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This issue of *TradeProbe* covers the following topics:

- Product profile for Maize (HS code 1005)
- Product profile for Hemp – True hemp, raw, processed, not spun; tow and waste of true hemp (HS code 5302)
- Trade profile for Cassava (Manioc) fresh or dried (HS code 071410)
- Market Profile for Angolan Agricultural Trade
- South Africa's Agricultural, Forestry and Fishery (AFF) Trade performance in 2014

1. Product profile for maize

Maize (*Zea mays*) is a grain plant that falls under the kingdom *plantae*. This plant produces a leafy stalk which produces ears which contain kernels. The kernels are rich in vitamins and starches and are consumed as a source of carbohydrates. This crop is regarded as a staple food in Africa and Latin America and roughly 1.2 billion people depend on it for consumption in these two regions (Syngenta, 2015). Maize is not only used for human consumption, it also used as feed for livestock. Worldwide about 60 % of produced maize is used for animal feed. Maize it also a very good fuel source and is used to produce ethanol, and it can also be used to produce starch (sorbitol, dextrin, sorbic and lactic acid). Despite its importance as a staple food for human consumption, production for human consumption is predicted to decline in 2020, where most of the production will be for animal feed and fuel (Syngenta, 2015). This crop is produced all over the world, with the United States of America being the top producer, followed by China, Brazil, Mexico, Russia, Indonesia, India, France, Argentina, South Africa and the Ukraine.

Maize production in South Africa

As one of the largest producers of maize in the world, South Africa produced a total of 14.2 million tons in 2014. The largest quantities of maize come from North West, Free State, Mpumalanga Highveld and Kwazulu-Natal midlands regions (Syngenta, 2015). For the current season 2015/2016, it is estimated that the production will decline to 9.665 million tons. This is attributed to the drought that occurred in the Free State, North West and some parts of the Eastern Cape (GrainSA, 2015). Due to this decline, the country is expected to bridge the demand and supply gap by importing 1.65 million tons in the current season. This is not the first time that the country has been affected by drought: during 2011/2012, North West and Free State province were affected by drought which resulted in a decline in production from 13.5 million tons to 12.5 million tons.

Trade analysis

Table 1 below shows the major maize consuming countries in 2013 with total world imports of R370 billion. Japan was the largest maize importer valued at R45.6 billion. Korea was second largest with a value of R25.9 billion, followed by Mexico with a total value of R19.7 billion and Egypt with R19.1 billion.

Table 1: World leading maize importers in 2014

Rank	Value in R' Billion		share %
	Importers	2013	2013
World imports		370.9	100
1	Japan	45.6	12.3
2	Korea,	25.9	6.9
3	Mexico	19.7	5.3
4	Egypt	19.1	5.1
5	USA	16.2	4.4
6	Spain	16.1	4.3
7	Netherlands	14.1	3.8
8	Italy	11.6	3.1
9	Taipei, Chinese	11.4	3.1
10	Colombia	9.8	2.6

Source: ITC Trade map 2015

In 2013, total global maize exports were R335 billion. The USA was the leading exporter of maize with a total value of R66 billion in 2013. USDA (2014) reported that their exports showed a decline from 31.5 million tons in 2012 to 24.2 million tons in 2013 due to the occurrence of a drought in the USA. However the country recovered in 2014 and exported 49.8 million tons of maize to the world. Brazil was the second largest exporter of maize with a total value of R61 billion, followed by Argentina, and Ukraine with total values of R56 billion and R37 billion respectively (**see Table 2**).

Table 2: World leading maize exporters

Rank	Values in R' billion		share %
	Exporters	2013	2013
World		335	100
1	USA	66	19.7
2	Brazil	61	18.1
3	Argentina	56	16.7
4	Ukraine	37	11
5	France	25	7.6
6	India	12	3.6
7	Romania	9	2.8
8	Hungary	8	2.3
9	South Africa	7	2.2
10	Russia	6	1.7

Source: ITC Trade map 2015

South Africa is listed among the top ten exporters of maize with a total value of R1.7 billion in 2014. With regards to South African maize exports, it appears that exports have not been stable over the past four years. The exports of maize showed significant decline from R6.6 billion in 2011 to R4.4 billion in 2012. This was mainly due to the drought that occurred in 2011. **Figure 1** shows the export destinations for South African maize. The number one importer of South African maize in 2014 was Taipei, which imported a value of R1.721 billion, followed by Zimbabwe with a value of R934 million and Japan with a value of R469 billion.

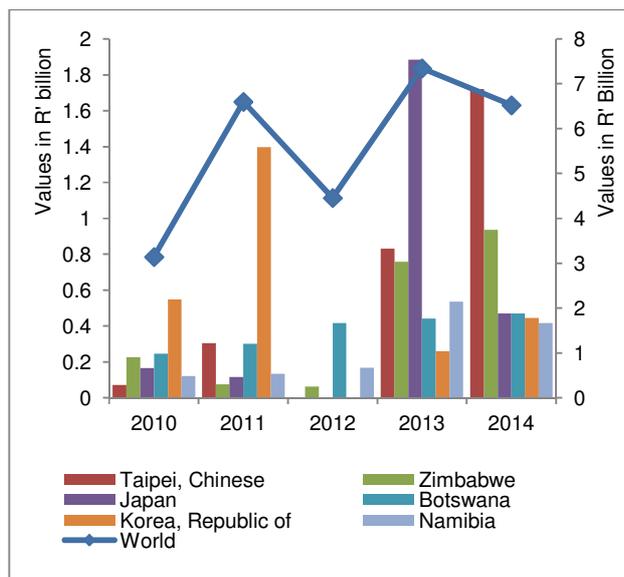


Figure 1: South African maize export markets

Source: ITC Trade map 2015

South African maize suppliers

South Africa is a net exporter of maize, and imported only R398 million worth of maize from the world in 2014. In most cases, South Africa imports maize when the demand for maize exceeds the supply of maize. **Table 3** below shows the major suppliers of maize to South African markets. The major suppliers were Ukraine, accounting for 48 % of import share, followed by the USA with a 30 % share and Chile holding a 14 % import share of the South African maize market.

Table 3: Importers in to the South African market

Exporters	Value in R' million 2014	Share % in 2014
World	399	100
Ukraine	193	48.4
USA	118	29.6
Chile	54	13.6
Zambia	18	4.5
Argentina	4	1
Botswana	3	0.8

Source: ITC Trade map 2015

In the current maize season it is likely that South Africa will import large volumes of maize to compensate for lost production due to drought. According to South African maize industry estimates, it is projected that a total amount of 1.65 million tons of maize will be imported.

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2. Hemp – true hemp, raw, processed, not spun; tow and waste of true hemp (HS code 5302)

Hemp is a plant under the genus *Cannabinaeae*, which also includes the species *Cannabis sativa* (Marijuana). The term 'Hemp' commonly refers to cannabis plants that are commercially grown for the use of fibre, oil and seed. The fibre is extracted from the stalk of the plant and oil from the seed and these can be used in textiles, foods, papers, body care products, detergents, plastics and building materials. This is the reason that hemp is often called industrial hemp. The core of public and political debate on hemp in South Africa is whether or not industrial hemp should be legalised for industrial or commercial use as opposed to spiritual use involving smoking the cannabis flowers. This article reveals the international trade in hemp for industrial purposes. In addition, the article indicates some economic opportunities for South Africa.

Table 4 shows the world exports of hemp between 2003 and 2013, expressed in value terms and measured in millions of Rand. The world exported a total of R470 million in 2013. Netherlands commanded top list from R3.7 million in 2003 to R23 million in 2013; followed by China, Germany and Mauritius with a market share of 13 %, 6.9 % and 4.9 % respectively. It is worth noting that the majority of world leading exporters of hemp were on the European continent with only two countries in Africa.

Table 4: World Exporters of Hemp (HS Code 5302): 2013

Exporters	Value R'000		Growth %	Share%,
	2003	2013	2003–2013	2013
World exports	43846	47064	7	
Netherlands	3704	23114	524	49.1
China	5200	6261	20	13.3
Germany	4706	3246	-31	6.9
Mauritius	0	2305	-	4.9
Italy	629	2113	236	4.5
Spain	37	1594	4208	3.4
UK	7774	1517	-80	3.2
USA	2020	1133	-44	2.4
Egypt	0	845	-	1.8
Sweden	30	624	1980	1.3

Source: Trade Map, 2015

Table 5 presents a list of the top ten leading importers of hemp between 2003 and 2013. The world value of imports amounted to R131 million in 2013. The largest importer was Germany with a total of R37 million in 2013. Noteworthy, Germany showed growth in imports at a rate of 410 %; followed by the Czech Republic and Spain, accounting respectively, for 28 %, 24 % and 18 % of the world's market share. The rest of the countries forming the top ten leading importers of hemp included Belgium (R6 million), Japan (4 million), Switzerland (R3 million) and others.

Table 5: World's leading importers of hemp: 2003-2013

Importers	Value in R' million		Growth %	Share %
	2003	2013		
World	70	131	88	
Germany	7	37	410	28.0
Czech Republic	4	32	637	24.3
Spain	21	24	15	18.3
Belgium	1	6	411	4.7
Japan	3	4	69	3.3
Switzerland	2	3	58	2.3
Australia	0	3	19 040	2.2
France	1	2	54	1.6
Italy	9	2	-80	1.4
Korea	0	2	814	1.3

Source: Trade Map, 2015.

Table 6 lists the top ten leading export destinations for South African hemp in 2014. It is worth noting that South Africa largely exports hemp to other countries on the African continent. This can be attributed to a wide range of factors such as, lack of hemp industry, low production and the legal status of hemp. Botswana topped the list with R119 million followed by Mozambique, Namibia and Zambia commanding a market share of 39.1 %, 4.3 %, 4.3 % respectively.

Table 6: The export markets for hemp (HS Code 5302): 2014

Importers	Value in R' million		Growth %	Share %
	2003	2014		
World	401	249	-38	100
Botswana	73	119	63	47.8
Mozambique	36	97	169	39.1
Namibia	29	11	-62	4.3
Zambia	0	11	-	4.3

Source: Trade Map, 2015

Table 7 presents the import markets for South African hemp in 2014, expressed in value terms and measured in thousand Rand. The first observation is that South Africa imports less than it exports. This can be attributed to the legal status of hemp in the country. South Africa imported a total of R162 thousand worth of hemp from the world. China, the UK and Lithuania were the largest suppliers of hemp with a market share of 33.3 %, 26.5 % and 19.8 % respectively. The United States of America was also among the top list of import markets for South African hemp.

Table 7: Top import markets of South African hemp (HS Code 5302): 2014

Exporters	Imported value (in Rand' million)	Share in SA's imports, %
World	162	
China	54	33.3
UK	43	26.5
Lithuania	32	19.8
USA	32	19.8

Source: Trade Map, 2015

New developments on hemp in South Africa

Agronomic and commercial research trials have been established at various sites in South Africa since 1999. These trials focused on exotic cultivars. These include Futura 75, Kompolti and others. The first trials were planted in the North West Province by the ARC experimental farm near Rustenburg. The other trials were planted by the ARC Institute for Industrial Crops in the Eastern Cape and Western Cape, Limpopo, Gauteng, Mpumalanga, KwaZulu-Natal and Northern Cape (DAFF, 2012). In the smallholder farming sector, three trial sites have been established by House of Hemp in collaboration with various stakeholders such as ARC, NHF, CSIR, Department of Health, DAFF, SAPS etc. There are three smallholder farmers that are under these trials, which are Evergreen Cooperative (EC), Qamata Hemp Farming cooperative (EC) and Inkumba Thembaletu Cooperative (KZN). It is anticipated that at the end of the research trials period, a report will be compiled with some recommendations on industrial hemp going forward. These developments are an indication that South Africa wants to respond to the growing global demand for industrial hemp.



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3. Trade Profile of Cassava (Manioc) fresh or dried (HS 071410)¹

This article provides an overview of the world trade performance of cassava. It also provides an overview of South African export and import performance of cassava in the global market. Cassava (Manioc) is a woody shrub of the *Euphorbiaceae* (spurge) family, native to South America and is extensively cultivated as an annual crop in tropical and subtropical regions of the world for its edible starchy tuberous roots, the highest source of carbohydrates among staple crops. The leaves are relatively rich in protein and can be consumed. It is also increasingly used as an animal feed and in the manufacture of different industrial processes and products. Cassava ranks fourth as a food crop in developing countries, after rice, maize and wheat. It can be stored in the ground for several seasons, thereby serving as a reserve food when other crops fail; hence the crop has long been used as a famine reserve and food security crop. Cassava can grow and produce high yields in areas where maize and other crops will not grow or produce well. It can tolerate drought and can be grown on soils with a low nutrient capacity. It also responds well to irrigation or higher rainfall regions and to the use of fertilisers.

Trade analysis

According to the Global Trade Atlas (2014) the total world imports of cassava amounted to R29.9 million with a growth rate of 44.1 % between 2009 and 2013. Canada was ranked as the largest importer of cassava with a world market share of 31 % in 2013. Saudi Arabia was the second largest importer with a world market share of 15 %, followed by Oman with a world market share of 13 % in 2013. South Africa was ranked at 81st place between 2009 and 2013.

Table 8: Leading world importers of cassava 2009–2013

Importers	Imported value in Million RSA Rand		Growth rate % 2009–2013
	2009	2013	
World	20.7	29.9	44.1
Canada	3.6	9.4	160
Saudi Arabia	0.4	4.6	1205
Oman	0.6	3.9	495
UAE	0.4	2.5	602.4
Kuwait	0.4	1.5	254.5
Switzerland	6.0	1.3	78.2
UK	0.9	1.2	41
Qatar	0.1	1	704.4
Bahrain	0.3	0.9	182.1
Norway	2.0	0.3	-85.4

Source: Global Trade Atlas, 2014

Table 9 gives an overview of the growth of cassava exports between 2009 and 2013 in the global trade market. The world exports of cassava grew by 132.2 %, between 2009 and 2013. Although the African continent is the top producer of cassava in the world, it is not the top exporter and only Ghana is in the top 10 exporters. Thailand,

Vietnam and Costa Rica were the top exporters of cassava in 2013 with a share of 59 %, 32 % and 5 % respectively. South Africa's exports of cassava showed a decline of 93 % between 2009 and 2013. South Africa's market share in the cassava export market was insignificant in 2013.

Table: 9 Leading world exporters of cassava between 2009–2013.

Exporters	Exported value in Million RSA Rand		Growth rate % 2009–2013
	2009	2013	
World	7 870	18 276	132.2
Thailand	4 680	13 985	199.0
Vietnam	2 484	3 174	28.0
Costa Rica	391	611	56.3
Indonesia	194	267	38.0
Cambodia	0	121	1 610 471.4
Ghana	26	10	-60.8
Ecuador	34	12	-63.0
Myanmar	2	15	524.3
Paraguay	0	10	115 776.0
Philippines	8	9	21.3

Source: Global Trade Atlas, 2014

Figure 2 represents the top five exporters of cassava to the South African market during 2013. South Africa imported a total amount of R 946 128 worth of cassava from the world. The three leading suppliers of cassava to South Africa were Indonesia, Ghana and Nigeria. These three exporters collectively had a market share of 99.9 % in the South African cassava market. South Africa charges 5 % MFN rate for cassava imports on countries that do not have a trade agreement with her such as Indonesia, Ghana and Nigeria. Portugal and Zambia enter the South African cassava market duty free as a result of the SADC FTA and the Trade Development and Cooperation Agreement with the EU.

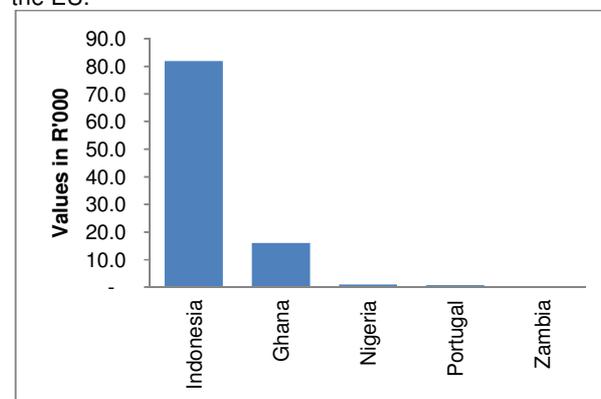


Figure2: Top suppliers of cassava into South Africa
Source: Global Trade Atlas, 2014

Table 10 shows the main destinations for South African cassava exports in 2013. All the main destinations for South African exports were located within the SADC region and within a short distance from South African borders. South Africa is accessing these markets duty free as a result of the SADC FTA.

¹ Sources used: Global Trade Atlas, Food and Agriculture Organization of the United Nations and ICT TradeMap 2014.

Table 10: Leading market destinations for South African cassava 2013.

	Exported value R'000	Market share %	MFN %
world	797		
Namibia	131 149	57	0
Botswana	36 559	16	0
Lesotho	35 312	15.3	0
Mozambique	24 038	10.4	0
Angola	2 168	0.9	0

Source: Global Trade Atlas, 2014

Figure 3 indicates that South Africa's cassava imports have been generally increasing yearly between 2009 and 2013 with the most dramatic increase experienced in 2012 and a slight decrease in 2013. However, exports of cassava experienced a decline between 2009 and 2011 when exports decreased from R 3.3 million in 2009 to just over R 13 thousand in 2011. The decline was followed by an increase from R 93.8 thousand in 2012 to R 230 thousand in 2013. However, South Africa still remained a net importer of cassava during the period under review.

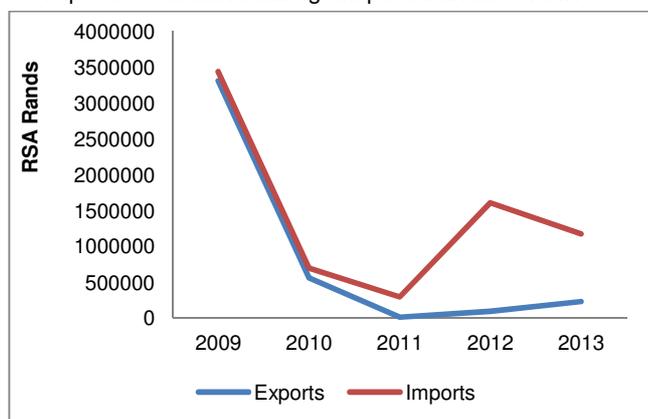


Figure 3: South African exports and imports (2009–2013)
Source: Global Trade Atlas, 2014

Conclusion

Both world imports and exports of cassava showed a positive growth over the last 5 years (2009–2013). On average, South African exports declined while imports increased between 2009 and 2013. However, the opposite was true as imports declined between 2012 and 2013 while exports increased. This represents potential market development opportunities for cassava and a potential opportunity for South Africa to increase its market share in the global market.



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4. Market Profile: Angolan agricultural trade

Angola is a coastal country on the Western Atlantic coast of Southern Africa with 1.2 million km square land area. The country was estimated to have a population of about 19 million in 2014 (CIA, 2015). Agriculture is an important sector in the economy and contributes about 11 % to the GDP and about 85 % of employment.

Prior to independence, Angola was a net exporter of food products and major producer of coffee. The country compromised of the smallholder farmers produced food for export market that used traditional technologies. The end of the civil war left Angola with a demolished agricultural infrastructure that was a constraint to producing sufficient food to feed their population (OECD, 2008).

The Angolan government has prioritised the agricultural sector to improve food production through increased public investment. Cumbuta (2009) supported that government had increased public investment through infrastructure and private partnership so as to improve agricultural output. Furthermore, Angola's diverse climatic conditions allow a wide variety of crops to be grown, which indicates the country's vast potential to produce sufficient food. It has been noted that the country has dependence on food importation to ensure food security.

Angola is a member of Southern African Development Community (SADC) and has made efforts to negotiate an economic partnership agreement with the European Union. Angola is also eligible for trade preferences under the US Africa Growth and Opportunity Act (AGOA). Although investments in infrastructure are being made through rail and road links to boost integration in SADC and Central African markets, these regions are still faced with large constraints to move goods and people.

Agricultural Trade

Table 11 highlights Angolan agricultural trade for 2010 and 2014. Imports showed an increase from \$2.75 billion in 2010 to \$4.2 billion in 2014, equivalent to a 30 % increased growth rate. It has been noted that Angola sources its imports from Europe, American and Asian countries.

Amongst the African countries, South Africa is the leading supplier of agricultural products into Angola.

Table 11: Ten exporters of agricultural products into Angola

Importers	Values in \$ million		Growth (%)
	2009	2013	
World imports	2459	4264	73
Portugal	549	935	70
Brazil	450	721	60
South Africa	171	305	79
USA	79	269	242
India	95	230	141
Malaysia	31	184	488
Thailand	68	163	138
Netherlands	115	157	36
France	102	148	45
Turkey	29	126	338

Source: ITC TradeMap, 2015

Figure 4 highlights the growth of the main imported agricultural products in Angola. Poultry meat was the most imported agricultural product between 2009 and 2010. Particularly the demand for frozen poultry portions increased the fastest between 2010 and 2013. Wheat flour, palm oil and cane sugar were among the imported agricultural products with a share of 5.8 %, 5.4 % and 4.4 % respectively in 2013.

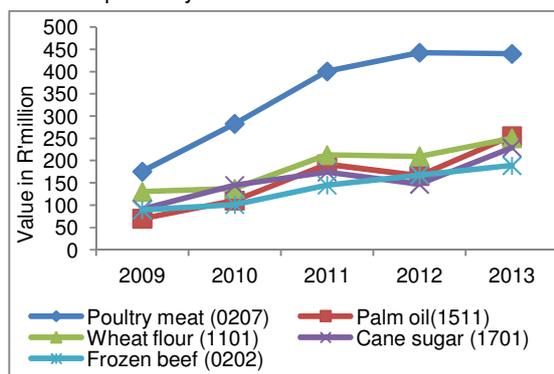


Figure 4: Main import products to Angola

Source: ITC, Trademap, 2015

Namibia was the largest export destination for Angola, followed by Mozambique. It has been noted that exports to Namibia increased from \$139 thousand in 2009 to \$1.9 million in 2013. The increase of exports to that country can be attributed to geographical proximity between them and free-access conditions under the Southern African Development Cooperation agreements that allow free movements of goods. Turkey, Portugal and Sao Tome were among the top five main destinations for Angolan agricultural exports in 2013 (see **Table 12**).

Table 12: Main destination for Angola agricultural exports

Importers	Values in \$ thousand		Share %
	2009	2013	
World exports	21447	4744	
Namibia	139	1915	40.4
Mozambique	0	949	20
Turkey	0	633	13.3
Portugal	732	582	12.3
Sao Tome	40	173	3.6
Palestine	0	164	3.5
Paraguay	0	94	2
Spain	275	80	1.7
UK	0	44	0.9
South Africa	3	35	0.7

Source: ITC, Trademap, 2015

Figure 5 shows the main products exported by Angola from 2009 to 2013. Flour wheat and muslin were the leading exported agricultural products from Angola with a total value of \$2.3 million in 2013. After 2010, export growth of flour wheat and muslin show a drastic decline by 62 % in 2013.

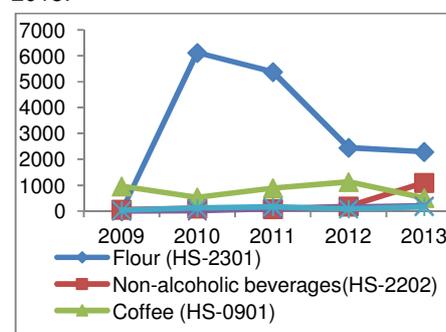


Figure 5: Main exported agricultural products

Source: ITC, TradeMap, 2015

With a total of \$4.2 billion imports and \$4.7 million exports, Angola is a net importer of agricultural products and has low participation in global trade. The main reasons for low participation include:

- Inadequate infrastructure along the supply chain
- Their products do not meet international quality requirements, and
- The production is not sufficient to supply the international market

This is an opportunity for countries located in the SADC region to increase their exports to Angola so as to promote intra-trade in the continent. It has been noted that South Africa has been exporting its products to Angola but is still exporting below the full capacity as Angola still imports the bulk of products from other global suppliers.

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5. South Africa's Agriculture, Forestry and Fisheries (AFF) Trade Performance During 2014

Important facts about South African AFF Trade

It has been noted that both exports and imports increased by 37 % and 16 % respectively in 2014. South Africa has been an important net exporter of primary AFF products and net importer of processed AFF products. In terms of exports, fruits and nuts constituted SA's largest sub-sector exports by value in 2014. Regarding imports, paper and paperboards accounted for the largest imports by value during 2014. In terms of growth of exported and imported products, wood exports increased by 72 %, and the growth of fish and crustacean imports increased significantly by 79 % during 2014. Namibia constituted the largest market for SA's AFF exports by value during 2014, whereas China constituted the largest source of SA's AFF imports by value during 2014 (see Figure 6 in Appendix A).

The purpose of this article is to assess the status of South Africa's AFF trade performance on an annual basis by analysing trade flows.

Export analysis

Table 13 (see Appendix B) shows an analysis of South Africa's major AFF export markets and product drivers during 2013 and 2014. Namibia was ranked as the largest South Africa's AFF export destination by value during 2014. Exports of AFF products from South Africa to Namibia increased by 483 % between 2013 and 2014. The share of Namibia in South Africa's total AFF exports also increased from 2 % in 2013 to 7 % during 2014. The top five products exported by South Africa to Namibia during 2014, constituted 20 % of SA's total AFF exports to Namibia, which included sugar, cigarettes, maize, grape wines and fermented beverages.

The Netherlands was ranked as South Africa's largest AFF export destination by value during 2013 but was second largest during 2014. AFF products exported from South Africa to the Netherlands increased by 13 % between 2013 and 2014. However, the share of the Netherlands in South Africa's total AFF exports decreased slightly from 8 % in 2013 to 7 % in 2014. The top five products exported by South Africa to the Netherlands during 2014, constituting 59 % of SA's total AFF exports to the Netherlands, were grapes, oranges, avocados, grape wines and pears.

Botswana ranked the third largest export market for South Africa's AFF products by value in 2014. Botswana's share of South Africa's total AFF exports also increased from 2 % in 2013 to 6 % during 2014. South Africa's exports to Botswana increased by 454 % in value terms between 2013 and 2014. South Africa's top five major exports to Botswana during 2014 were maize, wheat, sunflower seeds and oils, sugar and cigarettes.

The United Kingdom was ranked the fourth largest export destination for South Africa's AFF products during 2014. South Africa's AFF exports to the United Kingdom

increased by 16 % during 2014. The top five products exported by South Africa to the United Kingdom during 2014, constituting 50 % of SA's total AFF exports to the United Kingdom, were grapes, grape wines, apples, mandarins and oranges. Exports of grapes and mandarins increased significantly by 43 % and 17 % respectively during 2014 whilst exports of apples declined by 27 % during the same period.

South Africa's AFF exports to China increased substantially by 38 % between 2013 and 2014. The total value of South Africa's AFF exports to China increased from R5.7 billion in 2013 to R7.7 billion during 2014. The top five major products exported by South Africa to China during 2014 were wood pulp, wool, oranges, fish meal and grape wines. Exports of wood pulp increased substantially by 103 % during 2014.

Table 14 (see Appendix A) provides an indication of South Africa's growing and declining AFF export markets between 2013 and 2014 calendar years. Of all South Africa's AFF export markets, Hong Kong, China and Zimbabwe were the fastest growing export markets for South Africa's AFF in 2014. Exports of lemons to Hong Kong, fish flour meal to China and soybean oils to Zambia registered the highest growth during 2014. Furthermore, Japan, France and Indonesia registered the highest negative growth during the same period with maize to Japan, grape brandy to France and wood pulp to Indonesia.

Table 15 (see Appendix A) shows export market analysis at subsector level during 2014. The reviewed sub-sectors constituted about 74 % of SA's total AFF exports during 2014. Firstly, edible fruits and nuts has been the largest South Africa's export sub-sector by value over the past nineteen years. Exports of this sub-sector rose by 23 % from R25.0 billion to R30.1 billion between 2013 and 2014. However, the share of this sub-sector in South Africa's total agriculture, forestry and fisheries exports decreased from 25 % to 23 % during the two years under consideration. The top five major products exported by South Africa within this sub-sector, accounting for 66 % of the total sub-sector exports during 2014, were oranges, grapes, apples, lemons and pears. Of these top five, exports of lemons and grapes increased the most by 97 % and 28 % respectively in 2014. The Netherlands, the United Kingdom, Hong Kong, the United Arab Emirates and Russia ranked as the top five largest export markets for the sub-sector by value during 2014. Sub-sector exports to Hong Kong and the United Arab Emirates increased the most by 86 % and 34 % respectively in 2014.

Secondly, beverages, spirits and vinegar remained firm as South Africa's second largest sub-sector exports by value since 2006. The exports of this sub-sector increased by 25 % from R12.3 billion during 2013 to R15.3 billion during 2014. The share of this sub-sector in South Africa's total AFF exports remained firm at an average of around 11.5 % per year. Major products exported by South Africa within this sub-sector during 2014 were grape wines, ethyl alcohol, mineral waters, fermented beverages (ciders) and malt

beer. All these five products collectively accounted for 73 % of the total sub-sector exports during 2014. The United Kingdom, Namibia, Germany, the Netherlands and Mozambique were ranked as the top five major export markets for South Africa's exports of the sub-sector by value during 2014.

Thirdly, South Africa's exports of wood pulp increased by 29 % from R6.9 billion in 2013 to R8.9 billion in 2014. The share of this sub-sector in South Africa's total AFF exports remained stable at 7 % during both years under consideration. Major products exported by South Africa under this sub-sector in 2014 were chemical wood pulp, non-coniferous wood pulp and mechanical wood pulp. These three products represented about 99 % of the total sub-sector exports during 2014. China, Indonesia, Thailand, India and Germany ranked as South Africa's top five major export markets for the sub-sector by value during 2014. Sub-sector exports to China increased substantially by 79 % whilst exports to Indonesia decreased by 13 % during 2014.

Fourthly, South Africa's exports of cereals increased by 27 % from R6.9 billion during 2012 to R8.7 billion in 2014. Major products exported by South Africa within this sub-sector during 2014 were maize, wheat and rice. Together these products accounted for 93 % of the total sub-sector exports during 2014. Taiwan, Zimbabwe, Botswana, Lesotho and Namibia ranked as South Africa's top five major export markets under this sub-sector by value during 2014. The sub-sector's exports to Taiwan and Zimbabwe increased by 105 % and 42 % by value during 2014.

Finally, exports of paper and paperboard products ranked as the fifth largest of South Africa's sub-sector exports by value during 2014. The exports of this sub-sector increased by 41 % from R5.6 billion during 2013 to R8.0 billion in 2014. The share of this sub-sector in South Africa's total AFF exports remained firm at an average of 6 % between 2013 and 2014. Kraft liner, corrugated and toilet papers were South Africa's major export products under this sub-sector during 2014. Zimbabwe, Namibia, Botswana, Mozambique and Zambia ranked as South Africa's top five major export markets under this sub-sector by value during 2014. Exports of this sub-sector to Zimbabwe increased moderately by 15 % whilst exports to Mozambique and Zambia increased by 21 % during 2014.

Import analysis

Table 16 (see Appendix A) shows an analysis of South Africa's major suppliers of AFF products between 2013 and 2014. **China** remained firm as South Africa's largest supplier of AFF despite its negative import growth in value terms between 2013 and 2014. However, its share in South Africa's total AFF imports fell slightly from 9 % during 2013 to 6 % during 2014. The top five products that South Africa imported from China during 2014 were animal offal, peptones, apple juice, kidney beans and tomato paste.

Germany was ranked the second largest supplier in 2014 from fifth ranking in 2013. South Africa's imports of AFF products from Germany increased by 22 % between 2013 and 2014. However, its share in South Africa's total imports of AFF products remained firm at 6 % during both years. The top five products South Africa imported from Germany during 2014 were wheat, swine meat, chicken cuts, paper and paper products as well as paper and paperboards.

Like Germany, the **United Kingdom** improved its ranking from fourth during 2013 to become the third largest supplier of South Africa's AFF products by value in 2014. However, its share in South Africa's total imports of AFF products remained firm at 6 % in both years. The top five products South Africa imported from the United Kingdom during 2014, accounting for 72 % of SA's total AFF imports from the United Kingdom, were whiskies, books, chicken cuts & offal, food preparations and cheese.

South Africa's imports of AFF products from the **United States of America (USA)** increased considerably in value terms during 2014. Total imports of AFF products from the USA increased by 7 % in the two years under consideration. The top five products South Africa imported from the USA during 2014 were; books, foodstuffs, wood pulps, whiskies and almonds.

South Africa's imports of AFF products from **Indonesia** increased substantially in both value and share terms during 2014. This positive move improved Indonesia's rankings from ranking tenth during 2013 to become the fifth largest supplier of South Africa's AFF products by value during 2014. The top five products South Africa imported from Indonesia during 2014, accounting for 83 % of SA's total AFF imports from Indonesia were palm and kernel oil, cocoa butter, wood doors and frames, paper and paperboards as well as vegetable fats and oils. Imports of palm and kernel oil and cocoa butter increased by 165 % and 107 % respectively during 2014, whilst imports of wood doors and door frames decreased by 12 % during the same period. Noteworthy was that none of the countries from **Africa** appeared in South Africa's top ten suppliers of AFF products by value during both 2013 and 2014 calendar years observed.

Table 17 (see Appendix A) below provides an indication of growing and declining suppliers of South Africa's AFF products during 2013 and 2014. Of all South Africa's AFF import suppliers, Indonesia, France and Germany ranked the highest in terms of import growth in 2014. Imports of palm and kernel oil from Indonesia, grape brandy from France and wheat from Germany registered the highest growth in 2014. South Africa's AFF imports from Argentina, Brazil and China declined significantly during the same period, with soybean oil from Argentina, refined sugar from Brazil and apple juice from China declining the most.

Table 18 (see Appendix B) shows an imports analysis at sub-sector level in 2014. The reviewed products constituted

68 % of SA's total AFF imports in 2014. Paper and paperboards was South Africa's largest imported product, by value, with an increased growth of 14 %. The share of this sub-sector in South Africa's total AFF imports remained stable at an average of 12.5 % per annum. Cereals were the second largest imported product with a stable average value of R10.5 billion over the past two to three years. The share of this sub-sector in South Africa's total AFF imports averages around 12.5 %, looking at the period between 2013 and 2014. Animal or vegetable fats and oils were the third largest imported product, with a decreased share from 10 % in 2013 to 9 % in 2014, followed by meat and meat products and beverages, spirits and vinegar respectively in 2014.



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Appendix A

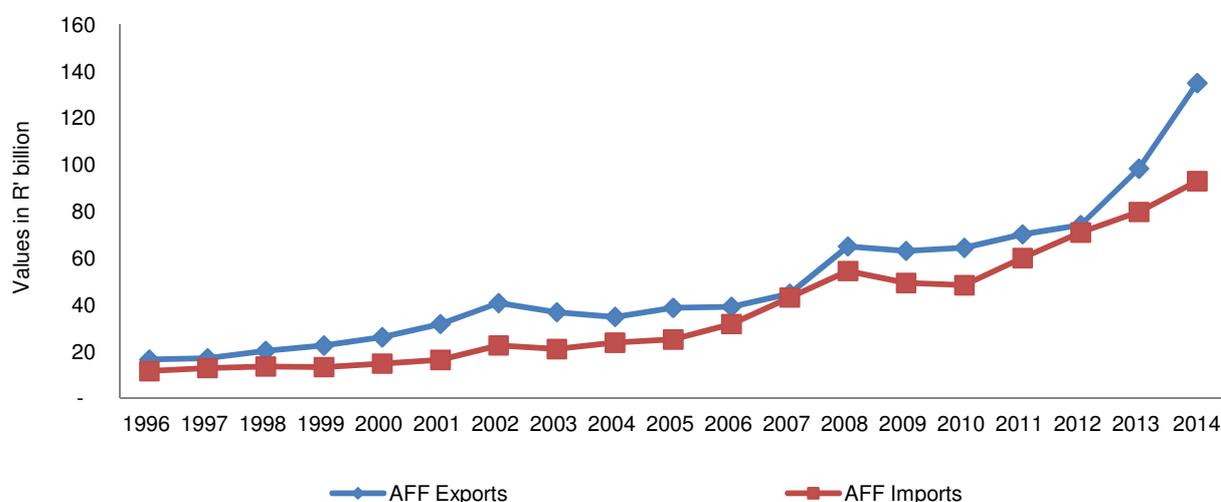


Figure 6: South Africa's AFF trade: 1996 to 2014.

Source: GTA, 2015

Table 13: South Africa's top ten largest export destinations for AFF products by value during 2013 and 2014.

Exports in 2013			Exports in 2014				Top exported products
Importers	Value in R' Billion	Share %	Importers	Value in R' Billion	Share %	Growth %	
Netherlands	8.0	0.08	Namibia	9.9	0.07	4.82	Sugar, cigarette and maize Grapes, oranges and avocados Maize, wheat and Sunflower Seed/ Oils Grapes, grape wines, and apples Wood pulp, wool, and oranges Maize, wheat, and soybean oil Sugar, beer, and maize Wheat, maize, and chicken cuts Wood, maize, and sugar Maize, animal feed preps, and printed books
UK	7.1	0.07	Netherlands	9	0.07	0.13	
Zimbabwe	6.9	0.07	Botswana	8.2	0.06	4.54	
China	5.7	0.06	UK	8.2	0.06	0.16	
Mozambique	5.3	0.05	China	7.7	0.06	0.38	
Japan	5.0	0.05	Zimbabwe	7.4	0.05	0.07	
Angola	3.4	0.03	Mozambique	6.9	0.05	0.30	
Germany	3.0	0.03	Lesotho	4.6	0.03	4.48	
USA	2.8	0.03	Japan	4.1	0.03	-0.19	
Zambia	2.7	0.03	Swaziland	4.0	0.03	4.88	

Source: GTA, 2015

Table 14: South Africa's growing and declining AFF export markets between 2013 and 2014 calendar years.

Growing Export Markets			Top 3 products driving export growth & their individual growth percentage		
Rank	Growing Markets	Export Growth			
1	Hong Kong	0.48	Lemons (-436 %)	Oranges (-84 %)	Grapes (-64 %)
2	China	0.38	Fish Flour Meal (-1172 %)	Wood pulp (-103)	Oranges (-36 %)
3	Zambia	0.33	Soybean Oils (-351 %)	Fruit juices (-74 %)	Foodstuffs (-36 %)
Shrinking Export Markets			Top 3 products driving total import shrinkage & their individual shrinkage percentage		
Rank	Shrinking Markets	Shrinkage percent			
1	Japan	-0.19	Maize (-75 %)	Grape fruit (-13 %)	Wood pulp (-6 %)
2	France	-0.19	Grape brandy (-57 %)	Grape wines (-34 %)	Oranges (-19 %)
3	Indonesia	-0.03	Wood pulp (-25 %)	Waste paper (-24 %)	Apples (-45 %)

Source: GTA, 2015

Table 15: South Africa's top 10 major AFF export sub-sectors by value during 2014

HS codes	Sub-sector description	Value in R' billion	Share %	Growth %	Market destination
02	Edible fresh fruits and nuts	30.10	23 %	23 %	Netherlands , UK and HK
22	Beverages, spirits and vinegar	15.30	11 %	25 %	UK, Namibia and Germany
10	Wood pulp	9.00	7 %	29 %	China, Indonesia and Thailand
	Cereals	8.70	6 %	27 %	Taiwan, Zimbabwe and Botswana
	Paper and paperboards	8.00	6 %	41 %	Zimbabwe, Namibia and Botswana
20	Fruits & vegetables preparations	7.10	5 %	40 %	Botswana, Netherlands and Namibia
17	Sugar	5.70	4 %	54 %	Namibia, Mozambique and Botswana
03	Wood	5.50	4 %	73 %	Japan, Namibia and Botswana
	Fish	5.30	4 %	30 %	Spain, Italy and HK
	Miscellaneous food preparations	4.90	4 %	55 %	Mozambique, Namibia and Zimbabwe

Source: GTA, 2015

Table 16: South Africa's top ten suppliers of AFF products by value between 2013 and 2014.

2013			2014				Products imported
Exporters	Value in R' Billion	Share %	Exporters	Value in R' Billion	Share %	Growth %	
China	7.1	0.09	China	6.0	0.06	-0.16	Animal offal, peptones and apple juice
Argentina	5.7	0.07	Germany	5.6	0.06	0.22	Wheat, swine meat and chicken cuts
Brazil	5.4	0.07	UK	5.4	0.06	0.05	Whiskies, books and chicken cuts
UK	5.1	0.06	USA	4.5	0.05	0.07	Books, food preparations and wood pulp
Germany	4.6	0.06	Indonesia	4.5	0.05	0.39	Palm & kernel oil, cocoa butter and doors & frames
Thailand	4.5	0.06	Thailand	4.3	0.05	-0.04	Rice, fish preparations and starch
USA	4.2	0.05	Argentina	4.2	0.05	-0.26	Soybean oilcakes, soybean oils and sunflower oils
India	3.8	0.05	Brazil	4.0	0.04	-0.25	Chicken cuts, sugar and tobacco
Netherlands	3.5	0.04	Namibia	3.9	0.04	4.80	Beer, fish preparations and live cattle
Indonesia	3.2	0.04	Swaziland	3.9	0.04	5.22	Sugar, wood, and printed books

Source: GTA, 2015

Table 17: South Africa's growing and shrinking suppliers of AFF products during 2013 and 2014

Growing import markets			Top 3 products driving total import growth & their individual growth percentage		
Rank	Growing suppliers	Growth percentage			
1	Indonesia	39 %	Palm & kernel oil (165 %)	Cocoa butter (107 %)	Palm oil (52 %)
2	France	24 %	Grape brandy (69 %)	Animal feed (37 %)	Grapes (31 %)
3	Germany	22 %	Wheat (834 %)	Paper & board (70 %)	Swine meat (18 %)
Shrinking Import Markets			Top products driving total import shrinkage& their individual shrinking percentage		
Rank	Shrinking Suppliers	Shrinkage percentage			
1	Argentina	-26 %	Soybean oil (-30 %)	Sunflower oil (-29 %)	Apple juice (-27 %)
2	Brazil	-25 %	Refined sugar (59 %)	Chicken cuts (-37 %)	Chicken offal (-2 %)
3	China	-16 %	Apple juice (-36 %)	Sardines (-9 %)	Animal feed (-6 %)

Source: GTA, 2015

Table 18: South Africa's top 10 major AFF import sub-sectors by value during 2014.

HS code	Sub-sector description	Value in R Billion	Share %	Growth %	Export markets
10	Paper and paperboards	11.3	0.12	0.14	Germany, China and Finland
	Cereals	10.9	0.12	0.02	Russia, Thailand and India
	Fats and oils	8.4	0.09	0.07	Indonesia, Spain and Malaysia
2	Meat and meat products	6.1	0.07	0.2	Brazil, Netherlands and Namibia
	Beverages, spirits and vinegar	6	0.06	0.12	United Kingdom, Namibia, and France
17	Food waste and residues	5.5	0.06	0.01	Argentina, Netherlands, and France
	Sugar	4.5	0.05	0.34	Swaziland, Brazil, and China
	Wood	4.3	0.05	0.35	China, Swaziland and Malaysia
	Miscellaneous edible food preparations	3.6	0.04	0.16	USA, Germany, and Netherlands
3	Fish & fish products	2.6	0.03	0.79	Namibia, India, and Norway

Source: GTA, 2015

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