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BFAP — AGRICULTURAL OUTLOOK **BASELINE**

PRESS RELEASE

BFAP BASELINE 2026 RELEASES: South African Agriculture Outperforms Economy, Faces Critical Decisions for the Decade Ahead

Annual flagship publication extends outlook horizon to 2050 for the first time, identifying megatrends and policy priorities that will shape the sector's long-term trajectory

[Pretoria, 17 August 2026] — The Bureau for Food and Agricultural Policy (BFAP) today released its 2026 Baseline publication, the annual flagship document that serves as the primary strategic reference point for South Africa's agricultural and agro-processing sectors. This year's edition marks a significant expansion in scope, extending the traditional medium-term outlook to include a long-term perspective toward 2050.

The Baseline is widely regarded as an "investment compass" for the sector, providing evidence-based projections across all major agricultural commodities and identifying the structural drivers, constraints, and opportunities that will determine the sector's future performance.

Agriculture Outperforms the Broader Economy

The 2026 Baseline confirms that South African agriculture has grown at an average of 3% per year since the launch of the National Development Plan in 2012, compared to less than 1% annual growth for the broader economy over the same period. The sector has achieved substantial productivity gains, become a cornerstone of international trade with a growing trade surplus, and consistently supplied affordable food to domestic consumers despite significant domestic and global disruptions.



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Short-Term Challenges Remain Significant

Despite the sector's structural resilience, near-term pressures are considerable. Livestock industries are managing ongoing animal disease challenges that have constrained exports, though early 2026 has seen encouraging progress. In field crops and horticulture, declining price cycles and sharp increases in input costs are eroding margins. The Port of Cape Town continues to constrain the efficient movement of perishable exports, while the emergence of El Niño conditions in 2026/27 raises concerns about yield impacts in field crops and feed cost increases in livestock.

Medium-Term Prospects More Encouraging

The Baseline projects that real growth in agricultural GDP is achievable over the medium term, contingent on improved disease management, a normalisation in global input markets, continued technological advancement, and progress on port operations. Export-led growth is expected to remain the primary engine of value creation for producers, given the continued strain on domestic consumer spending power.

In livestock, the sector is expected to transition toward a more profitable phase as supply recovers and feed prices decline. Several livestock industries have achieved net export status, with only pork and poultry remaining net importers. By 2035, the real gross production value of livestock is projected to exceed the 2023 to 2025 base period by 4.4%.

South Africa's grain and oilseed sectors are expected to remain in surplus over the outlook period, with production growth driven primarily by yield improvements rather than area expansion. The country has also successfully transitioned to a position of competitive surplus in major oilseeds and protein meal, extending the benefits of affordable inputs to the livestock sector.



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Food Security: Abundance Without Access

One of the most important issues highlighted in the 2026 Baseline is the growing disconnect between agricultural performance and household food security. Despite a productive sector that consistently meets national demand and maintains export competitiveness, a growing share of households remain unable to afford a healthy and diversified diet. The problem is not food scarcity but essential living costs that continue to outpace disposable income growth.

Rising transport, housing, utilities and debt-servicing costs are squeezing household food budgets in ways that no level of agricultural productivity can offset. The Baseline underscores that food security policy must engage with the income dimension of access, not only with production and supply.

Looking Toward 2050

The 2026 Baseline extends the planning horizon to 2050, identifying a range of megatrends that will influence the trajectory of South Africa's food system. These include climate variability, biosecurity, infrastructure, technology adoption, evolving consumer behaviour, a dynamic international trade environment, natural resource constraints, transformation and governance.

The Baseline highlights governance and institutional capacity as a cross-cutting constraint that, if not addressed, may itself function as a megatrend – shaping the trajectory of every other structural factor. Strong leadership, capable institutions, and decisive policy implementation are identified as prerequisites for navigating the next phase of agricultural development.



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Access and Export Complexity

The publication also examines South Africa's evolving export environment, noting both significant opportunities, including progress in bilateral market access negotiations with China, India, and other major economies, and material risks associated with rising protectionism, trade tensions, and the growing intersection of trade policy with geopolitics.

The fresh produce export sector, in particular, faces mounting ESG-related non-tariff barriers in the EU market, with the carbon footprint of the value chain presenting a particular challenge given that most energy use occurs beyond the farm gate and outside producers' direct control.

Spokesperson Quote

"The 2026 BFAP Baseline highlights a South African agricultural sector that remains resilient, globally competitive, and well positioned for future growth – but this will require sustained, coordinated, industry-wide effort, supported by enabling policy reforms and continued investment, to ensure that the sector remains adaptive, competitive, and capable of realising its long-term potential" said Dr Tracy Davids, Executive Director, BFAP.



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About BFAP

The Bureau for Food and Agricultural Policy (BFAP) is an independent research organisation that provides economic analysis, foresight, and strategic advisory services to the agricultural sector, governments, and development partners in South Africa and the broader African region. The annual Baseline publication is widely recognised as the primary strategic reference for medium- and long-term planning in the agricultural sector.

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