oilseeds, sugar crops, cotton, tobacco, and others.
- On the domestic front, on Tuesday, Statistics South Africa (Stats SA) will release the Quarterly Labour Force Survey (QLFS) data for the first quarter of 2026. Looking back at the last quarter of 2025, we saw

a strong close to the year in terms of jobs data in the farming sector. The number of farm jobs in South Africa increased by 3% year-on-year in the last quarter of 2025 to 950k.

- The South African Grain Information Services (SAGIS) will publish its **weekly data on South Africa's Grain and Oilseed Producer Deliveries** on Wednesday. We have recently started the new 2026-27 season, and the harvest is still in its early stages. In the first week of the month, the farmers delivered 95,738 tonnes of maize to commercial silos. We are far from the end of the season and are expecting an ample crop, with the latest production estimate suggesting we could see a record harvest of 16.8 million tonnes of maize.
- The 2026-27 soybean marketing year has recently started, and the first 9-week deliveries were at 551,899 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 9 weeks of the new 2026-27 marketing year's producer deliveries totalled 345,583 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 31 weeks of this 2025-26 marketing year, farmers have delivered about 1.82 million tonnes of wheat to commercial silos. This is 96% 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. We are in a new marketing year: 2026-27. In the week of May 1, 2026, South Africa exported 20,055 tonnes of maize, with about 94% going to Zimbabwe, and the remainder to other countries in the Southern African region. South Africa's maize exports for the 2026-27 season are forecast at 2.90 million tonnes (up from 2.40 million tonnes). The current marketing year only ends in April 2027.
- South Africa is a net wheat importer, and May 1 marked the 31st 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.