

SOUTH AFRICA'S **AGRICULTURAL** EXPORT PERFORMANCE: QUARTER ONE, 2023



Trade Research Unit

South Africa's agricultural sector is largely export-orientated, making it imperative to expand, monitor and maintain trade relations with its key markets. Presently, one of the key challenges for South Africa is to expand its agricultural exports. This, amongst other things, is attributed to South Africa's agricultural exports being concentrated, as well as having limited access to large and growing markets like Asia and the Middle East, despite a slight increase in exports in recent times.

In quarter one of 2023, South Africa's total agricultural products exports amounted to US\$2.8 billion, up by 4.0% from US\$2.7 billion in quarter four of 2022. The main drivers of this increase in export earnings were sizeable agricultural output in production in recent seasons due to favourable weather conditions and higher commodity prices. Maize, wine, fresh grapes, fresh plums, soybeans, wheat, fresh or dried avocados, dried grapes, sugar cane, maize seed for sowing, crude soybean oil, fresh peaches and nectarines, and wool were some of the top exportable products in 2022 and in the first quarter of 2023. As has been the case for several years, South Africa imports a variety of agricultural products. These primarily include poultry, palm oil, rice, and wheat. Total imports into South Africa were valued at US\$1.7 billion in quarter one of 2023, an 4.7% decrease from US\$1.6 billion in quarter one of 2022.

1. TRADE RELATIONS

Export destinations (by region) of South Africa's agricultural products in quarter one, 2023

The results presented in **Figure 1** show that the African continent remains the main market for South Africa's agricultural exports in value terms, accounting for about 38% of total agricultural exports in quarter one. In Africa, Botswana was the leading market for South Africa's agricultural export earnings, accounting for 16%, followed by Namibia (15%), Mozambique (13%), and Zimbabwe (12%). Europe was the second major export market accounting for a 32% share, followed by Asia (21%), and Americas (8%).

In Europe, the most prominent export destinations for South Africa's agricultural products were the Netherlands and United Kingdom (UK), Italy, Germany, Spain, and Russia accounting for 40%, 22%, 7%, 7%, 6% and 4%, respectively. In Asia, China was the leading export destination for agricultural products shipped from South Africa, accounting for around 23% of total exports, followed by United Arab Emirates (18%), Malaysia (7%), Vietnam (7%), and Japan (6%). In the Americas, the most prominent export markets were Mexico (41%), the United States of America (USA) (36%), and Canada (18%).

Figure 1 below shows the percentage share of South Africa's exports of agricultural products destination in value by region in quarter one, 2023.

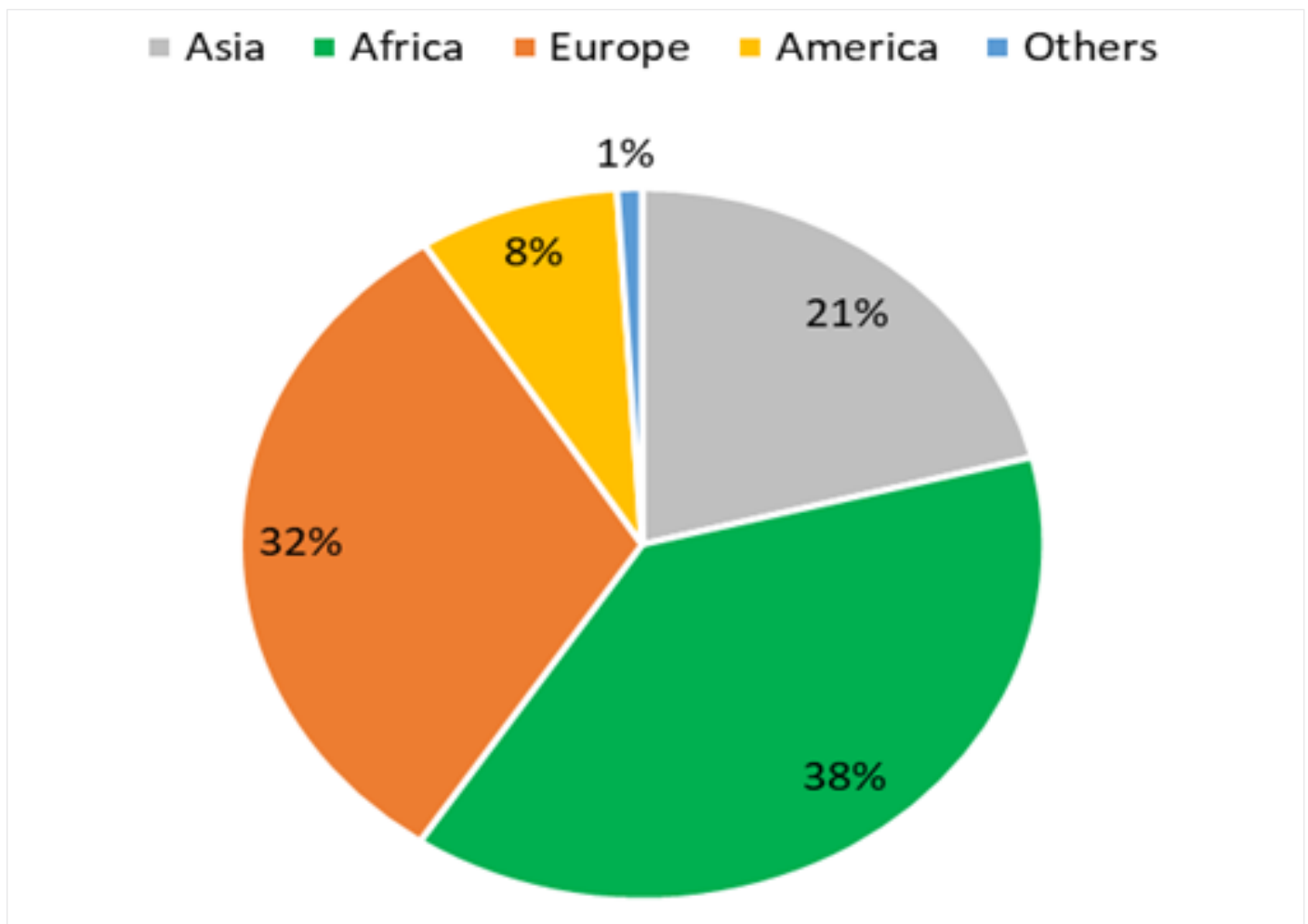


Figure 1: Percentage share of South Africa's agricultural products by export destination (regions) Q1, 2023
Source: ITC Trade Map (2023)

2. TRADE PERFORMANCE

South Africa's agricultural exports for quarter one of 2023, in value (US\$)

This section compares agricultural exports and imports in value terms (US\$) from and into South Africa between the first quarter (January - March) of 2023 and the first quarter (January - March) of 2022, as well as the first quarter (January -March) of 2023 against the fourth quarter (October - December) of 2022.

First quarter: January-March 2023 against 2022

In quarter one (Q1) of 2023, South Africa's agricultural exports decreased by 2.8%, in value terms (US\$) from US\$3.0 billion in Q1 of 2022 to US\$2.8 billion in Q1 of 2023. This difference could be linked to market activities across South African agricultural industries which get into season at different periods of the year. The products that contributed to this slight decrease to a larger extent were wine, which decreased by 20.6%, fresh grapes (18.3%), plums & sloes (17.3%), apples (10.0%), maize (8.3%) and food preparations (2.0%) (see [Table 1](#)). Other products like wool, sugar, maize seed for sowing, soybeans, wheat, and fresh or dried avocados showed increases in export values when compared with the two quarters.

First quarter (January -March) of 2023 against the fourth quarter (October - December) of 2022.

There was a bounce-back on some exports from quarter four (Q4) of 2022 to Q1 of 2023 as shown in [Table 1](#). The resumption of trade with South Africa's key markets like the EU and China played a major role in this. Several South Africa's key agricultural exportable products were gradually getting exported. As a result, there was an increase in export values for several products in Q1 of 2023 when compared to the previous quarter (Q4 of 2022).

During Q1 of 2023, South Africa exported approximately US\$2.8 million worth of agricultural products compared to US\$2.7 billion recorded in the fourth quarter of 2022. This represented an increase of 4.1% or US\$118.4 million between the two quarters. Some of the top exportable products in the first quarter of 2023 were plums and sloes, which increased by 542.0% from US\$10.5 million in the fourth quarter of 2022 to US\$64,4 million in the first quarter of 2023. Plums and sloes were followed by fresh grapes (270.0%), pears (223.4%), apples (47.0%), wool (36.0%) and maize (34.8%) (see [Table 1](#)). Notably there was a decline in export values of wine despite being amongst South Africa's higher contributors of export earnings, soybeans, wheat, and crude soybean oil, amongst others.

Table 1: South Africa's agricultural top exports, in value (US\$)

	Q1: 2022	Q4: 2022	Q1: 2023	Q1: 2023 vs Q1: 2022	Q1: 2023 vs Q4: 2022
	US\$ 000	US\$ 000	US\$ 000	Annually %Change	Quarterly %Change
South Africa's agricultural exports (Total)	3 070 409	2 867 143	2 985 618	-2.8	4.1
1. Fresh grapes	596 003	131 555	486 690	-18.3	270.0
2. Maize	279 386	190 136	256 288	-8.3	34.8
3. Wool	78 793	78 507	106 799	35.5	36.0
4. Fresh apples	81 890	61 637	90 594	10.6	47.0
5. Wine of fresh grapes	108 770	110 864	86 310	-20.6	-22.1
6. Fresh pears	77 344	21 516	69 591	-10.0	223.4
7. Fresh plums	81 603	10 506	67 446	-17.3	542.0
8. Sugar	5 817	43 687	60 525	940.5	38.5
9. Maize seed for sowing	16 639	19 516	52 939	218.2	171.3
10. Soybeans	6 261	79 472	51 301	719.4	-35.4
11. Wheat	40 731	49 457	47 252	16.0	-4.5
12. Fresh or dried avocados	9 665	8 546	31 713	228.1	271.1
13. Dried grapes	19 036	23 384	26 513	39.3	13.4
14. Crude soybean oil	37 688	26 018	24 779	-34.3	-4.8
15. Fresh peaches & nectarines	32 603	24 159	24 561	-24.7	1.7

Source: Trade Map, 2023

South African agricultural imports for quarter 1 of 2023, in value (US\$)

Table 2 presents top agricultural imports by South Africa. Unlike exports, the trend in imports is consistent, particularly for palm oil and rice, for which South Africa is fully dependent on the global market for consumption. Imports for wheat are determined by several factors, including local output, which is affected by weather during the season.

First quarter: January-March 2023 against 2022

Imports totalled US\$1.89 billion in the first quarter of 2023, up by 3.4% from US\$1.82 billion realised in the fourth quarter of 2022. When comparing Q1 of 2023 to Q1 of 2022, imports of palm oil, wheat, and rice decreased

by 55.5%, 23.4%, and 4.7%, respectively. Imports of crude sunflower oil also fell by 83.8%. Imports of whole (not cut) chicken, live cattle, and sugar all decreased by 33.5%, 21.4%, and 7.5%, respectively. On the other hand, imports of oilcake, malt beer, whiskies, and offal rose by 258.6%, 59.9%, 14.5%, and 5.3%, respectively (see Table 2).

First quarter (January -March) of 2023 against the fourth quarter (October - December) of 2022

Imports of oil cake, wheat, poultry cuts, apple juice, and whole poultry (not cut into pieces) increased by 156.3%, 104.5%, 95.7%, 91.4%, and 5.12%, respectively, from the first quarter of 2023 to the fourth quarter of 2022. Sunflower crude oil, rice, palm oil, and whisky decreased by 44.8%, 23.4%, 21.4%, and 19.8%, respectively, as shown in Table 2.

Table 2: South Africa's top agricultural imports, in value (US\$)

Product	Q1: 2022	Q4: 2022	Q1: 2023	Q1: 2023 vs Q1: 2022	Q1: 2023 vs Q4: 2022
	US\$ 000	US\$ 000	US\$ 000	Annually %Change	Quarterly %Change
South Africa's agricultural total exports	1 752 455	1 628 170	1 705 362	-3.0	4.7
Wheat	178 457	66 808	136 616	-23,4	104,5
Mixtures of odoriferous substances	111 075	127 103	113 756	2.4	-10.5
Rice	101 880	126 709	97 116	-4.7	-23.4
Palm oil	199 148	112 633	88 523	-55.5	-21.4
Oil cake	13 684	19 149	49 077	258.6	156.3
Food preparations	48 051	51 302	46 351	-3.5	-9.7
Beer made of malt	28 043	39 946	44 854	59.9	12.3
Poultry cuts	40 158	20 691	40 483	0.8	95.7
Sugar	43 143	47 474	39 918	-7.5	-15.9
Live cattle	46 975	40 433	36 943	-21.4	-8.6
Poultry not cut in pieces	55 324	24 194	36 807	-33.5	52.1
Whiskies	32 130	45 898	36 794	14.5	-19.8
Apple juice	33 082	16 623	31 816	-3.8	91.4
Offal	26 741	29 308	28 167	5.3	-3.9
Crude sunflower oil	119 048	34 916	19 277	-83.8	-44.8

Source: Trade Map, 2023

3. TRADE DIVERSION

Shift in South Africa's agricultural exports and imports in quarter one of 2023, in percentage

Trade patterns change with time, either by region or by country. This could be due to a variety of factors such as where a country imports or exports its agricultural products, logistical challenges, geopolitical factors, and seasonality, to mention a few. From the first quarter of 2022 until the first quarter of 2023, South Africa exported and imported fruit and nuts to and from the EU, Africa, Asia, and the Americas shown in **Figure 2** below.

South Africa's fruit and nut exports in quarter one of 2023 are among the most important agricultural products exported from South Africa. **Figure 2** compares South Africa's fruit and nuts exports in the first quarter of 2023 to the first quarter of 2022. South Africa's fruit and nut exports amounted to US\$922.2 million in the first quarter of 2023, equivalent to a 9.6% decrease from the US\$1.0 billion reported in the same period in 2022. It is worth noting that market shares in each of these regions vary by quarter due to seasonality in local sectors.

By region, the EU continues to be the major market for South African fruit and nut exports, accounting for 61% in the first quarter of 2023, with a marginal decline of 2%

from the same time the previous year. South Africa's fruit exports to the EU were valued at US\$559.2 million in the first quarter of 2023, representing a 13.4% decrease from US\$645.4 million in the same time the previous year. Asia was the second largest market, accounting for 25% of total exports (US\$221.8 million), and the only region where South Africa's fruit and nut exports grew in the first quarter of 2023. This could imply that the minor drop in South Africa's exports to the EU has been diverted towards the Asian market as a result of disagreements between South Africa and the EU about citrus requirements. Africa and the Americas each had a 7% market share, with exports totalling to \$76.4 million and \$74.8 million, respectively.

In the EU, the Netherlands continues to be the most important market for South Africa, accounting for 54% of the total fruit and nut exports during Q1 of 2023, followed by the UK (27%), Russia (6%), Germany (5%), and France (1%). The United Arab Emirates accounted for 26% of the Asia-Middle East market, followed by Malaysia (10%), Vietnam (9%), China (9%), and Bangladesh (7%). South Africa's major markets for fruit and nuts sent to Africa were Nigeria, Botswana, Namibia, and Senegal, accounting for 16%, 13%, 7%, and 5%, respectively, while from the Americas, Canada accounted for 53% and the United States accounted for 46%. Brazil, Chile, and Argentina received minor stakes.



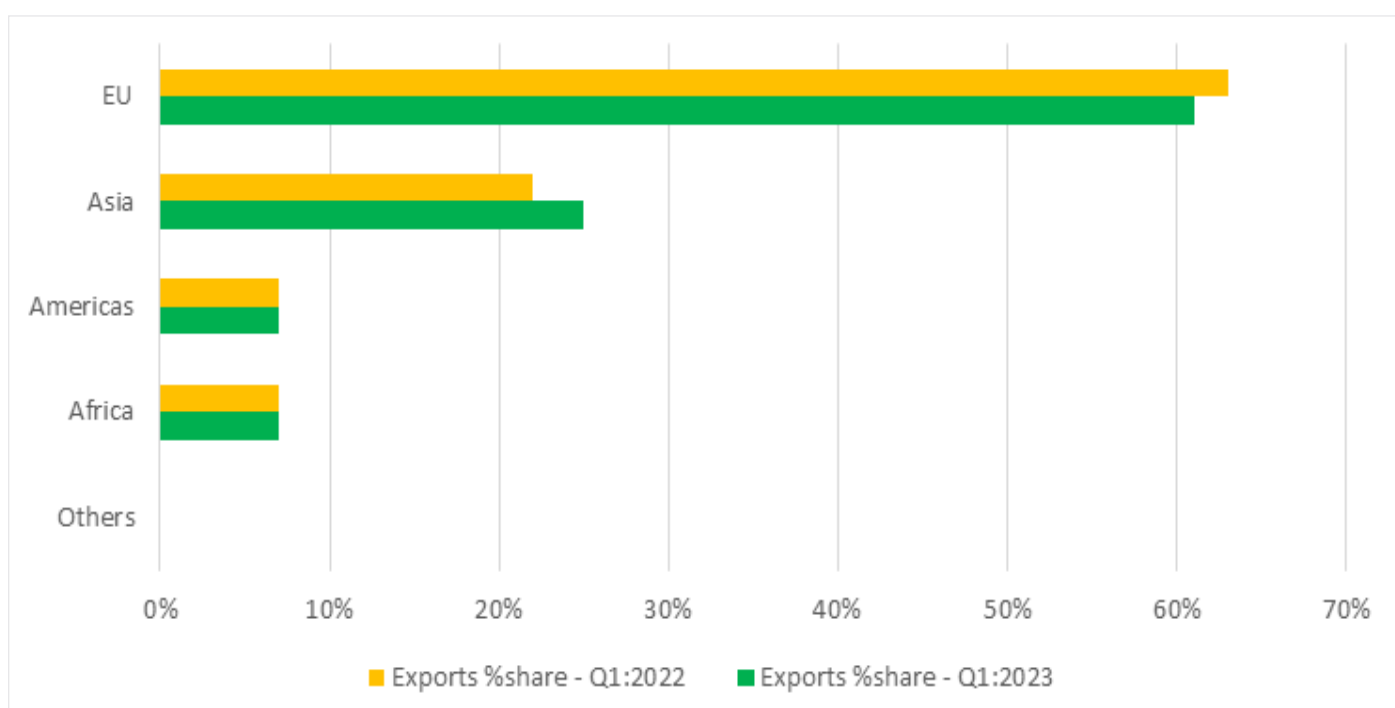


Figure 2: Percentage share of South Africa's fruit and nuts exports by regions, quarter 1, 2023

Source: ITC Trade Map (2023)

South Africa's fruit and nut imports in quarter one of 2023

While South Africa is a major exporter of fruits and nuts, it also imports some quantities of both fruit and nuts. **Figure 3** compares South Africa's imports of fruits and nuts in the first quarter of 2023 to the first quarter of 2022. During this period, fruit and nuts imports decreased by 11.7%, from US\$45.5 million in Q1 of 2022 to US\$40.2 million in Q1 of 2023. Africa had a 56% market share of the fruit and nuts imported into South Africa during the first quarter of 2023, followed by Asia (19%), the Americas (18%), and Africa (6%). Mozambique, with 41% of the region's supply, was followed by Malawi (10%), Eswatini (10%), Namibia (9%), and Morocco (9%).

When compared to the first quarter of 2022, the Americas, led by the United States, had an increase in fruit and nuts supplies in South Africa during the first quarter of 2023. Imports from the Americas amounted to US\$6.8 million in the first quarter of 2023, up 58.6% from US\$4.3 million in the first quarter of 2022. Fruit and nuts are among the agricultural products that the United States exports to South Africa on a yearly basis. Fresh fruits exported by the United States to South Africa in 2022 were valued at US\$155.0 million, while nuts were valued at US\$83.0 million (USDA, 2023).

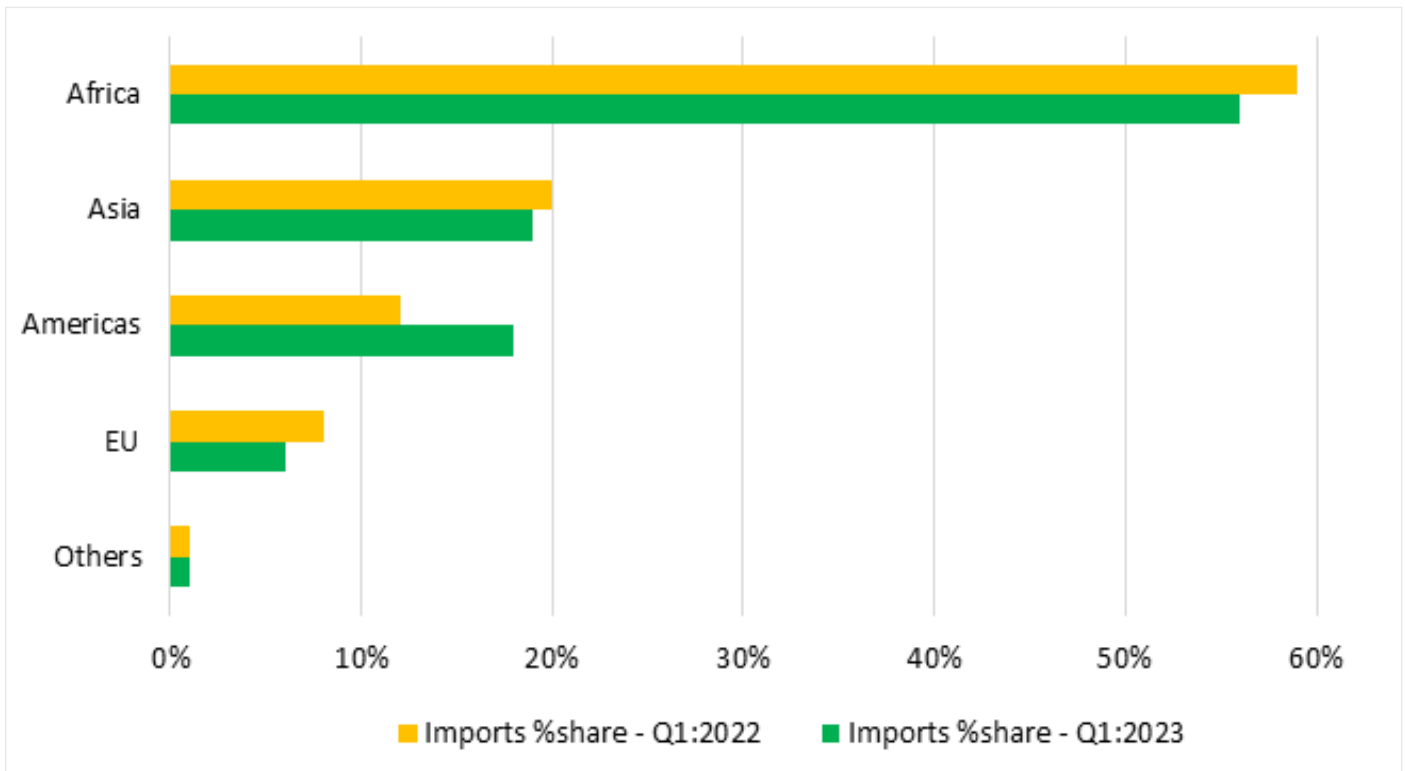


Figure 3: Percentage share of South Africa's fruit and nuts imports by regions, quarter 1, 2023

Source: ITC Trade Map (2023)

Conclusion

In general, South Africa must address the infrastructure bottlenecks along critical routes leading to airports and ports. This covers, in particular, highways and railway lines. Furthermore, while the major difficulties in the ports of Durban and Cape Town are currently being addressed through many initiatives, which is good news, prompt responses are becoming increasingly necessary as similar issues have been reported in previous seasons consistently.

In terms of exports, Africa remained the top market for South African agricultural exports in Q1 2023, followed by the EU and Asia. However, there was a significant shift in Q1 2023 for fruit, South Africa's most exportable agricultural product. **Figure 2** shows that the value of exported fruit and nuts to the EU fell while Asia increased significantly. This will be followed in the coming quarters, as the EU remains an essential market that South Africa cannot ignore, while Asia is a market that South Africa is targeting with a small export footprint for the time being.

For fruit and nut imports, South Africa were strong in the first quarter of 2023. A notable shift was an increase in fruit and nut imports from the United States, while a reduction was recorded from Africa, the major supplier of South African fruit and nut imports, Asia, and the European Union see **Figure 3**.

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