

TRADE | PROBE

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TRADING THROUGH TURBULENCE:
GEOPOLITICAL RISK AND FERTILISER
DEPENDENCE IN SOUTH AFRICA–
MIDDLE EAST AGRICULTURAL
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CAN THE MIDDLE EAST
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Promoting market access for South African agriculture

FOREWORD

Welcome to the hundred and fifth (105th) edition of the Trade Probe, coordinated by the Trade Research Unit within the Markets and Economic Research Centre (MERC) of the National Agricultural Marketing Council (NAMC). The Trade Probe is co-produced by the NAMC, Agricultural Research Council (ARC), Perishable Products Export Control Board (PPECB), and the Department of Agriculture (DoA). This edition examines how South Africa can translate the butterfly market-access strategy into sustainable growth in agricultural exports to the Middle East. The World Trade Organisation Outlook forecasts that world trade will slow in 2026, following a stronger-than-expected rise last year. Merchandise trade volume growth would fall from 4.6% in 2025 to 1.9% in 2026, then rise to 2.6% in 2027. In 2025, world goods and services trade grew about 4.7%, exceeding world GDP growth of 2.9%. In 2026, goods and services trade and GDP were expected to grow at roughly the same rate (2.7% for trade and 2.8% for GDP). The conflict in the Middle East remains a serious concern for agricultural trade, and the potential adverse effects of higher energy costs on global trade and food security.

For South Africa, the prolonged conflict in the Middle East, particularly the blockade of the Strait of Hormuz, poses strategic and economic risks, especially for energy prices. Higher energy, fertiliser, and logistics costs affect farmers and exporters. The blockade itself restricts movement into the region. Despite these challenges, there remains optimism that South Africa's butterfly market access strategy, strong trade economic ties, and continued investment would enable South African farmers to continue benefiting from the solid foundation already built. This report seeks to identify remaining opportunities in the region and how they can be converted and embedded in the trade strategy to intensify market access to countries in the Middle East. The economists selected agricultural commodities and analysed their export performance over the past year. Strategies and trade arrangements to expand the trade of South Africa's agricultural products are also examined.

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CONTRIBUTORS

Dr Walter Shiba | Mr Simphiwe Mlotshwa | Mr Ngcebo Parton Khumalo | Mr Phelelani Sibiya | Mr Thabile Nkunjana
Mr Buhlebemvelo Dube | Mr Dzunisani Zitha | Ms Khethiwe Mnguni | Ms Maropeng Choshi
Ms Mmakhashu Patience Sechube | Dr Monja Gerber | Ms Nonhlanhla Gwamanda

1. Why Saudi Arabia matters for South Africa's apple trade strategy

Mr Buhlebemvelo Dube



1.1. Introduction

The Middle East is arguably one of the most promising markets for agricultural exporters, driven by rising demand for premium foods, including fruits and meat. One notable example is Saudi Arabia's demand for apples. In 2024, Saudi Arabia imported apples worth \$217 million from around the world, a slight increase from \$189.7 million in 2023 (Trademap, 2026). South African apples have also performed very well in Saudi Arabia, with export value rising from \$7.2 million in 2023 to a remarkable \$12 million (Trademap, 2026). This growth is notable, especially because South African apples have traditionally been destined for European and North American markets. The blockade in the Strait of Hormuz is a definite disruptor; however, there is a need to intensify market access to Saudi Arabia. South Africa cannot afford to lose momentum in markets that are becoming more restrictive.

1.2 South Africa and Saudi Arabian apple market analysis

South Africa and Saudi Arabia maintain strong trade ties in fresh apples. South Africa's apple exports to Saudi Arabia total \$12 million, almost double the \$6.8 million in 2021 (Trademap, 2026). This supports the 20% per annum growth in export value between 2020 and 2024. The zero (0)% ad valorem tariff applied to South Africa is a clear testament to the market's promise. Saudi Arabia's overall apple imports have also grown by 4% per annum between 2020 and 2024. It imports 3% of the world's apples and is expected to increase that share in the future (Trademap, 2026). Demand is underpinned by the growing appetite for fruit and the expansion of the hospitality industry.

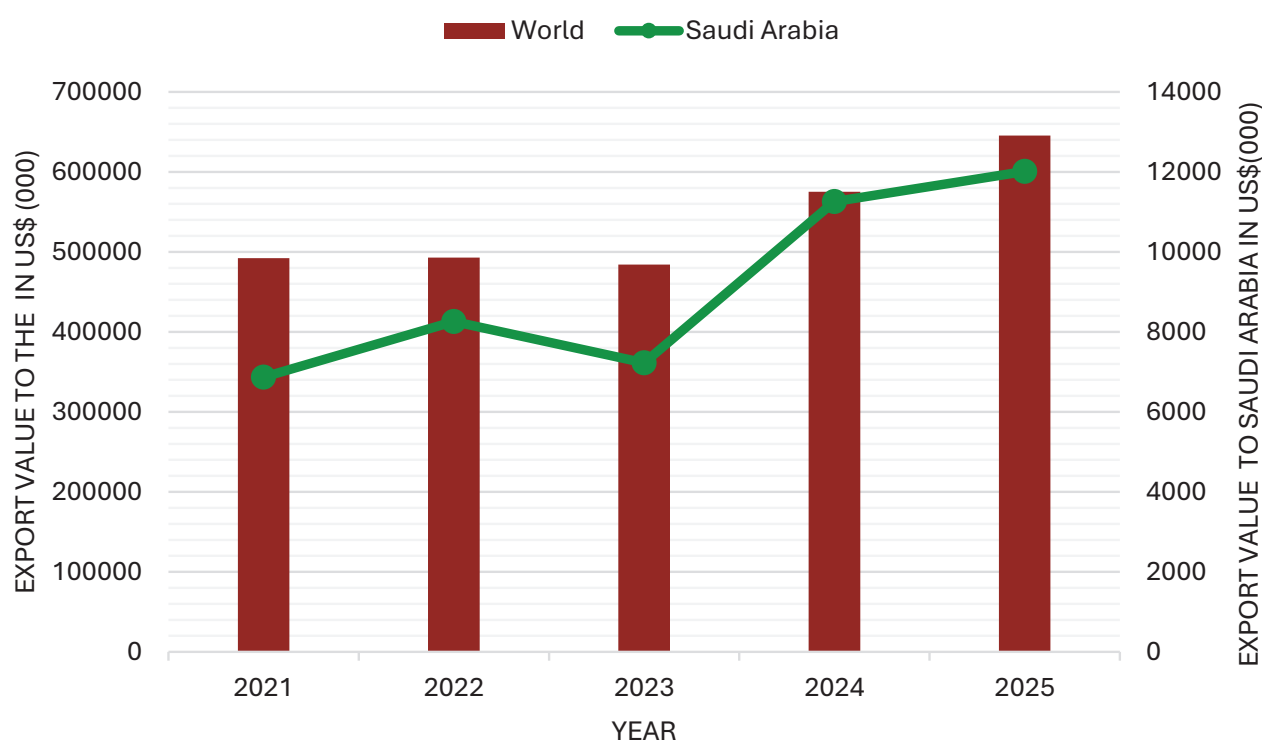


Figure 1: South Africa's apple exports to the world and Saudi Arabia

Source: Authors' calculations based on Trademap (2026)

Note: HS code for fresh apples is 080810

Fresh apple imports into the Middle East generally declined over the past five years, from approximately \$1.16 billion in 2021 to about \$889.4 million in 2024 before recording a modest recovery to \$922.6 million in 2025 (Trademap, 2026). The pattern suggests a period of adjustment in regional import demand, potentially reflecting shifts in consumer spending, supply-side constraints, and broader macroeconomic conditions affecting trade. In contrast, Saudi Arabia showed greater

resilience within the regional market. Imports remained comparatively stable, rising from \$179.4 million in 2021 to a peak of \$217.4 million in 2024, before moderating slightly to \$206.5 million in 2025. This relatively stable import pattern indicates Saudi Arabia's continued significance as a major destination for imported fresh fruit within the Middle East and suggests that demand fundamentals remained comparatively stronger than those observed for the region as a whole.



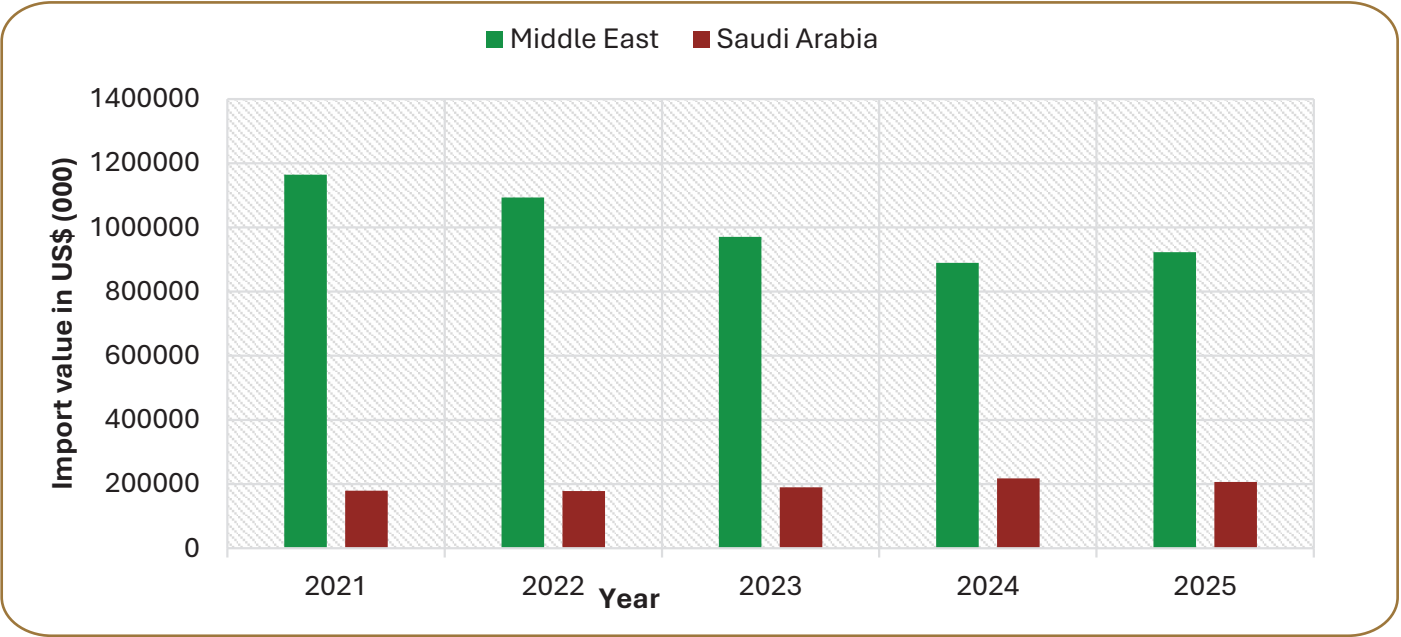


Figure 2: Fresh apples imports for the Middle East and Saudi Arabia

Source: Trademap (2026)

Note: HS code for fresh apples is 080810

Figure 3 below depicts that, at the global level, fresh apple imports followed a different trajectory, declining from approximately \$8.43 billion in 2021 to \$7.61 billion in 2023, before recovering strongly to approximately \$8.68 billion in 2025 (TradeMap, 2026), the highest level observed during the period. The recovery suggests an improvement in international trade activity following earlier market moderation. The stronger rebound

in global imports relative to Middle Eastern imports suggests the regional slowdown was unlikely to be driven by a structural weakening in worldwide apple demand. Instead, regional-specific factors appear to have played a larger role in shaping import dynamics. The upward trend in global imports towards 2025 points to sustained international demand and continued opportunities for expansion in fresh fruit markets.



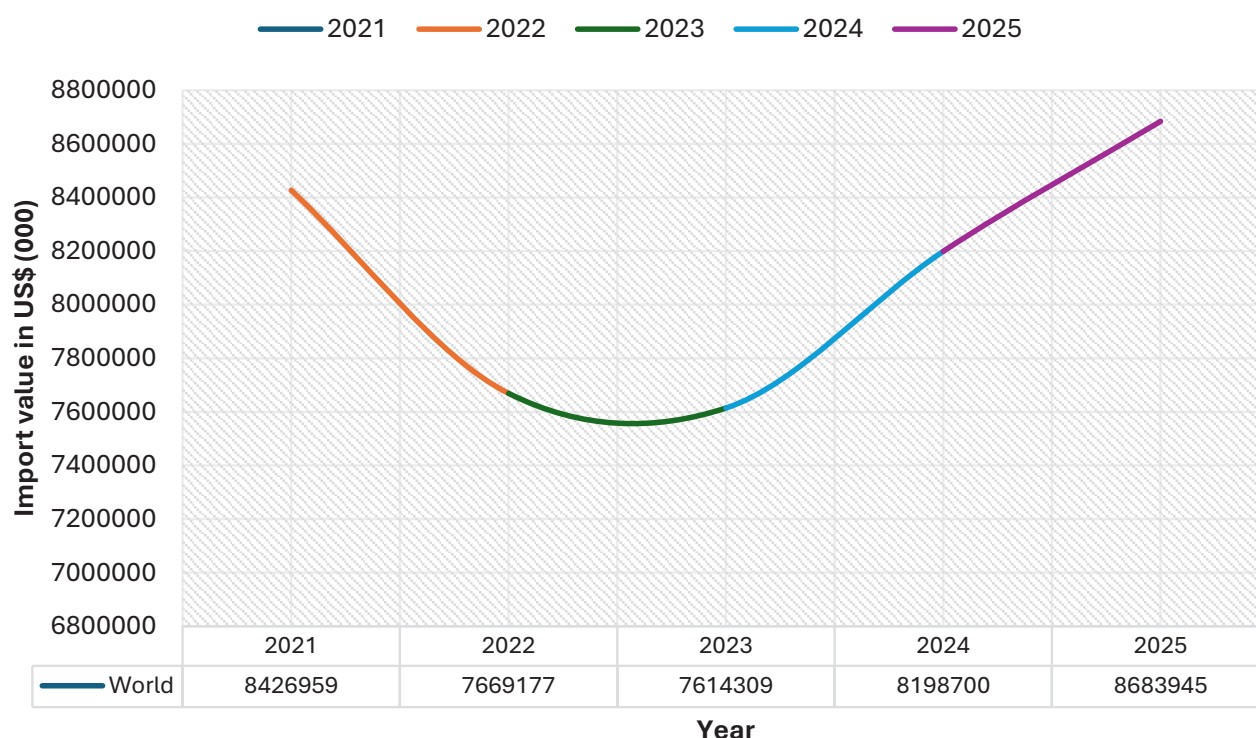


Figure 3: World imports for fresh apples

Source: Trademap (2026)

Note: HS code for fresh apples is 080810

Despite Saudi Arabia's relatively low share of the fresh apple market, there is strong demand for South African apples; thus, more initiative is needed to negotiate more favourable trade conditions and unlock trade channels. Saudi Arabia is the second-most important apple market in the Middle East, after the United Arab Emirates, which imports 6.9% of South African apples and is the second-most valuable market for these apples in the world, following the United Kingdom, compared with Saudi Arabia's modest 2% share. The Middle East as a whole has an import value of \$8.6 billion, with 2% annual growth and 6% growth between 2024 and 2025, and it imports 10.6% of all fresh apples worldwide. The region is increasingly important, and Saudi Arabia, the second-largest importer, is a strong market to retain and further expand trade ties with.

1.3 Conclusion

Saudi Arabia remains a strategically important market for South African apples, despite broader shifts in regional trade patterns and geopolitical tensions. While Middle Eastern fresh apple imports have moderated in recent years, Saudi Arabia has maintained relatively stable demand, and South African exports have continued to strengthen. Combined with favourable tariff conditions and expanding demand driven by demographic and hospitality sector growth, the market offers an opportunity not only to preserve existing trade gains but also to deepen South Africa's export footprint in a region of growing importance to the global fresh fruit trade.

Author:

Mr. Buhlebemvelo Dube is an Economist under the Trade Research Unit at the National Agricultural Marketing Council. He can be contacted at bdube@namc.co.za or (012) 341 1115.



2. The importance of the Middle East market for South Africa's early citrus exports

Mr Ngcebo Parton Khumalo, Dr Monja Gerber and Ms Maropeng Choshi



2.1. Introduction

The Middle East is arguably one of the most promising markets for agricultural exporters, driven by rising demand for premium foods, including fruits and meat. One notable example is Saudi Arabia's demand for apples. In 2024, Saudi Arabia imported apples worth \$217 million from around the world, a slight increase from \$189.7 million in 2023 (Trademap, 2026). South African apples have also performed very well in Saudi Arabia, with export value rising from \$7.2 million in 2023 to a remarkable \$12 million (Trademap, 2026). This growth is notable, especially because South African apples have traditionally been destined for European and North American markets. The blockade in the Strait of Hormuz is a definite disruptor; however, there is a need to intensify market access to Saudi Arabia. South Africa cannot afford to lose momentum in markets that are becoming more restrictive.

2.2 Factors supporting the importance of the Middle East as a strategic market for early-season citrus exports

The Middle East is a strategically important market for South African citrus exports for several reasons. Firstly, the region is highly accommodating in terms of phytosanitary requirements and cold chain management. Unlike export markets that require stringent and unscientific cold treatment protocols, often to the detriment of fruit quality, the Middle East permits storage at non-chilling temperatures. This more favourable temperature regime supports the preservation of fruit quality during handling and distribution. Secondly, the Middle East market demonstrates broad acceptance of fruit across various classes and sizes. By accommodating various classes at competitive prices, the region enhances the pack-out rates and contributes significantly to overall farm sustainability in South Africa. In addition, the region benefits from relatively short transit times due to its close geographic proximity to South Africa. The shipping duration is normally within a three-week period, which

supports the maintenance of good fruit quality on arrival in the market, owing to reduced storage time during transit. Undoubtedly, the Middle East plays a critical role in the early South African citrus export season by providing a reliable market for fruit that may not comply to phytosanitary and cold chain specifications of more stringent markets. At a time when most global citrus demand is subdued because of local supply, the Middle East continues to absorb significant volumes, thereby reinforcing its position as an indispensable export destination for South African citrus.

The Middle East is the third-largest export destination for South African fruit, accounting for 15% of total export volume, after the EU and Asia. However, the picture for early-season citrus is strikingly different from the overall annual pattern. During the first three months of the citrus export season, the Middle East emerges as the dominant market. In the 2025 season, the Perishable Products Export Control Board (PPECB) inspection data for the period January to March showed that approximately 5.3 million cartons of citrus were passed for export during this period. Of this volume, 43% was destined for the Middle East, while the EU accounted for 13%, with the remainder distributed across various markets (Figure 4). In the corresponding period of the 2026 season, packed and inspected volumes increased by approximately 18%

year-on-year, reaching an estimated 6.5 million cartons. The market distribution picture was consistent with 2025, with the Middle East retaining its position as the dominant export market at 31% of packed volumes, followed by the EU at 25%.

What is evident in the 2026 data, is that while the Middle East remained the leading export destination, its share of export volumes declined relative to the previous year (43% vs 31%). This ME reduction coincided with notably increased volumes being directed to other markets including the EU, which increased to 25% from 13%. This decline in Middle East volumes can largely be attributed to the conflict that began in February 2026 and to the closure of the Strait of Hormuz (CGA, 2026). Citrus consignments that were exported before the onset of the conflict but had not reached their destination in the Middle East, encountered logistical disruption. As a result, these shipments were unable to be offloaded at their intended Middle Eastern markets, leading to longer transit periods and increased shipping cost (CGA, 2026). Therefore, subsequent packing for this market was subdued but not stopped. However, even in the midst of the unstable environment the Middle East continued to attract a substantial share of early-season citrus exports and remained the principal export destination.



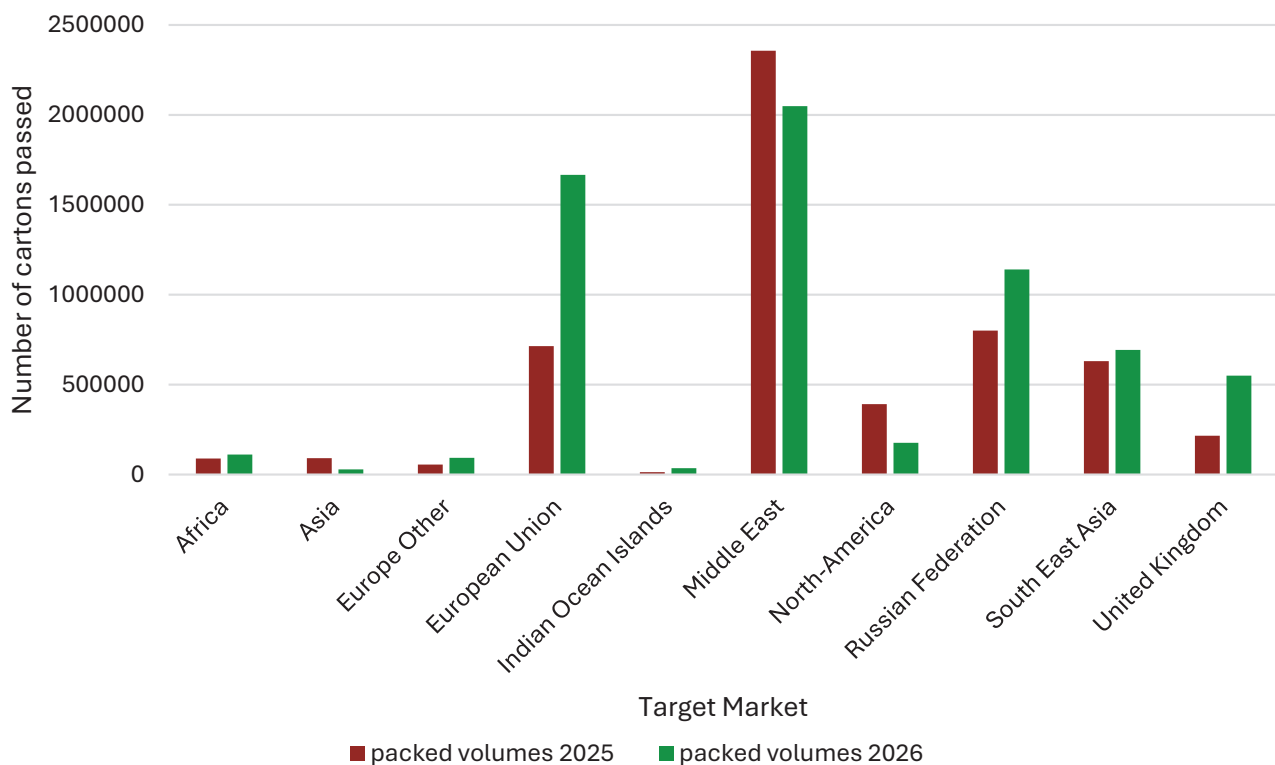


Figure 4: Citrus export volumes passed from South Africa by target market, January-March 2025 and 2026

Source: Perishable Products Export Control Board (2026)

2.3. Conclusion

The Middle East plays a pivotal role in South Africa's early citrus export programme. Its importance stems from its acceptance of fruit categories that face limited opportunities in other markets, due to stricter phytosanitary restrictions, fruit size and lower quality grades (small sizes of Class 2). The region also offers a great logistical advantage through comparatively short transit

times and presents a valuable commercial outlet for the early part of the export season. Although the Middle East remained the leading destination for early citrus in 2026, the decline in its market share relative to 2025 highlights the vulnerability of export flows to geopolitical instability and trade disruptions. Nevertheless, the Middle East continues to serve as a strategically important market for South African citrus exports.



**Author:**

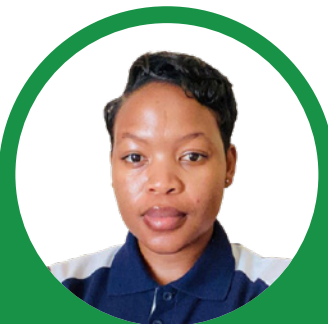
Mr Ngcebo Parton Khumalo is the Research and Development Manager at the Research Development and Innovation Unit of the Perishable Products Export Control Board (PPECB). He can be contacted at ngcebopk@ppecb.com or 021 930 1130.

**Author:**

Dr Monja Gerber is a Researcher at the Research Development and Innovation Unit of the Perishable Products Export Control Board (PPECB). She can be contacted at monjag@ppecb.com or 021 930 1130.

**Author:**

Ms Maropeng Choshi is a Research Technician at the Research Development and Innovation Unit of the Perishable Products Export Control Board (PPECB). She can be contacted at maropengc@ppecb.com or 021 930 1130.



3. Geopolitical conflict and trade resilience: South African table grapes exports to the Middle East

Mr Phelelani Sibiya



3.1. Introduction

Conflict is a major global threat to livelihoods; it affects a significant portion of the world's population and drives up food insecurity. The number of people facing acute hunger has tripled since 2016 and doubled since 2020 (Takeshima et al, 2026). During this period, global conflicts have intensified; between 2019 and 2024, the number of conflict events doubled (Takeshima et al, 2026). The world is confronted with yet another geopolitical conflict in the Middle East. This war is reversing the economic gains of many countries that had only just begun to recover from previous shocks. This conflict occurred during the export season, when large quantities of grapes are shipped worldwide.

3.2. Analysis

South African grape exports are facing a logistical problem as the conflict continues. The ongoing conflict

has disrupted shipping routes, leading to longer transit times and higher shipping costs because vessels cannot dock. In some instances, ships are being redirected to the nearest ports before proceeding to their intended destination in the Middle East (Hancock, 2026). These delays can have negative implications for grape conditions and marketing timing. South Africa is amongst the major table grape exporters to the Middle East. As illustrated in Figure 5 below, South Africa was the leading table grapes exporter to the Middle East in 2025, accounting for 22%, followed by India (14%) and Egypt and Uzbekistan (9% each). South African table grape exports also dominated in 2026 Q1, with exports 73% higher than Chile's, despite disruptions and rising shipping costs caused by the ongoing war in the Middle East. This demonstrates the resilience of the table grapes industry (International Trade Centre, 2026).

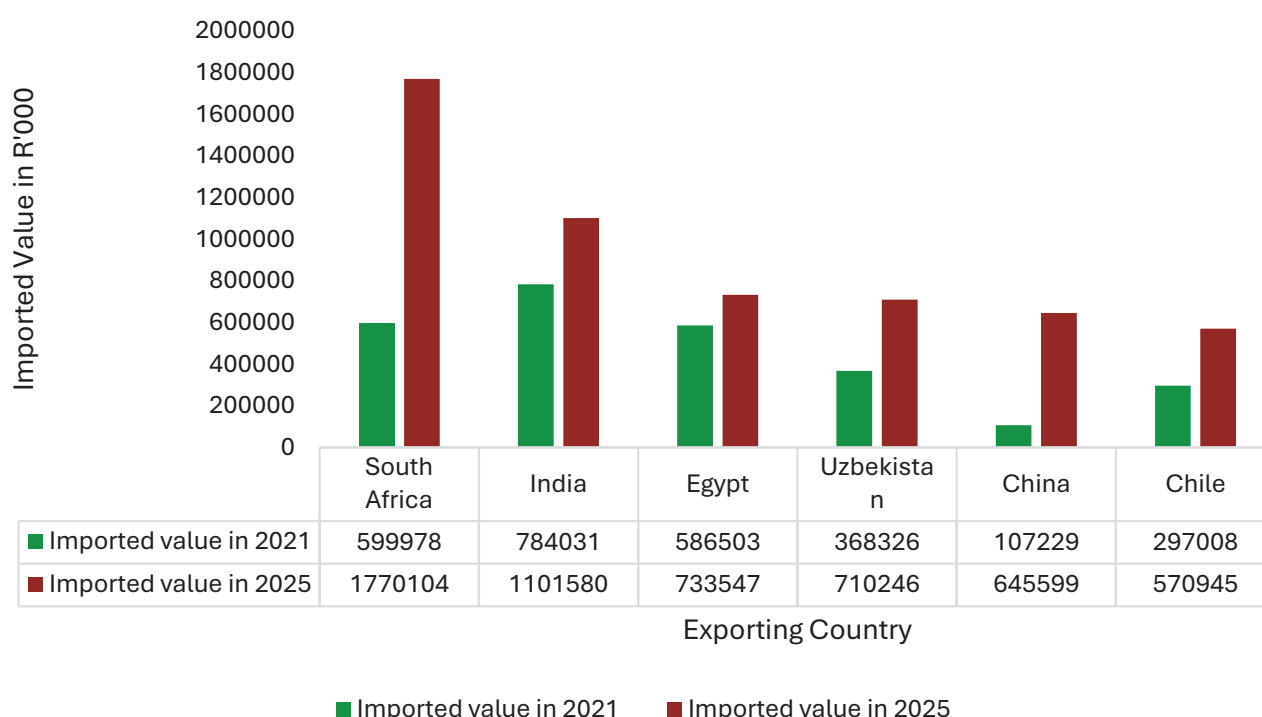


Figure 5: Leading table grapes, fresh or dried (HS 0806) exports destined to the Middle East in 2025.

Source: International Trade Centre (2026)

Even though trade between South Africa and the Middle East is facilitated through broader bilateral relations rather than a formal free trade agreement (FTA), South Africa does not have a comprehensive FTA with Middle Eastern countries. Instead, exports rely on WTO Most Favoured Nation (MFN) treatment, which provides low or zero tariffs on fresh grapes in most Gulf markets (Bahrain, Kuwait, Qatar, Oman and United Arab Emirates (UAE)) (International Trade Centre, 2026), combined with product-specific market access protocols, particularly phytosanitary agreements negotiated between South Africa's Department of Agriculture and importing

authorities. These technical arrangements, supported by diplomacy and ongoing export promotion efforts by the South African Table Grape Industry (SATI), enable sustained and growing trade flows despite the absence of preferential tariff deals. The Middle East market accounts for a small share of South Africa's table grape exports. In 2025, it accounted for 6%, as shown in Figure 6 below. The European Union (EU) was the main destination for South Africa's table grapes exports, accounting for 56%, followed by the United Kingdom (UK) (17%) and America (10%).



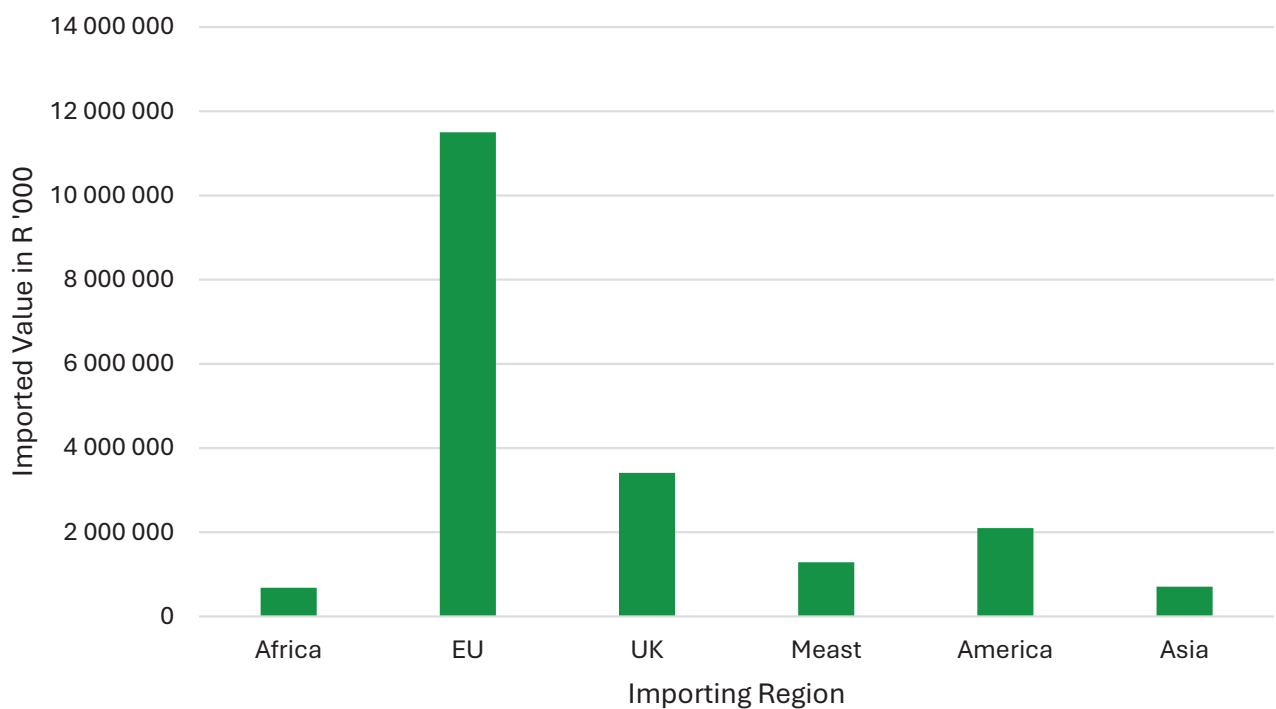


Figure 6: Top export destination for South African table grapes, fresh or dried (HS 0806).

Source: International Trade Centre (2026).

The Middle East market remains important for the future growth of table grape exports (Gale, 2026). The Middle East has a growing population, urbanisation, and rising income levels, all of which are driving food demand. Over the past five years, the Middle East's table grape imports from South Africa grew by about R1.1 billion (International Trade Centre, 2026).

3.3. Conclusion

In conclusion, although the ongoing Middle East conflict has disrupted shipping routes, increased freight costs, and created logistical challenges for the table grape industry, the region remains important for South African table grape exports in the long term. The Middle East continues to offer significant growth opportunities due to its population growth, urbanisation, rising incomes, and increasing demand for imported fresh produce.

The South African table grapes industry has also demonstrated remarkable resilience and adaptability by maintaining strong export performance despite delays, vessel rerouting, and rising shipping costs, and by benefiting from a diversified export market structure. While South African grapes already have access to several Gulf markets duty-free, exports to countries such as Israel, Lebanon, and Iran still face high tariff barriers that limit competitiveness and market expansion. South Africa can further strengthen and expand its table grape exports to the region through strategies such as negotiating preferential trade agreements, enhancing export promotion initiatives, strengthening bilateral and phytosanitary cooperation, and improving logistics efficiency and cold-chain infrastructure.



Author:

Mr. Phelelani Sibiyi is an Economist under the Trade Research Unit at the National Agricultural Marketing Council. He can be contacted at psibiyi@namc.co.za or (012) 341 1115.

4. Trading through turbulence: Geopolitical risk and fertiliser dependence in South Africa–Middle East agricultural trade

Dr Walter Shiba



4.1. Introduction

South Africa's agricultural export relationship with the Middle East has expanded rapidly, driven by the region's structural dependence on food imports amid population growth, urbanisation, and limited domestic production capacity (Statista, 2025; Ecofin Agency, 2024). By 2025, the Middle East accounted for roughly 8% of South Africa's agricultural export earnings, valued at approximately US\$1.3 billion (Agbiz, 2025). However, escalating geopolitical tensions in the region, particularly disruptions linked to Iran and the Strait of Hormuz, have introduced a critical vulnerability that extends beyond market access.

While attention has largely focused on energy security, this article highlights fertiliser dependence as an under-recognised transmission channel through which geopolitical instability affects South Africa's agricultural competitiveness. Roughly 30–35% of globally traded fertilisers transit the Strait of Hormuz, and recent disruptions have triggered sharp price and supply shocks (UNCTAD, 2026; UN News, 2026). Given that South Africa imports around 80% of its fertiliser requirements, largely from the Middle East, geopolitical risk is directly transmitted to farm level production costs and export performance (CNBC Africa, 2025). This article shows that input security is now central to sustaining growth in agricultural trade.

4.2. South Africa's fertiliser dependence

South Africa's exposure is structural rather than cyclical. The country imports approximately 80% of its fertiliser requirements, rendering domestic agricultural production highly sensitive to global supply disruptions and exchange rate volatility (CNBC Africa, 2025). A substantial share of these imports either originates from or transits through the Middle East and the Persian Gulf,

intensifying geopolitical exposure. This vulnerability is clearly illustrated in Figure 7 below, which shows that fertiliser exports from the Middle East to South Africa have been highly volatile, with peaks during global supply shocks (2009 and 2021–2022) and an abrupt collapse in 2024–2025, indicative of supply disruption rather than reduced demand.

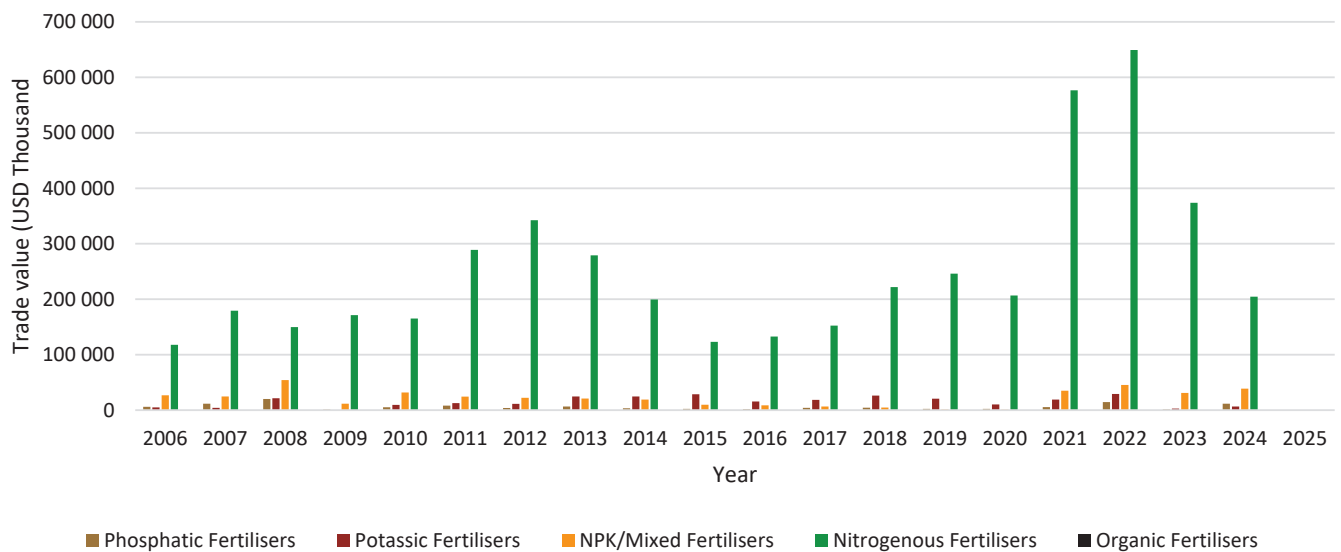


Figure 7: Middle East fertiliser exports to South Africa by product (2006–2025)

Source: ITC Trade Map (2025)

This Middle East fertiliser exports to South Africa are strongly dominated by nitrogenous fertilisers, which consistently account for the largest share of import value. These imports exhibit pronounced volatility, with marked surges during 2011–2013 and 2021–2022, reflecting exposure to global energy price shocks and supply chain disruptions, given the energy intensive nature of nitrogen fertiliser production and its reliance on natural gas (FAOSTAT, 2024; BFAP, 2025). Figure 8 illustrates that total fertiliser exports from the Middle East to South Africa were highly volatile over the 2006–2025 period, characterised by moderate growth up to 2012, a contraction during 2014–2017, a sharp surge in

2021–2022, and a steep decline after 2023. The 2021–2022 peak aligns with global energy price surges and post-COVID supply chain disruptions, while the subsequent collapse reflects tightening global fertiliser supply, price shocks, and escalating geopolitical instability. In this context, the ongoing Middle East conflict in 2025–2026, particularly disruptions linked to energy markets and strategic shipping routes, has reinforced South Africa's input risk exposure as a fertiliser import-dependent economy, posing a direct threat to crop production costs and national food security (FAOSTAT, 2024; BFAP, 2025; ITC Trade Map, 2025).

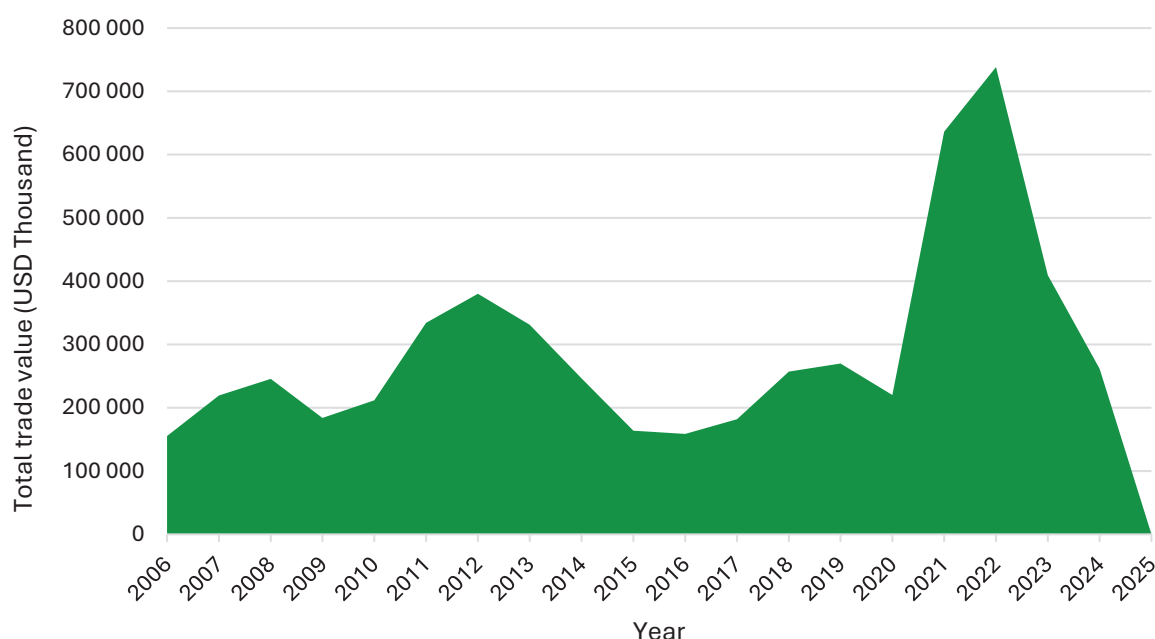


Figure 8: Annual value of fertiliser exports from the Middle East to South Africa (2006–2025)

Source: ITC Trade Map 2025

Furthermore, Figure 9 below depicts that the Middle East's share of South Africa's fertiliser imports is highly product specific, with nitrogenous fertilisers displaying persistently high and volatile market shares often exceeding 70% and peaking in several years. Phosphatic fertilisers show episodic dependence, while potassic

and NPK/mixed products remain comparatively low and stable, indicating narrower exposure outside nitrogen based inputs. The sharp swings and near collapse of import shares in 2024–2025 point to supply fragility rather than reduced demand.

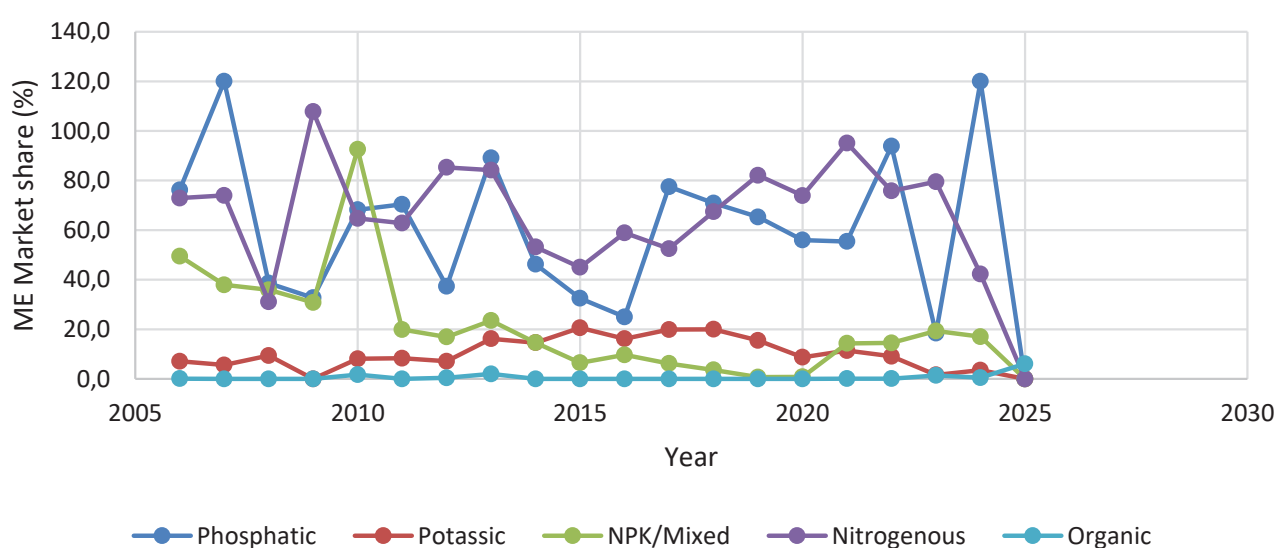


Figure 2: Fresh apples imports for the Middle East and Saudi Arabia

Source: Trademap (2026)

Note: HS code for fresh apples is 080810

Against this backdrop, the escalation of the Middle East conflict in 2025–2026, alongside disruptions to energy markets and strategic shipping routes, has amplified South Africa’s fertiliser input risk, particularly for nitrogen, posing a direct threat to crop production costs and national food security (FAOSTAT, 2024; ITC Trade Map, 2025; BFAP, 2025). Accelerating domestic gas linked nitrogen and green ammonia production, combined with expanded regional fertiliser sourcing and blending, is therefore critical to reducing geopolitical exposure and strengthening long term food security.

First, fertiliser security must be elevated to a strategic priority within agricultural trade and food security policy. South Africa’s structural dependence on imported, nitrogen-based fertilisers exposes producers to exogenous shocks that cannot be mitigated through market mechanisms alone. Second, while diversifying supply sources is necessary, it is insufficient in a market tightly linked to global energy prices and shipping risks. Accelerating domestic gas-linked nitrogen production, green ammonia development, and fertiliser blending capacity is essential to reduce geopolitical exposure. Third, improving nutrient use efficiency through precision agriculture and extension services offers a cost-effective way to reduce dependence on imports while preserving yields and export competitiveness. Finally, closer

integration of trade, industrial, energy, and agricultural policy is required. Export promotion strategies that overlook upstream input risks undermine South Africa’s reliability in price-sensitive Middle Eastern markets

4.3. Conclusion

Geopolitical instability in the Middle East underscores a critical reality for South Africa’s agricultural trade: export success is inseparable from input security. Although the Middle East remains a promising growth market, South Africa’s heavy dependence on fertiliser imports, particularly nitrogenous products sourced from geopolitically volatile trade corridors, constitutes a systemic risk to production costs, export reliability, and food security. The volatility and recent collapse of Middle East fertiliser imports highlight that this vulnerability is structural rather than cyclical. Trading through turbulence will therefore require a strategic shift toward fertiliser supply resilience, combining domestic production, regional sourcing, and efficiency gains. Without addressing this input side exposure, South Africa’s agricultural export ambitions will remain increasingly vulnerable to external geopolitical shocks.



Author:

Dr Walter Shiba is an Agricultural Economist at the Agricultural Research Council (ARC).
He can be contacted at shibaw@arc.agric.za

5. What does the Middle East war mean for the beef industry in South Africa?

Mr Thabile Nkunjana



5.1. Introduction

Given the growing significance of the Middle East market as a source to implement the butterfly trade strategy for South Africa's export drive, the country's agricultural sector had to prepare for potential export implications from the start of the war in February 2026. As of June 2026, more than 90 days after the United States and Israel declared war on Iran, the situation is still as complicated, if not more so. In addition to other products, including grains, citrus, apples, and various fruits, the Middle East is a significant buyer of South African beef exports, which is the subject of this article's analysis. Vessels are being delayed by instability close to crucial maritime chokepoints, such as the Red Sea and the Strait of Hormuz. Exporters have found it difficult to get their products to their respective markets in the region, which frequently leads to significant financial losses and lengthy wait times for alternate ports or routes.

5.2. Market analysis

The Middle East is by far the largest market for South Africa's beef, which has helped the country become a

net beef exporter following the signing of the National Development Plan (NDP). Figure 10 below compares South Africa's beef exports to the global market with those to the Middle East, which, for the sake of this analysis, includes Egypt due to its proximity to the region and its status as a prominent consumer of South African beef. According to Trade Map data, South Africa's beef exports grew by 8.1% during the previous five years, from 2021 to 2025, from US\$165.3 million to US\$178.7 million. Exports to the Middle East rose by an astounding 42.0% over that time, from US\$84.2 million to US\$119.6 million.

The significance of the Middle East market, which has contributed to the observed growth in South Africa's beef exports globally, is evident when we consider the Middle East as a percentage (%) of the country's overall beef exports (see figure 10). For example, the Middle East accounted for at least 51% of South Africa's \$165.3 million in beef exports in 2021 and at least 67% of the same market in 2025.

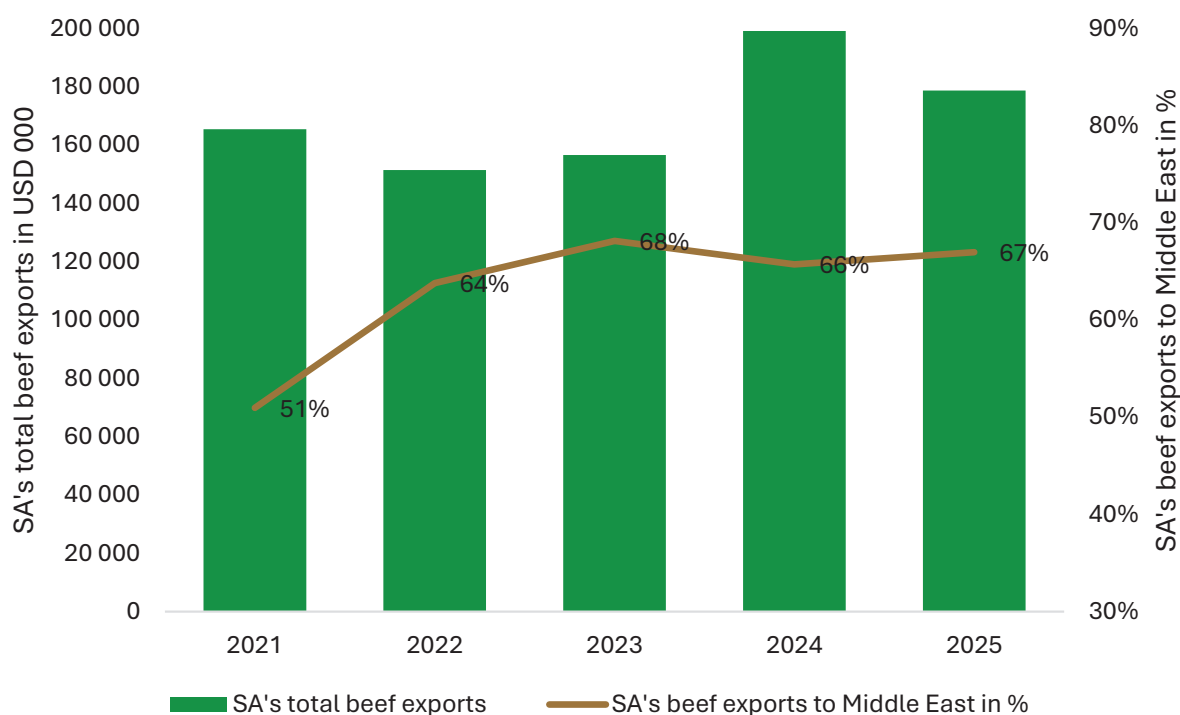


Figure 10: SA's beef exports to the world and to the Middle East in US Dollars and % share

Source: Trade map and NAMC, 2026

The risk posed by the Middle East conflict is exacerbating the pressure the beef industry is under from Food and Mouth Disease (FMD), which has recently proven to be a major threat to the industry's financial viability for several farmers; some will take years to recover, while others are in dire straits. Due to FMD outbreaks, South Africa's beef exports fell by 10.2% year over year in 2025, while exports to the Middle East fell by 8.5% during the same period, after a few years of rise in value terms. According to trade map data, South Africa's frozen beef exports decreased by an astounding 50.8% in the first quarter of 2026 compared to the same period the previous year. Trade data suggests that the Middle East conflict may possibly be contributing to this, even though FMD and other factors may also be at play. For example, South Africa's frozen beef exports decreased by 54.5% from US\$33.5 million in the first quarter of 2025 to US\$15.3 million in the same period in 2026. But it's important to note that this data also covers the first 3 months of 2026.

5.3. Conclusion

Halfway through 2026, the Middle East conflict shows no signs of abating. Due to FMD, South Africa's beef exports to China, another important market, are still prohibited. The industry's export performance for the current year will be determined by these factors, but the data currently paints a bleak picture. However, there is still optimism because, in recent weeks, 13.5 million doses of FMD vaccines have been purchased since February 2026. The pace of livestock vaccination has accelerated across the provinces, which would mitigate the disease, lead to the sector's recovery, help the country regain the faith of its markets, and enable the resumption of exports.



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.

6. How a South Africa–Middle East Trade Agreement Could Transform Agricultural Trade

Ms Khethiwe Mnguni



6.1. Introduction

The Middle East has emerged as a significant and growing market for South Africa's agricultural exports, accounting for approximately 8% of exports in 2025 (ITC, 2026). This shift is particularly important as South Africa seeks to maintain its exports whilst diversifying its export markets amidst rising tensions with traditional partners such as the United States. Beyond market diversification, the Middle East is a strategic market for strengthening South Africa's agricultural trade due to its high dependence on food imports, which offers South Africa a consistent market.

6.2. Opportunity analysis

Bahrain, Kuwait, Oman, Qatar, Saudi Arabia, and the United Arab Emirates are signatories to the Gulf Cooperation Council (GCC), a customs union/common market formed in 1981. In recent years, the GCC has accelerated its external trade engagement, signalling

a clear strategic shift towards trade expansion. New agreements include a concluded FTA with South Korea in 2023, a recently finalised agreement with the United Kingdom in May 2026, and negotiations with other developing countries. At the same time, substantial investments in transport infrastructure and the digitalisation of supply chains are improving regional connectivity and reducing trade costs, further enhancing the attractiveness of these markets.

An equally important development is the growing emphasis on harmonising food safety and technical standards through institutions such as the GCC Standardisation Organisation (GSO). As a customs union, the GCC has a common external tariff, with 90% of tariffs on agricultural imports set at or below 5%. Despite low tariffs and high import demand, market access is constrained by stringent SPS and technical requirements. These include (i) halal certification standards, (ii)

veterinary health protocols, and (iii) quality assurance measures that often vary by country. South Africa's current trade engagement with the Middle East is largely based on bilateral arrangements, including Memoranda of Understanding (MOU), investment treaties, and sector-specific export protocols. These mechanisms have proven effective in facilitating market access in specific cases, particularly in overcoming non-tariff barriers.

For instance, veterinary health protocols and halal certification arrangements have enabled exports of red meat and other agricultural products to key markets such as Saudi Arabia and the United Arab Emirates. Moreover, the experience with Qatar shows the strategic value of bilateral flexibility. Qatar's suspension from the GCC disrupted traditional supply chains, forcing it to diversify import sources. South Africa responded quickly through increased bilateral engagement. Since then, SA's agricultural exports to Qatar increased from 15,664 million USD in 2015 to 53 million USD in 2025, with an average annual growth of 9% (ITC, 2026).

The bilateral approaches can be advantageous in a region prone to geopolitical instability. However, while bilateral agreements offer flexibility and targeted market access, they are limited in scope and can be time-consuming to

negotiate on a product-by-product basis. This approach constrains the scale at which South Africa can expand its exports. Also, with the GCC increasing trade negotiations with other countries, there is a risk that South Africa's relative competitiveness may decline in the absence of similar arrangements.

6.3. Conclusion

The GCC is expanding its trade negotiations with progressive countries, and if South Africa is left behind, this could create a strategic case for a dual-track approach to trade engagement. In the short term, South Africa should continue to utilise bilateral protocols to secure immediate market access and respond to emerging opportunities. In the longer term, however, there is a need to explore deeper engagement with the GCC as a bloc, despite the known complexities associated with such negotiations. While past experiences, such as the prolonged EU–GCC negotiations, illustrate the challenges of bloc-level agreements, the current momentum within the GCC towards expanding its trade partnerships suggests a more favourable environment for future negotiations. Leveraging both approaches will be essential for maximising South Africa's export potential in the region.



Author:

Ms. Khethiwe Mnguni is an Economist Intern under the Trade Research Unit at the National Agricultural Marketing Council. She can be contacted at kmnguni@namc.co.za or (012) 341 1115.



7. South Africa's apricot industry and the role of Middle East trade hubs in shaping export performance: A geopolitical trade cost perspective

Ms Mmakhashu Patience Sechube



7.1. Introduction

South Africa's agricultural sector has continued to demonstrate resilience and strong global competitiveness, achieving notable export growth in the fourth quarter of 2025 despite ongoing disruptions in the global trading environment. Agricultural exports contributed R268,7 billion during this period, reflecting a 9% increase compared to the fourth quarter of 2024. Notably, fruits and nuts accounted for 26% of total agricultural exports during the quarter (DoA, 2026). The domestic apricot market in South Africa is relatively small, with approximately 70% of production processed, 16% dried, and 9% exported fresh, while only around 4% is sold in the local fresh market (Kriel, 2026). Although domestic demand for fresh apricots is limited, South Africa remains an important exporter of fresh apricots

and the world's largest exporter of canned apricots.

7.2. Opportunities for South African apricots

As of 2023, South Africa ranked 12th in global fresh apricot exports, accounting for 1.2% of total global export earnings and generating approximately USD 6.2 million in export revenue, as illustrated in Figure 11 below. This demonstrates the country's relatively modest but notable position in the global apricot market. The main destinations for South Africa's fresh apricot exports include the United Kingdom, the Netherlands, the United Arab Emirates, and Saudi Arabia, reflecting a combination of traditional European markets and strategically important Middle Eastern destinations that serve both as final markets and regional trade hubs (Tridge, n.d.).

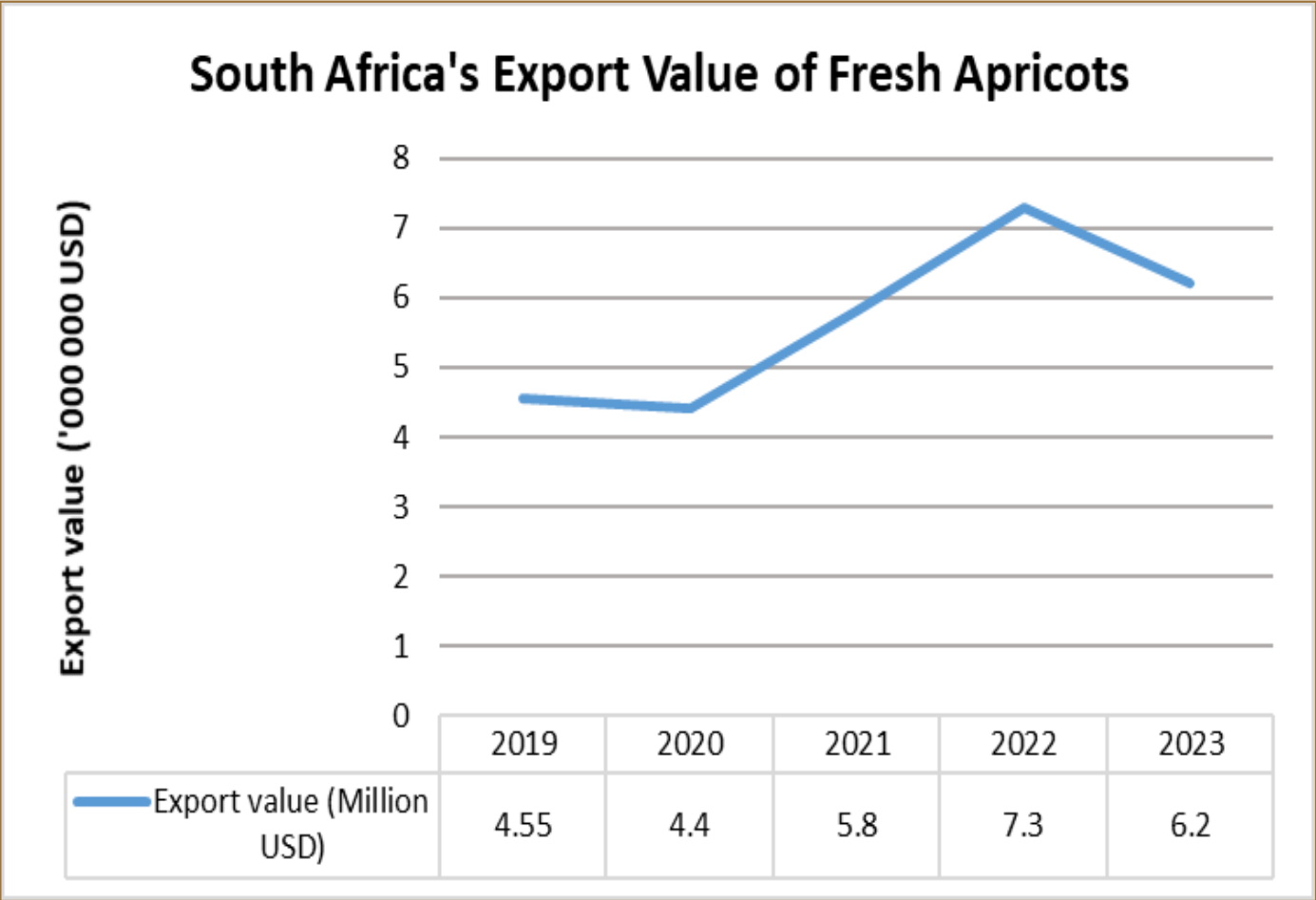


Figure 11: South Africa’s export value of fresh apricots
Source: Tridge (n.d.) - United Nations Comtrade and customs database

Building on South Africa’s global export position and key market destinations, Table 1 further indicates the growing importance of the Middle East as a regional market. It shows that the volume of apricots exported from South

Africa to the Middle East increased by 72% between the 2022/23 and 2024/25 seasons, representing the highest relative growth among fruit exports and destinations (Market Report, 2025).



Table 1: Apricot export volumes (pallets) to the Middle East (2022/23 – 2024/25) and percentage change

Marketing region	Commodity	Season		%Change
		2023/2024	2024/2025	
India	Nectarines		11	n/a
	Plums	144	187	23%
Total India		144	198	27%
Middle East	Apricots	1189	2051	72%
	Grapes	6737	7069	5%
	Nectarines	2421	1849	-24%
	Peaches	1575	1111	-29%
	Plums	2572	1732	-33%
Total Middle East		14494	13812	-5%
Grand Total		14638	14010	-4%

Figure: GF Marketing, Market Report 2025

The current geopolitical tensions in the Middle East are centred on Iran, Israel, and their respective allies, with the escalating conflict generating spill-over effects across neighbouring countries. The potential implications for South African apricot exports are reflected through interconnected disruptions in logistics, input markets, and trade access. Gulf states, specifically the United Arab Emirates and Saudi Arabia, serve as important trade and re-export hubs, facilitating the distribution of fresh apricots to markets across Asia and the wider Middle East. Their strategic location between Africa, Asia, and Europe positions them along major global shipping routes, while their well-developed ports, airports, and cold-chain infrastructure support the efficient handling and storage of highly perishable products. Therefore, these hubs enhance South Africa's export performance by improving market access, strengthening regional connectivity, and enabling the efficient distribution of counter-seasonal fresh fruit to destination markets. However, prolonged regional instability can erode market confidence, disrupt established trade flows, and reduce access to secondary markets.

The conflict has also disrupted key maritime trade routes, including the Strait of Hormuz and the Red Sea, forcing shipping companies to reroute vessels and suspend services along important shipping corridors. This is particularly detrimental to perishable commodities such as apricots, as extended transit times increase the risk of quality deterioration and post-harvest losses.

Furthermore, geopolitical tensions have disrupted global fertiliser markets through energy supply constraints, contributing to sharp increases in input costs. South Africa, as a net importer of fertiliser from China, Russia, and the Middle East, is therefore vulnerable to these price shocks, with urea prices reportedly reaching record levels above USD 650 per tonne (approximately R10 400 per tonne) (Business Day, 2025).

Strategic interventions are recommended to enhance the resilience and export performance of South Africa's apricot industry. First, export market diversification should be prioritised to reduce dependence on traditional markets and mitigate market-related risks. Although the recent attainment of duty-free access to the Chinese market for stone fruits presents significant opportunities for export expansion, additional international markets should continue to be explored given the limited domestic demand for fresh apricots. Second, producers should adopt risk management strategies, such as forward contracting for key inputs, particularly fertilisers, to reduce exposure to price volatility and geopolitical uncertainties. Lastly, strengthening logistical resilience through investment in cold-chain infrastructure and storage facilities is essential to minimise post-harvest losses associated with shipment delays and extended transit times. Such investments would help maintain product quality, improve supply chain efficiency, and enhance competitiveness in international export markets.

B TRADE OPPORTUNITIES

7.3. Conclusion

The long-term sustainability and competitiveness of South Africa's apricot industry depend on its ability to adapt to evolving markets, input costs, and logistical challenges. Addressing these challenges requires a shift from reactive responses to proactive resilience-building strategies. By strengthening its capacity to withstand

external shocks, the industry can maintain access to export markets and create a more stable operating environment for producers. Ultimately, the apricot sector's ability to remain a significant contributor to South Africa's agricultural exports will depend on how effectively stakeholders collaborate to build an adaptable and resilient value chain.



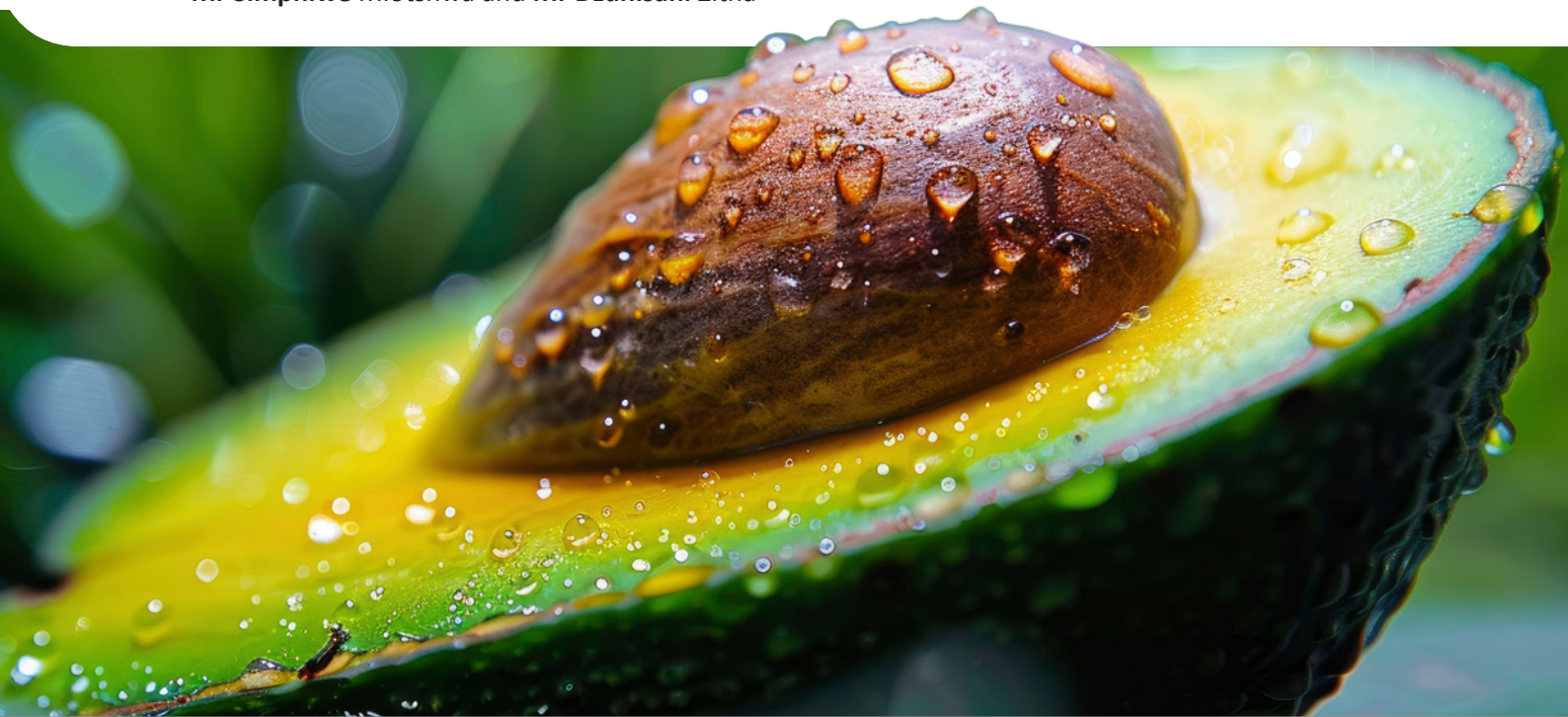
Author:

Ms Mmakhashu Patience Sechube is an Agricultural Economist at the Agricultural Research Council (ARC) and PhD Student (Agricultural Economics). She can be contacted at SechubeM@arc.agric.za



8. Opportunities in Penetrating the Middle East Markets: South African Avocado Exports

Mr Simphiwe Mlotshwa and Mr Dzunisani Zitha



8.1. Introduction

The export of South African avocados has made its mark in Europe, with approximately 94% of exports absorbed by this market (Trade Map, 2026; Perishable Products Export Control Board (PPECB), 2026). This is underpinned by the existence of preferential market access to this region through the Southern African Development Community-European Union Economic Partnership Agreement (SADC-EU EPA), the agreement between the United Kingdom (UK) and the Southern African Customs Union (SACU) (SACUM-UK EPA), and high premium prices realised by South African exporters.

8.2. Opportunities in the Middle East

In 2025, South Africa's avocado exports totalled about US\$164 million, with the EU accounting for 72%, followed

by the UK (16%), Asia (4%), and Africa (2%). While this concentration reflects favourable trade agreements and premium prices, it may also expose the industry to geopolitical risks and changes in trade policies. As a result, it is worth exploring and expanding its share in other potential growth markets to safeguard the industry against the geo-political risks. For this reason, this article explores opportunities for the South African avocado industry to potentially increase its share in the Middle East market. Globally, the Middle East region is regarded as one of the fastest-growing markets for avocados. For instance, between 2015 and 2025, Middle East avocado imports grew by approximately 42%. Figure 13 below illustrates the Middle East's avocado trade performance between 2015 and 2025.



Figure 13: Middle East's avocado imports, exports and trade balance between 2015 and 2025

Source: Trade Map (2026)

Over the past decade, the Middle East has become an increasingly net importer of avocados, with exports declining by 70% while imports expanded substantially from US\$73.1 million to US\$103.6 million. In 2024, most of the region's avocado exports were directed to European countries, accounting for 92%, followed by Asia (7%) and Africa (1%). The leading supplying markets were Israel, which accounted for the largest share

(91.7%) of the region's avocado exports, followed by the United Arab Emirates (UAE) (5.1%) and Lebanon (1.6%). Currently, the main suppliers of avocado exports to the Middle East are Kenya (30%), followed by Mexico (18%) and the Netherlands (10%), among others, with South Africa ranked as the 7th-largest supplier to this region. Figure 14 below illustrates the main avocado importers in the Middle East.



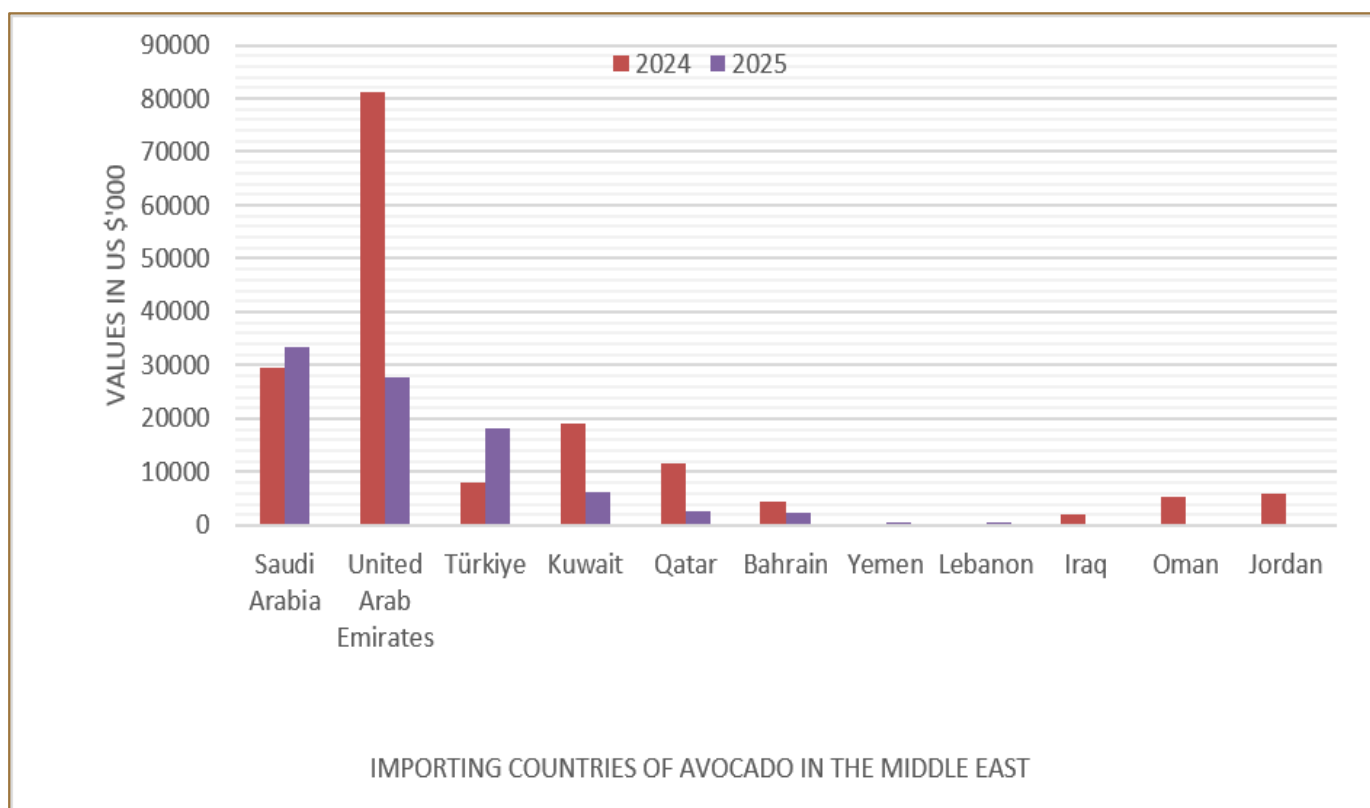


Figure 14: Main importers of avocados in the Middle East

Source: Trade Map (2026)

Within this region, Saudi Arabia is currently the leading importer of avocados, accounting for about 32% of this region's total imports, followed by the UAE at 27% and Türkiye at 18% (Trade Map, 2026). Although South Africa is not a dominant supplier to this region, its share of avocado exports to the region increased from approximately 1.3% to 3.7% between 2015 and 2025. For example, Figure 15 below depicts that the country's

exports to the Middle East have experienced an export growth of about 314% from US\$915 thousand in 2015 to roughly US\$3.8 million in 2025, while on a year-on-year basis, export revenue grew by 25% from US\$3 million in 2024 to US\$3.8 million in 2025. This highlights the strong growth of South African avocado exports to the Middle East over the past decade.



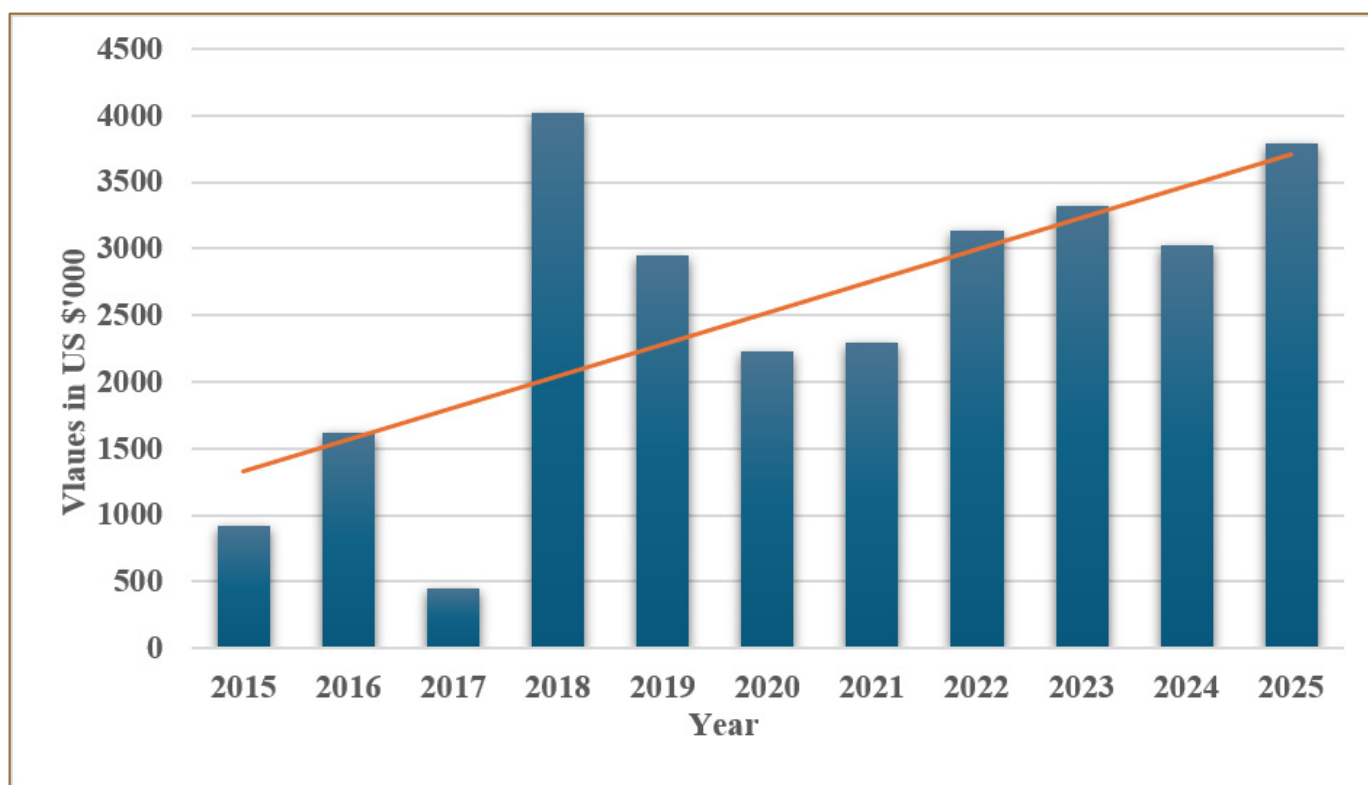


Figure 15: South African Avocado exports to the Middle East

Source: Trade Map (2026)

However, South Africa's exports are largely concentrated in the UAE market, with a share of over 76%, while other countries in this region are also increasing their imports from the world. For example, between 2021 and 2025, Saudi Arabia's avocado imports from Egypt grew from US\$4 thousand to US\$1 million, followed by Tanzania (US\$0.13 million to US\$1.6 million), the Netherlands (US\$0.89 million to US\$3.6 million), and South Africa, which recorded 57% growth (from US\$0.4 million to US\$0.6 million). During the same period, Türkiye increased its avocado imports from Morocco (US\$6 thousand to US\$0.7 million), Peru (US\$0.4 million to US\$5.7 million), Chile (US\$0.04 million to US\$0.58 million), and Tanzania (US\$0.05 million to US\$0.62 million), with South Africa growing from US\$0.05 million to US\$0.8 million, though at a slower rate (Trade Map, 2026). Moreover, other countries, such as Qatar and Kuwait, have also increased their avocado imports over the past five years.

Despite rising imports from competing suppliers, South Africa maintains access to these markets but currently exports at relatively low levels. As a result, according to the International Trade Centre Market Access Map (ITC, 2026), this region still has approximately US\$13 million in untapped market access potential for South African avocados, with current exports of around US\$3.5 million.

This is illustrated in Table 2, which shows that the UAE has the largest unrealised export potential for South African avocados, estimated at US\$8 million, compared with current exports of US\$2.2 million. While this market is largely supplied by Mexico and Kenya, both countries have relatively limited unrealised export potential valued at US\$3.8 million, while Kenya appears to have fully penetrated the market. This creates an additional opportunity for South African exporters to expand their presence.

Table 2: South African avocado export opportunities in the Middle East

Importer	Export Potential (\$ Million)	Actual Exports (\$ Million)	Unrealised Export Potential (\$ Million)
UAE	10	2.2	8
Saudi Arabia	2.1	559k	1.6
Kuwait	1.5	69k	1.4
Qatar	1	276k	725k
Turkiye	761k	233k	528k
Bahrain	493k	22k	470k
Oman	189k	16k	173k

Source: Trade Map (2026)

Saudi Arabia has the second-largest unrealised export potential, valued at US\$1.6 million, followed by Kuwait (US\$1.4 million), Qatar (US\$0.725 million), and Türkiye (US\$0.528 million), among others. Despite the ongoing conflict between Iran, Israel, and the United States of America, which has disrupted the global trading environment, expanding South Africa's avocado exports into the Middle East could reduce our heavy reliance on Europe and further create long-term stability and sustainability for the industry.

8.3. Conclusion

South African avocado industry is well-positioned to expand its presence in the Middle East and capitalise on the region's growing demand. Considering the South African agricultural industry's investments in modern packhouses, along with its strong export capabilities, the country has a solid foundation to strengthen its market share in this region while maintaining its presence in traditional export destinations.

Author:

Mr Mlotshwa is an intern under the Agro food chains unit at the National Agricultural Marketing Council. He can be contacted at smlotshwa@namc.co.za or (012) 341 1115.



Author:

Mr Zitha is an intern under the Agribusiness unit at the National Agricultural Marketing Council. He can be contacted at DZitha@namc.co.za or (012) 341 1115.



9. Can the Middle East unlock commercial growth for South Africa's dry bean farmers?

Mr Buhlebemvelo Dube and Ms Nonhlanhla Gwamanda



9.1. Introduction

South Africa is a net importer of dry kidney beans (HS code: 071333), with imports valued at \$36.6 million in 2025. The major suppliers of dry kidney beans to the country include Brazil (56.9%), Ethiopia (11.9%), the United States of America (10%), Canada (5.5%), and Poland (4.8%) (Trademap, 2026). The export market is relatively weak, with most exports destined for Zimbabwe (76.7%), Botswana (4.6%), Lesotho (4.2%), Malawi (4%), India (2.6%), and other countries (Trademap, 2026). Despite efforts to improve market access, particularly for smallholder farmers, enabling them to compete commercially, input costs and limited development remain major concerns. Rising energy costs, and ultimately input costs such as fertiliser, are increasing pressure on smallholder farmers' ability to enter the commercial market. Although some export to neighbouring countries, this is increasingly a concern for

their sustainability. With all this said, can the growing demand for food imports in the Middle East provide opportunities for South African dry beans?

9.2. Middle East import analysis

Figure 16 below shows the import trends for dry beans in the Middle East. The total import value for dry beans in the Middle East is \$305.4 million, down from \$322.8 million in 2024 (Trademap, 2026). Notably, Turkey has been a dominant importer of dry beans worldwide, followed by Iraq. Iran has recorded the strongest growth in imports, at a staggering 58% per annum between 2021 and 2025, followed by Palestine (33%) and Saudi Arabia (32%). On a year-on-year basis, Iran's growth has been a surprising 948%, followed by Bahrain (428%), with Syria at 129% per annum between 2024 and 2025 (Trademap, 2026). The trend suggests significant growth potential in the region, which now imports 12.3% of global dry beans.

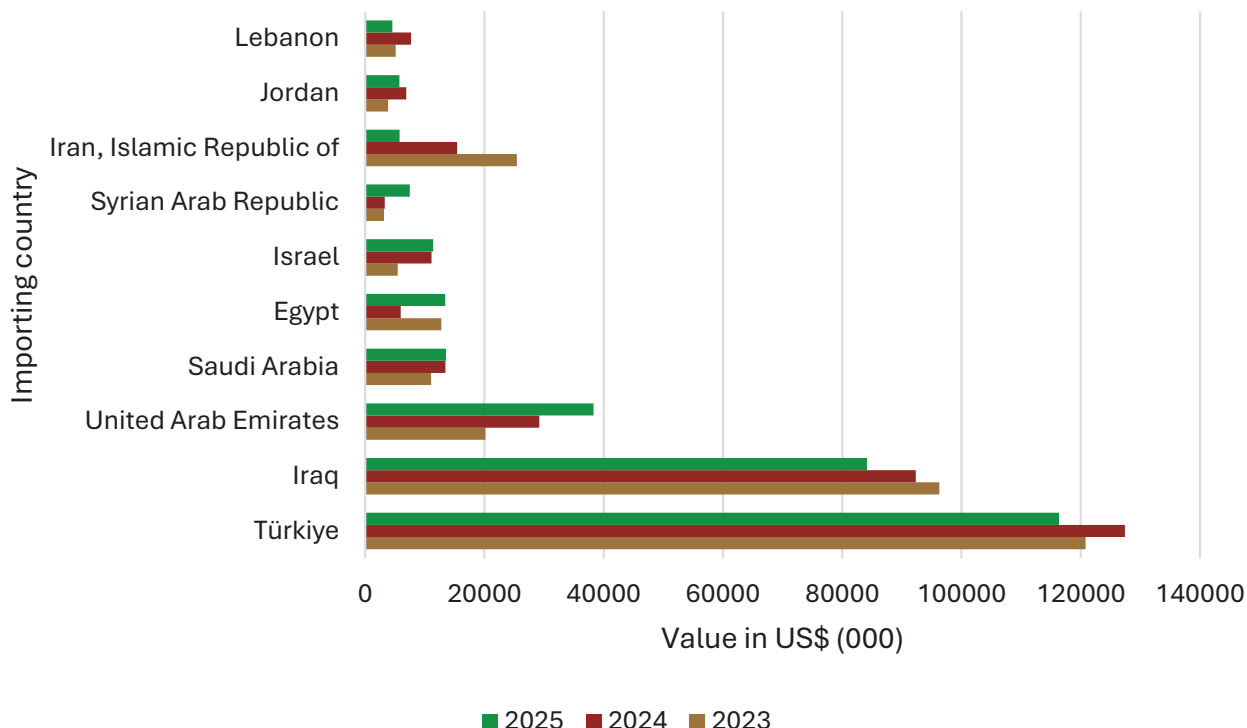


Figure 16: Middle East dry beans imports from the world

Source: Trademap (2026)

HS code: 071333

The case for South Africa's dry bean exports remains relevant. Despite production pressure, the crop estimates committee still forecasts production of 79,450

tons, with at least 38,920 hectares planted in 2026. Table 3 below illustrates the Crop Estimates Committee's 2026 dry bean forecasts.

Table 3: Crop Estimates Committee dry bean forecasts for area planted

Province	Area planted Ha (2026)	4 th forecast Tons (2026)	Area planted Ha (2025)	Final crop Tons (2025)
Western Cape	100	200	100	200
Northern Cape	1 000	2 600	950	2 280
Free State	9 500	14 250	17 500	28 875
Eastern Cape	170	340	200	400
KwaZulu-Natal	1 250	1 875	3 000	5 100
Mpumalanga	1 900	3 040	2 320	4 176
Limpopo	17 700	44 250	11 100	30 525
Gauteng	800	1 520	950	1 900
North-West	6 500	11 375	9 500	17 100
Tota	38 920	79 450	45 620	90 556

Source: Crop Estimates Committee (2026)

B TRADE OPPORTUNITIES

South Africa's land area under cultivation for dry beans remains low compared with that of major producers worldwide. Compared with the area planted in 2025, the land dedicated to dry beans shows a slight decrease. Moreover, the expected rise in input costs, such as fertilisers, due to escalating energy prices, is likely to keep South African dry bean farmers in a less competitive position. Despite this, there is a need to intensify efforts to assist farmers, especially smallholder farmers, through development support, so they can not only produce more or dedicate more land to production but also access markets in high-value export destinations. Arguably, Middle Eastern markets remain a distant dream for such farmers, but there is significant potential for market access in the region. Public and private sector collaboration would be a key instrument towards realising such potential.

9.3. Conclusion

South Africa agricultural exports are mostly to African markets (42% of total) and is a net importer of beans. Despite this position, there is a need to strengthen export capacity and ensure that farmers can access high-potential markets, including those in the Middle East. Although the blockade of the Strait of Hormuz is set to increase fertiliser prices and may affect production capacity, there is long-term potential for dry bean farmers in South Africa. Smallholder farmers also need to be fully supported through development support mechanisms, so that more land is dedicated to dry bean production and market access gains greater momentum and value.



Author:

Mr. Buhlebemvelo Dube is an Economist under the Trade Research Unit at the National Agricultural Marketing Council. He can be contacted at bdube@namc.co.za or (012) 341 1115.



Author:

Ms Nonhlanhla Gwamanda is a senior economist under Agribusiness Development Division at the National Agricultural Marketing Council. She can be contacted at ngwamanda@namc.co.za or (012) 341 1115.



Hormuz shock: Global and regional impacts on fertilizer markets

Available at: [AMIS Market Monitor current 893de5fd3f.pdf](#)



The effective closure of the Strait of Hormuz in early 2026 significantly disrupted global fertiliser markets, causing urea prices to nearly double and phosphate prices to rise further from already elevated levels. The Near East, which supplies about one-third of global urea exports and one-fifth of phosphate exports, experienced export suspensions, production constraints, and logistical disruptions. Rising costs of natural gas, ammonia, and sulphur further intensified market pressures. Countries dependent on Gulf fertiliser flows faced varying impacts based on import dependence

and seasonal demand. Brazil, Australia, India, and sub-Saharan Africa were particularly exposed to supply risks and price increases. In sub-Saharan Africa, approximately 30% of fertiliser imports originate from the Near East, increasing production costs through higher fertiliser and transport expenses. Unlike in 2022, crop prices have not increased in proportion, creating affordability pressures for farmers. Reduced fertiliser application may affect productivity and crop quality, making farm profitability highly vulnerable to the duration of the disruption.

Members advance transparency work in rules of origin, explore trade facilitation links

Available at: [WTO | 2026 News items - Members advance transparency work in rules of origin, explore trade facilitation links](#)



At its 11–12 May meeting, the WTO Committee on Rules of Origin advanced discussions on improving transparency, notification practices, and the simplification of origin procedures, while also exploring reforms linked to trade facilitation and preferential access for least-developed countries. The broader objective is to reduce administrative complexity, enhance digitalisation, and improve the efficiency of cross-border trade systems. For South Africa's export-oriented agricultural sector, the implications extend beyond customs administration. With agricultural exports exceeding US\$15 billion annually, greater transparency and streamlined

rules of origin could lower compliance costs, reduce border frictions, and improve the efficiency of market access under regional and preferential trade arrangements. More flexible origin provisions may also strengthen regional value chains and support competitiveness in value-added agricultural exports. However, increased digitisation and compliance requirements may place additional pressure on exporters, particularly smaller producers. Over time, competitiveness in agricultural trade may increasingly depend not only on production capacity but also on the efficiency of trade administration and supply chain governance.

WTO members discuss action plan for cotton sector after MC14, World Cotton Day 2026

Available at: [WTO | 2026 News items - WTO members discuss action plan for cotton sector after MC14, World Cotton Day 2026](#)



WTO members met in Geneva on 4 May to assess developments in the global cotton sector following commitments made at the 14th WTO Ministerial Conference (MC14) in Cameroon. Discussions emphasised cotton's role in international trade, employment creation, and sustainable development, particularly in African economies. Attention is centred on initiatives to expand Africa's participation beyond raw cotton production into higher-value processing, with investment institutions such as Afreximbank and the International Islamic Trade Finance Corporation (ITFC), along with development partners, supporting efforts to mobilise capital for industrialisation and value-chain development. The Cotton-4+ countries outlined a long-term vision to mobilise US\$5 billion over the next decade and create approximately 500,000 jobs through deeper integration

into cotton processing and textile industries. Members also reviewed the global cotton market outlook and emerging sector challenges. World cotton production for 2026–27 is projected at 25.9 million tonnes, slightly exceeding expected consumption of 25.2 million tonnes, while trade volumes are expected to decline and global stocks to rise. Participants highlighted risks associated with geopolitical instability, including conflict in the Middle East, rising energy costs, fertiliser shortages, pest pressures, and regional insecurity in parts of Africa. Discussions also explored new opportunities related to carbon sequestration and carbon credit markets, as well as efforts to strengthen investment partnerships, regional value chains, and the long-term competitiveness of Africa's cotton and textile industries.

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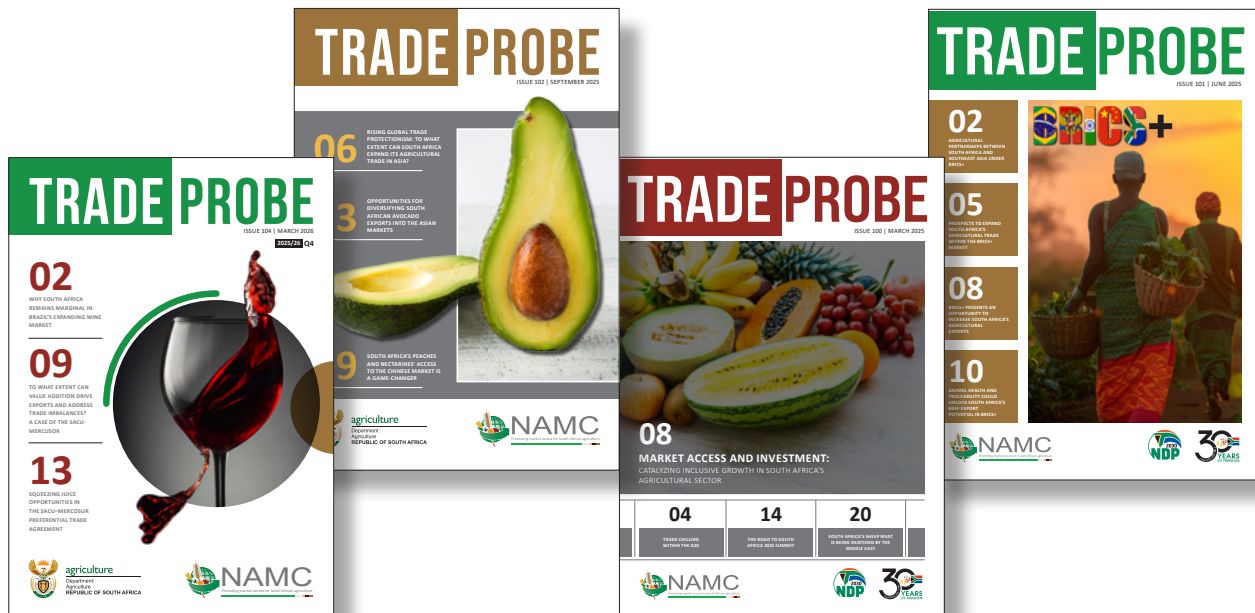


PHOTO CREDIT:

NAMC and Magnificom

FOR CORRESPONDENCE:

Dr. Solly Molepo

SMolepo@namc.co.za

+27 (0) 12 341 1115

FOR ARTICLE CONTRIBUTION TO THE TRADE PROBE:

Mr. Buhlebemvelo Dube

bdube@namc.co.za

+27 (0) 12 341 1115.

DESIGN:

Mr. Rodney Khoza

rkhoza@namc.co.za

+27 (0) 12 341 1115

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