

Agricultural outlook stays positive despite machinery sales slump

Last week, the South African Agricultural Machinery Association released its monthly agricultural machinery sales report for March 2026, showing a slowdown in equipment sales that has drawn attention across the sector.

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Source: Kate via [Pexels](#)

While tractor and combine harvester sales declined year-on-year, the broader agricultural picture remains mixed rather than negative, with strong underlying production conditions still supporting parts of the sector.

Machinery sales cool after long growth run

To some observers of the South African agricultural sector, the report signalled a change from a long period of strong sales of tractors and combine harvesters to a much slower pace.

Tractor sales declined for the first time in 14 months, down 8% year-on-year, to 618 units. At the same time, combine harvester sales fell by 22%, from 29 units in March 2025 to 23 units.

While such a decline is not desirable, it is also not alarming, and we should be careful not to re too much into the state of the sector from a one-month slowdown in agricultural machinery sa

Moreover, the March 2026 sales levels for tractors and combine harvesters remain well above long-term averages. Therefore, the base effects are also another factor to consider when interpreting these data.

Decline reflects base effects and short-term pressures

Indeed, the war in the Middle East and concerns about fuel prices have, to an extent, negatively impacted the sector, as reflected in the first-quarter results of the Agbiz/IDC Agribusiness Confidence Index (ACI).

The ACI fell by 18 points in the first quarter of 2026 from the last quarter of 2025 to 49. The AC level below the 50-neutral mark indicates that South African agribusinesses are becoming somewhat pessimistic about business conditions in the country.

At the time of this survey, agribusinesses highlighted, among other things, concerns about ani diseases, geopolitical issues and rising input costs.

These are all key issues and would certainly impact the farmers' decisions to procure impleme Still, we will need a bit more time to gain a clear understanding of the sales path to form a firm about the path ahead.

Geopolitical tensions and costs weigh on sentiment

I am making this point because not all is bad in South Africa's agriculture from a production perspective. We are in a year where agricultural conditions remain broadly mixed. The cattle industry and piggery are facing challenges from foot-and-mouth disease and African swine fev which are negatively affecting their performance.

But the field crops, fruits and vegetable production face much better production conditions. Th Niña-induced rainfall has improved production conditions for these crops, and we are now expecting ample harvests.

Field crops and horticulture remain resilient

For example, South Africa's 2025–26 summer grains and oilseeds production is forecast at 20. million tonnes, down 1% from the 2024–25 production season, and is quite decent.

We must not forget that the 2024–25 summer grains and oilseeds were the second-largest on record; therefore, being marginally lower than they were is not cause for concern but rather for comfort.

This production figure comprises maize, sunflower seed, soybean, groundnuts, sorghum and beans.

Citrus and fruit sectors support export strength

In fruits, an example of improved production is citrus, where South Africa's total citrus exports across all varieties are expected to increase by approximately 3% to 5%, reaching a total of 21 215 million 15kg cartons.

The production outlook for various fruits and vegetables is also strong.

Indeed, the fruit farmers may not be the major buyers of tractors and combine harvesters as the field crop farmers are; still, the production conditions in their operations provide insight into the sector's outlook and further underscore the point I made that we have a season of mixed fortunes.

In essence, while the slowdown in South Africa's tractor and combine harvester sales warrants a closer look at whether the trend continues, we must realise that current sales levels are still well above average.

Notably, the agricultural production conditions in field crops and horticulture remain solid, which to an extent, support the financial conditions in the sector.

Outlook uncertain as weather and global risks persist

Indeed, the Middle East war has introduced complications to a year we thought would still see robust agricultural machinery sales, complications such as higher shipping costs and fuel prices as well as logistical difficulties.

Still, the outlook for tractor sales this year remains unclear. What is evident is that the season is mixed, and not all sub-sectors are under immense strain.

That being said, another factor to keep in mind, which may complicate agricultural machinery sales later in the year if it indeed becomes a reality, is the expected return of the El Niño weather phenomenon.

This weather event typically brings below-normal rainfall in southern Africa, and could change farmers' views about the long-term investment if its likelihood of occurrence becomes much

stronger.

This piece was first published by [Daily Maverick](#) and is republished here with the author's permission.

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