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SA wheat harvest remains low for the 2026-27 season, and reliance on imports will increase

- South Africa's winter wheat harvest is underway across the Western Cape, a province that typically plants earlier than others. Producer deliveries data show some momentum in the harvest. For example, on October 23, 2026, farmers had delivered to commercial silos a cumulative volume of about 150 061 tonnes of wheat since the new marketing year started at the beginning of October, according to data from the South African Grain Information Services. The crop quality is relatively fair so far. We will know more about crop quality in other regions as the harvest continues. But one thing is clear: the overall national crop will be quite low.

- On October 27, 2026, the Crop Estimates Committee released the country's third winter crop production estimates for the 2026-27 season. The wheat production estimate was slashed by a further 1% from the September figure to 1.79 million tonnes. This is down 6% year on year, the lowest harvest in about eight years. The decline in harvest is not only due to the reduced area planted; yield estimates are also relatively poor. For example, the South African national average wheat yield this 2026-27 season is about 3.67 tonnes per hectare, the lowest in eight years. The lower yields further underscore the point we made a few months ago about the impact of the drier weather conditions in the Western Cape on the winter crops, particularly wheat. Looking closely at the production data, we see that the Western Cape faces the most notable decline compared to last season, followed by a minor decline in the Northern Cape and Limpopo. Roughly two-thirds of South Africa's winter wheat plantings are in the Western Cape; therefore, challenges in the province tend to be visible nationally. Higher input costs at the start of the season were another challenge for winter crop farmers, and international wheat prices were broadly under pressure at the start of planting, reflecting abundant global wheat supplies.

- But in recent months, international wheat prices have adjusted up a bit as the Russia-Ukraine war intensifies, leading to blockages in wheat exports. Still, global wheat supplies are plentiful overall, but a major challenge in recent months has been moving wheat. We now see heavy stocks building up in the Black Sea region, which, over time, or when logistical movements resume, may put renewed pressure on global wheat prices. The 2025-26 global wheat production that we are leaving behind brought a record harvest of 845 million tonnes, which boosted stocks, according to data from the International Grains Council (IGC). Major producing regions worldwide had ample harvests. The IGC's 2026-27 production estimates show that while global wheat production is down slightly, it remains plentiful and above the five-year average. For example, IGC forecasts the 2026-27 global wheat harvest at 820 million tonnes, down 3% year-on-year. Consequently, in the 2026-27 global wheat stocks are forecast at 279 million tonnes, down 2% year-on-year. But they remain well above the five-year average because of ample supplies from the past season. Thus, we believe that as soon as the Russia-Ukraine war eases the

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disruption to export facilities, the world may again enter a period of relatively lower wheat prices than we have seen in the recent past.

- In South Africa, where the country imports roughly half of its annual wheat consumption, a potential decline in global wheat prices will be welcome. This is even more important as we enter the El Niño period, which may put upward pressure on other key staple grains in South Africa, mainly maize. South Africa may import around 2.0 million tonnes of wheat in the 2026-27 season, up from 1.98 million tonnes, because of the poor harvest mentioned above.

- Global wheat availability is positive for local consumers. But farmers still face challenges, as they continue to contend with rising input costs. Thus, the South African wheat industry consistently calls for the review and increase of the wheat import tariff. In response, policymakers face the challenge of balancing consumer welfare with the industry's sustainability. These trade-offs are difficult and affect all stakeholders. This once again shows the complexity of the South African food industry, and the current season brings its own dynamics as local supplies dwindle, calling for a slight increase in reliance on global supplies.

WEEKLY HIGHLIGHT

SA's grain and oilseed farmers aim to plant a decent area for the 2026-27 season, although drought is a major risk

- South Africa's agriculture is at a critical point. The farmers have started planting the summer 2026-27 grain and oilseed crops. The operating conditions are challenging. We face higher fertiliser and fuel prices because of the ongoing U.S.-Iran war. We are also facing environmental pressures from this year's El Niño-induced drought. Among other things, these factors influence farmers' decisions about the planting season.

- Fortunately, we now have a window into the farmers' thinking about this season. Data released last week by South Africa's Crop Estimates Committee show that South African farmers intend to plant 4.5 million hectares of summer grain and oilseed. While this is 2% lower than the 2025-26 planting area, it aligns with the five-year average. Therefore, based on expectations, we can be confident farmers haven't been notably swayed by the year's El Niño-induced drought and the higher fertiliser and fuel prices. This area encompasses maize (white and yellow), sunflower seed, soybeans, groundnuts, sorghum, and dr beans. Across these crops, year-on-year declines suggest farmers may reduce maize area more than in other crops.

- If we zoom in, farmers intend to plant 2.4 million hectares of maize in the 2026-27 season, down 12% year on year. This is the lowest area in eight years. About 1.4 million hectares are white maize and 1 million hectares are yellow maize. About eight seasons ago, when South African farmers planted a lower area of 2.3 million hectares, it was a dry period, and the country produced a poor crop of 11.3 million

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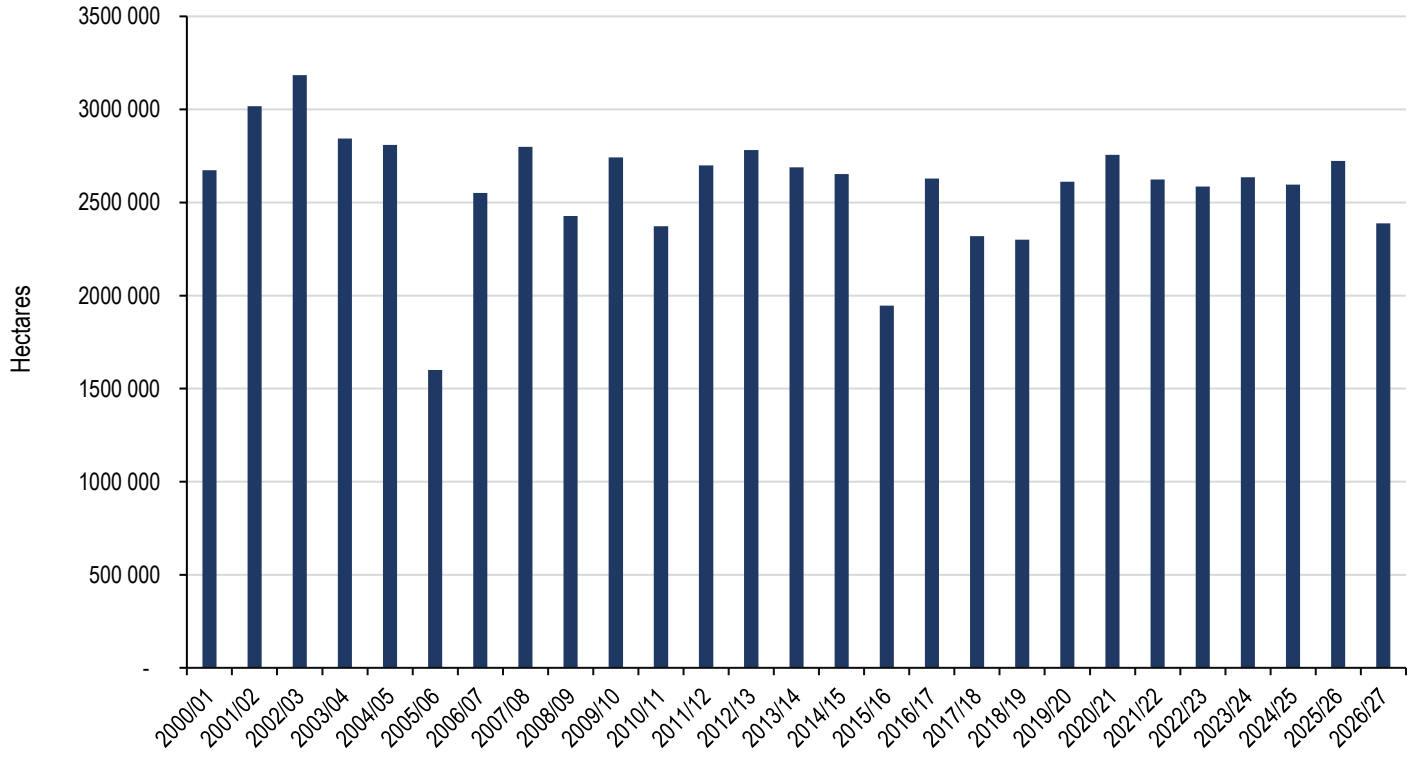
tonnes at the end of the season. It's still early, and we are unsure how large the harvest will be and what the final planting area will be. We will watch the planting progress and the weather conditions, which look concerning, as it will be a drier summer. Still, better soil moisture helps with the early plantings.

- For oilseeds, soybean plantings are forecast at 2.4 million hectares, roughly unchanged from the previous season. Positively, 2026-27 sunflower seed plantings are forecast at 824 600 hectares, up 45% from the previous season. Groundnut plantings are forecast at 43 280 tonnes (down 3% year-on-year), sorghum at 39 500 tonnes (down 1% year-on-year), and dry beans at 35 770 hectares (down 7% year-on-year).

- Overall, these are still early days, but the El Niño-induced drought is a major risk this year. We are encouraged by these figures and farmers' intentions to maintain a decent crop area. But we will know whether they proceed with it on January 27, 2027, when the Crop Estimates Committee releases the preliminary planting data. We are optimistic that most farmers will continue to plant early in the season, taking advantage of the soil moisture, although the heatwave is quickly raising our concerns.

- From a consumer perspective, there are no immediate risks. South Africa has ample grain and oilseed supplies for the 2025-26 season, and the country is in a good supply position through to mid-2027. From there on, we will rely on the crop farmers plant. Because of the ample 2025-26 season crop, and food price inflation in South Africa was only 1% in September 2026 (up from 0.7% the previous month).

Exhibit 1: South Africa's maize plantings



Source: Crop Estimates Committee and Agbiz Research

What are we watching this week?

- We start the week with a global focus, and today, 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 25, 2026, about 56% of maize crops were rated good or excellent, still well behind last year's rating of around 60% in the same week. Moreover, the harvest is continuing actively across the various states in the U.S. In the same week, about 60% of the maize crops were harvested, slightly below the five-year average of 66% harvest progress. Also worth noting: the soybean harvest is underway, with 79% of the crop harvested by October 25, 2026, slightly above the five-year average of 77% progress.

- On the same day, the USDA will release the **U.S. Fats and Oils dat**a. This is a monthly report that covers the crush of oilseeds and production of crude oil for selected states and the U.S., as well as U.S. production and consumption of selected fats and oils for edible and inedible uses.

- On Friday, the Food and Agriculture Organization of the United Nations (FAO) will release its monthly flagship report, the global **Food Price Index** report. This report measures the monthly change in international prices of a basket of food commodities.

- 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 complete, and the focus is shifting towards the 2026-27 season, which started this month. In the first 26 weeks of the new marketing year, farmers delivered 15.4 million tonnes of maize to commercial silos. South Africa is poised to harvest an ample 17.7 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 34 weeks, deliveries totalled 2.8 million tonnes against an estimated crop of 3.01 million tonnes. For sunflower seeds, producer deliveries in the first 34 weeks of the new 2026-27 marketing year totalled 825,991 tonnes against an expected crop of 874,805 tonnes.

- SAGIS will also publish its **weekly South Africa's Grains and Oilseeds Trade data** on Thursday. Last week, South Africa exported 32,022 tonnes of maize. About 54% 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 1.3 million tonnes, out of the expected 3.0 million tonnes.

- South Africa is a net wheat importer, and October 23, 2026, marked the first four weeks of the new 2026-27 marketing year, with cumulative imports of 201,422 tonnes of wheat from Australia, Latvia, Lithuania, and the U.S.

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