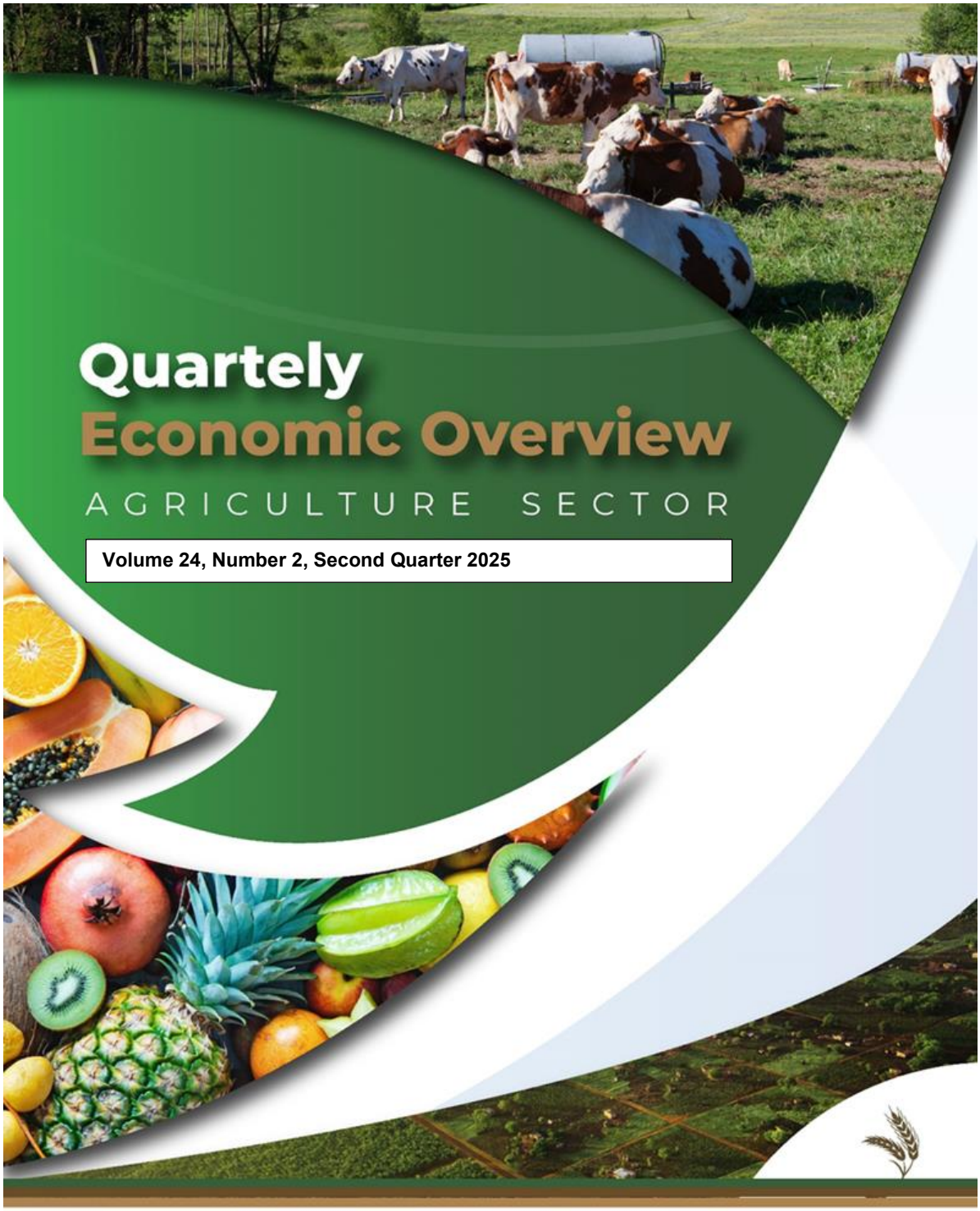

agriculture, land reform & rural development

Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

2030 NDP

STAY SAFE
VACCINATE TO SAVE SOUTH AFRICA

PREFACE

The core business of the Directorate: Statistics and Economic Analysis is to provide economic and statistical services to monitor the economic performance of the agriculture, sector. To support this important task, the Economic and Statistical Research Unit conducts economic analyses of the performance of the agriculture sector, as well as the external impact on the Agriculture sector and its industries.

This publication, the *Quarterly Economic Overview of the Agriculture, Sector*, was developed because of a need within the Department of Agriculture (DOA) to be regularly informed on developments and expected economic trends in the agricultural sector. The quarterly report has been established as a regular feature in the directorate's workplan. Since the beginning of 2004, the report has also been published for outside use to add value to a number of regular economic publications about the agricultural sector. It is our vision to maintain the report as an indispensable reading for everyone interested in developments of the South African agriculture sector.

This issue looks at the economic developments in 2025: Q2, as well as the expected economic trends in the South African agriculture sector as the domestic and global economies continue to face economic uncertainties.

Compiled by Heidi Phahlane with inputs from:

Mthambeka Z.A., Lekganyane M.S., Mofolo K.M., Gininda P., D Nekhavhambe and F Dukuza.

All correspondence can be addressed to:

The Director: Ms Ellen Matsei

Directorate: Statistics and Economic Analysis

4th Floor, Sefala Building

503 Belvedere Street, Arcadia, South Africa

Tel.: +27(12) 319 8454

E-mail:DAS@dalrrd.gov.za

List of figures

List of Tables

Table of Contents

EXECUTIVE SUMMARY

Global GDP growth prospects: The growth Rates for 2025 (Q2) in the advanced economies of the following countries: France, Germany, Italy, Japan, United Kingdom and United States increased by 0.3%, 0.4%, 2.2%, 0.3% and 3.3% respectively, while Canada and Germany decreased by 1.6% and 0.3% respectively when compared to the second quarter of 2024 (Q2).

Emerging markets and developing economies: GDP growth rates for 2025 (Q2) increased in the following countries: Brazil, China, India, Indonesia, Malaysia, Philippines, South Africa, Nigeria and Russia by 0.4%, 5.2%, 6.7%, 5.12%, 4.4%, 5.5%, 0.8% 3.9% and 1.1% respectively, when compared to the second quarter of 2024 (Q2) last year figures.

Global grain supply forecast: Global supply projections for 2025 (Q2) of cotton decreased by 1.69%, whist wheat, coarse grains, rice milled, oilseeds, oil meals and vegetable oils increased by 1.50%, 0.56%, 3.22%, 3.04%, 5.16% and 1.70% respectively, when compared to the second quarter of 2024.

South Africa's GDP: South Africa's gross domestic product (GDP) experienced a growth of 0.8% in the second quarter of 2025. On the production front, the most significant positive contributions originated from mining, manufacturing, and domestic trade, whereas construction and transport, storage, and communications negatively impacted the overall outcome. Agriculture, sector maintained its upward trend, increasing by 2.5% in the second quarter of 2025, contributing 0.1 percentage points to GDP growth.

Inflation: The consumer price inflation (CPI) was 2,8% in April and May 2025 respectively, before it increases slightly to 3,0% in June 2025. The main positive contributors to the 3,0% annual inflation rate were, housing and utilities , food and non-alcoholic beverages and alcoholic beverages and tobacco. Meanwhile food inflation increased to an average 4.1% in the second quarter of 2025 compared to an average 1.9% in the first quarter of 2024.

Employment: Looking back at the long-term average figures, the employment figure of 906k is far above the 799k jobs, signalling that while the sector faces challenges,

the employment conditions remain at encouraging levels. From a regional perspective, the Western Cape, Northern Cape, KwaZulu-Natal, and Gauteng are the provinces that registered quarterly job losses. Meanwhile, other provinces saw mild quarterly job gains.

The grain market review section: Reflects on quarterly price trends (domestic and international) and supply and demand of the following major products produced in South Africa: maize, wheat, soya bean, sorghum, sunflower and groundnuts, as well as the fruit and vegetable and meat industry reviews**.**

Trade: In Q2: 2025, South Africa's agricultural trade balance grew by 26.8% compared to the same quarter in the previous year. The value of agricultural product exports reached R 65.57 billion in Q2: 2025, an increase from R 60.60 billion noted in the same quarter of 2024. The value of agricultural imports fell by 6.1% to R32.15 billion, a decline from R32.24 billion noted in Q2: 2024.

1 GLOBAL OVERVIEW OF THE AGRICULTURE, FORESTRY AND FISHERIES ECONOMY

1.1 Global Real GDP Growth Rates

According to World Bank Group Flagship report (June 2025), it indicates that the global economy is facing substantial headwinds, emanating largely from an increase in trade tensions and heightened global policy uncertainty. For emerging market and developing economies (EMDEs), the weak outlook limits their ability to boost job creation and reduce extreme poverty. This challenging context is compounded by subdued foreign direct investment into EMDEs. Global cooperation is needed to restore a more stable global trade environment and scale up support for vulnerable countries, including those in fragile and conflict situations. Domestic policy action is also critical to contain inflation risks and strengthen fiscal resilience. To unlock job creation and long-term growth, reforms should focus on raising institutional quality, attracting private investment, and strengthening human capital and labor markets. The real GDP growth Rates for 2025 (Q2) in the advanced economies of the following countries: France, Germany, Italy, Japan, United Kingdom and United States increased by 0.3%, 0.4%, 2.2%, 0.3% and 3.3% respectively, while Canada and Germany decreased by 1.6% and 0.3% respectively when compared to the second quarter of 2024 (Q2). See figure 1 below.

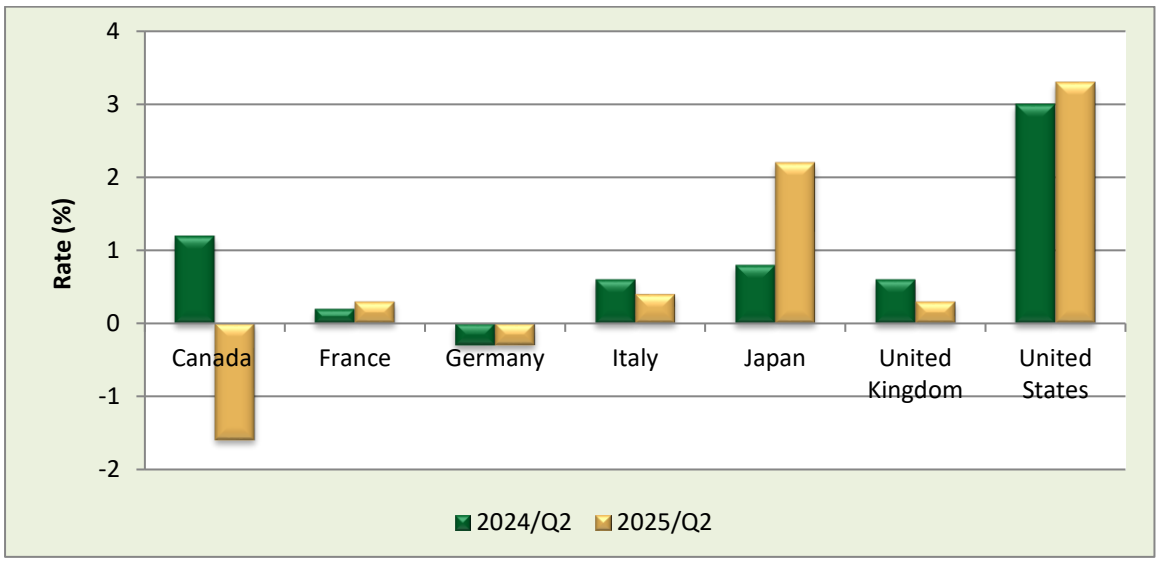

Figure 1: Advanced Economies Quarterly GDP Growth Rates
Data Source: Various Sources

Figure 2, Indicate that in the emerging markets and developing economies, the real GDP growth rates for 2025 (Q2) increased in the following countries: Brazil, China, India, Indonesia, Malaysia, Philippines, South Africa, Nigeria and Russia by 0.4%, 5.2%, 6.7%, 5.12%, 4.4%, 5.5%, 0.8% 3.9% and 1.1% respectively, when compared to the second quarter of 2024 (Q2) last year figures.

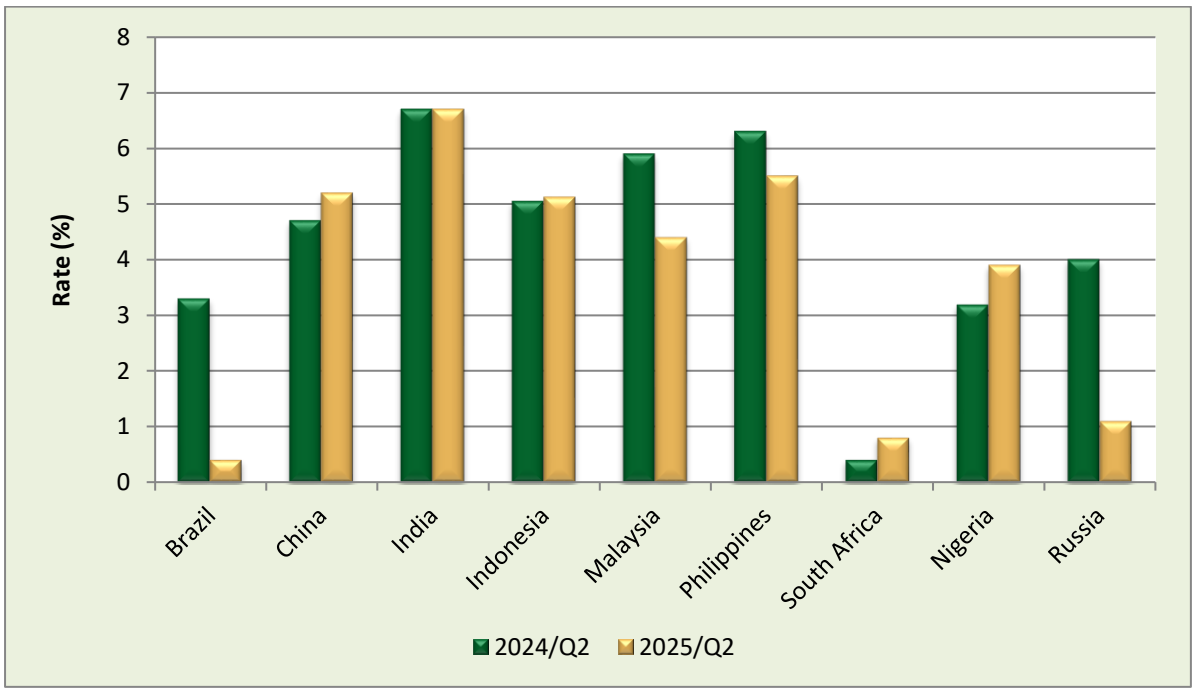

Figure 2: Emerging Markets and Developing Economies Quarterly GDP Growth Rates
Data Source: Various Sources

2. Global Grain forecast

The global grain supply forecast indicates a total grain increase of 1.35%, from 3.602 million metric tons in 2024 (Q2) to 3.650 million metric tons in 2025 (Q2). Global supply projections for 2025 (Q2) of cotton decreased by 1.69%, whist wheat, coarse grains, rice milled, oilseeds, oil meals and vegetable oils increased by 1.50%, 0.56%, 3.22%, 3.04%, 5.16% and 1.70% respectively, when compared to the second quarter of 2024, see figure 3 below.

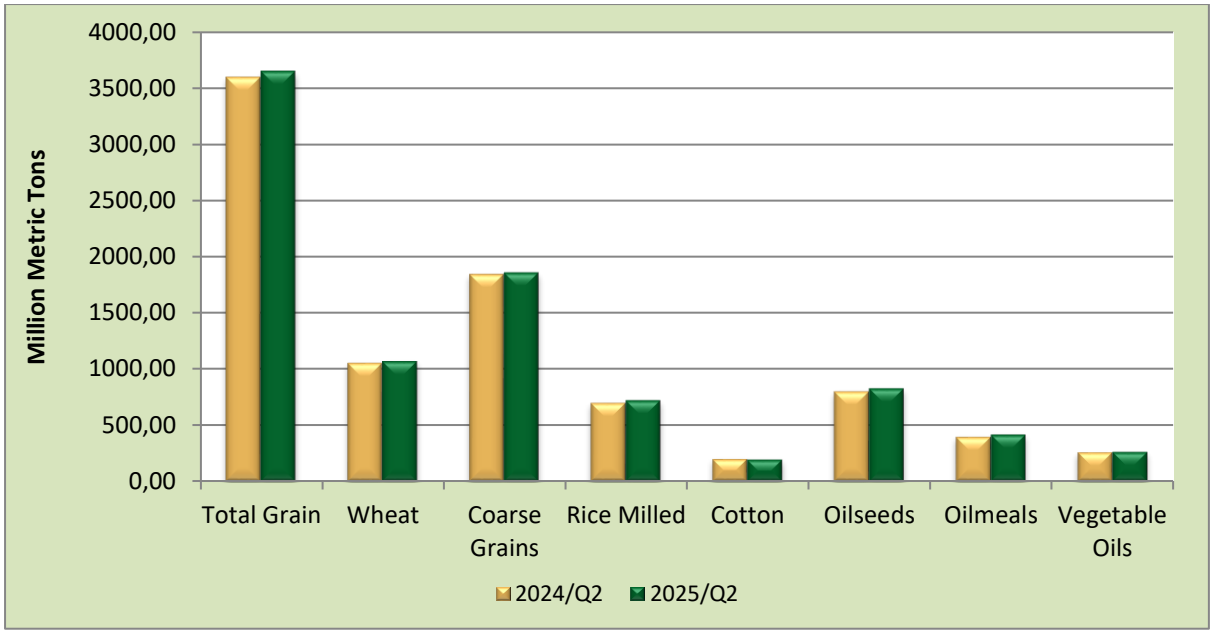

Figure 3: Quarterly global grain supply forecast
Data Source: USDA

3. Global Food Prices

Globally in 2025 (Q2) some major countries were paying more by 6.5% on food purchases compared to 2024 (Q2). The following global food products price indices in 2025 (Q2), cereals and sugar indices shows a decrease of 5.3% and 10.4% respectively, whilst meat, dairy and oils indices shows an increase of 6.2%, 22.1% and 19.3% respectively when compared to (Q2) of 2024, see figure 4.

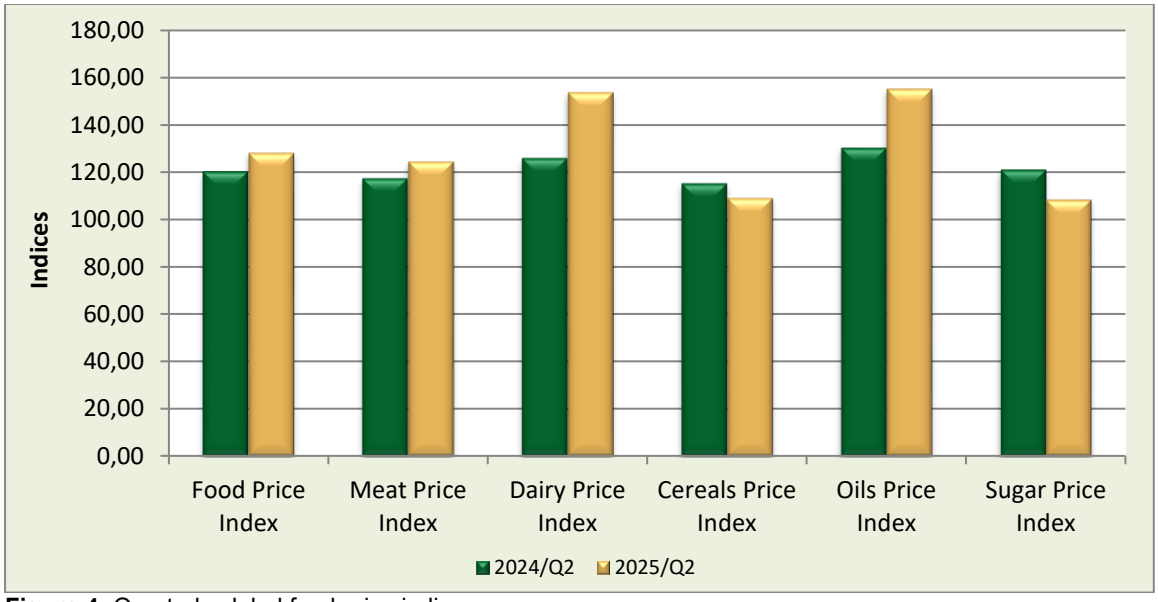

Figure 4: Quarterly global food price indices
Data Source: FAO

2 THE STATE OF THE DOMESTIC ECONOMY IN AGRICULTURE

2.1 Growth

South Africa's gross domestic product (GDP) experienced a growth of 0.8% in the second quarter of 2025, compared with 0.1% in the first quarter, as reported by Stats SA. On the production front, the most significant positive contributions originated from mining, manufacturing, and domestic trade, whereas construction and transport, storage, and communications negatively impacted the overall outcome. The rebound in mining and manufacturing production was facilitated by a more stable electricity supply, improvements in logistics, consistent global demand, and improved domestic conditions. In addition, the agriculture, forestry, and fishing sector maintained its upward trend, increasing by 2.5% in the second quarter of 2025, contributing 0.1 percentage points to GDP growth. This growth was mainly attributed to strong performances in horticulture and animal products.

South Africa's agricultural sector is currently in a recovery phase, with figures from the second quarter of 2025 indicating a slight improvement, as noted by Agbiz Chief Economist, Wandile Sihlobo. The agricultural gross value added for the country increased by 2.5% on a quarter-on-quarter basis (seasonally adjusted) during the second quarter. This follows a significant growth of 18.6% quarter-on-quarter in the first quarter of the year. The growth can be attributed mainly to the enhanced performance of specific field crops and the horticulture subsectors.

Sihlobo emphasizes the importance of recognizing that quarterly data can be somewhat volatile, influenced by factors such as harvest times and crop deliveries. This volatility is particularly evident in the softer growth figure for the second quarter compared to the beginning of the year. For example, he pointed out that there was a delay in the summer grain harvest, with more activity expected at the beginning of the third quarter than is typically observed in the second quarter. Additionally, the sector faced ongoing challenges from foot and mouth disease and several cases of avian influenza, especially during the second quarter. It was at the conclusion of the second quarter that vaccines for foot and mouth disease arrived in South Africa, marking the commencement of the vaccination campaign. Sihlobo noted that not all crops experienced delays; the citrus harvest season began in the second quarter, and South

Africa is enjoying a plentiful harvest. Farmers acted swiftly to capitalize on the tariff pause window in the U.S., which facilitates quicker harvesting and contributes to the overall positive performance in the second quarter, although it remains softer than at the year's outset. On a positive note, Sihlobo mentioned that field crops, particularly grains, oilseeds, and sugarcane, are anticipated to demonstrate a remarkable recovery from the previous season. Furthermore, there is an excellent yield of fruits and vegetables. Considering all these elements, Agbiz is optimistic that 2025 will likely serve as a recovery period for South Africa's agricultural sector, although it will be an uneven recovery.

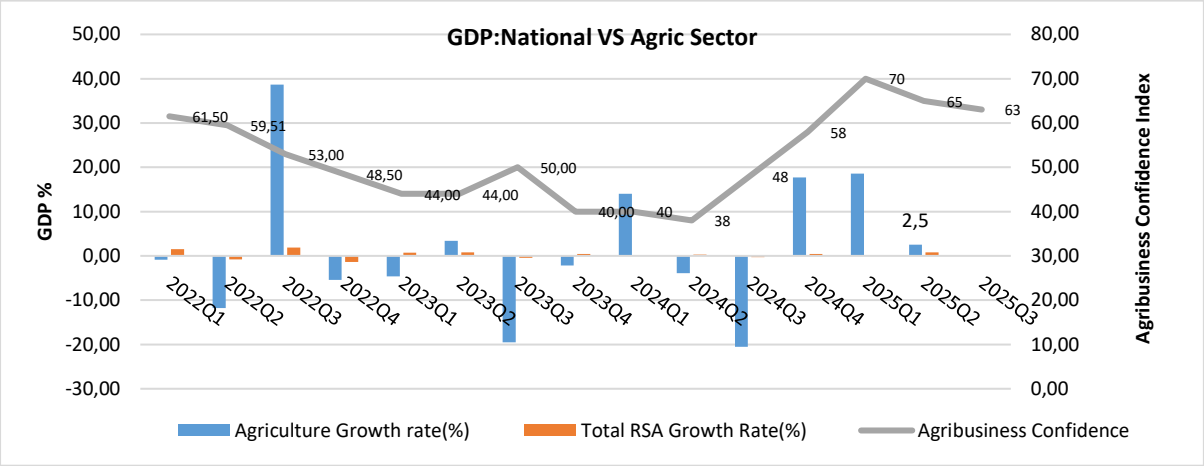

Figure 5: The GDP growth and Agriculture contribution to the GDP growth 2022: Q1 and 2025: Q2
Source: Stats SA

2.2 Inflation

Figure 6 below shows that consumer price inflation (CPI) was 2,8% in April and May 2025 respectively, before it increases slightly to 3,0% in June 2025. The main positive contributors to the 3,0% annual inflation rate were, housing and utilities (4,4% and contributing 1,0 percentage point), food and non-alcoholic beverages (5,1% and contributing 0,9 of a percentage point), and alcoholic beverages and tobacco (4,4% and contributing 0,2 of a percentage point). The Annual consumer price inflation (CPI) dropped from an average 5.2% in the second quarter of 2024 to an average 2.9% in same quarter of 2025. Meanwhile food inflation increased to an average 4.1% in the second quarter of 2025 compared to an average 1.9% in the first quarter of 2024. Compared to a year ago food inflation decreased from an average 4.3% in the second

quarter of 2024 compared to 4.1% in the second quarter of 2025. The main contributors to the quarterly average 4.1% inflation rate were food and non-alcoholic beverages, housing and utilities, transport as well as miscellaneous goods and services.

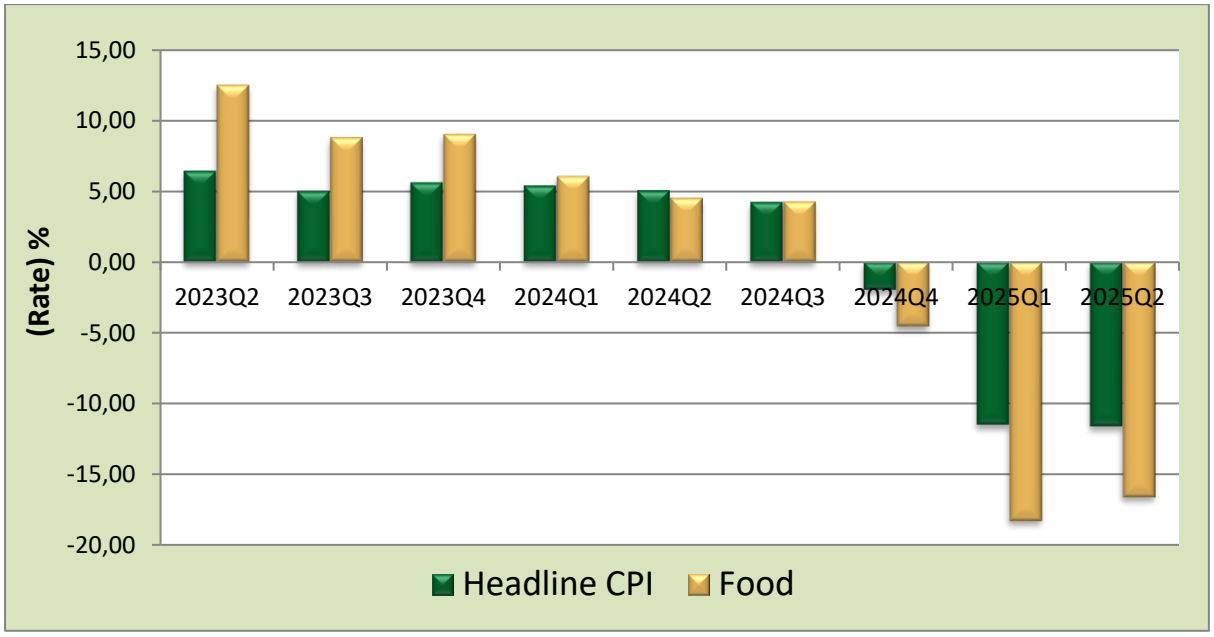

Figure 6: The headline consumer price index and food prices 2023: Q2 and 2025: Q2
Data Source: Stats SA

Figure 7 below illustrate that in the second quarter of 2025 the main contributors to the average quarterly 2.9% CPI were food and non-alcoholic beverages increased by an average 4.1% in the second quarter of 2025 up from an average 1.9% in the previous. In the second quarter of 2025 fruit, vegetables, fish, meat and cereals increased by 11.4%, 9.5%, 4.8%, 4.7% and 4.1% respectively compared to the previous quarter. During the same period milk, eggs & cheese as well as oils and fats also increased by 0.1% and 5.6% respectively.

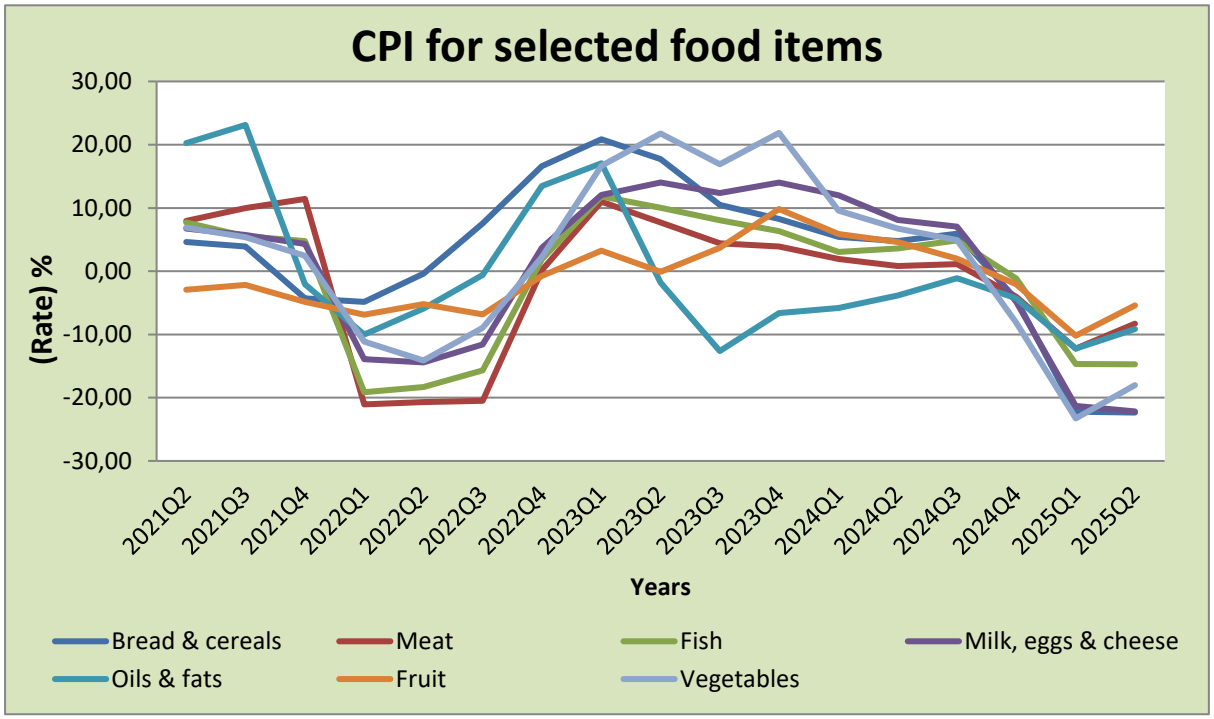

Figure 7: CPI for selected food items
Data Source: Stats SA

2.3 Employment

The latest Quarterly Labour Force Survey (QLFS) from Stats SA shows that South Africa's unemployment rate has increased again, jumping to 33.2% in the second quarter of 2025. This is up from the 32.9% recorded in the first quarter of 2025, which itself was higher than the 31.9% recorded in the last quarter of 2024. The QLFS for the second quarter of the year revealed that the country saw 159,000 more people enter the workforce between April and June 2025. However, only 19,000 were employed over the period, and 140,000 were unemployed. Discouraged work-seekers decreased by 28,000 (down by 0.8%), and the number of persons who were not economically active for reasons other than discouragement remained unchanged. This resulted in the unemployment rate increasing by 0.3 percentage points to 33.2%. The expanded unemployment rate in the second quarter of 2025 decreased by 0.2 percentage points to 42.9% when compared with the first quarter of 2025, which was 43.1%.

According to Stats SA, the number of persons employed in the formal sector increased by 34,000 in the second quarter of 2025, and the informal sector employment

decreased by 19,000 over the same period. The largest industry increases in employment were recorded in Trade (88,000), Private households (28,000) and Construction (20,000). Decreases in employment were recorded in Community and social services (42,000), Agriculture and Finance (24,000) respectively, Transport (15,000), Utilities (6,000) and Manufacturing (5,000). The results also indicate that the highest increases in employment were observed in Gauteng (95,000) and Eastern Cape (89,000), while decreases were observed in Western Cape (117,000), KwaZulu-Natal (86,000) and Northern Cape (28,000).

Stats SA announced earlier this week that it will be revising and reviewing certain aspects of its surveys to better capture information around South Africa's informal sector. This followed engagements between Minister in the Presidency, Khumbudzo Ntshavheni, the Statistician-General, Risenga Maluleke, and senior representatives from National Treasury and former Capitec Bank CEO Gerrie Fourie.

Fourie had previously raised issues around Stats SA's coverage of the informal sector, questioning the overall unemployment figures. He believed that the informal sector was widely undercounted, and the unemployment in South Africa was likely closer to 10% than the near 33% put forward by Stats SA. While Stats SA has defended its published data and methodology, it said that it is open to exploring the development of a statistical register for small-scale and informal businesses, which he said would strengthen the quality and granularity of labour market data. To this end, it said that it is now evaluating additional statistical tools, including a register for informal enterprises. If implemented, this register will complement the QLFS and serve as a valuable sampling frame for improved labour market analysis. In the latest data, the informal sector (non-agricultural) was recorded at about 3.3 million people, or roughly 20% of total employment in the country. Stats SA's data maintains that the formal sector remains the largest contributor to total employment in South Africa, while private households and agriculture make up the balance.

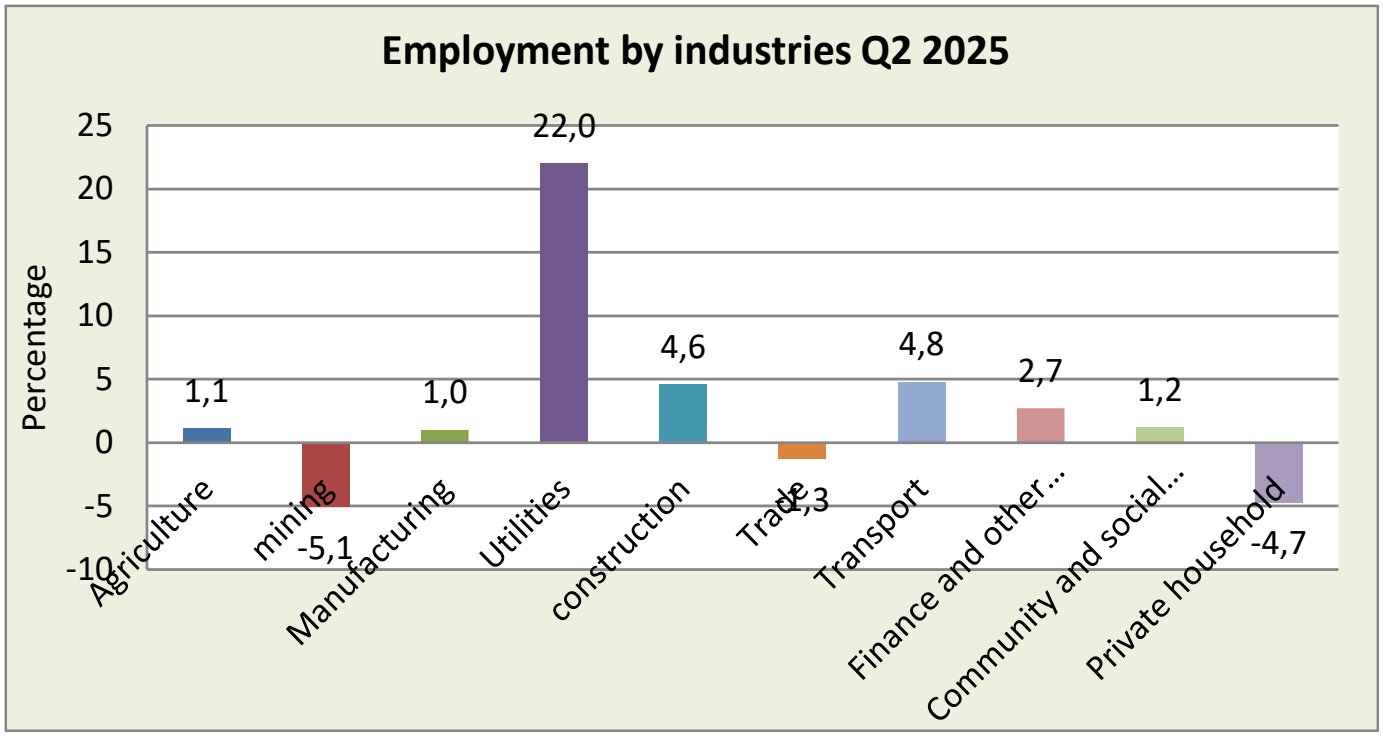

Figure 8: Total number of people employed by industries in 2025: Q1.
Source: Stats SA

According to Stats SA, the number of people employed in agricultural sector increased from 896 000 in the second quarter of 2024, to 906 000 people in the same quarter of 2025, which represent a slight increase of 1.1%. Off the 10 000 jobs created by the sector, 27 000 jobs were created for men, meanwhile 17 000 jobs were lost by woman between the two quarters. During the same period in total, the agricultural sector had 648 000 men, and 257 000 women compared to 622 000 men and 274 000 women. However, on quarter-to-quarter the number of people employed in agriculture sector decreased by (24 000) or 2.6%, from 930 000 in the first quarter of 2025 to 906 000 in the second quarter of 2025.

Stats SA announced earlier this week that it will be revising and reviewing certain aspects of its surveys to better capture information around South Africa's informal sector. This followed engagements between minister in the Presidency, Khumbudzo Ntshavheni, the Statistician-General, Risenga Maluleke, and senior representatives from National Treasury and former Capitec Bank CEO Gerrie Fourie.

Fourie had previously raised issues around Stats SA's coverage of the informal sector, questioning the overall unemployment figures. He believed that the informal sector

was widely undercounted, and the unemployment in South Africa was likely closer to 10% than the near 33% put forward by Stats SA. While Stats SA has defended its published data and methodology, it said that it is open to exploring the development of a statistical register for small-scale and informal businesses, which he said would strengthen the quality and granularity of labour market data. To this end, it said that it is now evaluating additional statistical tools, including a register for informal enterprises. If implemented, this register will complement the QLFS and serve as a valuable sampling frame for improved labour market analysis. In the latest data, the informal sector (non-agricultural) was recorded at about 3.3 million people, or roughly 20% of total employment in the country. Stats SA's data maintains that the formal sector remains the largest contributor to total employment in South Africa, while private households and agriculture make up the balance, see Figure 9.

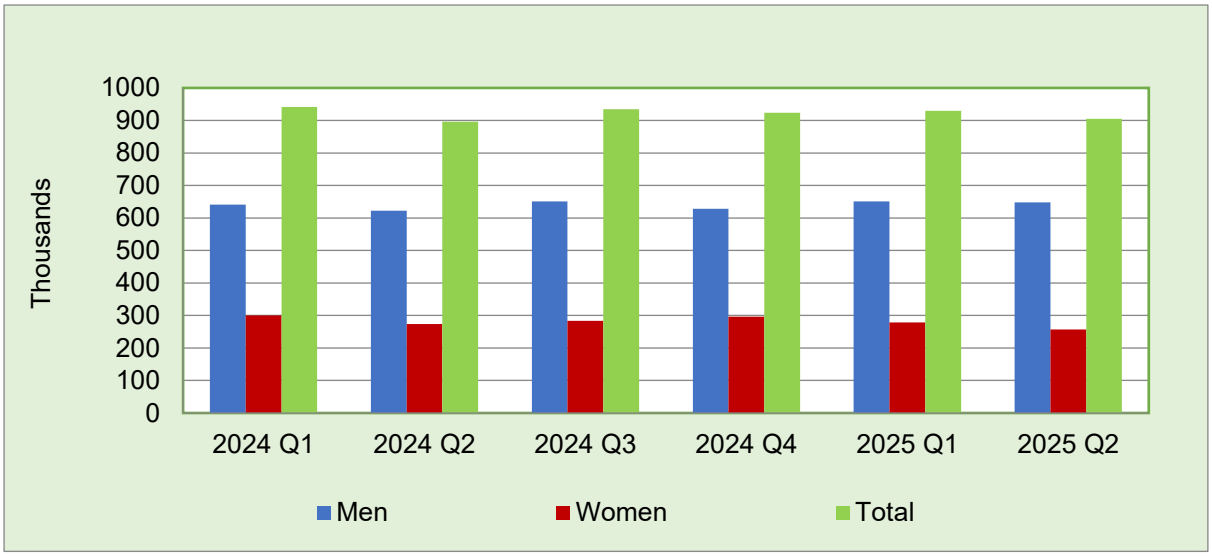

Figure 9: Total number of people employed in the agriculture sector between 2024: Q1 and 2025: Q2
Source: Stats SA

Figure 10 below shows that between the second quarter of 2024 and the second quarter of 2025, provincial agriculture employment increased in five provinces, Western cape, Northwest, Northen Cape, Limpopo and Free state by 24.8%, 18.9%, 16.5%, 6.8% and 1.0% respectively. Meanwhile provincial agriculture employment decline in Gauteng, KwaZulu-Natal, Eastern cape and Mpumalanga by 25.2%, 22.0%, 12.9%, and 0.1% respectively. During the same period the (QLFS) publication also indicates a decrease of about 10.6% in the number of people involved in subsistence

farming from 2.2 million people in the second quarter of 2024 to 2.0 million in the same quarter of 2025. KwaZulu-Natal, Eastern Cape, and Limpopo remained with the highest number of people involved in subsistence farming during the same period.

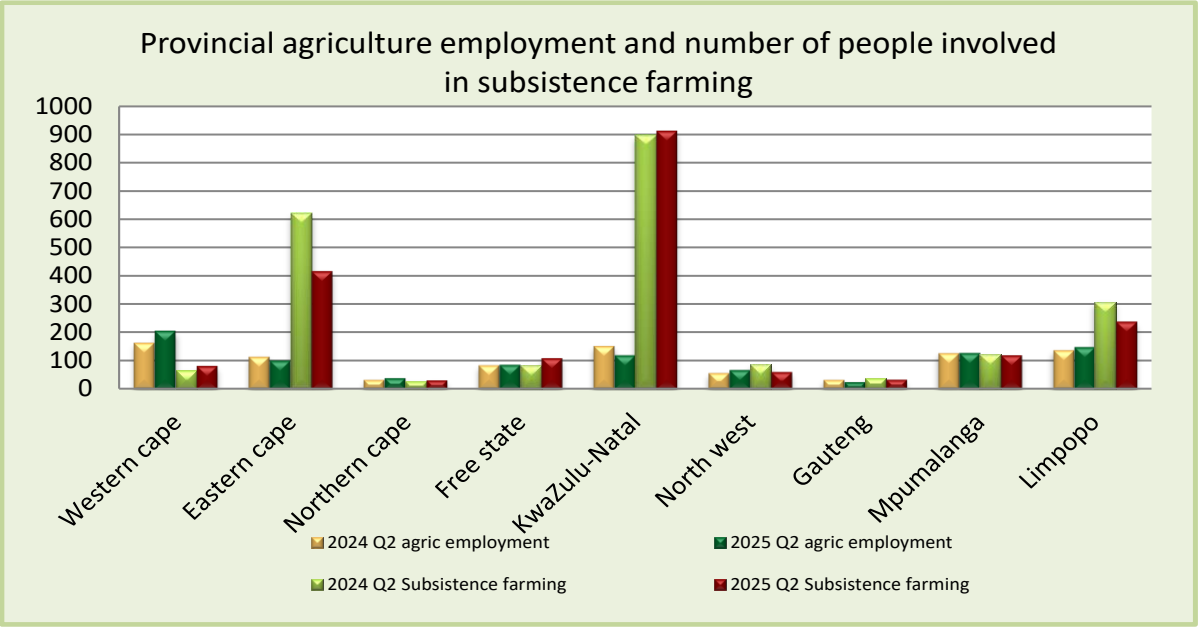

Figure 10: Provincial agriculture employment and subsistence farming between 2024: Q2 and 2025: Q2.
Source: Stats SA

2.4 Expenditure on intermediate goods and services by the agricultural sector

The data shows that South African farming operations have achieved lower production expenses, but market prices still are unstable. According to Agbiz, diesel prices dropped between January and June 2025, falling from about R19.49 per litre in January to a low of R18.57 in June, before a modest uptick in June. The production costs stay elevated for producers because nitrogen-based fertilizers keep their expensive prices despite other input costs decreasing. According to NAMAC, the weakening rand has pushed up the cost of imported raw materials for fertilizers, which has kept domestic fertilizer prices elevated despite global supply conditions improving. Precision agriculture technology adoption continues to rise which enables farmers to perfect fertilizer and fuel consumption while minimizing waste and enhancing operational efficiency.

The second quarter of 2025 show diverse spending patterns for intermediate goods and services throughout various categories. The year-over-year spending data showed growth for farm services and fuel at 3.1% while seeds and plants experienced a 14.6% increase, fertilizers declined by 5.8% and farm feed decreased by 13.4%. The current quarter saw farm services increase by 45.9% compared to the previous quarter, while seed and plant expenses rose 8.4% and farm feed costs increased by 7.6%. Overall, the Q2 trends suggest rising seasonal production activity supported higher spending on services and crop inputs, while fertilizer demand remained subdued and feed costs continued to weigh on livestock producers.

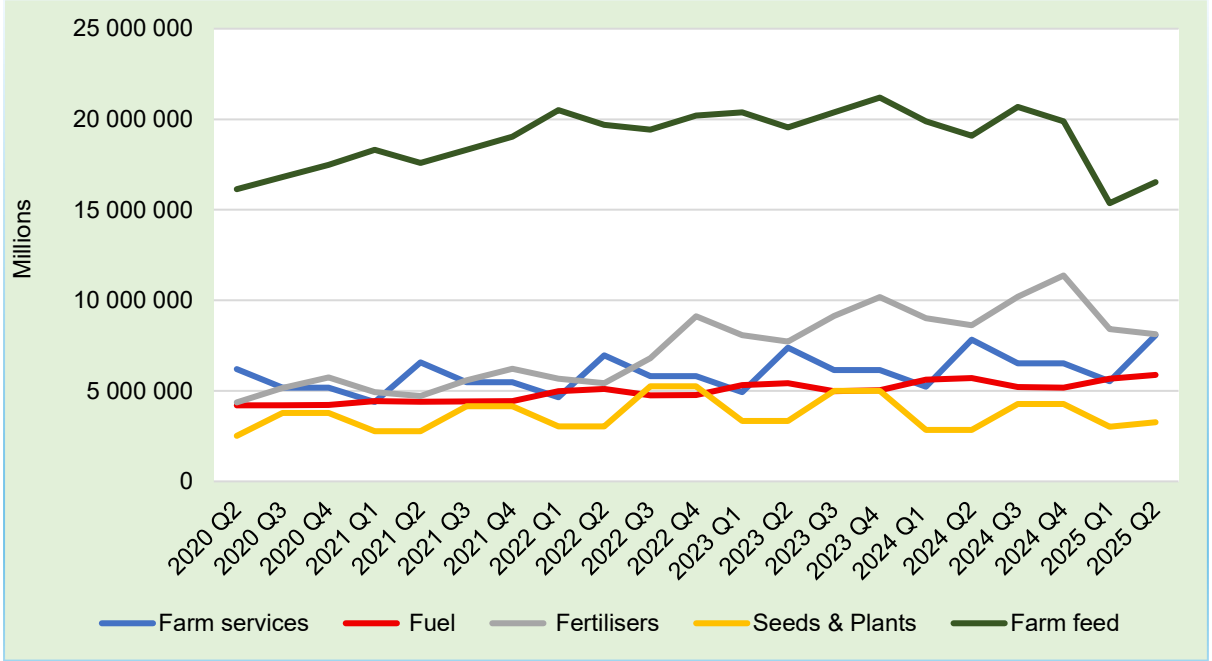

Figure 11: Trends in the expenditure on fuel, farm feeds, fertilisers, seeds and plants and farm services between 2020: Q2 and 2025: Q2
Source: DOA

2.5 fertilizer market review

2.5.1 South African fertiliser expenditure

Figure 12 illustrates that Expenditure on fertilizer decreased to R8.1 million in the first quarter of 2025 compared to R 8.6 million in the same quarter of 2024, this is a decrease of 5.8% in expenditure of fertilizers. Agbiz indicated that global fertilizer prices have softened in 2025, and a stronger rand during early-year procurement

cycles further aided in lowering local input costs. Fertilizer prices continue to exert pressure on farm input costs, with some major products reflecting notable year-on-year increases. MAP is still significantly more expensive than last year, up 17.74%. Urea (46) recorded a sharp increase of 19.85% month on month, now priced at R12,563/ton, and is 26.29% more expensive than the same time last year. Global demand for fertilizers especially nitrogen and phosphate types remained high into late summer, while production constraints. See Figure 12.

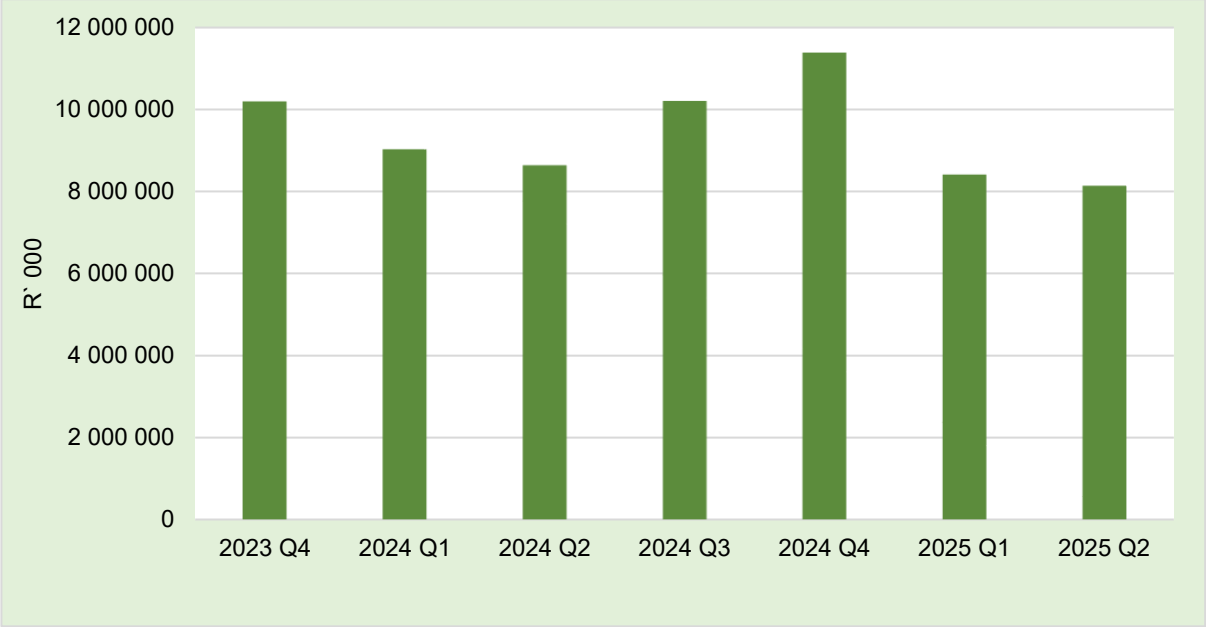

Figure: 12 South Africa fertiliser expenditure
Source: Grain SA

2.6 Nominal gross farm income and net farm income from agricultural products

The figure 13 below illustrate that the gross income from all agricultural products increased slightly by 0.3% from R151.4 billion in the second quarter of 2024 to R151.8 billion in the second quarter of 2025. Meanwhile the net farm income is estimated at R70.1 billion in the second quarter of 2025 compared to R72.3 billion in the same quarter of 2024, a decline of 3.1%. During the same period the decrease in net farm income was supported by a 10.1% decline in income from field crops, while horticulture and animal products increased by 9.4% and 6.3% respectively.

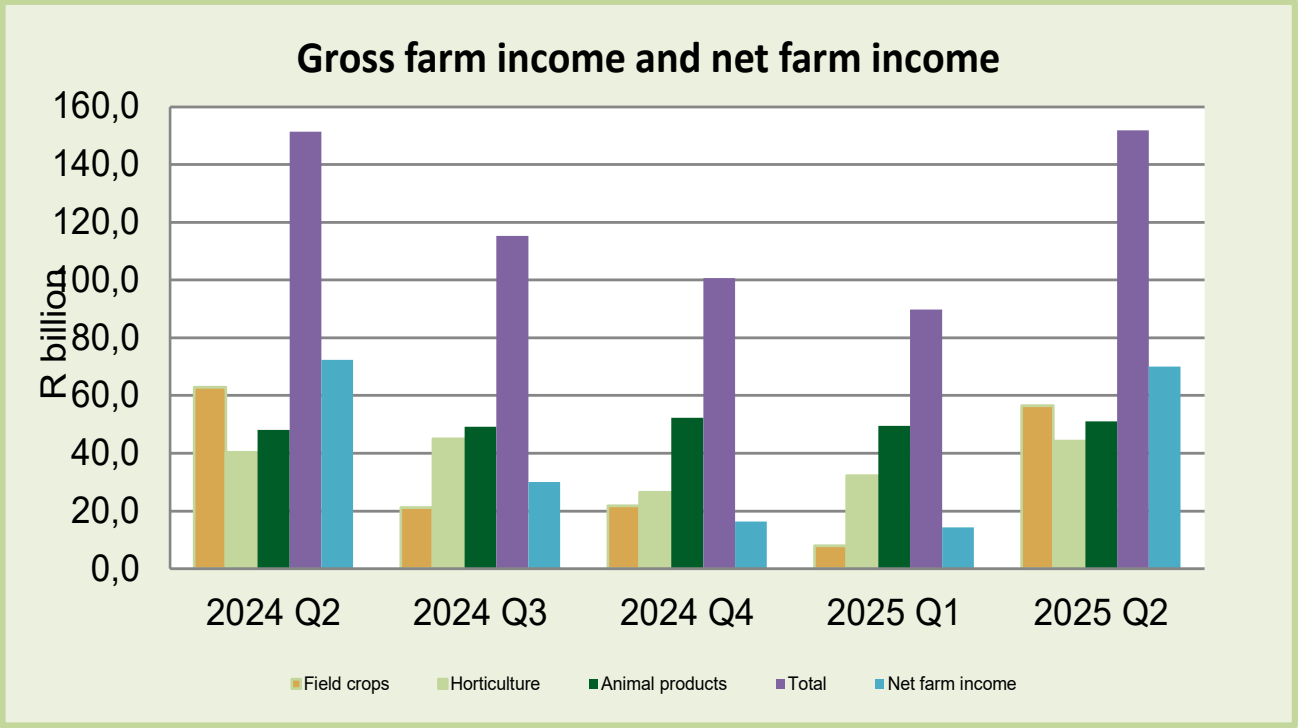

Figure 13: Trends in nominal gross farm income between 2024: Q2 and 2025: Q2
Source: DOA

2.9 Reviews of South Africa's water dam levels

South Africa is recognized for its diverse weather patterns and distinct rainfall seasons, attributed to its unique geographical position and extensive coastline. The cold Atlantic Ocean along the western coast and the warmer Indian Ocean on the southern and eastern coasts significantly influence the country's climate and weather conditions. The southwestern tip of the nation features a Mediterranean climate, characterized by hot, dry summers and cool, wet winters. In this area, winter rainfall is prevalent, while the eastern regions see more rainfall during the summer months (DWS, 2025)

The multi-model forecast for temperature and precipitation provided by the South African Weather Services suggests that the El Niño-Southern Oscillation (ENSO) is presently in a neutral phase and is expected to remain in this state for the foreseeable future. Moreover, it is recognized that South Africa experiences limited impacts from ENSO during the winter months. The southwest, along with the southern and eastern coastal regions, are the only areas within the country that receive substantial seasonal rainfall during the winter and early spring. According to the rainfall forecast from the

South African Weather Service for June 2025, the southwest and eastern coastal regions are anticipated to receive above-normal rainfall in the middle of winter. However, it is projected that only the eastern coastal regions will continue to experience above-normal rainfall in late winter and early spring, while the southwest is expected to see below-normal rainfall. Furthermore, the latest climate report from the South African Weather Service indicates that both minimum and maximum temperatures are likely to remain predominantly above normal across most of the country during the late winter and spring seasons (DWS, 2025).

In Q2: 2025, the water storage levels of national dams attained approximately 97% of their Full Supply Capacity (FSC). This represents a 12% rise in comparison to the corresponding quarter in 2024, during which national storage levels were about 86% of the FSC. The overall increase in dam storage suggests that stream flows have been higher than usual, attributed to the above-normal rainfall experienced since the start of 2025 (DWS, 2025).

As the seasons transition into late autumn (April-May-June) and early to mid-winter (May-June-July and June-July-August), the emphasis of the forecasts shifts towards the south-western regions of the country, as well as the southern and eastern coastal areas. The south-western region is forecasted to experience below-normal rainfall during the predicted seasons, while the southern and eastern coastal regions are expected to receive predominantly above-normal rainfall (DWS, 2025).

As the seasons progress into late autumn (April-May-June) and early to mid-winter (May-June-July and June-July-August), the focus of the forecasts shifts towards the south-western parts of the country, along with the southern and eastern coastal zones. The south-western area is anticipated to encounter below-normal precipitation during the forecasted seasons, whereas the southern and eastern coastal regions are projected to receive mainly above-normal rainfall (DWS, 2025).

In the nine provinces, about 56% reported storage levels that exceeded 100% of their Full Supply Capacity (FSC), and 22% reported 90% or more. Furthermore, 11% of the dams reported storage levels below 60%, whereas about 22% of the dams-maintained storage levels of 80 percent or higher of their FSC.

On a quarter-on-quarter basis, South Africa experienced a 16% increase in its national dam levels in Q2: 2025 compared to the Q1. During winter and early spring, only the southwestern regions of the nation and the southern and eastern coastal regions receive substantial rainfall. Meanwhile, the first and second weeks of June saw a significant amount of rainfall in some parts of the nation, with over 200 mm falling in parts of the provinces of the Eastern Cape and Western Cape (DWS, 2025).

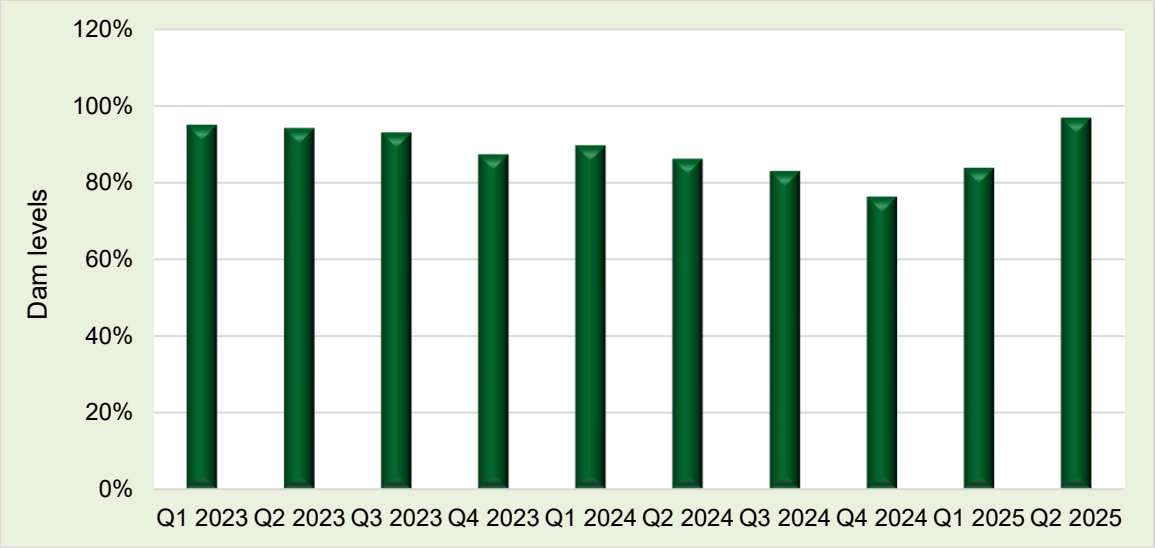

Figure 14: National dam levels

Source: Department of Human Settlements, Water and Sanitation

2.9.1 Provincial dam levels

Numerous weather patterns have been observed across the nation's nine provinces. In June, above-normal rainfall was predicted for the eastern coastal regions, but below-normal rainfall was predicted for the southwest. These weather conditions weather conditions have led to a decrease in surface water storage in certain reservoirs across various provinces, primarily due to rising water demand and increased evaporation rates, although some reservoirs have gained from substantial seasonal rainfall. In Q2; 2025, merely 11% of the dam levels in the nine provinces showed a decline in water levels relative to the same quarter in 2024; nonetheless, these levels remained adequate to satisfy consumer requirements during that period.

Recent statistics from the Department of Water and Sanitation indicate that dam levels in the Eastern Cape increased by 0.2% in Q2: 2025 when compared to the same quarter in 2024. This led to an average level of 83.3%, slightly above the prior average of 83.1%. The Department has reassured the public that the water supply for communities is currently stable. Nevertheless, due to the province's unpredictable and fluctuating weather conditions, all residents are encouraged to engage in responsible usage and water conservation practices.

During the same period, the Free State experienced a 19% rise in dam levels in Q2: 2025 compared to the same period in 2024, leading to an average level of 102%, an improvement from the prior average of 86%. This rise in water levels is primarily linked to climatic factors, especially the sufficient rainfall experienced across much of the Free State. The Department of Water and Sanitation strongly urges all residents to prioritize water conservation despite the increase in dam water levels. The collective responsibility of the community is essential to ensure a sustainable water supply for both current and future generations.

In the meantime, dam levels in Gauteng Province increased by 15% in Q2 2025 compared to Q2 2024, reaching an average level of 102%, up from the previous average of 89%. Notwithstanding this notable increase, the dams' current condition is regarded as favourable and is expected to satisfy customer demands. However, this depends on Gauteng residents' water use patterns and the conservation measures put in place by municipalities, some of which are currently dealing with financial obligations to the Department of Water and Sanitation.

Likewise, in Q2 2025, Kwazulu-Natal dam levels increased by 7.1% compared to the same period in 2024. Over this time, the average dam level increased from 91% to 98%. Residents of Kwazulu-Natal are still being urged by the Department of Water and Sanitation to use water sparingly despite the noticeable increase in water levels in all of the major water sources.

Limpopo's dam levels rose by 6.4% in Q2 2025 compared to Q2 2024, with an average level of 89%, up from 84%. The storage capacity in the province's primary water supply

systems (WSS) has shown notable improvement, and the majority of the region's dams continue to maintain levels that are acceptable.

Dam levels in Mpumalanga rose by 4% in Q2: 2025 compared to the same quarter in 2024, reaching an average level of 100%, an increase from 96%. The Department of Water and Sanitation emphasizes to the public that South Africa is classified as a water-scarce nation and ranks among the thirty driest countries globally, which underscores the importance of water conservation as a national imperative, even though most dams in the Mpumalanga Province are still slightly above full capacity. Natural resources are merely one aspect influencing a sustainable and reliable water supply; equally important is the responsible usage of the available water by individuals.

The Northern Cape has reported a significant rise in dam levels, showing an increase of 34.9% in Q2: 2025 compared to Q2: 2024, leading to an average level of 105%, a rise from 78%. Additionally, the two primary water supply systems in the Northern Cape, namely the Vaal River System and the Orange River System, also faced notable increases in Q2: 2025. The Department of Water and Sanitation encourages residents and water users in the Northern Cape to implement water-saving practices, fix any burst or leaking pipes, and consistently check boreholes to ensure sustainable yields. Collective community initiatives in water conservation will be vital in tackling the water issues faced by the province.

During the same period, dam levels in the Northwest province experienced a significant increase of 33.8% in Q2: 2025 when compared to the same period in 2024. The average dam levels increased from 75% to 101%, largely due to a considerable amount of rainfall this season, which has been crucial for the region's water resources. This encouraging trend is anticipated to provide relief to the province, and the department is optimistic that this upward trajectory will continue.

On the contrary, the Western Cape experienced a decline in dam levels, decreasing by 6.3% in Q2: 2025 compared to the same quarter in 2024, resulting in an average level of 58%, down from the earlier average of 62%. According to the Department of Water and Sanitation (2024), the total storage capacity of the Western Cape Water

Supply System (WCWSS) remains above the median expected storage level, and there are currently no restrictions on water usage for the operational year 2025.

The Department of Water and Sanitation calls upon residents to remain vigilant about their water usage, considering that South Africa ranks among the driest countries globally and frequently faces varying dam levels. Furthermore, residents are advised to report any water leaks or infrastructure issues to local authorities.

Figure 15: Provincial dam levels

Source: Department of Human Settlements, Water and Sanitation

Figure 16 depicts the water levels of dams in different provinces, particularly highlighting the period from Q2: 2024 to Q2: 2025. A comparison of dam levels between Q2: 2025 and Q1 reveals a general increase in dam levels in the majority of provinces, with notable increases observed, except for the Western Cape, which suffered significant declines of 18.8% in its dam levels. Specifically, the dam levels in the Eastern Cape, Free State Province, Gauteng Province, KwaZulu-Natal, Limpopo, Mpumalanga, Northern Cape, and North West Province experienced increases of 1.9%, 27.7%, 9.8%, 7.1%, 3.3%, 4.8%, 49.9%, and 20.9%, respectively, on a quarter-on-quarter basis. This overall increase can be attributed to above-normal rainfall that has improved the Water Supply Systems in most provinces, while the Western Cape has faced declines.

The municipality encourages all citizens to use water responsibly and to adopt water-saving measures wherever they can in light of this circumstance. Every drop matters in this period of limited resources. Water users have been advised by the Department of Water and Sanitation to continue conserving water and use it responsibly in order to sustain livelihoods, boost the economy, and maintain stable water levels in the systems. To address the problems of water scarcity, cooperation with the provincial government is still ongoing. In order to address the water scarcity, the Department of Water and Sanitation is actively working with municipalities and is committed to making sure that all provinces have a steady supply of water.

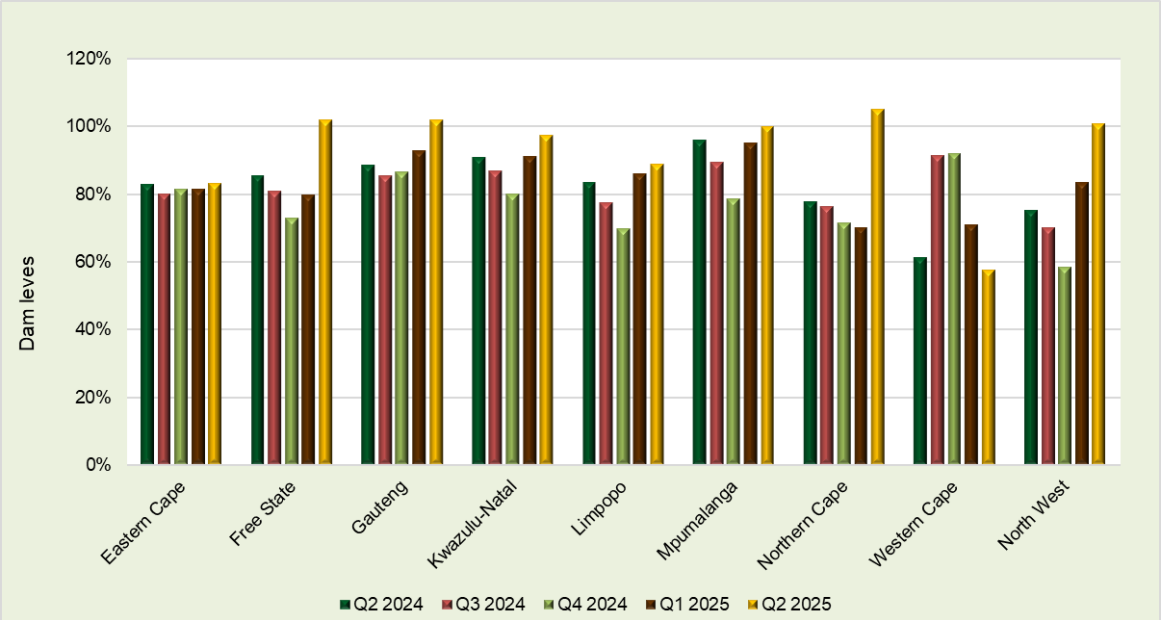

Figure 16: Average dam levels from Q1: 2024 to Q1: 2025

Source: Department of Human Settlements, Water and Sanitation

3. Review of Agricultural Markets

3.1 Grain market review

3.1.1 White and yellow maize

The production estimate for the 2025 maize outlook has been adjusted upward relative to the previous quarter estimates for the 2025 production season. White maize output has been adjusted up by 5.7% from the previous quarter estimate. South Africa

received widespread above-normal rainfall since early February which improved crop conditions.

Zero white maize imports are expected, while exports are expected to increase by 1.9% relative to the previous quarter estimates. A revised production outlook sees a very high ending stock; ending stocks are expected to be 54% higher than in the previous estimate.

Table 1: White Maize Production and Demand outlook

White Maize	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	*2024*	*2025 Estimate*
Opening Stcok	943905	2037531	1764659	984293	3659675	2596119	1641965	2303688	1 465 537	1 082 640	1 346 876	365 498
Production	7710000	4735000	3408500	9916000	6540000	5545000	7569550	8600000	7 850 000	8 505 000	6 055 000	8 081 350
Imports	0	72531	630619	41797	0	0	0	7583	0	0	119 394	0
Total Supply	8653905	6845062	5803778	10942090	10199675	8141119	9211515	10911271	9255287	9 587 640	7 521 270	8 446 848
Consumption	5936023	4526795	4261956	6502005	6870019	5438928	5548151	8465901	6847647	7133205	5 262 087	5876486
Exports	680351	553608	557529	780410	733537	1060226	1359676	979833	1 325 000	1 080 000	1 893 685	1 315 000
Total Demand	6616374	5080403	4819485	7282415	7603556	6499154	6907827	9445734	8 172 647	8240764	7155772	7 191 486
Closing Balance	2037531	1764659	984293	3659675	2596119	1641965	2303688	1 465 537	1 082 640	1 346 876	365 498	1 255 362

Source: DOA, NAMC, Sagis.

The production estimate for the 2025 yellow maize outlook has been adjusted upward relative to the previous quarter estimate. Yellow maize output has been adjusted upwards by 10.4% from the previous estimate. Yellow maize imports have been adjusted downwards by 50%, while exports are expected to be 14.6% higher than in the previous quarter estimate. High ending stocks are also adjusted up by 64.7% compared to the previous quarter.

Table 2: Yellow Maize Production and Demand outlook

Yellow Maize	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	*2024*	*2025 Estimate*
Opening Stcok	678315	1289624	1097224	875351	1847267	1618654	1285087	1128098	658 682	871 291	1 057 664	288 292
Production	6540000	5220000	4370000	6904000	5970000	5730000	6752500	7715000	7 597 450	7 925 000	6 795 000	7 720 900
Imports	79682	1250059	2014174	256423	50812	598481	32476	0	0	0	818 165	550 000
sundries												
Total Supply	6961797	9079683	8331398	5501774	8802079	8187135	7047563	8843098	8256132	8 796 291	8 670 829	8 559 192
Consumption	4161363	7659117	7026279	2083656	5476723	6395682	4392111	4477346	4919841	5634617	7 477 434	6573662
Exports	1510810	323342	429768	1570851	1706702	506366	1527354	2809609	2465000	2 296 110	905 103	825 000
Total Demand	5672173	7982459	7456047	3654507	7183425	6902048	5919465	8 184 416	7 384 841	7738627	8 382 537	7 398 662
Closing Balance	1289624	1097224	875351	1847267	1618654	1285087	1128098	658682	871 291	1 057 664	288 292	1 160 530

Source: DOA, NAMC, SAGIS.

Figure 17 The price of white and yellow maize decreased by 3.7% and 3.1% on year-on-year (y/y) basis, while on quarter-on quarter basis(q/q) the prices decreased by 20.3% and 15.2%. The price white and yellow maize traded at 6.9% and 16% below the import price during the quarter. Although both white and yellow maize prices were not competitive at the World stage as both traded at 40% and 26% above the export price, respectively.

The decline in the price of local maize follows high local production outlook and a 3.8% rebound in world maize production leading to an expected new record high in 2025. A decline in purchases is also expected from China, as well as a downward revision for Brazil's exports.

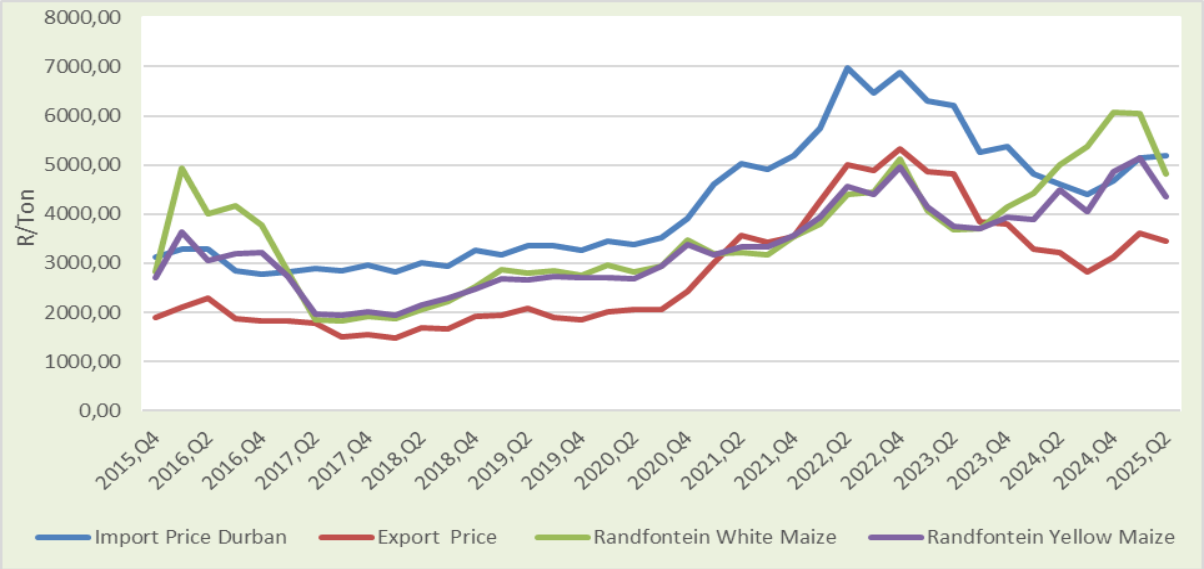

Figure 17: Maize prices
Source: DOA, Safex, World bank

The retail price of a 2.5kg and 5 kg maize meal increased by 14.5% and 13% on a year-on-year basis, while on a quarter-on-quarter basis, prices increased by 4.3% and 3.3% respectively. see Figure 18.

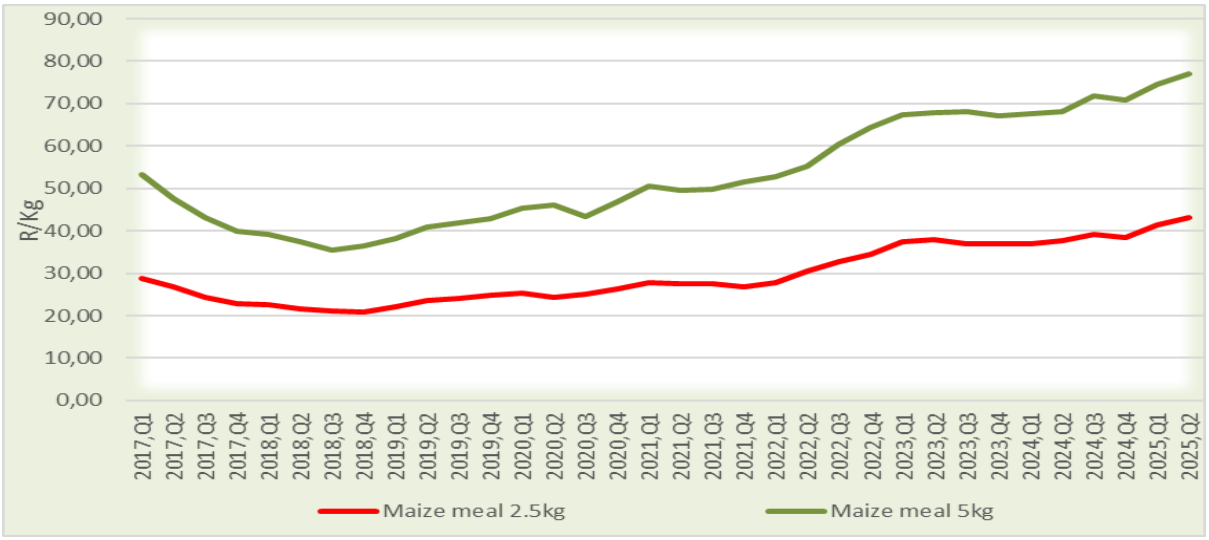

Figure 18: Retail prices vs white maize seed prices
Source: Safex/Stats SA

3.1.2 Wheat

South Africa is not self-sufficient in the production of wheat and therefore approximately 50% of its local consumption is imported. South Africa's dependency on imported wheat increased over time and hence the domestic price for wheat, as reported by Safex tends to be close to import parity. The wheat import tariff is crucial when local wheat production is considered, as it provides a support-base to domestic wheat prices and to some extent supports wheat producers' profitability.

Figure 19 shows the price trends of domestic wheat and international parity prices from Q2 2020 to Q2 2025. Overall, prices were mixed during the quarter under review; the South African domestic wheat price traded at R6 378.82/ton in Q2 2025, reflecting an increase of 5.4% compared to the previous quarter. The wheat import parity price traded at R5 892.82/ton, representing a price decline of 6.5%. The wheat export parity price traded at R3 796.99/ton, indicating an increase of 9.5% in Q2 2025 compared to Q1 2025.

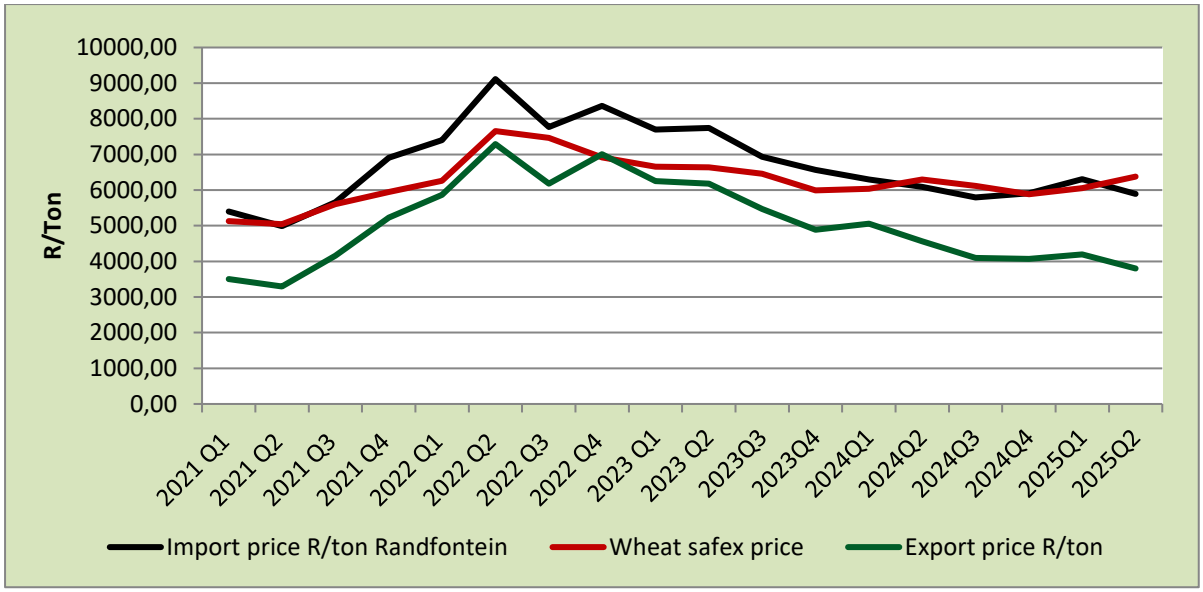

Figure 19: Wheat safex price, export parity price and Import parity price
Source: Sagis/Safex

The price consumers pay for bread versus the price producers obtain for their wheat presents a derived wheat producer price required to produce grams of wheat for one loaf of white/brown bread. The derived producer price is calculated by the average annual Safex price for each marketing year and deducting the relevant costs, such as the location differential as well as handling and storage costs.

Figure 20 illustrates the relationship between retail bread prices and SAFEX wheat prices from Q2 2020 to Q2 2025. In the second quarter of 2025, the domestic wheat price increased by 5.4% compared to the previous quarter, rising from R6,052.37 per ton to an average of R6,378.82 per ton. During the same period, the prices of selected wheat-by products showed mixed trends relative to Q1 2025. The prices of white bread (700 g), cake flour (2.5 kg), and bread flour (2.5 kg) increased by 0.07%, 0.95%, and 0.18% respectively. In contrast, the price of brown bread (700 g) declined slightly by 0.04%.

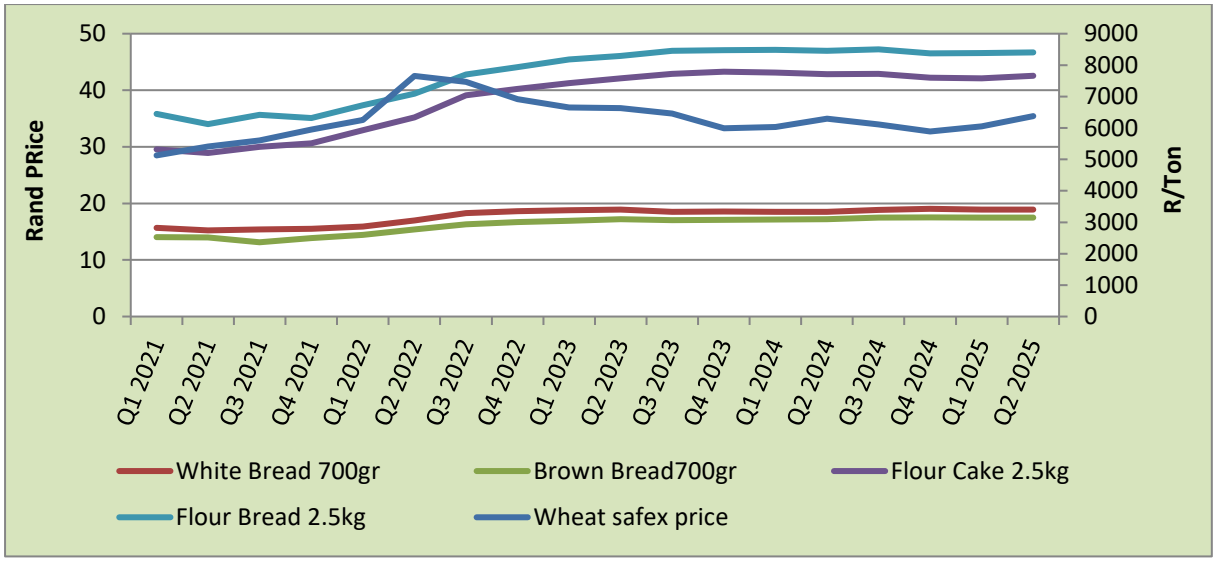

Figure 20: Retail bread price vs wheat import price

Source: Stats SA & Safex

The profitability of the local wheat producers and the growth towards self-sufficiency in terms of local wheat supply and demand are very important aspects for the local wheat market. Figure 21 presents the supply and demand of wheat in South Africa from 2023: Q2 to 2025: Q2. In the second quarter of 2025, domestic wheat deliveries experienced a significant decline of 78.1%, falling to an average of 12,436 tons, down from 56,895 tons in Q1 2025. On the other hand, local demand for wheat increased by 7.9%, rising to 304,350 tons from 282,129 tons compared to 2025: Q2. Wheat imports declined by 17.0% in 2025: Q2 when compared to the previous quarter, 2025: Q1. Meanwhile, exports showed notable growth, increasing by 26.9% compared to the previous quarter ,2025: Q1. Therefore, it is important to keep the marketing season fundamental aspects in place at all times to ensure long-term sustainability of wheat.

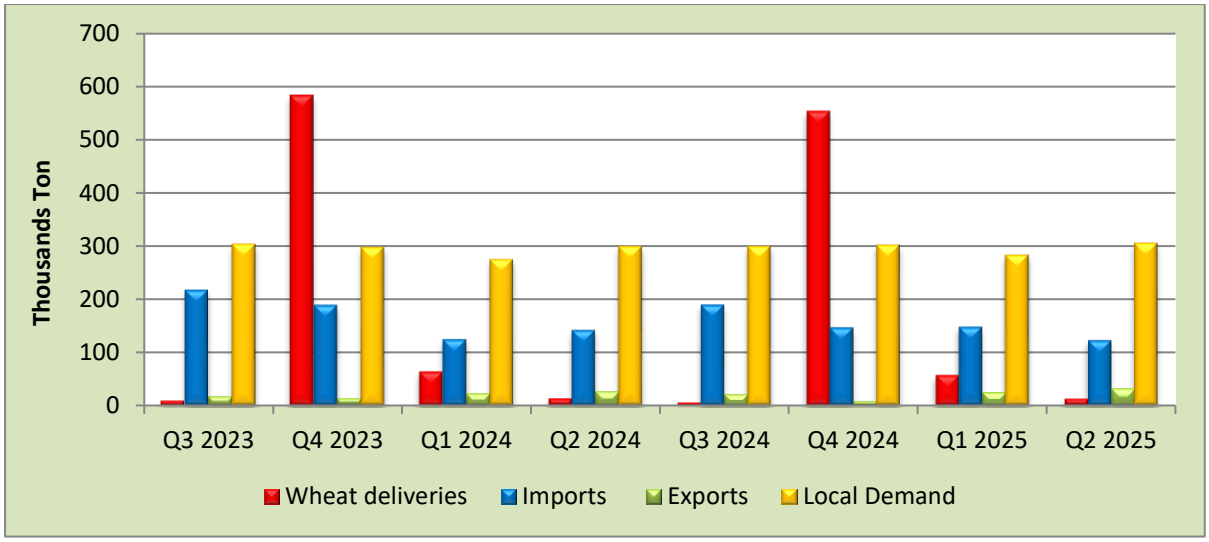

Figure 21: Wheat deliveries, Imports, Exports and local demand
Source: Stats SA & Safex

3.1.3 Soya beans

The soybeans production outlook has been adjusted upwards by 18.1% during the 2nd quarter from the previous quarter estimates. The 2nd quarter estimates predictions are that imports & exports will rise by 2.4% and 4.4% compared to the previous quarter estimates. It's estimated that local demand will rise by 11% compared to the previous quarter estimates, while soybeans ending stock has been adjusted upwards by 75.4% relative to previous quarter estimates. As good weather increased crop prospects.

Table 3: Soybeans Production and Demand outlook

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2 024	2025 Estimate
Beginning Stock	63704	89128	84792	330535	502241	138455	46053	168 387	171 897	320 637	140 704
Production	1070000	742000	1316000	1540000	1170345	1 245 500		2 230 000	2 770 000	1 848 000	2753125
Imports	124981	271098	28000	6000	9500	116 103	13 448	5 000	3 480	154 288	12 800
Total Supply	1258685	1102226	1428792	1876535	1682086	1500058	59501	2 403 387	2 945 377	2 322 925	2 906 629
Local Consumption	1164880	1010689	1063783	1349294	1539631	1452945	1744496	1951490	2244740	1862221	2149600
Exports	4677	6745	414	25000	4000	1 060	42 295	280 000	380 000	320 000	350 000
Total Demand	1169557	1017434	1098257	1374294	1543631	1 454 005	-108 886	2 231 490	2 624 740	2 182 221	2499600
Closing Stocks	89128	84792	330535	502241	138455	46 053	168 387	171 897	320 637	140 704	407 029

Source:DOA,NAMC,Sagis

The price of soybeans decreased by 15.6% on a y/y basis during the 2nd quarter of 2025, while on q/q basis prices decreased by 18%. The price of soybeans traded at 21,8% below the import price. Local prices decreased as prices usually decline during the harvesting period, also local prices tracked the low World prices.

World prices also declined as demand of US soybeans declined due to the ongoing trade uncertainty between USA and China. China is estimated to account for more than half of all US soybean exports.

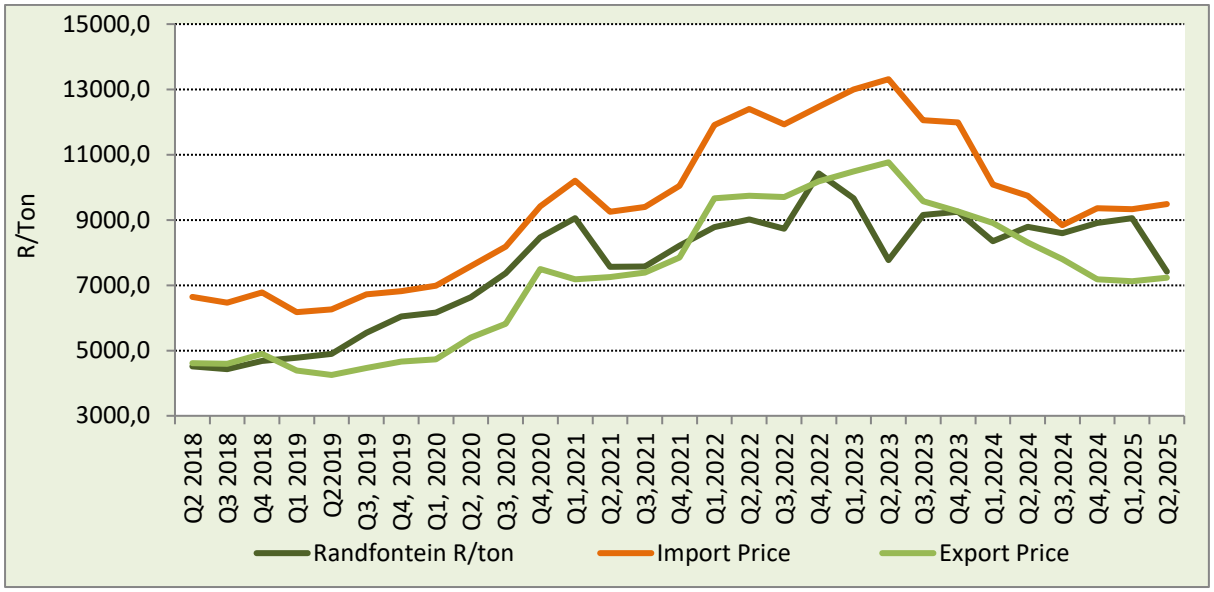

Figure 22 Soya beans local price vs import price
Source: Safex/Sagis/USDA/World Bank

3.1.4 Sunflower

Crop Estimate Committee released the production forecast, indicating that the expected sunflower seed production is now forecast at 770,500 tons, 7.01% above the previous forecast of 720,050 tons. Figure 23 shows producer deliveries, imports, local demand and exports of sunflower from Q1: 2022 to Q1: 2025. Producer deliveries of sunflower seed experienced an increase of 9.2% in Q1: 2025 compared to the same quarter in 2024, averaging 75 576 tons, up from 69,214 tons, as illustrated in figure 23. At the same time, sunflower seed imports declined by 93% in Q1: 2025 compared to Q1: 2024, dropping from 1 050 tons to 69 tons. local demand for sunflower seed decreased by 30.4% in Q1: 2025, averaging 100 657 tons, compared to 144 718 tons in Q1: 2024. During the same period, sunflower seed exports rose by 39.6% in Q1: 2025 compared to the previous quarter Q4: 2024, growing from 2 369 tons to 3 307

tons.

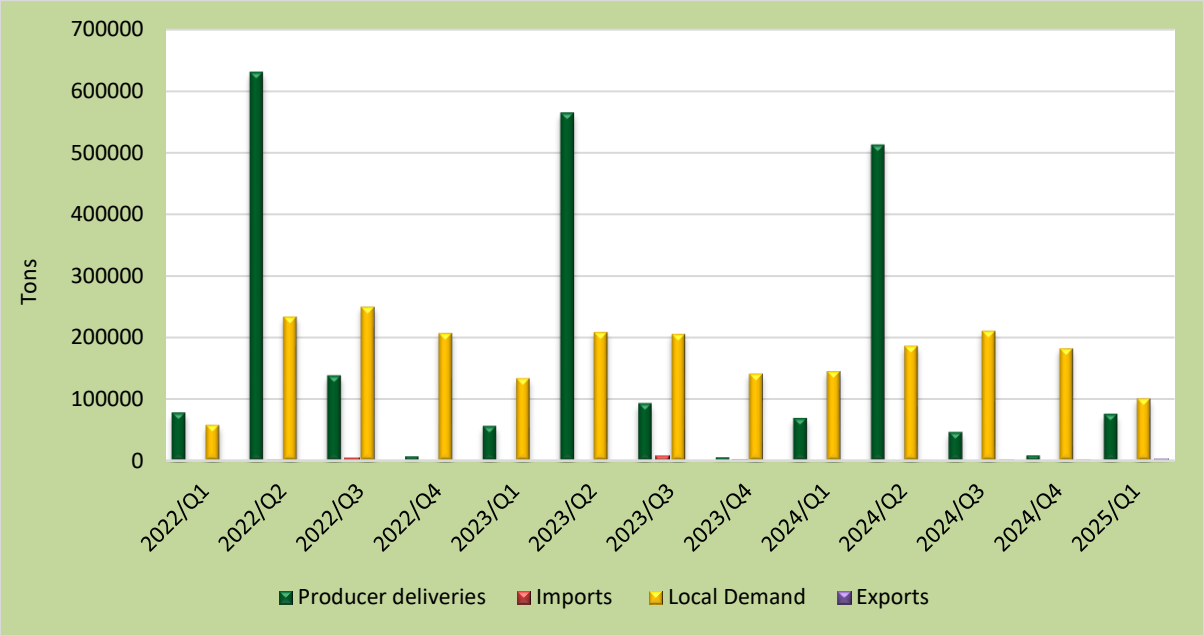

Figure 23: Sunflower seed deliveries; local demand and trade
Source: Sagis

During the first quarter of 2025, South Africa's sunflower seed prices traded below the import parity price at R9 438/ton compared to R8 629/ton in the first quarter of 2024, which is a total increase of 9.4% compared to quarter one of 2024(Q4). The price of sunflower seed has decreased by 9.6% during the first quarter of 2025 as compared to the previous quarter of 2025. During the same period, the average market price for sunflower oil 750 millilitres(ml) increased by 0.9% in Q1: 2025 compared to Q1: 2024, reaching an average market price of R35.71 per 750ml, up from an average market price of R35.40 per 750ml quarter one of 2024(Q4). The price of sunflower oil 750ml in the first quarter of 2025 increased by 1.4%, when compared to the previous quarter (Q4) in the year 2024. Sunflower oil and seed prices fluctuate due to a complex interplay of factors, primarily influenced by global supply and demand dynamics, weather conditions, geopolitical events – e.g., major sunflower-producing regions, like Ukraine, have experienced significant disruptions due to conflicts, impacting supply chains and driving up prices, and currency exchange rates. Variations in production levels, trade disruptions, and broader economic conditions all contribute to ongoing price volatility in these markets.

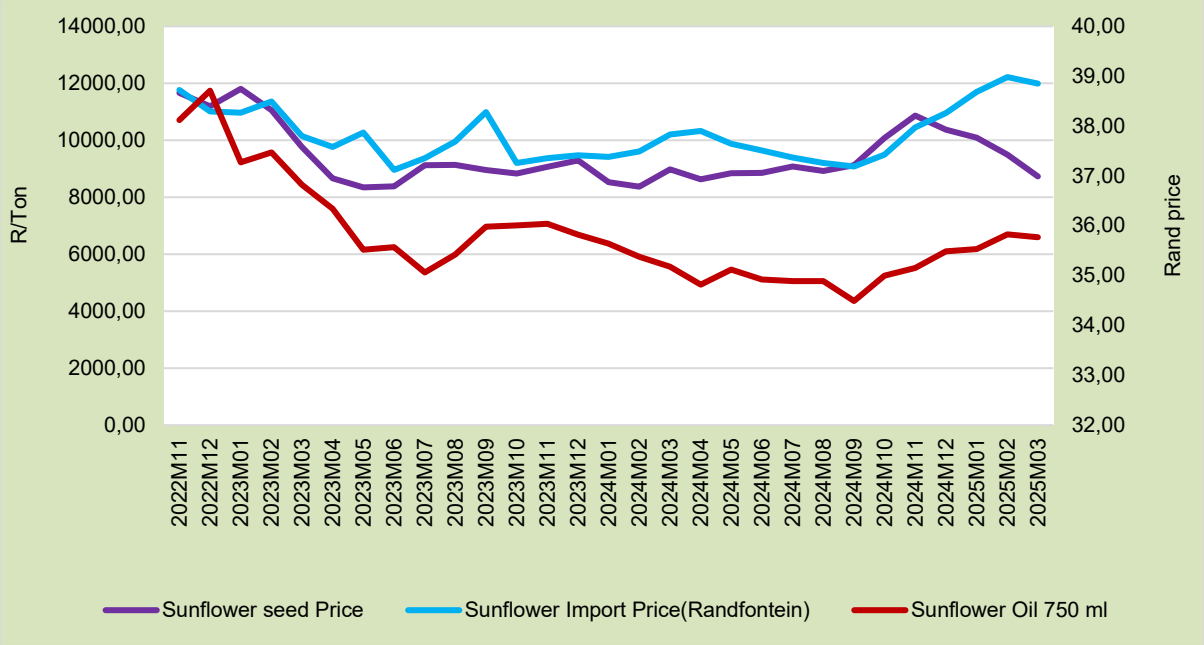

Figure 24: Sunflower local seed; import price (Randfontein) and Sunflower retail price
Source: Safex; USDA; Sagis; and Own calculations

3.1.5 Sorghum

The introduction of sorghum on the JSE has not really served its purpose as a price hedging tool, which resulted in some calls for the JSE to consider delisting sorghum price reporting. The production outlook for sorghum remains the same during the 2nd quarter of 2025 compared to the previous quarter estimates. Imports and exports outlook for the 2025 season have been adjusted downwards by 53% and 28.6% during the 2nd quarter estimates relative to the previous quarter estimates. Ending stocks have been revised upwards by 3.3% during this quarter relative to the previous quarter.

Table 4: Sorghum Production and Demand outlook

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 *Estimate*
Opening stock	121812	83142	35238	59246	51860	60 423	51 795	106 157	46 956	54 775	86397
Production	114700	70500	152000	115000	127000	158000	215 000	103 140	94 360	98 000	137970
Imports	34316	74957	55824	32500	59253	6546	4 147	700	85 300	50 500	8000
Total Supply	277713	226677	244073	206746	238113	224969	270 942	209 997	226 616	203 275	241 367
Local demand	165532	178790	171027	142541	170390	167524	155727	153641	160841	95478	152370
Exports	29039	12649	13800	12345	7300	5650	9 058	9 400	11 000	21 400	10000
Total Demand	194571	191439	184827	154886	177690	173174	164785	163 041	171841	116 878	162370
Ending Stock	83142	35238	59246	51860	60423	51795	106 157	46 956	54 775	86 397	78 997

Source:DOA,NAMC,Sagis

The price of sorghum declined by 14.7% on year-on-year basis whilst on a q/q basis, prices decreased by 9.7%. Sorghum production outlook is estimated to be 40% higher than the average production for the past 3 years putting pressure on prices.

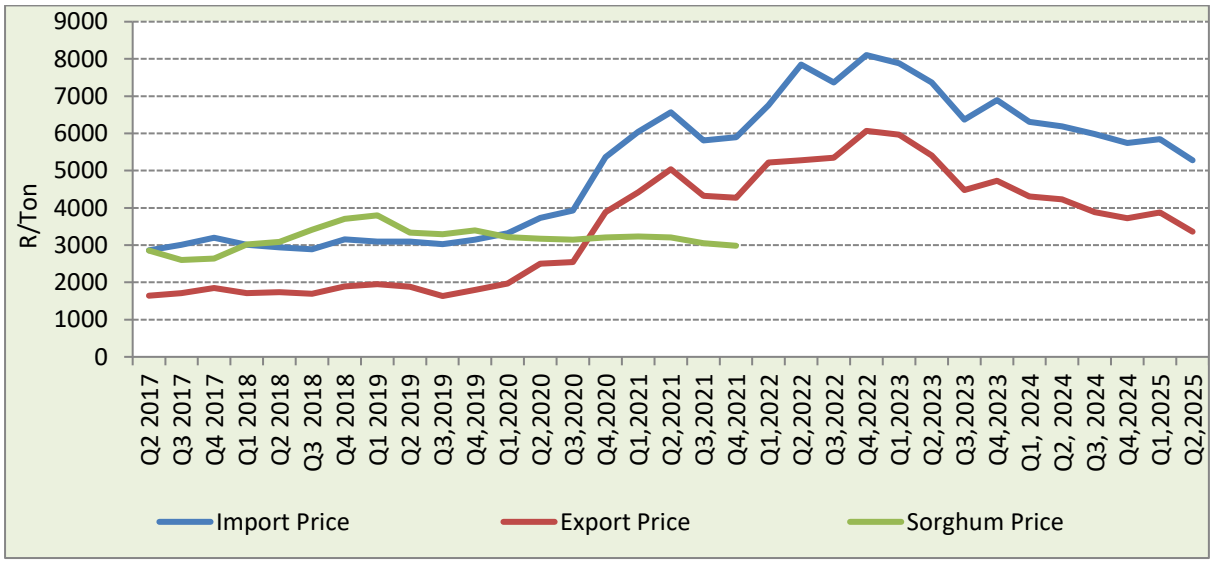

Figure 25: Sorghum Parity Price
Source: Safex, Sagis

3.1.6 Groundnuts

The weather outlook for Q2: 2025 was mixed, with forecasts of above-normal rainfall in the south-western and eastern coastal areas and below-normal rainfall for the rest of the country, according to the South African Weather Service. This suggests potentially favourable conditions for winter crops in the key Western Cape region.
Although heavy rainfall in the previous quarter raised concerns about crop quality, there remains optimism regarding overall yields. This outlook is supported by the Crop Estimates Committee's June 2025 forecast, which projects groundnut production for the 2025 season at 63,510 tons. This estimate is based on an area of 48,125 hectares planted, with an average expected yield of 1.32 tons per hectare, a slight increase from the previous forecast. The June report also highlighted that La Niña conditions contributed to a strong recovery for summer crops following the earlier drought, with overall crop progress reported as positive.

Figure 26 shows producer deliveries, local demand of groundnuts as well as imports and exports of groundnuts from Q2: 2023 to Q2: 2025.

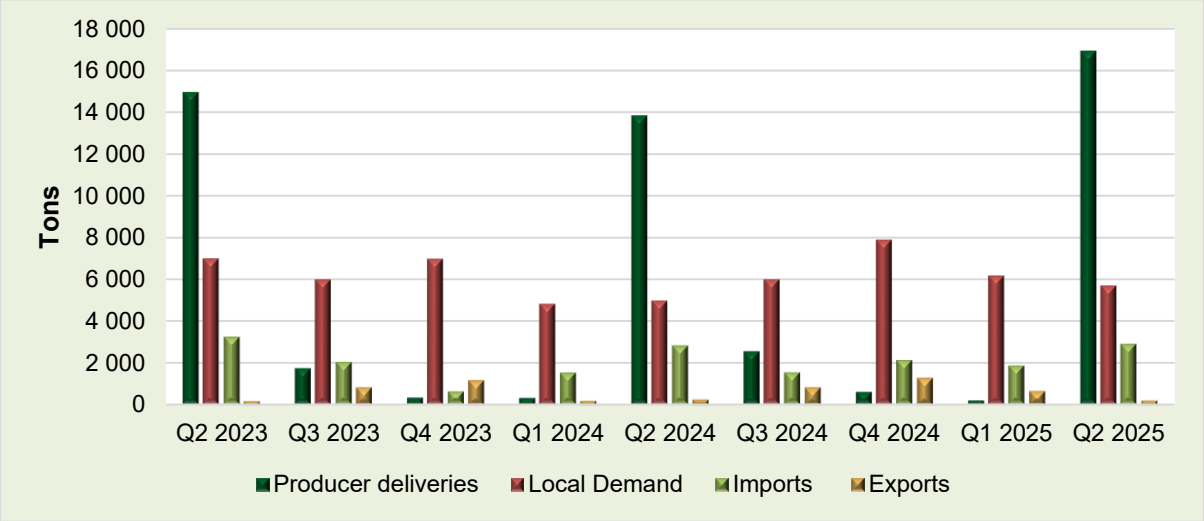

Figure 26: Producer deliveries, local demand, export and imports of groundnuts
Source: Sagis

Producer deliveries of groundnuts experienced an of 22.4% increase in Q2: 2025 compared to the same quarter in 2024, averaging 16 938 tons, up from 13 833 tons, as illustrated in figure 26. At the same time, local demand for groundnuts increased by 14.5% in Q2: 2025, averaging 5 656 tons, compared to 4 939 tons in Q2: 2024. While previous challenges, such as weak domestic demand and drought hit of 2024, had negatively impacted groundnut production, many of these issues have now subsided, paving the way for a modest recovery, which is expected to become more evident this season onward.

During the same period, groundnut exports went down by 21.2% in Q2: 2025 compared to Q2: 2024, dropping from 270 tons to 213 tons. The growing demand for South African groundnuts has positively influenced the export market. During this period, Mozambique emerged as the leading market, representing a massive 50% of the total export value of South African groundnuts. Zimbabwe followed as the second-largest market, contributing 29% to the export value during this period. Lesotho, Netherlands and Eswatini ranked as the third, fourth, and fifth largest markets for South African groundnuts, accounting for 6%, 5%, and 4% of the export value, respectively, in Q2: 2025.

Moreover, South Africa experienced an increase in groundnut imports in Q2: 2025, which rose by 2.7% compared to the same period in 2024, reaching an average of 2 874 tons, an increase from 2 800 tons. Various elements influencing pricing may have

contributed to the increase in groundnut imports in South Africa during Q2: 2025. During this period, Brazil emerged as the primary importer, accounting for 52% of the total import value. Malawi ranked as the second-largest supplier with a 16% share, while India, Namibia and China contributed 14%, 13%, and 4%, respectively, to South Africa's overall groundnuts import value.

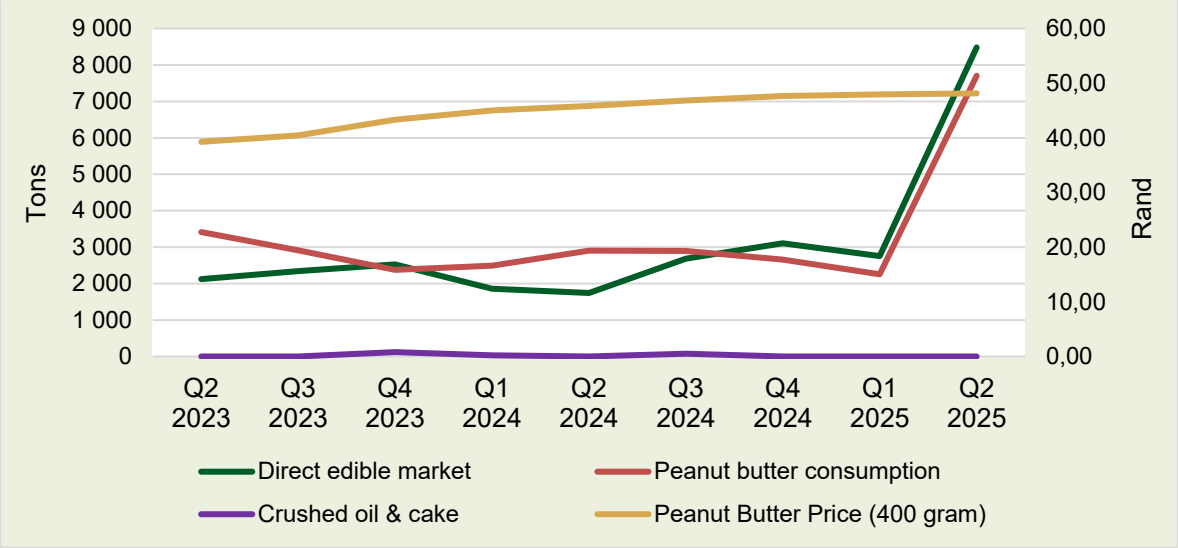

Figure 27: Producer deliveries, local demand, export and imports of groundnuts
Source: Sagis

South Africa's groundnut consumption is predominantly categorized into two primary forms: edible peanuts and processed peanut butter, which together constitute the bulk of the market. In Q2: 2025, the consumption of edible groundnuts surged by 62% compared to the same period in 2024, reaching an average of 2 827 tons, up from 1 742 tons. The demand for edible peanuts is heavily influenced by pricing, which is determined by the interplay of supply and demand for groundnuts. On the other hand, peanut butter consumption saw a significant decline of 11% in Q2: 2025 relative to Q2: 2024, averaging 2 567 tons, an increase from 2 900 tons. Notably, there was no recorded consumption of crushed oil and cake in Q2: 2025 and Q2: 2024. The activities related to groundnut crushing and oil production constitute a minor segment of the South African market.

During the same period, the average market price for peanut butter (400 grams) increased by 5% in Q2: 2025 compared to Q2: 2024, reaching an average market price of R48.13 per 400 grams, up from an average market price of R45.86 per 400 grams. Additionally, the source of the imported peanuts can also lead to price

variations, given the fact that over 50% of the peanuts used in peanut butter are imported, making the prices sensitive to international peanut market rates.

3.2 Fruit and vegetable market review

The following section looks at the average prices and quantities of fruits and vegetables traded at the Fresh Produce Markets (FPMs) from from Q2: 2023 to Q2: 2025.

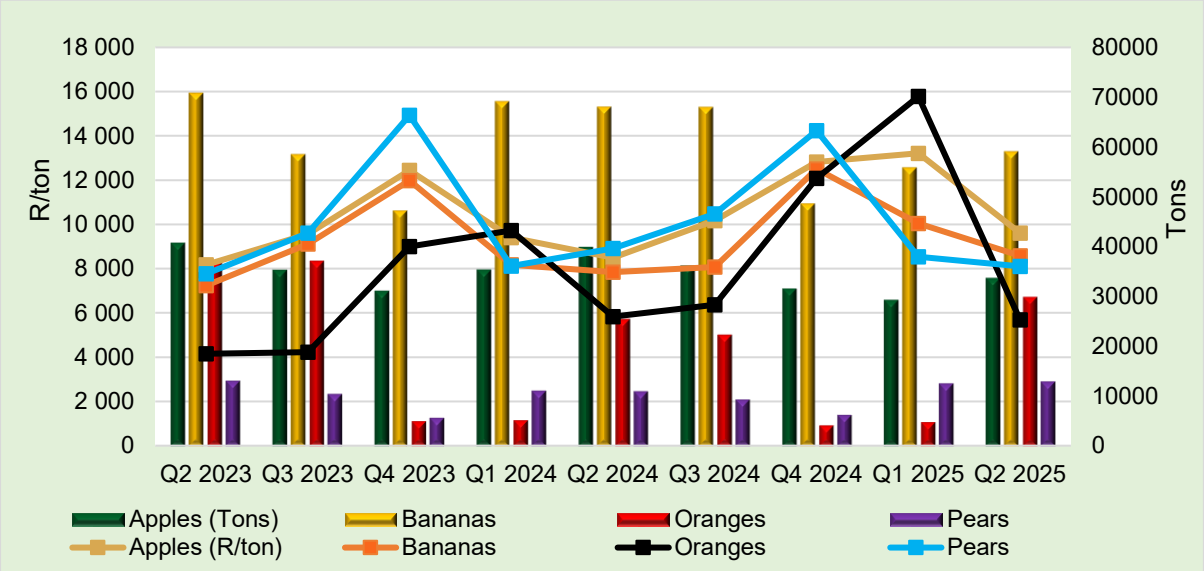

Figure 28: Average price and quantities of various fruits traded at fresh produce markets (FPMs)
Source: DOA

In Q2: 2025, the average price of apples rose by 13.0% compared to Q2: 2024, while quantities supplied experienced a year-on-year decrease of 15.5%. According to Hortgro (2025), the apple harvest commenced at a slow pace; however, the industry reached its peak volumes in June.

During the same period, the average price of bananas rose by 9.3% when compared to Q2: 2024, while the supply of bananas also saw an increase of 5.8% in Q2: 2025 relative to Q2: 2024. Several banana producers noted that the demand in municipal markets is affected by the beginning of the citrus season. Nevertheless, retail purchasers, from their viewpoint, assert that citrus has not adversely affected banana sales.

Meanwhile, there was a minor change in the pricing of oranges, with the average price dropping by 2.3% in Q2: 2025 compared to Q2: 2024, while the quantities supplied saw a year-on-year increase of 17.3%. The citrus industry in Southern Africa has

entered the 2025 season with a sense of cautious optimism. The robust growth trend that the industry has been experiencing has continued thus far. However, serious challenges persist. A major concern for this season is the tariff instability that could affect the US market for some of SA growers.

During the same period, the average price of pears decreased by 9.0% in Q2: 2025 relative to Q2: 2024, while quantities supplied increased by 17.5% year-on-year. An overall good crop is expected in 2025. This growth is driven by improved yields and the availability of irrigation water, as well as favourable weather conditions and the adoption of high-yielding varieties.

In the meantime, when analysing the sales of fruits at the Fresh Produce Markets for Q2: 2025 in comparison to Q1, it was observed that the average price of apples fell by 27.3% in Q2: 2025 relative to Q1, whereas the quantities supplied saw a reduction of 15.0% on a quarter-on-quarter basis. The apple season commences in January and lasts until May, with the highest volumes expected in June. According to Hortgro, considering the trends in production, cultivars, logistics, new markets, and the increasing demand from existing markets, the future of the South African apple industry looks promising.

During the same period, the average price of bananas experienced a notable decrease of 14.6% in Q2: 2025 relative to Q1, while quantities supplied rose by 5.8% from one quarter to the next. Despite banana volumes in municipal markets being lower than in the previous two years, market participants indicate that prices continue to face downward pressure.

Similarly, in Q2: 2025, the average price of oranges experienced a substantial reduction of 63.9% in comparison to Q1 while the quantity supplied also saw a notable increase of 512.5% from the preceding quarter. The Citrus Growers Association has published revised estimates for the 2025 season, indicating robust performance in various citrus categories, especially in the late mandarin segment.

In the same period, the average price of pears fell by 5.0% in Q2: 2025 compared to Q1, while the quantities supplied experienced a quarter-on-quarter increase of 3.0%. The pear season commenced early in January. In the Western Cape, a late yet chilly winter, coupled with substantial rainfall, has established ideal conditions. These

advantageous factors during the flowering phase have led to healthy fruit development, instilling confidence in growers regarding a potentially bountiful yield.

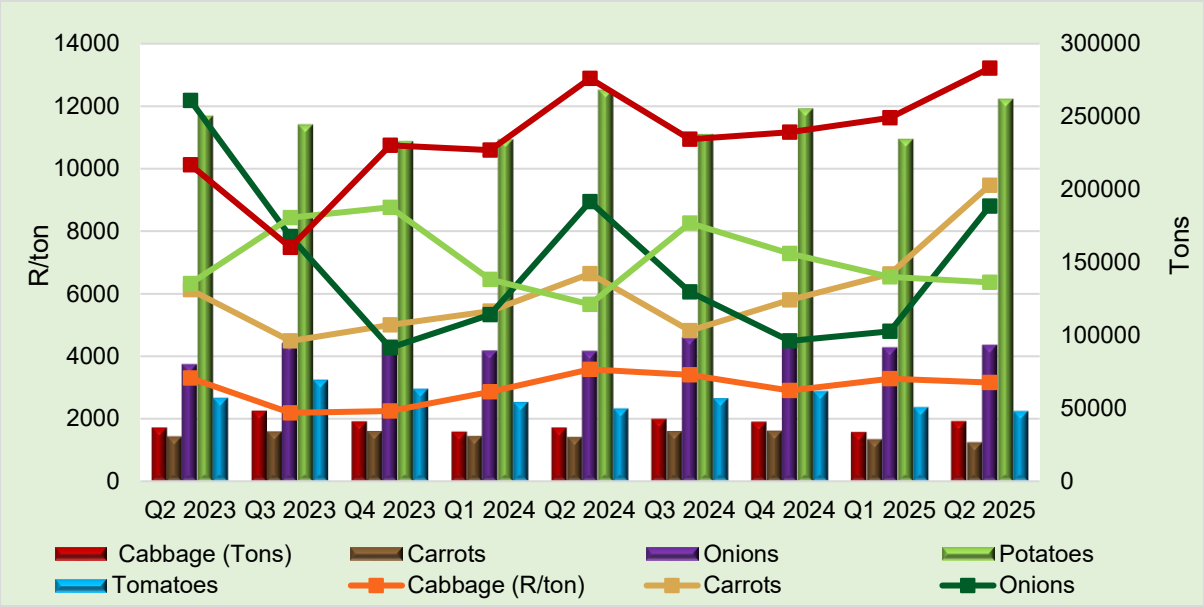

Figure 29: Average price and quantities of various vegetables traded at Fresh Produce Markets (FPMs)
Source: DOA

The pricing of vegetables at the Fresh Produce Markets is mainly determined by the dynamics of supply and demand. In Q2: 2025, significant variations were noted in the average prices and quantities supplied for cabbage, carrots, onions, potatoes, and tomatoes when compared to Q2: 2024.

In Q2: 2025, the average price of cabbage saw a significant decline of 11.7% when compared to the same quarter in 2024, whereas the quantities supplied experienced a notable increase of 12.2% year-on-year. The price variations of cabbage were prominent due to the shorter planting and harvesting cycles relative to other vegetables. Furthermore, consumer demand is a vital factor in affecting the price sensitivity of fresh produce.

During the same period, the average price of carrots rose by 42.6% in Q2: 2025 relative to Q2: 2024, while quantities supplied fell by 7.3%. The production of carrots in South Africa is anticipated to be robust in 2025, with the possibility of enhanced yields and greater self-sufficiency.

Conversely, the average price of onions saw a decrease of 1.6% in Q2: 2025 compared to the corresponding period in 2024, whereas the year-over-year quantities supplied increased by

4.8%. The onion industry is displaying signs of cautious optimism for the 2025 season, following a year characterized by climate-related challenges, rising input costs, and limited export opportunities.

In the meantime, the average price of potatoes increased by 12% in Q2 2025 compared to Q2 2024, but the amount supplied decreased by 2% year-on-year. Growers are expected to increase their planting in 2025 due to the higher price levels. At the same time, it is anticipated that production costs will slightly decline, especially for fertilizer and diesel, which will ease some of the financial pressure. However, profit margins may still be impacted by the continuous increase in electricity rates.

Similarly, the average price of tomatoes rose by 2.5% in Q2: 2025 compared to Q2: 2024, while the year-on-year supply volumes decreased by 3.7%. The Gauteng market in South Africa has exhibited volatility, as excessive rainfall has affected both the quality and shelf life of the produce.

In comparing Q2: 2025 with Q1, the average price of cabbages fell by 3.7% in Q2: 2025 compared to Q1, while the quantities supplied rose by 22.5% quarter-on-quarter. It is crucial to acknowledge that consumer demand significantly impacts price variations in fresh produce markets.

During the same period, the average price of carrots saw an increase of 42.8% in Q2: 2025 relative to Q1, while quantities supplied fell by 7.3% quarter-on-quarter. Carrots were identified as one of the two primary vegetables contributing to elevated vegetable prices during the first half of 2025. This increase was prompted by a short two-week supply decline due to heavy rainfall in the Northern Province and Western Cape. The adverse weather conditions resulted in crop damage and delayed harvesting, as some producers faced challenges operating machinery in saturated fields. Consequently, the market experienced a shortage in the final two weeks of February, leading to a price surge that continued through June.

Meanwhile, during the same period, the average price of onions increased by 83.7% in Q2: 2025 relative to Q1 whereas quantities supplied also increased by 1.9% quarter-on-quarter. Onion industries are showing signs of cautious optimism for the 2025 season, following a year marked by climate challenges, input cost pressures, and constrained export opportunities

Conversely, the average price of potatoes decreased by 2.7% in Q2: 2025 relative to Q1, while the quantities supplied saw an increase of 11.7% from the preceding quarter. Fluctuations in consumer demand are pivotal in driving price changes in the fresh produce market.

Meanwhile, the average price of tomatoes increased by 13.7% in Q2: 2025 compared to Q1 while quantities supplied decreased by 5.1% quarter-on-quarter. The quality of the tomatoes

is significantly lower than what is typically expected during this period of the year, and the high temperatures experienced in December during the early part of the season also had an adverse impact on both shelf life and yield.

3.3 Meat industry review

As illustrated graphically above in figure30, total beef slaughtering decreased by 5.2% in second quarter of 2025 compared to the same quarter of 2024. The price of beef per kg increased by 26.8% in the second quarter of 2025 when compared to the same period in 2024. Beef prices in Q2 2025, particularly in South Africa, experienced a sharp increase driven by tightening supply due to factors like the spread of foot-and-mouth disease and high demand leading into the festive season. Monthly price changes and year-on-year increases were reported for specific cuts and grades, indicating a strong upward trend that is expected to continue.

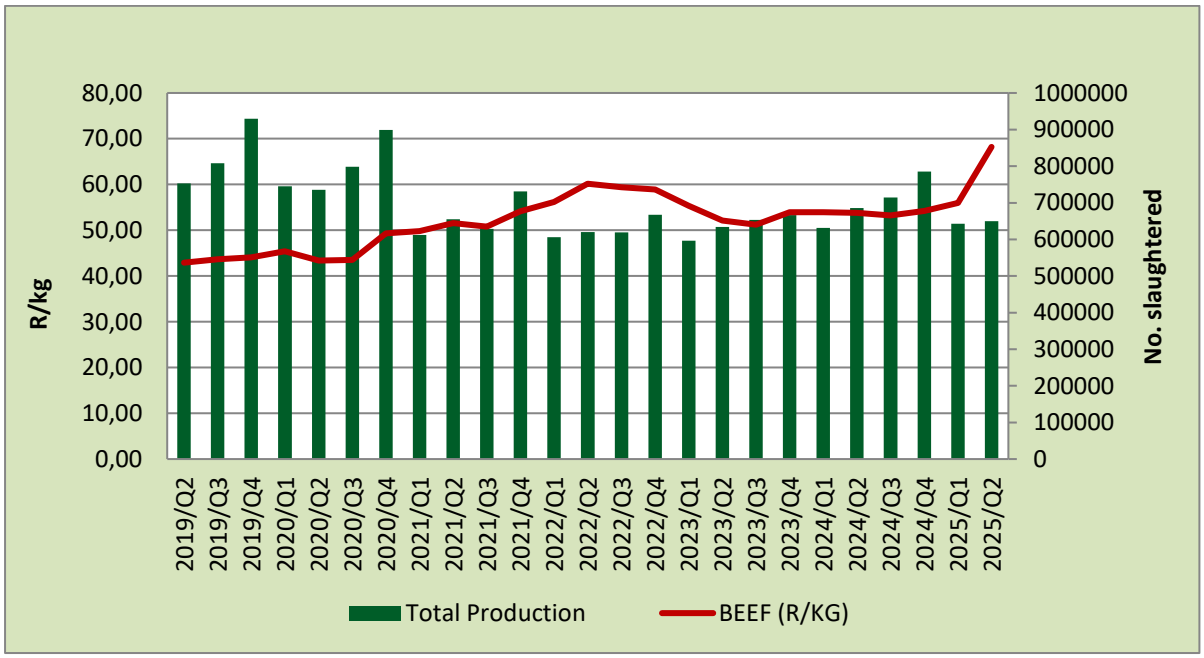

Figure 30: Beef production
Source, DOA

As illustrated graphically in figure 31, the trade balance for meat of bovine animal (fresh of chilled) increased by 6.8% in first quarter of 2025 compared to the previous quarter of 2025. The quantities of meat of bovine animal (fresh of chilled) exports increased by 5.9%, whilst imports decreased by 99.9% in the first quarter of 2025 when compared to the previous quarter in 2025.

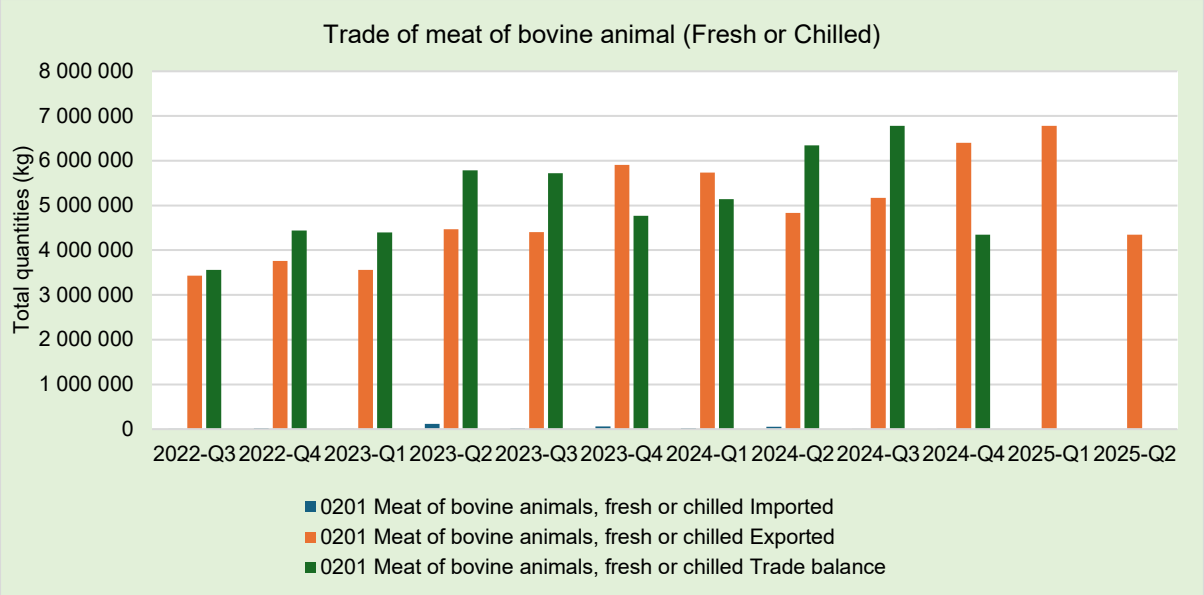

Figure 31: Trade of meat bovine animal (Fresh or Chilled)

Source: ITC Trade Map

As illustrated graphically in figure 32, it indicates that, the trade balance for meat of bovine animal (frozen) decreased by 13.0% in first quarter of 2025 compared to the previous quarter of 2025. The quantities of meat of bovine animal (frozen) exports and imports decreased by 18.9% and 70.9% respectively in the first quarter of 2025 when compared to the previous quarter in 2025.

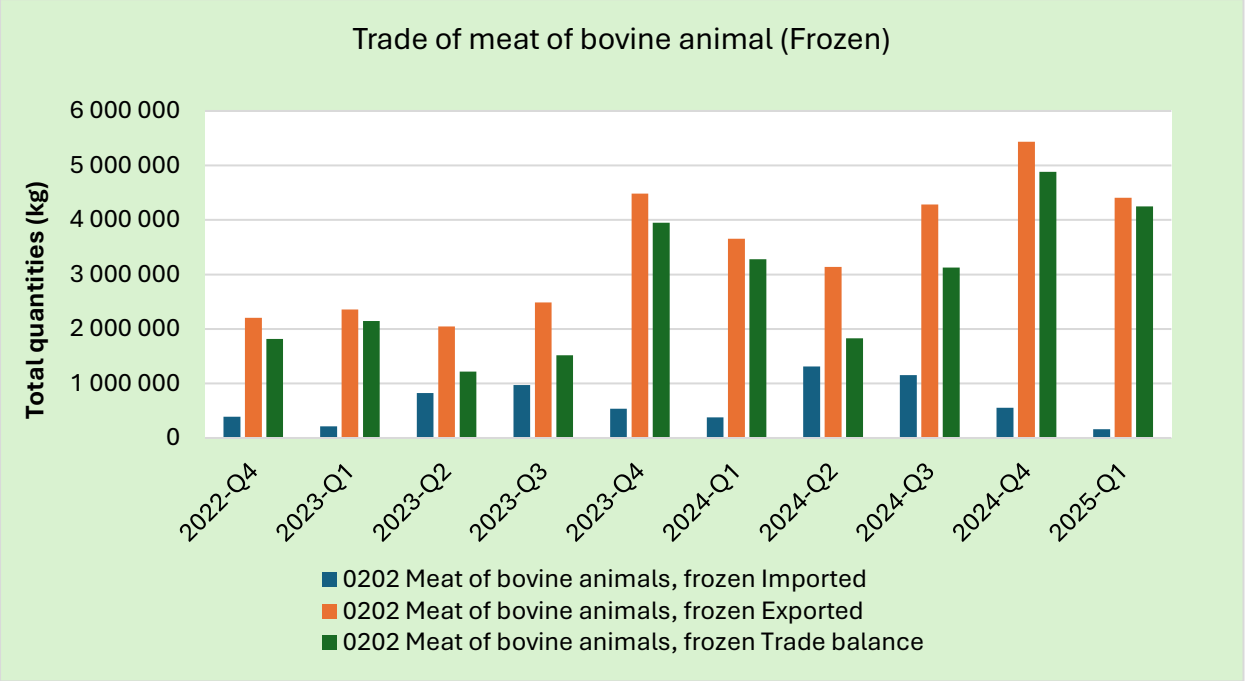

Figure 32: Trade of meat bovine animal (Frozen)

Source: ITC Trade Map

3.4 Poultry industry review

Poultry production in South Africa declined by 0.8% year-on-year and increased by 6.0% quarter-on-quarter, while prices per ton rose slightly by 1.8% y/y and 0.1% q/q. The price of yellow maize, the key input, increased by 6.2% y/y but declined sharply by 16.4% q/q as improved harvest prospects and easing supply constraints brought temporary relief. Despite this short-term price drop, elevated annual feed costs continue to weigh heavily on margins, leaving the poultry sector under pressure even as production shows signs of quarterly recovery.

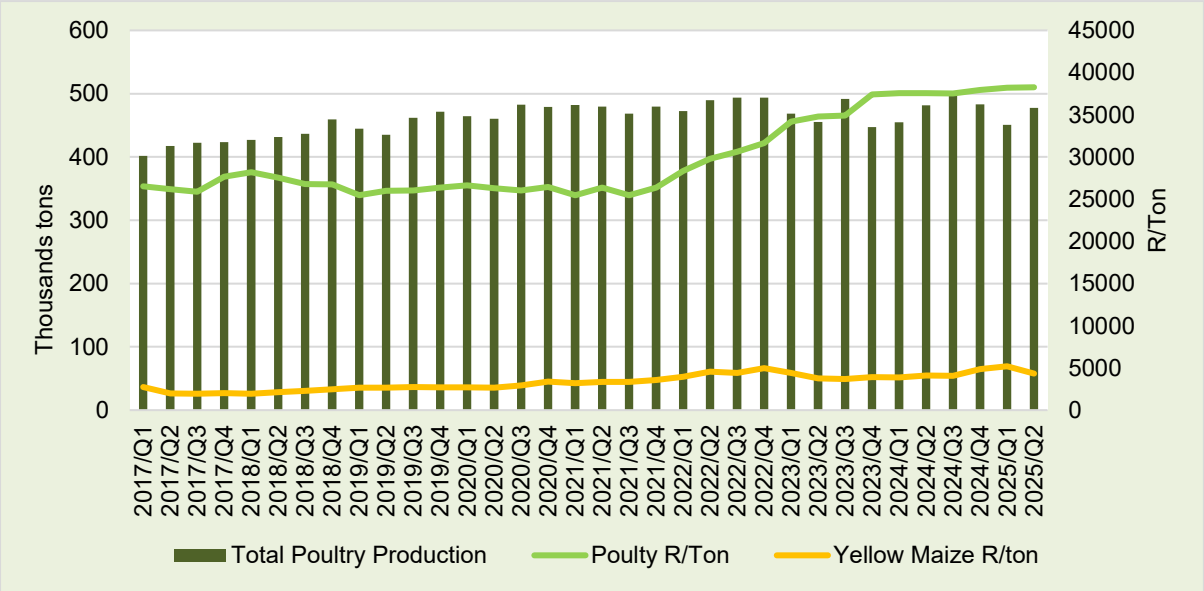

Figure 33: Poultry production and prices
Source: DOA

Retail poultry price trends for the second quarter of 2025 show mixed outcomes across different product categories, largely shaped by shifting feed costs, consumer demand patterns, and trade dynamics. Fresh whole chicken declined by 3.6% y/y and 1.3% q/q, reflecting subdued consumer spending power and stronger competition from frozen alternatives. Fresh chicken portions, however, increased by 1.1% y/y and 1.3% q/q, supported by higher demand. Individually quick frozen (IQF) chicken portions saw a sharp 37.1% q/q increase, underpinned by stronger household demand and reduced import. In contrast, non-IQF frozen chicken portions experienced price declines of 1.5% y/y and 29.8% q/q, highlighting weakness in that segment. Chicken giblets (neck, gizzards, and hearts) decreased by 1.0% y/y but saw a slight quarterly increase of 0.5%.

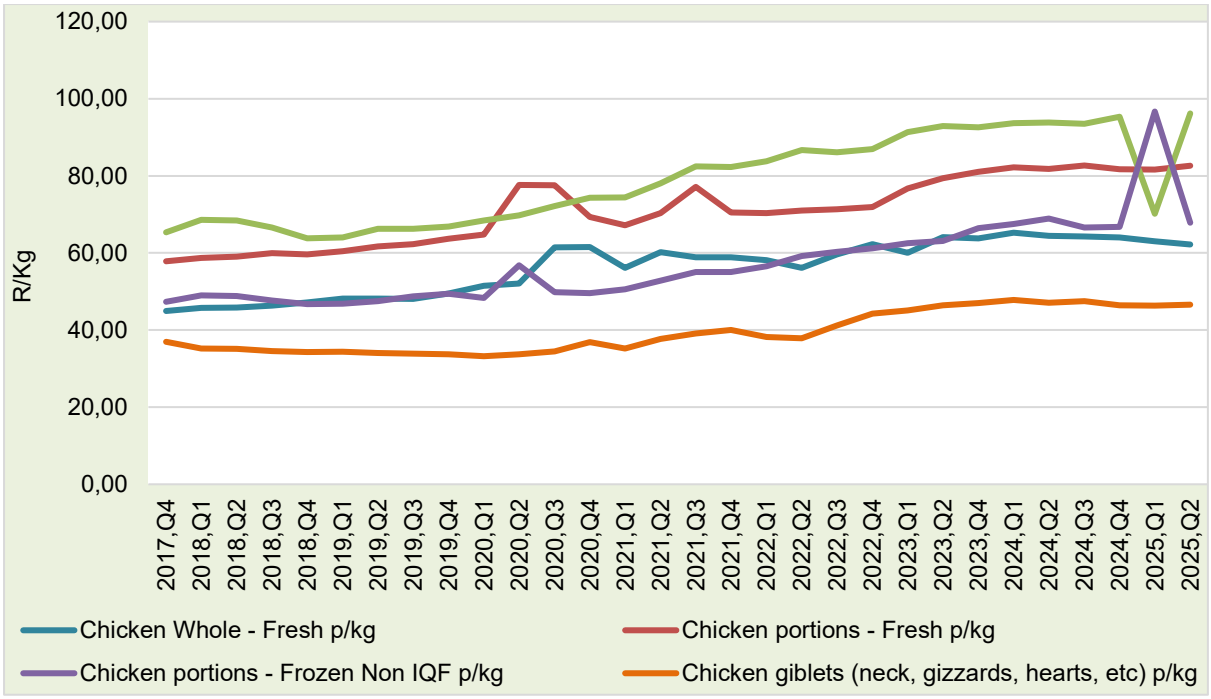

Figure 34: Poultry & Feed Price Indices
Source: Statistics SA.

The value of poultry imports fell sharply by 38.5% year-on-year and 19% quarter-on-quarter, while export values declined by 17.8% y/y and 3% q/q. In terms of volumes, imports dropped by 26.0% y/y and 1.2% q/q, whereas exports contracted by 33.8% y/y and 16.8% q/q, reflecting overall weakness in trade flows. Brazil remained the dominant supplier of poultry to South Africa, accounting for 85.5% of total import value, followed by Argentina with 9%, Spain with 3%, and Ireland with 2%. On the export side, South Africa's poultry products continued to be absorbed mainly within the Southern African region. Lesotho led with 41% of the export share I terms of value, followed by Mozambique (25%) and Namibia (7.6%). Outside of the region, the United Arab Emirates (5.3%) and Ethiopia (3.7%) were growing destinations, reflecting diversification into Middle Eastern and East African markets. South Africa's poultry imports were led by frozen fowls, which made up 54.6% of the total, followed by frozen cuts and edible offal at 40.4%, and frozen turkey products at 4.6%. The figures point to a strong reliance on Brazil as the main supplier, while exports remain mostly focused on regional markets, even as new international destinations are gradually being established.

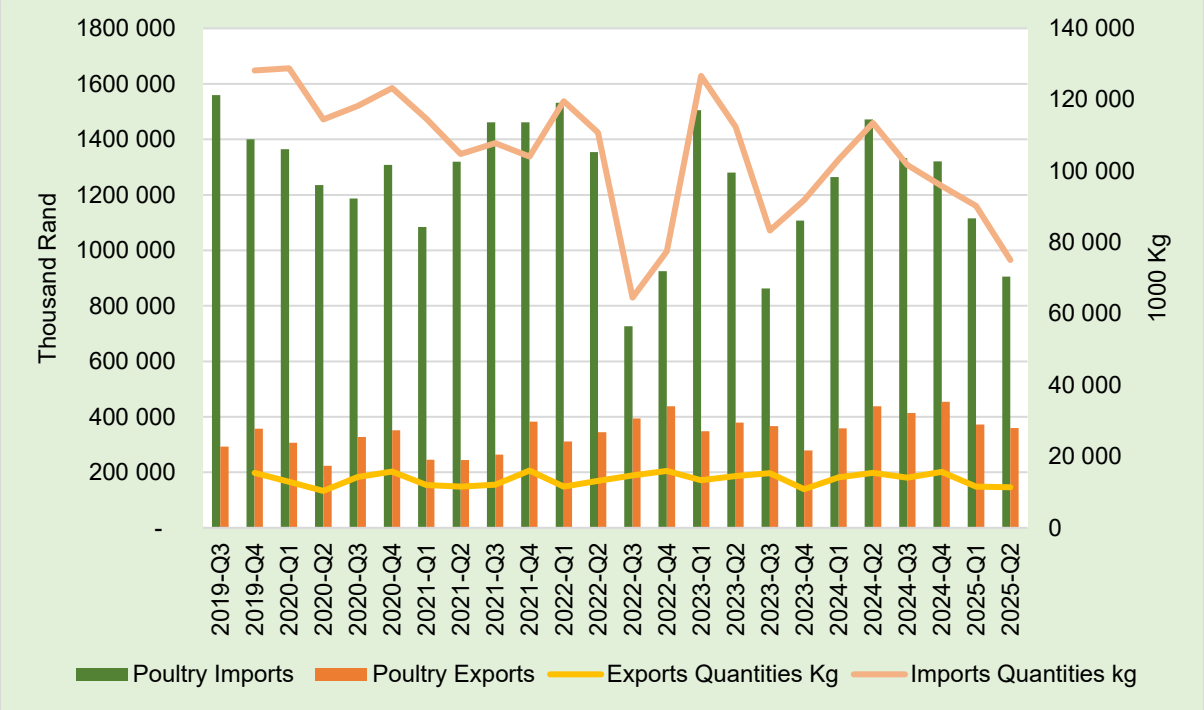

Figure 35: Poultry Trade data (indicate the tariff code used)
Source: Trade Map

3.5 Milk industry overview

Total milk production decreased by 1.3% in Q2: 2025 compared to the same quarter in 2024, decreasing from 823,008 litres to 812 698 litres. Although productivity is the primary factor driving the growth in milk production worldwide, some herd expansion is expected in regions with lower yields. The growth of organic and pasture-based production systems, along with sustainable production policies, will probably influence trends in milk production and, in certain cases, lead to its reduction.

According to a quarterly review, total milk production decreased by 9.1% in Q2 of 2025 from 894,048 litres in Q1. This quarterly decrease in milk production can be attributed to a number of factors, including volatile markets, erratic weather that affects feed production and herd health, shifting milk prices, and the possibility of unexpected outbreaks of infectious diseases that could harm livestock. Furthermore, it is critical to acknowledge that the industry operates in a highly uncertain environment with respect to consumer spending power, infrastructure, and service delivery—all of which are influenced by the macroeconomic environment as a whole (BFAP, 2024).

In Q2 2025, the average producer price for a litre of milk fell from R7.71 to R7.00 per litre, representing a 9.2% decline compared to the same quarter in 2024. Similarly, a quarterly review of the average producer price per litre of milk indicates that, in Q2 2025, there was a 2.3% reduction in the average producer price of milk compared to Q1, during which the

average price was R7,19 per litre. These fluctuations in the annual and quarterly producer prices suggest that global market trends, the dynamics of supply and demand at various stages of the local value chain, as well as cost pressures and challenges related to electricity supply that influence cold chain operations, all play a role in determining the pricing within the dairy sector (BFAP, 2024).

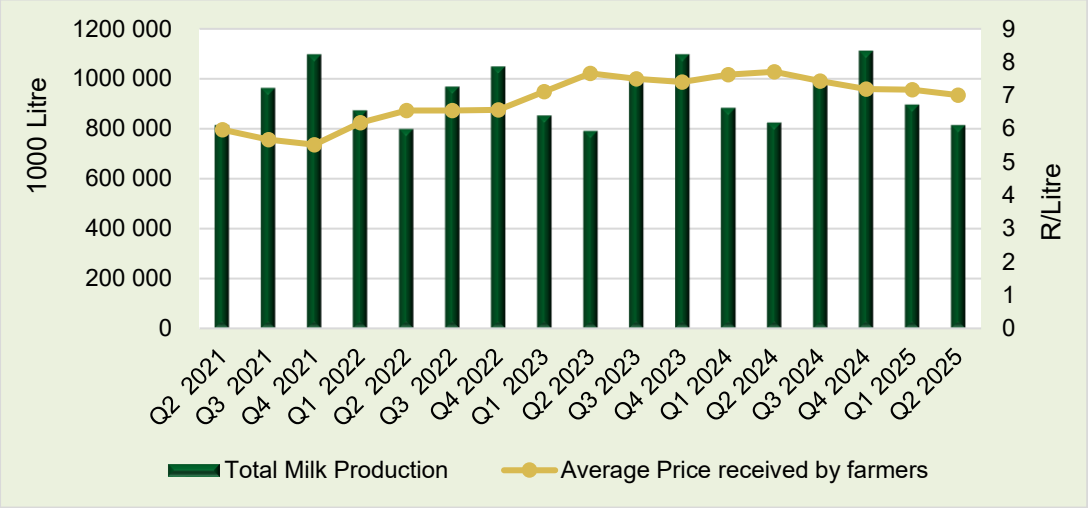

Figure 36: Trends in total production and average price of milk
Source: DOA

The trade balance for milk and cream (excluding concentrated forms and those with added sugar or sweeteners) reached R 348.4 million in Q2: 2025, marking a 34.8% rise from R 258.5 million recorded in Q2: 2024. This change was primarily driven by a 34.6% increase in the export value. The rise in the export value could be linked to improvements in the consumer market and growth in primary production within a lower cost input environment. During the same period, the import value for milk and cream (not concentrated and without added sugar or sweeteners) rose by 20.6%, increasing from R 3.1 million in Q2: 2024 to R 3.7 million in Q2: 2025. This notable increase in imports could be associated with the uncertainty surrounding weather conditions, poor service delivery in a form of electricity supply disruptions, and the political and macroeconomic environment.

On a quarter-on-quarter basis, South Africa experienced a 1.4% decrease in the trade balance for milk and cream, not concentrated and without added sugar or sweeteners in Q2: 2025 compared to Q1. This reduction can be partially explained by a 1.0% decline in the export value of milk and cream, not concentrated and without added sugar or sweeteners during this period, while the import value for milk and cream, not

concentrated and without added sugar or sweeteners saw a notable rise from R 2.3 million in Q1: 2025 to R 3.7 million in Q2. This increase suggests an improvement in consumer purchasing power, aligning with expected economic growth in the medium term.

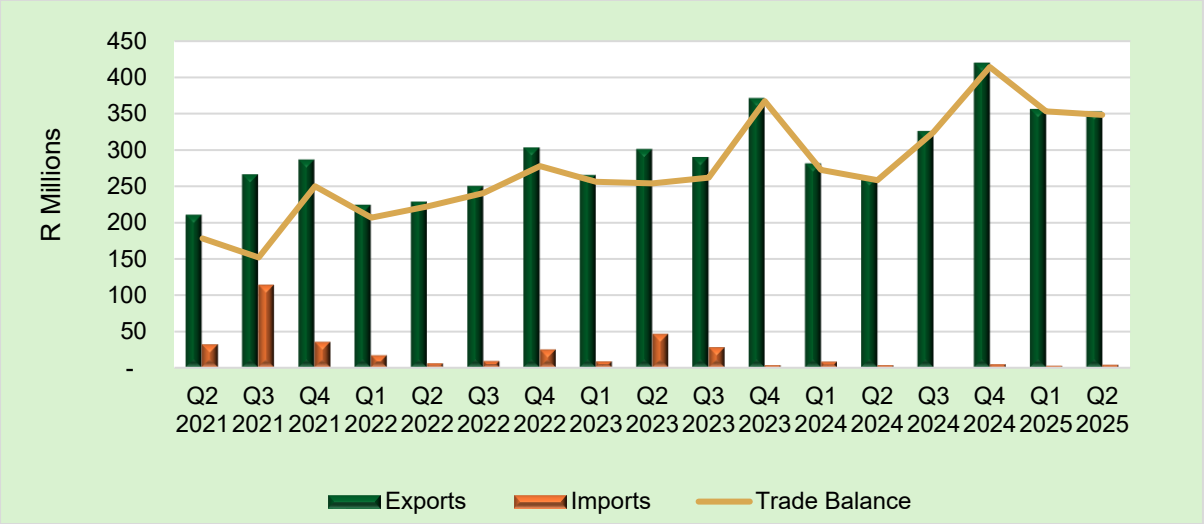

Figure 37: Trends in imports and exports of milk and cream, not concentrated nor containing added sweetening
Source: ITC, Trade map, 2021

3.6 Egg industry review

Figure 38 below, Egg production in South Africa saw a strong recovery in the second quarter of 2025, with an increase of 8.8% year-on-year and 12.3% quarter-on-quarter. According to South African poultry association the rebound is attributed to improved flock restocking, enhanced biosecurity measures, and more stable feed supplies following previous disruptions caused by Highly Pathogenic Avian Influenza (HPAI). However, despite this growth in production, egg prices have decreased. Prices fell by 12.3% y/y and 1.4% q/q. The significant rise in supply, coupled with weaker consumer demand and competitive retail pricing strategies, has put downward pressure on selling prices.

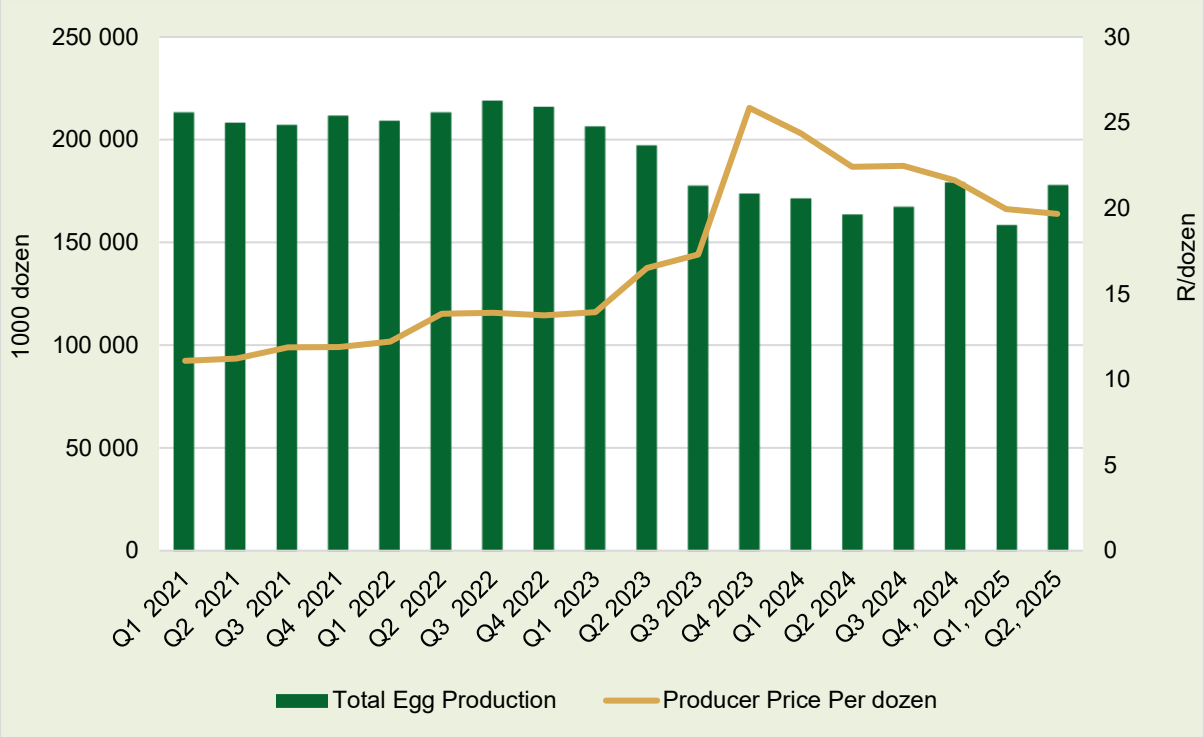

Figure 38: Egg production & Prices
Source: Trade Map

Data show a noticeable improvement in South Africa's egg exports and trade balance in Q2 2025. Egg exports rose by 28% year-on-year and 8.2% quarter-on-quarter, while imports plunged by 96% y/y and 8.9% q/q, driven largely by stronger domestic production and reduced need for foreign supply. The trade balance maintained positive outlook, improving by 9.8% q/q, following this drop in imports and growth in exports. Key drivers include tighter biosecurity measures, investments in vaccination against HPAI, and falling feed costs. South Africa remains classified as HPAI-positive, which still limits access to certain export markets.

Figure 39: Trade balance (Total of all eggs)
Source: Trade map, 2025

3.7 Trade of agricultural products

In the midst of rising trade conflicts globally, the South African agricultural sector is hopeful for an improved farming season and a year of recovery. The anticipated better weather, characterized by sunnier and drier conditions, is expected to bolster the upcoming harvest despite the heavy rains in May which may have affected quality in certain areas, although further details regarding the extent of the damage will emerge as the harvest progresses in the coming months.

In Q2: 2025, South Africa's agricultural trade balance grew by 26.8% compared to the same quarter in the previous year, as reported by Trade Map. During the period, the agricultural trade balance reached R 33.43 billion, a rise from R 26.37 billion recorded in Q2: 2024.

Notably, the value of agricultural product exports reached R 65.57 billion in Q2: 2025, an increase from R 60.60 billion noted in the same quarter of 2024. With a slight rise in the volume of various agricultural exports and a considerable increase in the prices of certain items during this time, the agricultural sector continues to receive positive data regarding the recovery of several subsectors of South Africa's agriculture in 2025.

During the same period, the value of agricultural imports fell by 6.1% to R32.15 billion, a decline from R32.24 billion noted in Q2: 2024. This drop could be linked to a reduction in the amounts of key imported goods, such as wheat and meslin, palm oil, rice, cane or beet sugar, alcoholic beverages, and poultry, among others, in line with South Africa's annual import patterns.

When analysing the data on a quarter-on-quarter basis, Q2: 2025 has demonstrated a favourable trend for the sector. During Q2: 2025, South Africa's agricultural trade balance rose by 33.5% in compared to Q1, as indicated by Trade Map. This increase can be attributed to both a rise in the export volume of various products and improved commodity prices. Notably, this growth is primarily fuelled by a 9.6% increase in the export value in Q2: 2025 compared to Q1, while the value of agricultural product imports saw a decrease of 7.6% during the same period. As reported by Agbiz (2025), despite ongoing challenges at the ports that require further improvement and investment, the agricultural export season in Q2: 2025 experienced less disruption than in earlier periods.

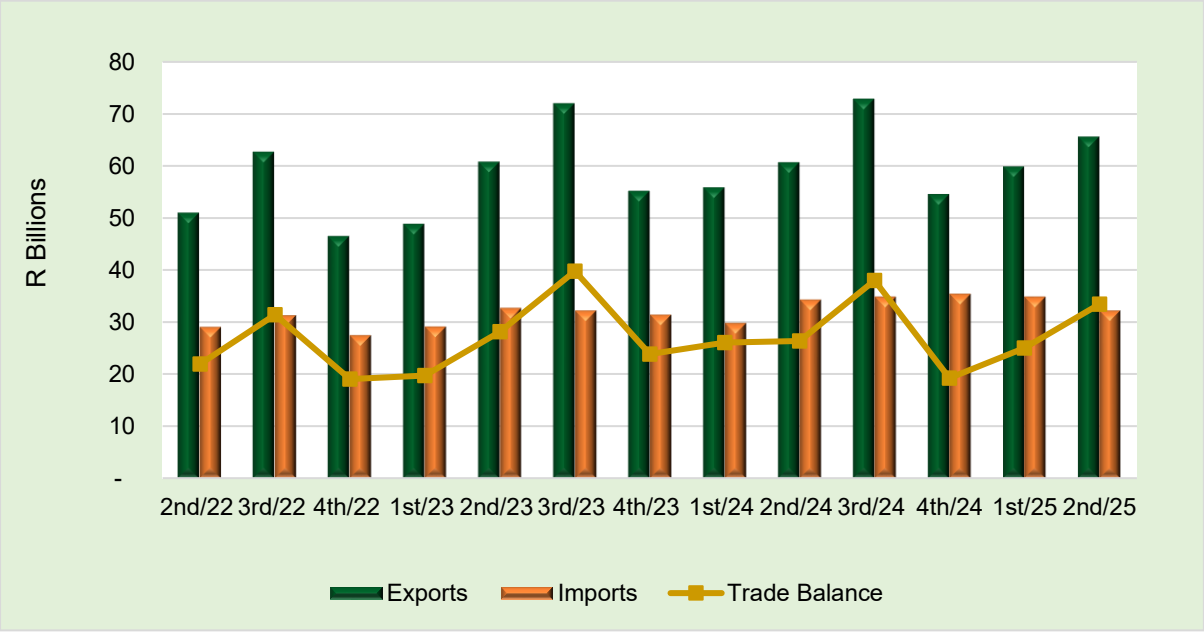

Figure 40: Trade balance of agricultural products

Source: Trade map, 2025

Table 5 illustrates that in Q2: 2025, Netherlands emerged as the leading destination for South Africa's agricultural exports, accounting for 11.6% of the total export value.

United Kingdom followed as the second largest market, contributing 7.8% to the overall export value while Zimbabwe attained the third position, representing 6.9% of South Africa's agricultural exports in monetary terms during this period. On the supply side, Australia was recognized as the primary source of agricultural products for South Africa, with Thailand ranking as the second largest supplier. Eswatini held the third position as a significant supplier of agricultural goods to South Africa during the same period.

Table 5: SA's top three largest export and import destinations of agricultural products in the 2nd Quarter of 2025.

Top three markets of agricultural products exported by SA	**Value (Billion Rands) 2nd Quarter 2025**	**% Share of total agricultural exports in 2nd Quarter 2025**		**Top three suppliers of agricultural products to SA**	**Value (Billion Rands) 2nd Quarter 2025**	**% Share of total agricultural imports in 2nd Quarter 2025**
Total	R 65,57	100			R 32,15	100
Netherlands	R 7,63	11.6%		Australia	R 2,42	7.5%
United Kingdom	R 5,09	7.8%		Thailand	R 2,39	7.4%
Zimbabwe	R 4,52	6.9%		Eswatini	R 2,30	7.1%

Source: Trademap, 2024

Figure 41 depicts the leading five agricultural products imported by South Africa in Q2: 2025. The primary agricultural imports during this period include wheat and meslin at 28%, palm oil at 22%, followed by rice at 20%, cane or beet sugar at 18%, and alcohol at 12%. Collectively, these five items played a significant role in the food import bill for Q2: 2025. During the same period, Figure 42 presents the main agricultural products exported by South Africa in the same quarter of 2025. The exports comprised of citrus fruits (either fresh or dried) at 47%, fresh apples, pears, and quinces making up 23%, maize or corn at 12%, followed by wine at 11%, and other nuts (fresh or dried, whether or not shelled or peeled) at 7%.

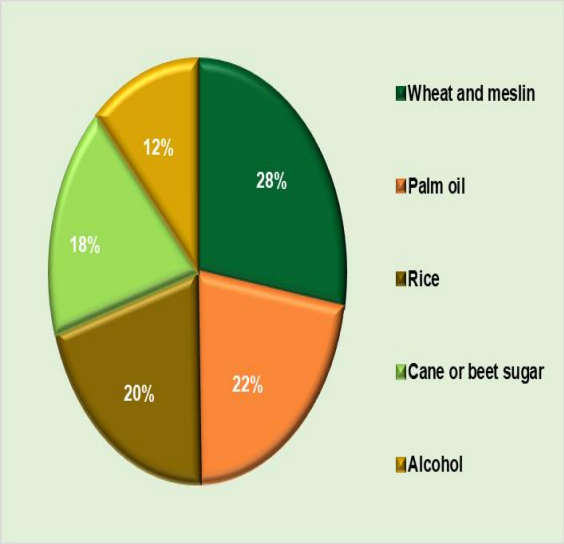

Figure 41: Top five agricultural products imported by SA

Source: Trademap, 2025

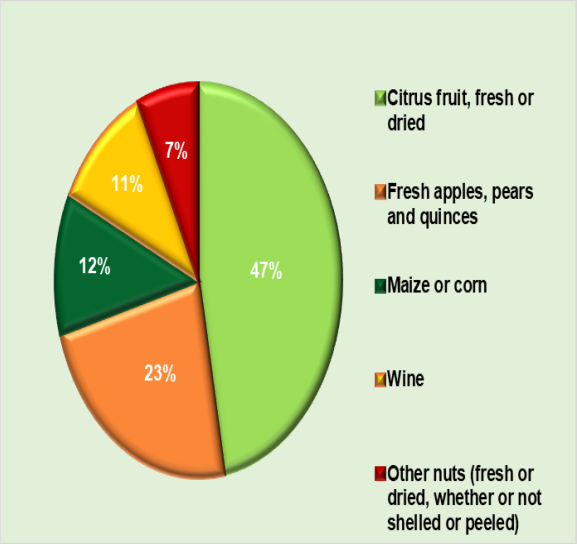

Figure 42: Top five agricultural products exported by SA

Source: Trademap, 2025

Agbiz (2025) asserts that the agricultural sector is crucial and highly dependent on exports, having profited greatly from trade agreements that South African officials have successfully negotiated in recent decades. Agbiz (2025) contends that the country needs to strengthen its efforts to market agricultural products internationally in a year when trade remains a prominent topic in the news and there are continuous talks about expanding South Africa's agricultural export markets.

Agbiz (2025) suggests that farmers and agribusiness should now, more than in the past, prioritize their various interactions with international stakeholders and the government. With the potential to boost South Africa's agricultural output in the upcoming years, there is still opportunity for focused product marketing and promotion, as well as government assistance, to encourage nations like the EU and the Middle East to remove any remaining phytosanitary restrictions and tariffs.

According to Agbiz (2025), in order to improve their export strategies, local companies, representatives, organized businesses, and the government should regularly interact with each other. South Africa needs to continue to project an image of being an open global actor that aims to establish practical relationships with other countries. Both

bilateral and multilateral trade relations should frequently touch on this openness and pragmatism.

4. Conclusion

Global economy is facing substantial headwinds, emanating largely from an increase in trade tensions and heightened global policy uncertainty. This challenging context is compounded by subdued foreign direct investment into EMDEs. Global cooperation is needed to restore a more stable global trade environment and scale up support for vulnerable countries, including those in fragile and conflict situations. Domestic policy action is also critical to contain inflation risks and strengthen fiscal resilience. To unlock job creation and long-term growth, reforms should focus on raising institutional quality, attracting private investment, and strengthening human capital and labour markets.

South Africa's gross domestic product (GDP) experienced a growth of 0.8% in the second quarter of 2025.This growth was mainly attributed to strong performances in horticulture and animal products.

Annual consumer price inflation (CPI) dropped from an average 5.2% in the second quarter of 2024 to an average 2.9% in same quarter of 2025. Meanwhile food inflation increased to an average 4.1% in the second quarter of 2025 compared to an average 1.9% in the first quarter of 2024. The main contributors to the quarterly average 4.1% inflation rate were food and non-alcoholic beverages, housing and utilities, transport as well as miscellaneous goods and services.

The South African Agricultural jobs have declined mildly from the first quarter of this year by 3% to 906k in the second quarter of 2025. The quarterly decline is mainly in the livestock industry, some field crops, and aquaculture. This could be linked to specific challenges these industries are facing, particularly the foot-and-mouth disease in cattle farming in South Africa. Delays in harvesting some summer crops may have also weighed on employment conditions. On annual basis comparing Q2:2025 and Q2: 2024, employment is up 1% from the second quarter of 2024. The annual uptick is consistent with the robust production in field crops and horticulture that we see in the country. Production data across various fruits, wine, sugarcane, and vegetables is encouraging. The only subsectors that have lower employment levels compared to a year ago are mainly aquaculture, forestry, and the production of organic fertiliser.

South Africa's agricultural trade balance rose by 33.5% in compared to Q1, as indicated by Trade Map. This increase can be attributed to both a rise in the export

volume of various products and improved commodity prices. Notably, this growth is primarily fuelled by a 9.6% increase in the export value in Q2: 2025 compared to Q1, while the value of agricultural product imports saw a decrease of 7.6% during the same period.

The sector continues to struggle with foot and mouth disease, which will add financial pressures to the livestock industry, and lingering trade concerns, there remain some risks to South Africa's farming jobs. Beyond these near-term matters, there are long-standing challenges, such as port inefficiencies, poor rail and roads, crime and stock theft, and worsening municipal service delivery, which also continue to constrain the growth of the sector and job prospects.

5.References

Agricultural Business Chamber (Agbiz) 2025. Observations about South Africa's 2025-26 winter crop production outlook, 5 May 2025. [Online] Available: https://agbiz.co.za/content/economic-research?page=agri-reports

Agricultural Business Chamber (Agbiz) 2025. Continuously building friendships should be SA's agricultural trade approach, 17 March 2025. [Online] Available: https://agbiz.co.za/content/economic-research?page=agri-reports

Agricultural Business Chamber (Agbiz) 2025. South Africa's agricultural exports remained robust in Q2, 2025, 18 August 2025. [Online] Available: https://agbiz.co.za/content/economic-research?page=agri-reports

Agricultural Business Chamber (Agbiz) 2025. A comprehensive approach is needed to support export-led growth for SA agriculture, 25 August 2025. [Online] Available: https://agbiz.co.za/content/economic-research?page=agri-reports

Agricultural Business Chamber (Agbiz) 2025. SA is likely to have a better winter crop harvest in the 2025-26 season, 1 September 2025. [Online] Available: https://agbiz.co.za/content/economic-research?page=agri-reports

Agriorbit (2025). SA citrus industry remains resilient amid challenges. [Online] Available: https://agriorbit.com/sa-citrus-industry-remains-resilient/

Bureau for Food and Agricultural Policy (2024). BFAP Baseline Agricultural Outlook 2024 – 2033. South African agriculture: Current realities and future expectations. [Online] Available: https://baseline.bfap.co.za/

Department of Water and Sanitation (2025). Monthly State of Water Bulletin, April, 2025. [Online] Available: https://www.dws.gov.za/Projects/National%20State%20of%20Water%20Report/MonthlyBulletin.aspx

Department of Water and Sanitation (2025). Monthly State of Water Bulletin, May, 2025. [Online] Available: https://www.dws.gov.za/Projects/National%20State%20of%20Water%20Report/MonthlyBulletin.aspx

Department of Water and Sanitation (2025). Monthly State of Water Bulletin, June, 2025. [Online] Available: https://www.dws.gov.za/Projects/National%20State%20of%20Water%20Report/MonthlyBulletin.aspx

Department of Water and Sanitation (2025). Media Statement: 27 May, 2025. [Online] Available: Northwest dam levels slightly decline but stable. [Online] Available: chromeextension://efaidnbmnnnibpcajpcglclefindmkaj/https://www.dws.gov.za/Communications/PressReleases/2025/MS%20%20North%20West%20dam%20levels%20slightly%20decline%20but%20stable.pdf

Freshfruitportal.com (2025). Complete South Africa citrus projection for 2025, 30 April 2025. [Online] Available: https://www.freshfruitportal.com/news/2025/04/30/complete-south-africa-citrus-projection-for-2025/

Freshplaza (2025). Global Market Overview Bananas: South Africa: High volumes pressure prices despite lower supply, 15 September 2025. [Online] Available: https://www.freshplaza.com/north-america/article/9738497/global-market-overview-bananas/

Freshplaza (2025). Global Market Overview Pear. South Africa: South Africa: Pear crop is unusually early, 15 September 2025. [Online] Available: https://www.freshplaza.com/north-america/article/9602736/global-market-overview-pears/

Freshplaza (2025). Potato and onion sectors see cautious recovery in 2025, 15 September 2025. [Online] Available:

https://www.freshplaza.com/africa/article/9724845/potato-and-onion-sectors-see-cautious-recovery-in-2025/

Freshplaza (2025). Global Market Overview Tomatoes, 15 September 2025. [Online] Available: https://www.freshplaza.com/north-america/article/9724660/global-market-overview-tomatoes/

Global Market Overview Apples. South Africa: South Africa: Eastern demand strong, but export options narrow, 15 September 2025. [Online] Available: https://www.freshplaza.com/north-america/article/9742408/global-market-overview-apples/

Statistics South Africa (Stats SA), (2025): Gross Domestic Product, Quarter 2, 2025: Available at http://www.statssa.gov.za

Statistics South Africa (Stats SA), (2025): Quarterly Labor Force Survey, Quarter 2, 2025: Available at http://www.statssa.gov.za

Statistics South Africa (Stats SA), (2025): Consumer Price Index, 2025: Available at http://www.statssa.gov.za

Trade Map (2024): Trade statistics for international business development. [Online] Available: https://www.trademap.org.