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How has South Africa's agricultural trade benefitted through AGOA?

Unveiling the impact of AGOA on South Africa's orange exports: trends, opportunities, and challenges

Potential impact of creating a temporary rebate on chicken meat imports (classifiable under HS 0207.1)



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



NAMC
Promoting market access for South African agriculture

FOREWORD

Welcome to the ninety-fifth (95th) 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 on the African Growth Opportunity Act (AGOA) which gives preferential market access to the United States (US) for qualifying Sub-Saharan African (SSA) countries including South Africa. In 2015, AGOA was extended for a period of 10 years until 2025 and in 2024 it is due for review. From 2-4 November 2023, the US and 35 SSA countries met in Johannesburg for the 20th Africa Trade and Economic Cooperation Forum (AGOA Forum) to strengthen trade and investment ties through the Act.

Authors were expected to explore how is the South African agricultural sector and economy benefitting from AGOA. In this issue, analyses South Africa's overall agricultural export performance to the US, as well as that of several other individual commodities such as nuts, citrus fruits, and wine were explored. Also, strategies and trade arrangements to expand trade under AGOA are provided.

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HOW HAS SOUTH AFRICA'S AGRICULTURAL TRADE BENEFITTED FROM AGOA?

By Bhékani Zondo and Buhlebemvelo Dube

The South African agricultural sector is export-oriented and largely diversified in terms of production encompassing the production of grains (excluding rice), oilseeds, deciduous and subtropical fruits, sugar, citrus, nuts or almonds, wine, and most vegetables. In addition, the country has a well-developed commercial livestock sector which includes beef, dairy, sheep, pork, and the poultry sector. In 2022, South Africa exported a record value of R211.1 billion of agricultural products, an increase of 15.7% year-on-year (y/y) (Trade Map, 2023). Since becoming a member of the World Trade Organization (WTO) after 1994, South Africa's export footprint in the global market has substantially grown. This could be attributed to several trade and preferential agreements or protocols that the country has negotiated with the rest of the world over the years. The African continent remains South Africa's major export destination, accounting for 37% of South Africa's agricultural exports in 2022, followed by Asia (27%), the European Union (EU) (19%), and the Americas (7%), among others. Similar to other 39 Sub-Saharan African (SSA) countries, South Africa is part of the African Growth Opportunity Act (AGOA), which is a unilateral trade measure enacted by the United States of America (USA) which gives SSA countries preferential market access to the USA market through lower and/or no tariffs to about 7000 product tariff lines including agricultural products (DTIC, 2023). Hence, the South African agricultural sector benefits from duty-free access to the USA markets for most agricultural commodities which is extremely appealing with its sharp demand for South African agricultural products.

The aim of this article is to assess how the AGOA framework has benefited South Africa's agricultural trade since its enactment in the year 2000. The AGOA legislation has been renewed on several occasions, with the most recent renewal being in 2015, and is set to expire in the year 2025 (TRALAC, 2023) with a potential for extension. **Table 1** below illustrates South Africa's bilateral trade with the USA over the past two decades, dating from 2001 to 2021. Both



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South Africa's imports and exports of agricultural products recorded tremendous growth over this period, although the percentage shares of imported and exported products in terms of overall agricultural products have declined. South Africa's agricultural products exports to the USA increased by 671% in value terms from R1.04 billion in 2001 to R8.04 billion in 2021. On the other hand, South Africa's imports from the USA also recorded a 466% increase from a value of about R773 million in 2001 to a value of R4.37 billion in 2021.

Table 1: South Africa-USA bilateral agricultural trade between 2001 to 2021

South Africa-USA Agricultural Trade (in R'000)				
	2001	2011	2021	Growth Rate
SA Agricultural Exports to the USA	1 043 341	1 523 365	8 040 312	671%
% of SA's total Agricultural Exports	5%	2%	4%	
SA Agricultural Imports from the USA	773 403	3 071 235	4 379 593	466%
% of SA's total Agricultural Imports	7%	6%	4%	

Source: Trade Map (2023)

Figure 1 below depicts South Africa's agricultural trade with the United States of America between 2015 and 2022, in value terms. Post the 2015 extension of the AGOA until 2022, South Africa's agricultural product exports to the USA have been increasing and recorded an improved positive trade balance. Over this period, South Africa's agricultural exports to the USA increased by 163.6% from R3.3 billion in 2015 to reach approximately R8.7 billion in 2022. Most exports to the USA include macadamia nuts, citrus fruits, wine, dried grapes, raw sugarcane, and alcohol. South African imports from the USA have also increased in value from R2.6 billion in 2015 to above R4 billion in 2022. The share of South Africa's agricultural imports from the USA decreased by 0.4%. South Africa imports mostly frozen cuts & edible offal of fowls, almonds, whiskies, food preparations, and maize seed for sowing. The trade balance grew from R714.9 million in 2015 to above R4.6 billion in 2022.

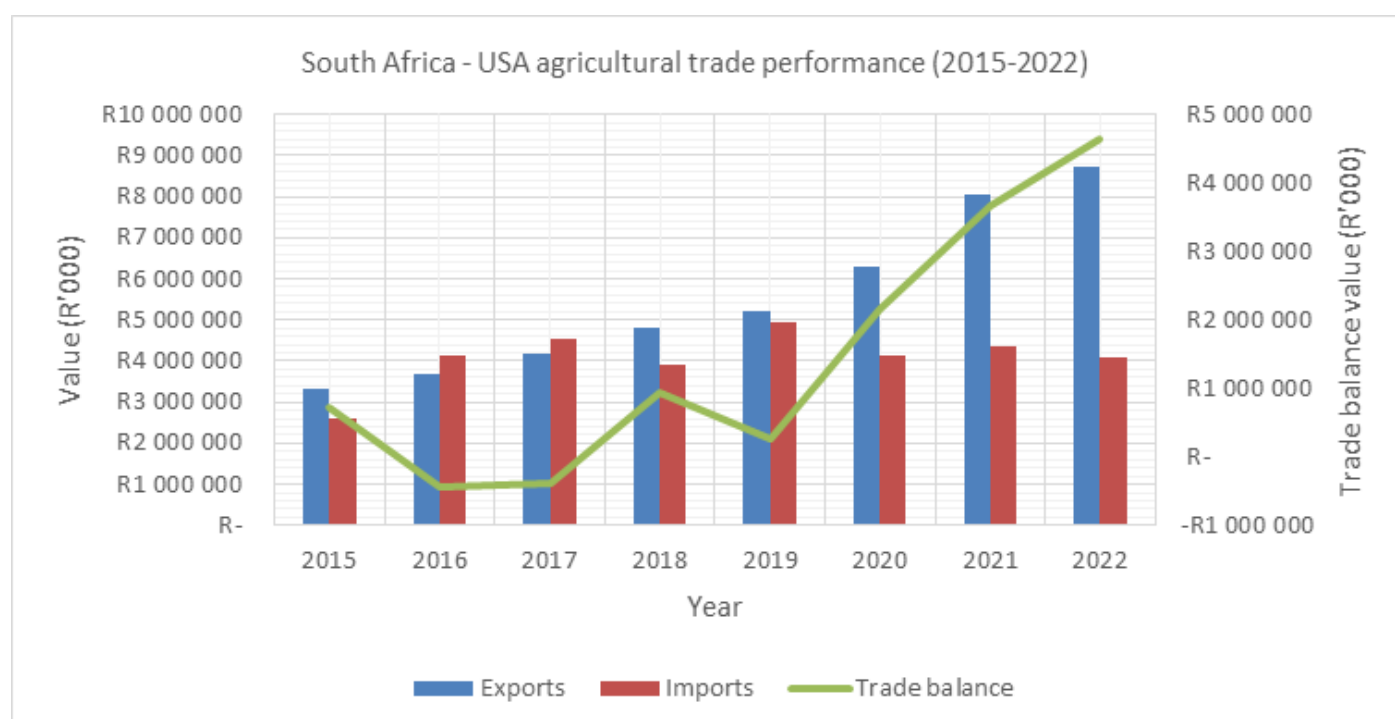


Figure 1: South Africa's agricultural trade performance with the United States of America from 2015 to 2022.

Source: Trade Map (2023)

CONCLUSION

The AGOA has boosted the South Africa's agricultural sector's exports to the USA through duty-free preferential access under favorable rules of origin to this market thus enabling consistent growth since its inception. Both South Africa's agricultural exports and imports recorded impressive growth rates in value terms. Despite the AGOA framework being a unilateral agreement, the USA has also seen South Africa importing more agricultural products such as frozen cuts & edible offal of fowls, almonds, whiskies, food preparations, and maize seed for sowing from this market. Regardless of the observed increase in the rate of imports from and exports to the USA, the respective shares in value for both imports and exports have declined over the past two decades. This may be attributed partly to South Africa's increasing export footprint to other alternative lucrative markets. Given the benefits associated with AGOA in terms of South Africa's agricultural trade, the government and other key industry role players must maintain good relations and diplomatic ties with the USA market to maintain the country's eligibility as the AGOA beneficiary.



The United States of America (USA) is South Africa's second-largest trading partner behind China. In terms of agricultural trade, the USA accounted for 4% of South Africa's annual agricultural exports between 2018 and 2022, thus making it a key agricultural trading partner. Fruits, nuts, processed vegetables, wine, dairy products, industrial alcohol, and fruit and vegetable juices are among the agricultural items exported by South Africa to the USA. The African Growth Opportunity Act (AGOA) allows certain agricultural products from South Africa to enter the USA duty-free.

South Africa is the leading beneficiary of all African countries under the AGOA. In Africa, South Africa has the most modern, prolific, diverse, and well-developed agricultural sector. Despite economic and policy uncertainties, variable exchange rates, higher input costs, and adverse weather conditions, South Africa's agriculture sector is robust and performs well in global

trade. Nuts and fruit are among the most exportable agricultural items from South Africa to the rest of the world. Consequently, this article examines South Africa's nut exports to the USA as an important trading partner in the globe and under the AGOA.

South African shelled nut exports to the United States of America

Figure 2 below presents the exports of shelled nuts from South Africa to the USA for the period of five years which is from 2018 to 2022, respectively. The graph below shows a fluctuating trend in exports of shelled nuts from South Africa to the USA. Over the observed period, exports increased from R1.2 billion in 2018 to R1.3 billion in 2022. There was a noticeable decrease in nuts exports from South Africa to the USA in 2020 from R1.2 billion in 2018, down to R826 million in 2020. However, a rebound between 2021 to 2022 from R894 million to R1.3 billion was recorded.

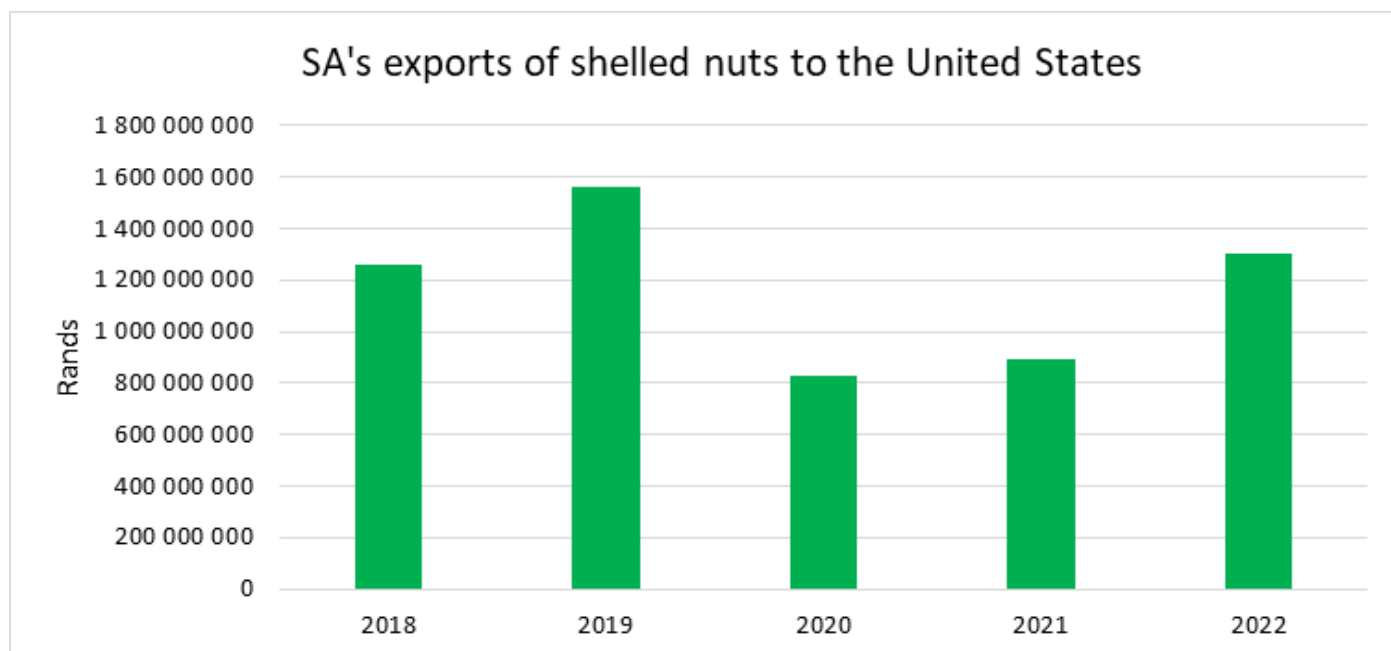


Figure 2: South African shelled nut exports to the United States of America

Source: QUANTEC (2023)

SOUTH AFRICA'S MACADAMIA EXPORTS TO THE WORLD VS USA

Figure 3 shows South Africa's macadamia exports to the rest of the world and the USA from 2013 to 2022. Macadamia production in South Africa has expanded significantly, and this trend is expected to continue due to aggressive new plantings in the sector (USDA, 2020). The data below illustrates an increase in South African macadamia exports to the world and the USA between 2013 and 2022, with a projected growth of around 257.03% and 309.74%, respectively.

When compared to exports to the rest of the world, South Africa's percentage share of macadamia exports to the USA is considerable. For the past ten years (2013-2022), South African macadamia exports to the world and the USA accounted for a varied percentage share of the exported nuts each year. From 2013 to 2022, the percentage share of exported macadamia from South Africa to the USA was around 40%, 43%, 47%, 40%, 43%, 51%, 49%, 30%, 46%, and 46%, respectively, when compared to the total macadamia nuts exported to the rest of the world.



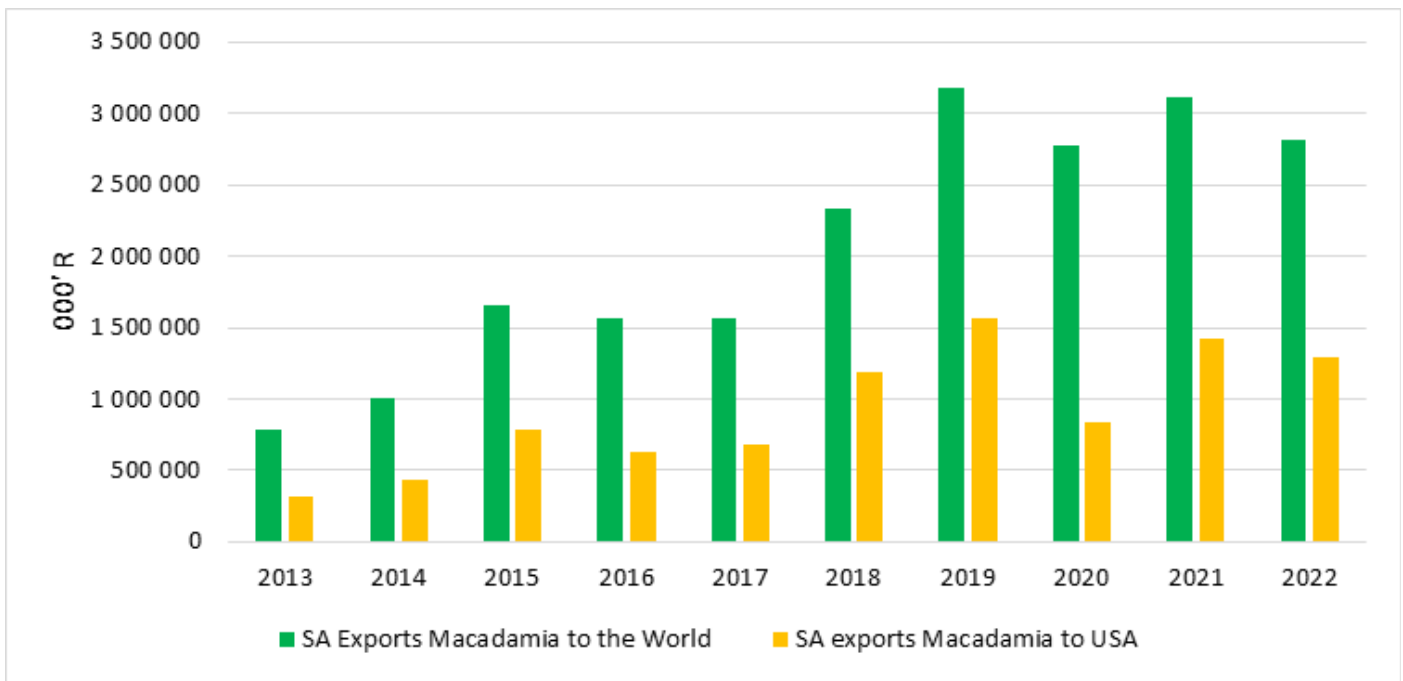


Figure 3: South Africa Macadamia exports to the World vs USA

Source: Trade Map (2023)

CONCLUSION

Given the rate at which South African nut production is increasing, the USA market, which is by far the largest buyer in proportion (%) of South African macadamia exports, will be critical. As seen in **Figure 3**, the US market drives both the increase and reduction in South Africa's macadamia exports, with US exports accounting for at least 40% of total macadamia exports between 2013 and 2022. This suggests that, while South Africa's macadamia exports to the world have expanded, the USA market is essential for South Africa's macadamia industry's future export aspirations. As a result, the AGOA will continue to be a significant market for South Africa's nut industries, particularly macadamia, in the foreseeable future.



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Is South Africa's agricultural trade changing or not?

By Phelelani Sibiya

INTRODUCTION

According to development studies and economics literature, the contribution of primary sectors decreases as a country develops, whereas secondary and primary sectors tend to increase (with the trajectory). This is not to say that the importance or values diminish in absolute terms as the country develops. South Africa's development and agriculture's share of the country's GDP followed this pattern. It is argued that developed countries import unprocessed goods and export processed goods, whereas less developed countries do the opposite (Mshomba, 2017), South Africa's exports/imports in terms of the balance between processed and unprocessed products do not appear to have changed significantly as the country has developed (Hausman and Klinger, 2006). The reason for such a display could be an indication of the development of cultivars or varieties that are more valuable in their unprocessed form or a manufacturing development that is not in line with the domestic endowment. This article provides an outlook on the top 15 products traded over the previous three years of a twenty-year period.

TRADE PERFORMANCE OF SOUTH AFRICA'S AGRICULTURAL PRODUCT: 2001 TO 2021 CASE

South Africa is one of Africa's and, in some cases, the world's leading producers of agricultural products. South Africa is the world's largest producer of mohair, followed by Lesotho. It is also worth noting that more than 80% of South Africa's mohair clip is certified for the responsible mohair standard. Second, it is important to note that South Africa is one of the world's leading citrus exporters, with Spain and Egypt competing. The country is also the world's largest exporter of fine wool. The country's agricultural exports increased for the third year in a row in 2022. Maize, citrus, grapes, and pome fruits have been the top agricultural export commodities over the last five years (the top 15 are shown in Table 2).

Overall, South Africa has managed to maintain its position as a net exporter of agricultural products. South Africa received R211.1 billion in foreign earnings in 2022, a 16 percent increase over 2021. It is worth noting that the African continent is the leading destination for South Africa's agricultural exports (at approximately 37% of total agricultural export value). Within Africa, the Southern African region imports most of South Africa's agricultural products. Asia is South Africa's second-largest importer of agricultural products. South Africa imports agricultural products in which it does not have a competitive advantage, such as rice, palm oil, wheat, poultry, and whiskies from Asian, American, and European countries. South African agricultural imports were valued at R120.5 billion in 2022. Agriculture in South Africa had a trade surplus in terms of value. This paper examines the trade performance of the top 15 agricultural products in South Africa over the last two decades. The goal is to determine which agricultural products have been in the top 20, and how that top 20 has changed over time, i.e., which products have been consistent, which have dropped out of the top 15, and which have made their way into the top 15.

EXPORTS (2001, 2011, AND 2021)

Between 2001 and 2021, the total value of agricultural exports from South Africa increased by 807 percent, from R20,1 billion to R182.4 billion. Despite fluctuations in major exported products, maize, wine, fresh grapes, oranges, and cigarettes, as well as apples, have consistently been among the top exports during this period. Raw cane sugar was the most exported product in 2001, but it fell by 31% to ninth place in 2011 and will no longer be a major export product in 2021, though exports are increasing in value terms. Between 2011 and 2021, raw cane sugar exports increased from R1.95 billion to R2.15 billion. In 2011 and 2021, the most

exported products were maize and oranges, respectively. Durum Wheat was a major export in 2001, even though wheat exports increased (in value terms) between 2001 and 2021, but it was not a major export in 2021. The presence of macadamia nuts and mandarins among the top 15 exports for the first time in 2021 is notable. Between 2011 and 2021, the value of macadamia nut exports increased dramatically, rising from R462 million to R3.1 billion. Furthermore, since the country began exporting Mandarin in 2016, its exports have grown significantly, moving from the bottom of the major exports to the fifth position, from R2.56 million to R7,5 billion. Tobacco and tobacco-containing cigarette exports have declined significantly; in 2001, tobacco was one of the top five major exports, but it is no longer one of the top five; exports (value) have also increased significantly between 2001 and 2021, rising from R639 million to R1.6 billion.

Table 2: List of the top 15 agricultural exports in chronological order (by value) for 2001, 2011 and 2021

2001	2011	2021
Raw cane-sugar	Maize	Oranges
Wine	Oranges	Maize
Grapes	Wine of fresh grapes	Fresh grapes
Oranges	Grapes	Mandarins
Cigarettes (tobacco)	Apples	Wine
Maize	Wool	Apples
Sugar	Wine	Lemons
Apples	Cigarettes (tobacco)	Crude groundnut oil
alcohol	Raw cane-sugar	Wool
Meat and edible offal	Food preparations, n.e.s.	Macadamia nuts
Tobacco	Pears and quinces	Pears and quinces
Durum wheat	Beauty or make-up preparations	Wine
Peaches	Sunflower (seed or oil) 2	Food preparations, n.e.s.
Wool	Lemons	Grapefruit
Beer	Sugar	Berries
	Grapefruit	

Source: Trade Map (2023)



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IMPORTS (2001, 2011, AND 2021)

Between 2001 and 2021, the total value of South African agricultural product imports increased by 854% from R10.7 billion to R102.1 billion. Rice, oilcake, and palm oil are the top three imports that have been dominant during this period, even though imports have risen and fallen, but these products have consistently been among the top five imports. Rice, which was the most imported product during this period, fell to second place behind palm oil, but the imported value increased from R920 million to R7.1 billion. Palm oil imports increased dramatically, from R415 million to R7.5 billion. In 2011 and 2021, wheat and palm oil were the most imported products, respectively. Beer was a major export in 2001, and while it was not a major export in 2011, the value of beer exported increased. Beer exports decreased significantly in 2021, while imports increased by 75% between 2011 and 2021, from R1.2 billion to R2.1 billion. Alcoholic solution rose from eighth to third place, and its value increased from R1.6 billion to R6.9 billion. For the first time, live cattle became a major import in 2021, with R2.3 billion in value imported, representing an 824 percent increase from 2012.

Table 3: List of the top 15 agricultural imports in chronological order (by value) for 2001, 2011, and 2021.

2001	2011	2021
Rice	Wheat	Palm oil
Oilcake	Rice	Rice
Whiskies	Palm oil	Alcoholic solutions
Food preparations, n.e.s.	Oilcake	Wheat
Palm oil	Soybean oil	Oilcake
Cotton	Whiskies	Food preparations, n.e.s.
Alcoholic solutions	Chicken	Sugar
Sunflower (seed or oil)	Alcoholic solutions	Chicken
Tobacco	Sugar	Live cattle
Wheat	Beer	Whiskies
Chicken	Food preparations, n.e.s.	Beer
Soybean oil	Tobacco	Whole chicken
Tobacco	Sunflower (seed or oil)	Afal
	Cotton	Alcoholic solution

Source: Trade Map (2023)

CONCLUSION

In terms of agricultural products, the country has maintained a positive trade balance over the years. Despite massive development over the last two decades, the agricultural sector (exports) contributes more today than it did in 2001. The Rand value of agricultural exports has increased significantly. Most of the country's exports are raw materials, with wine being the most important processed product. The country exports oranges more than any other product and imports the most palm oil. Tobacco is one of those products that was once a major export or import but has since lost its status. There have been fluctuations in the products exported and imported, but certain products have remained consistent as major traded products. The SA government together with key industry role players should continue to negotiate better trade protocols for the country to increase its export footprint in the global market. Also, resolving chronic issues like the poor infrastructure, plant and animal disease outbreaks is essential.



UNVEILING THE IMPACT OF AGOA ON SOUTH AFRICA'S ORANGE EXPORTS: TRENDS, OPPORTUNITIES, AND CHALLENGES

By Thulani Ningi and Nkosingiphile Duma

INTRODUCTION

The African Growth Opportunity Act (AGOA), established in 2000, aims to facilitate preferential access for eligible Sub-Saharan countries to the United States of America's market, offering benefits such as low tariffs on selected products across 6,500 tariff lines. In AGOA, fruits, especially citrus fruits, exhibited high export potential from South Africa. One of the citrus fruit products reaping the benefits of AGOA is oranges. In 1990, South Africa exported only 1% of fruits and nuts. However, with the implementation of AGOA, this figure surged to 19.9% by 2000 and further climbed to 32.5% by 2014 (Partidge and Pienaar, 2016). Oranges, contributing about 10% with a total value of R304 million, played a significant role in this growth (Partidge and Pienaar, 2016). Therefore, this article examines the drivers of orange exports from South Africa and the United States of America (USA) between 2003 and 2022, exploring the role that the AGOA plays in these exports and the opportunities and challenges the Act presents.

AGOA'S ROLE IN DRIVING SOUTH AFRICAN CITRUS EXPORTS

Figure 4 below shows South Africa's exports of oranges to the world and the USA, starting from 2003 to 2022. Over the past two decades, South Africa's exports of oranges (fresh or dried) have significantly increased by 683% from a value of R1.6 billion rand in 2003 to about R12.5 billion in 2022. Generally, the increase in South Africa's exports is attributed to its competitiveness due to favourable production conditions as well as trade agreements and protocols which boosts its export diversification to several other international markets. The USA is one of South Africa's major export markets for oranges, ranking fifth after Netherlands, China, United Arab Emirates (UAE), and Russia. However, in 2022 South Africa's exports of oranges to the USA declined by 3% year-on-year (y/y). Despite the observed y/y decline, post South Africa's inclusion in AGOA since its inception, South Africa's exports of oranges to the USA has seen growth of about 979% from a value of R77.8 million in 2003 to about R839.5 million in 2022.

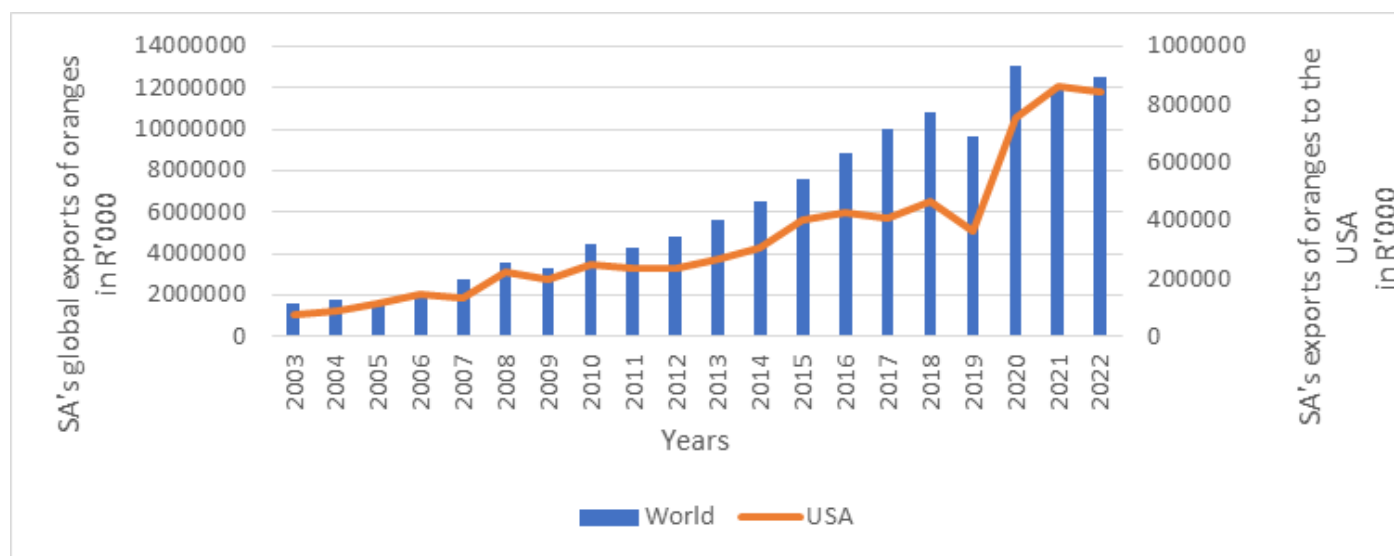


Figure 4: South Africa's exports of fresh and dried oranges to the world and the USA (2003-2022).

Source: Trade Map (2023)

Challenges to South African fresh and dried oranges exports under AGOA:

- **Competition:** with multiple countries having access to the USA market under the AGOA or other general world orange exporters, South Africa faces competition. Maintaining a competitive edge is increasingly becoming crucial for South Africa as other nations leverage under the AGOA privileges with better logistic and general essential supporting infrastructure for their citrus exports.
- **Non-Tariff Barriers:** despite AGOA preferences, non-tariff barriers such as Sanitary and Phytosanitary (SPS) measures could hinder the export of South African oranges to the USA. Comprehending and complying with U.S. trade regulations is imperative to navigate potential non-trade-related obstacles.

CONCLUSION

South Africa's citrus exports to the USA under the African Growth Opportunity Act (AGOA) has been positive in recent years. Initially, AGOA significantly boosted fruit and nut exports, particularly oranges, showcasing positive impacts on the citrus industry. Despite challenges like quality standards and competition, South Africa has maintained a stable trend in supplying fresh and dried oranges to the USA. Long-term growth rates indicate substantial increases in quantity and value, but short-term fluctuations highlight market sensitivity. Challenges, including geopolitical tensions, emphasise the need for strategic management. South Africa, being a major orange exporter globally, can capitalise on AGOA opportunities by addressing SPS, enhancing competitiveness and diversifying export strategies. AGOA remains valuable, but its effectiveness relies on adapting to emerging challenges. South Africa's citrus industry, particularly orange exports, stands at a crossroads given challenges from key markets such as the EU, necessitating adaptive strategies for sustained global success.



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AGOA IS KEY TO THE SUCCESS OF SOUTH AFRICAN WINES IN THE UNITED STATES (US)

By Siphelele Ricardo Smith

Over the years, South Africa has consistently positioned itself as a major player in the global agricultural market, solidifying its status as a net exporter of several agricultural products such as maize, wine, fresh fruit, beef, mohair, wool, dairy, and raisins, among others. In 2021, the agricultural sector contributed approximately 10 percent to South Africa's total export earnings, amounting to a value of US\$12.4 billion (Trade Map, 2023). Citrus, wine, table grapes, corn, apples, pears, and wool accounted for the largest share of exports in value terms. According to South Africa Wine Information and Systems (SAWIS, 2023), South Africa produced 368.8 million litres of wine in 2022, reflecting a decrease of 20 million litres compared to the production in 2021. This resulted in a total export value of R9.9 billion, down from R10.2 billion in 2021. The wine industry plays a significant role in the South African economy. It contributes to economic growth, job creation, and foreign exchange earnings through exports. According to SAWIS (2021), there are approximately 269,096 people employed in the entire value chain.

Table 4: South Africa's top 10 export markets for packaged and bulk wines in litres (excl. industrial wine), 2021 – 2022

Rank	Destination Market	Volume 2021 (Litres)	Volume 2022 (Litres)	% Growth 2021 – 2022
1	United Kingdom (UK)	92 483 905	96 853 007	4,7
2	Germany	65 223 005	59 038 553	-9,5
3	Canada	28 339 550	26 784 351	-5,5
4	U. S	42 324 426	25 506 075	-39,7
5	France	16 807 764	22 543 694	34,1
6	Netherlands	17 617 426	15 697 539	-10,9
7	Denmark	13 995 242	15 490 278	10,7
8	Sweden	16 781 978	13 999 970	-16,6
9	Belgium	11 720 607	13 733 505	17,2
10	China	13 806 601	8 527 930	-38,2

Source: SAWIS (2022) and own calculations

Table 4 shows South Africa's the top 10 export markets for packaged and bulk wines in litres excluding industrial wine, between 2021 and 2022. In 2022, South Africa's packaged and bulk wine exports showed a diversified global reach, with the United Kingdom (UK) leading in volume at 96,8 million litres, followed by Germany (59 million litres), Canada (26,7 million litres), and the United States (US) (25,5 million). The UK, South Africa's largest export market for wines has shown a growth of 4.7%. However, challenges were evident in other key markets. Germany and Canada experienced declines of 9.48% and 5.49%. Notably, exports to the US saw a significant decrease of 39.74%. According to WOSA (2023), the decline could be attributed partly to shipping constraints at the port of Cape Town, in particular an extended period of adverse weather conditions, which prevented ships from docking during April 2022 as well as the two-week long period of strikes by port workers in October 2022. Furthermore, the Chinese market experienced a decline of 38.2% in export volumes, which could be attributed to Covid-19-related lockdown measures imposed by the Chinese government.

Despite ranking fourth in terms of import volume, the US is an important export market for South African wines. Specifically, in 2022, South Africa exported approximately 25.5 million litres of wine to the US, at a value of approximately R798 million (SAWIS, 2023). Central to South Africa's global success is the Africa Growth Opportunity Act (AGOA), a US trade policy enacted on 18 May 2000 to promote economic development and trade relations between the United States and qualifying Sub-Saharan African countries (WESGRO, 2023). AGOA has opened a gateway for the South African wine industry in the lucrative US market, providing duty-free access. AGOA has improved the competitiveness of South African wines and paved the way for increased market share by eliminating tariffs. Notwithstanding the success facilitated by AGOA, the industry faces challenges such as the impending expiration of AGOA in 2025. As AGOA approaches its potential expiration, collaboration between South African and US governments is very important. President Biden's administration has indicated

a desire to extend AGOA beyond 2025, and it is critical that South Africa continues to benefit from the agreement. The negotiating stage presents an opportunity for both countries to deepen their collaboration through capacity building and technical assistance. This will ensure that South African businesses meet US standards, thereby enhancing their competitiveness in the US market. Successful negotiations will be crucial for maintaining the preferential trade terms that have strengthened the success of South African wines in the US market.

CONCLUSION

The US remains a key export market for South African wines, despite experiencing a significant decline of 39.7% in export volumes from 2021 to 2022. The challenges faced, such as shipping constraints, emphasize the critical need for continuous engagement to improve logistics efficiency and infrastructure. The industry's ability to navigate challenges, embrace innovation, and actively engage in negotiations surrounding AGOA's future will determine its continued success in the US market. In negotiating AGOA's future, South Africa has the opportunity to safeguard its economic interests and to deepen its ties with the US.



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POTENTIAL IMPACT OF CREATING A TEMPORARY REBATE ON CHICKEN MEAT IMPORTS (CLASSIFIABLE UNDER HS 0207.1)



The global livestock industry continues to face numerous challenges which among most is the outbreak of animal diseases. In particular, the poultry industry is currently plagued by the outbreak and spread of Avian Influenza (AI) (commonly known as bird flu) worldwide. According to the World Organization for Animal Health (WOAH, 2023a), AI is a highly contagious viral disease that affects both domestic and wild birds. Additionally, AI is mainly caused by a group of viruses which can be divided into several subtypes (such as H5N1, H5N3, H5N8, etc.) whose genetic characteristics tend to advance rapidly. Depending on the severity of AI in poultry, WOAH (2023a) reckons that the several strains of bird flu can be classified into two categories, namely: low pathogenicity avian influenza (LPAI) which causes little or no clinical signs, as well as, the high pathogenicity avian influenza (HPAI) which cause severe clinical signs and also high mortality rates.

Available at: <https://www.namc.co.za/potential-impact-of-creating-a-temporary-rebate-on-chicken-meat-imports/>.

South African citrus exports lag behind forecasts



The final export figures for the South African citrus campaign are below the expected growth curve based on plantings, but mandarin exports have taken off. South Africa's final export figures for 2023 put the industry behind its projection to reach 260m cartons within ten years. The Citrus Growers' Association (CGA) said the final figure for 2023 was substantially below the anticipated growth curve based on plantings.

"This season southern African citrus growers packed 165.1m (15kg) cartons for delivery to global markets," the CGA revealed. "While this is an increase of approximately 800,000 cartons from the packed figures of last year, it is still 500,000 cartons lower than the forecast at the start of the season. It is, more importantly, substantially below the anticipated growth curve based on plantings that could see the industry potentially hitting 200m cartons in the next four years, and possibly 260m cartons by 2032."

Available at: <https://www.fruitnet.com/eurofruit/south-african-citrus-exports-lag-behind-forecasts/257254.article>.

GOVERNMENT CLARIFIES INCORRECT MEDIA REPORTING ABOUT THE AGRIBEE REQUIREMENTS FOR AGRICULTURAL EXPORTS TO THE EUROPEAN AND UK MARKETS



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/>.

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