



Trade Probe

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Trade Probe is a quarterly report produced by National Agricultural Marketing Council and the Department of Agriculture, Forestry and Fisheries. It reports and analyses agricultural products, trade performance in local and international markets. This publication is widely used by exporters and importers.

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In this issue we cover the following topics:

South Africa's stone fruit export prospects in Africa

Trade profile of rabbits and hares

Tree nuts: World markets and trade

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FOREWORD

This is the seventy-fourth (74) issue of the Trade Probe under the Markets and Economic Research Centre (MERC) division. The purpose of the publication is to inform stakeholders, industries, importers and exporters on the performance of South African agricultural commodities in the international markets, and also to highlight potential consumers and suppliers of related agricultural commodities. This publication provides valuable information and analysis for trade role players in the country, and plays a critical role, as it is believed to produce interesting trade facts about the existing and potential markets where agricultural products can be exported. This publication covers interesting and essential agricultural trade components from a local to a global perspective. One of the interesting articles covered in the document is on South Africa's stone fruit export prospects in Africa.

THIS ISSUE OF TRADE PROBE COVERS THE FOLLOWING TOPICS:

1. Trade profile of peaches including nectarines
2. Tree nuts: world markets and trade
3. Trade profile of rabbits and hares
4. Madagascar market profile: Citrus industry
5. South Africa's stone fruit export prospects in Africa

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Trade profile of peaches (HS 080930)

By Onele Tshitiza

Peaches are one of the most important stone fruits in South Africa because of their foreign earnings and job creation across the value chain (DAFF, 2017). In the 2016/17 season, it was noted that peaches contributed about R1.3 billion of the total gross value of deciduous fruits in South Africa. The major production areas are in the Western Cape, which constitutes about 70% of the country's total production area of peaches. Although the region recently faced a severe drought, the total production of peaches in 2017 encountered only a slight decrease of 1% from the previous season (Hortgro, 2017). In 2017, South Africa exported 56.4% of total peach production, with the majority of the peaches being exported to Europe (Hortgro, 2017). Europe absorbed a share of 71.2% of South African exports in 2017 while the rest was taken up by Asia (20.2%), among other markets. In the last five years, there has been an increase in the total gross value of peaches, attributed to an increase in demand both locally and internationally.

Global trade overview of peaches

Table 1 shows the world's leading importers of peaches in 2017, measured in million US dollars. Global imports decreased from US\$ 2 697 million in 2013 to US\$ 2 366 million in 2017, which constituted a negative growth rate of 12.3%. Germany has been ranked as the largest importer of peaches with a value of US\$ 366 million in 2017, owning a share value of 15.5%, while Russia followed as the second largest importer with a share in value of 9.0%, followed by France (8.6%), the United Kingdom (UK) (5.1%) and Poland and Italy, both at 4.5% respectively. The United States of America (USA) showed the highest positive growth rate of 35% followed by Poland (3.5%) and Italy (0.8%).

Table 1: World's leading importers of peaches

Importers	Imported value in million US\$		Share (%)	Growth rate (%)
	2013	2017	2017	2013-2017
World	2697	2366	100	-12,3
Germany	459	366	15,5	-20,2
Russia Fed	319	212	9,0	-33,4
France	243	204	8,6	-16,0
UK	156	122	5,1	-21,9
Poland	103	106	4,5	3,5
Italy	105	106	4,5	0,8
USA	67	90	3,8	35,1
Belgium	121	87	3,7	-27,9
Netherlands	98	84	3,5	-14,7
Canada	88	81	3,4	-8,1

Source: Trade Map (2018)

Table 2 depicts the world's leading exporters of peaches between 2013 and 2017. World exports of peaches showed a negative growth rate of 12.3% between 2013 and 2017. Spain was ranked the largest exporter of peaches in 2017 with a share value of 41%. This can be attributed to the diverse climate in the production regions of Spain, comprising chilling hours ranging from 700 to 1100, which allows one of the longest harvesting seasons

in the world (Llácer et al., 2009). Italy, China, the USA and Spain had a share value of 8.8%, 6.5% and 5.8% respectively. Out of the top exporters, seven countries experienced a negative growth rate between 2013 and 2017. China, Turkey and the Netherlands were the only countries that had a positive growth rate of 224.3%, 151.2% and 16.1% respectively. There were no African countries among the top 10 exporters of peaches in the world. South Africa was ranked 14th in world exports of peaches, with a global share value of 1.5% in 2017 and a growth rate of 13.6% between 2013 and 2017.

Table 2: World's leading exporters of peaches

Exporters	Exported value in million US\$		Share (%)	Growth rate in value (%)
	2013	2017	2017	2013-2017
World	2492	2187	100	-12,3
Spain	1010	896	41,0	-11,3
Italy	363	192	8,8	-47,2
China	44	142	6,5	224,3
USA	181	127	5,8	-29,7
Chile	123	109	5,0	-11,5
Greece	111	88	4,0	-20,4
Jordan	96	81	3,7	-15,9
France	101	70	3,2	-30,3
Turkey	28	70	3,2	151,2
Netherlands	40	47	2,1	16,1

Source: Trade Map (2018)

Trade overview of South Africa's peaches

Figure 1 illustrates South Africa's trade performance (exports, imports and trade balance) for peaches from 2013 to 2017. The figure shows a positive trade balance from 2013 to 2017, which means that South Africa exported more than was imported during this period. In 2017, South Africa's imports and exports were valued at US\$ 3821 thousand and US\$ 32680 thousand respectively. Although the country is not a major exporter (by volume) compared to the rest of the world, peaches sold in the export markets generate a greater unit price than those sold in the local markets (DAFF, 2015).

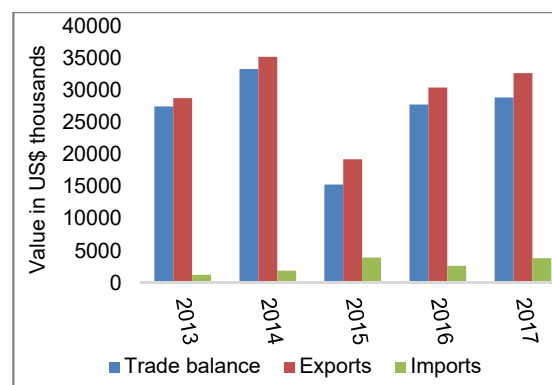


Figure 1: Trade performance of South Africa's peaches

Source: Trade Map (2018)

Figure 2 demonstrates the share of leading importers of peaches from South Africa in 2017. The UK was the largest importer of peaches from South Africa, with a share value of 52%, followed by the Netherlands and the United Arab Emirates (UAE)

with a share value of 16% and 13% respectively. The European countries (UK and the Netherlands) still remain South Africa's largest trading partners because of the Economic Partnership Agreement (EPA), and together they imported a share of 68% of the total export of peaches from South Africa. Saudi Arabia had a share value of 4%, while Botswana and Hong Kong both had a share value of 2% each, with other countries representing 11%.

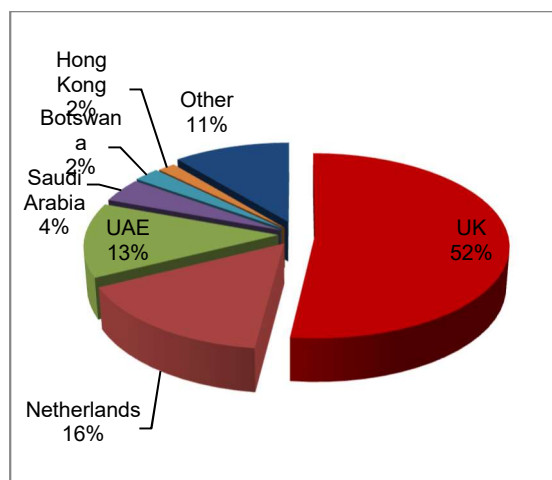


Figure 2: South Africa's main export destinations for peaches

Source: Trade Map (2018)

Figure 3 depicts the share of the main suppliers of peaches imported by South Africa in 2017. South Africa imported peaches worth a total value of US\$ 3 821 thousand in 2017, with 92% of that being from Spain and 5% from Israel. It can be noted that Turkey, United Kingdom (UK) and South Africa constituted 1% share each.

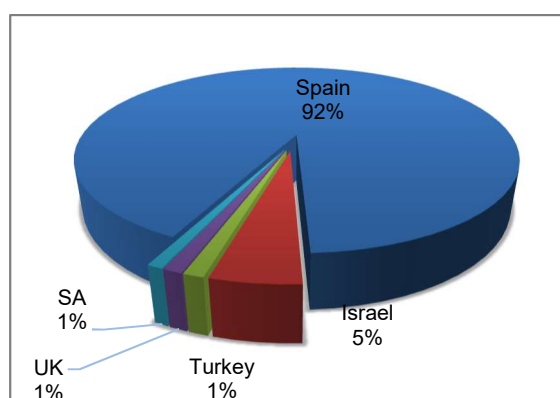


Figure 3: South Africa's leading suppliers of peaches, 2017

Source: Trade Map (2018)

Conclusion

In conclusion, South Africa was a net exporter of peaches in the years 2013 to 2017. The UK and the Netherlands remain the major export markets, while the UAE is also a growing export market. Spain is the leading exporter of peaches in the world, due to its diverse planting regions which are favourable for longer harvesting periods. Between 2013 and 2017, South Africa showed a positive growth rate of 13.6% in exports, which could be an indication that the

demand for South African peaches is growing in the global market. Although the industry is still recovering from the recent drought in the Western Cape, peaches continue to play a major role in the fruit industry and farmers have an opportunity to expand their share in the UAE. This is because South Africa faces zero tariffs and the UAE was the third largest importer of peaches from South Africa in 2017, importing 13% of the fruit.

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Tree Nuts: World Markets and Trade

By Lucius Phaleng

Nuts are among the most nutritionally concentrated human foods and are an important food source for rural communities and forest dwellers. While most of the edible nuts support subsistence, others are of considerable commercial importance (FAO, 1994). Most nuts are used by mankind for food, edible oils, spices, condiments or beverages. South Africa has the climate and the ecology to become a recognised producer and value-added processor of most nuts. The predominant tree nut crops grown in South Africa are macadamias and pecans. South Africa competes with Australia as the world's largest exporter of macadamia nuts. Additionally, the country is keen to establish new high-value nuts chains. The aim of the article is to profile the selected shelled tree nuts; namely almonds (080212), walnuts (080232) and pistachios (080252) with the main

focus on the global context, narrowing it down to South Africa's trade contexts.

Global overview of tree nuts

Figure 4 highlights the global production of tree nuts (i.e. almonds, walnuts and pistachio nuts) between the 2012/13 and 2017/18 production seasons, measured in thousand tons. It can be observed that walnuts were the largely produced globally, followed by almonds and pistachios respectively. It is highlighted that about 2 070 thousand tons of walnuts was produced in the 2017/18, followed by almonds (1 280 thousand tons) and pistachios (777 thousand) respectively. China, the USA and Chile were ranked as the top producers of walnuts, while the United States (US), the European Union (EU) and Australia (US, Turkey and Iran) were ranked as the largest producers of almonds (pistachios).

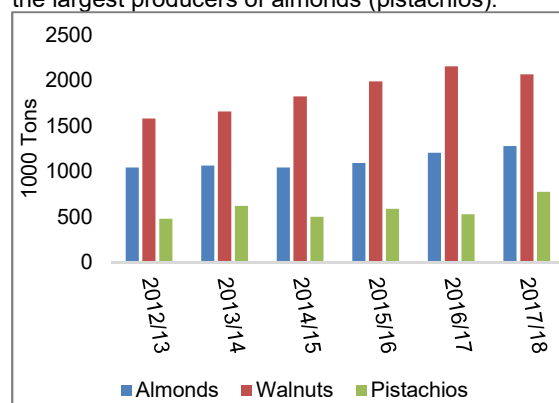


Figure 4: Global production of tree nuts
Source: USDA (2018)

Figure 5 highlights the global consumption trends of tree nuts, measured in thousand tons. It is evident that walnuts were globally consumed in larger volumes as compared to almonds and pistachios. In 2017/18, the world consumed 2 065 thousand tons of walnuts, followed by 1 238 thousand of almonds and 672 thousand tons of pistachios. China was ranked as the leading consumer of walnuts at a quantity of 1 050 thousand tons, followed by the EU (360 thousand tons) and Turkey (163 thousand tons). On the other hand, the EU and USA were ranked as the top two consumers, with quantities of 387 thousand tons and 355 thousand tons respectively.

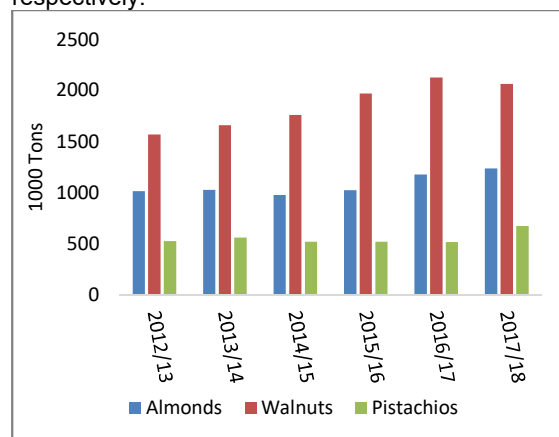


Figure 5: Global consumption of tree nuts
Source: USDA (2018)

Figure 6 presents the trade performance of tree nuts between 2012/13 and 2017/18, measured in thousand tons. Globally, exports of tree nuts exceeded imports. In 2017/18, about 1 892 thousand tons were exported while 1 797 thousand tons were imported, hence a positive trade balance of 95 thousand tons.

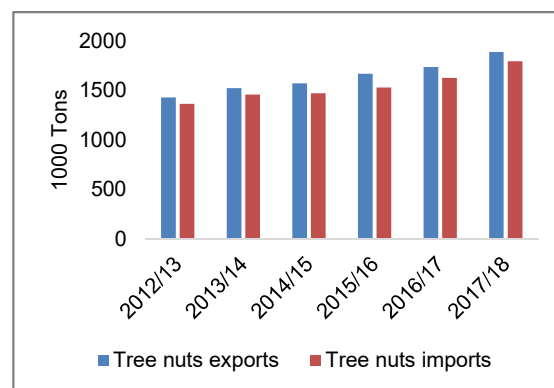


Figure 6: Global trade performance of tree nuts
Source: USDA (2018)

Figure 7 illustrates trade performance of nut products, measured in thousand tons. It is evident that the global exports of almonds rose by 4% to a record 766 thousand tons in the 2017/18 period, and this was due to strong shipments to the EU, China and India (USDA, 2018). For walnuts, global exports were dominated by the USA and total exports have increased by 6% to 755 thousand tons. Global exports of pistachios rebounded increased by nearly 30% to a record 371 thousand tons.

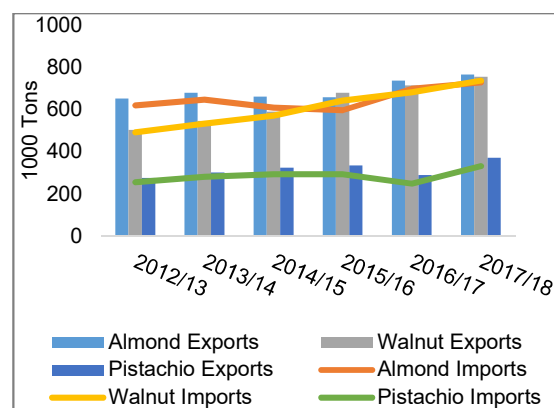


Figure 7: Global trade performance of nut product
Source: USDA (2018)

Overview of South Africa's tree nuts

Figure 8 highlights the leading suppliers of tree nuts in 2017, measured in percentage share. The USA has been ranked as the South Africa's largest suppliers of tree nuts with a share of 79%, followed by Australia (8%), others (6%), Spain (5%) and China (2%) respectively.

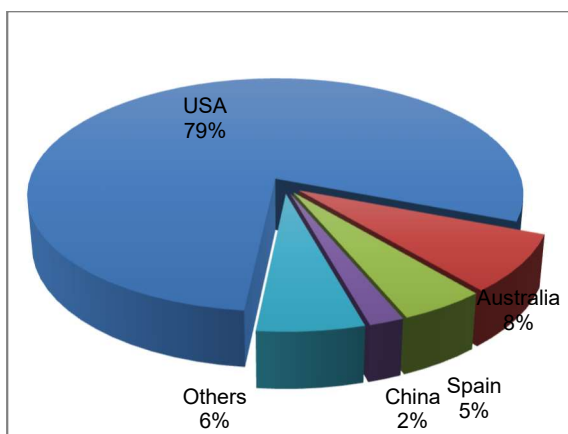


Figure 8: Main suppliers to tree nuts to the South African market

Source: Trade Map (2018)

South Africa is not a large player in the international tree nut market, but locally the demand for these tasty and nutritious treats is outgrowing production. Tree nuts such as walnuts, almonds and pistachios are not produced on a commercial scale in South Africa (IDC, 2017). Figure 9 highlights the trade performance of South Africa's shelled tree nuts (HS 080212, HS 080232 and HS 080252) between 2013 and 2017, measured in tons. It can be noted that South Africa imported more shelled tree nuts (almonds, walnuts and pistachios) than was exported. In 2017, South Africa imported 3 049 tons and exported 321 tons of tree nuts, resulting in a negative trade balance of 2 728 tons.

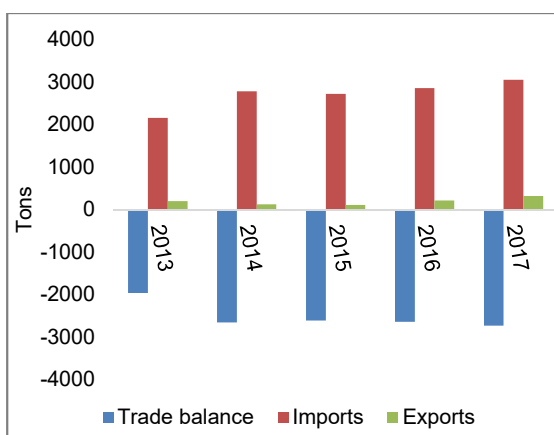


Figure 9: Trade performance of South Africa's tree nuts

Source: Trade Map (2018)

Conclusion

It can be concluded that South Africa is not a major player in the global trade of tree nuts (walnuts, almonds and pistachios). The main challenge is that tree nuts are not produced in the country at a commercial level. However, the predominant tree nut crops grown in South Africa are macadamias and pecans. This is evident from Figure 9 where South Africa experienced a negative trade balance in the period under review. High imports of tree nuts suggests that there is a high demand for the products, and South African farmers and producers need to be encouraged to explore the production of tree nuts on a larger scale. The EU was ranked

globally as the largest importer of tree nuts in the 2017/18 period.

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Trade profile of Rabbits and Hares (HS 020810)

By Fezeka Matebeni

Introduction

Rabbits and hares are members of the *Leporidae* family and are herbivores with a digestive system resembling other monogastric animals (Zotte, 2015). The difference is in the proximal colon where coprophagia is observed. Rabbit meat has high nutritional value but in developed countries it continues to be considered for rural usage or limited to ethnic groups despite its outstanding dietetic properties. Rabbit meat contains a higher ratio of protein, energy, calcium and vitamins than any other types of animal meat (Williams, 2007). The amount of cholesterol, fat and sodium is also less than other meat. Due to its health properties, with the World Health Organisation describing rabbit meat as the healthiest available as a result of its high protein and low-fat content, the meat is now trending especially in European restaurants. This trend is contrary to that of ancient Europe where rabbit meat was purely consumed by the poor. In the South African setting, the demand for rabbit meat is increasing as a result of the growing number of producers making enquiries about this farming practices of rabbit (Smit, 2017).

Global trade overview of rabbits and hares

This subsection provides a detailed analysis of the global trade in rabbits and hares between 2013 and 2017. Table 3 illustrates the world's leading importers of rabbits and hares by value, measured in million US dollars. Noteworthy is that the global value of rabbit and hare imports decreased by 17.3%, from US\$ 193 million to US\$ 160 million between 2013 and 2017. Of the 10 leading importers of rabbits and hares, eight of them showed a decline, which resulted in a decrease in world imports of rabbits and hares. Germany was the main importer of rabbits and hares, with a share of 20.9% and an import value of US\$ 33 million in 2017, followed by Belgium and France. It is noted that South Africa was not on the list of global importers of rabbits and hares under the reviewed period.

Table 3: World's leading importers of rabbits and hares

	Imported value in US\$ Million		Share (%)	Growth rate (%)
Importers	2013	2017	2017	2013-17
World	193,9	160,4	100	-17,3
Germany	37,5	33,6	20,9	-10,5
Belgium	25,8	28,1	17,5	8,7
France	18,2	12,4	7,7	-32,1
Italy	15,4	12,3	7,6	-20,3
Portugal	11,6	9,6	6,0	-17,5
Switzerland	11,9	8,6	5,4	-27,4
Netherlands	14,2	6,9	4,3	-51,9
Czech	6,3	6,4	4,0	2,0
Russia	11,8	6,4	4,0	-46,0
Spain	5,3	5,0	3,1	-5,4

Source: Trade Map (2018)

Table 4 below depicts the world's leading exporters of rabbits and hares in 2017, measured in million US dollars, and their growth rate between 2013 and 2017. The global value of exports for rabbits and hares decreased by 21.2% between 2013 and 2017. It is noteworthy that the majority of exporters experienced a negative growth rate, with Germany declining by 57.6% during the period under review. China, France and Hungary were the largest exporters of rabbits and hares with a total value of US\$ 29.5 million, US\$ 28.7 million and US\$ 26.2 million respectively. Notably, South Africa was ranked 31st with a value of US\$ 27 thousand in 2017.

Table 4: World's leading exporters of rabbits and hares

	Exported value in US\$ Million		Share (%)	Growth rate (%)
Exporters	2013	2017	2017	2013-17
World	213,4	168,2	100	-21,2
China	38,3	29,5	17,5	-22,9
France	32,9	28,7	17,0	-12,8
Hungary	34,5	26,2	15,6	-23,9
Belgium	31,7	25,6	15,2	-19,2
Spain	26,1	24,6	14,6	-5,7
Netherlands	14,4	8,3	5,0	-42,0
Argentina	8,7	6,1	3,7	-29,4
Italy	7,8	5,8	3,5	-25,1
Germany	6,1	2,6	1,5	-57,6
UK	2,9	2,4	1,4	-17,3

Source: Trade Map (2018)

Overview of South Africa's trade in rabbits and hares

Figure 10 provides an overview of South Africa's trade performance for rabbit meat in 2013 and 2017. South Africa was a net exporter of rabbits and hares

during the period under review. South Africa exported a value of US\$ 27 thousand in 2017. The international markets for South Africa were Angola (US\$ 15 thousand), Mozambique (US\$ 5 thousand), and Swaziland (US\$ 5 thousand). South Africa imported an insignificant value of rabbit and hare meat during the period under review.



Figure 10: South Africa's trade performance in rabbits and hares

Source: Trade Map (2018)

Figure 11 represents the top importing markets of rabbits and hares supplied by South Africa in 2017. It is important to note that all exports from South Africa were supplied to African countries. Angola imported a value of US\$15 thousand in 2017, followed by Mozambique and Swaziland.

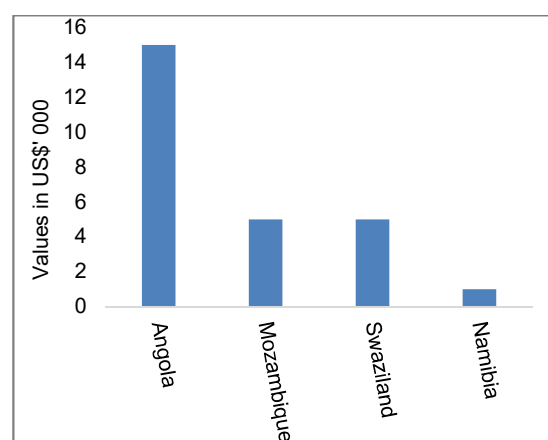


Figure 11: Leading importers of rabbits and hares

Source: Trade Map (2018)

Conclusion

To fulfil the food demand for a growing population, it is important to find different means of food production. The rabbit is less costly, requires minimum inputs to grow and produces high-quality protein. It can be a great source of food protein. Therefore, expansion or commercialisation of the rabbit farming business in South Africa can also result in a positive spill-over effect on the socioeconomic environment, such as creating a source of income and employment.

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Madagascar market profile: Potential for SA's Citrus exports

By Lucius Phaleng

Background

Madagascar's economy is essentially an agriculture-led economy; however, much of the land is unsuitable for cultivation because of its mountainous terrain, extensive laterisation and inadequate rainfall. According to Madagascar's official website, agriculture accounts for 30% of GDP and employs about 75% of the workforce (CIA, 2018). Rice is the staple of the Malagasy diet, while cassava, bananas and sweet potatoes are also important. Due to the large variety of soil types and climatic diversity in Madagascar, farmers are able to grow temperate crops such as apples, pears, plums, grapes and citrus fruits, and subtropical fruits such as mangoes and litchis. This article explores the market opportunities that might exist in Madagascar for South Africa's citrus industry. Madagascar is not a major producer of citrus fruits compared to South Africa, which is globally known as one of the world's major producer and exporter of citrus fruits such as oranges.

Therefore, it is necessary to expand the markets especially in countries where the production of fruits is still lagging. Figure 12 highlights Madagascar's production trends of citrus between 2011 and 2016. It is evident that the overall production of citrus fruits has been declining since 2012. According to FAO (2017), the decline in citrus production was as a

result of oranges which were affected by the inadequate rainfall over the recent period. However, the production of citrus fruits improved by 1 941 tons if we compare the 2011 and 2016 periods; and the same cannot be said if we compare other periods with the 2016 production season. In 2016, citrus fruit production for Madagascar amounted to 100,649 tons. Although Madagascar's citrus fruit production has fluctuated substantially in recent years, it showed an increase through the 2011 - 2016 period, ending at 100,649 tons in 2016.

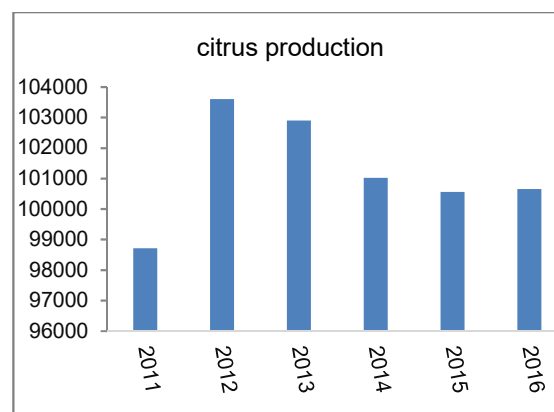


Figure 12: Madagascar's production trends of citrus fruits
Source: FAO (2017)

According to FAO statistics, Madagascar only produced grapefruit, lemons and oranges (excluding soft citrus). Figure 13 illustrates the ranked citrus fruits per production level or quantity between 2011 and 2016. It can be noted that oranges were largely produced in the period under review as compared to grapefruit and lemons. In 2016, Madagascar managed to produce 83 551 tons of oranges, followed by grapefruit and lemons at a volume of 11 972 tons and 5 127 tons respectively.

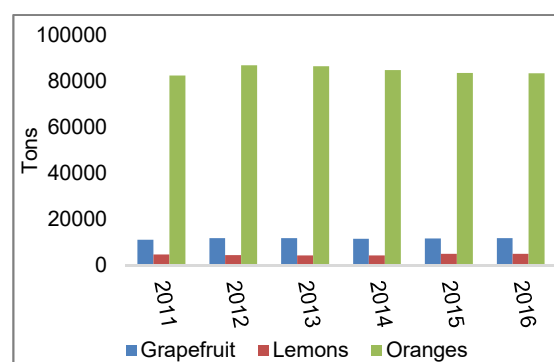


Figure 13: Madagascar's production trends per citrus fruit
Source: FAO (2017)

Trade overview of Madagascar's citrus fruits

Table 5 presents the main suppliers of citrus fruits imported by Madagascar in 2017. It can be noted that the Middle East (i.e. Israel) supplies Madagascar with 43.8% of total imports and experienced 123.5% growth by value between 2016 and 2017. The second largest supplier was an African country (i.e.

South Africa) representing 41.9% of the total imports by Madagascar, followed by Spain (8.1%), EU Nes (3.5%) and Turkey (1.2%). Israel is a direct competitor of South Africa when it comes to exporting to Madagascar. About 45% (US\$114 thousand) of citrus fruits imported were oranges. South Africa has an opportunity to explore Madagascar's markets and this presents an opportunity for the country since both countries belong to the same trade bloc, i.e. Southern African Development Community (SADC).

Table 5: Main suppliers of citrus fruits to Madagascar

	Imported value in US\$ '000		Share (%)	Growth value (%)
	2016	2017	2017	2016-17
Total	171	260	52.0	100
Israel	51	114	123.5	43.8
South. A	92	109	18.5	41.9
Spain	19	21	10.5	8.1
EU Nes	0	9	-	3.5
Turkey	4	3	-25.0	1.2
Iceland	0	2	-	0.8
Morocco	0	1	-	0.4
Netherlands	1	1	0	0.4

Source: Trade Map (2018)

Madagascar is the largest exporter of coffee, tea and spices, accounting for 32.8% of total exports. Cereals were ranked 4th on the list of main imports, accounting for 6.9% of total imports (ITC, 2018). Figure 14 highlights the trade performance of Madagascar's citrus fruit trade between 2013 and 2017, measured in thousand US dollars. It can be seen that citrus imports increased during the period under review as compared to exports. Over the years, Madagascar imported more citrus fruits than were exported (resulting in a negative trade balance). In 2017, citrus fruits to the value of US\$ 260 thousand were imported while about US\$ 67 000 worth of citrus fruits were exported.

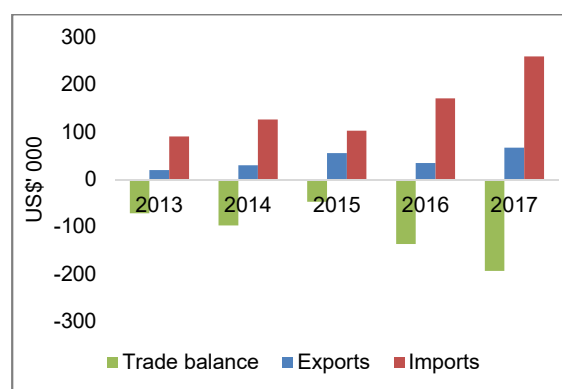


Figure 14: Trade performance of Madagascar's citrus fruits
Source: Trade Map (2018)

Conclusion

In conclusion, Madagascar is not a major producer of citrus fruits globally and continentally. The largest share of fruits consumed in Madagascar is imported from its trading partners. Therefore, this presents market opportunities that South Africa can explore since South Africa is one of the leading producers and exporters of fruits globally. From Figure 14 it is

evident that Madagascar imports more citrus fruits than it exports and Israel has been identified as the main competitor for South Africa. It is advisable for South Africa to use the SADC agreement to its advantage in exploring this market. Figure 13 showed that Madagascar does not produce but imported soft citrus from its trading partners and this might add to another advantage as South Africa produces large volumes of soft citrus.

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South Africa's Stone Fruit Export Prospects in Africa

By Leshasha Mawasha

Introduction

The African continent has embarked on a mission to improve intra-African trade. This was observed by the signing of the Tripartite Free Trade Agreement (TFTA), and subsequently a focus on the African Continental Free Trade Agreement (AfCFTA). Since March 2018 there has been a considerable interest to fast-track the ratification process of the agreement by a growing number of African countries. Implementation of these trade agreements ensures that there are improvements in terms of market access for member countries as a result of preferential market access. South Africa is featured as one of the biggest and most advanced economies on the continent and thus stands to benefit from the improved market access and market diversification prospects.

According to Fruit South Africa (FSA 2017), 33% of all South Africa's agricultural exports in 2017 consisted of fresh fruit. This was due to higher fruit production which exceeded domestic consumption, thus enabling the country to be a net exporter of fruit. Stone fruit includes apricots, nectarines, peaches and plums, and together with pome fruit, accounted for 34% of annual fruit production in South Africa in 2016 (FSA, 2017). This article endeavours to identify South Africa's strategic stone fruit export markets in

Africa using the growth-share matrix and Indicative Trade Potential methodologies. The aim is merely to provide an indication of the current trade terrain and further identify potential markets to explore within the continent.

Regional and global overview of South Africa's stone fruit trade

This section provides a dual analysis of South Africa's stone fruit trade. Firstly, there is an evaluation of South Africa's export trends of the various stone fruits in Africa from 2013 to 2017, measured in thousand dollars, followed by an analysis of South Africa's export trends of the same fruits to the world. A comparative analysis of the two trends reveals the fact that South Africa's immediate and preferred export markets are not on the African continent. This is shown by the relatively low export values from South Africa to Africa at a value of US\$ 6 077 000 in 2017 compared to US \$ 123 million exported to the world. Table 6 highlights time-series data of South Africa's stone fruit export patterns between 2013 and 2017. Despite the overall decline of 12.4% in stone fruits exported to Africa between 2013 and 2017, fresh peaches showed a positive export growth of 3.4% in the same period. Conversely, South Africa's exports of stone fruit to the world indicated a positive export growth of 9.1% over the same period, with fresh apricots having the largest export growth of 18.6%, followed by peaches (13.6%) and plums (6.8%) respectively.

Table 6: South Africa's regional and world stone fruit exports

Product	South Africa's exports to Africa US\$'000			
	2013	2016	2017	Export Growth (2013-2017) %
Stone Fruit	6940	6373	6077	-12,4
Apricots	437	360	267	-38,9
Peaches	2674	2765	2765	3,4
Plums	3829	3248	3045	-20,5
Product	South Africa's exports to the world US\$'000			
	2013	2016	2017	Export Growth (2013-2017) %
Stone Fruit	113025	117804	123314	9,1
Apricots	5698	6053	6757	18,6
Peaches	28770	30437	32680	13,6
Plums	78557	81314	83877	6,8

Source: Trade Map (2018)

Figure 15 highlights South Africa's import trends of stone fruits from Africa between 2013 and 2017. During the period under review, South Africa was observed to have imported plums significantly more than any type of stone fruit, with the highest import value realised in 2016 at a value of US\$ 338 thousand.

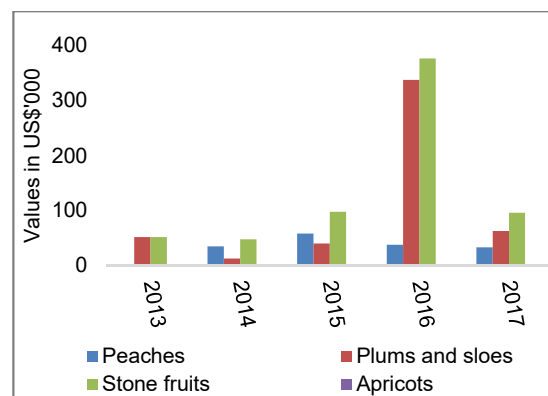


Figure 15: South Africa's stone fruit imports from Africa
Source: ITC (2018)

South Africa's stone fruit import pattern from the world is depicted in Figure 16. The figure reveals an interesting trend for plums and peaches. It can be observed from 2014 that imports moved in opposite directions, with imports of peaches increasing from US\$ 1,9 million in 2014 to US\$ 3,9 million in 2015, and imports of plums declining from US\$ 1,1 million in 2014 to US\$ 212 thousand in 2015.

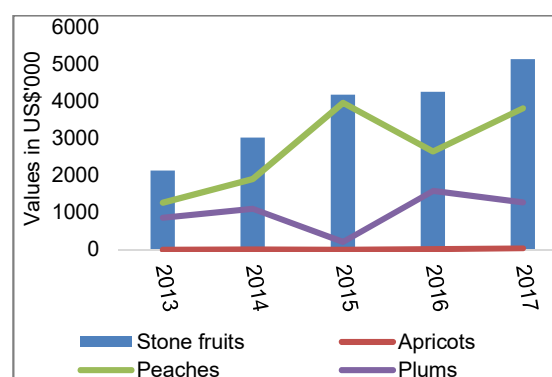


Figure 16: South Africa's stone fruit imports from the world
Source: ITC (2018)

Identification of strategic stone fruit export markets in Africa

This section explores more on possible stone fruit export markets that South Africa can target on the African continent for export promotion and diversification. The growth-share matrix is employed to identify and classify various markets based on their growth and share relationships to allow for prioritisation of markets. Table 7 indicates the classification of the markets and identifies markets defined as "question marks", "cash cows" and "stars" as possible markets to explore (see Appendix A). The classification of South Africa's stone fruit export markets in Africa indicates markets such as Swaziland, Angola and Botswana as "stars" meaning that the demand for South Africa's stone fruits in those markets is growing faster than South Africa's exports to the rest of the African countries. Furthermore, Ethiopia, Gabon and Egypt were revealed as "question marks", indicating a need for South Africa to increase their investment in these markets to deepen market presence. **Appendix B** highlights a complete classification list of South Africa's stone fruit export markets in Africa.

South Africa's export potential in strategic stone fruit markets in Africa

The focus of this section is on determining unexplored stone fruit export potential in the identified markets from the growth-share matrix analysis. Focusing on the markets classified as “stars”, Table 8 highlights South Africa's untapped potential for the various stone fruits. Botswana was revealed as the only “star” market in which South Africa has a high export potential for all the stone fruits. Moreover, the indicative trade potential shows that in all the markets, South Africa's exports of plums exhibits high potential. **Appendix C** includes a complete assessment of strategic markets.

Table 8: South Africa's untapped export potential in strategic stone fruit markets in Africa

Countries	Product	Untapped trade potential (US\$'000)	Overall Assessment
Swaziland	Apricots	6	Low
	Peaches	116	High
	Plums	58	Low
Angola	Apricots	-	Low
	Peaches	35	Low
	Plums	523	High
Botswana	Apricots	41	High
	Peaches	615	High
	Plums	971	High
Mauritius	Apricots	-	Low
	Peaches	-	Low
	Plums	1,135	High
Zambia	Apricots	6	Low
	Peaches	101	Low
	Plums	128	High
Zimbabwe	Apricots	18	Low
	Peaches	450	High
	Plums	481	High

Source: Analysis results using data from **Source:** Trade Map (2018)

*Critical values: Fresh apricots (<25 000: Low & >25 000: High), Fresh peaches (<114 000: Low & >114 000: High) and Fresh plums (<98 000: Low & >98 000: High)

Conclusion

The prospects for South Africa's stone fruit exports into the African markets are positive and vary from one market to the next. The brief probe of strategic markets to pursue indicates high export potential in

most markets for South Africa's stone fruits with the segregation of the products showing plums and peaches as the two out of the three stone fruits with high market penetration prospects into the strategic markets. Although not a comprehensive interrogation and analysis of the markets, the results of the analysis indicate a sign of market opportunities to be explored in Africa to allow for market diversification.

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Appendix A

Table 3: South Africa's untapped export potential in strategic stone fruit markets in Africa

Countries	Average Annual Growth Rate (%)	Average Market Share (%)	Overall Assessment (GR;MS)	Classification
Swaziland	15,5	0,2	High; High	Star
Angola	26,5	0,2	High; High	Star
Botswana	16,3	1,2	High; High	Star
Mauritius	9,3	0,8	High; High	Star
Nigeria	55,3	0,2	High; High	Star
Zambia	32,8	0,2	High; High	Star
Zimbabwe	16,3	0,9	High; High	Star
Congo, DR	15,8	0,0	High; Low	Question mark
Ethiopia	116,0	0,0	High; Low	Question mark
Gabon	7,0	0,1	High; Low	Question mark
Egypt	-36,5	0,1	Low; High	Cash Cow
Mozambique	-4,0	0,2	Low; High	Cash Cow
Namibia	-2,0	0,7	Low; High	Cash Cow

*MS= Market share and GR= Growth rate

Note: (Annual Average Growth Rate < 4.8% Low: >4.8% High & Average Market Share < 0.14% Low: > 0.14% High)

Appendix B

Classification of South Africa's stone fruit export markets based on the growth-share matrix

Countries	Average Annual Growth Rate (%) 2013-2017	Average Market Share (%) 2013-2017	Market Classification
Botswana	16,3	1,18	Star
Mauritius	9,3	0,78	Star
Nigeria	55,3	0,22	Star
Swaziland	15,5	0,18	Star
Zambia	32,8	0,22	Star
Zimbabwe	16,3	0,90	Star
Angola	26,5	0,24	Star
Egypt	-36,5	0,14	Cash cow
Mozambique	-4,0	0,24	Cash cow
Namibia	-2,0	0,66	Cash cow
Congo, DR	15,8	0,00	Question mark
Ethiopia	116,0	0,02	Question mark
Gabon	7,0	0,10	Question mark
Ghana	111,8	0,04	Question mark
Malawi	22,0	0,06	Question mark
Mali	50,0	0,00	Question mark
Mauritania	116,7	0,00	Question mark
Saint Helena	16,0	0,02	Question mark
Senegal	69,3	0,08	Question mark
Tanzania	224,0	0,00	Question mark
Togo	25,5	0,00	Question mark
Kenya	-14,5	0,02	Pet
Lesotho	3,5	0,12	Pet
Liberia	-100,0	0,00	Pet
Libya	-100,0	0,00	Pet
Rwanda	-25,0	0,00	Pet
Seychelles	-100,0	0,00	Pet

Source: Analysis results from **Source:** Trade Map (2018) data

Note: (Annual Average Growth Rate < 4.8% Low: >4.8% High & Average Market Share < 0.14% Low: > 0.14% High)

Appendix C

African markets exhibiting high trade potential for South Africa's stone fruits

Countries	Product	Untapped trade potential (US\$'000)	Overall assessment of trade potential
Zimbabwe	Fresh plums	481	High
Mauritius		1,135	High
Botswana		971	High
Namibia		253	High
Zambia		128	High
Mozambique		153	High
Angola		523	High
Botswana	Fresh peaches (including nectarines)	615	High
Namibia		407	High
Zimbabwe		450	High
Swaziland		116	High
Mozambique		166	High
Namibia	Fresh apricot	128	High
Botswana		41	High
Lesotho		44	High
Mozambique		28	High
Kenya		25	High

Source: Analysis results from **Source:** Trade Map (2018) data

*Critical values: Fresh apricots (<25 000: Low & >25 000: High), Fresh peaches (<114 000: Low & >114 000: High) and Fresh plums (<98 000: Low & >98 000: High)

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