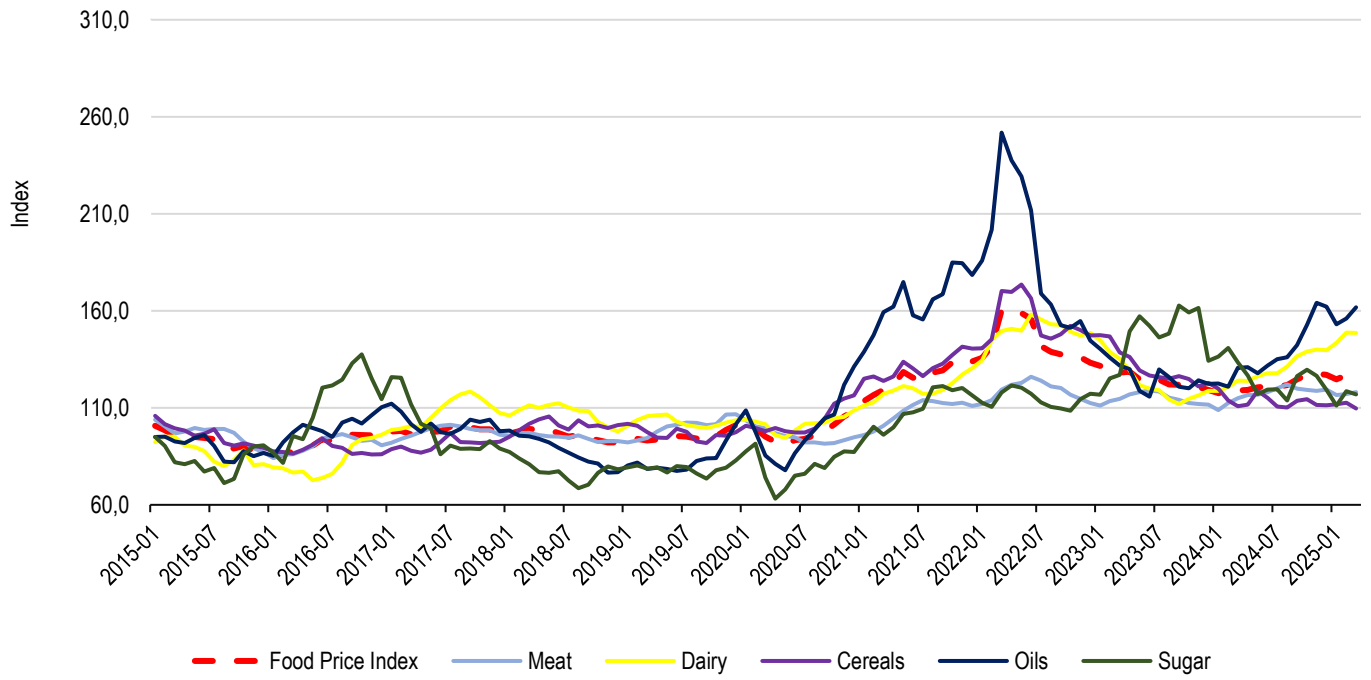


## The global grains and oilseed production prospects remain optimistic

- This past week, the International Grains Council released its monthly update of the 2025-26 global grains and oilseeds production forecasts. The forecasts paint a broadly optimistic view. For example, the 2025-26 total grains production is forecast at 2,4 billion tonnes, up 4% from the previous year. This forecast comprises all major global soft commodities – maize, wheat, rice and soybeans.
- A closer look at the data shows that the 2025-26 global maize production is forecast at 1,3 billion tonnes, up 8% year-on-year. The uptick is expected to be in all major maize-producing regions worldwide. The 2025-26 global wheat crop is forecast at 805 million tonnes, up 1% from the previous season. The 2025-26 global rice production is estimated at 540 million tonnes, up 1% from the prior season. The 2025-26 global soybean crop is estimated at 428 million tonnes, up 3% from the previous season.
- Admittedly, it is still too early to be confident about these crop prospects, and the northern hemisphere countries have recently started planting. A lot will unfold as the season progresses, including whether farmers will plant all the intended areas.
- Moreover, the southern hemisphere countries will only start tilling the land towards the end of the year – around October. The forecasts for this region so far are mainly based on historical plantings. What will matter the most from now on are the weather conditions. So far, the prospects remain relatively favourable for most regions; thus, the International Grains Council has maintained this broadly optimistic view of the 2025-26 global grains and oilseeds production.
- The better harvests also imply that commodity prices could remain contained for some time, albeit a few where their usage is high and weighing on stock-level prospects. For South Africa, this is an encouraging outlook for a consumer. South Africa generally imports around 1,8 million tonnes yearly, just under half of the country's annual consumption.
- South Africa also imports about a million tonnes of rice, which accounts for all consumption. South Africa does not produce rice because its semi-arid environment requires more moisture.
- In addition to the weather, the other issues we continue to monitor are geopolitical developments and trade policy, as they typically add downward pressure on agricultural commodities when China, a major grains and oilseeds buyer, cancels orders in its efforts to source more produce from South America. This is a developing issue that requires constant observation. Aside from that, the outlook for 2025-26 global grains and oilseed production remains broadly optimistic.

## Exhibit I: Global food price index



Source: FAO and Agbiz Research