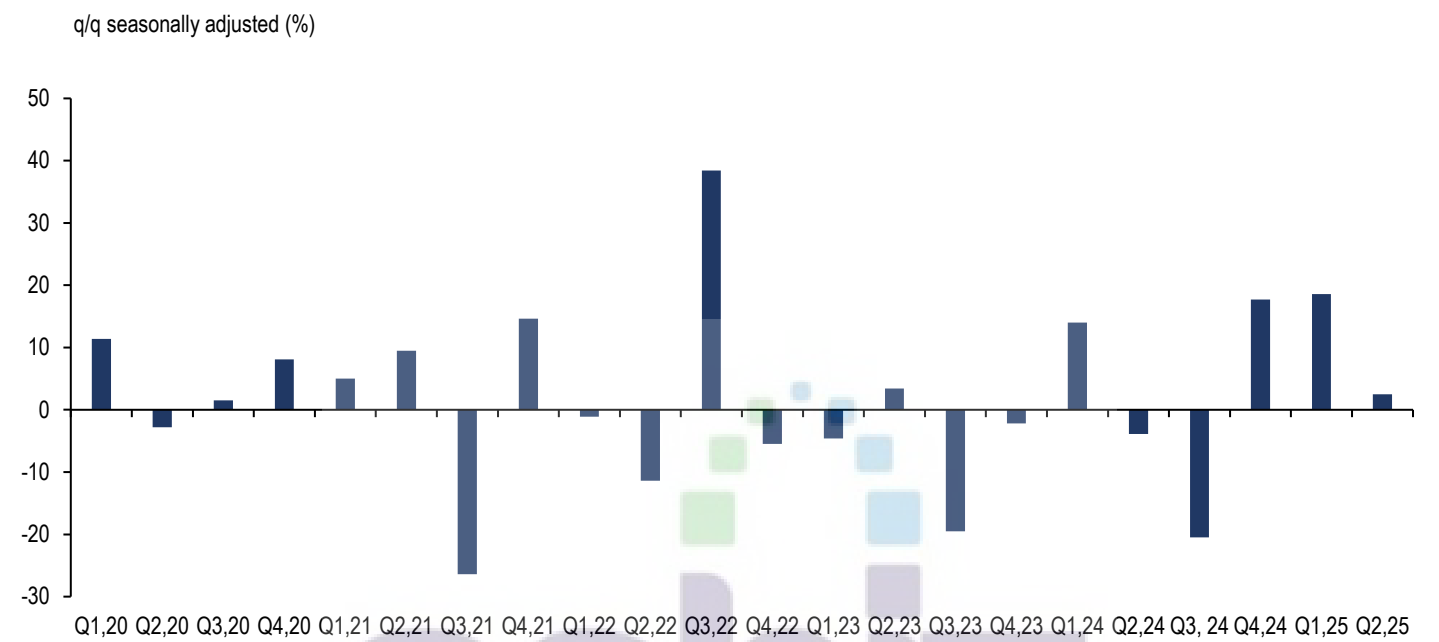


South African agriculture sees a mild performance in the second quarter of 2025

- South Africa's agricultural sector is in its recovery phase, and the second quarter of 2025 figures signal the improvement, albeit mildly. The country's agricultural gross value added expanded by 2.5% quarter-on-quarter (seasonally adjusted) in the second quarter. This follows the 18.6% quarter-on-quarter in the first quarter of the year. The expansion was primarily due to the improved performance of certain field crops and the horticulture subsectors.
- As the close observers of the sector know, the quarterly data tend to be somewhat volatile, influenced by times of harvest and crop deliveries, amongst other factors. It is particularly such issues that the second-quarter growth figure was much softer compared to the start of the year.
- We experienced a delay in our summer grain harvest, with more momentum occurring at the start of the third quarter than is typically seen in the second quarter of the year. Indeed, we have ample summer grain and oilseeds, estimated at 19.55 million tonnes (up 26% year-on-year). But the season was late by roughly a month and a half because of the excessively prolonged summer rains, amongst other factors.
- We have also continued to struggle with the foot and mouth disease and a few avian influenza cases, particularly in the second quarter. It was at the end of the second quarter that the foot and mouth disease vaccines arrived in South Africa for the start of the vaccination campaign.
- But of course, not all crops were late. The citrus harvest season started in the second quarter, and we have an ample harvest. Farmers moved quickly to take advantage of the tariff pause window in the U.S., which allows for faster harvesting and adds to the general upside in the second quarter performance, although much softer than the start of the year.
- Also worth noting is that the sentiment in the sector remains optimistic, although it has softened in recent years. For example, the Agbiz/IDC Agribusiness Confidence Index (ACI) fell for a second consecutive quarter by 2 points to 63 in the third quarter of 2025. Despite the slight decline, the current level of the ACI implies that South African agribusinesses remain optimistic about business conditions in the country.
- With all these factors considered, the critical point is that we remain convinced that 2025 will likely be a recovery period for South Africa's agriculture. But, as we have communicated on various occasions, it will be an uneven recovery.

- The livestock industry continues to struggle with foot and mouth disease. Meanwhile, on the upside, the field crops, mainly grains, oilseeds, and sugarcane, are all expected to show a fantastic recovery from last season. We also have an excellent harvest of fruits and vegetables.

Exhibit I: South Africa's agricultural gross value added



Source: Stats SA and Agbiz Research