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the way to prosperity

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SA agriculture has a plan to unleash growth, and it must be implemented

- South Africa's farming sector still has the potential to expand and increase its output. Government land, now being released with title deeds, is one such avenue for expansion. But it will require capital injection into those farms and training for some of the new commercial farmers. For this reason, partnerships between government, organised agriculture, agribusinesses, and labour, among other social partners, remain more important than before. The farming sector has spent years refining various partnership models, with the most recent being the Agriculture and Agro-Processing Master Plan (AAMP), launched in May 2022. The AAMP not only prioritised inclusion but also identified key areas that constrain growth across the sector and, when addressed, would unlock broader growth.

- The AAMP was never fully implemented. Still, a closer look at it and consideration of what it proposes continue to convince us that it remains a viable pathway for partnership in the sector. Of course, as time has passed and implementation has remained incomplete, some fatigue has set in. When various stakeholders begin to doubt whether it can take off, that doesn't mean they are despondent about its promise, but about the social partners' commitment to it.

- At a time like today, where the avenues to grow agriculture are clear and include boosting exports, addressing port congestion and delays, embracing new seed cultivars, partnering on land reform, addressing the animal and plant health challenges, and fighting stock theft and crime, the room for partnership across the various commodities is essential. The spirit of collaboration also needs to extend beyond Pretoria, as it has been, and be channelled to provincial and local structures. The most efficient way to do this is to revitalise the focus on the AAMP, not abandon it. A fresh start to any new plan may take more time and, most importantly, end up with the same conclusions as the existing AAMP.

- The current document isn't ideologically driven and wasn't created by a single stakeholder. It was a collaborative, extensive process with broad consultation. It is also backed by academic insights and deep value-chain insights for each commodity, outlining the challenges that slow growth and how to address them. What remained missing was devoted, continuous focus from all stakeholders, particularly the document's signatories. To convince those still unconvinced about the AAMP, we need results. Stakeholders will then see that their views and challenges are reflected in implementation efforts.

- The minimal implementation may have created the impression that the AAMP addresses only particular issues for some stakeholders, not the entire sector, leading to discontent. To address this, we should renew focus and implementation and accommodate new views as we observe and gain insights during implementation. Importantly, the AAMP may have a better chance of being quickly absorbed into the

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planning of provincial government structures and farmer associations than if we went back to the drawing board to develop a new plan to support growth in the sector.

- For much of last year, and this year, the South African farming sector was absorbed in foot-and-mouth disease challenges and other animal health matters, along with export expansion efforts. The coming year will likely present another challenge: the El Niño-induced drought. These events typically shift the focus of the government and other sector stakeholders away from long-term plans such as the AAMP.

- As we head into the likely challenging 2026-27 summer season, we need to be cognizant of this challenge, apportion resources and energy well, but also avoid using the challenge as an excuse to delay policy interventions that will help in the long term. Through this sequencing of interventions and collaborations, we can revitalise processes such as the AAMP for the good of the sector and clearly demonstrate that these plans address the core issues all stakeholders face.

WEEKLY HIGHLIGHT

SA tractor sales remained sluggish in September 2026

- Like the previous months, we continue to observe some cooling in South African tractor sales. On an annual basis, tractor sales declined for the fifth consecutive month to 623 units in September 2026, down 18% from a year ago, according to recent data from the South African Agricultural Machinery Association. Higher input costs, driven by the U.S.-Iran war and the expected El Niño drought as we start the 2026-27 agricultural production season, continue to drive the sales decline.

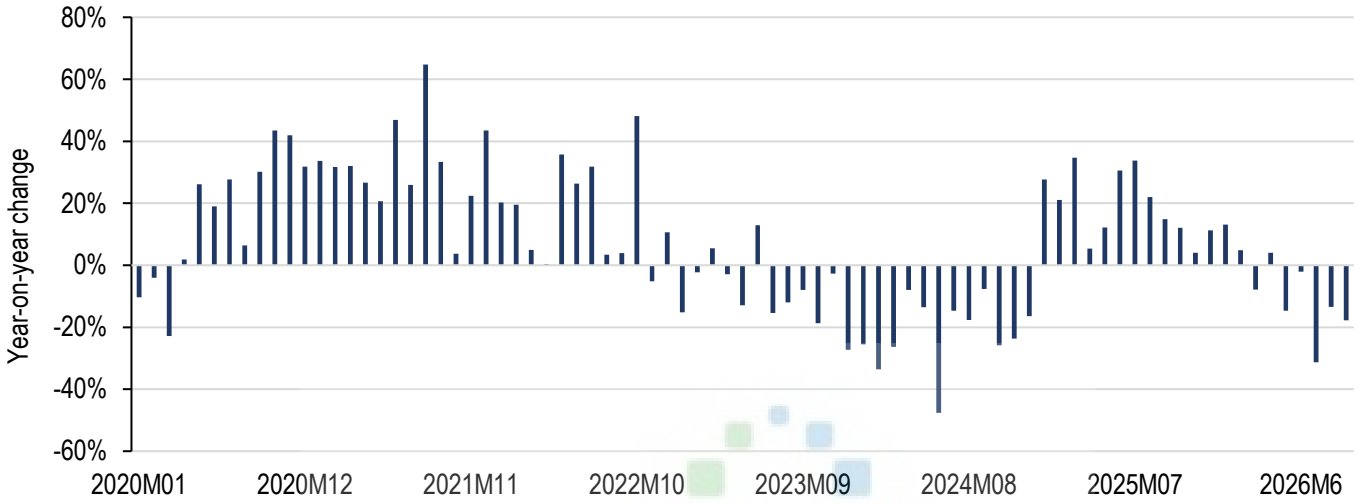
- At its core, this moment came after a long period of strong sales, so a cooling period was expected, with the tractor replacement rate slowing, but not at the current rate. Positively, after a long period of weak sales, combine harvester sales nudged up in September 2026 to 12 units, a 50% increase from a year ago.

- For the season we are leaving behind, we were in a period of abundance, which some may have expected would continue to boost tractor sales. In fact, the Crop Estimates Committee now forecasts the 2025-26 summer grain and oilseed harvest at 21.7 million tonnes, up 6% y/y. This ample harvest is supported by expanded cultivated area and high yields from favourable La Niña summer rains. We see strong harvests also in fruits. Still, the challenges we have outlined above, and the likely drought, are the dominant factors as farmers start the 2026-27 summer crop season.

- In essence, we think this year's tractor sales will remain decent, as the first part of the year was relatively strong. The challenge started closer to mid-year, when we saw some cooling. For the rest of the year and going into 2027, the expected drought will weigh on farmers' finances and ultimately the machinery sales. High fertiliser and fuel prices, driven by Middle East instability, further add pressure.

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Exhibit 1: South Africa's tractor sales



Source: South African Agricultural Machinery Association and Agbiz Research

What are we watching this week?

- We start the week with a global focus, and the calendar is light. Tomorrow, the U.S. Department of Agriculture (USDA) will release the **weekly U.S. crop progress report**, which provides insight into crop growing conditions, primarily for maize, sorghum, soybeans, and other major grains, for the 2026-27 production season. We are also getting insights into the harvest process. On October 4, 2026, about 54% of maize crops were rated good or excellent, well behind last year's 66% in the same week. Also worth noting: 57% of the soybean crops were rated good or excellent on October 4, 2026, slightly below last year's 62% in the same week.

- On the domestic front, on Wednesday, the South African Grain Information Services (SAGIS) will publish its **weekly data on South Africa's Grain and Oilseed Producer Deliveries**. The harvest for the 2025-26 production season is virtually complete, and the focus is shifting towards the 2026-27 season, which starts this month. In the first 23 weeks of the new marketing year, farmers delivered 15.1 million tonnes of maize to commercial silos. South Africa is poised to harvest an ample 17.5 million tonnes of maize, the largest harvest on record.

- The 2026-27 soybean marketing year soybean harvest is complete, and farmers continue to deliver to the commercial silos the last volumes of grains for the season. In the first 31 weeks, deliveries totalled 2.8 million tonnes against an estimated crop of 3.01 million tonnes. For sunflower seeds, producer deliveries in the first 31 weeks of the new 2026-27 marketing year totalled 824,183 tonnes against an expected crop of 874,805 tonnes.

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- South Africa's 2025-26 winter wheat harvest is complete, and the focus is on the new 2026-27 season. In the first week of this 2-26-27 marketing year, farmers have delivered about 14,958 tonnes of wheat to commercial silos. The expected harvest for the season is 1.81 million tonnes, down 5% year on year. This is the lowest harvest in eight years. The decline in area planted, combined with the prospect of poor yields due to dryness in parts of the Western Cape over the past few months, is a major factor behind the expected lower harvest.

- SAGIS will also publish its **weekly South Africa's Grains and Oilseeds Trade data** on Thursday. Last week, South Africa exported 22,495 tonnes of maize. About 48% went to Zimbabwe, and the rest to neighbouring countries. In the 2026-27 marketing year, which started in May 2026, South Africa could export roughly 3.0 million tonnes of maize. This would be up from 2.4 million tonnes in the past season. South Africa has ample maize supplies, supported by robust production. South Africa's maize exports so far in the 2026-27 marketing year total 1.2 million tonnes, out of the expected 3.0 million tonnes.

- South Africa is a net wheat importer, and October 2, 2026, marked the first week of the new 2025-26 marketing year, with imports of 65 754 tonnes of wheat from Australia, Lithuania, and the U.S.

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