

Grains and Oil Seeds



Global Perspectives

The production forecast for global coarse grain in 2019/20 is 1,396.7 million tons. Global net production for maize is predicted to be lower since the increase in Russia was offset by significant falls in Syria and Egypt. Larger maize exports from Russia could compensate for decline expected in the U.S. Moreover, Brazil has significantly increased its exports, compared to the same period in 2018. Imports are lowered for Saudi Arabia, Mexico, Venezuela, Cuba and Bangladesh. Rice global production for 2019/2020 has been updated to 497.77 million tons which is 3.55 million tons more than the previous estimate of September 2019. This means there is a possibility of 0.24% (1.18 million tons) fall in world rice production. In terms of wheat, global production is projected to be 765.23 million tons in October 2019 which is 0.3 million tons lower than September 2019 projection. India is the third biggest producer after EU and China, and is expected to remain the largest exporter during 2019/20. Consumption is estimated to increase domestically in Egypt. Notably, world demand for cereals is projected to increase steadily until 2030 especially for developing countries.



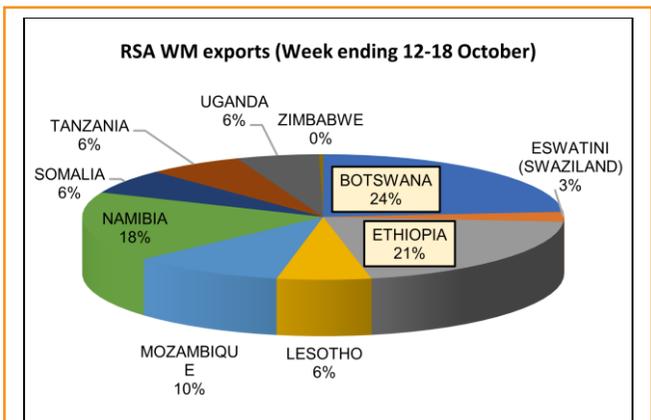
Domestic and Regional Perspectives

Most of the countries in the Southern African region are preparing soils for summer grains and oilseeds production planting. South Africa intends to increase hectareage for summer crops by 7.3%. In the current marketing season, South Africa remains to be one of the main role players in the SADC region. White maize exports in the week ending 18 October 2019 was 359 759 tons with Botswana and Ethiopia as the main destined markets. For most countries in the region, the situation remains unfavourable due to drier weather conditions. Prospects for Zambia's maize production and rice are below average levels due to weather conditions. In Botswana cereal production (maize, wheat and sorghum) also decreased at the back of severe seasonal rainfall deficit. Another significant crop loss due to infestation of fall of armyworms particularly in the maize growing regions in the DRC, were reported. Concerns for the region remain on what possible strategies DRC and Zimbabwe will undergo considering their position on the GMO maize seeds. RSA maize exports to Zimbabwe are less than 1% at this stage with Zimbabwe in need of more than 500 000 tons of maize.



Key areas to unlock growth in Grains and Oil Seeds

High cereal demand and low supply will ultimately result in higher food prices, which will lead to increase of food insecurity for most population groups. Improving cereal production will need proper investments, use of improved seed varieties, R&D, technology and other related inputs such as improved irrigation systems. Regionally rain remains the biggest concern for the 2019/20 production season. In SA, most dams are reported to be below average level. To unlock agricultural growth and for the sector to remain competitive, the government should relook the percentage share of the budget that is allocated to the sector for natural disaster relief



Fruits and Vegetables



Global Perspectives

Over the past decade the market value of grapes increased at an average rate of 2.2% per annum. In 2018 the global grape market revenue (of producers and importers) amounted to \$136.6 billion, indicating growth of 3.7% against the previous year. Noteworthy China is not just leading in consumption of grapes but also the highest producer of grapes with a volume of 14 million tonnes in 2018, followed by Italy (7.1 million tonnes) and the U.S. (6.7 million tonnes), collectively contributing 37% share of the global output. In 2018, Chile, followed by Italy, the U.S., Peru, South Africa and the Netherlands were the largest exporters of grapes, with a combined 56% share of total exports. Still in 2018 the U.S., China, the Netherlands, Germany, Russia were the top ranked largest importers of grapes in the world. Furthermore, the marketing of grapes is becoming very important in China, as a result they have identified that many of their growers are not familiar with the marketing strategies. The Chinese government and other trading companies have taken upon themselves to introduce initiatives to set up a brand for these growers. Lastly from 2019 to 2025 the market is expected to continue expanding due to increased global consumption trend, which is projected to bring the market volume to 83 million tonnes by the end of 2025.



Key areas to unlock growth in fruits and vegetables

Grapes (*fresh and dry*) are export oriented high value commodities in South Africa. In the recent years, there is a growing demand by retailers and consumers for products that have been produced in an environmentally friendly manner, in a quest to curb carbon emissions, the root cause of climate change. For instance, key retailers including Marks & Spencer, Walmart, Tesco and Woolworths are committed to work with suppliers to significantly reduce greenhouse gas emission by 2030. Thus, now the timing is right for stakeholders in the table grapes industry (*and other agricultural industries*) to embark on the measuring and managing of their carbon emissions in order to be strategically positioned in international markets. The South African fruit industry initiated the Confronting Climate Change programme to measure emissions produced in the fruits and to empower farmers to mitigate their farm emissions. This programme is positioning South African fruit products to be competitive in the international markets. To add, there is a need to invest more in export promotion and market development, particularly in upcoming markets like the Middle East and within Africa.



Domestic and Regional Perspectives

The grape industry is still recovering from the effects of the drought of 2016/2017 in some of its regions, however the persistent unfavourable weather conditions in these regions have slowed down its recovery. The domestic production in the 2018/19 season was affected by rains during the packaging and a heat wave in October 2018, reducing the cartons harvest by 1.6% compared to the 2017/18 season of 62.1 million cartons (1 carton = 4.5kg). Water availability and conservation is key to the production of grapes and climatic conditions such as the recent floods in Cape Town because crucial elements that affect production. The production for 2018/19 was therefore 61 133 209 cartons.

The estimates for 2019/20 show that intakes could be between 61 million cartons and 67.8 million cartons. This will be influenced by the ability of the industry to recover, its water availability and weather conditions. Out of those cartons that were harvested, 59 413 185 cartons were exported to different markets, the European Market being the largest, although the volume of cartons declined in 2018/19. The Middle East and the Far East are growing markets for the grape industry and market development in those regions will be important. At the end of the 24th of October, the price of a punnet of Black Emperor grapes was trading at an average of R243.75 at the Johannesburg Fresh Produce Market.

Livestock and Animal Products



Global Perspectives

Almost every country in Western Europe is importing and consuming rabbit meat. Italy is the leading importer followed by France, United Kingdom and Germany. Rabbit meat is market-ready within 10-12 weeks. It is not as well-known as other types of meat but its international trade has been growing since the 1980's. Rabbit meat is known to be rich in protein, vitamins and minerals. Additionally, it is also known to have low to no fat. Meat is not the only product from rabbits. Skins and wool are a very lucrative market especially in developed and developing countries for e.g. South Korea and the Philippines where rabbit skins are processed and re-exported to countries such as France and Italy for clothing, gloves and other luxurious items. Wool from the Angora rabbit (a special sector of the international trade market), is very small in production but its value per unit is 40 to 50 times higher than greasy wool. China is by far the largest rabbit producer and consumer due to its quality breeds, renewal of technology and proper government support. Hungary is the largest European producer with other countries producing rabbit meat in smaller quantities.



Domestic and Regional Perspectives

South Africa's rabbit meat exports exceed its imports thus making the country a net exporter. The highest volume of imports received by South Africa was 24 tons in 2010 and this may have been caused by the 2010 soccer world cup that was hosted in the country at the time meeting the demand of tourists at the time. According to TradeMap data, after 2010 South Africa started exporting more rabbit meat to the world until recently and this has made South African a net exporter of rabbit meat for the past nine years. These trends also highlight that the Southern African regional markets do not have a high demand for rabbit meat hence the bulk of production (locally and regionally) is exported to mostly European and Asian countries where it is preferred as an alternative source of protein. Rabbits are slaughtered between 2.1kg and 2.3kg live weight, with a current price per carcass of R45/kg, which amounts to an average of R99/rabbit. Export markets with the correct certifications and quality produce provides rabbit producers a premium price.



Key areas to unlock growth in Livestock and Animal Products

A small rabbit farm (150-doe unit) can be established for approximately R3 500 per doe with under-utilised buildings or structures on a farm easily and cost-effectively converted into rabbit housing. With rabbits reproducing rapidly, profits may be obtained within six to eight months. The rabbit industry is still developing and its estimation are not official yet but Western European countries' production is far less than consumption, and the same applies to the Mediterranean countries. Developing a brand system that will guarantee quality, safety and hygiene would be of great benefit for rabbit producers because there are high food quality and standards in these countries.

South African Rabbit imports vs exports(tons)



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