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Glimmers of light in the Western Cape's farming despite trade uncertainty

- The agricultural discussions surrounding the Western Cape province of South Africa have primarily focused on the risks presented by the U.S. trade policy shifts in recent months. This is understandable, as the province has greater exposure to the U.S. market relative to other provinces, mainly through its exports of citrus, wine, table grapes, and ostrich products, among others. Securing better market access in the U.S. with low tariffs is key to maintaining the competitiveness of these industries in that market.
- Still, some encouraging developments in the province's agriculture are worth highlighting, primarily in winter crop production. While it is still early to form a firm view, it seems likely that South Africa will have a decent winter crop season, primarily boosted by the Western Cape's harvest. At the start of the 2025-26 winter crop season, there was some uncertainty about the weather outlook, and the relatively higher input costs also added pressure to the farmers. However, the weather turned out to be a positive surprise, presenting favourable rainfall across most farming regions of the Western Cape. This province accounts for more than two-thirds of South Africa's winter crop production. The favourable rains of the past weeks have enhanced crop growing conditions, providing us with some optimism about the province's potential winter crop harvest.
- While earlier weather forecasts from the South African Weather Service (SAWS) had signaled a more challenging environment, the reality has been positive, with continuous rains. For example, at the start of July 2025, the SAWS stated that "During Late winter and early spring, the south-western parts of the country are still expected to receive below-normal rainfall." Fortunately, the reality for many winter crop-producing regions of the Western Cape was that the weather turned out positively, delivering favourable rainfall that supports crop-growing conditions. Favourable rainfall for the coming months remains critical for maintaining crop-growing conditions through to maturity.
- In other winter crop-growing regions of the country, the longer-than-usual summer rainfall period improved soil moisture and dam levels, all of which are beneficial to winter crops, especially in irrigation regions. There are sufficient water supplies to support the crop through the season. While some input product prices were somewhat elevated when the season started, farmers maintained optimism about the area they would plant. For example, at the end of April 2025, the Crop Estimates Committee reported that the 2025-26 winter crop farmers' planting intentions were at 827,970 hectares, up 1% from the previous season. This comprises wheat, barley, canola, oats, and sweet lupines. A closer look at the major crops reveals some minor deviations, with all crop area plantings increasing, except for barley, which is declining. These data included all provinces, with the Western Cape accounting for the largest share.

- On July 29, we will receive a preliminary view from the Crop Estimates Committee on whether farmers indeed managed to plant the area they intended to grow. Leaning on what we hear from various farmers and our members, we continue to believe that the farmers likely achieved this area, and if there is deviation, it may be minor. Significantly, the rains of the past few months also improved the prospects for better yields. If the weather remains favourable in the coming months, then the optimism regarding the yields will hold even stronger.
- If we look back at the specifics, focusing mainly on the major winter crops, farmers intended to plant the 2025-26 wheat crop on 513,200 hectares, up 2% from the previous season. If we assume relatively favourable weather conditions going forward, as in the past few months, and a decent yield of 3.97 tonnes per hectare, which aligns with the five-year average, South Africa's wheat harvest would be 2.04 million tonnes. This would be up 6% from the 2024-25 production season. In the case of canola, farmers intended to plant 166,500 hectares, up 0.5% from the previous season. Similarly, if we apply a five-year average yield of 1.89 tonnes per hectare, South Africa could harvest 314,685 tonnes, representing a 9% increase from the previous season. There is also broad optimism about the prospects for oats production. Unlike other crops, farmers intended to reduce barley plantings by 8% to 93,050 hectares in the 2025-26 season. If we apply a five-year average yield of 3.58 tonnes per hectare to barley, we will have a harvest possibility of 333,119 tonnes, down 11% from the previous season.
- In essence, while the Western Cape's farming economy faces heightened uncertainty regarding the impact of U.S. trade policy on South Africa, there remain industries that are on a promising path. That said, the farmers won't necessarily be in a far better financial position even if the weather conditions remain favourable. The farmers in the province faced higher input costs, as some regions struggled with snail infestations and had to replant, further increasing production costs. Still, a decent winter crop will help in the current environment.