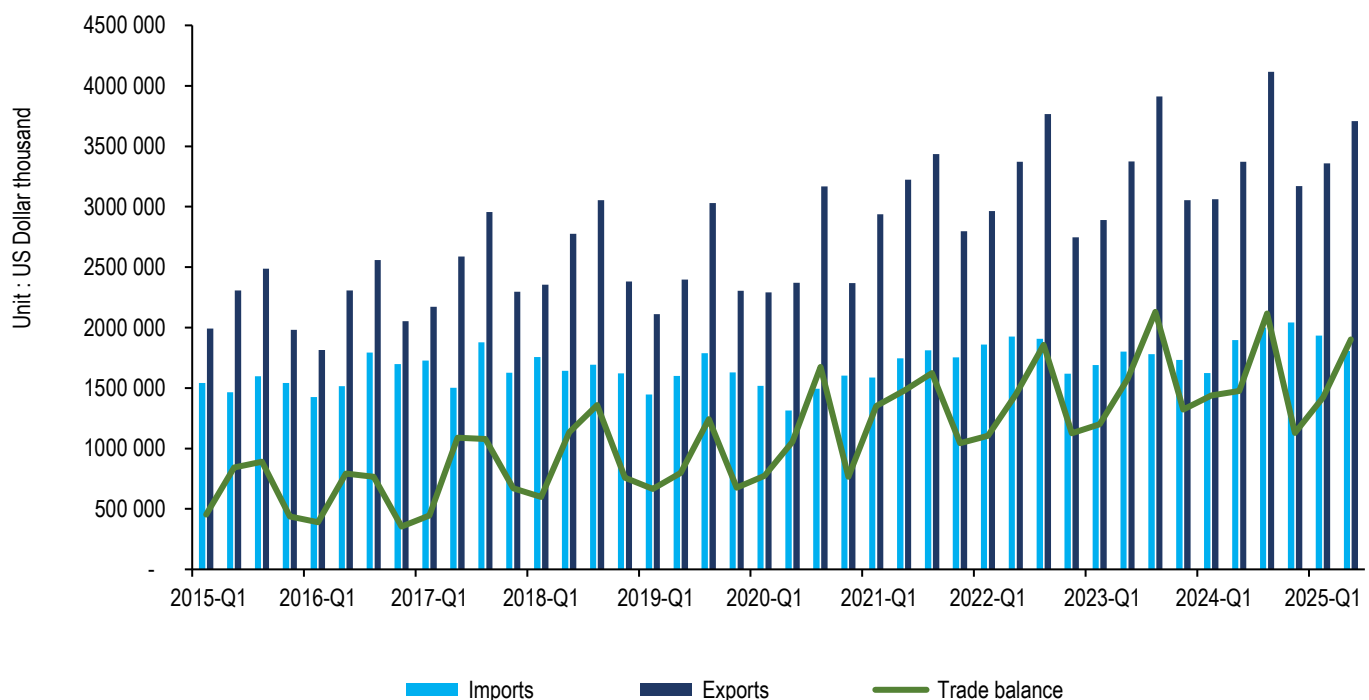


South Africa's agricultural exports remained robust in Q2, 2025

- In a year where trade continues to dominate headlines after the U.S. started imposing higher tariffs against its trading partners, we take a look at South Africa's recent agricultural exports data to gauge the early impact of the changing trade environment. Encouragingly, the start of the year has remained positive for the sector. After solid export activity in the first quarter of the year, South Africa's agricultural exports totalled US\$3.71 billion in Q2, up 10% from the same period a year ago, according to data from Trade Map. This is again a function of both higher volumes of various product exports and better commodity prices.
- The products that dominated the exports list in the second quarter of the year were mainly citrus, apples and pears, maize, wine, nuts, fruit juices, dates, pineapples, avocados, grapes, and wool, amongst other products. While there remains a need for further improvement in the efficiency of the ports, there has been a material improvement compared to recent years. Agricultural export activity in the second quarter experienced less friction than in the recent past.

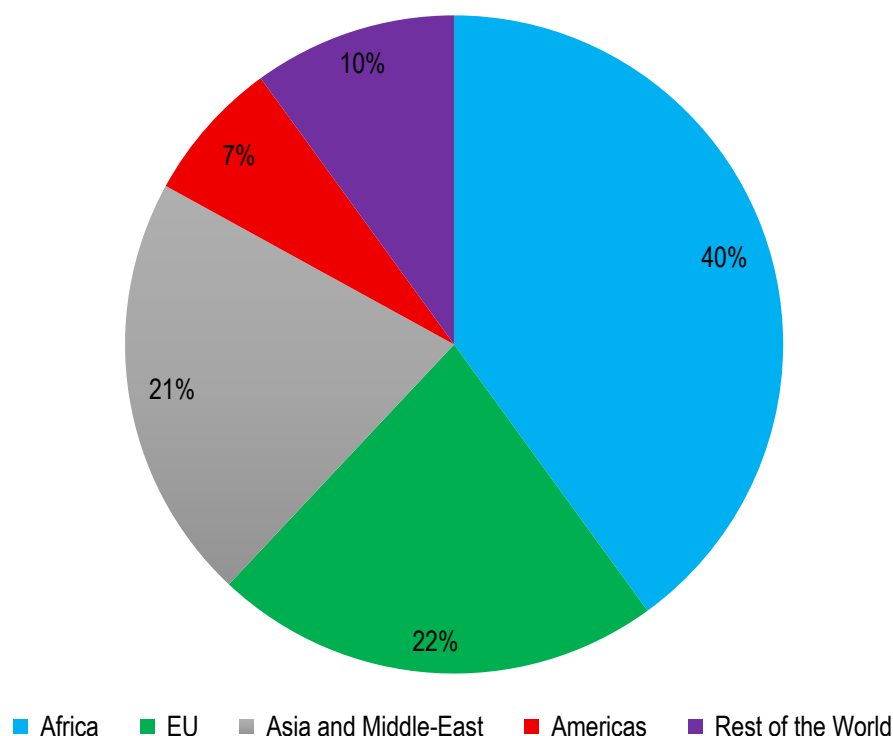
Exhibit I: South Africa's quarterly agricultural trade



Source: Trade Map and Agbiz Research

- From a regional perspective, the African continent maintained the lion's share of South Africa's agricultural exports in the second quarter of 2025, accounting for 40% of the total value. The products leading the exports list in the African continent were maize, maize meal, apples and pears, sugar, fruit juices, wheat, wine, soybean oil, and sunflower oil, amongst other products.
- The EU was South Africa's second-largest agricultural market, accounting for a 22% share. Citrus, apple and pears, dates, pineapples, avocados, guavas, mangos, wine, grapes, and nuts were amongst the primary agricultural products South Africa exported to the EU in the second quarter of 2025.
- As a collective, Asia and the Middle East were the third-largest agricultural markets, accounting for 21% of the total agricultural exports in the second quarter of 2025. The exports to this region primarily included citrus, apples and pears, nuts, wool, maize, beef, mutton, wine, berries, and fruit juices, among other products.
- The Americas region accounted for 7% of South Africa's agricultural exports in the second quarter of the year. The main exported products include citrus, fruit juices, wine, nuts, apricots, apples, pears, and grapes. Given ongoing concerns about the higher tariffs South Africa faces in the U.S., it is worth highlighting that some exporters may have taken advantage of the 90-day pause of the higher tariffs and exported more volume than usual during that period.
- Notably, South Africa's agricultural exports to the U.S. surprisingly increased by 26% in the second quarter of 2025, from the same period a year ago, at US\$161 million. The composition of the products hasn't changed; it is mainly citrus wine, fruit juices, and nuts, amongst other typical agricultural exports to the U.S. The fact that South Africa generally has a large fruit harvest also contributed to this huge increase, which far surpassed the average typical quarterly growth in exports to the U.S., which is about 9%. Also worth highlighting is that the rise underscores in a way the importance of the U.S. market for some producers, while it remains somewhat smaller from a national perspective. South Africa's agricultural exports to the U.S. were still 4% in the second quarter of 2025 (which is part of the 7% exports to the Americas region we mentioned above).
- Again, the 4% share of the U.S. in the overall South African agricultural exports is not a small value, as few specific industries are primarily involved in these agricultural exports. These are mainly citrus, grapes, wine, and fruit juices. Since the start of AGOA, the percentage share of South Africa's agricultural exports to the U.S. has remained at these levels. From now on, a great deal hinges on whether South Africa succeeds in securing favourable trade terms with the U.S.
- The rest of the world, including the United Kingdom, accounted for 10% of South African agricultural exports in the second quarter of 2025.

Exhibit 2: South Africa's agricultural exports by region in Q2, 2025



Source: Trade Map and Agbiz Research

- The country also imports various agricultural products. In the second quarter of 2025, South Africa's agricultural imports totalled US\$1.81 billion, a 5% decline year-over-year, according to data from Trade Map. The result is from slightly lower value and volume of major products South Africa imports, such as wheat, palm oil, poultry, and whiskies.
- As we have highlighted before, South Africa lacks favourable climatic conditions for growing rice and palm oil and thus relies on imports of these products. Regarding wheat, South Africa imports nearly half of the annual consumption. In the Free State province, which was once one of the country's major wheat-growing regions, production has declined notably over time due to unfavourable weather conditions and profitability challenges of wheat compared to other crops. Meanwhile, imports account for around 20% of the annual domestic poultry consumption.
- Subsequently, when we account for the exports and imports, South Africa's agriculture sector recorded a trade surplus of US\$1.90 billion in the second quarter of 2025, up 29% from the previous year. The higher exports and the decline in imports are the major boost to this better trade surplus.

Policy considerations

- In the current environment of heightened geoeconomic tensions, South Africa's export-oriented agricultural sector must work to maintain its current export markets and expand into new ones. The

focus for both policymakers and agribusinesses and organized agriculture should be on the following aspects:

- First, South Africa should maintain its focus on improving logistical efficiency. This entails investments in port and rail infrastructure, as well as improving roads in farming towns.
- Second, South Africa must work diligently to maintain its existing markets in the EU, Africa, Asia, the Middle East, and the Americas.
- Lastly, 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 some key BRICS countries, such as China, India, Saudi Arabia, and Egypt. The emphasis on the BRICS grouping should be on the need to lower import tariffs and address artificial phytosanitary barriers that hinder deeper trade within this grouping. The discussion in BRICS should move beyond the general rhetoric of intentions to meaningful trade arrangements.

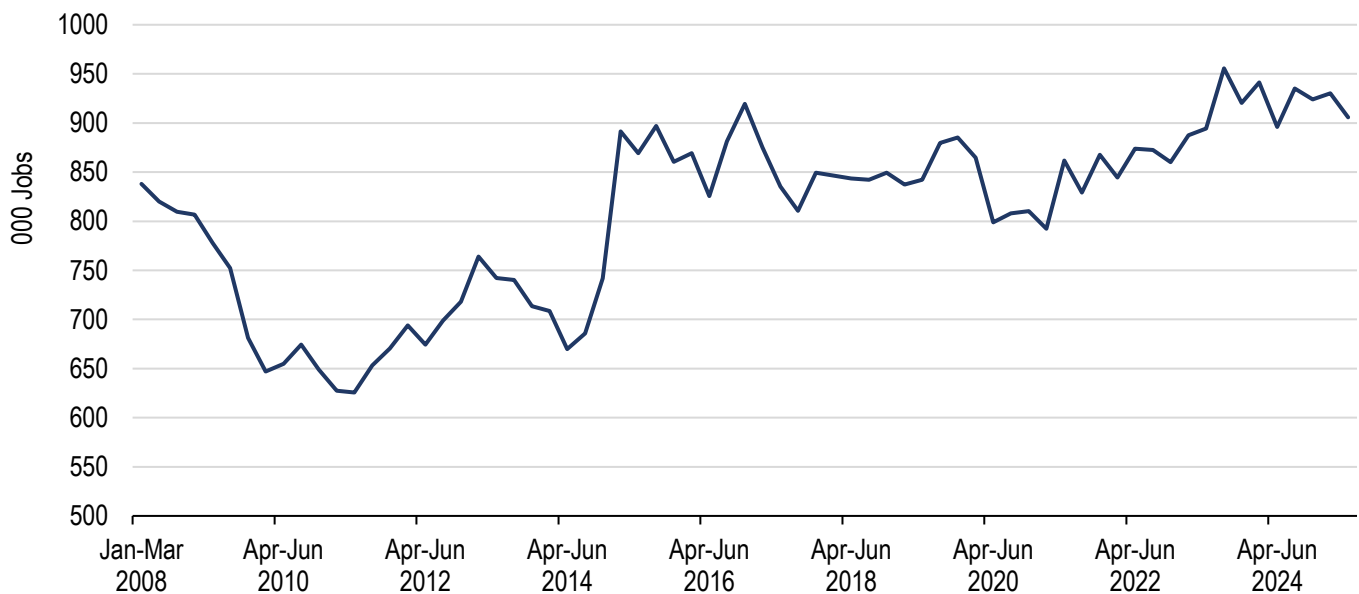
WEEKLY HIGHLIGHT

South Africa's farm jobs decline mildly in Q2,2025.

- The South African farm jobs have declined mildly from the first quarter of this year by 3% to 906k in the second quarter. We see the quarterly decline mainly in the livestock industry, some field crops, and aquaculture. This could be linked to specific challenges these industries are facing, particularly the foot-and-mouth disease in cattle farming in South Africa. We also think the delays in harvesting some summer crops may have also weighed on employment conditions.
- Still, we gain some encouragement in noticing that from an annual perspective, the overall farm employment is up 1% from the second quarter of 2024. The annual uptick is consistent with the robust production in field crops and horticulture that we see in the country. For example, the Crop Estimates Committee forecasts the 2024-25 summer grains and oilseeds harvest at 18.74 million tonnes, up 21% y/y. We also see encouraging production data across various fruits, wine, sugarcane, and vegetables.
- The only subsectors that have lower employment levels compared to a year ago are mainly aquaculture, forestry, and the production of organic fertilizer. Still, the employment of 906k is far above the long-term average level of 799k jobs, signalling that while the sector faces challenges, the employment conditions remain at encouraging levels. From a regional perspective, the Western Cape, Northern Cape, KwaZulu-Natal, and Gauteng are the provinces that registered quarterly job losses. Meanwhile, other provinces saw mild quarterly job gains.
- In essence, as the sector continues to struggle with foot and mouth disease, which will add financial pressures to the livestock industry, and lingering trade concerns, there remain some risks to South Africa's farming jobs. Beyond these near-term matters, there are long-standing challenges, such as port

inefficiencies, poor rail and roads, crime and stock theft, and worsening municipal service delivery, which also continue to constrain the growth of the sector and job prospects.

Exhibit 3: South Africa's agricultural jobs



Source: Statistics South Africa and Agbiz Research

WEEK AHEAD

What are we watching this week?

- This is a relatively quiet week on the global front. Today, the United States Department of Agriculture (USDA) will release its weekly U.S. **Crop Progress** report. As of August 10, approximately 72% of the maize crop was rated good or excellent, which is significantly higher than the 67% rating at this time last year. Moreover, approximately 68% of the soybean crop was rated as good or excellent, which is aligned with the rating of 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 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 8, South African farmers delivered 636,701 tonnes of the new season maize to commercial silos. This was the 15th weekly delivery for the new season, bringing the overall maize deliveries so far to 12.48 million tonnes. South Africa's 2024-25 maize harvest is estimated at 15.03 million tonnes, a 17% 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 23 weeks, the soybean producer deliveries totalled 2.60 million tonnes, out of the expected harvest of 2.72 million tonnes. In the case of sunflower seeds, the first 23 weeks of the new 2025-26 marketing year's producer deliveries totalled 675,109 tonnes, of the expected harvest of 708,300 tonnes.
- Moreover, the wheat producer deliveries for the first 45 weeks of the 2024-25 marketing year stand at 1.87 million tonnes. The final harvest is 1.93 million tonnes, down from 2.05 million tonnes in the 2023-25 season.
- On Wednesday, Statistics South Africa will release its Consumer Price Index (CPI) data for July 2025. Our focus in this data will mainly be on the food category. Looking back, South Africa's consumer food price inflation rose to the highest level in 16 months, at 4.7% in June 2025, from 4.4% in May, underpinned mainly by the recent increases in the meat, oils and fats, and vegetables prices.
- On Thursday, SAGIS will publish its **weekly South Africa's Grains and Oilseeds Trade** data. In the week of August 8, South Africa exported 30,412 tonnes of maize. About 50% was exported to Venezuela, and the rest to the Southern African region. This placed South Africa's 2025-26 maize exports at 488,815 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 8 was the 45th week in the 2024-25 marketing year. The imports to date have totalled 1.48 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.