TRADE PROBE

ISSUE 87 | November 2021

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agriculture, land reform & rural development
Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

NAMC
Promoting market access for South African agriculture

FOREWORD

Welcome to the eighty-seventh (87th) 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 a detailed analysis of the current trade issues within South Africa and its trading partners. Over the past year, South African President Cyril Ramaphosa identified seven (7) strategic and priority sectors, with agriculture and agro-processing being one of them. The aim of this was to drive globally competitive agricultural and agro-processing sectors towards market-oriented and inclusive production to develop rural economies, ensure food security and create employment and entrepreneurship. Therefore, the main aim of this issue is to explore potential interventions of the Agriculture and Agro-processing Master Plan (AAMP) to improve global market access. The topics of interest covered include the trade facilitation and inclusion of new entrants through the master plan in the fruit sector, poor port performance in South Africa's booming blueberry exports, and the possible contribution of the AAMP in creating new wool markets through addressing barriers to trade. The publication's main objective is to inform policymakers, producers, traders and other stakeholders about trending agricultural trade issues and provide information on market opportunities and potential products demanded in the local and international markets.

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Are China's retaliatory tariffs benefiting South Africa? A wine industry perspective

By Dr Moses H. Lubinga

For about six years, there has been geopolitical tension between China and other developed economies, most significantly the United States of America (USA) and Australia. These economic wars culminated in drastic increases in tariffs on several commodities, and wine was not exempt. Irrespective of the affected commodity, economies embattled in the wars have always claimed that the intention of raising tariffs is to protect domestic suppliers of a given product. However, for developing economies like South Africa, which look up to developed economies as better markets for agricultural products, tariff adjustments made in developed economies inevitably affect how developing economies get involved in international trade. The effects of geopolitical tensions were further worsened by the outbreak of the COVID-19 pandemic, which significantly disrupted global value chains. This article provides insights into the genesis of geopolitical tensions and how they affected South Africa's wine exports between 2020 and September 2021.

Brief overview of geopolitical tensions

Upon declaring the COVID-19 outbreak a pandemic in early 2020, tension arose between Australia and China following a request by the Australian prime minister for an independent inquiry into the origin of the virus that causes the disease. In retaliation, China threatened to block the backbone of Australia's economy, namely the tourism and wine sectors. Furthermore, China claimed that Australia was dumping wine on the Chinese market, which escalated into a trade war in which each country started to impose very high tariffs on each other's key exports. A temporary anti-dumping tariff increase on Australian wines by 105% (to 212.1%) was declared on 28 November 2020 and later formalised to 218.2%. Following a series of complaints by Australia, the World Trade Organisation (WTO) showed increasing interest in investigating China's anti-dumping tariffs imposed on Australian wines.

For the USA, a feud with China arose following the transition into power of the administration of President Trump. Unlike the predecessors, President Trump's administration mercantilely applied national economic policies as exhibited in the slogan "America First" (Ahmed & Bick, 2017). However, under the leadership of President Xi Jinping, China showed interest in proposing itself as a global warrantor, an identity that has for many decades been attributed to the USA. Since then, the tension has been characterised by economic-related actions, i.e., the USA has imposed higher tariffs on Chinese products. At the same time, China has responded by introducing new tariffs on American products, most importantly those from the agricultural sector – and wine was not exempted. Prior to the US-China conflict, China imposed a 48% duty on wines from the USA, but following this instance, tariffs rose to 93% by June 2019. However, following the intervention of the WTO, the two economic giants reached an agreement through the "Phase One Trade Deal", which came into effect in February 2020.

Wine trade perspective

Before the trade war, Australia was the biggest supplier of wine to China, while the USA and South Africa ranked seventh (7th) and eleventh (11th), respectively. However, Australia's market share has slumped to only about 6% from 40% since the geopolitical tension started. The growth in the USA's wine destined for China also dropped by 15% between the second and third quarters of 2020. As of Mid-November 2021, Australia was the 12th leading supplier, six and seven positions below the USA and South Africa. Notably, the USA's wine exports to China also dropped until the signing of the economic and trade agreement between the USA and China, popularly known as the "Phase One Trade Deal". Since then, the USA's wine exports to China have drastically increased by 120%, based on the latest Trade Map data (Quarter 2 of 2021).

The latest data obtained from the South Africa Revenue Service (SARS) reveals that for the year 2021 (January - September), South Africa's global wine exports (by volume) increased by 21% when compared to the same period during 2020. By value, global exports were worth R7.796 billion, equivalent to an 11% rise compared to the 2020 period. Whereas China has been at the centre of the battlefield (geopolitical tensions), the volume and value of South Africa's wine destined for China between 2020 and 2021 during the specified months rose by 247% and 74%, respectively. The share of South Africa's wine exported to the Chinese market also increased by 2% (by volume) from 1% in 2020. At the same time, the share by value rose from 3% to 4%. According to Trade Map data, following the imposition of retaliatory tariffs on Australia's wines, South Africa's wine exports to China increased by 154% (by value) between the first quarter of 2020 and the second quarter of 2021. In essence, this suggests that South Africa's wine industry is increasing its footprint in China despite the ongoing disruptions – be it COVID-19 or the economic wars. Although it may require more empirical work to validate the argument, the latest data seems to suggest that China's retaliatory tariffs on wines from Australia and the USA have been beneficial to South Africa's wine industry. The geopolitical tensions created a gap in the wine market for other trading partners to compensate for the demand in the market. For instance, since the official retaliatory tariff of up to 218% imposed by China on Australian wines disguised as anti-dumping duty, Australia's wine exports to China significantly dropped by 77% within one year, ending September (Wang, 2021). This happened even when China's overall consumer spending increased, coupled with a quick economic recovery from the outbreak of the COVID-19 pandemic.

Conclusion

Despite the disruptions in global value chains due to the outbreak of COVID-19, the ongoing geopolitical tensions between China, Australia and the USA, manifested in the form of retaliatory tariffs, have provided a conducive environment for the wine industry in South Africa to increase its footprint in the Chinese market. Therefore, it is recommended that with further assistance from the government, the wine industry should consider strengthening its position in the Chinese market, either through generic export promotions or other interventions, before the geopolitical tensions with the top wine suppliers are resolved.

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Trade facilitation and inclusion of new entrants through the Master Plan in the fruit sector

By Ms Onele Tshitiza

The Agriculture and Agro-processing Master Plan (AAMP) aims to achieve inclusive production in the agricultural sectors while remaining globally competitive. One of the objectives is to ensure better access conditions for South African commodities. This article discusses one of the mechanisms the AAMP can expand market access in envisaged markets.

The South African fruit industry has gained significant access to the European Union (EU) markets over the years because of the trade arrangement established that was called the Trade, Development and Cooperation Agreement (TDCA) and Economic Partnership Agreement (EPA). South Africa had 95% of duties liberalised in the EU under the mentioned agreement(s) (DTIC, 2021). The TDCA was reviewed to include a wider range of products. The new agreement is called the Economic Partnership Agreement (EPA) – a partnership between SADC EPA states, namely South Africa, Botswana, Lesotho, Namibia and Mozambique, and the EU. However, the tariff-rate quota (TRQ) limits some of the tariff lines, which is about 80% allocated per year for selected commodities. While South Africa has benefited from the preferential agreement since its commencement on 1 October 2016, according to the EU Chamber (2021), the sugar, frozen orange juice and bulk wine industry had almost used up the TRQ since 2017. They also highlighted that some were shown to be underutilised because of a lack of awareness of TRQ and SPS technical capacity challenges at the Department of Agriculture, Land Reform and Rural Development (DALRRD) for monitoring residues in the animal and dairy sectors. Agreements are wonderful tools to promote market access for South Africa's agriculture and have proved to generate foreign earnings. However, it took longer to negotiate and approve agricultural commodities as they are cross-cutting among sectors and various tariff lines.

Protocols are a useful tool that countries can use to gain preferential market access for specific products without opening up the whole country to imports from the destination country of South Africa's agricultural products. Protocols also open up markets gradually and might not be reciprocated. The Master Plan will be important to open up market access through protocols in strategic countries such as China, Japan and other Asian markets, which is already highlighted in the framework document

of the Master Plan on which social partners need to agree. The important thing highlighted will be to implement and fast-track the process between identifying the proposed priority commodities and negotiating the terms of the protocol with the destination country. The DALRRD already has protocols for citrus with China, Japan, Korea, the United States and the Philippines. The protocol with the Philippines resulted in citrus being exported under the protocol for the first time in June 2021. South Africa also has protocols for table grapes with China, Israel and Japan, to mention a few (DALRRD, 2021). The successful implementation depends on the inspection of the consignments and industry adhering to the specific requirements set out in the various protocols. More protocols for sectors such as the pome and subtropical fruit industries may become important in international markets as production and market access keep expanding.

Furthermore, to make protocols impact South African industries and, in turn, grow the sector's value, there will be a need to strengthen the SPS technical capacity to ensure compliance, which the PPECB is already doing. Compliance with Global GAP will become paramount as retailers in developed countries do not compromise on quality and have made these voluntary private standards almost mandatory for commodities to reach their shelves. Moreover, the Master Plan will need to create developmental programmes that support new entrants, particularly emerging producers, to tap into the export market, beginning at the production level and along the value chain. Support should be granted to ensure that producers comply with the Global GAP, tied to finance and infrastructure investments. The DALRRD is already working with the PPECB to develop South Africa's good agricultural practices (SA-GAP) in line with the Global GAP to enable local farmers to start complying with the minimum requirements while envisaging to register for the Global GAP standard.

Conclusion

The focus should be directed towards fast-tracking trade protocols for priority commodities in the agricultural sector for the Master Plan to achieve inclusive production while opening up new global markets. It will also be important to support emerging farmers at the production level to meet the global export standards. Collaboration between the PPECB, the DALRRD and all value chain actors will ensure that farmers are organised to tap into the international markets and deliver quality products. Although trade facilitation is important, it is equally important to grow the sector in an inclusive manner, which is one of the strategic objectives that the AAMP hopes to achieve through partnerships.

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Poor port performance could stifle South Africa's booming blueberry exports

By Mr. Siphelele Ricardo Smith

The National Development Plan (NDP, 2012) envisaged the expansion of labour-intensive agricultural sub-sectors as part of a broader development strategy. The NDP further proposes that export volumes increase by 6% annually until 2030, with non-traditional exports increasing by 10% annually. South Africa trade with traditional agricultural commodities such as citrus, grapes, wines, apples and pears, and maize, among others, contributes significantly to the sector's growth. The rationale behind this article is to explore the port performance of South Africa's blueberry exports in the global markets. It is also important to consider other commodities with export potential, such as blueberries. South Africa's blueberries area under production increased from 461 hectares in 2014 to 3 322 hectares in 2021 and this increase is linked to the rising demand globally. Due to the nature of the fruit, the product is handpicked and labour intensive.

As a result of the expansion in area planted together with the global demand, job creation has grown exponentially. According to Pienaar, Lingani and Swart (2019), blueberry growers employ an average of 2.64 workers per hectare. Therefore, the industry makes a considerable contribution throughout its production regions and its logistics chain to exit ports. According to recent data from Agrihub, South Africa exported 4 965 tons of blueberries at week 41 of 2021/22, compared to 3 703 tons in the 2020/21 season.

Berries ZA (2021) indicated that the United Kingdom (UK) and the European Union (EU) are the two largest markets for South African blueberry exports, accounting for 46.2% and 46.1% of total exports in the 2020/21 season (Tridge, 2021). The remaining volumes were destined for the Middle East (2.57%), the Far East (4.90%), Africa (0.02%), and the Indian Ocean Islands (0.21%), respectively. South Africa must open up new markets for blueberries, especially China, Japan, the USA, and India, where the demand is looming while maintaining and developing the existing markets. South Africa is situated at the southernmost tip of Africa, far from the world's major economies and emerging markets.

Therefore, ports play a huge role in facilitating international trade across the continents through sea freight. The latest figures show that exporters are moving from air freight to sea freight as the area is planted and production increases. This move can be attributed to higher airfreight rates in the country. The implication is that transit times will be extended. Like many perishable commodities, blueberries are incredibly delicate. They must be transported under carefully managed conditions, including using reefer containers equipped with Controlled Atmosphere (CA) integrated technology to modify the atmosphere and slow the ripening process.

There is increasing concern about the significant impact that South Africa's crumbling infrastructure could have on the sector and its contribution to the economy. South African ports have recently

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experienced severe congestion due to ageing infrastructure and equipment, labour shortages and weather disruptions. The most recent incident was the disruption of the Navis system, which was described as a cyber-attack by the country's terminal operator. On the other hand, the World Bank and IHS Markit's global Container Port Performance Index (2020) ranks all of South Africa's container ports at the bottom of 351 countries, showing a poor image of the country's port competitiveness. South African ports with low rankings include Cape Town, Port Elizabeth, Ngqura and Durban. One of the AAMP negotiation principles with the social partners is to create enabling infrastructure focusing on water, markets, rail, ports, roads, electricity, storage, processing, R & D and rural infrastructure in order to create inclusive agriculture. Therefore, the AAMP is seen as an opportunity to address the mentioned challenges in order to better access conditions to the international markets.

Conclusion

The blueberry industry has huge potential for exports and job creation, in line with government policy objectives. The government, through the AAMP, should prioritise investment in terms of research, farmer development support and transformation. Also, South Africa is heavily reliant on the efficiency of its ports in shipping the continuously increasing blueberry exports. Poor port performance is detrimental to the global competitiveness of South Africa's booming blueberry exports. For the blueberry industry to remain competitive worldwide, the country requires the most competitive ports. Therefore, various industry stakeholders and the government must collaborate to address these challenges in order to capitalise on blueberry exports.

Poultry commodity remains the leading food security booster for the global and local community

By Ms. Fezeka Matebeni

Introduction

The increasing global population, set to reach almost 10 billion by 2050, threatens global food security and supply in the disadvantaged nations. According to the International Poultry Council (IPC, 2021), animal-sourced foods provide 18% of global calories and 39% of protein intake. Due to its nutrient density, poultry is an important nutrition source for a vulnerable population where 2 billion suffer from hidden hunger and 141 million children experience stunting. With two-thirds of the world's agricultural lands being permanent pastures, livestock contributes positively to ensuring food security and generating manure for food production. The development of food systems cannot ignore the involvement of the livestock sector, particularly poultry, in light of its fundamental role in providing affordable, high-quality proteins and the remarkable progress made in sustainability. Therefore, this article discusses the contribution of the poultry sector in ensuring food security for both the local and global communities.

South Africa's poultry industry remains competitive on the continent and globally. The country produces chicken at the 6th lowest price per kilo in the world and it slaughters approximately 3 million birds per day. According to SAPA (2019), approximately 20% of the total agricultural gross value and 41% of animal product gross value stemmed from poultry production in 2019. However, South Africa imports about 33% of the total poultry demand, which is excessive compared to the EU (7%), USA (1%) and Brazil (0%). The USA and Brazil export about 40% of their broiler production in the region. South Africa's imports of broilers decreased by 4%, from 36 359 tons to 34 951 tons between July 2021 and June 2021. The main contributors' decrease was observed from other cuts (76%), frozen chicken thighs (46%), frozen chicken wings (45%), boneless chicken breasts (44%), boneless chicken other (26%) and whole frozen chicken (13%) respectively. It was reported that there was an increase of 13% between July 2020 and July 2021. This rise can be attributed to several factors, including broiler production costs which have increased compared to the same period the previous year. An increase in supply might reduce some pressure on local prices, but production costs remain an issue. Noteworthy is that the recent avian influenza outbreak has not caused as much of a loss to the poultry industry as the previous large-scale epidemics of 2015 and 2017 due to lessons learnt previously (SAPA, 2021).

In terms of exports, South Africa has tariff-free access to Europe; however, South Africa should improve to meet the sanitary and phytosanitary requirements of the EU market (SAAME, 2021). In this regard, the South African poultry industry aims to increase the volume of exports to the Middle East and cooked products to the EU markets. The EU imports about 900,000 tons of breast meat and processed products to satisfy the increasing consumer demand per annum. The introduction of a new poultry sector master plan in South Africa is centred on driving local demand, protecting the local industry, minimising feed costs (primarily maize and soya), meeting safety and veterinary requirements, and compliance to boost exports and transformation of the poultry South African sector as a whole.

Conclusion

In a nutshell, with the growing efforts within the global community to strengthen food systems and enhance food security status, there is a need to encourage the trading countries around the world to work collectively or bring about the constellation of activities. With only a decade until 2030 to achieve SDGs and meet poultry master plan commitments, there is no room for any missteps. Therefore, relevant bodies and events need to focus on a core group of components that can bring all stakeholders to the table and deliver change that provides for social, economic and environmental sustainability. Such change will strategically position the South African poultry industry in the global market and play a critical role in improving local food security.

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Possible contribution of the AAMP in creating new wool markets through addressing barriers to trade

By Mr. Lucius Phaleng

The Agricultural Product Standards Act, No. 119 of 1990, provides for control over the import, sale and export of certain agricultural products, intending to maintain certain standards regarding the quality, marketing, packaging and labelling of the products. There are barriers encountered in the agricultural value chain, and such barriers affect small players and new entrants when it comes to accessing shelf space at retail markets/stores. For example, they require long-term supply commitments from farmers to supply products to larger retailers. Emerging farmers incur further costs to obtain a certificate for trade and the associated investments in infrastructure, which prevent them from competing in the market.

In commercial terms, about 30% of a sheep's value is in its wool. Wool is potentially a renewable, sustainable, and significant income earner for many emerging farmers in South Africa. Still, a lack of wool-producing knowledge and know-how and lack of access to markets has historically limited its potential as a significant source of income. Wool is produced in various provinces in South Africa. It is noted that the marketing of wool starts at the farm level. Wool is further traded through two primary marketing channels. Firstly, farmers can sell their wool through the mainstream public auction to wool buyers. Secondly, they can sell the wool privately to wool traders or processors. However, the primary marketing channel for wool in South Africa is through wool auctions, where an auction facilitates the sale of producers' wool to buyers.

Traditionally, wool farmers sold their small and individual quantities of wool shorn in poor conditions to traders who bought the unclassed wool for a lower price. The traders would then class the wool according to its type and offer it for sale in the formal market. They could reap the value-added benefits through the classing of wool and achieve economies of scale by grouping the small and individual quantities and selling them to the market in bulk. Poor returns from this marketing channel were in many ways a deterrent for emerging farmers to invest in the upgrading of their wool enterprise and be sustainable.

In this regard, the implementation of the AAMP is crucial as it strives to ensure that there are globally competitive agricultural and agro-processing sectors driving market-oriented and inclusive production to develop rural economies, ensure food security, and create employment and entrepreneurship. One of AAMP's strategic objectives is to accelerate the opening of markets and improve access conditions for the industry players. The wool industry is seen as an industry that stands to benefit a great deal from ensuring inclusivity for emerging wool farmers. The improved quality and market access conditions through the implementation of the AAMP will result in emerging farmers being competitive in local and global markets, actively participating in the wool value chain.

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South Africa reaches a new beef export record: South African beef exports reach new heights

By Mr. Thabile Nkunjane

The sentiment is that South African agricultural export earnings for 2021 will possibly reach US$11 billion, which will be a new record. A record of US$10.6 billion was reached in 2018, but positive developments this year reaffirmed this. Under normal circumstances, around October, a ton of yellow maise would cost around R1 500, but this year the price is a little above R3 000, while a ton of sunflower seed was selling at a new record of R11 000 at the beginning of November 2021. The main driving force is global market shocks from Asian agricultural product demand, ranging to production problems in South America. Following an exponential rise in beef exports, mainly to Asia, this article analyses the beef industry's market, focusing on the Asian market, growth, and the implications thereof.

Figure 1 presents the world's leading beef exporters from 2009 to 2020. Of the top 11 countries analysed, six countries increased their exports. The USA and the Netherlands top the list with an average increase of at least 32 000 tons annually, followed by Australia (24 000tons), Ireland and Germany (each at 21 000 tons). However, exports for Germany, France, Australia, and Canada have contracted by 43.2%, 22.6%, 6.1%, and 0.5%, respectively. It is noteworthy that Brazil's, Spain's and Paraguay's exports have increased by 124%, 79%, 54%, respectively, with each country exporting on average 10 931 tons, 9 800 tons and 6 900 tons annually.

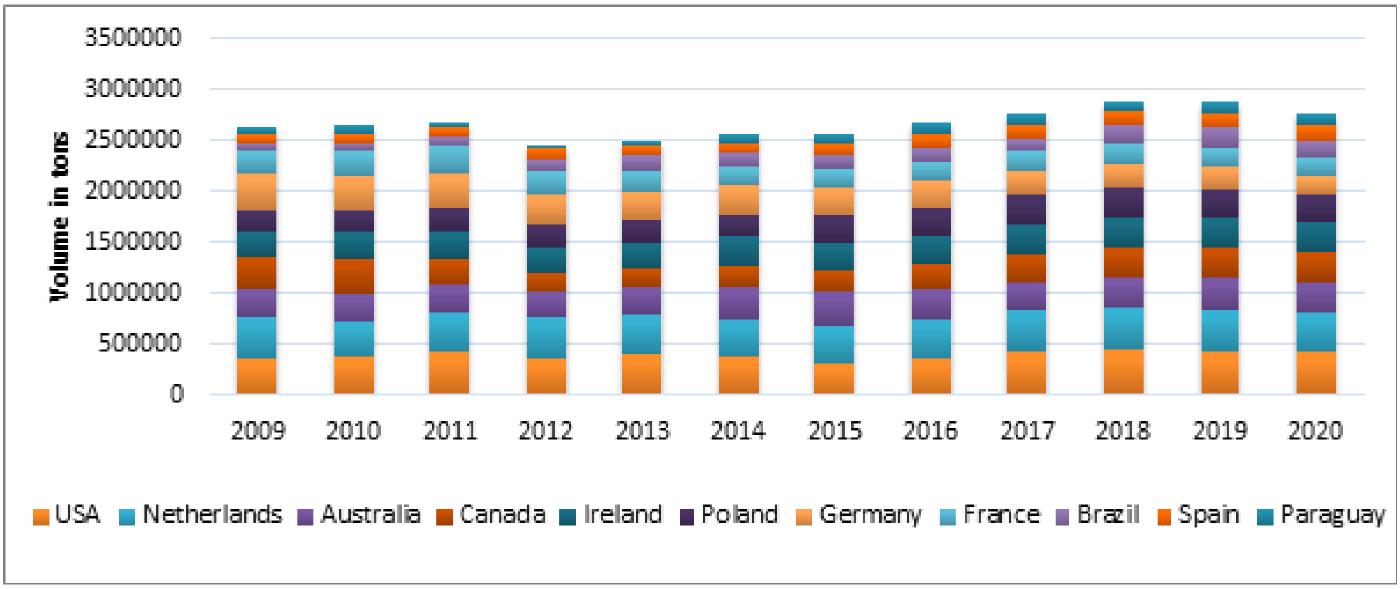

Figure 1: Top global beef exporters
Source: Trade Map (2021)

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Table 1 presents the world's top 10 leading beef suppliers to Asia from 2009 to 2020. South Africa is ranked 24th globally but is added for comparison purposes. Of the top 10 countries analysed for this period, six countries increased their exports. The USA, Australia and Poland top the Asian market beef supplier list with annual average increases of at least 221 000 tons, 129 000 tons and 105 000 tons exports respectively, followed by Brazil (30 000 tons), Ireland (4 400 tons), Germany (1 700 tons) and France (1 700 tons). South African annual average increase was 3 151 tons per annum, which is significantly higher than Germany and France (1 700 tons), the Netherlands (536 tons), Ireland (201 tons), and Spain (93 tons), which are amongst the top beef exporters globally and in Asia. However, exports for Germany, Spain, Australia, and Ireland have contracted by 91%, 30%, 3% and 1%. France and South Africa have rapidly increased their exports by 8 346% and 1 444%, respectively.

Table 1: World's top beef suppliers to Asia

Exporting country	Export (tons)-2001	Export (tons)-2020	Annual average (tons)	Growth rate (%)
Australia	231,504	224,625	211,620	-2.97
USA	235,510	249,360	129,602	5.88
Poland	0	6,210	10,502	-
Brazil	4,781	43,649	30,029	812.97
Canada	6,504	12,585	4,406	93.50
Germany	90	8	1,752	91.11
France	32	2,703	1,752	8,346.88
Netherlands	186	910	536	389.25
Ireland	221	219	201	-0.90
Spain	60	42	93	-30.00
24. SA	**714**	**11,025**	**3,151**	**1,444.12**

Source: Trade Map (2021)

Figure 2 presents the top 11 Asian beef-importing countries from 2009 to 2020. Based on Trade Map data, Asia imports 427 930 tons of beef annually. Of the analysed countries, six countries have increased their exports. Japan, Korea, Rep-of, UAE, Saudi Arabia and Taipei top the list with average increases of at least 235 000-tons, 44 000-tons, 23 000 tons, 18 000 tons and 15 000 tons annually. However, Japan's exports shrank by 21.93%, while exports from China, Korea and the Republic of Kuwait increased by 16 940%, 1 664% and 1 086%, respectively.

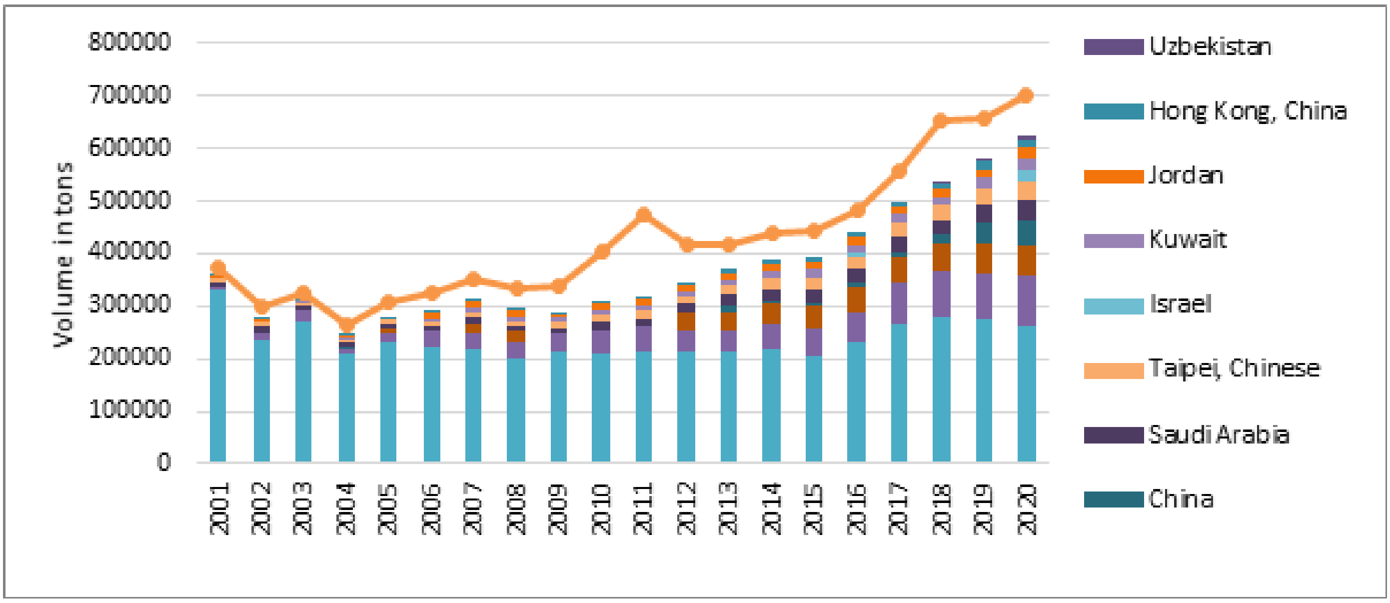


Figure 2: Top 11 Asian beef importers
Source: Trade Map (2021)

South Africa had recently become a net beef exporter and had been rapidly growing over the years, reaching an export record of 21 000 tons in 2016. Figure 3 presents SA's top market destinations from 2009 to 2020. Asia remains an important market to a larger extent for SA beef exports, followed by Africa. From Asia, Kuwait imported 3 883 tons of beef in 2020, which rose to 24 733 tons as of August 2021, an increase of 122%, resulting in a new record of 31 236 tons so far. After Kuwait, Jordan and UAE, the African countries of Mozambique, Eswatini, Mauritius and Egypt are the biggest importers, in that order.

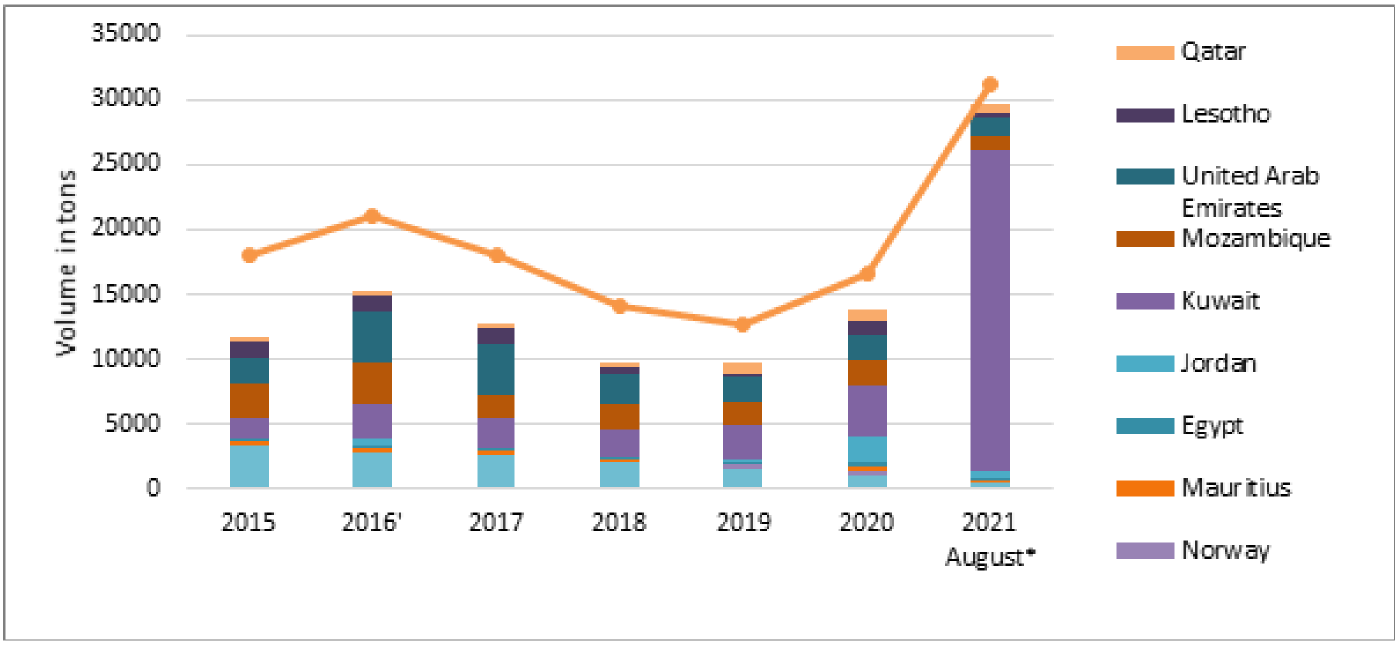


Figure 3: Top export destinations for South African beef
Source: Trade Map (2021)

The recent exponential growth, setting the new record for SA's beef exports, can be attributed to Kuwait, which increased its beef imports from SA by 122% from 2020 to August 2021, accounting for 79% as of August 2021, followed by Jordan (4.6%), UAE (4.4%), Mozambique (3.5%), Qatar (3.0%) and Eswatini (1.6%). These six countries accounted for 96% of SA's beef exports in August 2021, which means that beef exports for SA are too concentrated in a few countries and need to be spread across different regions. However, Asia and Africa are markets that need to be further explored, given that SA only exports to three top importers from Asia, namely Kuwait, Jordan and UAE. At the same time, Mozambique, Lesotho and Eswatini are three major African markets.

Trade fair offers an opportunity for SA business to help increase Intra-African Trade and Investment

The Deputy Minister of Trade, Industry and Competition, Ms Nomalungelo Gina, has urged the South African businesses to participate in the second biennial Intra-African Trade Fair (IATF) in Durban to grab the opportunity to contribute to increasing intra-African trade and investment. The IATF took place at the Inkosi Albert Luthuli International Convention Centre from 15-21 November 2021 under the theme "Building Bridges for a Successful AfCFTA". More than a thousand companies from across the continent showcased their products and services at the trade fair. The seven-day African premier trade and investment exhibition included a packed programme of conference sessions featuring key leading African and international leaders and experts who shared their insights on a wide range of topics relating to African trade and investments. The fair also comprised dedicated sessions and training workshops covering exports, standards and marketing.

According to Deputy Minister Gina, the fair provides a perfect opportunity for the more than 80 South African companies supported by the Department of Trade, Industry and Competition (the DTIC), as well as the KwaZulu-Natal Provincial Government, to interact and connect with companies from the rest of the continent in order to do business that will lead to an increase in intra-African trade and investment. "As a government, we have a mandate and an obligation to grow the South African economy. One of the interventions to achieve this objective is to support our companies to participate in international exhibitions to facilitate market access for South African goods and services. By hosting the IAFT this year, we have brought more than a thousand companies from different African countries for our businesspeople to establish links, partnerships and joint ventures with. These should lead to more intra-African trade and investment in line with the goals of the African Continental Free Trade Area (AfCFTA) agreement. The agreement is meant to create massive and dynamic market for goods produced in the continent and unlimited investment opportunities for African companies to grab," said Gina. (more)

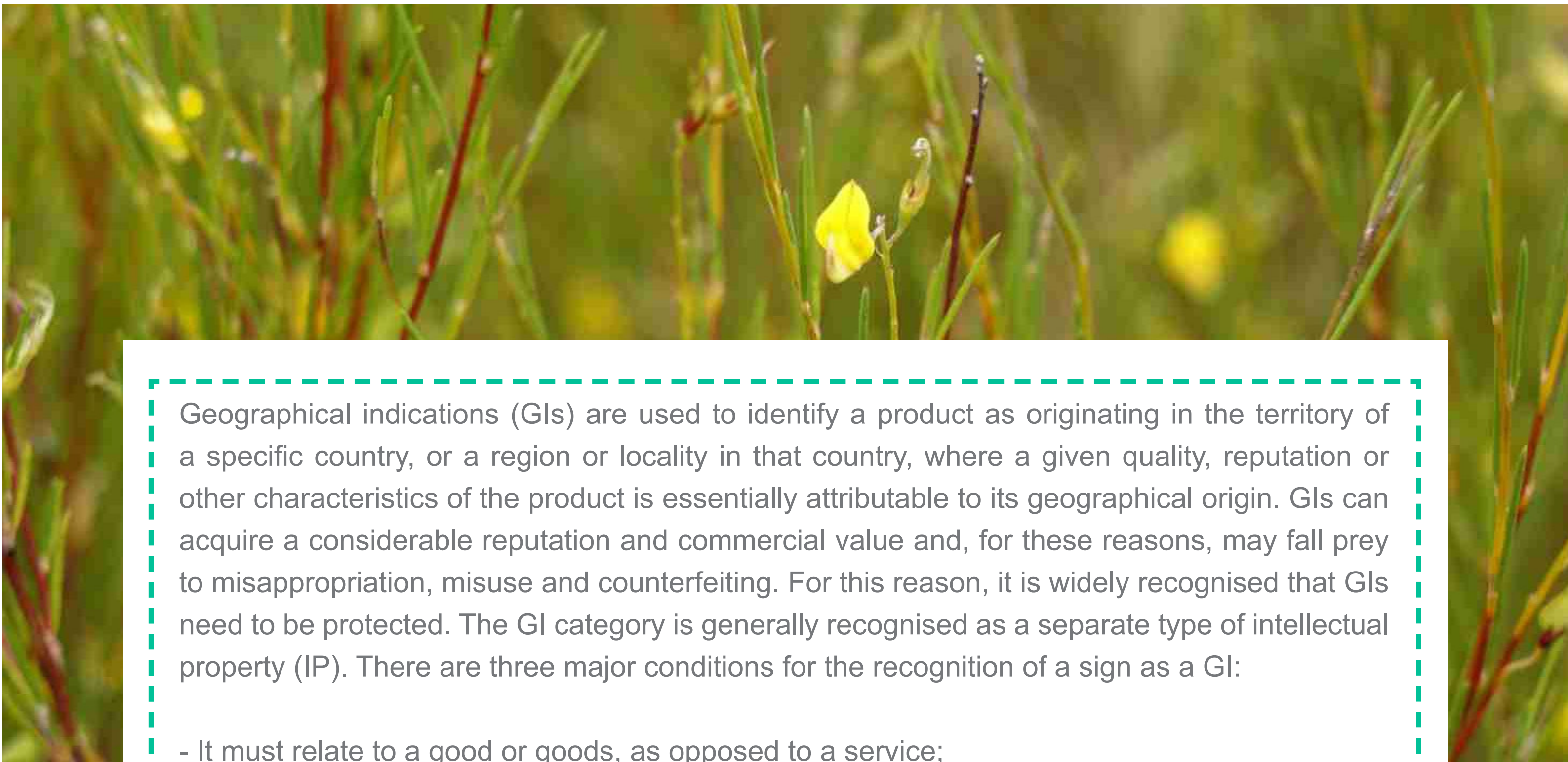
Link: DTIC (http://www.thedtic.gov.za/trade-fair-offers-opportunity-for-sa-business-to-help-increase-intra-african-trade-and-investment-deputy-minister-gina/)

Sugarcane growers call for the sugar tax to be scrapped

The South African Canegrowers' Association has called on Finance Minister Enoch Godongwana to scrap the Health Promotion Levy (HPL) – also called the sugar tax – to enable the Sugar Industry Value Chain Master Plan to succeed. In June 2021, a study commissioned by the National Economic Development and Labour Council (Nedlac) showed that the sugar tax contributed to 16 621 jobs losses, a R653-million reduction in investment into the economy and a R1.19-billion decline in the sugar industry's contribution to South Africa's gross domestic product in the first year of its implementation. Cumulatively, the tax cost South Africa more than R2 billion, the association said on 10 November. The Sugar Industry Value Chain Master Plan was developed by the government, industry stakeholders, retailers and social partners and signed on 17 November 2020 to tackle the industry's major challenges and ensure its survival and long-term sustainability. However, the success of the master plan continues to be threatened by the devastating impact of the sugar tax on revenue and employment in the industry, said Andrew Russell, Chairperson of the South African Canegrowers' Association. "SA Canegrowers remains steadfast in its commitment to the success of the Master Plan and is working with government and industry stakeholders to revive and grow the sugar industry. With support from Godongwana, we can save the sector, protecting the one million livelihoods that depend on it and ensure the expansion of opportunities for future generations," the association said.

Link: TRALAC (https://www.engineeringnews.co.za/article/sugar-cane-growers-calls-sugar-tax-to-be-scrapped-for-masterplan-2021-11-10)

Protecting geographical indications in an African context: The South African rooibos saga and its aftermath



Geographical indications (GIs) are used to identify a product as originating in the territory of a specific country, or a region or locality in that country, where a given quality, reputation or other characteristics of the product is essentially attributable to its geographical origin. GIs can acquire a considerable reputation and commercial value and, for these reasons, may fall prey to misappropriation, misuse and counterfeiting. For this reason, it is widely recognised that GIs need to be protected. The GI category is generally recognised as a separate type of intellectual property (IP). There are three major conditions for the recognition of a sign as a GI:

- It must relate to a good or goods, as opposed to a service;
- Goods must originate from a defined area; and
- Goods must have quality, reputation or other characteristics linked to their geographical origin.

Rooibos (Aspalathus linearis) is one of several Cape fynbos plants traditionally used in South Africa to brew tea and cure ailments. The rooibos experience is a highly relevant topic for those taking an interest in trade law and IP law and, in the South African context, there are a few questions that should be raised.

Firstly, when and how will the South African protection for the rooibos GI be updated to reflect the full set requirements set out in the EU's Rooibos entry into its PDOs register?

Secondly, will the lessons learnt plus the availability of a formalised mechanism dedicated to the protection of GIs (even if limited to certain products for now) assist South African producers in pursuing GIs that will add value to their products?

Thirdly, will the precedents set in the EU (and now the UK) assist South Africa in broadening the protection its GIs may enjoy in other parts of the world?

Link: SADC (https://www.tralac.org/publications/article/15395-protecting-geographical-indications-in-an-african-context-the-south-african-rooibos-saga-and-its-aftermath.html)

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