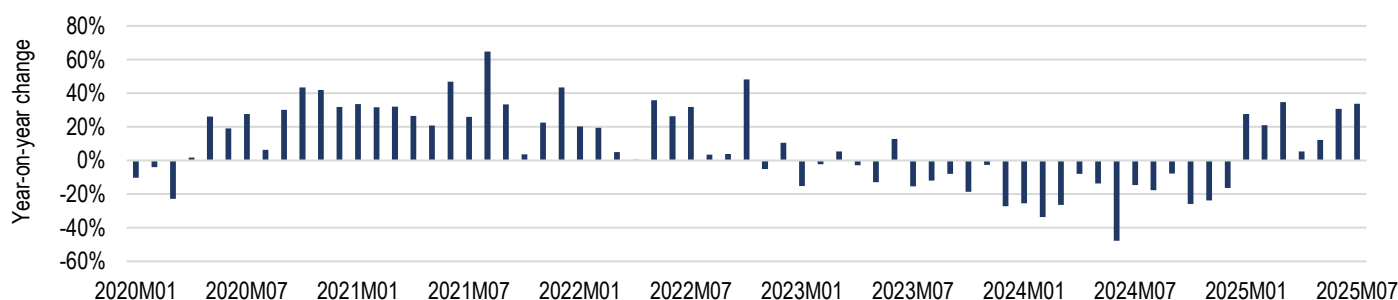


SA agricultural machinery sales are likely to remain strong this year

- **South Africa's agricultural machinery sales have remained reasonably robust since the start of 2025, and are likely to continue on this encouraging pace. The tractor sales have increased for the past seven consecutive months, while the combine harvester sales only cooled in the last three months, having started on solid momentum. The recent data for July also paints a mixed picture. For example, the tractor sales are up 34% y/y, with 753 units sold. However, the combine harvester sales are down by 25% y/y, with six units sold. The decline in combine harvester sales is not a significant concern given the higher volume of sales in the past few months. The cumulative combine harvester sales for the first seven months of 2025 are up 27% from the corresponding period in 2024, with 167 units sold.**
- The increase in agricultural machinery sales primarily reflects the positive sentiment in the sector regarding the 2024-25 field crop, horticulture, and wine grape harvest, supported by the favourable weather conditions. For example, (1) the Crop Estimates Committee forecasts the 2024-25 summer grains and oilseeds harvest at 18.74 million tonnes, up 21% y/y. (2) South African sugar production for the 2024-25 production season is forecast to recover by 7% y/y to 2.09 million tonnes. (3) South Africa's wine grape harvest was 1.244 million tonnes, an 11% recovery from the exceptionally poor harvest of 2024. (4) The South African Table Grape Industry has also posted some upbeat production figures, indicating that the 2024-25 total harvest inspected is 78.9 million cartons, up 4% y/y. (5) We also see encouraging production data from citrus, various fruits, and vegetables. (6) The 2025-26 winter crop plantings are also fairly decent. Significantly, the base effects following weak sales in 2024 also contributed to the stronger annual recovery in sales.
- **We expect South Africa's agricultural machinery to remain strong this year.** In addition to the better agricultural production conditions, the interest rates have eased somewhat from last year's levels. Also worth noting is that some farmers may continue with machinery replacement in the coming months, which ultimately supports the sales.

Exhibit I: South Africa's tractor sales



Source: South African Agricultural Machinery Association and Agbiz Research