

June 1, 2026

Notes from meetings with the Table Grape and Deciduous Fruit producers of South Africa

- In an export-oriented sector, the efficient logistics – ports, rails and roads – are everything. The South African agricultural sector is one such export-focused sector of the economy, with roughly half of its produce, in value terms, going to export markets. When one talks to growers of various fruits and producers of wine, grains, and meat across the country, they are all focused on expanding export markets.
- As we pursue new export markets, the one area that should remain a priority is improving port operations. Last week, we participated in the HORTGRO symposium in the Western Cape and, separately, attended the South African Table Grape Industry's Annual General Meeting in Paarl. Listening to the growers and the various issues raised, nothing is more urgent for the sustainability and growth of the horticultural industry than efficient logistics.
- This message came sharply from various speakers and sideline conversations with growers, as the table grape industry recently completed a particularly challenging export season. In the 2025-26 season, table grape growers had an excellent harvest, benefiting from favourable weather conditions. In fact, when we visited some growers in the Northern Cape towards the end of 2025, as they were preparing for the harvest, there was optimism about a bigger harvest and an excellent raisin season.
- But soon a challenge arose when the crop had to be shipped to markets around the world. There were particularly some inefficiencies in the Port of Cape Town, leading to losses in quality and ultimately the value that the growers sell their produce at in the various export markets.
- The inefficiencies were a major challenge, forcing some growers and exporters to shift the volume of the crop they would typically export through the Port of Cape Town to the Eastern Cape ports. Evidently, the trade data from the South African Table Grape Industry show that the proportion of table grape exports shipped through the Port of Cape Town declined from 91% in the previous season to 76% in the 2025-26 season. Meanwhile, volumes shipped through Eastern Cape ports increased from 6% of total exports in 2024/25 to 21% this year.
- While higher export activity is generally welcomed at the Eastern Cape ports, transporting these volumes from various grape-growing regions of our country to the Eastern Cape ports adds cost for growers and exporters compared to doing so through the Port of Cape Town, which is typically closer to many of them.

- Therefore, while overall agricultural export values for the first quarter of 2026 are solid, the financial conditions of some growers were negatively affected by difficulties at the Port of Cape Town. South Africa's agricultural exports totalled US\$3.7 billion in the first quarter of 2026, up 11% from the same period a year ago.
- Clearly, there is demand in the world market for South African produce, but this requires South Africa to deliver it promptly to importing regions. The farmers can do their part by growing high-quality produce that meets international market specifications. But they require that the entire value chain and logistics function efficiently, so they are rewarded fairly for their harvest across various markets.
- Moreover, as a country, we have a desire to expand the South African agricultural production. But as a country that already exports about half of what we produce, we can't expand without placing more focus on improving logistics and ensuring that the work of opening new markets continues. These are all key prerequisites for a thriving agricultural system. In our policy position and desire to boost transformation and bring new entrant farmers to commercial scale, not only in fruit but across various value chains, the major prerequisite for the success of our efforts is also the improvement of roads, rail, and ports, as all these impact farmers. The opening of new markets, so that there is flexibility in where products can be marketed, is another vital step.
- Fortunately, there are ongoing conversations to improve the operations at the ports. But more private-sector involvement is essential to help combine efforts to drive efficiencies. Transnet has been collaborating with organised agriculture and other stakeholders to minimise friction in the future. If we can improve logistical efficiency, the various agricultural industries, such as table grapes, would be far more profitable and create more needed jobs in the sector.

WEEKLY HIGHLIGHT

South Africa's grain harvest reaches a fresh high

- South Africa is likely to have its largest-ever summer grain and oilseed harvest in the 2025-26 production season. This is due to the expansion of the area under cultivation and the high yields from favourable summer rains. The data released by the Crop Estimates Committee last week places the country's 2025-26 summer grain and oilseed harvest at 21.1 million tonnes, 3% up year-on-year (y/y). This annual improvement in the overall harvest is underpinned by upward revisions to major grains and oilseeds, particularly maize, soybeans, and sunflower seed.
- If we zoom in on the major grains, the 2025-26 maize production estimate is 17.1 million tonnes, up 2% from last season, and the largest harvest on record. This is due to the back of expansion in area plantings and the expected large yields. About 9.2 million tonnes of white maize, with 7.9 million tonnes being yellow maize. Such a maize crop, combined with likely large carryover stocks from the past season, signals that South Africa will once again remain a net exporter of maize in the 2026-27 marketing year (this corresponds to the 2025-26 production season). South Africa's annual maize consumption is 12.0 million tonnes.

- The 2025-26 soybean harvest is estimated at a record 2.9 million tonnes, largely due to higher yields in some regions and large-area plantings. The sunflower seed crop is estimated at 877,680 tonnes, up 25% from a year ago. There is also a decent harvest in the small grains, such as groundnuts, sorghum, and dry beans.
- Admittedly, the season is slightly later than usual, and harvest has not started in many areas; therefore, there is room to adjust some of this data in the coming months. We still have six more monthly forecasts to follow. Still, following our drive across the Free State and North West provinces in the past two weeks, we are inclined to believe that we are in for a better 2025-26 summer season for grains and oilseed production.
- From a consumer perspective, these data will likely continue to put downward pressure on grain and oilseed prices, supporting our long-standing view of a moderating path of food price inflation in 2026. The major upside risk from the consumer food price inflation path in the coming months is the higher fuel prices due to the Middle East conflict. Still, the recent April 2026 food inflation figures painted a comforting picture, with consumer food price inflation at 2.8%, from 3.4% in March 2026.

What are we watching this week?

- We start the week by looking at the global front, and today, the U.S. Department of Agriculture (USDA) will release its **weekly U.S. crop progress report**, which provides insight into planting activity in maize, rice, sorghum, soybeans, and other major grains for the 2026-27 production season. Planting has progressed notably across the U.S. For example, about 86% of the intended maize area had already been planted by May 24, which is slightly ahead of the five-year average planting progress. Moreover, about 79% of the intended soybean area had already been planted, ahead of the five-year average.
- On Friday, the Food and Agriculture Organisation of the United Nations (FAO) will release its global **Food Price Index results for May 2026**. This Index measures the monthly change in international prices for a basket of food commodities. In April, the Index nudged up from recent levels, and concerns remain about a further uptick due to higher input costs amid the war in the Middle East, among other issues. Still, we don't think there should be elevated concerns about the possible global food price surge, at least in the near term; the world is awash with agricultural supplies.
- 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**. We have recently started the new 2026-27 marketing year, and the harvest for this new year is still in its early stages. In the first three weeks of the new marketing year, the farmers delivered 730,468 tonnes of maize to commercial silos. This season is running slightly behind last season's pace. Deliveries are 24% behind what was delivered to commercial silos this time last year. The delays in the start of the season and the longer rainfall period are among the key reasons for this. Still, South Africa is poised to have an ample maize crop. South Africa's 2025-26 maize production estimate is 17.1 million tonnes, up 2% from last season, and the largest harvest on record. The 2025-26 production season corresponds with the 2026-27 marketing year. The large harvest is on the back of increased area plantings and expected high yields.

- The 2026-27 soybean marketing year has recently started, and the first 12-week deliveries were at 1.9 million tonnes. There is a long way ahead, with the final crop estimate at a record 2.9 million tonnes. For sunflower seeds, the first 12 weeks of producer deliveries in the new 2026-27 marketing year totalled 579,868 tonnes. There is still a long way to go, as the forecast harvest for the season is 877,680 tonnes.
- South Africa's 2025-26 winter wheat harvest is complete. Some farmers continue to deliver the crop to commercial silos. In the first 34 weeks of this 2025-26 marketing year, farmers have delivered about 1.83 million tonnes of wheat to commercial silos. This is 97% of the expected season harvest of 1.89 million tonnes (down 2% y/y).
- SAGIS will also publish its weekly **South Africa's Grains and Oilseeds Trade data** only on Thursday. Last week, South Africa exported 85,320 tonnes of maize, with about 77% going to Vietnam. The rest went to the neighbouring countries. In the 2026-27 marketing year, we recently started, in May 2026, South Africa could export roughly 3 million tonnes of maize. This would be up from 2 million tonnes in the past season. South Africa has ample maize supplies on the back of robust production. South Africa's maize exports so far in the 2026-27 marketing year total 216,348 tonnes, out of the expected 3.0 million tonnes.
- South Africa is a net wheat importer, and May 22 marked the 34th week of the new 2025-26 marketing year. Cumulative imports to date total 1.2 million tonnes from Germany, the United States, Latvia, Canada, Australia, Brazil, Romania, Lithuania, Russia, and Poland. We expect South Africa's 2025-26 wheat imports to reach 1.85 million tonnes, roughly the same as the 2024-25 marketing year.

