

TRADE PROBE

ISSUE 94 | AUGUST 2023

Analysis of South Africa's agricultural trade performance within the BRICS economic partnership

Exploring market opportunities
for South African fresh apples
within the BRICS countries

SA's agricultural interests in
BRICS are not at expense of
existing key export markets



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 ninety-second (94th) issue of the Trade Probe publication coordinated by the Trade Research Unit under the Markets and Economic Research Centre (MERC) of the National Agricultural Marketing Council (NAMC). The Trade Probe publication is co-produced by the NAMC and the Department of Agriculture, Land Reform, and Rural Development (DALRRD).

The focus of this issue is analysing how South African agriculture can benefit from the Brazil, Russia, India, China, and South Africa (BRICS) partnership. Currently, South Africa is the chair of BRICS for 2023 and was hosting the BRICS Summit on the week of the 22-24 August 2023 at the Sandton Convention Centre (SCC) in Johannesburg, Gauteng. The summit was themed “BRICS and Africa: Partnership for Mutually Accelerated Growth, Sustainable Development and Inclusive Multilateralism.”

Authors analysed South Africa’s agricultural trade relations and performance with BRICS member countries. Trade opportunities for citrus fruits, fresh apples, and maize were also explored

REPORT STRUCTURE

Trade Analysis

1. Analysis of South Africa’s agricultural trade performance within the BRICS economic partnership
2. South Africa’s agricultural exports to the BRICS group have increased, but there is still room for growth!
3. Turning point for South African citrus in the upcoming BRICS session?

Trade Opportunities

4. Exploring market opportunities for South African fresh apples within the BRICS countries
5. Prospect for increasing South African Maize export to BRICS countries

Trade News

6. SA’s agricultural interests in BRICS are not at expense of existing key export markets
7. South Africa’s apple and pear exports to China show countertrend growth
8. BRICS summit opens export markets for SA agriculture

CONTRIBUTORS:

Ms. Naledi **Radebe**

Mr. Bhekani **Zondo**

Mr. Buhlebemvelo **Dube**

Mr. Bigboy **Singwana**

Mr. Nkosingiphile **Duma**

Mr. Phelelani **Sibiya**

Mr. Thabile **Nkunjana**

Analysis of South Africa's agricultural trade performance within the BRICS economic partnership

By Bhekani Zondo

BRICS is an alliance of emerging markets, consisting of Brazil, Russia, India, China, and South Africa. Initially, this partnership was referred to as BRIC, however, in 2009 South Africa received an invitation and became a member in 2010. Collaboratively, the BRICS countries represent about 42% of the global population and 30% of the world territory (BRICS, 2023). Moreover, these markets collaboratively contribute an average of about 23% to the global economy in terms of Gross Domestic Product (GDP), and account for a share of 18% of global trade. In terms of the trade of agricultural products, in 2022, BRICS aggregation exported a value of approximately US\$311.3 billion, accounting for about 16% of the world exports of agricultural products; while imports were valued at about US\$297 billion (15%) (Trade Map, 2023). The leading agricultural products exported by the BRICS market to the world were soy beans, maize, frozen beef, raw sugar cane, oil cake, and milled rice, among others. On the other hand, the leading imports of agricultural products by the BRICS market from the world were soy beans, frozen boneless beef, palm oil, crude palm oil, maize and cotton, among others.

This article aims to analyse South Africa's agricultural trade performance within the BRICS partnership since the year 2010.



Author: Mr. Bhekani Zondo is an Economist under the Trade Research Unit at the National Agricultural Marketing Council. He can be contacted at bzondo@namc.co.za or (012) 341 1115.

Outlook of South Africa's agricultural trade with BRICS countries

Figure 1 below illustrates South Africa's agricultural trade performance with BRICS countries from 2010 to 2022. The data shows that over the years, South Africa was a net importer of agricultural products within the BRICS partnership, except for 2021 where South Africa recorded a positive trade balance. In 2010, South Africa imported a value of about R6.03 billion worth of agricultural products within the BRICS market while exporting a value of about R2.8 billion, thus recording a negative trade balance of R3.2 billion. South Africa's value of imports and exports were valued at about R18.1 billion and R17.6 billion in 2022; recording a negative trade balance of R453 million.

Figure 1 further shows that over the years since South Africa became a member of BRICS in 2010, both exports to and imports from the BRICS market have been increasing considerably. However, the rate of increase in the value of exports (523%) exceeds the value of imports (200%) from this market. Hence, South Africa's negative trade balance has been decreasing significantly over this period by approximately 86% from 2010 to 2022. China accounts for a share of 65% of South Africa's agricultural product exports, followed by Russia (23%), India (11%), and Brazil (1%). Conversely, both China and Brazil account for the largest share of South African imports (36%), followed by India (24%), and Russia (2%). The main products exported by South Africa to BRICS members are greasy wool, nuts, oranges, macadamia nuts, soft citrus, and pome fruits. On the other hand, the main products imported by South Africa from BRICS are frozen chicken meat (mechanically deboned meat), wheat and meslin, offal of animals (except fish), milled rice, apple juice, and bone-in chicken meat.

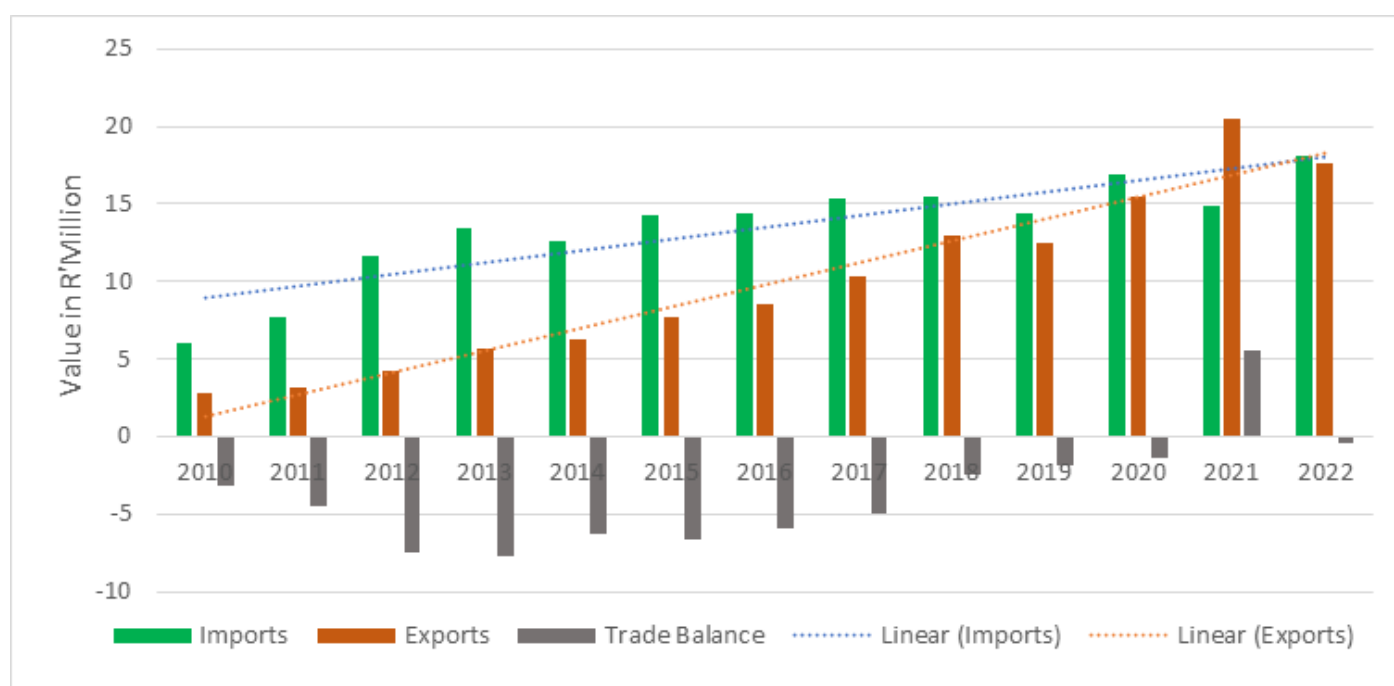


Figure 1: South Africa's agricultural trade outlook with BRICS.

Source: Trade Map (2023)

Figure 2 below depicts a comparison of South Africa's top 10 exportable products between 2010 and 2022. Since 2010 when South Africa joined the BRICS partnership all the leading exported agricultural products have been increasing as depicted in Figure 1. Over this period, greasy wool was the leading agricultural exported product, followed by nuts, oranges, macadamia nuts, pears, apples, grapefruits, lemons, and wine. Among the leading South African agricultural exports to BRICS member states, apples recorded the highest growth rate of 3138% from a value of about R24 million in 2010 to R777 million in 2022. Similarly, the value of grapefruit exports also increased by about 800% followed by lemons (426%), greasy wool (282%), oranges (279%), and wine (267%). In 2010, South Africa did not export commodities such as nuts, macadamia nuts, soft citrus (mandarins, including tangerines and satsumas), and pears. However, in 2022, nuts were the second leading export product to BRICS with a value of R2.4 billion, while macadamia nuts were the third leading export product with a value of R1.6 billion followed by mandarins (R1.2 billion), and pears (R1.1 billion).

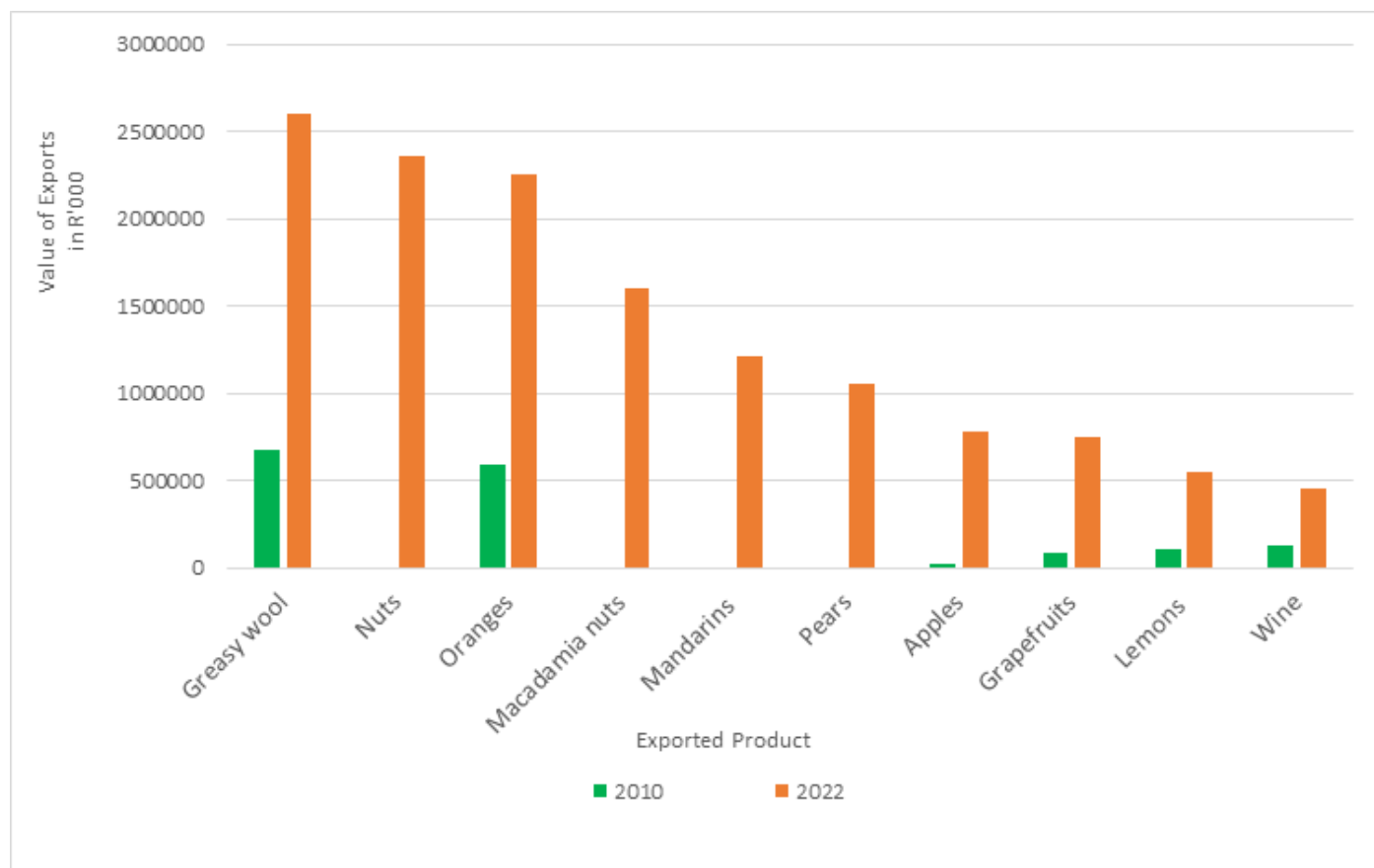


Figure 2: Comparison of South Africa's main exportable products to BRICS countries between 2010 and 2022.

Source: Trade Map (2023)

Conclusion

South Africa has benefitted from the BRICS alliance in terms of the trade of agricultural products. Despite the country remaining the net importer of agricultural products within this alliance, the trade deficit has been declining over the years until 2022. This is largely underpinned by an increase in South Africa's agricultural exports which has been increasing at a rate higher than that of imports. The leading exported commodity is greasy wool, and this is unsurprising since its major global export destination is China, which is also part of BRICS. Interestingly, South Africa has also been increasing its export of citrus fruits such as oranges, soft citrus, grapefruits, and lemons. Given the challenges related to stringent sanitary and phytosanitary measures that South Africa faces in its traditional markets for citrus fruits such as the European Union, increasing its export footprint in other markets (including BRICS) is highly recommended. There is evidence that South Africa has also been diverting more of its pome fruits (apples and pears), nuts, and wine towards the BRICS market.



South Africa's agricultural exports to the BRICS group have increased, but there is still room for growth

By Thabile Nkunjana

Trade between the BRICS countries is purely non-reciprocal, which implies that bloc members are not compelled to trade with one another and/or have no formal trade agreements with each other. Nonetheless, trade in agricultural product exports between BRIC countries the bloc and South Africa has grown over time. South Africa's overall agricultural exports in value terms (US dollars) increased by 32% between 2013 and 2022, rising from US\$9.7 billion in 2013 to US\$12.8 billion in 2022. This article focuses on South Africa's agricultural trade relations with members of the BRICS alliance. The article will also focus on trade developments through time (from 2013 to 2022), the top products exported by South Africa to BRICS members, and their respective market shares in 2022.

Figure 3 presents South Africa's agricultural exports to the BRICS member states between 2013 and 2022. Agricultural exports to the BRICS member states increased by 80.8% during the period under review from \$595.6 million in 2013 to \$1.0 billion in 2022 (Trade Map, 2023). Brazil was the only BRICS member that recorded a decline in exports from South Africa. Over the observed period, South Africa's exports to Brazil decreased by 19.7%. This is not surprising given that Brazil is a major competitor for products that dominate South African exports, such as maize and meat, to name a few. Brazil had the smallest share of South Africa's overall agricultural exports to the BRICS in 2022, at 1%. China is the most important BRICS market for South African agricultural exports, accounting for 65% of BRICS agricultural exports in 2022.

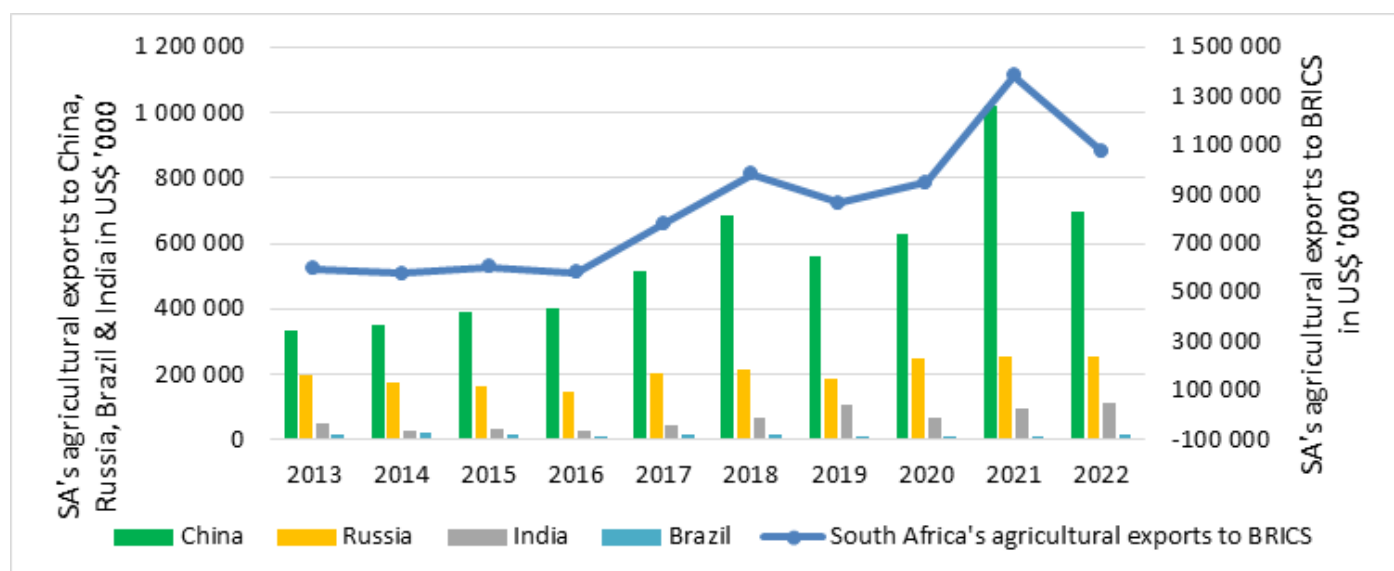


Figure 3: South Africa's agricultural exports to BRICS member states

Source: Trade Map (2023)

Figure 4 presents the top 10 agricultural exports by South Africa to the BRICS members in 2022. The figure shows that BRICS members' share of imports from South Africa are smaller but growing. However, this varies greatly across these products at 6 digits HS-code. In 2022 for example, South Africa's orange exports were valued at US\$762.7 million, of this, about US\$138.0 million, which is equivalent to 18% was accounted for by the BRICS. The BRICS member states accounted for 95% of South Africa's exports of nuts (excluding coconuts & cashew nuts), followed by macadamia nuts (88%), wool (63%), grapefruit (36%), pears (28%), mandarins (16%), apples (10%), and lemons (9%).

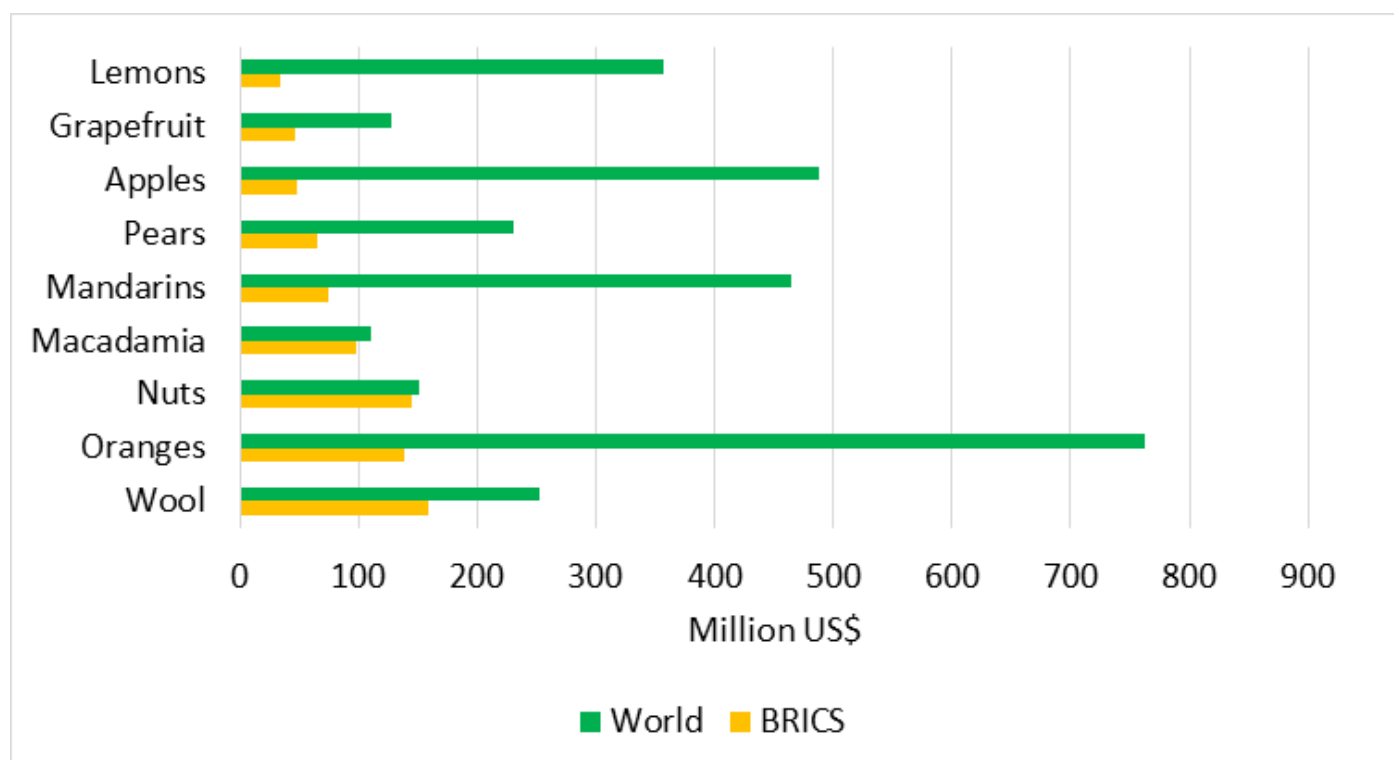


Figure 4: South Africa's agricultural exports to BRICS and the world

Source: Trade Map (2023)

Conclusion

Despite potential interruptions in exports to the BRICS countries in 2022, South Africa's agricultural exports have a higher growth potential. In 2022, Russia faced economic challenges following several sanctions after it invaded Ukraine, while China faced periodical economic down turns. However, the appropriate products must be directed to the appropriate market across the bloc. South Africa, for example, will find it difficult to export products such as maize, soybeans and many other grains to nations such as Brazil due to Brazil's competitiveness on these products in the global market. Wine is a better product to pursue for Brazil. China buys significant amounts of grains, including maize, which is one of South Africa's major exportable agricultural products to the global market, therefore maize and other grains that South Africa exports can be channelled to the Chinese market, including several fruit products. Furthermore, given the scale of the Indian market in terms of population and economy, excessive tariffs on products like citrus requires consideration as this would boost South Africa's export earnings.



Author: Mr Thabile Nkunjana is a Senior Economist under the Trade Research Unit at the National Agricultural Marketing Council. he can be contacted at thabile@namc.co.za or (012) 341 1115.

South Africa's potential citrus trade opportunities from BRICS expansion

By Naledi Radebe and Buhlebemvelo Dube

Citrus fruits are one of South Africa's most important export commodities. South Africa is a net exporter of citrus fruit and is amongst the top global exporters of citrus (fresh or dried), having an export value of almost R28 290 897 in 2022, being second only to Spain, with an export value of approximately R60 367 604 (Trade Map, 2023). In addition, the third top exporter of citrus fruits is China with an export value of almost R16 963 277 (Trade Map, 2023). The performance of South African citrus faced challenges and managed to export almost 161.5 million cartons in 2021/22 when the industry dealt with new SPS (Sanitary and phytosanitary) measures, a period regarded as one of the most difficult in the history of the citrus industry (CGA, 2023). The European Union (EU) and the United States of America (USA) have been the primary markets for South African citrus fruits, accounting for 40% of orange exports and 27% of soft citrus exports (CGA, 2023). The Netherlands and the United Kingdom import about 28.1% of all citrus fruits exported by South Africa. The Citrus Growers Association (CGA, 2023) reckons that the recent phytosanitary challenges because of the citrus black spot and false codling moth (FCM), shipping costs and tariffs, have seen the industry spending almost R4 billion in compliance with the EU regulations. However, the USA has relieved the industry through duty-free access to USA markets through the African Growth and Opportunity Act, boosting citrus exports to the USA.

BRICS countries accounts for a relatively small share of South Africa's agricultural exports; however, the South African market has a strong desire to access the Eastern markets. Russia, India, and China, which are members of BRICS, are expected to boost market access for South African agriculture. Russia and China currently import

about 15.7% of South African citrus exports. South Africa's total exports to Russia, India, and China grew from 25 million cartons (1 carton = 15kg) in 2018 to over 30 million cartons in 2022 (CGA, 2023). The expansion of BRICS to include countries such as the United Arab Emirates (UAE), Saudi-Arabia and Iran will solidify trade ties and open new citrus trade opportunities to the fastest growing giant economies of the Middle East. The BRICS alliance's exports are almost 20% of global citrus fruits, hence South Africa has a huge potential to benefit from the mutual agreements within the collective (Trade Map, 2023).

Table 1 shows the values of citrus fruits exported from South Africa to the world and to BRICS countries. In 2020, South Africa's citrus exports to the world were worth a value of approximately R27.9 billion. However, South Africa's world exports declined by 3% year-on-year (y/y) in 2021 to a value of R 27.1 billion, while increasing by 4% y/y in 2022, to a value worth about R28.2 billion. In terms of South Africa's citrus exports to BRICS countries, they have increased over the past three years. In 2020, a value of approximately R3.8 billion of citrus was exported to BRICS from South Africa and experienced a 4% y/y increase to a value of R3.9 billion in 2021. In 2022, South Africa's citrus exports to BRICS further soared with a 22% y/y increase to a value of R4.8 billion. The analysis shows that the BRICS market for South African citrus exports has a potential to increase, given the positive export growth rate. Additionally, the percentage share of citrus fruits exports from South Africa to BRICS countries has been notably increasing over the years, with a percentage of about 13.5% in 2020, while increasing to a share of about 14.5% and 17% in 2021 and 2022, respectively.

Table 1: Value of citrus fruits exported by South Africa from 2020 to 2022– HS CODE 0805

Importers	Export value (R'000)			% Growth in Exports		% Share in value of SA exports		
	2020	2021	2022	2020-2021	2021-2022	2020	2021	2022
World	27 918 702	27 170 963	28 290 897	-3	4	100	100	100
BRICS	3 764 210	3 917 763	4 797 320	4	22	13.5	14.5	17

Source: Trade Map (2023)

In conclusion, the South African citrus industry has the potential to tap into new markets through the BRICS alliance and its new partners such as the UAE. Furthermore, it has the platform to advance and cement its citrus exports to China and India, which have the biggest global populations, as well as to Russia, which is one of the dominant global importers of citrus. Market access to the Eastern markets will be key for the SA citrus industry. Regardless of the challenges, such as EU phytosanitary regulations, loadshedding and recent unfavourable climatic conditions in the form of floods, the industry is expected to remain resilient and sustain its growth and dominance in the global market.



Author: Ms Naledi Radebe is an Economist intern under MERC at the National Agricultural Marketing Council. She can be contacted at nradebe@namc.co.za or (012) 341 1115.



Author: Mr Bhuhlebemvelo Dube is an Economist intern under MERC at the National Agricultural Marketing Council. He can be contacted at bdube@namc.co.za or (012) 341 1115.

Exploring market opportunities for South African fresh apples within the BRICS countries

By Nkosingiphile Duma



The area under apple production in South Africa has been increasing at a growth rate of 1% percent over the past decade (USDA, 2023). This growth in the area under apple production is driven by the ongoing investment in the deciduous fruit industry in the form of enhanced cultivars, better farming practices; including investment in nets, as well as the drive to exploit high foreign earnings and improve profitability on export markets. According to the World Apples and Pear Association (WAPA, 2023) annual crop forecast, South Africa is the second largest global producer after Chile and is the net exporter of apples in the Southern Hemisphere countries. According to Tridge (2023), South Africa exported about 625040 metric tons of fresh apples worth a value of US\$486,9 million in the 2022 season. In terms of value, South Africa's total fresh apples export destinations were the United Kingdom with a value of US\$68,07 million, followed by BRIC (US\$47,31 million), Nigeria (US\$42,69 million), Malaysia (US\$32,73 million) and Bangladesh (US\$31,15 million) (Trade Map, 2023).

Although South Africa has established trade relations with the BRICS countries, South African fresh apples are not reaching their export potential within the BRICS countries which is partly due to high tariffs and lack of trade agreements. According to data available from Trade Map (2023), under the current tariff measures, the South Africa-Brazil-India-China fresh apples trade has an untapped export potential of about for US\$4,3 million Brazil, India (US\$73 million) and China (US\$23 million). The aim of this article is to provide a descriptive analysis of trade flows between South Africa and BRIC countries.

Figure 5 shows that between 2018 and 2021, Russia was the leading importer of fresh apples in the BRICS countries except for 2022 when the imports declined. India was the second leading importer of fresh apples and their imports followed the same pattern as Russia, showing a decline from 2021 to 2022. This could be attributed to tight restrictions related to the COVID-19 pandemic. Brazil is the third leading importer of fresh apples in the BRICS countries and their imports having been growing between 2020 and 2022. South Africa's imports of fresh apples have been minimal over the years but slightly increased from US\$143 000 in 2020 to US\$164 000 in 2021 and this could be attributed to low production due to adverse weather conditions in 2021.

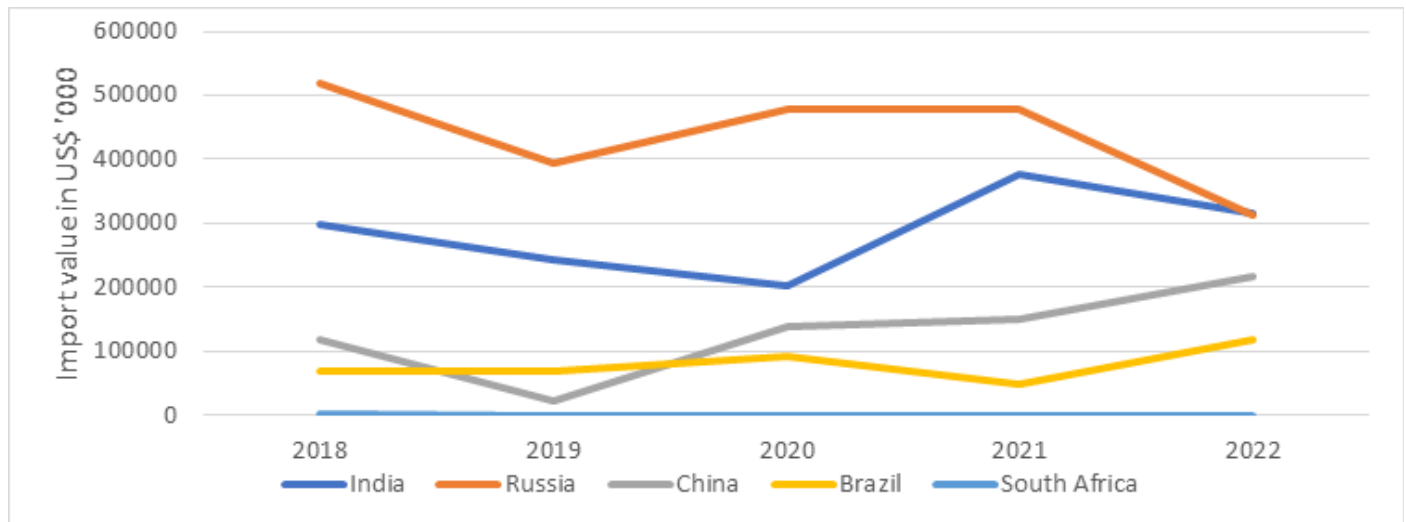


Figure 5: Imports of fresh apples by BRICS countries from the world (2018-2022)

Source: Trade Map (2023)

Figure 6 shows that South Africa's exports of fresh apples to BRIC countries have been increasing from 2018 to 2022. South Africa's fresh apple exports between 2018 and 2022 to Russia increased by 79.3%, India increased by 655.7% and China increased by 1 337.7%. In 2022, it is evident from **Figure 6** that South Africa's export of fresh apples reached its highest value within the BRIC countries in 2022 marketing seasons. From 2018 to 2022, Russia was the leading export market for South Africa's fresh apples in the BRIC bloc, accounting for a value of about US\$25 million of apples from South Africa, followed by China (US\$8.3 million) and India (US\$4.8 million) (see **Table 2**).

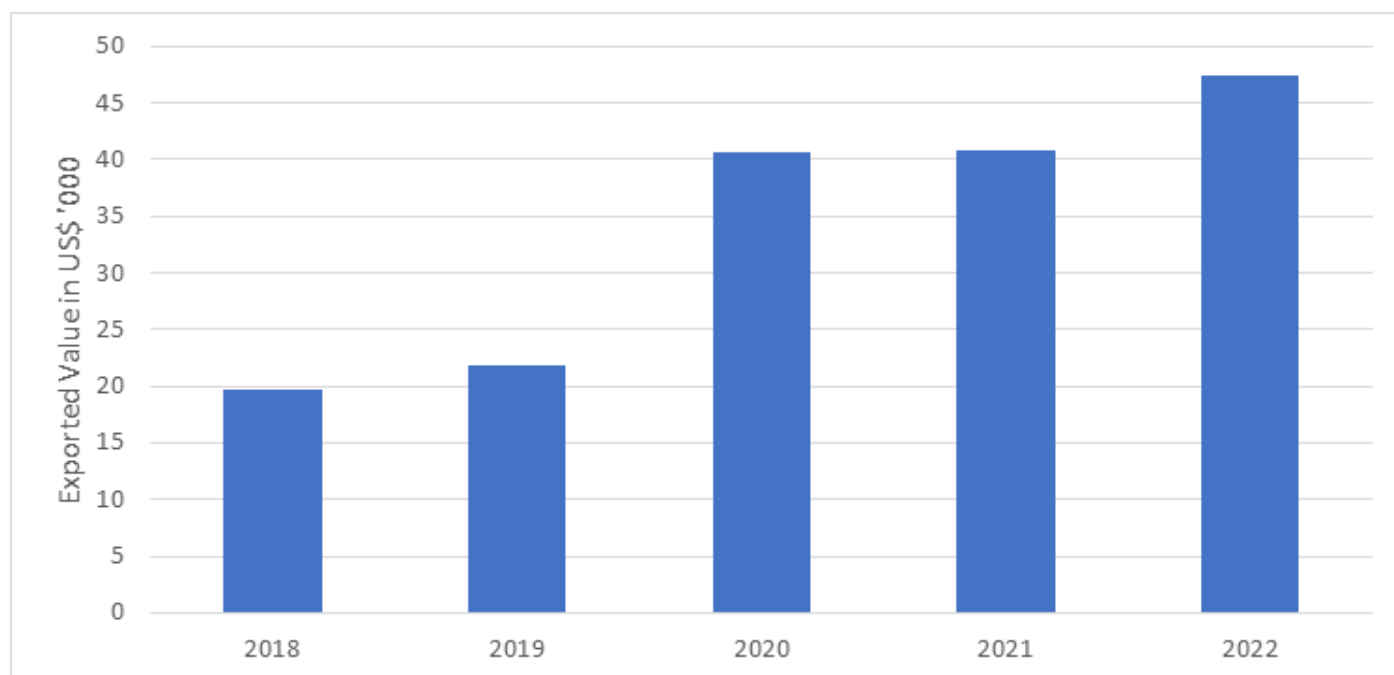


Figure 6: South Africa exports of fresh apples to BRIC countries from 2018-2022.

Source: Trade Map (2023)



Author: Mr. Nkosingiphile Duma is an Economist under the Agribusiness Development at the National Agricultural Marketing Council. He can be contacted at bzondo@namc.co.za or (012) 341 1115.

Table 2 shows export opportunities for South Africa's fresh apples within the BRICS member countries. South African fresh apples have the highest unrealized export potential in India (US\$73 million) and China (US\$23 million). On the other hand, fresh apple exports to Russia have exceeded their potential of US\$17 million, hence there is currently no unrealized export potential. In terms of Brazil, there is the lowest export potential of about US\$4.3 million for fresh apple exports from South Africa. South Africa and Brazil have a trade agreement in terms of MERCOSUR-SACU (The Southern Common Market - Southern African Customs Union), yet South Africa is not exporting fresh apples. This may be attributed to the trade relations as well as the proximity of Brazil to South Africa's competitors like Chile. Despite the unrealized export potential in India and China, there are applicable tariffs on fresh apple imports; 15% for India and 10% for China.

Table 2: Export opportunities for South Africa's fresh apples industry with BRIC countries.

Importing Country	Actual Export in \$ Million	Potential Export in \$ Million	Unrealized Export \$ Million	Applicable Tariffs (%)	Trade Agreements
Russia	25	17	-	0,06 € per kg	None
India	4,8	78	73	15	None
China	8,3	32	23	10	None
Brazil	0	4,3	4,3	10	MERCOSUR-SACU

Source: Trade Map (2023)

Conclusion

The South African fresh apples industry should be benefiting from the MERCOSUR-SACU in the case of the Brazilian market. Given the unrealized export opportunity in Brazil for South Africa's fresh apples with the trade agreement in place, South Africa should explore this market by understanding the opportunities and threats of supplying fresh apples to Brazil. For South Africa to at least reach 50 percent of its export potential in India and China, they should negotiate lower tariffs applied by India and China on fresh apples exported by South Africa as export protocols already exist for apples in China, while protocols are still required for India.



Prospect for increasing South African maize exports to BRIC countries

By Phelelani Sibiya and Bigboy Singwana

In South Africa, maize is the most important grain and it is grown under a variety of environmental conditions. Successful maize production arises from the proper use of production inputs that protect the environment (BASf, 2023). According to the Department of Agriculture, Land Reform and Rural Development (DALRRD) crop estimates, the estimated maize production in 2023 is 6.07% or 939 500 tons larger than the 2022 production. The three main maize producing areas, namely the Free State, Mpumalanga and North West provinces are expected to produce 83% of the 2023 crop. The production forecast of white maize remained unchanged at 8.638 million tons. The area estimate for white maize is 1,521 hectares and the expected yield is 5.68 tons/hectare. In the case of yellow maize, the production forecast is 7.716 million tons, which is 0.72% or 55 400 tons more than the 7.716 million tons of the 6th forecast. The area estimate for yellow maize is 1.065 hectares and the yield is 7.30 tons/hectare.

Figure 7 shows the export volume of maize and maize products from South Africa from 2010/2011 to 2022/2023 production seasons. Based on **Figure 7**, as of 2022/2023, the export volume of maize and its products in South Africa was almost 3.2 million metric tons, representing a decline of 21.8 percent from the previous year. Between 2010/2011 and 2022/2023, fluctuations in the export volume can be observed, with two significant reductions in 2012/2013 and 2015/2016 seasons. During the 2015/2016 season, maize exports dropped by approximately 60 percent compared to the 2014/2015 season, which can be attributed to a drought, causing South Africa to import maize. The reason for the most recent drop in 2019/2020 can also be linked to dry weather conditions taking place in South Africa. South Africa's current trade routes in 2022–2023 are with Botswana, Lesotho, Namibia, Eswatini, Mozambique and Zimbabwe. South Africa keeps exporting maize to markets abroad such as Taiwan, Japan and Mexico, where prices are high at the moment (WFP, 2022).

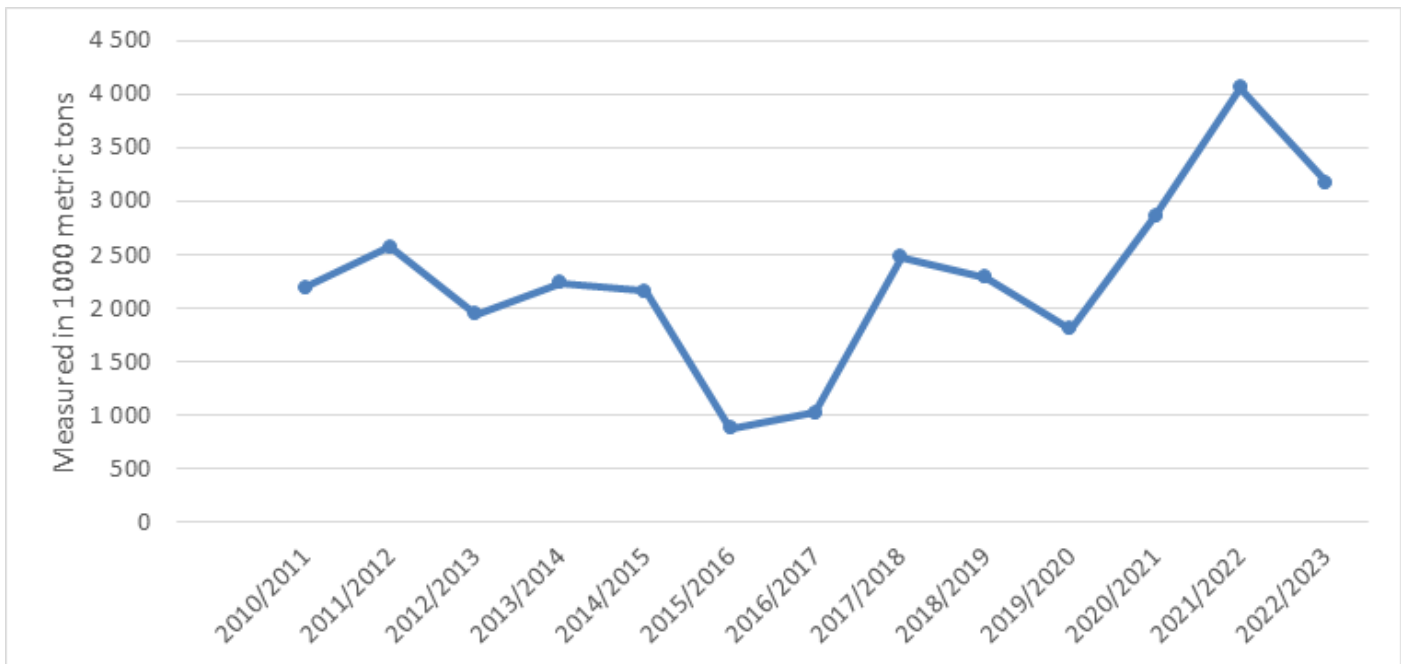


Figure 7: Export volume of South Africa's maize and maize products from 2010 to 2023

Source: Stats SA

Figure 8 depicts maize exports between South Africa and BRIC countries from 2010 to 2022. When looking at overall exports from South Africa to BRIC countries, the total quantity of exports fluctuated during this period. Within the BRICS bloc, India is the largest importer of maize from South Africa, followed by China. The amount of maize imported from South Africa by India has increased year after year. In 2022, South Africa exported about R136.6 million worth of maize to India, an increase of 4.2% from about R131 million in 2021. Russia is the third-largest importer of maize from South Africa among the BRICS countries. However, Russia's maize imports from South Africa have been declining since 2020. Brazil did not import any maize from SA until 2020 when they imported maize worth about R1.25 million from South Africa. This was influenced by prior years' draughts in Brazil. The efforts underway between China and South Africa to improve their ports and logistics will have a favourable impact on SA exports to those and other nations, as they will cause our shipments to arrive on time (AGWEB, 2023).

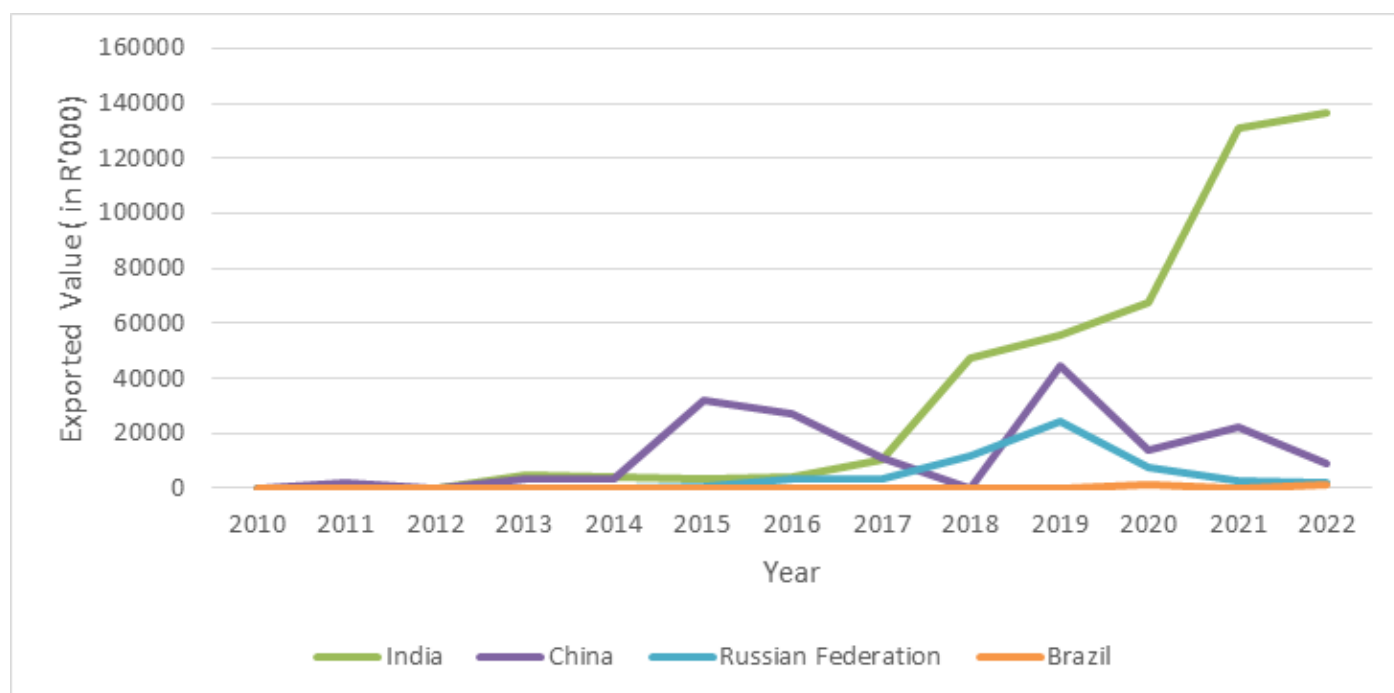


Figure 8: South Africa's maize exports to BRICS countries

Source: Trade Map (2023)

Table 3 shows export opportunities for South Africa's maize within the BRICS member countries. The table highlights that the potential export for maize from South Africa to BRIC members (China, India, Brazil, and Russia), was US\$97 million, US\$972 thousand, US\$478 thousand, and US\$49 thousand, respectively. China and Brazil indicated an unrealised export potential of maize of US\$96 million and US\$452 thousand from South Africa, respectively. India and Russia indicated the actual exports of maize which exceeded the potential export that South Africa has in these countries. The actual export of maize for South Africa in BRICS members was US\$5.4million in India followed by China with a US\$1.1million, Russia (US\$752 000) and Brazil (US\$26 000)). Among all the BRICS members, Brazil is the only country that has a trade agreement with South Africa, which is MERCOSUR-SACU. Based on **Table 3**, Russia is the only country that has no applicable tariffs for imports from South Africa's. China showed the highest tariff of 65% followed by India at 50% and Brazil with the least tariff of 8%.

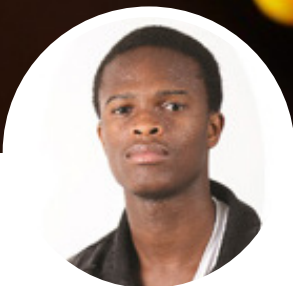
Table 3: Export opportunities for South Africa's maize with BRIC countries.

Importing Country	Actual Export in US\$	Potential Export in US\$	Unrealized Export US\$	Applicable Tariffs (%)	Trade Agreements
Russia	752 000	49 000	0	0	None
India	5.4 million	972 000	0	50	None
China	1.1 million	97 million	96 million	65	None
Brazil	26 000	478 000	452 000	8	MERCOSUR-SACU

Source: ITC Export Potential Map (2023)

Conclusion

The unrealised potential export of maize between South Africa and Brazil shows that South Africa is not using its potential to the fullest. SA can expand its footprints to China through negotiations that aim to lower the tariffs between the two countries. The growing demand for Maize by China presents another potential market for SA. China is one of the developed countries; they need maize to feed their livestock, therefore their demand for maize is high. China is the top maize importer (ITC, 2023). China currently imports 74% of its maize from United States (ITC, 2023), however, China is currently working on expanding purchases and normalizing bulk imports from South Africa (Reuters, 2023). Therefore, South Africa's maize exports to China are expected to rise in the future, this supports findings that there is high export potential of South African maize to China compared to the other three BRICS countries.



Author: Mr Phelelani Sibiya
is an Economist Intern: Smallholder
Market Access Unit.
Email: psibiya@namc.co.za



Author: Mr Bigboy Singwana is an Economist
intern under the Under MERC Agro Food Chains at
National Agricultural Marketing Council contacted at
bsingwana@namc.co.za or (012) 341 1115.

SA'S AGRICULTURAL INTERESTS IN BRICS ARE NOT AT EXPENSE OF EXISTING KEY EXPORT MARKETS



As South Africa is likely to increase agricultural production in the coming years with additional land put into production, we will need other export markets. It is at this point that BRICS becomes essential.

South Africa's agricultural interests in the BRICS markets are not at the expense of the existing and vital export markets in the African continent, EU, Asia, the Americas, the Middle East and others. These existing markets are essential; thus, South Africa exported a record \$12.8 billion in agricultural products in 2022. The African continent was the leading market, accounting for 37% of South Africa's agricultural exports in 2022.

Available at: <https://www.dailymaverick.co.za/opinionista/2023-08-14-sas-agricultural-interests-in-brics-are-not-at-expense-of-existing-key-export-markets/>.

SOUTH AFRICA'S APPLE AND PEAR EXPORTS TO CHINA SHOW COUNTERTREND GROWTH



v Due to adverse weather events like hail and floods earlier in the year, Hortgro has revised its export forecasts for the 2023 season. The estimated export volume for apples is 40.883 million cartons (12.5 kilograms per carton), showing a 10% decline compared to the 2022 season, with a reduction of approximately 4.375 million cartons. The pear export forecast is 17.195 million cartons, indicating a 19% decrease, with 4 million cartons fewer than the previous season. In November and December of 2022, the main apple and pear-producing regions in South Africa experienced severe hailstorms. The Langkloof region experienced another hailstorm in March of this year, affecting both the quantity and quality of pears. Additionally, in June, the Western Cape province experienced heavy rainfall and strong winds. Luckily, by this time the apple and pear harvests were finished and all the fruit was in cold stores.

Available at: <https://www.hortgro.co.za/news/south-africas-apple-and-pear-exports-to-china-show-countertrend-growth/>.

BRICS SUMMIT OPENS EXPORT MARKETS FOR SA AGRICULTURE



Since its integration into the BRICS, trade between South Africa and the other BRICS countries has been underwhelming.

Agbiz chief economist Wandile Sihlobo said that BRICS members account for a relatively small share of South Africa's agriculture exports, an average of 8% over the past 10 years, amounting to US\$9,9 billion (about R184 billion).

"BRICS imported an average of US\$241 billion (R4,5 trillion) worth of agricultural products from the world market annually over the past decade. The imports by those countries from South Africa over the same period make South Africa a small player in the agricultural trade of this grouping, with room to grow." He noted that in terms of all products traded across the economy, South Africa currently had a positive trade balance with the world, but a negative balance with other BRICS states. However, with China lifting the ban on imports of South African beef last week, and the avocado industry one step closer to sending fruit eastwards, export value was set to grow.

Available at: <https://www.farmersweekly.co.za/agri-news/south-africa/brics-summit-opens-export-markets-for-sa-agriculture/>.

REFERENCES

- AGWEB, 2023. China buys South African corn for the first time as they start turning away from U.S. exports. Retrieved from [www.agweb.com](https://www.agweb.com/markets/market-outlooks/china-buys-south-african-corn-first-time-they-start-turning-away-us-exports): <https://www.agweb.com/markets/market-outlooks/china-buys-south-african-corn-first-time-they-start-turning-away-us-exports>.
- BRICS., 2023. Evolution of BRICS. BRICS South Africa 2023. Available at: <https://brics2023.gov.za/evolution-of-brics/>.
- CGA., 2023. Annual Report 2022. Citrus Growers Association. Retrieved from [cga.co.za](https://c1e39d912d21c91dce811d6da9929ae8.cdn.ilink247.com/ClientFiles/cga/CitrusGowersAssociation/Company/Documents/CGA%20Annual%20Report%202022%20-%20Final%20(Website%20and%20Email).pdf): [https://c1e39d912d21c91dce811d6da9929ae8.cdn.ilink247.com/ClientFiles/cga/CitrusGowersAssociation/Company/Documents/CGA%20Annual%20Report%202022%20-%20Final%20\(Website%20and%20Email\).pdf](https://c1e39d912d21c91dce811d6da9929ae8.cdn.ilink247.com/ClientFiles/cga/CitrusGowersAssociation/Company/Documents/CGA%20Annual%20Report%202022%20-%20Final%20(Website%20and%20Email).pdf).
- Reuters., 2023. China buys 108 000 tonnes of South African corn Retrieved from [nasdaq.com](https://www.nasdaq.com/articles/china-buys-108000-tonnes-of-south-african-corn): <https://www.nasdaq.com/articles/china-buys-108000-tonnes-of-south-african-corn>.
- Trade Map., 2023. TradeMap.org. Retrieved from www.trademap.org: <https://www.trademap.org/>.
- Tridge., 2023. Fresh Apples: Overview of South Africa Export of fresh apples. Available at: <https://www.tridge.com/intelligences/apple/ZA/export>.
- WAPA., 2023. World Apple and Pear Association (WAPA) presents annual Southern Hemisphere crop forecast. Available at: http://www.wapaassociation.org/asp/article_2.asp?doc_id=658.
- USDA., 2023. Fresh Apples, Grapes, and Pears: World Markets and Trade. United States Department of Agriculture Foreign Agriculture Services (USDA, FAS). Available at: https://downloads.usda.library.cornell.edu/usdaemis/files/1z40ks800/wm119488w/6w9_25s391/fruit.pdf.
- WFP., 2023 Southern Africa Regional Maize Supply and Market Outlook. Available at: <https://docs.wfp.org/api/documents/WFP-0000142379/download/>.



Images by:
Pixabay

For correspondence:

For article contribution to the Trade Probe:

Mr Bhekani Zondo
bzondo@namc.co.za
+27 (0) 12 341 1115

Designed by
Mr Sylvester Moatshe
+27 (0) 12 341 1115

© 2023. Published by the National Agricultural Marketing Council (NAMC).

DISCLAIMER

Information contained in this document results from research funded wholly or in part by the NAMC acting in good faith. Opinions, attitudes and points of view expressed herein do not necessarily reflect the official position or policies of the NAMC. The NAMC makes no claims, promises or guarantees about the accuracy, completeness or adequacy of the contents of this document and expressly disclaims liability for errors and omissions regarding the contents thereof. No warranty of any kind, implied, expressed or statutory, including but not limited to the warranties of no infringement of third-party rights, title, merchantability, fitness for a particular purpose or freedom from computer virus, is given with respect to the contents of this document in hardcopy, electronic format or electronic links thereto. Any reference made to a specific product, process or service by trade name, trademark, manufacturer or other commercial commodity or entity is for information purposes only and does not imply approval, endorsement or favouring by the NAMC.