



NAMC

Promoting Market Access for South African agriculture

SOUTH AFRICA'S AGRICULTURAL EXPORT PERFORMANCE QUARTER THREE, 2023



TRADE RESEARCH UNIT

South Africa's agricultural sector is largely export orientated, making it imperative to expand, monitor and maintain trade relations with its key markets. Presently, one of the key challenges for South Africa is to expand its agricultural exports. This amongst other things is attributed to South Africa's agricultural exports being concentrated, as well as having limited access to large and growing markets like Asia and the Middle East, despite a slight increase in exports in recent times. In quarter three of 2023, South Africa's total agricultural products exports amounted to R72.9 billion, up by 14% from R64.0 billion in quarter three of 2022.

The main drivers causing this increase in export earnings were sizeable agricultural output in production in recent seasons due to favourable weather conditions and higher commodity prices despite being lower when compared to 2022 prices. As has been the case for several years, South Africa imports a variety of agricultural products. These primarily include poultry, palm oil, rice, and wheat. Imports of agricultural products into South Africa were valued at R33.2 billion in quarter three of 2023, a 2.3% increase from R32.3 billion in quarter three of 2022.

1. TRADE RELATIONS

SOUTH AFRICA'S AGRICULTURAL PRODUCTS EXPORT DESTINATION BY REGION IN QUARTER THREE, 2023.

The results presented in **Figure 1** show that the African continent remains the main market for South Africa's agricultural exports accounting for about 32% of total agricultural exports from South Africa (SA). In Africa, Botswana was the leading market for South Africa's agricultural export earnings, accounting for a share of 16% in value, followed by Mozambique (16%), Namibia (14%), Zimbabwe (13%), and Zambia (8%). Asia and Middle East were the second major export market accounting for 31% share on South Africa's agricultural exports, followed by Europe (27) aggregation with a share of (19%), America aggregation (8%), United Kingdom (UK) (6%), respectively. The other parts of the world accounted for approximately 4% of total agricultural exports from South Africa. Most of the percentage growth of exported agricultural products from South Africa was positive between the third quarter of 2023 and second quarter of 2023.

The percentage growth of exports to the world was 16%, while for Africa, EU, Americas, and others were accounted for 5%, 21%, 41%, and 21% respectively. On the other hand, the percentage growth for UK showed a decrease of approximately 13% of exported agricultural products from South Africa. In the Asia region, the most prominent export destinations for South Africa's agricultural products are China, United Arab Emirates (UAE), Japan, Bangladesh, and Malaysia accounting for approximately 23%, 14%, 10%, 8%, and 5%. In Europe, Netherlands is the leading export destination for agricultural products exported from South Africa, accounting for around 36% of total exports reflecting an increase when being compared with the previous quarter, followed by UK with 20%, Russia Federation (10%), Portugal (7%), and Germany (6%). In Americas aggregation, the percentage share of on most prominent export markets were United States of America (USA) with 68%, Canada (23%), Mexico (2%), Honduras (2%), and Guatemala with (2%), respectively.

Figure 1 below shows the percentage shares of South Africa's exports of agricultural products destination by region in quarter three, 2023.

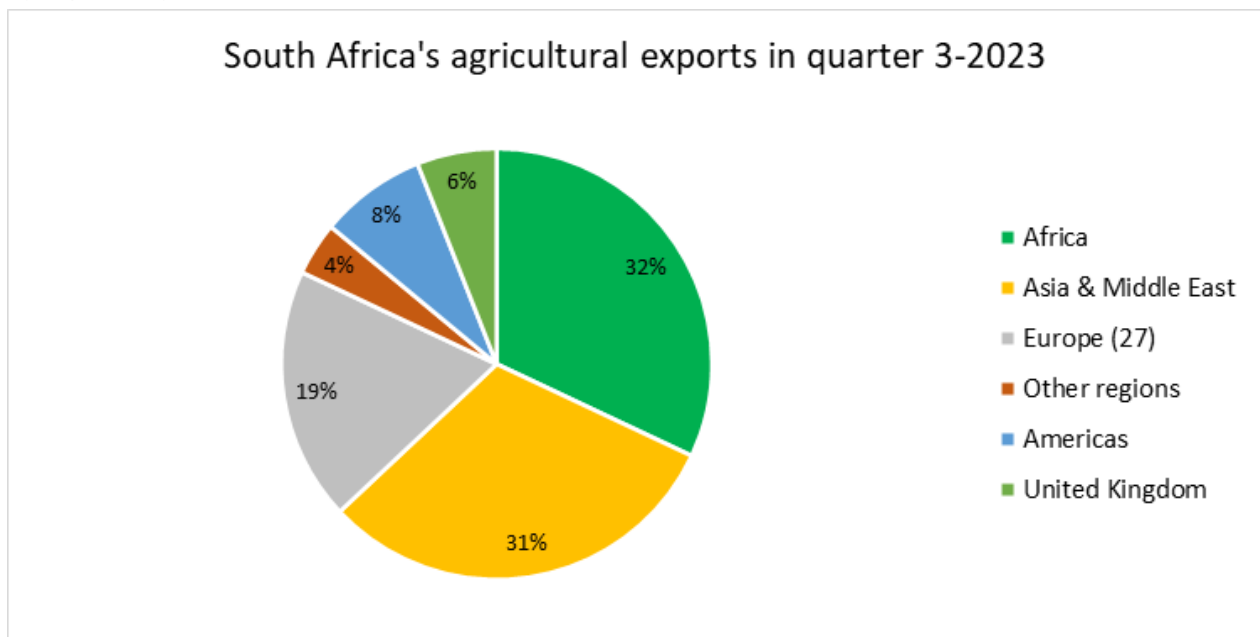


Figure 1: Percentage shares of South Africa's agricultural products export destination by regions Q3, 2023
Source: ITC Trade Map (2023)

*Europe (27)- Refers to 27 member states under the European Union.

2. TRADE PERFORMANCE

South African agricultural exports for quarter three of 2023, in value (Rand)

This section compares agricultural exports and imports in value-terms (Rand) from and by South Africa between the third quarter (July- September) of 2023 and the third quarter (July- September) of 2022, as well as the third quarter (July-September) of 2023 against the second quarter (April- June) of 2023.

Third quarter: July-September 2023 against July-September 2022

In quarter three of 2023, South Africa's agricultural products exports increased by 14%, in value terms (Rand) from R64.0 billion in quarter three of 2022 to R72.9 billion in quarter three of 2023. The products that contributed to this increase were soya bean flour and meal, which increased by 7328%, followed by nuts (828%), oranges (480%), mandarins (112%), macadamia nuts (68%), soya beans (42%), among others (see [Table 1](#)). When

comparing the two quarters, wheat and meslin, fresh apples and pears, wine, lemons, maize, and wheat all had negative growth rates, despite being the top exportable products in quarter three of 2023.

Third quarter (July -September) of 2023 against the second quarter (April - June) of 2023.

In quarter three of 2023, South Africa's agricultural exports recorded a 14% quarter-to-quarter (q/q) increase from a value of R62.8 billion in quarter two of 2023. Some of the exportable agricultural products which contributed to this increase were soya bean flour and meal with a 7579% q/q increase in value of exports, followed by soya beans (128%), groats & meal of maize (53%), mandarins (31%), wheat & meslin (22%), oranges (20%), fresh apples (19%), and maize (17%), among others (see [Table 1](#)). The value of exports for raw cane sugar, nuts, and wine, experienced a decline during this period.

TABLE 1: SOUTH AFRICAN AGRICULTURAL TOP EXPORTS, IN VALUE (RAND)

PRODUCT	Q3: 2022	Q2: 2023	Q3: 2023	Q3: 2023 vs Q3: 2022	Q3: 2023 vs Q2: 2023
	Rand '000	Rand '000	Rand '000	Annually %Change	Quarterly %Change
All agricultural products	64 029 414	62 857 357	72 991 760	16	14
1. Oranges	9 445 932	1 957 243	11 347 765	480	20
2. Mandarins	5 139 883	3 174 912	6 735 050	112	31
3. Maize	4 768 264	6 381 887	5 556 725	-13	17
4. Maize	2 784 770	3 422 641	2 776 144	-19	0
5. Fresh apples	2 244 955	3 425 212	2 673 862	-22	19
6. Wine	2 196 579	2 135 481	2 091 391	-2	-5
7. Soya Beans	828 731	1 329 470	1 887 218	42	128
8. Nuts	1 758 978	173 785	1 612 694	828	-8
9. Raw cane sugar	1 726 829	1 203 584	1 337 127	11	-23
10. Wheat and Meslin	728 541	984 732	890 846	-10	22
11. Macadamia nuts	824 393	529 813	889 467	68	8
12. Soya bean flour & meal	11 516	11 905	884 340	7328	7579
13. Food preparations, n.e.s.	687 411	754 963	827 486	10	20
14. Groats & meal of maize	492 901	660 916	755 924	14	53
15. Fresh pears	655 704	1 280 603	750 592	-41	14

Source: Trade Map, 2023

South African agricultural imports for quarter three of 2023, in value (Rand)

Table 2 presents top agricultural imports by South Africa. Unlike exports, the trend in imports is consistent primarily because South Africa is fully dependent on the global market for consumption of commodities such as rice and wheat. Imports for wheat are determined by several factors, including local output, which is normally determined by weather during the production season.

Third quarter: July-September 2023 against July-September 2022

When comparing quarter three of 2023 to quarter three of 2022, South Africa's imports of agricultural products experienced an increase of 2.3% y/y, increasing from a value of R32.5 billion in quarter three of 2022 to a value of R33.3 billion in quarter three of 2023. Among the most importable products, crude sunflower seeds and oil recorded the highest growth rate of 72.4% followed by whiskies (55.4%), wheat (25.3%), tobacco (20.9%), and raw sugarcane (19.5%), among others (see

Table 2). On the other hand, imports of poultry meat recorded a decline of 34.6% y/y, followed by roasted malt (29.7%), coffee extracts (27.3%), prepared or preserved sardines (24.4%), live cattle (17.4%), and palm oil (16.5%), among others.

Third quarter (July - September) of 2023 against the second quarter (April - June) of 2023

When comparing quarter three of 2023 to quarter three of 2023, South Africa's imports of agricultural products recorded a decline of 1.2% q/q, declining from a value of R33.6 billion in quarter two of 2023 to a value of R33.3 billion in quarter three of 2023. Tobacco imports recorded the highest growth rate of 246.2% during this period, followed by roasted malt (38.8%), rice (40.3%), poultry meat (29.8%), and wheat (20.1%), among others. On the other hand, South Africa's imports of palm oil, live cattle, prepared or preserved sardines, crude sunflower seed and oil, beer malt, and food preparations recorded substantial decreases during this period, as shown in **Table 2**.

TABLE 2: SOUTH AFRICAN AGRICULTURAL TOP IMPORTS, IN VALUE (RAND)

PRODUCT	Q3: 2022	Q2: 2023	Q3: 2023	Q3: 2023 vs Q3: 2022	Q3: 2023 vs Q2: 2023
	Rand 000	Rand 000	Rand 000	Annually %Change	Quarterly %Change
South Africa's agricultural total imports	32 530 012	33 696 258	33 280 026	2.3	-1.2
1. Wheat	3 206 943	3 075 257	3 851 926	25.3	20.1
2. Rice	1 983 119	3 084 852	2 782 668	-9.8	40.3
3. Palm oil	3 337 427	2 634 181	2 199 434	-16.5	-34.1
4. Raw sugarcane	877 788	854 282	1 020 866	19.5	16.3
5. Crude sunflower seeds & oil	1 126 186	557 442	961 103	72.4	-14.7
6. Whiskies	776 867	559 585	869 335	55.4	11.9
7. Food preparations	856 695	930 704	784 127	-15.7	-8.5
8. Guts, bladders, and stomachs of animals (other than fish)	566 418	585 258	580 476	-0.8	2.5
9. Roasted malt	332 547	798 949	561 444	-29.7	68.8
10. Beer (malt)	569 514	595 449	508 205	-14.7	-10.8
11. Coffee extracts	416 560	609 477	442 962	-27.3	6.3
12. Live cattle	555 396	521 840	431 144	-17.4	-22.4
13. Tobacco	122 047	352 451	426 130	20.9	249.2
14. Poultry cuts	324 790	644 614	421 563	-34.6	29.8
15. Prepared or preserved sardine	438 401	477 108	360 589	-24.4	-17.7

Source: Trade Map, 2023

2. TRADE DIVERSION

Shift in South Africa's maize exports and imports in quarter three (3) of 2023, in percentage (%), in value (Rand)

This section highlights a few of South Africa's most popular agricultural exports to international markets. It examines how trade patterns for a certain product vary over time, either by country or by region. This is influenced by several variables, including seasonality, tariffs, geopolitical issues, and logistics, to name a few. This section will concentrate on South Africa's maize export trends to the European Union (EU-27), Africa, Asia & Middle East, Americas, and the United Kingdom (UK) from the third quarter of 2022 to the third quarter of 2023.

Maize Exports in quarter three of 2023

A comparison of South Africa's maize exports in the third quarter of 2023 and 2022 is shown in **Figure 2**. In the third quarter of 2023, South Africa's exports of maize came to a total of R5.8 billion, a 10.6% rise over the R5.2 billion recorded during the same period in 2022. It is important to note that because of the seasonality of the corresponding sectors, market shares in each of these areas change every quarter.

South Africa's top region for maize exports is still Asia and the Middle East, which accounted for 71% of exports in the third quarter of 2023 (a 1% decrease from the same period the previous year), estimated to be worth R4.7 billion, up 10.2% from R3.7 billion at the same period last year. With 24% share of total exports (R1.4 billion), Africa was the second-largest market. The Americas came in third with a 3% share (R197.6 million) and the EU-27 with 1% share (R52.0 million) in the fourth position. The UK received about R10.9 million worth of maize exports from South Africa. The Americas purchased more maize from South Africa in the third quarter of 2023 compared to the same period a year ago.

Certain countries predominate in each region from which South Africa sells its maize. For example, the main importers of maize in Asia and the Middle East are Taipei (Chinese), Japan, Vietnam, Korea, and the United Arab Emirates (UAE), while main importers of maize from Africa are Botswana, Eswatini, Namibia, Mozambique, and Lesotho.

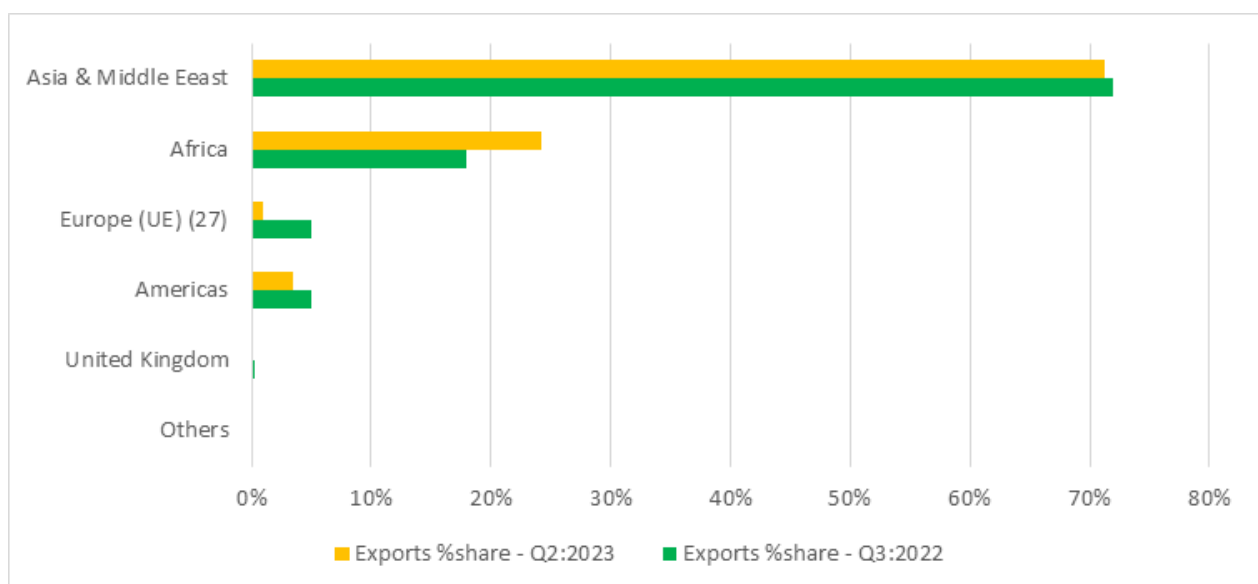


Figure 2: Percentage share of South Africa's maize exports by regions, quarter 3, 2023

Source: ITC Trade Map (2023)

Maize Imports in quarter three of 2023

South Africa is generally a net-exporter for maize, as a results, the country tends to import little to nothing of maize depending on special occasions such as severe droughts or other factors which may result in the country resorting to import maize. For the recent seasons, due to a larger extent good rains and better yields, South Africa has been importing little or no maize, and these quantities are insignificant in value terms.

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