

TRADE PROBE

ISSUE 96 | MARCH 2024

Thriving through protectionism challenges in exporting South African avocados

Analysis of market
opportunities for South
African wool series:
Part 1: Realistic market
opportunities

Red Sea attacks: What trade experts
are saying about the shipping
disruptions



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-first (96th) issue of the Trade Probe publication produced under the Markets and Economic Research Centre (MERC) of the National Agricultural Marketing Council (NAMC).

The Trade Probe 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 impact of rising protectionism on agricultural trade. Articles contained in this Issue assess how tariffs and non-tariff measures such as sanitary and phytosanitary (SPS); and technical barriers to trade (TBT) are increasingly applied in a manner that impacts agricultural exports. Protectionist trade policies may be categorized as administrative barriers, subsidies, embargoes, quotas, and others. Whereas non-tariff-measures (NTMs) can be classified as SPS measures, TBTs, import and export control measures. Guided by the mandate of the National Agricultural Marketing Council (NAMC), the current issue of the Trade Probe seeks to inform policymakers, producers, traders, and other stakeholders about how protectionist policies and NTM's are impacting agricultural trade, as well as identifying other potential export market opportunities for South African agricultural products.

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THRIVING THROUGH PROTECTIONISM CHALLENGES IN EXPORTING SOUTH AFRICAN AVOCADOS

By Nkosingiphile Duma, Bernard Manganyi & Thulani Ningi

South Africa has emerged as a significant player in the global avocado market, ranking as Africa's second-largest exporter of avocados. **Table 1** illustrates the top ten countries importing avocados from South Africa. Over the period from 2018 to 2022, South African avocado exports to various regions exhibited distinct patterns. The European market, particularly the Netherlands and the United Kingdom (UK), remains a dominant destination. Between 2021 and 2022, the Netherlands recorded a year-on-year (y/y) growth of about 23.1% while the UK recorded a decline of 0.4%. On the other hand, South Africa's avocado exports to the United Arab Emirates (UAE) grew substantially by 87.8% during this period under consideration. In comparison, South Africa's avocado exports to other European Union (EU) countries such as Germany, Spain, Portugal, France, and Russia recorded significant declines over this period. The largest decline was observed for France where avocado imports from South Africa decreased by 63.7%, followed by Spain (51%), the Russian Federation (49.9%), and Germany (19.7%), respectively. This pattern points to differing degrees of market dynamics and demand in every country to which South Africa exports avocados to.

South African avocado exporters run the risk of concentration by depending too much on a small number of important markets, such as the Netherlands and the UK. Any adverse developments in these markets, such as regulatory changes or shifts in consumer preferences, could significantly impact export volumes and revenues. Regionally, countries such as Namibia and Botswana demonstrate stable regional trade relations for avocado from South Africa, except the abrupt border closers for vegetables. **Table 1:** Top ten avocado importing countries (US Dollar thousand)



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Importers	2018	2019	2020	2021	2022	% Change (2022/2021)
Netherlands	79 149	45 672	45 684	65 589	80 732	23.1
United Kingdom	19 019	11 345	15 788	20 591	20 506	-0.4
Russian Federation	2 161	1 734	4 169	5 356	2 683	-49.9
Germany	50	378	370	3 146	2 525	-19.7
Portugal	1 163	729	1 398	1 906	2 358	23.7
United Arab Emirates	1 816	1 977	681	1 135	2 132	87.8
Spain	6 887	3 616	1 166	3 073	1 506	-51.0
Namibia	953	1 134	967	1 139	1 004	-11.9
France	543	150	756	2 523	917	-63.7
Botswana	567	657	826	826	725	-12.2
Total	112 308	67 392	71 805	105 278	115 088	9.3

Source: Trade Map (2024)

South Africa faces challenges in navigating EU markets due to increased protectionism, including strict regulations on quality and pest control measures on citrus imports. Meeting packaging and environmental standards could enhance competitiveness but may be hindered by certification costs (CBI, 2024). On the other hand, current farmers' protests in some EU regions reflect growing protectionist sentiment since they seek protection against imports that they perceive as unfair competition from global markets (Sihlobo, 2024). Against this background, this article seeks to assess the challenges imposed by growing protectionism on South African avocado exports.

SOUTH AFRICA AVOCADO EXPORTS AMID GROWING PROTECTIONISM

Diversifying export markets is essential for South Africa's avocado industry to ensure its long-term sustainability and resilience against external factors such as Non-Tariff Measures (NTMs) and Technical Barriers to Trade (TBTs). Exploring non-EU markets such as China, the United States, Japan, and India presents substantial opportunities for growth and expansion. However, each market imposes a varying number of regulatory requirements, which can challenge market access. **Figure 1** presents a number of current regulatory requirements from potential markets for South African avocados. China has 103 regulatory requirements, which presents a complex regulatory landscape that demands substantial investment in compliance measures and administrative resources. Despite its relatively fewer regulations (13), Japan requires strict adherence to food safety standards, necessitating careful planning and strategic engagement. The United States, Korea, and India, with 49, 47, and 62 regulations, respectively, also present regulatory complexities that South African exporters must navigate to penetrate these markets effectively.

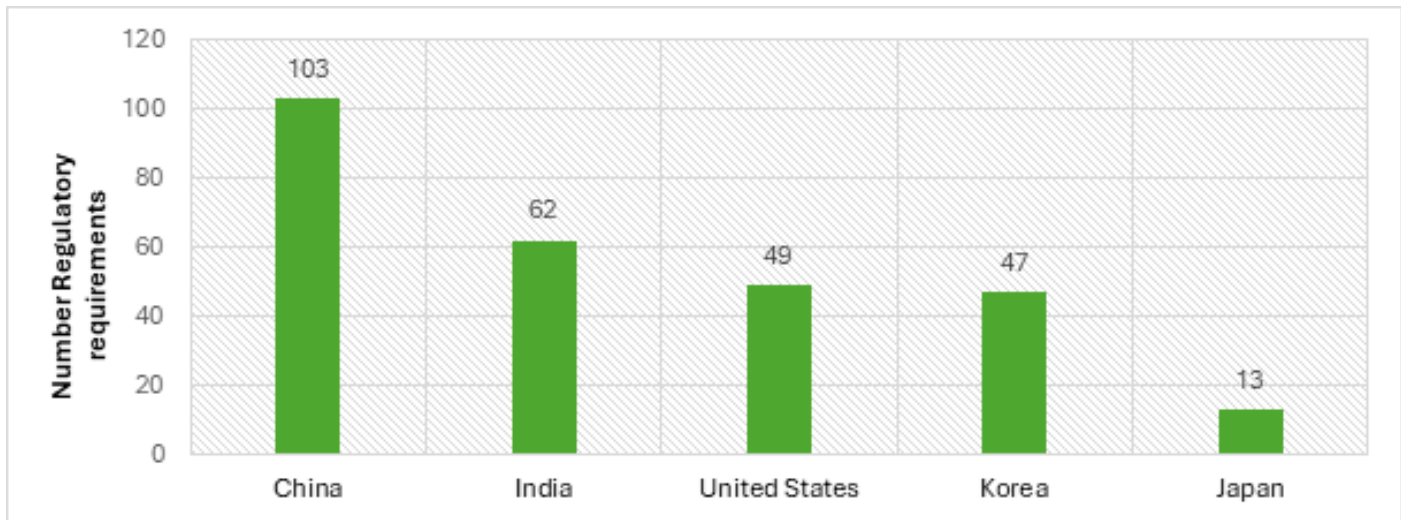



Figure 1: The number of regulatory requirements in potential export markets for South African Avocados (080440 Fresh or dried avocados)
Source: Trade Map (2024)

To overcome these regulatory hurdles and maximize market access, South African avocado exporters must invest in compliance measures, engage with regulatory authorities, and adapt their strategies to meet the specific standards of each target market. Leveraging existing trade agreements, such as the African Growth and Opportunity Act (AGOA) with the United States, can provide a pathway to enhance market access and facilitate smoother entry into these non-EU markets. Additionally, In November 2023, Japan lifted its restrictions on South African avocados, allowing the first shipments to begin in June 2024 (DALRRD, 2023a). The signing of the avocado trade agreement with China in August 2023 was a significant step towards diversifying South African avocado exports, potentially leading to increased market access, product diversification, price stability, economic growth, and knowledge sharing (DALRRD, 2023b). These agreements demonstrate South Africa's commitment to meeting regulatory standards and fostering mutually beneficial trade relationships.

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.



SOUTH AFRICA'S CITRUS EXPORTS REMAIN RESILIENT DESPITE STRINGENT SPS MEASURES IN KEY MARKETS

By Bhekani Zondo

South Africa's citrus industry is one of the most important agricultural industries that are largely export-oriented. According to the Citrus Growers Association of Southern Africa (CGA, 2023a), South Africa is the 10th largest producer of citrus globally, and in the 2021/22 season, South Africa produced about 3.2 million tons of citrus fruits. South Africa's citrus production is mainly dominated by oranges (Valencia and Navels), mandarins, grapefruits, and lemons. Most of the citrus produced in South Africa is exported, with citrus exports accounting for about a share of 69% of citrus production, while processed citrus and locally consumed citrus account for a share of about 25% and 6%, respectively (CGA, 2023a). Notwithstanding that South Africa is ranked 10th in terms of global citrus production, in terms of citrus exports the country is ranked second after Spain. In 2021/22, South Africa exported about 2.62 million tons

of citrus fruits showing a 1% increase from 2.59 million in the 2020/21 season (CGA, 2023a; Trade Map, 2023). The leading exportable citrus fruits are Valencia accounting for a share of 31%, followed by mandarins (27%), lemons (18%), navels (15%), and grapefruits (9%).

In value terms, Europe remains the major export destination for South Africa's citrus exports with a share of 33%, followed by the Middle East (19%), South East Asia (13%), the United Kingdom (UK) (9%), North America (9%), Asia (9%), Russia (8%), as well as Africa and Islands (2%). Figure 2 below illustrates the quarterly value of South Africa's citrus exports to the world and the EU between 2021 and 2023. In Q4 of 2023, South Africa's citrus exports to the world were valued at R1.9 billion while exports to the EU were valued at R509.5 million.

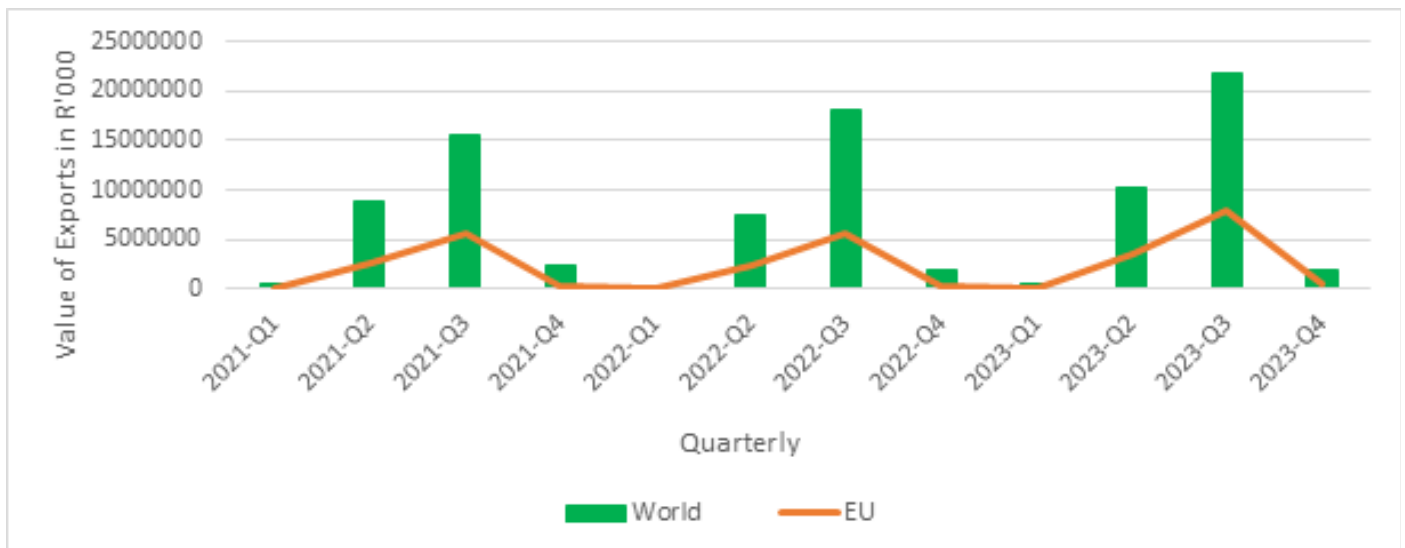


Figure 2: Value of South Africa’s citrus exports to the world and the EU between 2021 and 2023, quarterly.

Due to the seasonality of citrus fruits, the analysis shows that South Africa’s exports of citrus peak around quarter 3 (Q3) of each year. As of Q3 of 2023, South Africa exported a value of R21.7 billion worth of export to the world while exporting a value of R7.8 billion to the EU. During this period, oranges (fresh or dried) accounted for about 49% of South Africa’s citrus to the EU, followed by mandarins (30%), lemons (18%), and grapefruits (4%), respectively.

Despite South Africa being one of the leading exporters of citrus, the country continues to face several market access challenges in its traditional export markets like the EU in the form of stringent sanitary and phytosanitary measures (SPS) requirements. The market access challenges are mainly associated with the prevalence of Citrus Black Spot (CBS) and False Codling Moth (FCM) in some of the producing regions within the country. Both CBS and FCM are quarantine pests in international markets such as the EU and the United States of America (USA). The industry suggests that the compliance costs for CBS and FCM are estimated at over R3.4 billion with the EU’s new cold treatment regulations accounting for about R295 million (CGA, 2023b). In addition to issues relating to pests and diseases, the industry is also challenged by inefficient port operations, and the deteriorating transportation infrastructure (USDA, 2023). However, as the new marketing season is to start, the measures put in place by state and private sector, the have been some improvements on ports activities. This ought to help the sector in its attempts to keep up its competitiveness in the international market.



CONCLUSION

Despite the challenges faced by the local citrus industry in its key markets such as the EU, the analysis shows that South Africa's citrus remains relatively resilient. The analysis shows that South Africa's citrus exports have continued to grow substantially over the past three years although faced with chronic port operational and infrastructure-related issues in addition to the stringent SPS measures in its key markets. Although South Africa has lodged a dispute with the World Trade Organization against the EU's restrictive SPS measures, the local government in collaborating with other industry role players should persistently push for the finalization of consultations with the WTO regarding this matter. Also, increased efforts towards improving port operations and transportation infrastructure are very crucial for safeguarding jobs and investments in the sector; thus, ensuring its long-term sustainability and competitiveness.



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Lessons for South Africa from the Botswana vegetable ban

By Buhlebemvelo Dube

This section pinpoints lessons from the Botswana vegetable ban extension, prospects for future regional trade or economic integration. In addition, propose ways to optimize opportunities and enhance agricultural performance for the South African fresh produce market amidst rising protectionism and use of NTB (Non-Tariff Barriers) or TBT (Technical Barriers to Trade) around the world. South African agriculture industry is export-based and thus, relies heavily on agricultural trade. Mozambique, Namibia, Netherlands, Botswana, United Kingdom (UK), Lesotho, and Eswatini are the major destinations for South African fresh vegetables exports in the world. In recent years countries such as Italy, the United Arab Emirates (UAE), Spain, Vietnam have been increasing importing fresh vegetables from South Africa (Trade Map, 2024). The SACU (Southern African Customs Union) members, import almost 16.7% of fresh vegetables, following only the Netherlands at 28.3%, thus showing the gravity of the ban of fresh vegetables by Botswana on South Africa. Table 2 below illustrates South African trade analysis with SACU members for fresh vegetables.

Table 2: South African trade analysis with SACU members for fresh vegetables (HS: 0709).

Importers	Share in SA exports (%)	Share of SA in the partners' imports (%)	Quantity exported in 2022 (Tons)	Growth in export value 2018-2022 (% p.a)	Growth in exported quantity between 2018-2022 (% p.a)	Growth in export value between 2021-2022 (% p.a)
Botswana	6.4%	99.8%	2449	-13	-17	-55
Namibia	4.6%	99.3%	2378	-13	-6	-12
Lesotho	2.9%	100%	1138	-9	-13	8
Eswatini	2.8%	89.4%	1724	1	-6	10

Source: Trade Map (2024)

The extension of the vegetable ban has numerous implications not only for the South African economy but also for Botswana, as well as future commitments towards trade agreements such as the AfCFTA (African Continental Free Trade Area) agreement. From a South African perspective, producers are devastated to lose critical markets, regardless of the optimism that consumers in South Africa will now buy vegetables at a lower price due to competition. On the other hand, Botswana is likely to intensify its plans to capacitate producers to be more self-sufficient, however, the consumers will face the brunt of buying fresh produce at relatively higher prices due to

less competition in the market. Notably, the continued ban on South African fresh produce, will negatively affect the poorest Botswana consumers as fresh produce prices will remain relatively high. Vegetables that have been restricted include tomatoes, carrots, beetroot, potatoes, cabbages, lettuce, garlic, chimes, ginger, turmeric, chili pepper, butternut, watermelons, sweet pepper, green mealies, fresh herbs, as well as sixteen more that will be added to the list.

From a regional perspective, the continued use of NTB, TBT, and rising protectionism, may escalate

trade tensions, influence regional discord, as well as hesitation from some members towards the AfCFTA agreement. This is primarily because the ban extension on fresh produce is inconsistent with SACU rules since it has negative economic impacts on South African and Botswana consumers. Moreover, it is incompatible with the WTO (World Trade Organization), since South Africa is not alleged to be dumping goods, subsidized, or has a surge to attract trade remedies. There is no economic threat that is posed by the trade behavior of South African producers. The continued use of NTMs at the SACU level may be a challenge towards intensifying intra-Africa trade and a barrier to economic growth and poverty alleviation.

CONCLUSION

The ban serves as a lesson that South African producers must expand external market opportunities and diversify fresh produce goods away from each other. Concentration on the traditional markets is not

sustainable and will continue posing serious threats to the industry. Botswana is likely to benefit more from the removal of trade barriers given the negative impact the bans will have on the spirit of free trade in Africa and the consumers of fresh produce in Botswana. There is a need to improve communication, mutual cooperation and leverage the knowledge from South African farmers to improve their industry, without placing trade barriers. Mutual cooperation on information sharing and technology sharing will benefit the Botswana local industry immensely. South Africa, Botswana, Namibia, Lesotho, and Eswatini, must all contribute to the SACU expansion, and this may, from time to time, require trading national interests for regional economic growth. This will allow the SACU block to have inclusive and sustainable growth in the long term, which benefits all member states and helps achieve domestic economic growth as well as poverty alleviation.



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A HIGH-LEVEL ANALYSIS OF THE SOUTH AFRICAN NATURAL HONEY SECTOR

By Thabile Nkunjana & Naledi Radebe

The honeybee industry in South Africa is very small in comparison to other industries, but it is nonetheless significant for several reasons. In the agricultural sector, bees that generate natural honey are essential for pollinating flowers. Because of this, South Africa has a thriving horticulture industry, with some fruit growers maintaining beehives on their farms. Even though the honey sector is very significant, it has seen many challenges over the years that have led to the establishment of the South African Bee Industry Organisation (SABIO) as its umbrella organisation. The local honey sector is being badly impacted by several difficulties, including adulteration, misleading or inadequate labelling, and compliance issues to name a few. Adulteration is the addition of additives to change honey characteristics for commercial gain; this creates unfair competition for the country's genuine producers of natural honey. According to Zylem data, South Africa produces about 2000 tonnes of honey annually, compared to consumption of approximately 5000 tonnes, or more than twice as much. This article demonstrates the import and export patterns over a ten-year period to highlight the performance of South Africa's natural honey trade.

EXPORTS AND IMPORTS IN QUANTITIES (TONNES)

Figure 3 presents quantities of South Africa's imports and exports of honey from top markets between 2013 and 2022. With a total of 4 618 tonnes of honey exported to the global market, South Africa's natural honey exports have increased by 40.0% during the monitored period. Even though South Africa is a global honey exporter, the majority of its exports are to its neighbours. Namibia is the largest market with a total share of 41% of the 4 618 tonnes exported between 2013 and 2022, followed by Botswana (23%), Lesotho (9%), Eswatini (5%), Mozambique (5%), and Malawi (3%). The greatest amount exported in a single year was 665 tonnes in 2021, while from 2013 to 2022, shipments averaged 461 tonnes annually (Trade Map, 2024).

South Africa imports more honey than it exports since it is a net importer. A total of 40 439 tonnes of honey were imported into South Africa between 2013 and 2022. China supplies the majority (84%) of South Africa's honey imports, which total 40 439 tonnes during the period under observation. India came in at 1% and Zambia at 9% after China (Trade map, 2024).

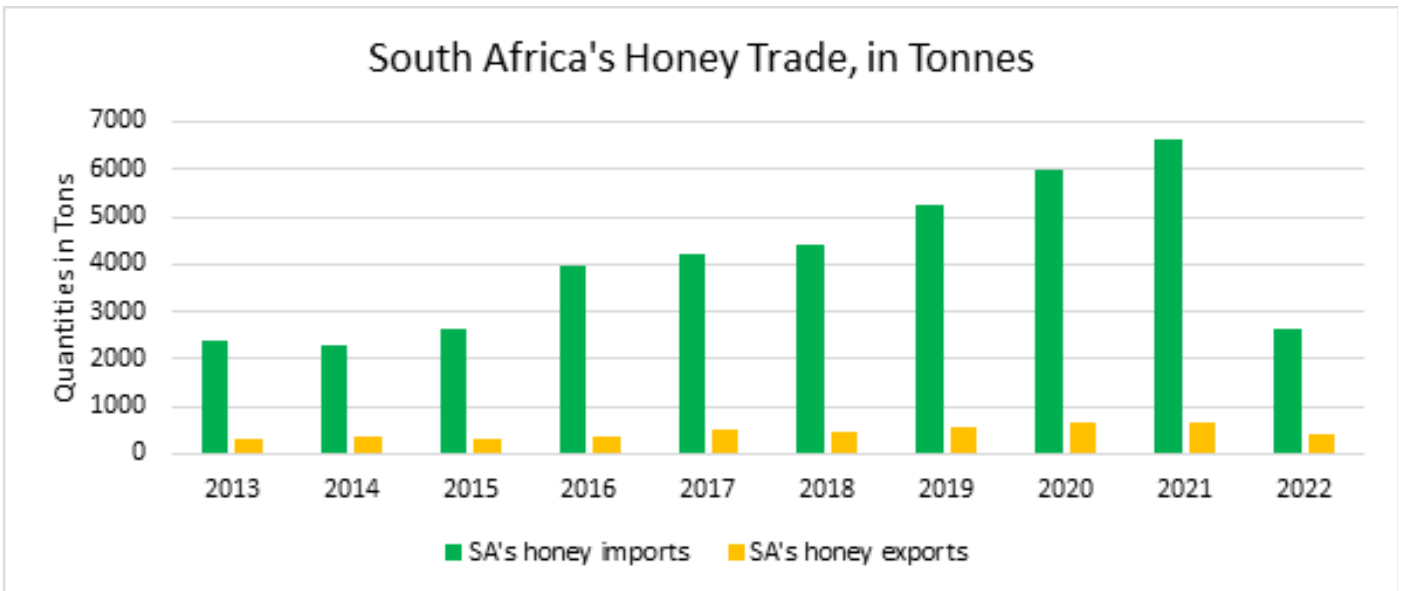


Figure 3: South Africa’s honey trade, in tonnes

Source: Trade Map (2024)

EXPORTS AND IMPORTS IN VALUE (RAND) TERMS

Figure 4 presents South Africa’s imports and exports of natural honey from top markets between 2013 and 2022 in value (Rand) terms. South Africa’s honey exports increased by 441% over this time, from R6.6 million in 2013 to R35.7 million in 2022. 43% of South Africa’s R15.4 million worth of honey exports in 2022 came from Botswana, with Namibia, Mozambique, Lesotho, and Eswatini following with 25%, 10%, 9%, and 3%, respectively (Trade map, 2024). Conversely, imports had grown more slowly than exports, averaging R105.6 million over a five-year period. It should come as no surprise that China is by far the biggest provider, providing 68% of South Africa’s R34.6 million worth of honey imports in 2022. China was followed by Zambia (21%), India (4%), Tanzania (2%), and Turkey (1%) (Trade map, 2024).

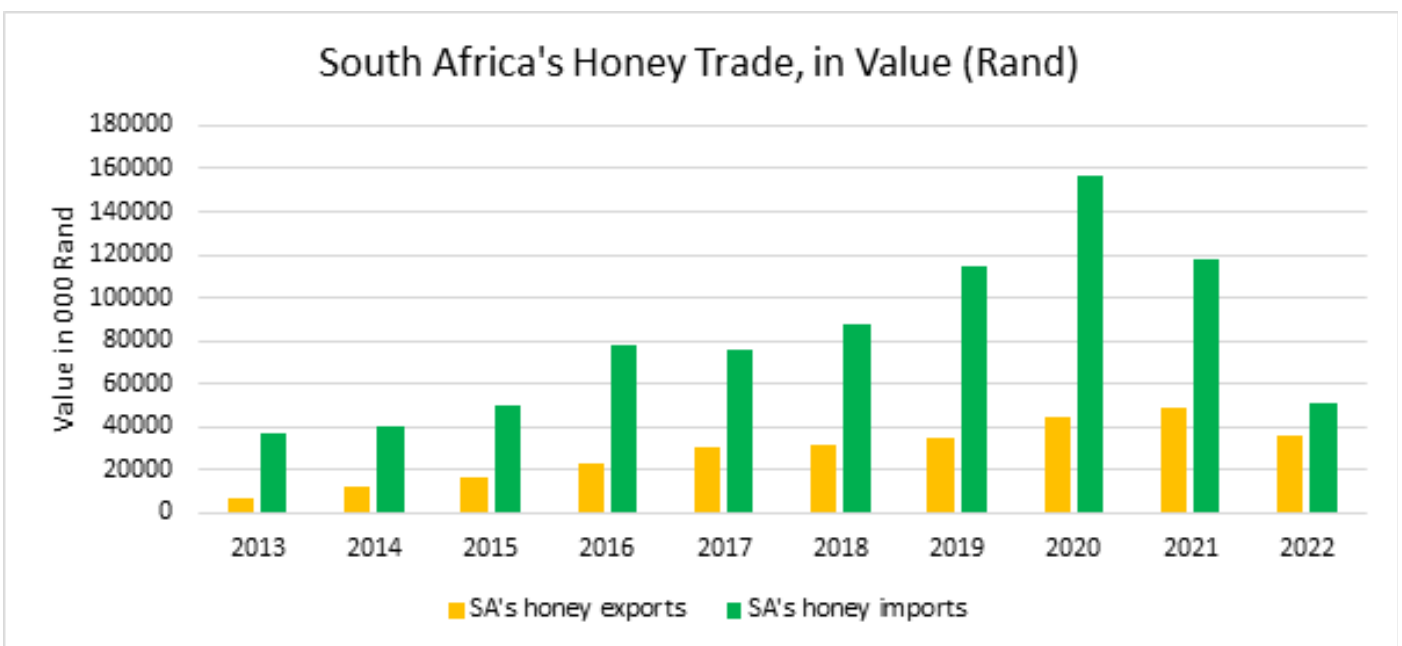


Figure 4: South Africa’s honey trade, in value (Rand)

Source: Trade Map (2024)

CONCLUSION

Although the honey industry in South Africa may not be large, individuals who recognise the significance of bees in the agricultural sector would recognise the connection between the two. The worth and significance of honeybees for agriculture and conservation significantly are beyond the beekeepers' existing profit margin from honeybees. Bees pollinate the flowers that provide South African farmers with the wonderful food they produce, which also improves human health overall and creates jobs and revenue. A country with a horticultural industry like South Africa would not want to see a reduction in the bee population, which is what the honey output decline could indicate. Furthermore, since natural honey is one of the food products that is most frequently faked, a self-sufficient industry would not only maintain the competitiveness of the South African honey market but also reduce the risks associated with consuming fake honey, which is probably putting undue pressure on local producers of natural honey. Despite being a net importer of honey, the industry has done rather well in terms of exports. Among the various problems that the sector encounters, regulation appears to be one of the most important ones that need attention. This would not only revitalise this flagging industry, but it also has the ability to encourage investment and industrial expansion.



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ANALYSIS OF MARKET OPPORTUNITIES FOR SOUTH AFRICAN WOOL SERIES PART 1: REALISTIC MARKET OPPORTUNITIES

By Kayaletu Sotsha & Singita Maswanganye

With so many possibilities for trade in a liberalized environment, including several options for the same product, where do governments begin to negotiate trade partnerships for a specific commodity? In this series, we assess the realistic market potential for South African wool (HS: 510111). This supports the belief that market diversification is crucial.

The South African wool sector can witness this since it has faced the challenges of relying primarily on a single market. China, South Africa's largest market, prohibited wool exports in 2022 owing to a foot-and-mouth disease outbreak in sections of the country. This occurred despite the existence of a protocol in place to handle wool exports and prevent contamination in the case of such an epidemic, which the two governments agreed to in 2019.

In 2022, the European Union (EU) imposed new measures requiring greater cold treatment for citrus exports in response to worries about False Codling Moth (FCM), a pest endemic in Sub-Saharan Africa, and Citrus Black Spot (CBS), a fungal disease that causes black patches on fruit. This occurred despite South Africa's good track record of

pest management on exporting products. Furthermore, the rules went into force during the export season, giving farmers insufficient time to plan for compliance, let alone the readiness to invest in new cold storage technologies and capacity.

According to Cape Wools SA data, South African wool production averaged 48.6 million kg for the past decade, from 2013/14 to 2022/23. When compared to a low base of 42.6 million kilos in 2018/19 because of the drought, production grew by 10.8% in the 2022/23 season. Between 2018 and 2022, more than 75% of South Africa's wool production was exported for an average of R4.48 billion (Trade Map, 2023). China dominates the market, accounting for 77.5%, 72.7%, and 59% in 2020, 20221, and 2022, respectively. Historically, China is followed by the Czech Republic (12%) and Italy (3%).

If South Africa wants to diversify its wool markets, which markets must be considered and why? Using the TRADE-DSM (Decision Support Model) [®] methodology, developed by the North West University (<http://www.nwu.ac.za/trade>) and TRADE Research Advisory (PTY) Ltd (see <http://www.tradeadvisory.co.za>), we discovered

113 viable market options for South African wool. These markets were selected based on the operational environment (economic growth, size, and acceptable macroeconomic risk), import demand (short and long-term growth), barriers to entry (tariffs, logistics, and access), and degree of market concentration (a country’s willingness to import wool from multiple exporting countries).

Figure 5 depicts a geographical representation of these markets. The map depicts the relative potential of the market opportunity in dark green bubbles. The magnitude of the bubbles determines the potential size of the market. China, Italy, the Czech Republic, India, Uruguay, Bulgaria, Egypt, the United Kingdom (UK), Taiwan, and Mauritius are among the top 10 export markets out of 113.

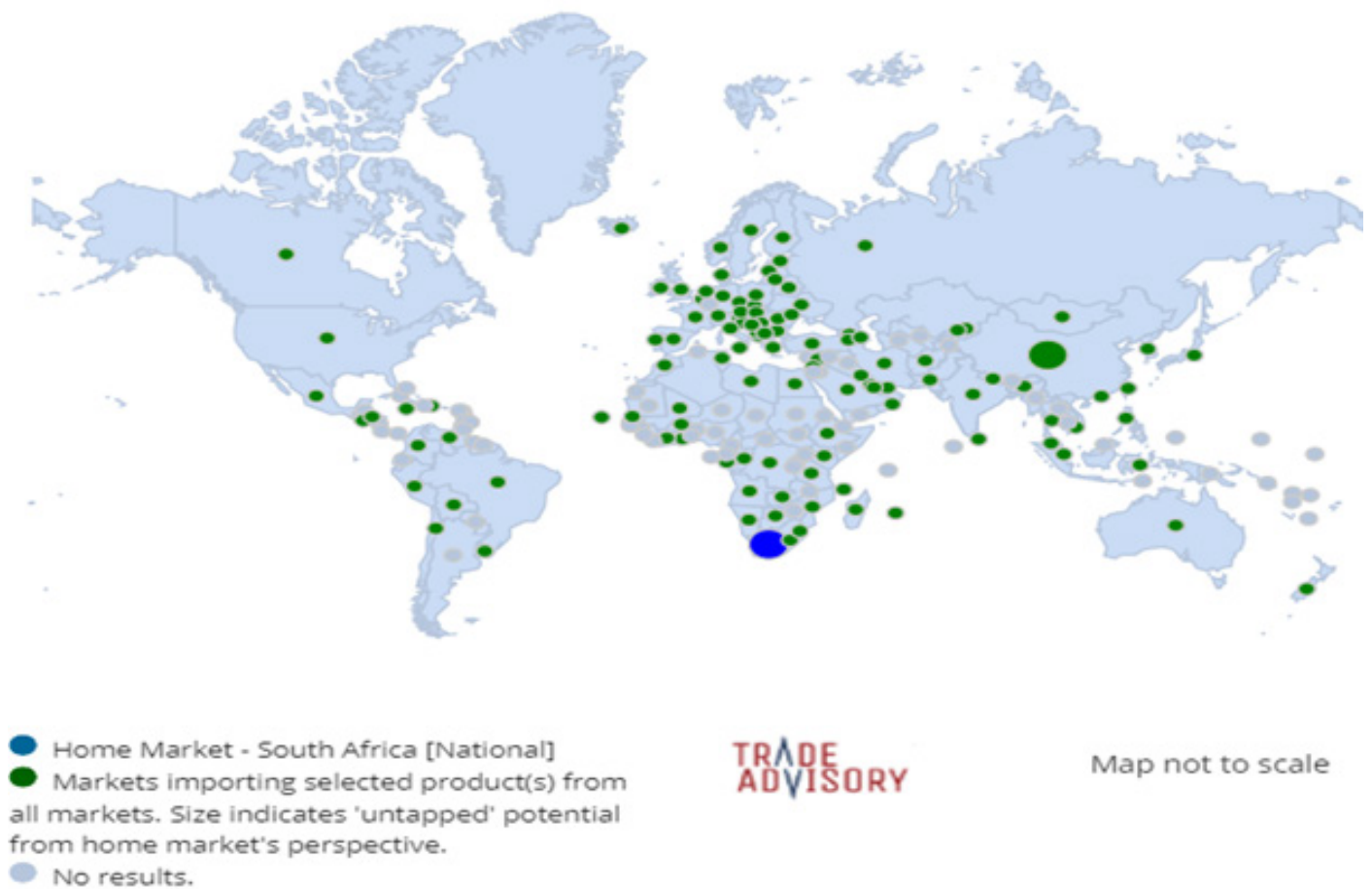


Figure 5: Realistic export opportunities for product HS: 510111 exported by South Africa
 Source: TRADE-DSM (Decision Support Model) and TRADE Research Advisory (2024)

But are all of them worth pursuing? More information is offered in the next parts of the series. Part 2 will focus on the markets for which South Africa currently has regular exports (supplying a medium to large portion of the target market's existing import demand). This section will also indicate if the market is increasing in the short, long term, or both, and the markets will be characterized as:

- (i) trade already happening at a larger scale,
- (ii) suitable opportunities for 'new' or 'inexperienced' exporters to pursue,
- (iii) trade flows are possible, but in relative size, South African exporters have not made significant inroads into these markets yet – so potential for market expansion exists.
- (iv) markets that for some reason no trade or very little if any is happening between South Africa and these target markets and potentially may require export development and investment activities to unlock these opportunities.



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TRADE PROFILE OF COOKED CHICKEN MEAT

By Phelelani Sibiya

GLOBAL TRADE

Table 3 illustrates the leading cooked chicken meat exporters globally for the past five years. The global cooked chicken exports amounted to R169.7 billion in 2022. Between 2018 and 2022 global cooked chicken meat exports grew by 63%. Thailand has been the leading exporter with a 28% market share in 2022, followed by China and Germany with a market share of 12% and 9% respectively. Thailand’s cooked chicken meat exports grew by 50% from R31.7 billion in 2018 to R47.7 billion in 2022. All the leading countries experienced a positive growth rate during this period with China growing by 38%, Germany (46%), Netherlands (118%), and Poland with the highest growth rate of 172%.

Table 3: Global export of cooked chicken

Exporters	Exported value in 2018	Exported value in 2019	Exported value in 2020	Exported value in 2021	Exported value in 2022	% Share
World	104349096	118430870	124953103	125721578	169772211	100%
Thailand	31789532	37350107	39509492	34070894	47707527	28%
China	14631920	15438123	14944424	15779398	20257555	12%
Germany	10271937	11296420	12164608	11759754	15027022	9%
Netherlands	6267915	7450597	7878127	9385860	13669803	8%
Poland	4753588	5757772	7396690	8908247	12934741	8%
Brazil	3634709	4002625	4124890	4270929	6101248	4%
Canada	2714060	3103163	3821186	4120787	6063318	4%
Belgium	3499794	4050153	4267985	4316313	5329582	3%
France	3679132	4074127	3709245	4288256	5206048	3%
Denmark	3048443	3696526	3947207	3599252	4655476	3%

Source: Trade Map (2024)

In terms of cooked chicken imports, Table 4 illustrates the leading cooked chicken meat importers globally between 2018 and 2022. The global cooked chicken imports amounted to R40.7 billion in 2022. For the past five years, Japan has been the leading importer of cooked chicken meat with a 25% market share in 2022. The United Kingdom (UK) was the second largest with a market share of 18%, followed by the Netherlands with a market share of 8%. Global cooked chicken meat imports grew by 59% during this period. Between 2018 and 2022, the United States of America had the highest import growth rate amounting to 14%, followed by France (110%) and the Netherlands (87%).

Table 4: Global import of cooked chicken

Importers	Imported value in 2018	Imported value in 2019	Imported value in 2020	Imported value in 2021	Imported value in 2022	%share
World	101909802	114050846	122249316	118193155	161682301	100%
Japan	31852414	34933212	36455261	33232928	40759524	25%
United Kingdom	17854000	20298873	22431681	17957693	29177335	18%
Netherlands	6838513	7699555	8075974	8510244	12767201	8%
Germany	7573176	7240493	7070451	6739266	9197752	6%
France	3814954	4334025	5191576	5598993	7994791	5%
United States of America	3291334	3755659	4608501	5001302	7055258	4%
Ireland	2361232	3076722	3204358	2568225	3958131	2%
Canada	1925535	2147586	2216759	2220756	3235630	2%
Belgium	2010918	2095034	2276515	2585552	3174919	2%
Hong Kong, China	2653061	2787106	3011662	2847552	3168549	2%

Source: Trade Map (2024)

SOUTH AFRICA’S COOKED CHICKEN TRADE

In terms of cooked chicken meat, South Africa is a net exporter. Figure 6 indicates South Africa’s value of exports and imports for the past five years from 2018 to 2022. The results indicate that South Africa’s imports of cooked have been declining, the value of imports declined by 34% between 2018 and 2019, by 0.19% in 2020, and there was a spike of 80% growth in 2021, however, the declining trend continued in 2022 where import declined by 30%. During this period cooked chicken meat exports have been increasing even though there have been fluctuations, in 2020 exports declined by 35% however they picked up again in 2021.

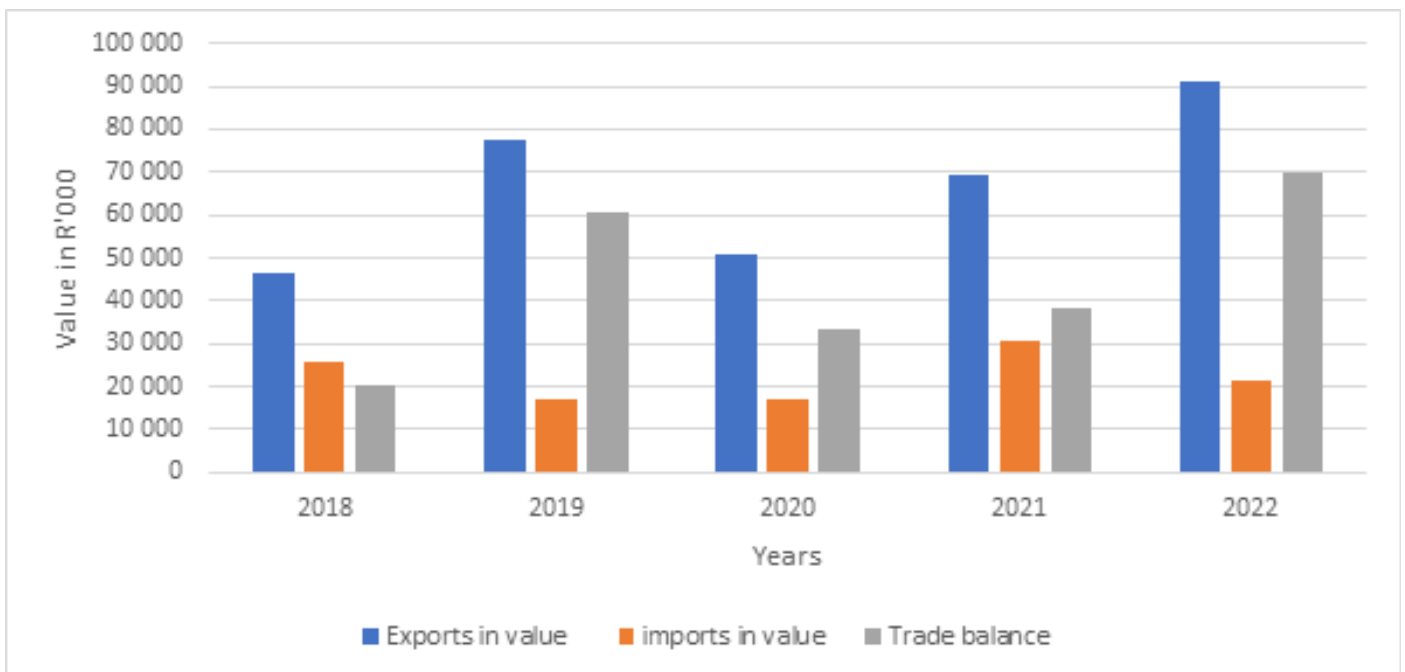


Figure 6: Exports, imports, and trade balance

Source: Trade Map (2024)

Figure 7 below shows the leading export markets for South African cooked chicken. The figure shows that South Africa’s cooked chicken exports go to Africa and Asia. 84% of South Africa’s cooked chicken meat export goes to African countries, mostly to Southern African Development Community (SADC) countries. In terms of countries, Namibia was the major importer of South Africa’s cooked chicken meat, accounting for a share of 37 %, followed by Mozambique (19%), Botswana (14%), UAE (10%), and Qatar (6%) in 2022.

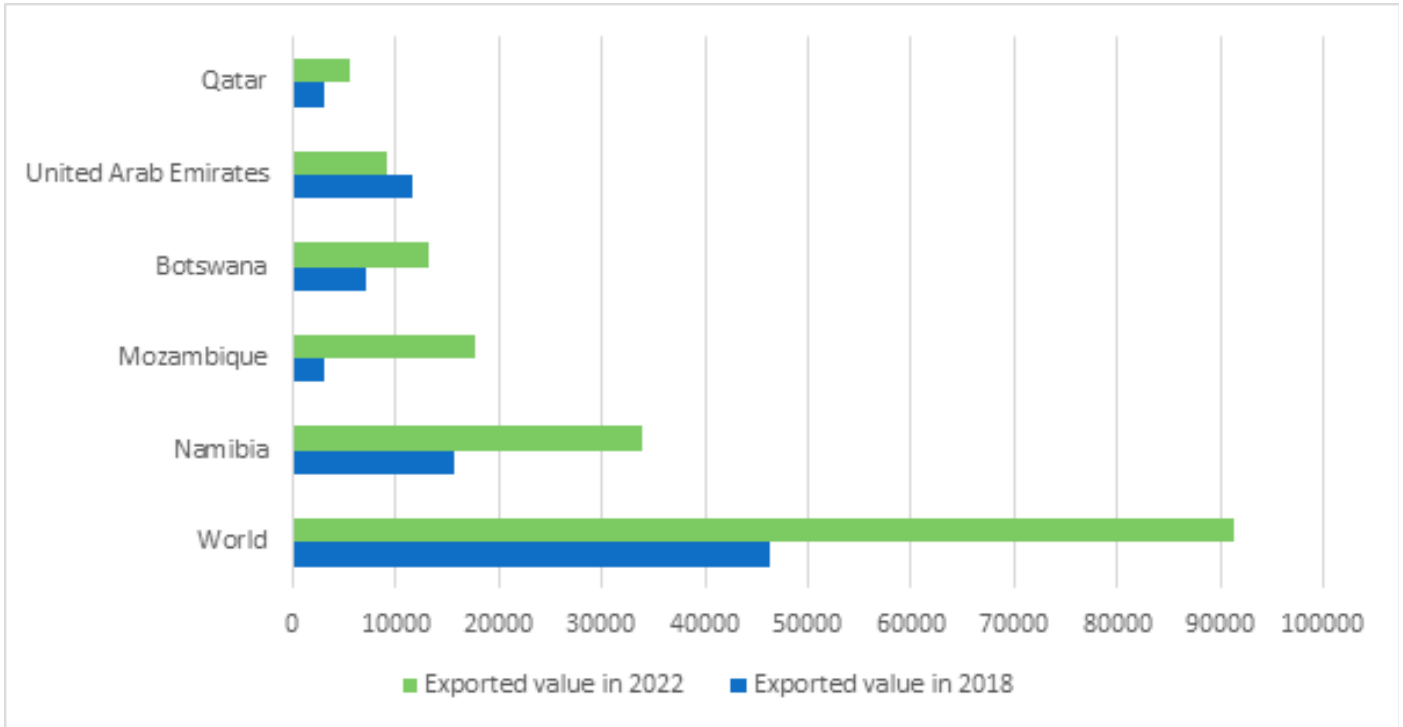


Figure 7: Main importers of cooked chicken meat from South Africa

Source: Trade Map (2024)

Figure 8 shows the top three countries that supply South Africa with chicken; these are Brazil, Thailand, and Namibia. In 2022 Brazil accounted for a share of 80% followed by Thailand (19%) and Namibia (1%).

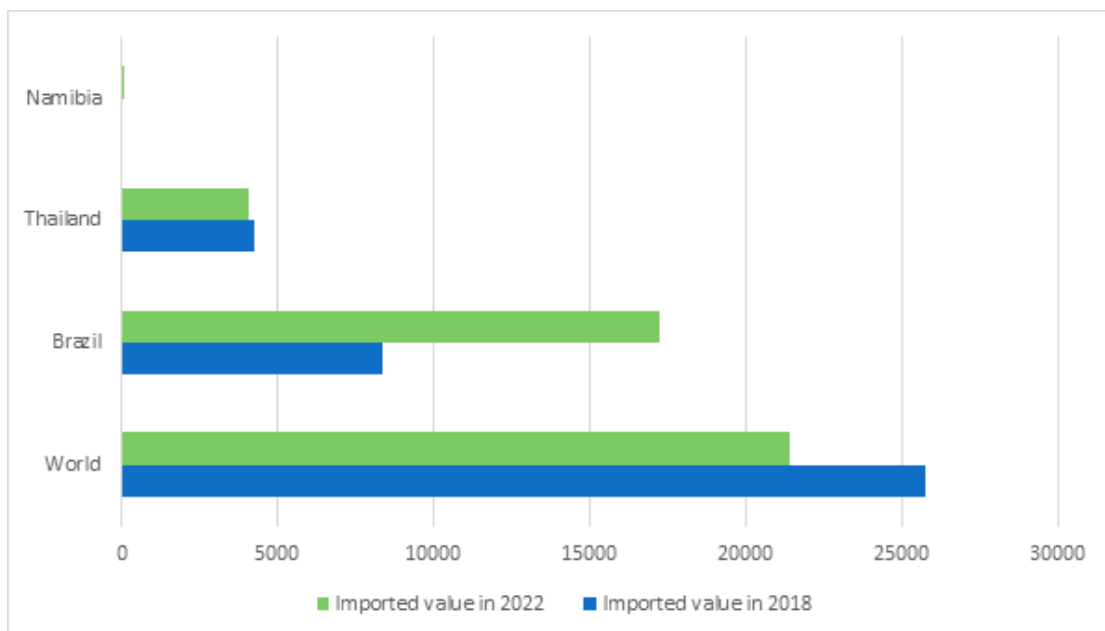


Figure 8: Main supplier of cooked chicken meat to South Africa

Source: Trade Map (2023)

CONCLUSION

Increasing domestic production of both raw and cooked poultry products and accessing international markets is one of the key objectives of the poultry master plan. Markets like SADC, the African Continental Free Trade Area (AfCFTA), the European Union (EU), and the Middle East are major markets that the poultry master plan has identified as the most lucrative export markets for South Africa's cooked chicken meat. The goal is to increase exports by 7 to 10 percent by 2028. The poultry industry has experienced several challenges in recent years, including increasing input costs, and the dumping by countries (like Brazil, USA, Spain, and the most recent is Australia) exporting poultry to South Africa at a price lower than the cost incurred to produce it. This has caused a few poultry producers and production plants in the country to reduce their operations or close down, leading to job losses in the past. One of the key challenges limiting South African poultry export to the EU, even though South Africa has preferential access to the market is that the country still lacks the requirements to obtain EU food safety compliance certification. The industry is currently working on creating veterinarian capacity to do the required testing timely. The South African Poultry Association (SAPA) is working with the Food Standards Agency (FSA) to use FSA veterinarians to solve capacity issues faced at the moment since the certification process is longer and takes more time.



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RED SEA ATTACKS: WHAT TRADE EXPERTS ARE SAYING ABOUT THE SHIPPING DISRUPTIONS



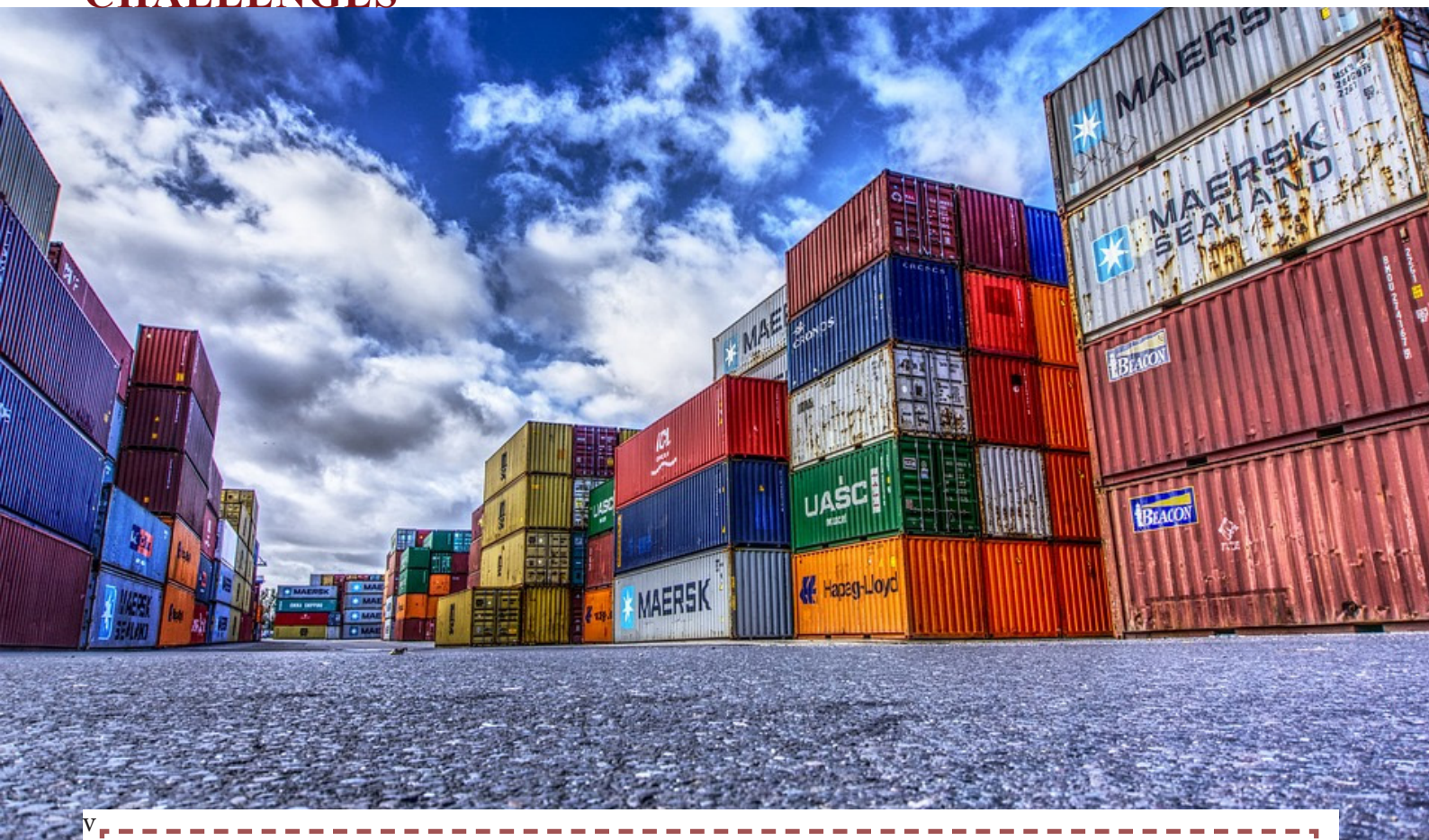
The Red Sea is wedged narrowly between Africa and the Middle East and connects the Indian Ocean to the Suez Canal and Mediterranean Sea. For centuries, the waterway has been vital for moving goods between Europe and Asia.

Yet since last fall, the Houthi group in Yemen has been attacking shipping vessels in the Red Sea, causing turmoil in one of the world's most important waterways. In response to the assaults, which were launched following the outbreak of war in Israel and Gaza, a coalition of Western countries has retaliated against Houthi targets and deployed naval forces to protect commercial ships.

The Red Sea attacks, however, have already caused disruptions to commercial shipping operations. In the following statements, four trade experts detail how the attacks are impacting the shipping industry and the global economy.

Available at: <https://www.weforum.org/agenda/2024/02/red-sea-attacks-trade-experts-houthi-shipping-yemen/>.

AGRICULTURAL EXPORTS SURGE TO \$10.2B DESPITE CHALLENGES



Despite port woes and market hurdles, South Africa's agricultural sector – led by citrus, maize, and wine exports – achieved a record-breaking \$10.2 billion in 2023. Economist Wandile Sihlobo underscores the need for continued infrastructure improvement to sustain growth amid global economic shifts.

In the face of port challenges, electricity supply issues, and obstacles in critical export markets, South Africa's agricultural sector has demonstrated resilience and achieved a remarkable milestone.

Agbiz chief economist Wandile Sihlobo, analysing the data, stated, "Total agricultural exports surged to a new record of \$10.2 billion in 2023, marking a 3% increase from the previous year, as reported by Trade Map."

Sihlobo highlighted the diverse range of products driving this outstanding export performance, including "citrus, maize, apples, pears, nuts, wine, soya beans, sugar, wool, grapes, berries, avocados, and fruit juices."

Available at: <https://www.foodformzansi.co.za/agricultural-exports-surge-to-10-2b-despite-challenges/>

MACADAMIA FARMERS EXPLORE NEW MARKETS AMID PRICE CHALLENGES



Macadamia prices paid to farmers reached rock bottom last year, leading to many farmers seeking alternative markets for their nuts rather than the traditional approach of selling to local processors.

This is however pushing the split between nut-in-shell (NIS) sent to China and kernel sold elsewhere unfavourably towards the former. Speaking at the AmberMacs Expo, held in White River, Mpumalanga, Philip Moufarrige, managing director of AmberMacs, cautioned that an overdependence on the NIS market would place South Africa in a precarious position.

“We will be giving any marketing power we have away to the Chinese if we don’t diversify our markets and spread risk.” He said in addition to selling a substantial portion of the local crop to kernel markets spread across the world, value-adding would be the biggest driver of the industry’s sustainability. “South Africans are very innovative and resourceful; we are already seeing a range of products coming onto the market (flours, butters, milks, nougats) and there is far more scope to create a sizeable value-added industry in South Africa. This is how we will grow the market.”

Available at: <https://www.farmersweekly.co.za/agri-news/south-africa/macadamia-farmers-explore-new-markets-amid-price-challenges/>.

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