

## Why the AAMP is vital to SA's agricultural growth

- What began as a promising path to boosting inclusive growth in South Africa's agriculture has become mired in unending discussions, and the implementation effort has been hazy at best. In May 2022, the then Minister of Agriculture, Land Reform and Rural Development, Ms Thoko Dididza, launched South Africa's Agriculture and Agro-processing Master Plan (AAMP), co-created by government, organized agriculture, labour, and other stakeholders. The document outlined the key constraints on South Africa's agriculture and agro-processing and presented solutions. The distinct aspect was its deep focus on various commodity value chains and the mapping of commodity corridors across the country. What followed was the creation of structures that monitor implementation and processes across the various commodities.
- The AAMP is critical because, while South Africa's agriculture gross value added has more than doubled since the dawn of democracy, there is still significant potential for growth, but various inefficiencies remain, increasing transaction costs for farming businesses and constraining expansion. Fortunately, when the current Minister in the Department of Agriculture, Mr John Steenhuisen, began his term, he recognized, correctly, the value of the AAMP and continued to champion it.
- But there is now growing criticism from some sections of the farming community against the AAMP, claiming it lacks an inclusive approach. These views are incorrect, in our view. The AAMP was co-created by most agricultural stakeholders. Importantly, what remains fundamental is whether the plan addresses the sector's main constraints. We believe that the ideal path is to support its implementation and to argue for updating as implementation continues. Seeking to start a new process will not help the sector's growth ambitions.
- With that said, the implementation has not been as encouraging as many had hoped. There are pockets of progress, but not with a coordinated focus. One reason for this may be the lack of focus and consistent push from both the government and the private sector. Often, discussions of broad policies and programmes take place in Pretoria, but the actual implementation of the plans is the responsibility of provincial and local officials. Therefore, placing sufficient attention on educating and training officials on new plans and ensuring their buy-in at such levels is critical for the success of any government-led programmes. It is possible that in many provinces, the efforts of the provincial officials do not match the enthusiasm of the political leadership in Pretoria. Such disconnects may discourage farmers and agribusinesses and slow the implementation of key programs, such as the AAMP.
- For much of 2025, discussions about the AAMP were revived only after the Department of Agriculture sought to review its progress and restore stakeholder engagement. Before that, the focus nationally was primarily on geopolitical matters and on the impact of U.S. tariffs on South Africa's agriculture. While such discussions are valuable and central to the sector's growth, they need not be the dominant focus

to the extent that time is not given to long-running programmes that are critical to the sector's success. South Africa still needs to deal with animal diseases, inadequately maintained roads, inefficiencies in rail, rural crime, inefficient registration of agrochemicals, and inept municipalities, amongst other things. Many commodity-specific matters require our attention.

- Moreover, in the context of inclusive growth, the political leadership in the Department of Land Reform and Rural Development has done very little to release government-owned land with title deeds to deserving black farmers so they can participate commercially in agriculture. Against this context, it is probably fair to argue that they, too, have constrained the implementation of the AAMP.
- While it is crucial to engage with geopolitics and the search for export markets, there remain many domestic issues that also deserve attention. The AAMP carries many answers, and should be implemented.

## WEEKLY HIGHLIGHT

### SA consumer food price inflation decelerated further in September 2025

- South Africa's consumer food price inflation slowed for the second consecutive month, easing at 4.4% in September 2025, from 5.2% in the previous months. The primary drivers of the deceleration were fruit and nuts, vegetables, oils and fats, and milk and other dairy products. The price inflation of cereal products also remained relatively moderate, which illustrates the benefits of the ample harvest and the easing of grain prices at the farm level. The same applies to the price inflation of fruits, nuts, and vegetables, which have declined notably in recent months due to ample supplies.
- As with the previous month, a key product we are closely monitoring is meat, which has remained somewhat elevated, although slaughtering has resumed in major feedlots across the country. Initially, panic buying, rather than a product shortage, was the main driver of meat prices. The fact that, while supply has improved a bit, prices remain elevated suggests that consumer demand may be slightly more buoyant and able to withstand the current higher prices. There may also be a slight delay in retail price adjustments.
- Regarding the grains, South Africa has an abundant harvest, with the 2024-25 summer grains and oilseed harvest estimated at 19.94 million tonnes (up 28% y/y). The various fruits and vegetables also saw ample harvests.
- Looking ahead, we remain optimistic that South Africa's consumer food price inflation will continue to moderate. The lingering upside risk is the impact on meat prices, as foot-and-mouth disease remains a challenge. The initial challenge with meat price inflation was the panic buying. At the moment, slaughtering has resumed in the major feedlots, although foot-and-mouth remains an issue. Usually, when there are outbreaks of disease, South Africa is temporarily restricted from various export markets, which, over time, increases the supply of red meat into the local market and adds downward pressure on meat price inflation. But this year has been different, partly because of the panic buying we saw earlier.

- South Africa's headline CPI rose to 3.4% in September 2025, from 3.3% the previous month.

## Exhibit I: South Africa's consumer food inflation



Source: Stats SA and Agbiz Research

## WEEK AHEAD

### What are we watching this week?

- Starting on the global front, we continue to experience challenges with key data from the U.S. Department of Agriculture due to the Government Shutdown. As a result, we doubt the USDA will release its weekly **U.S. Crop Progress** report scheduled for today. We also don't think the USDA will release its weekly **U.S. Grains and Oilseed Export Sales** data scheduled for Thursday.
- On the domestic front, on Tuesday, the Crop Estimates Committee (CEC) will release its **3rd production forecast for 2025-26 winter crops**. In the previous release, the CEC placed South Africa's 2025-26 winter crop at 2.77 million tonnes (up 4% from the 2024-25 season). This estimate comprises wheat, barley, canola, oats and sweet lupines. We may see a mild downward revision in the upcoming updates due to unfavourable weather conditions in recent weeks in parts of the Western Cape, a major winter crop-producing province. Also, the CEC will release the **2025-26 summer crop planting intentions data**. These are important data that provide essential guidance for the season ahead as farmers begin planting.
- 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 October 17, South African farmers delivered 57,217 tonnes of new-season maize to commercial silos. This was the 25th weekly delivery for the new season, bringing the overall maize deliveries so far to 14.42 million tonnes.

South Africa's 2024-25 maize harvest is estimated at 16.18 million tonnes, a 26% increase year-on-year, primarily due to expected annual yield improvements.

- The 2025-26 oilseeds marketing year began at the start of March 2025. In the first 33 weeks, soybean producer deliveries totalled 2.66 million tonnes, accounting for 96% of the expected harvest of 2.75 million tonnes. In the case of sunflower seeds, the first 33 weeks of the new 2025-26 marketing year's producer deliveries totalled 693,061 tonnes, of the expected harvest of 708,300 tonnes.
- South Africa's 2025-26 winter wheat season began at the start of October. But we are seeing that farmers have begun delivering the new season crop, which was planted from the start of May. In the first three weeks of this year, farmers have delivered about 45,420 tonnes of wheat to commercial silos. These are still early days, and the harvest will gain momentum in the coming months. South Africa's 2025-26 winter wheat harvest is forecast at 2.03 million tonnes, up 5% from last year. The annual improvement is boosted by the expected better harvest in the Northern Cape, Free State, Eastern Cape, and Limpopo. The Western Cape, which accounts for over half of South Africa's winter wheat production, is set to experience a mild decline in the harvest this year compared to the 2024-25 season due to unfavourable weather conditions in some parts of the province.
- On Thursday, SAGIS will publish its **weekly South Africa's Grains and Oilseeds Trade** data. In the week of October 17, South Africa exported 49,066 tonnes of maize, with about 64% going to Zimbabwe and the rest to other countries in the Southern African region. This placed South Africa's 2025-26 maize exports at 778,363 tonnes, out of the expected seasonal exports of 2.24 million tonnes. The current marketing year only ends in April 2026. We will likely see more robust export activity later in the year and in early 2026, when demand in the region is expected to be strong.
- 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 77,524 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 October 17 marked the third week of the new 2025-26 marketing year. The imports to date have totalled 154,356 tonnes from the United States, Australia, Lithuania, and Poland. We expect South Africa's 2025-26 wheat imports to reach 1.74 million tonnes, down from 1.83 million tonnes in the 2024-25 marketing year, due to a slight recovery in the domestic harvest.
- Also on Thursday, Statistics South Africa will release the **Producer Price Index (PPI) data for September 2025**.