

SOUTH AFRICA'S AGRICULTURAL TRADE PERFORMANCE **QUARTER ONE, 2024**

TRADE RESEARCH UNIT

The agricultural sector in South Africa is export led in its standing, making it crucial to always engage on activities to broaden and deepen international trade with existing and untapped markets. The country has a mammoth task to expand its agricultural exports, especially through opening new opportunities and strengthening of existing markets. The European Union and Africa appear to be dominant destinations for the South Africa's agricultural exports. In quarter one of 2024, South Africa's total agricultural exports were valued at R57.8 billion, which is 1.1 % from R57.2 billion in quarter four of 2023.

The driving force causing this slight increase in the positive trade balance were growth earnings emanating from exporting grapes, maize apples, pears, wine, plums & sloes, wool, maize products and sugar. There are several agricultural products that the country imports for various reasons. These products are dominated by rice, wheat and palm oil. Imports of agricultural products in quarter one were valued at R30.7 billion, which decreased by 5.5 % from R32.6 billion in quarter four of 2023.



Pictures: www.freepik.com

CONTACT US

Physical Address:
536 Francis Baard Street, Meintjiesplein Building, Block A, 4th Floor, Arcadia, 0007

Postal Address:
Private Bag X935, Pretoria, 0001

Telephone:
(012) 341 1115

Website:
www.namc.co.za

Follow us on:



1. TRADE RELATIONS

South Africa's agricultural products export destination by region in quarter one 2024, in value (Rand)

This section examines the South Africa's agricultural performance of exports in value terms (Rands) for quarter one of 2024 from South Africa to primary export markets as illustrated in **Figure 1** below. Africa remains a major and vital export destination for the South Africa's agricultural products. Africa accounted for 42% of all agricultural products exported by South Africa during quarter one (1) of 2024, followed by EU-28 (30%), Asia & Middle East (19%), America (6%), and Oceania (1%). The remaining 2% was shared amongst other parts of the world.

From Africa, the main markets in quarter one were Zimbabwe (18%), Botswana (16%), Namibia (14%), Mozambique (13%) and Lesotho (8%). From the EU-28 it was Netherlands (50%), United Kingdom (UK) (27%), Germany (7%), Spain (2%) and Italy (2%). Asia & Middle East, the United Arab Emirates (UAE) had the largest share of 21% followed by China (18%), Korea, republic (7%), Viet Nam (6%), India (5%). From the Americas, the USA is unsurprisingly the leading market for South Africa's agricultural exports with a market share of 57% in quarter one followed by Canada (37%). Brazil, Mexico and Chile all had a market share of 1%. From Oceania, Australia leads with 71% market share, followed by New Zealand (29%). Fiji, New Caldonia and French Polynesia had insignificant shares.

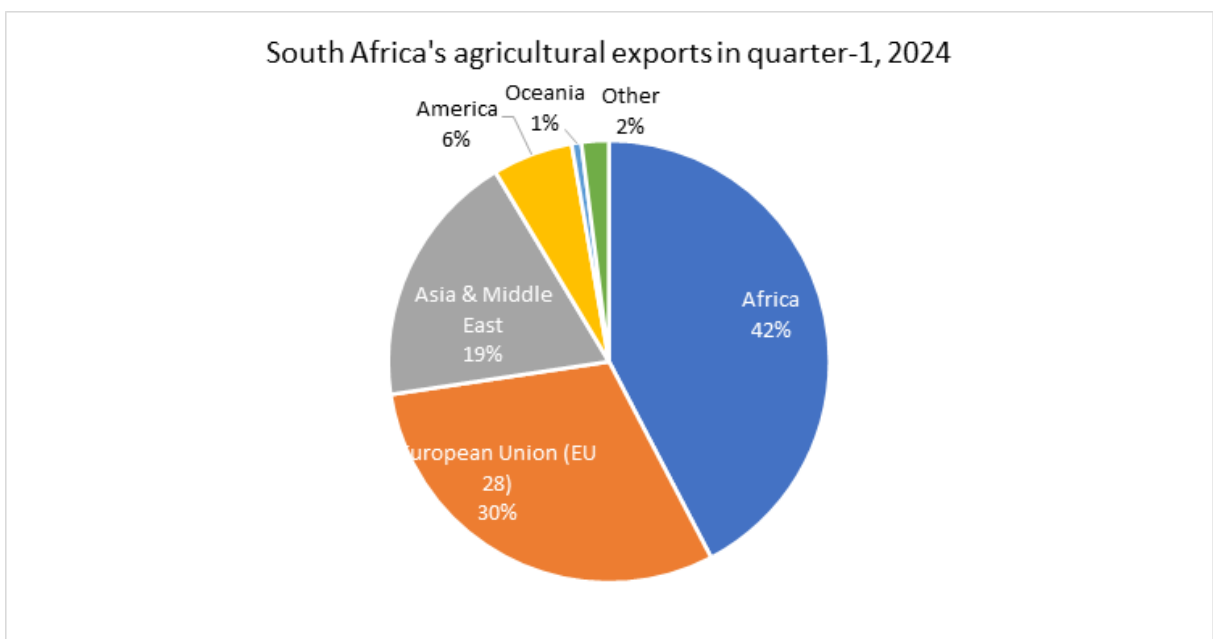


Figure 1: Percentage shares of South Africa's agricultural products export destination by regions Q1, 2024

Source: ITC Trade Map (2023)

*Europe (28)- Refers to 28 member states under the European Union including UK.

2. TRADE PERFORMANCE

South African agricultural exports for quarter three of 20223, in value (Rand)



This section compares South Africa's agricultural exports and imports in value terms (Rand) between the first quarter (January-March) of 2024 and the first quarter (January-March) of 2023, as well as the first quarter (January-March) of 2024 against the fourth quarter (October-December) of 2023.

First quarter: January-March 2024 against January-March 2023

In quarter one, South Africa's agricultural products exports increased significantly by 12.6%, in value terms (Rand) from R51.4 billion in quarter one of 2023 to R57.8 billion in quarter one of 2024. This growth underscores the resilience and competitive edge of the South Africa's agricultural sector regardless of the challenges faced. The main exported commodities in value terms include grapes (R12.1 billion), maize (R3.5 billion), apples (R2.1 billion), pears (R1.9 billion), and wine (R1.8 billion), among others (see Table 1). When comparing quarter one 2024 exports against quarter one of 2023, there were shifts in the export destination quantities and values as can be seen in [Table 1](#).

First quarter: (January-March) of 2024 against the third quarter (October-December) of 2023.

In the first quarter of 2024, agricultural exports reached almost R57.8 billion which was a slight increase quarter-to-quarter (q/q) from R57.2 billion, at least 1.1% growth. This growth though minor, but considering the challenges faced by the industry domestically and internationally, it's an indication that the industry could have achieved more. Furthermore, exports from South Africa to the African region decreased by 5.5% q/q, and there was a 36.6% q/q increase in exports to the EU (28), a 28.5% q/q decrease in exports to Asia, 57.5% q/q increase in exports to America, and a 26.1% q/q increase in exports to Oceania.

The agricultural products leading the exports channel are fresh grapes with 39.9% y/y increase. It is followed by maize with -22.3% decrease on y/y, while fresh apples and fresh pears showed positive trajectory of 33%, and 56.4% y/y, respectively.

Table 1: South African agricultural top exports, in value (Rand)

Product	Q1: 2023	Q4: 2023	Q1: 2024	Q1: 2024 vs Q1: 2023	Q1: 2024 vs Q4: 2023
	Rand '000	Rand '000	Rand '000	Annually %Change	Quarterly %Change
All agricultural products	51 362 061	57 193 972	57 817 926	12.6	1.1
1. Grapes	8 634 786	1 897 666	12 082 675	39.9	536.7
2. Maize	4 547 026	3 748 325	3 532 592	-22.3	-5.8
3. Apples	1 607 306	1 240 736	2 137 497	33.0	72.3
4. Pears	1 234 674	336 325	1 930 847	56.4	474.1
5. Wine	1 531 300	220 7312	1 840 211	20.2	-16.6
6. Plums & sloes	1 196 617	252 670	1 498 457	25.2	493.0
7. Wool	1 894 813	1 410 219	1 382 613	-27.0	-2.0
1. Groats & maize meal	467 321	1 102 710	1 250 115	167.5	13.4
9. Sugar	1 073 826	2 384 420	994 975	-7.3	-58.3
10. Food preparations, n.e.s	682 458	946 922	867 499	27.1	-8.4
11. Water (mineral, aerated, with added sugar)	562 541	773 710	701 069	24.6	-9.4
12. sauces	578 048	835 651	657 526	13.7	-21.3
13. Ciders	513 006	745 944	599 538	16.9	-19.6
14. Wheat & meslin	838 338	541 050	576 954	-31.2	6.6
15. Feed (excl. dog or cats)	480 804	736 651	564 039	17.3	-23.4

Source: Trade Map, 2024

South Africa's agricultural imports for quarter one of 2024, in value (Rand)

Table 2 presents top agricultural imports by South Africa. Although, South Africa's agricultural sector is largely export driven, the country is still dependent on the global market for commodities such as rice and wheat, among others due to different factors ranging from unsuitable agroecological conditions for such products or issues relating to competitiveness. Imports for grains are still vulnerable to geopolitical conflicts, climate variability, as well as the global markets during the production season.

First quarter: January-March 2024 against January-March 2023

In quarter one (Q1) of 2024, South Africa's agricultural imports recorded a year-on-year growth rate of 1.7% compared to Q1 of 2023. During Q1 of 2023, agricultural imports were valued at about R30.3 billion compared to R30.7 billion in Q1 of 2024. There were several commodities that led to this slight increase in imports, such as imports of crude sunflower oil which recorded a 166% increase during this period, followed by distilled wine (56%), food preparations (29%), palm oil (27%), sugar (23%), and rice (19%), among others. On the other hand, frozen poultry meat (cut in pieces) recorded a decline of 23%,

followed by live cattle (17.5%), frozen poultry (not cut) (17.1%), whiskies (10.9%), and wheat and meslin (8.8%), among others. The observed decline in poultry meat imports may be attributed to the widespread outbreak of avian influenza on major poultry producing countries which led to restrictions in poultry exports.

First quarter: (January-March) 2024 against fourth quarter (October-December) of 2023

In quarter one (Q1) of 2024, South Africa's agricultural imports recorded a year-on-year growth rate of 1.7% compared to Q1 of 2023. During Q1 of 2023, agricultural imports were valued at about R30.3 billion compared to R30.7 billion in Q1 of 2024. There were several commodities that led to this slight increase in imports, such as imports of crude sunflower oil which recorded a 166% increase during this period, followed by distilled wine (56%), food preparations (29%), palm oil (27%), sugar (23%), and rice (19%), among others. On the other hand, frozen poultry meat (cut in pieces) recorded a decline of 23%, followed by live cattle (17.5%), frozen poultry (not cut) (17.1%), whiskies (10.9%), and wheat and meslin (8.8%), among others. The observed decline in poultry meat imports may be attributed to the widespread outbreak of avian influenza on major

poultry producing countries which led to restrictions in poultry exports.

First quarter: (January-March) 2024 against fourth quarter (October-December) of 2023

The first quarter of 2024 recorded a decline of agricultural imports compared to the previous quarter four of 2023. South Africa's agricultural imports declined by 5.5% quarter-to-quarter (q/q), mainly driven by some significant decreases in the importation of commodities such as rice (47%), crude sunflower oil (20%), whiskies (19%), and raw sugar cane (5.3%), among others (see Table 2). On the other hand, imports of live cattle recorded the highest q/q growth rate of 100%, followed by food preparations (32%), mineral/sweetened water (24%), frozen poultry (cuts) (23%), distilled wine (13%), wheat and meslin (12%), among others. The sudden observed increase in poultry imports may largely be due to the import rebates permits issued towards the end of 2023 due to the limited poultry supply following the avian influenza outbreak that led to increased culling of chickens within the country.



Table 2: South Africa’s agricultural top imports, in value (Rand)

Product	Q1: 2023	Q4: 2023	Q1: 2024	Q1: 2024 vs Q1: 2023	Q1: 2024 vs Q4: 2023
	Rand '000	Rand '000	Rand '000	Annually %Change	Quarterly %Change
All agricultural products	30 256 304	32 576 847	30 779 962	1.7	-5.5
1. Wheat	2423822	1976188	2209761	-8.8	11.8
2. Rice	1723018	3863624	2052507	19.1	-46.9
3. Palm oil	1570563	2013078	2001430	27.4	-0.6
4. Food preparation	822353	803500	1060931	29.0	32.0
5. Crude sunflower seeds & oil	342010	1145090	910985	166.4	-20.4
6. Sugar	708220	922603	873957	23.4	-5.3
7. Water (Inc. Mineral, aerates with added sugar)	504791	485817	601162	19.1	23.7
8. Guts, bladders, and stomachs of animals	499735	576948	587566	17.6	1.8
9. Whiskies	652794	714412	581562	-10.9	-18.6
10. Spirits obtained by distilling grape wine or grape marc	369439	509125	576898	56.2	13.3
11. Poultry (frozen cuts)	718244	449507	551161	-23.3	22.6
12. Poultry (frozen no cuts)	653025	516937	541606	-17.1	4.8
13. Live cattle	655438	269701	540549	-17.5	100.4
14. Extracts of coffee	379498	345299	427424	12.6	23.8
15. Coffee	408985	522502	416208	1.8	-20.3

Source: Trade Map, 2023

3. TRADE SHIFTS

Shift in South Africa’s live animal exports and imports in quarter one (1) of 2024, in percentage (%), in value (Rand)

This section highlights a few of South Africa’s most popular agricultural exports to international markets. It examines how trade patterns for a certain product vary over time, either by country or by region. This is influenced by several variables, including seasonality, tariffs, geopolitical issues, and logistics, to name a few. This section will concentrate on South Africa’s live animal (cattle, sheep, poultry and others) export trends to the European Union (EU-28), Africa, Asia & Middle East, Americas, and the Oceania by comparing the first quarter of 2023 to the first quarter of 2024.

Live animal Exports in quarter one of 2024

A comparison of live animal exports from South Africa to the world market in the first quarter of 2024 against 2023 is shown in **Figure 2**. In the first quarter of 2024, South Africa’s exports of live animals came to a total of R261.5 million, a 26.9% increase over the R206.1 million recorded during the same period in 2023. South Africa’s largest live animal exports during the studied period were cattle, followed by a mixture of horses, asses, mules and hinnies, sheep and goats, and chicken (poultry).

Africa is the main importer of live animals from South Africa, with a 53% share in the first quarter, down from 66% in the same period last year, importing mostly cattle, horses, mules, asses, and hinnies. Africa was trailed by Asia and the Middle East (32%), the Americas (14%), and the EU-28 (1%). Oceania contributed insignificant quantities.

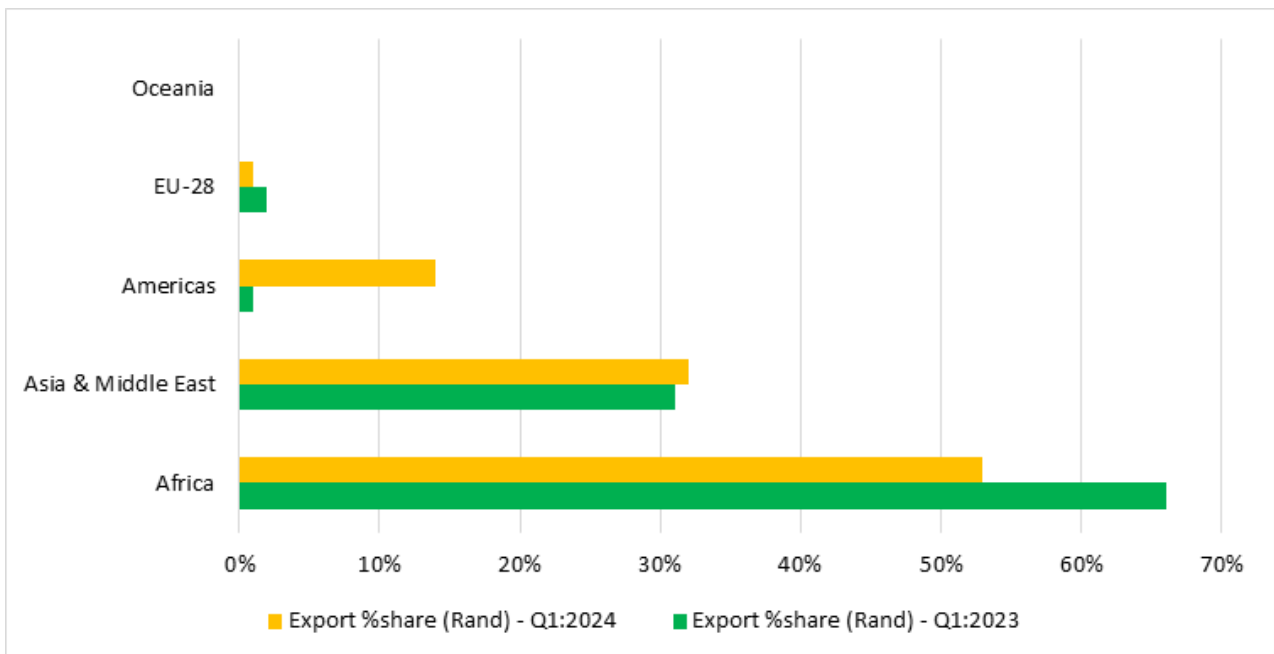


Figure 2: Percentage share of South Africa’s live animal exports by regions, quarter 1, 2024
Source: ITC Trade Map (2023)

Live animal Imports in quarter one of 2024

While South Africa’s live animal exports have increased over time, the country remains a net importer, importing principally live cattle, sheep, and goats from its neighbours, primarily Namibia and Botswana. South Africa’s live animal imports totalled R841.5 million in Q1 2024, a decrease from R1.1 billion in the same period last year. This constituted a decrease of at least 25%. According to live animal trade data, South Africa’s live animal exports have increased significantly on an annual basis, with exports hovering around R3 billion from 2021 to 2023. This means that the country spends more money importing live animals than it does exporting them. This could indicate that there is an imbalance in domestic meat supplies.



Compiled by:

Mr Thabile Nkunjana
Mr Buhlebemvelo Dube
Mr Bhekani Zondo
Dr Solly Molepo

For more details contact:

Dr Solly Molepo
Manager: Trade Research Unit,
Markets and Economic Research Centre,
National Agricultural Marketing Council
Email: SMolepo@namc.co.za
Or
info@namc.co.za (Communications Contact)
Tel: +27 (0)12 341 1115

Follow us on:

