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The future of South Africa's Mohair industry in the global market

New markets are critical to keep up with South Africa's growing avocado industry

Cooperatives Should Graduate to Commercial Farming



agriculture, land reform
& rural development

Department:
Agriculture, Land Reform and Rural Development
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Promoting market access for South African agriculture

FOREWORD

Welcome to the eighty-sixth (86th) issue of the Trade Probe publication produced under the Markets and Economic Research Centre (MERC) of the National Agricultural Marketing Council (NAMC). This issue aims at providing detailed analysis of the current trade issues within South Africa and its trading partners. Over the past year, South Africa has concluded a variety of trade protocols and agreements to ensure its export footprint continues to improve in the global markets. With the growing export potentials, it is important to explore local production opportunities created by new trade protocols and agreements. In this Issue, the challenge faced by local producers and investors are unpacked. Specific commodities analysed include the Raisin, Mohair and Cowpeas, amongst others. The impact of Covid-19 pandemic on agricultural production and investments is also analysed. By analysing export opportunities and potential production growth, this Issue seeks to inform policymakers, producers, traders and other stakeholders about trending agricultural performance and provide information on market opportunities, both in the domestic and international markets.

REPORT STRUCTURE

Trade Analysis

1. Export potential of the growing South Africa's Raisins industry
2. The future of South Africa's Mohair industry in the global market
3. Impact of Covid-19 pandemic on international food supply and opportunities for local producers
4. The unharnessed opportunities for orphan crops: A case of Cowpeas

Trade Opportunities

5. New markets are critical to keep up with South Africa's growing avocado industry
6. South Africa's export opportunities for prepared food
7. South Africa's goat industry and its prospects to supply local and international markets
8. Is the South Africa's citrus industry on course to reach a new export record?

Trade News

9. Cooperatives Should Graduate to Commercial Farming
10. Covid-19 slashes foreign direct investment in Africa by 16%
11. SADC release Synthesis Report on the State of Food and Nutrition Security in the Region

Contributors:

Dr. Sifiso Ntombela
Dr. Moses Lubinga
Ms. Fezeka Matebeni
Mr. Kayaletu Sotsha
Ms. Onele Tshitiza
Mr. Lucius Phaleng
Ms. Pamela Matyolo
Mr. Ricardo Smith

Export potential of the growing South Africa's raisin industry

By Kayaletu Sotsha

The Agriculture and Agro-processing Master Plan (AAMP) emphasises the “inclusive” growth of South Africa’s agriculture by increasing the participation and the contribution of black farmers and black-owned agribusinesses in the mainstream value chain. The raisin industry is already among the industries that are striving towards this endeavour. Over the past five years, the sector has shown steady growth mainly due to increased investment, as indicated by increased area planted (with new vines) and improved yields. The United States Department of Agriculture (USDA) has indicated a need for South Africa to be aggressive in opening up new export markets (among other things) as production continues to grow. Currently, the country has a processing capacity of approximately 90 000 tons per annum and it is estimated to be at a 97 % utilisation rate. This article, therefore, seeks to highlight some export opportunities for South Africa’s raisin industry.

The South African industry has grown strongly and new expansions and recapitalisation initiatives are ongoing to further expand its supply base. Annual raisin production is around 70,000 dried tonnes (and growing) and there are about 1,000 growers in total. Processing facilities are described as being “world class” and 85% of all product is exported. International trade commission data shows that South Africa’s raisin (HS 086020) exports grew by an average of 6% per annum between 2016 and 2020. In percentage terms, the UK accounts for 7% of total exports while the EU collectively takes 49%. Canada and the US is at 12%; Russia 12%;

Africa 9%; Middle East 2%; and the Far East 2%. Other export markets include China, Japan, India, Australia, New Zealand, Canada, the US, Mexico, Peru, Brazil and Colombia.

Currently, South Africa’s actual exports of raisins is sitting at US\$125.7 million with the export potential of about US\$174 million (ITC, 2020). The South Africa’s raisin industry still have an opportunity to expand its exports due to the increasing demand and untapped potential of about US\$79.2 million of value. Approximately 54% of South Africa’s raisins exports potential has already been utilized in the global markets and the industry still continue to enjoy market access due to minimum tariff measure of about 10%. The local raisins are allowed to move freely within SADC, SACU and European community markets and the rest of the markets are accessed through MFN duty of 10%.

In terms of strategic markets for South Africa’s exports of 080620 Grapes, dried; Germany, Japan and United Kingdom has showed the greatest potential. Japan shows the largest absolute difference between potential and actual exports in value terms, leaving room to realize additional exports worth US\$14.5 million. Therefore, it is up to South African producers and South Africa’s raisin industry to keep or even improve the quality of the produce to meet the international standards as required in the existing markets while slowly diversifying to other markets with which it is easy to trade.



Author: Mr. Kayaletu Sotsha is an economist under the Smallholder Unit at the National Agricultural Marketing Council. He can be contacted at ksotsha@namc.co.za or (012) 341 1115.

The future of the South Africa's mohair industry in the global market

By Mr Lucius Phaleng



Mohair is a fabric or yarn made from the hair of the Angora goat. It is considered an epitome of quality wool and often used to produce luxury clothing items. South Africa has a rich history in the production of Mohair and provinces such as the Eastern Cape and Free State are the main production hub. Mohair is important to the South Africa's agricultural sector as it is the sixth largest agricultural commodity export comprising approximately 4% of total agricultural exports. China accounted for an average of 62% of global mohair imports by value over the past five years and 71% (by value) of South Africa's production went to China. This shows that China is an important market for South Africa's mohair industry and it contributes positively to the development of the industry. However, the dependence on the Chinese market poses a risk and challenge for the mohair industry in terms of unforeseen circumstances such as the introduction of new sanitary and phytosanitary standards.

Early in 2019, following a 'foot-and-mouth' disease outbreak in Limpopo Province, China imposed a restriction on the import of South African mohair. This has caused considerable stress on the industry and emphasised its high degree of 'exposure' with

regard to the potential of the Chinese market. Other than China, South Africa also exports to Czech Republic, Italy, Bulgaria, and Germany but on lower scale. In light of the potential risk with China market, there is growing need to diversify markets and also expand local processing capacity to add value on raw mohair prior to exports. Therefore, the rationale behind this article is to explore South Africa's export opportunities for mohair beyond the China market.

According to recently published data from International Trade Commission (2021), China is by far the world biggest buyer of mohair commanding about 27.4% of global share and import 66% of South Africa's total mohair exports. The identified potential markets have proven to have an increasing demand of mohair from South Africa (this is based on high import growth in the past five years) and it is critical to expand access to those markets. Addition to increasing demand in identified potential markets, they also offer competitive tariff rates as compared to China, the biggest market for South Africa's mohair. For example, South African mohair exporters face a custom duty rate of 22.8% ad valorem in China compared to 0.9% ad valorem duty in Italy, Romania and Germany. The existing EU-SADC EPA trade

agreement will also assist South African mohair exporters to meet the non-tariff measures imposed by the identified potential markets.

Another strategy that could boost mohair production growth is investments in local processing capacity to add value on the mohair product prior to exporting. This could include investing in mohair washing infrastructure in main producing provinces such as the Eastern Cape. Currently, there is a not enough 'value adding' activity within South Africa and most beneficiation of the mohair is executed abroad. There are two mohair processors who buy and process mohair and there are about twenty manufacturers but local manufacturing volumes are small with most mohair being exported.

Since exports are likely to remain the dominant market for the mohair industry, investing on processing infrastructure will enhance export earnings and job creation in the country. With the clothing and textile industry creating its own Master Plan to rebuild the textile sector, investing the mohair processing will align well with the goals and aspirations of Clothing and Textile Master Plan. Expansion of mohair processing infrastructure will also benefit SACU region. Lesotho exports 78.9% of its Mohair to South Africa, which in turn it is re-exported raw into international markets.



Author: Mr Lucius Phaleng is an economist under the Trade Research Unit at the National Agricultural Marketing Council. He can be contacted at lphaleng@namc.co.za or (012) 341 1115.

Impact of Covid-19 pandemic on international food supply and opportunities for local producers

By Pamela Matyolo

South Africa has a highly diverse agricultural economy that is market-oriented and produces all major crops such as maize, wheat, oats, sorghum, barley, oilseeds, deciduous and subtropical fruits, sugar, nuts, wine, and most vegetables. Cattle, dairy, sheep, pigs and a fully-fledged poultry and egg industry are examples of South Africa's livestock. Because of its diverse agriculture and food production system that is market oriented, competitive and integrated into global food system, the country has the ability to supply the domestic and export markets. Since the adoption of the National Development Plan (NDP) in 2012, South African industries such as citrus, mohair, table grapes, wool, cotton and others have invested more than R17 billion to expand production quantities and quality. Increased production has also expanded South Africa's export quantities to countries like the United Kingdom, China and Netherlands.

The advent of corona virus pandemic impacted the global supply of agricultural products in many parts of Asia and European regions due to lockdown regulations. Sihlobo et al., (2021), noted that the pandemic has caused undersupply of key products such as soyabean, poultry and milk in countries such

as the UK, Spain, China, USA and Germany. One of the ways the covid-19 has caused undersupply of food in the international markets is reduce labour markets, which is farm workers, as many persons stayed at home and agricultural field could not be planted (Sihlobo, 2020). The disruption of global food supply because Covid-19 pandemic presents export opportunities for local farmers to increase their exports to international markets. The global pandemic coincided with good weather conditions in South Africa resulting in the sector registering 13.1% growth rate in 2020.

Industries such as citrus, maize, wheat, cotton and barley registered double digits production growth, implying there are sufficient food quantities available to supply export markets. It is important that South African farmers identify nations, where their food system were largely affected by covid-19 regulations and capitalise on short-term shortage to supply them. This will ensure local producers benefits on short-term global food supply shortages and enhance their export earnings, thus helping the country improve its economic growth and balance of payments.

Author: Ms Pamela Matyolo is an economist under the Smallholder Unit at the National Agricultural Marketing Council. She can be contacted at pmatyolo@namc.co.za or (012) 341 1115.



The unharnessed opportunities for orphan crops: The case of cowpeas

By Dr Moses Lubinga

An orphan crop is crop that tends to be regionally important although not traded worldwide in large volumes, and research networks accord it very little or no attention. Cowpeas are one such leguminous crop. In South Africa, the food system has relied on few food items, especially livestock products as protein sources, despite the high diversity of other protein sources including many indigenous crops. Orphan crops have received too little attention for them to be commercialised.

Furthermore, despite their contribution towards food security and household income generation (among other benefits), orphan crops have been labelled as a “poor people’s food”. Many science-based discussions (e.g., Jaichand et al., 2020; Tchuenchieu & Kesa, 2020;) suggest that the labelling of cowpeas as “poor people’s food” is misleading. For instance, soybeans and cowpeas contain about 250 mg/g of protein content which is relatively higher than most cereals and tuber crops (Kumar et al., 2017; Ssewanya & Kasirye, 2010). In this article, the focus is on the trade performance and consumption of cowpeas in South Africa.

Over a 10-year period (2010-2019), South Africa’s cowpea net exports were valued at R2.9 million (on average). There are no cowpea re-exports but the country on average produces 4 848 tons annually, thus more is produced than what is consumed domestically (on average 4 634 tons annually). Although some cowpeas are domestically used for animal feed, a larger proportion is for human

consumption. According to the FAOSTAT database, on average, 4848 tons are produced per year but about 7.8 tons/year are used for animal feeds. However, in comparison with total production, the low domestic consumption is attributable to the large informal trade sector in urban areas which offer a limited range of non-perishable food items, moreover at a higher cost. This exacerbates the effects of the narrative that cowpeas is a “poor people’s food”.

The large informal trade market in urban areas favours the distribution of other protein sources, especially meat, which is usually available at affordable unit sizes. The meat cuts meet cultural preferences and the meat is restocked regularly. Considering the above insights, it is prudent to conclude that cowpeas are an alternative protein source with a trade opportunity for further harnessing, both within and beyond South Africa. It is commendable to increase consumer awareness about the nutritional, health and socio-economic benefits to bolster consumption and negate the false perception that cowpeas are a “poor people’s food”.

Consumer awareness may be achieved through farmer-market linkages, consumer education and promotion campaigns as done by the pork industry (See: Lubinga et al, 2017), business training on cowpea production technology and market linkages, among other means.



Author: Dr. Moses Lubinga is a Senior economist under the Trade Research Unit at the National Agricultural Marketing Council. He can be contacted at hlubinga@namc.co.za or (012) 341 1115.

New markets are critical to keep up with South Africa's growing avocado industry

By Siphelele Ricardo Smith

The National Development Plan (NDP) proposes that export volumes increase by 6 % annually by 2030, with non-traditional exports increasing by 10 % annually. The avocado industry has been one of the most consistent in terms of growth. Production has grown from 78 081 tons (2011) to 132 881 tons (2020). Similarly, exports increased from 27 448 tons to 60 057 tons during the same period. The area under commercial avocado orchards is approximately 14 700 hectares, with new orchards added every year (Subtrop, 2021). About 50 % of South Africa's avocados are exported; 12 % are processed, and the remainder is sold in the local fresh produce markets. Figure 1 shows South Africa's avocado production and export trends over 10 years. Avocado production has a positive relationship with exports, depicting a generally upward trend in avocado production and exports since 2011, which appears to have peaked in 2018. A peak is likely attributed to a bumper crop, with production increasing from 101 377 (2017) to 169 243 tons in 2018. It should also be noted that there are short-term fluctuations in volume, which could be attributed to cyclical on-year and off-year avocado production. Approximately 95 % of South African avocado exports are destined for the EU, UK and Russian Federation markets.

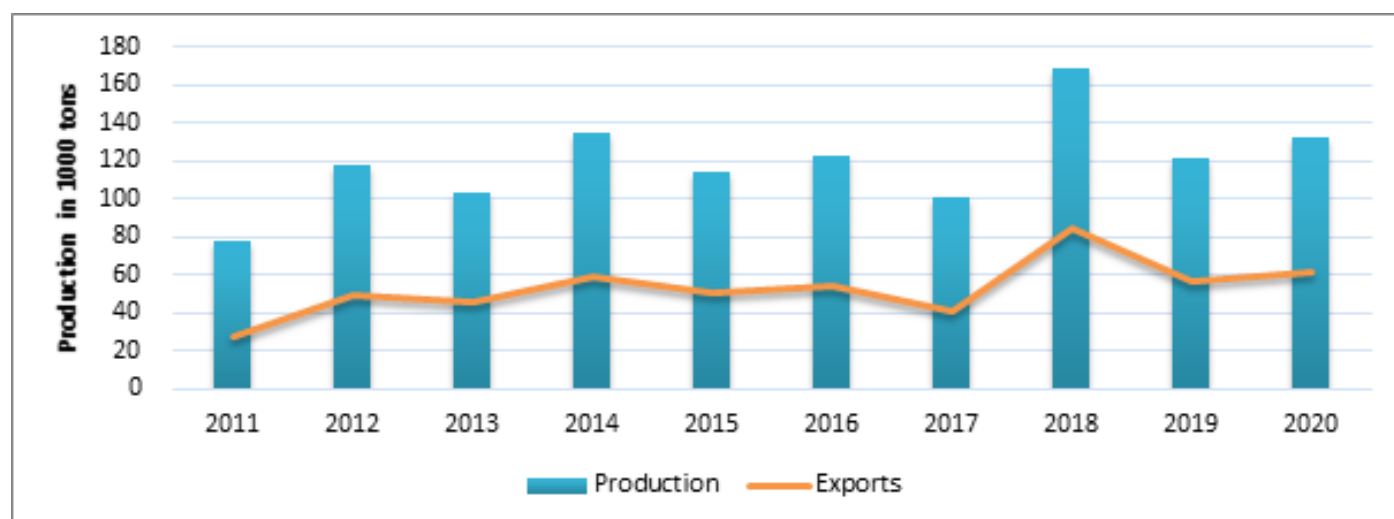


Figure 1: South Africa's total avocado production and exports, 2011 - 2020

Source: SAAGA (2021)

Table 1 shows that Mexico led the global supply of avocados in 2020, with a share value of 42.5 %. Other top avocado exporters include the Netherlands (16.4 %), Peru (11.7 %), Spain (6.9 %), Chile (3.4 %), and the US (2.5 %). Colombia also shows rapid growth in the market, with the highest growth rate between 2011 and 2020, primarily due to Colombia's year-round production and the quality of avocados produced, similar to that of Mexico. Kenya is Africa's largest producer and exporter of avocados with a share value of 1.8 % in global exports, which could be attributed to an increase in the number of avocado orchards and the quality of avocados. South Africa is the twelfth largest exporter of avocados in the world, with a share value of 1.2 %.

Table 1: Leading exporters of avocados, 2011 – 2020

Exporters	Export value (in million USD)		Share value (%)	Growth rate (%)
	2011	2020	2020	2011 - 2020
Mexico	837	2 746	42.5	228.0
Netherlands	167	1 060	16.4	534.5
Peru	161	759	11.7	370.8
Spain	171	443	6.9	159.7
Chile	215	219	3.4	2.2
USA	59	165	2.5	177.1
Colombia	0.2	146	2.3	84 800.6
Kenya	24	116	1.8	377.7
New Zealand	86	115	1.8	34.6
Morocco	5.6	108	1.7	1 823.6
France	31	90	1.4	191.2
South Africa	31	77	1.2	142.3

Source: ITC (2021)

Global demand for avocados has increased over the years, not only for consumption but also for cosmetics and pharmaceutical purposes (Cervantes-Paz & Yahia, 2021). Table 2 shows that the US was a top importer with a share value of 35.3 % in global imports in 2020, followed by the Netherlands (14.3 %), France (7.2 %), Spain (5.4 %), Germany (5.2 %) and the United Kingdom (4.8 %). The Netherlands is the world's second-largest importer after the US. However, it should be noted that the Netherlands is the European Union's importing hub, which means that the majority of avocados arriving in the Netherlands are re-exported to the European domestic market. The supply of avocados into Europe comes from Peru, South Africa and Kenya during the summer months, while avocados are imported from Chile, Mexico and Israel during the winter months.

Table 2: Leading importers of avocados, 2011 – 2020

Exporters	Export value (in million USD)		Share value (%)	Growth rate (%)
	2011	2020	2020	2011 - 2020
USA	963	2 541	35.3	163.9
Netherlands	178	1 030	14.3	477.7
France	206	518	7.2	151.4
Spain	61	389	5.4	536.3
Germany	73	371	5.2	408.7
United Kingdom	74	346	4.8	369.7
Canada	109	235	3.3	114.7
Japan	132	224	3.1	69.8
Russian Federation	16	122	1.7	644.5
Australia	57	108	1.5	89.2

Source: ITC (2021)



Author: Mr Ricardo Smith is an Intern economist under the Agribusiness Development Unit at the National Agricultural Marketing Council. He can be contacted at rsmith@namc.co.za or (012) 341 1115.

In conclusion, South Africa's production of avocados grew rapidly between 2011 and 2020. The European Union and the United Kingdom receive a majority of South African exports. However, many producing countries have been increasing their share in Europe due to competitive prices. As a result, South Africa must increase its market share in other markets with a high demand for avocados to reduce overdependence on the EU and the US and absorb projected future production increases. This situation also highlights the importance of continued investment in transport infrastructure to ensure that avocado exports are moved effectively.



South Africa's export opportunities for prepared food

By Onele Tshitiza



South Africa is not particularly endowed with processing facilities and widely exported processed agricultural products compared to unprocessed products. However, the country does have a positive trade balance for processed agricultural products, making it a net exporter of processed agricultural products. Miscellaneous edible preparations (HS code 21) are among South Africa's top five largest exports for all agricultural products (in value), among edible fruits and nuts; beverages, spirits and vinegar; preparations of vegetables, fruit and nuts; as well as sugars and sugar confectionery. The value of edible fruit exports amounted to R62.5 billion in 2020, while edible preparations amounted to R7.7 billion.

Table 3: South Africa's largest exports of agricultural products

Code	Product description	Exported value in R'Million				
		2016	2017	2018	2019	2020
08	Edible fruit and nuts; peel of citrus fruit or melons	42473	45155	48814	49440	62529
22	Beverages, spirits and vinegar	17646	18213	18797	18327	18213
20	Preparations of vegetables, fruit, nuts or other parts of plants	8287	8150	8913	8865	9120
21	Miscellaneous edible preparations	6024	5935	5972	6476	7789
17	Sugars and sugar confectionery	3545	5212	6381	8552	7461

Source: Trade Map (2021)

Miscellaneous edible preparations contain products such as extracts, essences and concentrates of coffee; yeasts, sauces and their preparations; soups and broths; ice cream; protein concentrates and other food preparations not specified elsewhere. The most exported of these are other food preparations not elsewhere specified (HS code 210690). The tariff level contains products such as infant food without disaccharides in powder form, sweetening substances, syrups and others. HS code 210690 accounted for 38% of all miscellaneous edible preparations in value in 2020, showing their sizeable contribution to exports of processed food. [Figure 2](#) shows that South Africa mainly exported food preparations to Southern African Community Development (SADC) member states, with Mozambique was the largest market for South Africa's exports in 2020. Exports to Mozambique amounted to R320.0 million, followed by Namibia (R300.2 million), Zimbabwe (R285.7 million), and Botswana (R282.6 million). The global average export price of these preparations is about US\$2 051/ton and South Africa receives around US\$ 1216 to US\$ 1949/ton from these other African countries, however, the country enjoys zero duty. In the United Kingdom, South Africa can receive an average price of US\$ 5 214 with only a charge of 1.3% in tariffs.

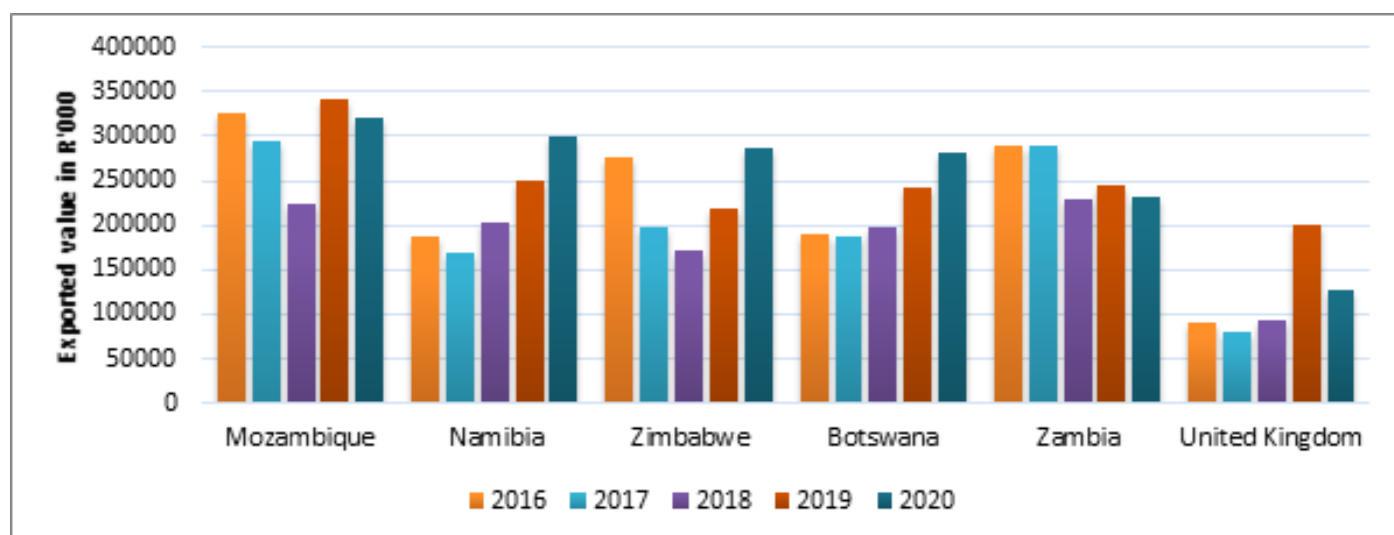


Figure 2: Market destinations for South Africa's other food preparations (HS code 210690)

Source: Trade Map (2021)

The world's leading importers of food preparations (HS code 210690) are shown in Figure 3. The United States of America (USA) was the leading importer of food preparations in all the years (2016-2020). China followed the USA in most of the years, as along with Germany. Interestingly, these three countries are also the top five exporters of the product, but they are net importers of the product. This situation could indicate the growing demand for food preparations in these countries and a low supply locally. South Africa's export price for food preparations in the USA is US\$ 15,840/ton but the country face a tariff of 6.6%, whereas it is US\$ 5,049/ton in Germany with a 1.3% tariff rate and in China it is US\$ 9,000/ton with a 9% tariff rate.

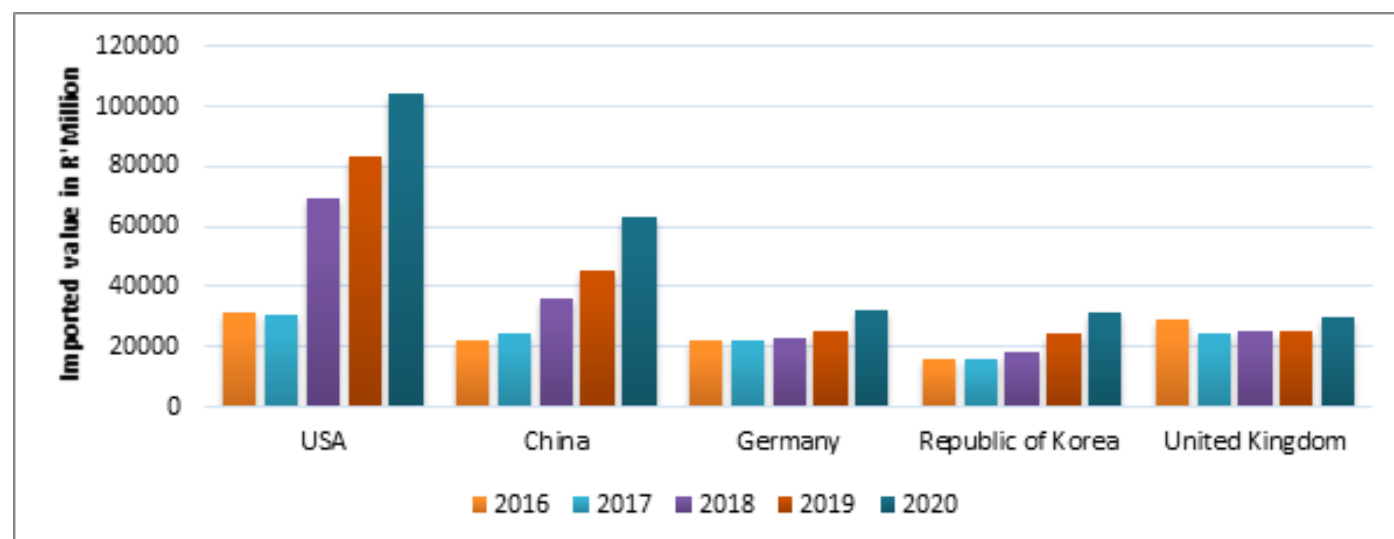


Figure 3: Leading importers of other food preparations in the world (HS code 210690)

Source: Trade Map (2021)

Conclusion

Miscellaneous edible preparations include soups and broths, and sauces made from fruits, vegetables and animal products. Food processing poses an avenue through which producers can supply raw material to food processors in order to diversify their offerings. Vegetables in particular are highly perishable and processing them into dry material for further processing for export can present an opportunity for the food sector. Although South African exporters of food preparations could receive a higher price per ton from the leading importers, the higher tariff rates and other trade barriers might be a factor in deciding not to export these countries. There is an opportunity within the African market for food preparations from South Africa, particularly the SADC countries where tariffs are low. As the middle-income population grows within the continent, these products will be in higher demand, closely correlated with the rise of renowned fast-food outlets and cooking patterns. As the African Continental Free Trade Area agreement becomes more certain and negotiations are concluded, hopefully other countries that still have higher tariffs within the continent will reduce them over time to eliminate these kinds of barriers for South Africa.



Author: Ms Onele Tshitiza is an economist under the Trade Research Unit at the National Agricultural Marketing Council. He can be contacted at otshitiza@namc.co.za or (012) 341 1115.

South Africa's goat industry and its prospects to supply local and international markets

By Fezeka Matebeni

The goat is a multi-purpose animal commonly reared for meat (chevon), milk and fibre production (Monteiro, Costa & Lima, 2017). In the South African contexts, approximately 80% of goats are produced by subsistence and small-scale farmers in rural areas, who farm on non-commercial basis. Due to their great adaptability, goats thrive in all climatic conditions (tropical, cold, dry or humid climates), they are easy to handle and their feed costs are affordable. Goat farming is an integral component of smallholder farmers, especially in Asia and Sub-Saharan Africa. The global goat population in 2019 was 1.094 billion heads. During the early 1960s, when the Food and Agriculture Organization (FAO) started collecting data, the global goat population was below 400 million heads.

Between 1961 and 2019, global goat populations increased by about 213.81%, while other livestock species such as pigs, cattle and sheep increased by 109.4%, 60.38% and 24.59%, respectively. Goats' success can be attributed to its excellent adaptability to the difficult mountain conditions, extreme weather and low value feed acceptance, as well as their versatile habits and high production considering their size.

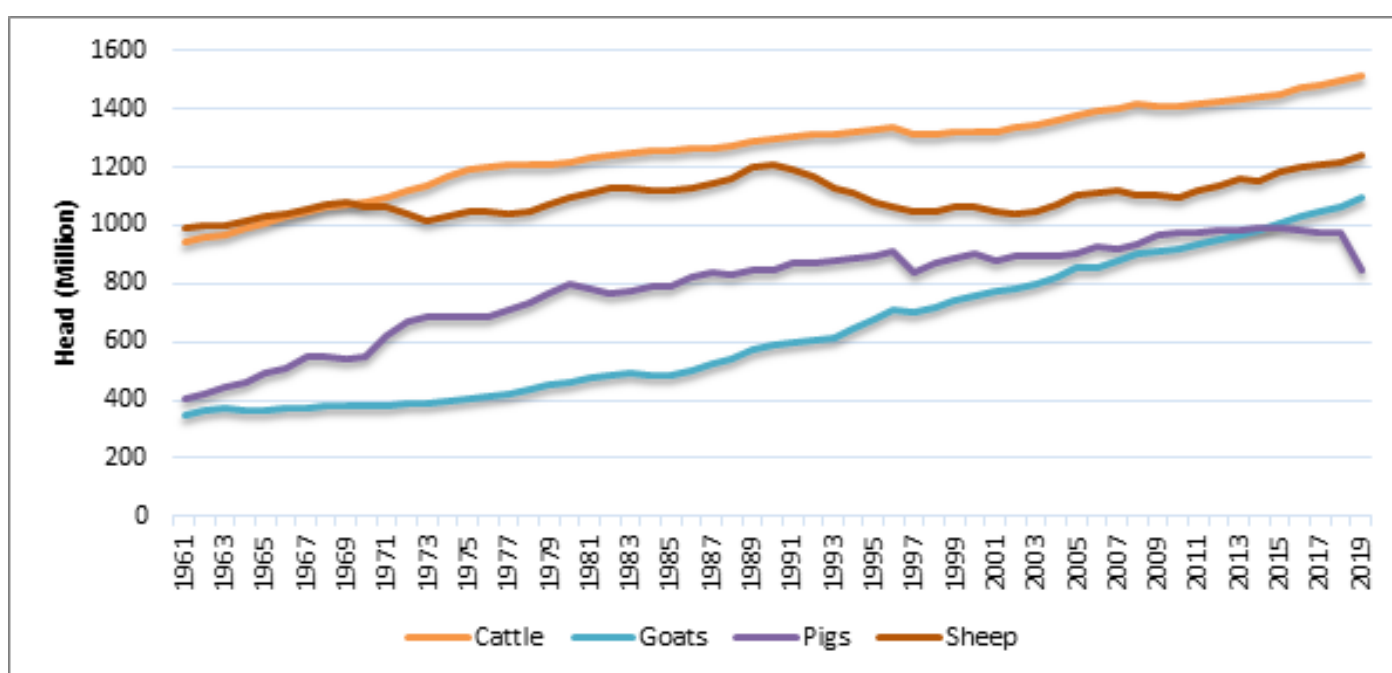


Figure 4: Goat production compared to other livestock, 1961-2019

Source: FAO, 2021

According to Visser and Van Marle-Köster (2017), the South African goat industry is differentiated into a formal, commercial market with niche products such as mohair, chevon and goat's cheeses versus the informal, mainly meat-producing sector serving communal and smallholder farmers. South Africa contributes almost 50% to the Southern African goat population with approximately 5.62 million animals distributed throughout nine provinces. DAFF (2018) reported that in 2017, the Eastern Cape had the most goats in South Africa accounting for 38% of the total flock followed by Limpopo, KwaZulu-Natal and North West taking up 18%, 13% and 12% respectively. Currently, the South African goat industry cannot supply international markets, as it cannot consistently satisfy local demand. According to the latest available data from TradeMap (2021),

imports of live goats were recorded at 78 973 heads while exports were 10 290 in 2020. South Africa imports mainly from Namibia, Lesotho and Botswana. Mauritius and Zimbabwe were reported to be the primary importers of South Africa's for goats market.

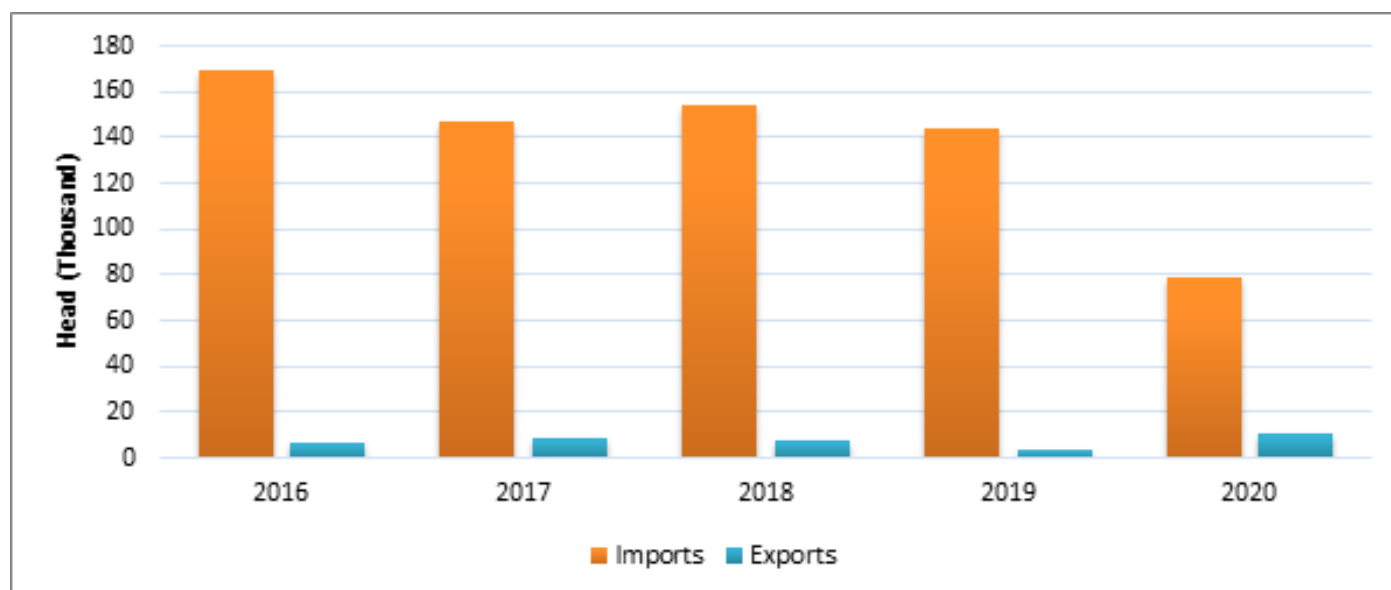


Figure 5: South Africa's trade in goat animals, 2016-2020

Source: TradeMap, 2021

Goats' market development is still in its infancy compared to other livestock species such as cattle, pigs and sheep. Goats in the country are ideal for most small-scale farmers and can be easily sold for immediate income. The indigenous goat industry is not organised in the form of provincial and national structures. Most goats marketed in South Africa are sold by private transactions in the informal market to be slaughtered for religious or traditional purposes. The result is that a very small percentage of goats are marketed through registered abattoirs. Unfortunately, it continues to be a challenge to transform the mindset of subsistence farmers to consider goats as a "productive asset" rather than a "saving asset" (Mahendra & Dilip, 2021).

Conclusion

Goat production and marketing has potential to enhance the livelihoods of rural dwellers and accelerate rural economic development in the country. The high local demand driven by cultural and traditional practices is increasingly augmented by growing middle-class population that tends to demand goat meat due to its health and nutritional characteristics. Government and relevant industry stakeholders should work together in a public-private-partnership (PPP) model to support the production and marketing of goats as well as amending critical municipal by-laws to enable live marketing of goats in small-towns and townships. To achieve this, industry players in the goat value chain must create an industry specific developmental and growth programme that can be aligned to the Agriculture and Agro-processing Master Plan, the overarching growth strategy for the sector.



Author: Ms Fezeka Matebeni is an economist under the Agro- Food Chain Unit at the National Agricultural Marketing Council. He can be contacted at fmatebeni@namc.co.za or (012) 341 1115.

Is South Africa's citrus industry on course to reach a new export record?

By Thabile Nkunjana and Siphelele Ricardo Smith

According to the Citrus Growers' Association (CGA, 2021), approximately 65 % of South Africa's citrus fruit is exported to international markets, while the remainder is processed (29 %) and consumed locally (6 %). In value terms, South Africa is the second-largest exporter of citrus in the world, after Spain (CGA, 2021). While Spain remains the biggest citrus exporter in value terms globally, data shows that it is losing some ground to South Africa and the Netherlands, which have increased their export quantities. For example, according to an article from the fresh plaza, data shows that in 2019, a kilo for citrus fruit from Spain was selling at 0.87 Euros while selling at 0.58 Euros and 0.37 Euros from South Africa and Turkey, respectively. This

article analyses citrus fruit traded in value terms, where South Africa's market and global trade are analysed.

Table 4 shows the top 10 importing countries for South African citrus from 2011 to 2020. The Netherlands has positioned itself as a leading importer of South African citrus with a market share of 21.2 %, followed by the United Kingdom (9.6 %), the United Arab Emirates (7.4 %), and Russia with a market share of 7.3 %. South Africa's exports to China and Portugal increased dramatically by 2 220.6 % and 1 130.0 %, respectively, from 2011 to 2020.

Table 4: South Africa's leading market destinations for citrus, 2011 - 2020

Importers	Export value (R'000)		Share value (%)	Growth rate (%)
	2011	2020	2020	2011 - 2020
World	6 840 580	27 918 702	100	308.1
Netherlands	1 165 930	5 923 550	21.2	408.1
United Kingdom	654 558	2 684 539	9.6	310.1
United Arab Emirates	507 086	2 072 061	7.4	308.6
Russian Federation	822 954	2 048 479	7.3	148.9
China	67 757	1 572 342	5.6	2 220.6
United States of America	256 387	1 466 435	5.3	472.0
Portugal	111 224	1 368 051	4.9	1 130.0
Canada	242 567	1 263 731	4.5	421.0
Saudi Arabia	629 506	1 216 404	4.4	93.2
Hong Kong, China	390 628	1 197 319	4.3	206.5

Source: ITC (2021)

Table 5 presents the world's top 10 leading citrus exporters between 2011 and 2020. The overall world trade in citrus increased by 202 %, with global leading citrus-exporting countries expressively increasing their market share during this period. Based on data from the Trade Map (ITC, 2021), from 2011-2020, Chile increased its citrus exports by 412 %, followed by China (394 %), Mexico (384 %), South Africa (308 %) and the Netherlands (273 %). Turkey and the USA saw the lowest increase of 101 % and 100 % respectively in exports during this period. In terms of value share, Spain has 26.3 % of the global value, followed by South Africa (10.7 %), China (9.9 %), the Netherlands (6.2 %), and Turkey (5.9 %) (see Table 5).

Table 5: Global leading citrus fruit exporters between 2011 and 2020

Importers	Export value (R'000)		Share value (%)	Growth rate (%)
	2011	2020	2020	2011 - 2020
World	86 367 694	261 025 977	100	202
Spain	25 684 680	68 537 514	26.3	167
South Africa	6 840 580	27 918 702	10.7	308
China	5 223 643	25 800 916	9.9	394
Netherlands	4 344 473	16 223 642	6.2	273
Turkey	7 659 234	15 388 394	5.9	101
USA	7 613 509	15 238 872	5.8	100
Egypt	4 086 425	13 122 901	5.0	221
Mexico	1 961 603	9 497 125	3.6	384
Morocco	3 534 951	8 574 728	3.3	142
Chile	1 181 605	6 056 751	2.3	412

Source: ITC (2021)

Table 6 presents the world's top 10 leading importers of citrus between 2011 and 2020. These countries noticeably increased their citrus imports during the observed period, especially China, with global imports increasing by 207 %. Trade Map data shows that China increased its imports by 654 %, followed by the USA (462 %), Italy (223 %), Germany (221 %), Poland (219 %) and Canada (207 %). Russia had the lowest import growth of 81 %, being the fourth most important market for SA (see **Table 6** above). In quantity terms, the Russian market seems to be becoming saturated either through imports or domestic production. Russia's import quantity increased by a mere 0.5 % between 2011 and 2020, making it the smallest of the leading importers globally.

Table 5: Global leading citrus fruit importers between 2011 and 2020

Importers	Export value (R'000)		Share value (%)	Growth rate (%)
	2011	2020	2020	2011 - 2020
World	89 818 472	275 905 280	100	207
Germany	7 950 884	25 541 236	9.3	221
USA	4 518 010	25 381 771	9.2	462
France	7 308 801	22 162 172	8	203
Russia	11 297 607	20 437 300	7.4	81
Netherlands	6 376 076	19 036 607	6.9	199
UK	5 036 594	14 545 492	5.3	189
Canada	3 256 165	9 990 729	3.6	207
Poland	2 651 567	8 466 778	3.1	219
China	1 066 678	8 039 505	2.9	654
Italy	2 430 227	7 844 847	2.8	223

Source: ITC (2021)

South Africa is showing a growing trend on the global market, seconded by the 308 % growth rate between 2011 and 2020. The country recently signed some trade protocols with China and the Philippines, which will boost export opportunities for citrus farmers. Given the world's growth rate in imports attributed to rising demand, it's likely that the country's exports will grow in 2021 and surpass 2020 numbers. Of the world's top 10 leading importers, South Africa remains a prominent supplier except for Russia, where the country's exports have declined. Nonetheless, significant growth was observed in other countries and compensated for the decline – thus the noticeable rise in the overall market share. Egypt, a major player globally, saw its exports plummeting from 2 million tons in 2019 to 948 thousand tons in 2020. Production costs seem to be harming the Egyptian industry. According to the United States Department of Agriculture (USDA), its exports are estimated to increase at a lower rate (6 %), according to the United States Department of Agriculture (USDA), than the recorded 16-20 % in recent years. It is noteworthy that some EU top exporters import and re-export and have the potential to mislead if the market analysis is not carefully done.



Author: Mr Thabile Nkunjana is a Junior economist under the Agro- Food Chain Unit at the National Agricultural Marketing Council. She can be contacted at thabile@namc.co.za or (012) 341 1115.



Author: Mr Ricardo Smith is an Intern economist under the Agribusiness Development Unit at the National Agricultural Marketing Council. He can be contacted at rsmith@namc.co.za or (012) 341 1115.

Co-operatives should graduate to commercial farming



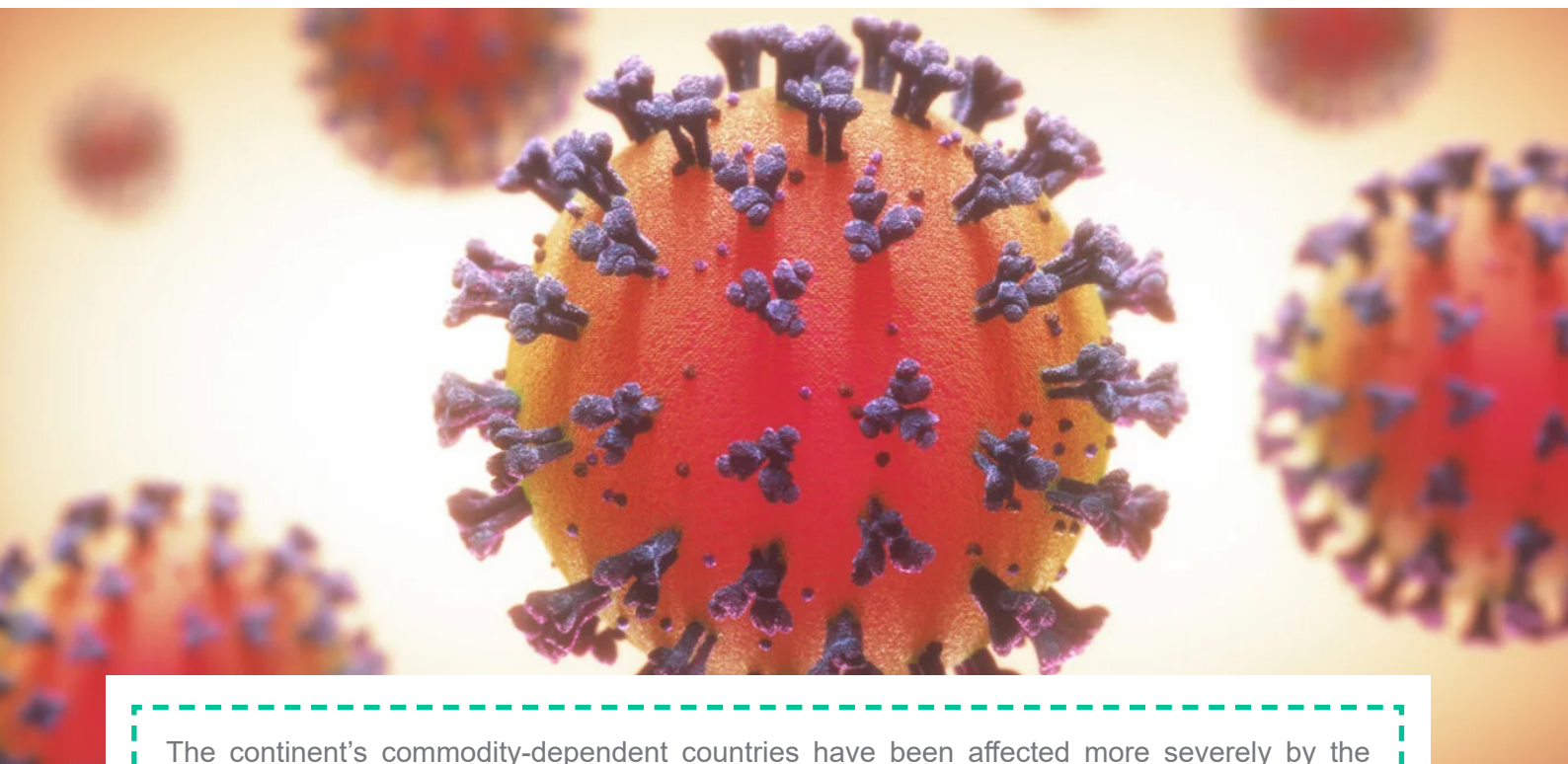
The Deputy Minister of Trade, Industry and Competition, Ms Nomalungelo Gina, says that co-operatives seeking to expand and create more jobs should aim to be commercial farmers and participate in the mainstream economy. Gina spoke at a Mandela Day is Every Day event and Women's Month celebrations. She donated agricultural and cultural implements and tools to co-operatives at the Dumisani Makhaye village in KwaZulu-Natal. Gina said it was imperative for government to continuously support co-operatives that are eager to focus on food security, commercial farming and creating sustainable jobs. "The spirit of reconciliation, working together and sharing resources has proven over the years that these can built communities and create opportunities. It is also important for co-operatives to work together in harmony in order for all of them to succeed as a unit and for their growth too," said Gina. Gina urged co-operatives to work hard and change the economic landscape of the country for future generations. A member of the Uthingo Co-operatives, Ms Mable Jali, said the 20-member group always bore aspirations of expanding and producing enough vegetables and crops to sell to local supermarkets and big retailers. "We have the skill and the know-how of planting and farming this land. We just need our government to assist with land, equipment and financial resources. With our needs met we can go beyond what we are producing and doing now," added Jali.

"We want co-operatives to grow into commercial farming and contribute to creating jobs and growing the economy"

– Deputy Minister of Trade, Industry and Competition, Ms Nomalugelo Gina.

Link: DTIC (<http://www.thedtic.gov.za/cooperatives-should-graduate-to-commercial-farming-deputy-minister-gina/>)

COVID-19 slashes foreign direct investment in Africa by 16 %



The continent's commodity-dependent countries have been affected more severely by the COVID-19 pandemic than non-resource-based economies. The COVID-19 pandemic significantly impacted foreign direct investment (FDI) in Africa, as flows to the continent, declined by 16 % in 2020 to \$40 billion, from \$47 billion in 2019. Cascading economic and health challenges due to the pandemic, combined with low prices of energy commodities, weighed heavily on foreign investment to the continent, according to UNCTAD's World Investment Report 2021, published on 21 June. The report shows that commodity-dependent countries were affected more severely than non-resource-based economies. "The challenging environment affected all aspects of foreign investment," said UNCTAD's director of investment and enterprise, James Zhan. Greenfield project announcements, a measure of investor sentiment and future FDI trends, dropped by 62 % to \$29 billion, from \$77 billion in 2019. Cross-border mergers and acquisitions (M&As) fell by 45 % to \$3.2 billion, from \$5.8 billion in 2019. International project finance announcements, especially relevant for large infrastructure projects, plummeted by 74 % to \$32 billion. FDI inflows to sub-Saharan Africa decreased by 12 % to \$30 billion, with investment growing in only a few countries. FDI to Southern Africa decreased by 16 % to \$4.3 billion even as repatriation of capital by multinational enterprises (MNEs) in Angola slowed down. Mozambique and South Africa accounted for the most inflows in Southern Africa.

Link: TRALAC (<https://www.tralac.org/news/article/15272-covid-19-slashes-foreign-direct-investment-in-africa-by-16.html>)

SADC releases synthesis report on the state of food and nutrition security in the region



Southern Africa suffers from widespread food and nutrition insecurity. This year, in the 10 SADC member states that submitted data, an estimated 47.6 million people are food insecure, a 5.5 % increase from last year and 34.3 % above the five-year average. The Democratic Republic of the Congo (DRC) recorded a 25 % year-on-year increase in the number of people in IPC Phase 3 and above, from 21.8 million to 27.3 million. This rise is partly attributable to additional communities being assessed. The situation in Madagascar has worsened significantly: the number of people food insecure increased by 136 % from last year, with 1.31 million people facing IPC Phase 3 and above. Rural food insecurity will peak between November 2021 and March 2022, by which time many smallholder farming families would have depleted their own food stocks ahead of the next harvest in April 2022. Favourable rainfall led to improved cereal and livestock production over most regions, with South Africa, Zambia and Zimbabwe recording maize surpluses. However, the above-average rainfall season was coupled with a destructive cyclone season, with five weather systems making landfall. These storms affected over 500 000 people and damaged over 219 000 hectares of farmland.

Link: SADC (<https://www.sadc.int/news-events/news/sadc-release-synthesis-report-state-food-and-nutrition-security-region/>)

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For correspondence:

Dr. Sifiso Ntombela
sifiso@namc.co.za
+27 (0) 12 341 1115

For article contribution to the Trade Probe:

Mr. Lucius Phaleng
lphaleng@namc.co.za
+27 (0) 12 341 1115

Designed by
Mr Sylvester Moatshe
Smoatshe@namc.co.za
+27 (0) 341 1115

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