

TRADE PROBE

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**Improved biosecurity measures
are crucial for boosting South
Africa's beef exports**

**Exploring market access
and export potential
for South African maize
through selected trade
agreements**

**South Africa Initiates WTO Dispute
against EU Citrus Black Spot Citrus
Regulations**



**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-seventh (97th) 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 increasing market access and facilitating trade for South Africa's agricultural products. Authors were expected to analyse trade trends of specific commodities of their choice (preferably within the AAMP priority commodity corridors), propose strategies and trade arrangements for expanding market access.

Articles contained in this issue include the assessment of the role of government towards, expanding markets for South Africa's agricultural exports, the importance of strengthening biosecurity measures to boost beef exports. Authors also conducted trade performance assessment for various commodities and industries such as the meat industry, and fruit juice exports. Market access opportunities for maize, Lucerne, and wheat and meslin were also explored. Guided by the mandate of the NAMC, the current issue of the Trade Probe seeks to inform policymakers, producers, traders, and other stakeholders about strategies to boost market access for South Africa's agricultural products and trade facilitation.

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IMPROVED BIOSECURITY MEASURES ARE CRUCIAL FOR BOOSTING SOUTH AFRICA'S BEEF EXPORTS.

By Lesedi Mokoena and Ricardo Smith

The red meat value chain contributes significantly to South Africa’s agricultural sector and has a positive impact on the country’s economy and Gross domestic product (GDP), (RMIS, 2024). The Agriculture and Agro-processing Master Plan (AAMP) identified the beef industry as a sub-sector with a potential for growth and investment. In the recent years, the industry faced numerous challenges, including animal diseases such as foot-and-mouth disease (FMD), causing severe economic losses for the beef industry due to restricted access to national and international trade (RMIS, 2024). According to the Bureau for Food and Agricultural Policy (BFAP, 2021), regaining South Africa’s FMD-free status could potentially increase the share of beef exports from 5% to 24% of domestic production by 2030. This growth is aligned with the South African Red Meat Industry Strategy 2030. To achieve this, the AAMP identified the need for investment in rural animal production infrastructure, including dipping tanks, animal handling facilities, kraals, and fences. The investment aims to improve herd productivity and increase the supply of beef. BFAP (2023) projected that local beef consumption growth between 2023 and 2032 will likely not be enough to absorb growth in beef production, while supporting producer prices. Therefore, diversifying the country’s export markets while preserving the existing markets will remain paramount.

Table 1: Top 10 Importers of South Africa’s beef (HS: 0201) in value terms

Importers	Exported value in 2019 (USD)	Exported value in 2023 (USD)	Percentage
Change (%)	79 149	45 672	45 684
World	65 763	102 068	55%
Kuwait	16 682	25 395	52%
Jordan	11 210	25 364	126%
United Arab Emirates	11 857	16 580	40%
Qatar	4 933	10 308	109%
Mozambique	6 634	8 328	26%
Lesotho	698	3 396	387%
Bahrain	1 156	2 088	81%
Mauritius	515	2 075	303%
Angola	343	1 607	369%
Lebanon	-	1 361	-

Source: Trade Map, 2024 & Own Calculations

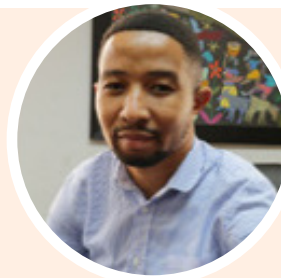
South Africa is a net exporter of beef, with large export volumes to various countries across the world. **Table 1** shows the top 10 importers of South Africa's beef in value terms, with the Harmonized System (HS) code 0201, which represents meat of bovine animals, fresh or chilled. The table provides the exported values in 2019 and 2023, as well as the percentage change over the 5-year period from 2019 to 2023. The top 5 key markets for South African beef exports are Kuwait, Jordan, the United Arab Emirates (UAE), Qatar, and Mozambique, which collectively account for a significant share of the country's beef exports. The total value of beef exports from South Africa to all countries increased by 55% from 2019 to 2023, with Kuwait, Jordan, and Qatar showing significant increases in beef imports from South Africa, at 52%, 126%, and 109%, respectively. Other countries, such as Lesotho, Bahrain, Mauritius, and Angola, also showed substantial increases in beef imports, ranging from 80% to 387%. Notably, Lebanon did not import any beef from South Africa in 2019 but started importing in 2023, with a value of 1 361 US Dollars.

To address issues of biosecurity, the South African government and the red meat industry have been collaborating. The government has implemented various interventions, including strict biosecurity measures on farms, feedlots, and in abattoirs. Moreover, the government implemented measures such as movement control, vaccination, and controlled slaughter. Approximately 634,000 animals were vaccinated to control FMD outbreaks in 2022 (DALRRD, 2023). These improved biosecurity measures have paved the way for South African beef to access new markets, including the Kingdom of Saudi Arabia, which has been reopened to South African imports. While Saudi Arabia may not be a significant importer of South African beef in terms of volume, it is an important market for South Africa's exports, as it presents an opportunity to tap into the lucrative Middle Eastern market and further diversify the country's export markets. The entry into this market is proof to South Africa's commitment to improving its biosecurity standards and improving the country's global competitiveness.

In conclusion, improved biosecurity measures are crucial for boosting South Africa's beef exports and improving its competitiveness in the global market. Despite facing challenges such as FMD outbreaks, collaborative efforts between the government and industry stakeholders have paved the way for growth and expansion. The reopening of the Saudi Arabia market to South Africa's beef exports is a significant success story, highlighting the importance of collaboration in addressing constraints in the red meat industry. As the government and industry continue to prioritize biosecurity, South Africa's red meat industry is poised for continued success and increased exports, further strengthening its position in the global market.



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South Africa’s agricultural sector is highly diversified and export oriented; and the country has maintained its net exporter status for agricultural products over the years. In the African continent, South Africa remains the largest food producer and exporter. In May 2022, social partners in the agriculture and agro-processing sectors signed their sectorial strategy (the Agriculture and Agro-processing Master Plan, AAMP) for driving inclusive growth, competitiveness, transformation, employment, and food security. One of the strategic pillars of the AAMP is to enable market expansion, improve market access and facilitate trade for South Africa’s agricultural products. Hence, the aim of this article is to analyze South Africa’s agricultural trade performance over the past decade and underscore the government’s role in expanding export markets, especially since the implementation of the AAMP began.

Figure 1 below shows South Africa’s agricultural trade from 2014 to 2023. Over the past decade, agricultural exports have more than doubled, growing at about 131% between 2014 and 2024 while growing by 16% year-on-year (y/y).

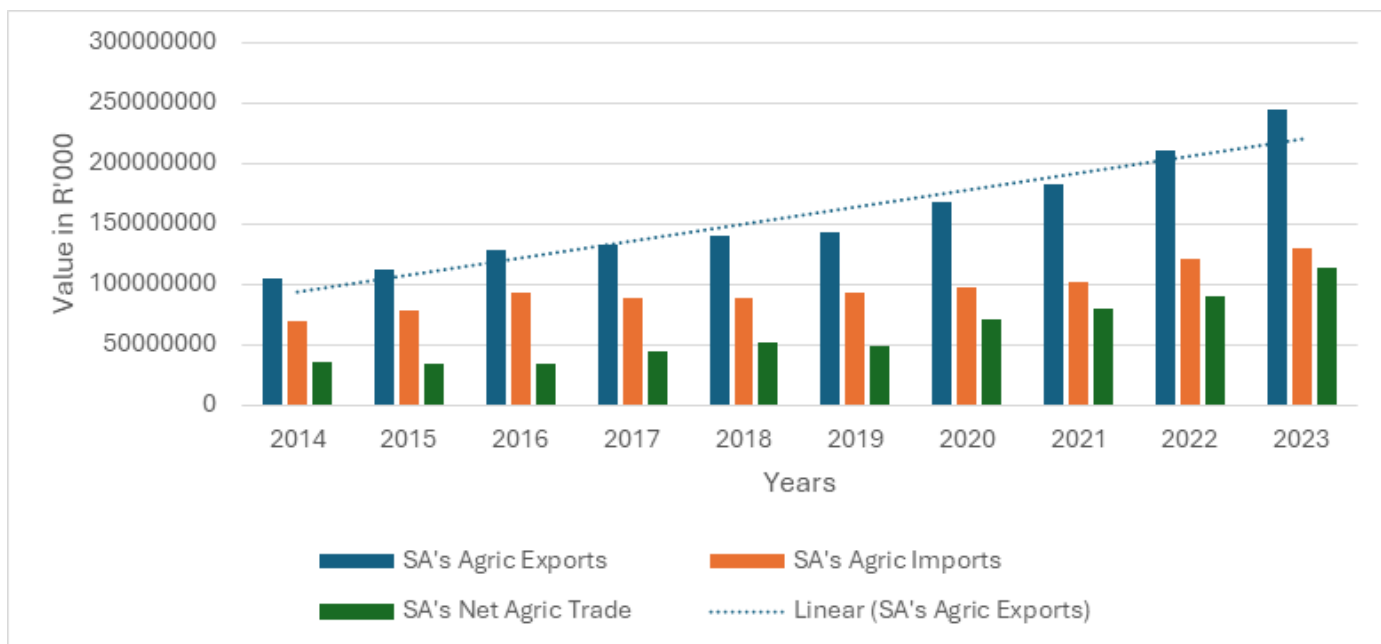


Figure 1: South Africa’s agricultural trade from 2014 to 2023.

Source: Trade Map (2024)

In 2023, agricultural exports were valued at R243.9 billion while in 2014 they were valued at R105.6 billion. The main exported products were maize, oranges, table grapes, mandarins, fresh apples, and wine, among others. Similarly, agricultural imports also recorded a growth rate of 86% between 2014 to 2023 while recording an 8% y/y growth rate. In 2023, South Africa’s agricultural imports were valued at R129.7 billion compared to R69.9 billion in 2014. The main agricultural products imported by South Africa were milled rice, wheat and meslin, palm oil, and raw sugarcane, among others. Although imports have also grown significantly, the record increase in exports has ensured a steady increase in the trade balance as well.

Figure 2 below depicts South Africa’s agricultural exports to selected major trading partners. The African continent remains South Africa’s major market for agricultural product exports accounting for a share of 37% of value of exports followed by the European Union (EU) (19%), BRICS (9%), United Kingdom (UK) (7%), Americas (6%), and Common Market of the South (MERCOSUR) (4%).

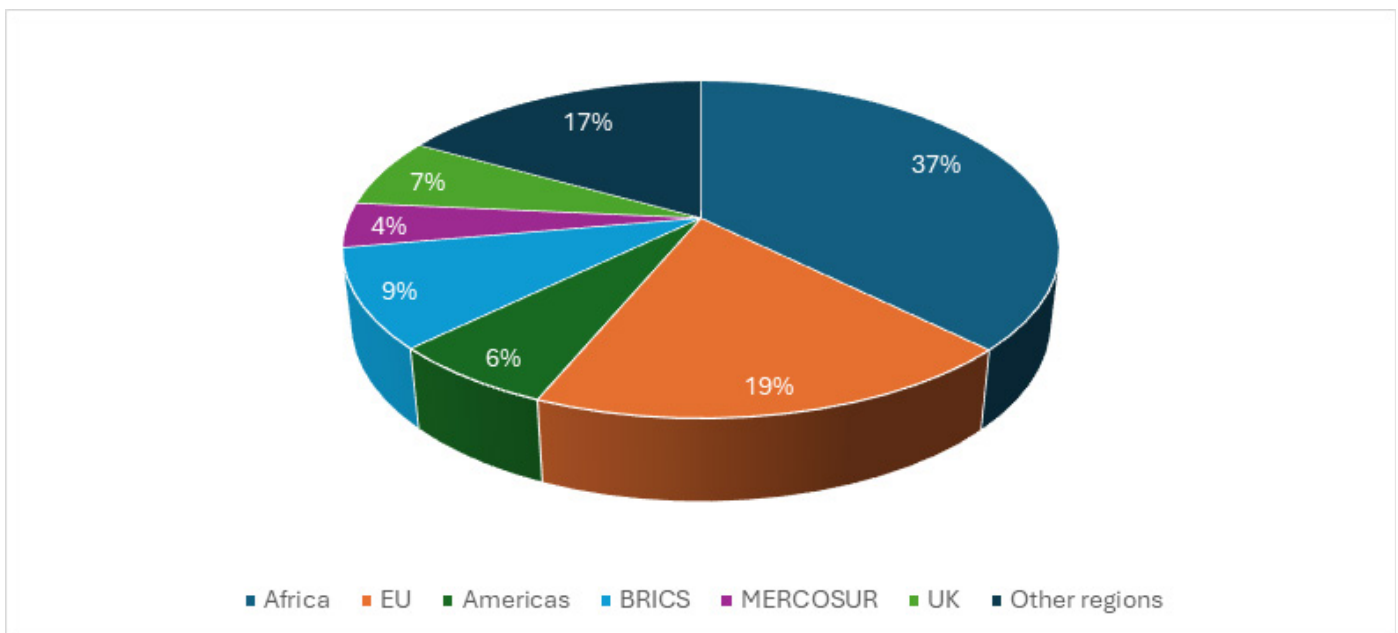


Figure 2: South Africa’s agricultural exports to selected trading partners in 2023.

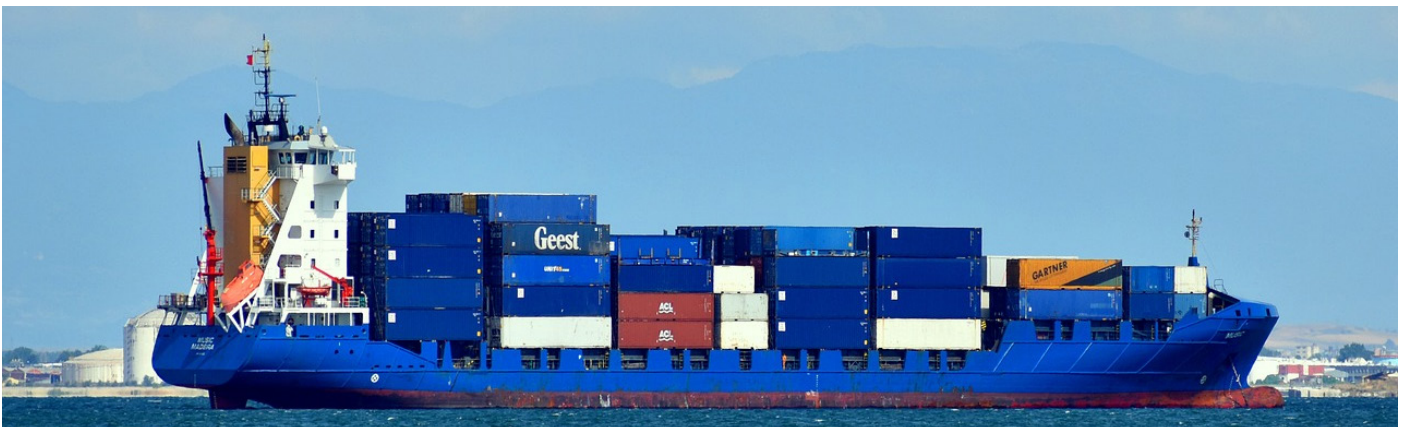
Source: Trade Map (2024)

The government plays a critical role in expanding export markets through a variety of mechanisms designed to promote international trade, support domestic businesses, and create favorable conditions for exporting. One of the important mechanisms is through trade policy and agreements. Governments negotiate bilateral and multilateral trade agreements, and trade facilitation. Negotiating trade agreements or protocols is essential for eliminating trade barriers such as tariffs, quotas, and other import restrictions which may limit trade. On the other hand, trade facilitation involves simplifying customs procedures, standardizing regulations, and improving logistics infrastructure to reduce the costs and complexities of exporting, making international markets more accessible.

In this regard, since the implementation of the AAMP the South African government has made significant strides in facilitating trade and negotiating market access for South Africa’s agricultural products. Within the AAMP framework there are several lucrative markets envisaged for export growth of South Africa’s agricultural products, and through

government negotiations some have already been unlocked. For example, the Department of Agriculture, Land Reform and Rural Development (DALRRD) in collaboration with relevant industries have secured market access in the Saudi Arabian market for red meat exports. In addition, South Africa has also re-gained market access for avocados in the Japanese market after the two nations agreed on certain standards for the Hass avocado variety which was previously banned from this market (DALRRD, 2023). Moreover, South Africa has also gained market access for its oranges in the Vietnam market. This is an important development given the known sanitary and phytosanitary (SPS) related issues in the EU market which accounts for most South Africa's citrus exports as market expansion and diversification is crucial.

South Africa's agricultural exports are also plagued by diseases outbreaks such as the foot and mouth disease (FMD) which has resulted to countries like China banning the importation of beef and wool from South Africa. However, the domestic industries in collaboration with government has worked tirelessly to contain these outbreaks through improved biosecurity measures and this has resulted to the re-opening of the Chinese market for South Africa's exports. In conclusion, government efforts towards expanding markets for South Africa's agricultural products remain crucial for export resilience. The AAMP plays a significant role in this strategy by driving inclusive growth, competitiveness, transformation, employment, and food security. Over the past decade, South Africa's agricultural exports have more than doubled, indicating a strong export performance supported by government initiatives. Key measures include negotiating trade agreements and/or protocols, simplifying customs procedures, and securing new market access. Successes including the opening markets in Saudi Arabia, Japan, and Vietnam, despite challenges such as disease outbreaks. These efforts underscore the importance of continued government involvement in facilitating trade and supporting the agricultural sector's growth and sustainability.



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Trade performance of the South African meat industry

By Dr Solly Molepo

INTRODUCTION

Meat is considered a vital source of protein for humans, while industries involved in meat value chain are driving employment creation and contributes to the country's gross domestic products (GDP). In South Africa, most consumed meat is poultry, followed by beef, pork and mutton. The factors driving consumption of meat include an increase in the level of income and sustained trends of urbanisation, among others (BFAP, 2022). Commitments made through social compact in the Poultry Master Plan induced investments in expanding domestic production and has the potential to drive a further reduction in the share of imports. However, the outbreak of Highly Pathogenic Avian Influenza (HPAI) in most parts of the country halted the growth of the poultry industry. Figure 3 shows that consumption of meat has been fluctuating over years. The slight decrease observed on poultry consumption as from 2022 which is attributed to various factors which led to high poultry meat prices. These factors include the energy crisis (power cuts), higher feed prices, outbreak of HPAI, amongst other challenges.

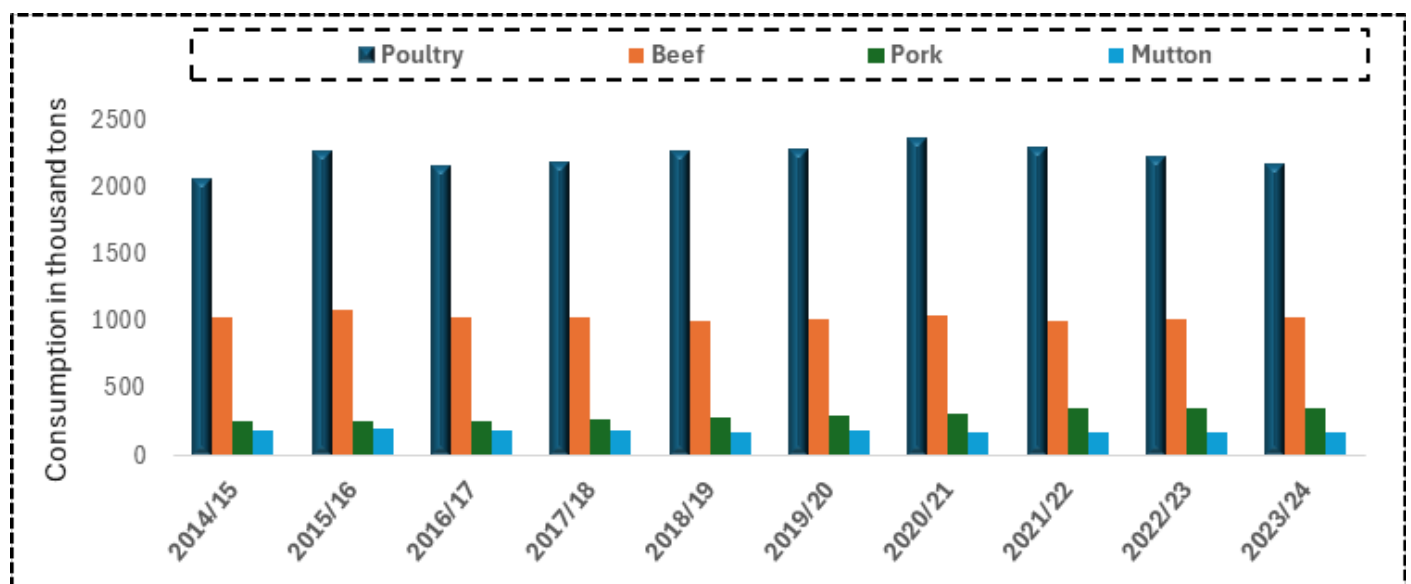


Figure 3: South Africa's consumption trends for selected meat products

Source: DALRRD (2024)

Notwithstanding the fluctuation of poultry consumption in South Africa, beef and pork has maintained their position in local markets. The country is experiencing a deficit with regard to poultry, which has been sustained by imports. In 2023, South Africa produced a total of 3.4 million tons of meat, with poultry industry contributing 55 %, 31 % for beef, 10 % for pork and 5 % for mutton. The meat industries of selected commodities suffer a production deficit of 300 thousand tons to meet domestic demands (DALRRD, 2024). The meat sub-sector plays a huge role as a source of protein, hence the aim of this article is to analyse trade performance of the South African meat patterns.

SOUTH AFRICA’S TRADE PERFORMANCE IN MEAT

South Africa’s total meat imports were valued at R6.9 billion, with an increased year-on-year (y/y) percentage share of 5 % from 2022 to 2023. South Africa imported poultry meat from the world valued at R4.8 billion, which constitutes at least 69 % of meat imports. The rise in poultry products imports could be attributed to a high feed prices, effects of HPAI outbreak, taste and preference of the consumers and affordability status of consumers. In 2023, beef was ranked second largest imported meat with a share of 16 %, pork was ranked third largest meat product imported with a share of 12 %, followed by mutton with 2 % (DALRRD, 2024). The rise in retail prices of these four select meat products, causes consumers to shift to other protein sources including sea food, etc

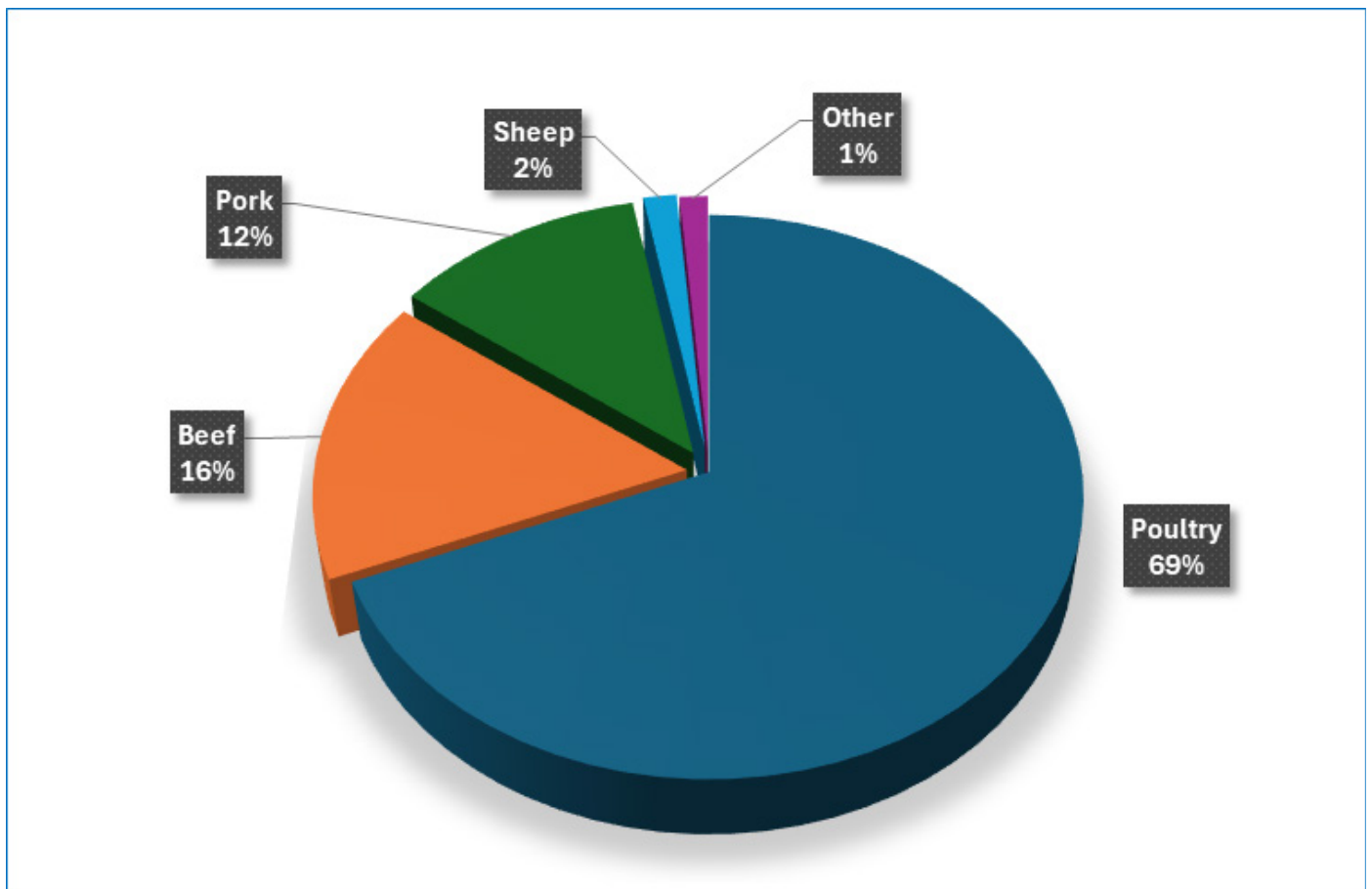


Figure 4: South Africa’s meat imports distribution

Source: Trade Map (2024)

Table 2 shows that the top supplier of meat products to South Africa in 2023 was Brazil with a share of 57 % during 2023. It was followed by United States of America (USA), Argentina and Australia with a positive share of 13%, 5% and 4%, respectively. The biggest five countries are responsible for imports of meat products to the tune of R 5.9 billion and three of countries are based on the Southern Hemisphere. Namibia is the country from the African continent with a share of 2 % and its imports are valued at R 115 million in 2023. South Africa is a growing market for Namibian meat products with a y/y growth of 8.4 %.

Table 2: Top 10 suppliers of meat products to South Africa between 2022 and 2023

Exporters	Imported value (ZAR' million)		Average Growth rate (%)	Share (%)
	2022	2023	2022 - 2023	2023
World	6610	6945	5	
Brazil	3649	3951	8	57
United States of America	790	890	14	13
Argentina				
Australia	621	375	-40	5
Spain	189	302	60	4
United Kingdom	258	300	16	4
Ireland	231	209	-10	3
France	164	192	17	3
Namibia	129	172	33	3
New Zealand	106	115	9	2
	60	95	58	1

Source: Trade Map (2024)

In 2023, South Africa’s meat exports to the world were valued at over R5.6 billion, with an average increase of 12 % between 2022 and 2023. Beef meat ranked first amongst other meat exports with a share of 50 %, followed by poultry with a share of 25 %, mutton with 12 %, pork with 8 % and other meat products had a share of 5 %. Beef exports showed a significant increase of 18 % between 2022 and 2023. Poultry industry shifted from first position to second, this might be attributed to outbreaks of HPAI which negatively affected production and exports in 2023, geo-political tensions of Russia and Ukraine which affected prices of inputs, high retail prices of poultry products and other socio-economic factors.

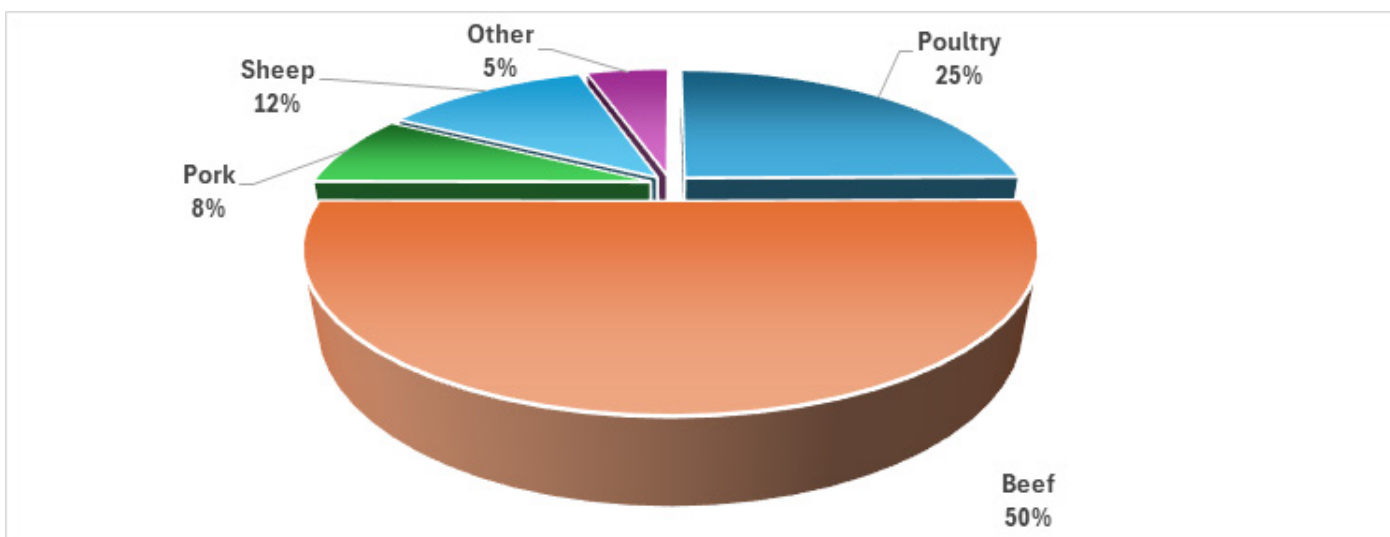


Figure 5: Distribution of meat products for export in 2023

Source: Trade Map (2024)

Table 3 highlight the South Africa’s destination markets for meat products between 2022 and 2023. Mozambique was ranked first amongst the main destination markets, with a share of 18 % in 2023. The meat exports to this market were valued at R 992 million in 2023, with year-on-year increment of 13 %. In 2023, Lesotho, Kuwait, Jordaan, United Arab Emirates and Qatar are amongst the top ten market for South African beef products, with a share of 14 %, 12 %, 11 %, 10 % and 10 %, respectively. It is noted that meat exports to the Middle East countries such as Kuwait and United Arab Emirates are increasing, with a year-on-year increase of 29 % and 8 %, respectively. The growth in meat exports to

Asian countries are driven by beef exports, which will increase even further as South Africa has opened new beef market in Saudi Arabia.

Table 3: Main destinations for South African meat exports

Importers	Exported value (ZAR' million)		Average Growth rate (%)	Share (%)
	2022	2023	2022 - 2023	2023
World	5076	5670	12	
Mozambique	879	992	13	18
Lesotho	816	782	-4	14
Kuwait	514	665	29	12
Jordaan	323	612	89	11
United Arab Emirates	511	550	8	10
Qatar	576	543	-6	10
Namibia	306	266	-13	5
Egypt	103	115	11	2
Zimbabwe	54	96	77	2
China	129	887	-31	2

Source: Trade Map (2024)

South Africa is a net importer of meat products with the exception of beef and mutton, which has shown a trade surplus for the period under review. Growth in the beef industry can mainly be attributed to investment amongst the communal and smallholder farmers in terms of production infrastructure, which assists them in participating in the formal beef value chain. South Africa is net importer of poultry for the period under review and outbreaks of HPAI has increase the shock to the industry and other factors such as high inputs cost and power-cuts contributed to the negative trade balance.

CONCLUSION

The meat industry products are covered under the Agriculture and Agro-processing Master Plan (AAMP) which advocates for increasing domestic production and access to markets. It is noted that domestic consumption exceeds production in commodities like poultry and this results in the country supplementing its stock with imports. The outbreaks of HPAI affected domestic production, which caused an increase in retail price of poultry products. Thereafter, the South African government introduced a temporary rebates facility for importation of poultry products to cushion the consumers from high costs of poultry products. However, the beef industry has shown increasing trends in production, as well as exports and opening new markets will strengthen growth in this industry.



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A PERFORMANCE ANALYSIS OF SOUTH AFRICA'S FRUIT JUICE EXPORTS

By Thabile Nkunjana

South Africa is amongst the leading fruit producers and exporters in the world (HORTGRO, 2024: CGA, 2022). South Africa is the 4th largest grape exporter, the 6th largest apple exporter, the 2nd largest citrus exporter and the 4th largest pear exporter (ITC, 2024). Most of these products are exported from South Africa unprocessed. Following this, the National Development Plan (NDP) also prioritised value addition in the processing sector of the industry, increasing national income and generating employment opportunities, among other benefits. The most recent agricultural industry blueprint, known as the Agricultural-Agro-processing Master Plan (AAMP), promotes additional processing of South Africa's agricultural output.

South Africa is the continent's top producer and exporter of a wide range of agricultural products. As the agricultural sector strives for value addition, the country must keep an eye on its processed exports to other countries and adjust to the volatile trading landscape, particularly in these precarious times of geopolitical unrest, and weather-related uncertainty. This article evaluates South Africa's fruit juice exports globally by region, including growth rates, possible export-boosting policies, and associated constraints.

SOUTH AFRICA'S FRUIT JUICE EXPORTS

Figure 6 presents South Africa's leading importers of fruit juice for years 2019 to 2023 in value terms (Rand) by regions of the world. Even though this section's analysis covers a five-year timeframe, it's important to note that South Africa has been exporting more fruit juice for the previous 20 years. Fruit juice exports from South Africa have grown significantly during the last five years, from R3.8 billion to R6.1 billion, a 60.1% rise between 2019 and 2023. By the end of 2023, there had been a 31.0% rise from the previous year.

By region, Africa continues to be South Africa's major importer of fruit juice, accounting for 41% of the market despite a 13% decline in market share between 2019 and 2023. With 25% of South Africa's fruit juice exports going to Botswana in 2023, the country is ahead of Mozambique (14%), Namibia (13%), Zambia (8%), and Zimbabwe (7%). Between 2019 and 2023, exports to Africa grew by 23.3%, registering a 21.3% annual growth.

With a market share of 34% in 2023, EU-28 was South Africa's second largest market for fruit juice exports. For the period under review (2019-2023), the EU-28 saw an increase of 124% with imports rising by 99.6% year/year in 2023. The leading markets are Netherlands, Spain, Italy, France, Greece and UK.

Americas was the third-largest market, with a 13% share in 2023, despite a discernible 5% annual decline. Predictable, the United States of America (USA) leads as South Africa’s market in Americas followed by Venezuela, Colombia, Canada, and Belize. Fruit juice shipments to the USA decreased in 2023, primarily because lemon juice is now subject to anti-dumping duties together with Brazil.

Asia is the fourth largest market for fruit juice exported by South Africa, accounting for a 10% share in 2023, down by 2% from a year ago. While Oceania is the fifth largest market with a market share of 1% of South Africa’s fruit juice exports. In Asia, Japan, India, Taipei, Philippines Vietnam and China are leading markets, while in Oceania, Australia is the leading market followed by New Zealand and Fiji.

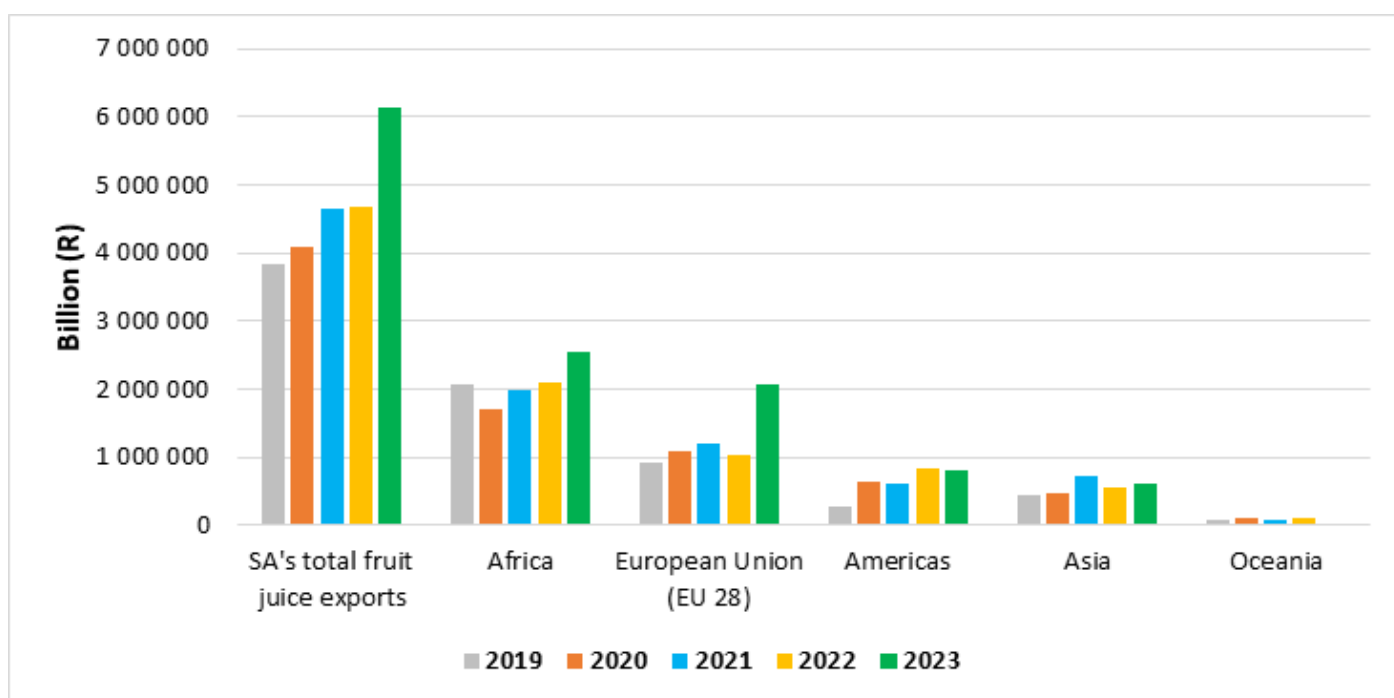


Figure 6: South Africa’s fruit juice exports between 2019 to 2023 by region, in value

Source: Trade Map (2024)

In terms of products, the leading fruit juice exported by South Africa is mixed juice, orange juice, grapefruit, pineapple, apple juice, cranberry, and grapefruit. Significant increases in exports of grapefruit, orange, pineapple, and apple juice were observed during the time under consideration. For example, the value of apple juice (HS code: 200979) increased from R86.5 million in 2019 to R339.6 million in 2023, a 292% rise. During the same period, oranges (HS code: 200919) witnessed a 132% growth, going from R359.0 million to R833.9 million (Trade Map, 2024).

CONCLUSION

Global fruit juice exports valued at 16.8 USD billion in 2022, have declined marginally over the past ten years decreasing by 1.4%. Leading world fruit juice exporters are Brazil, Netherlands, Spain and China. Imports which were valued at 17.1 USD billion in 2023 also fell by 0,5% over the past decade. With world fruit juice demand and supply appearing to be balanced, South Africa must try to maintain its footprint on its leading markets, especially Africa and the EU-28. These are the regions that have expanded, particularly in 2023, despite the global economic difficulties that have reduced the purchasing power of consumers.



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EXPLORING MARKET ACCESS AND EXPORT POTENTIAL FOR SOUTH AFRICAN MAIZE THROUGH SELECTED TRADE AGREEMENTS

By Tumelo Ramapela, Thulani Ningi and Bernard Manganyi

INTRODUCTION

The Crop Estimates Committee's April 2024 report estimated initial yellow maize production at 6.985 million tonnes, with white maize production at 6.407 million. This trend represents a slight increase of 0.09% and 2.07% compared to the 6 979 million tonnes and 6277 million tonnes reported in the previous forecast. South Africa exports over 80% of its maize to Southern African markets, highlighting the region's heavy reliance on South African supplies. This dependence is likely supported by regional trade agreements like the Southern African Development Community's Free Trade Area (SADC-FTA), which ensures duty-free trade between member states. Against this background, this article explores the market potential of South African maize within two key agreements: the European Union (EU)-Southern African Development Community Economic Partnership Agreement (SADC-EU EPA), launched in 2016, and the SADC-FTA. Moreover, this article examines how these agreements affect trade in maize and how they might influence South Africa's position in both existing regional markets and existing markets for maize exports.

SHARE OF SOUTH AFRICAN MAIZE EXPORTS WITHIN SADC AND EU (VOLUME AND VALUE)

To understand South African maize export patterns, Figure 7 illustrates the distribution of maize exports to the top ten African countries (Zimbabwe, Botswana, Mozambique, Namibia, Eswatini, Lesotho, Kenya, DRC, and Ghana) and the top three EU markets (Italy, France, and the Netherlands). Among African countries, Zimbabwe stands out as the leading importer, accounting for 21.46% of total South African maize exports in 2023, followed by Botswana (18.02%) and Mozambique (15.49%).

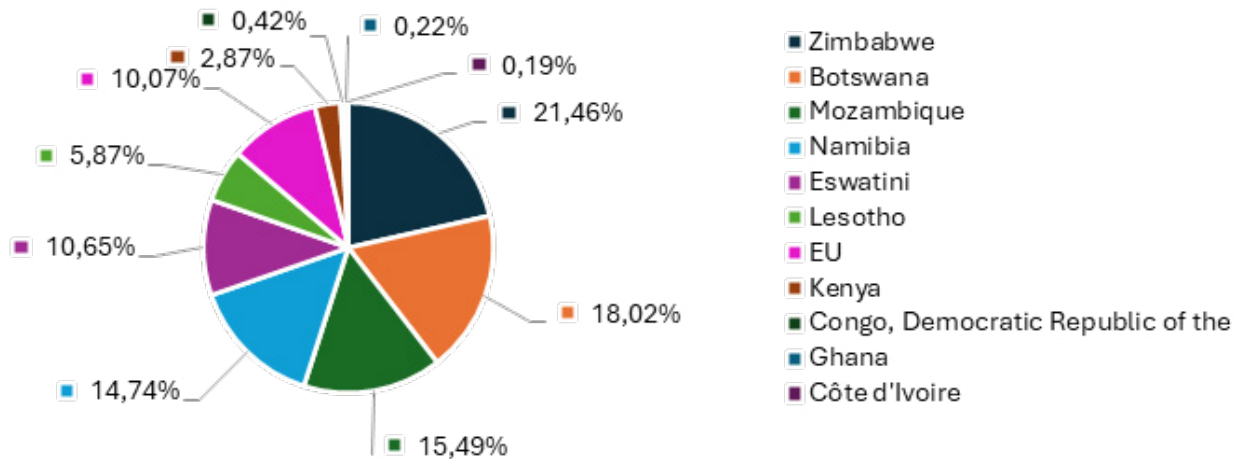


Figure 7: Share of South African maize export volume to the African (top ten countries) and EU (top three countries) markets in 2023.

Source: Trade Map (2024)

Apart from the African market, the EU market is vital for building foreign currency reserves and attracting foreign direct investment to South Africa. The top three EU markets collectively contribute significantly to South African maize exports, accounting for 10.65% of total exports in 2023. However, these markets face production and marketing challenges, including weather disruptions affecting largely rain-fed production, low use of improved farming inputs, poor infrastructure, and fragmented markets (Odjo, et al., 2023). Due to such challenges, regional trade agreements (RTAs) have been developed to increase food security in the Southern African region and stimulate economic growth and development.

SOUTH AFRICAN MAIZE MARKET THROUGH SADC-FTA AND EU-SADC

The SADC-FTA and the SADC-EU EPA have mixed impacts on South African maize exports. As illustrated in Figure 8, since the inception of the SADC-FTA, four additional markets (Botswana, Namibia, Eswatini, and Lesotho) have opened for South African maize. The SADC-EU EPA has also significantly boosted trade between the EU and South Africa. Zimbabwe’s import patterns have fluctuated from 553 739 tons in 2020 to 6 571 tons in 2022. This drastic decrease followed government initiatives to support smallholder farmers (who contribute about 80% of maize production) by providing free farming inputs such as seeds and fertilizers (Coleman, 2023; Chawarika, et al., 2022). This intervention boosted domestic supply, displacing the need for large-scale imports from South Africa. This import substitution phenomenon highlights government policies’ potential impact on regional trade dynamics.



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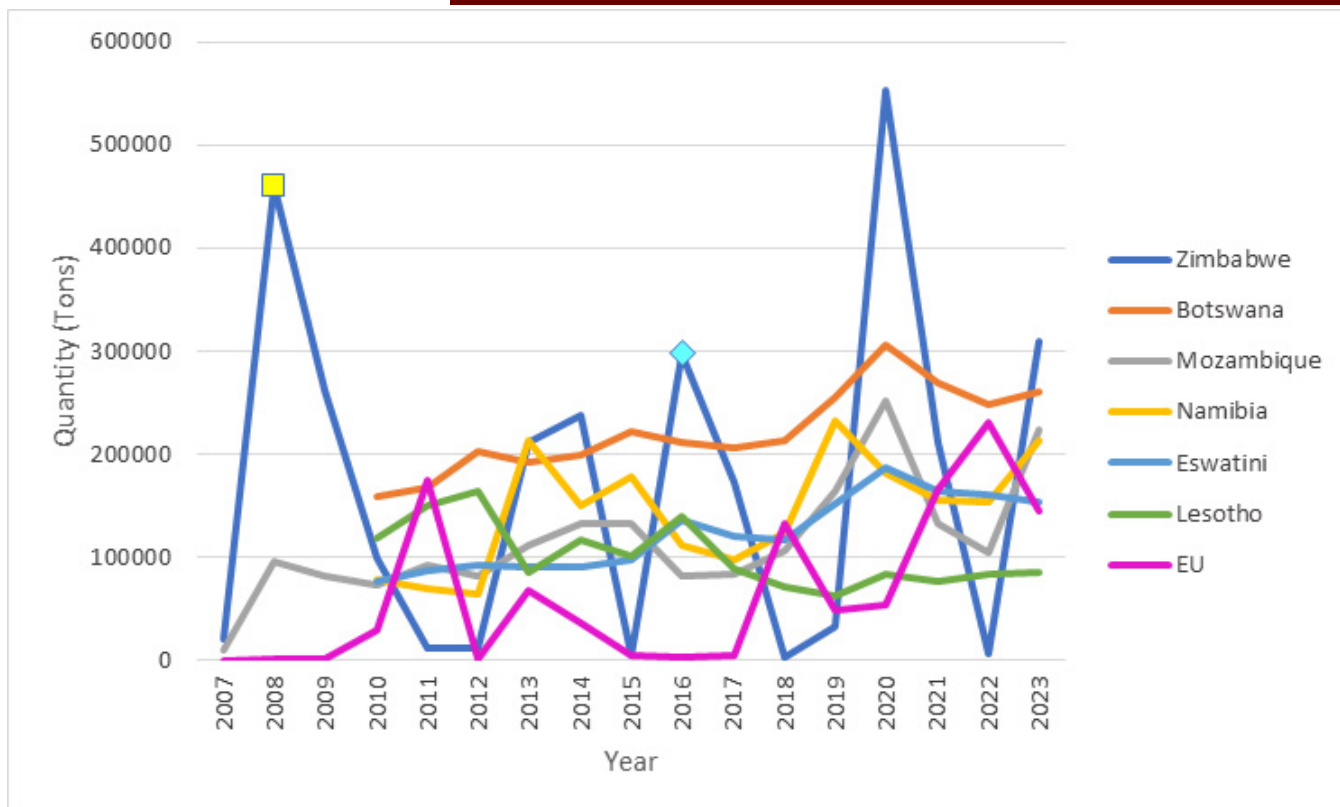


Figure 8: Maize market volumes in Southern Africa and EU (top three countries) (2004-2023)

Source: Trade Map (2024)

NOTE: The yellow square marker highlights the 2008 SADC-FTA initiation, and the blue diamond marker highlights the 2016 EU-SADC EPA initiation

Botswana has maintained its status as a steady and essential market for South African maize, consistently importing an average of 239 035.40 tons since 2014. Botswana’s inherent limitations in domestic maize production and the FTA’s tariff reductions positioned South Africa as a cost-effective and geographically proximate supplier. This translates to a stable trade relationship with consistent import volumes from Botswana. In contrast, Lesotho’s imports have declined since 2016, dropping from an average of 124 907 tons to a new average of 78 558.14 tons. Lesotho’s domestic consumption patterns could be at play, potentially driven by dietary preferences or economic considerations influencing affordability. Alternatively, Lesotho might be making strides towards maize self-sufficiency through targeted government interventions or private sector investments in domestic production.

Furthermore, fluctuations in the relative price of South African maize compared to offerings from other regional or international suppliers may be influencing Lesotho’s import decisions. The EU has experienced a significant import increase, growing by 3 082.57% since 2017. This enhanced the competitiveness of South African maize, leading to a substantial increase in EU import volumes. Furthermore, the EU presents a geographically distinct market, offering diversification and mitigating the

potential risks associated with overreliance on regional markets susceptible to price fluctuations within SADC.

CONCLUSION

The analysis of South African maize exports reveals the substantial influence of the SADC-FTA and the SADC-EU EPA on the country’s trade dynamics. These agreements have opened new markets and boosted trade with the EU, reinforcing South Africa’s position as a critical maize supplier in the region. The SADC-FTA has mainly facilitated market access within Southern Africa, while the SADC-EU EPA has increased exports to European markets. The variability in Zimbabwe’s import patterns and the steady demand from Botswana highlight the diverse impacts of regional policies and market conditions. While Botswana remains a reliable market, Lesotho’s declining imports since 2016 indicate changing market dynamics.

The impressive growth in EU imports presents the potential for expanding South Africa’s reach beyond the African continent. The positive effects of these trade agreements are evident, but ongoing challenges such as weather disruptions and infrastructure limitations must be addressed to sustain and enhance export performance. Strengthening regional cooperation and improving sustainable agricultural practices will be vital for future growth and stability in South Africa’s maize export sector.



MARKET EXPANSION: LUCERNE EXPORT OPPORTUNITIES

By Phelelani Sibiya

Lucerne/Alfalfa is a perennial legume, it has been cultivated for centuries for its value as a forage crop, green manure, and soil conditioner (National Lucerne Trust, 2024). It is widely grown in various regions worldwide due to its adaptability to different climates and soil types. Its deep taproot system makes it especially resistant to drought, requiring rainfall as low as 400 mm per annum. In South Africa, lucerne is mainly produced in Northern Cape, Free State and Western Cape, it is rarely produced in KwaZulu-Natal because of high leaf disease incidences and low soil pH. Lucerne/Alfalfa is highly valued as a forage crop for livestock due to its high protein content, digestibility, and nutrient density. It is commonly used as hay, silage, or fresh pasture for feeding cattle, sheep, horses, and other grazing animals. Lucerne provides a rich source of energy, vitamins, and minerals, contributing to the health and productivity of livestock. South Africa uses the good grading system that was developed by National Lucerne Trust (NLT), making lucerne that is produced in the country to be regarded as top quality in the international market. In 2018, South Africa opened Chinese market for lucerne export (DAFF, 2018).

PRODUCTION

The lucerne hay production has managed to maintain an average of 1.43 million tons growth over the last five years (DALRRD, 2023), even though there have been challenges with lucerne hay production due to erratic weather conditions and excessive rains especially in Northern Cape (NLT, 2024). Also, increasing production costs and drought affected the production across South Africa causing a decline from 1.43 million tons to 1.18 million tons between 2014 and 2016. Since that time, production has recovered to 1.55 million tons in 2022 production season (Figure 10).

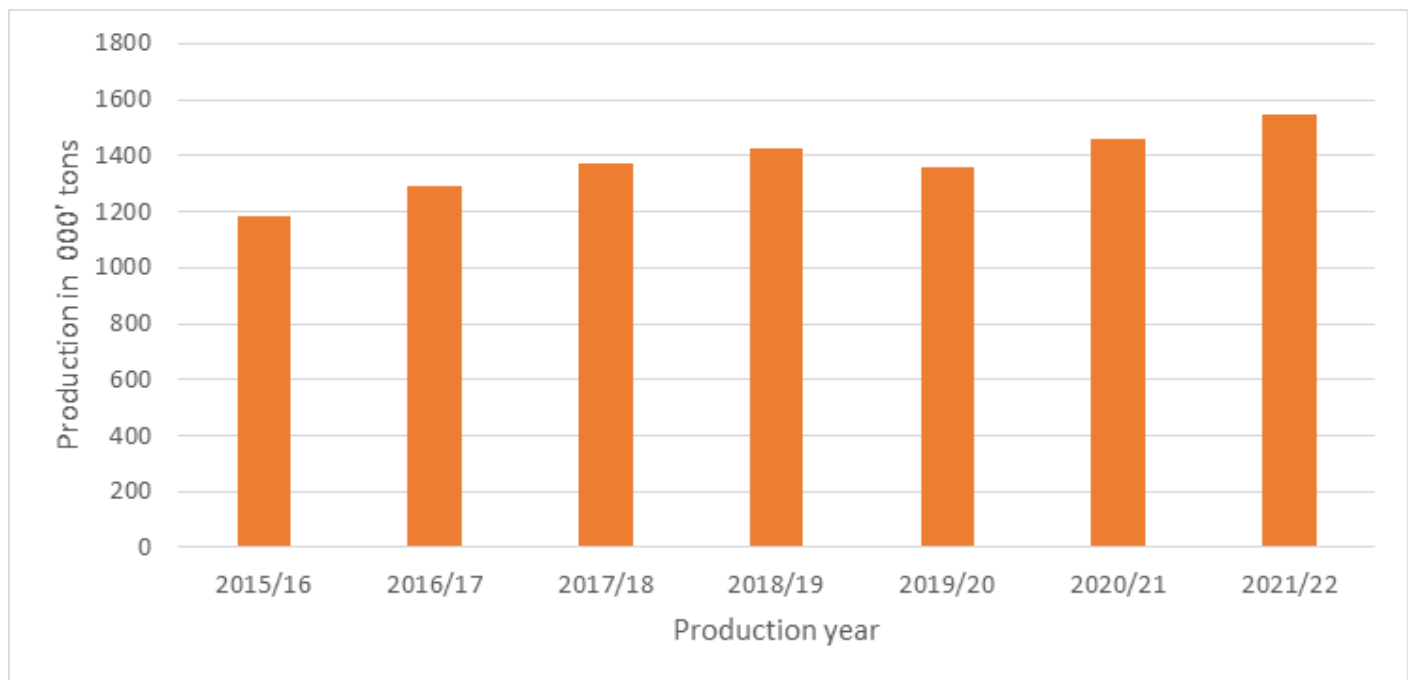


Figure 10: South Africa's lucerne production

Source: DALRRD 2023

Lucerne exports

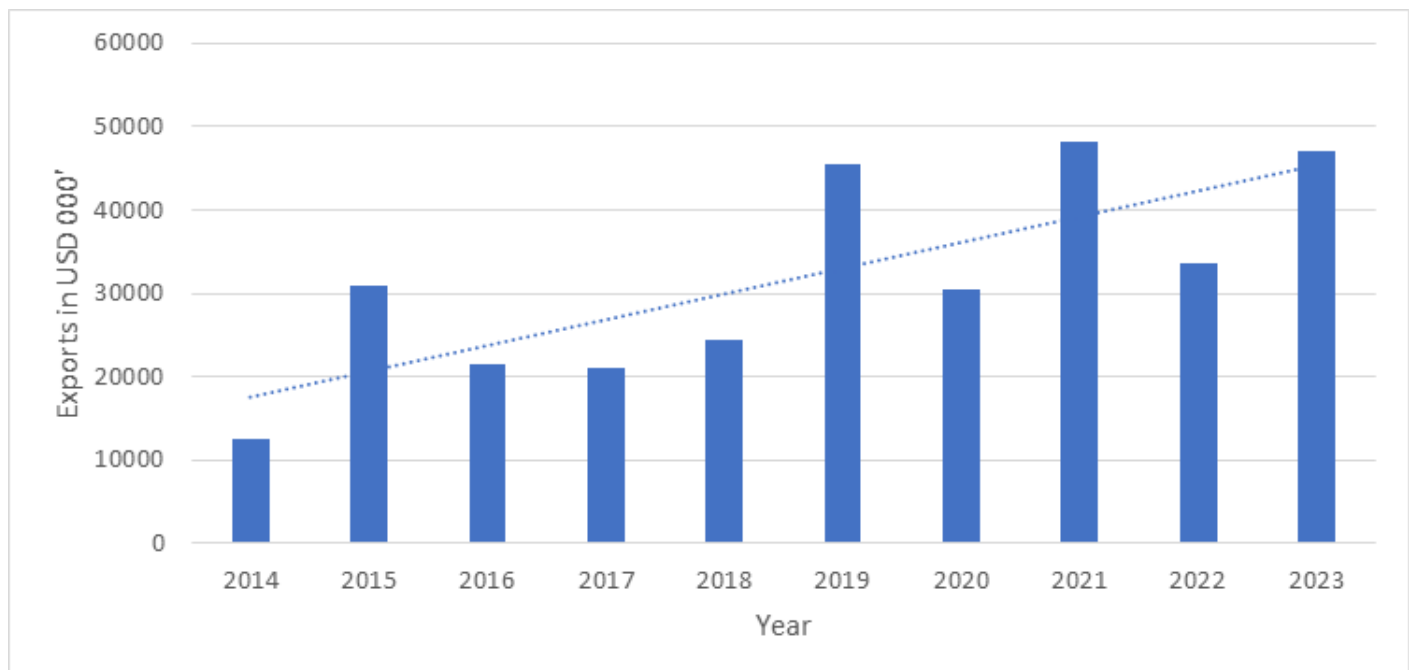


Figure 11: South African Lucerne exports

Source: Trade Map (2024)

Figure 11 shows increasing trend in South Africa’s lucerne export since 2014. Lucerne export revenue grew by 40% year-on-year, from US\$33.6 million in 2022 to US\$47 million in 2023. This was 15% more than US\$40.9 million five-year average, this suggest that lucerne exports revenue is growing over a long-term period. In 2023, Middle East was the main destination for South Africa’s Lucerne, and it accounted for 85% of total exports, with UAE accounting for 64%, and Saudi Arabia (16%). Africa accounted for a share of 6%, with Lesotho being the main export destination.

Table 4: South African lucerne export opportunities

Importer	Export Potential (\$ Million)	Actual Exports (\$ Million)	Unrealized Export Potential (\$ Million)	Applicable tariff (%)
United Arab Emirates	1.8	1.1	7.3	0
Japan	6.2	0	6.2	0
Qatar	1.4	172k	1.2	0
Botswana	2.4	1.3	1.1	0
Taipei,Chinese	835k	0	835k	0

Source: ITC Export Potential Map (2024)

Even though United Arab Emirates is the second largest importer of South African lucerne, Table 4 indicates that this country still has the highest unrealized export potential valued at US\$7.3 million. Japan has the second highest unrealized export potential valued at US\$6.2 million. Japan is amongst the top lucerne importers globally; however, this market is still closed for South Africa. Other countries with unrealized export potential are Qatar (US\$1.2 million) and Botswana (US\$1.1 million). Taipei Chinese (Taiwan) has the lowest unrealized potential valued at US\$835 000, also South Africa has not explored this market.

CONCLUSION

NLT has developed a tool that enables South African lucerne to be regarded as the top product in the international market, enabling South Africa’s exports to compete with the world leading producers. Even though lucerne production has faced challenges in the past, production is starting to recover now approaching pre-drought levels. The country should strive to increase its exports and open markets that we are currently not exporting to, in other to fill the unrealized export potential.



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A REVIEW OF SOUTH AFRICAN WHEAT AND MESLIN

By Ms Victoria Ndou and Dr Solly Molepo

INTRODUCTION

South Africa is the net importer of wheat and meslin, since it produces on average 2 million tons on annual basis. The annual average demand for wheat amounts to over 3.5 million tons. The country depends on imports to meet its demand for wheat, which are mostly between 40 % to 50 % of the local consumption. However, in terms of the gross value of production, wheat is the third most contributing commodity after maize and soya bean, with a contribution of over R 11.2 billion in 2023. Majority of wheat produced in South Africa is bread wheat, with less proportion of durum wheat produced in some areas and is mainly used for pasta production. Wheat and meslin are mostly used for human consumption and less proportion is used for animal feed and seeds. However, small quantities are used for production of alcohol for ethanol, adhesives, absorbing agents and starch (DALRRD, 2021).



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GLOBAL TRADE OF WHEAT AND MESLIN

The top ten exporters of wheat and meslin during the previous five years are shown in Table 5 below. Australia accounted for 15% of global exports, with Russian Federation coming in second with a share of 12.5% and the United States of America (USA) third with a 0.3% share, while South Africa was listed as the 29th largest exporter of wheat and meslin. In 2022, wheat and meslin exports to the global market were worth R 1 115 billion, a significant increase over the previous four years. There were no African countries among the top exporters of wheat and meslin.

Table 5: Global export of Wheat and Meslin

Exporters	Exported value in 2018 R'M	Exported value in 2019 R'M	Exported value in 2020 R'M	Exported value in 2021 R'M	Exported value in 2022 R'M	Share in world exports (%)
World	541	583	734	839	1115	100
Australia	41	36	44	107	167	15
Russian Federation	111	92	129	108	140	12.6
United States of America	72	91	103	107	140	12.5
Canada	75	78	103	98	130	11.7
France	54	63	74	67	121	10.9
Argentina	32	33	33	44	51	4.6
Ukraine	40	53	59	75	44	3.9
Germany	15	18	34	29	36	3.2
India	1	1	4	25	35	3.1
Romania	16	18	16	27	34	3.1

Source: Trade Map, 2024

Table 6 below presents the ten leading importers of Wheat and Meslin in the year 2022. Indonesia held a 5% market share of global imports in 2022, followed by Egypt (5%), China (5%). These three countries were the top importers globally. Four African countries are among the top 10 global importers of wheat and meslin, these are Egypt, Algeria, Morocco, and Nigeria.

Table 6: Global Imports of Wheat and Meslin

Importers	Imported value in 2018 R'M	Imported value in 2019 R'M	Imported value in 2020 R'M	Imported value in 2021 R'M	Imported value in 2022 R'M	Share in world imports (%)
World	598	640	805	940	1248	100
Indonesia	34	40	43	52	62	5
Egypt	37	43	44	36	62	5
China	10	13	37	45	62	5
Türkiye	17	33	38	40	55	4.4
Italy	24	26	33	34	46	3.7
Algeria	25	21	27	35	44	3.5
Philippines	22	25	26	29	42	3.4
Morocco	13	14	23	23	42	3.4
Japan	22	21	25	26	41	3.3
Nigeria	15	18	34	40	37	3

Source: Trade Map, 2024

SOUTH AFRICA’S TOP 5 EXPORT MARKET FOR WHEAT AND MESLIN IN 2022

Table 7 below shows the leading markets for South African Wheat and Meslin exports during the year 2022. The top three markets for South Africa’s Wheat and Meslin were Zimbabwe, Botswana and Zambia, accounting for 28.8 %, 16.9 % and 14.1 % share in South Africa’s exports respectively. South Africa is facing zero duty in all the top 5 countries because they are members of Southern African Development Community (SADC) and Southern Custom Union (SACU).

Table 7: SA’s top 5 export market for Wheat and Meslin in 2022

Top 5 SA’s markets	Exported value (ZAR ‘000’)	Share in SA’s Exports (%)	MFN Rate (%)
World	3,330,962	100.0	0
Zimbabwe	958,973	28.8	0
Botswana	469,210	16.9	0
Zambia	213,986	14.1	0
Lesotho	562,315	13.8	0
Eswatini	328,545	9.9	0

Source: Trade Map, 2024

SOUTH AFRICA IMPORTS OF WHEAT AND MESLIN FROM THE WORLD

Figure 12 below indicates the leading sources of South Africa’s Wheat and Meslin during 2022. The three leading sources of South Africa’s imports of Wheat and Meslin were Australia, Poland, and Argentina for 30.3 %, 18.8 % and 15.3 % share in imports, respectively. There were no African countries on the top 5 South Africa imports of Wheat and Meslin.

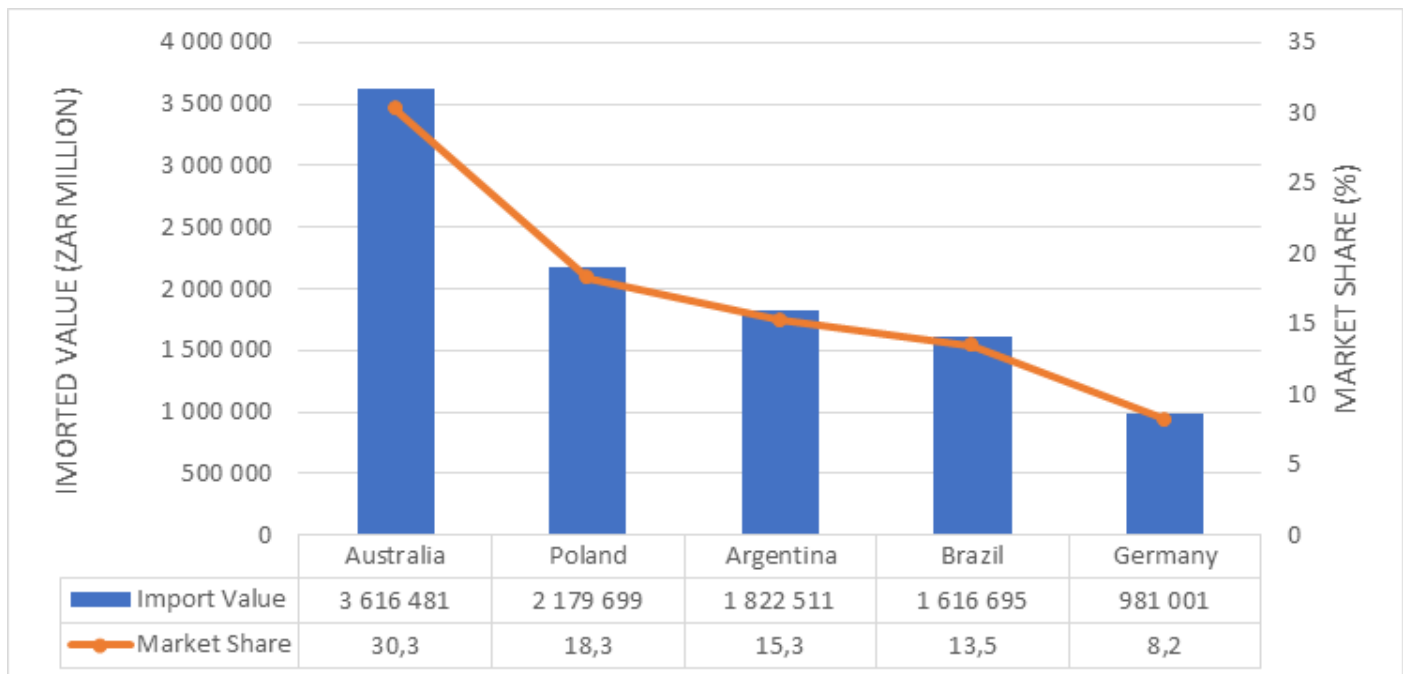


Figure 12: SA’s top 5 imports market of Wheat and Meslin in the year 2022 from the World

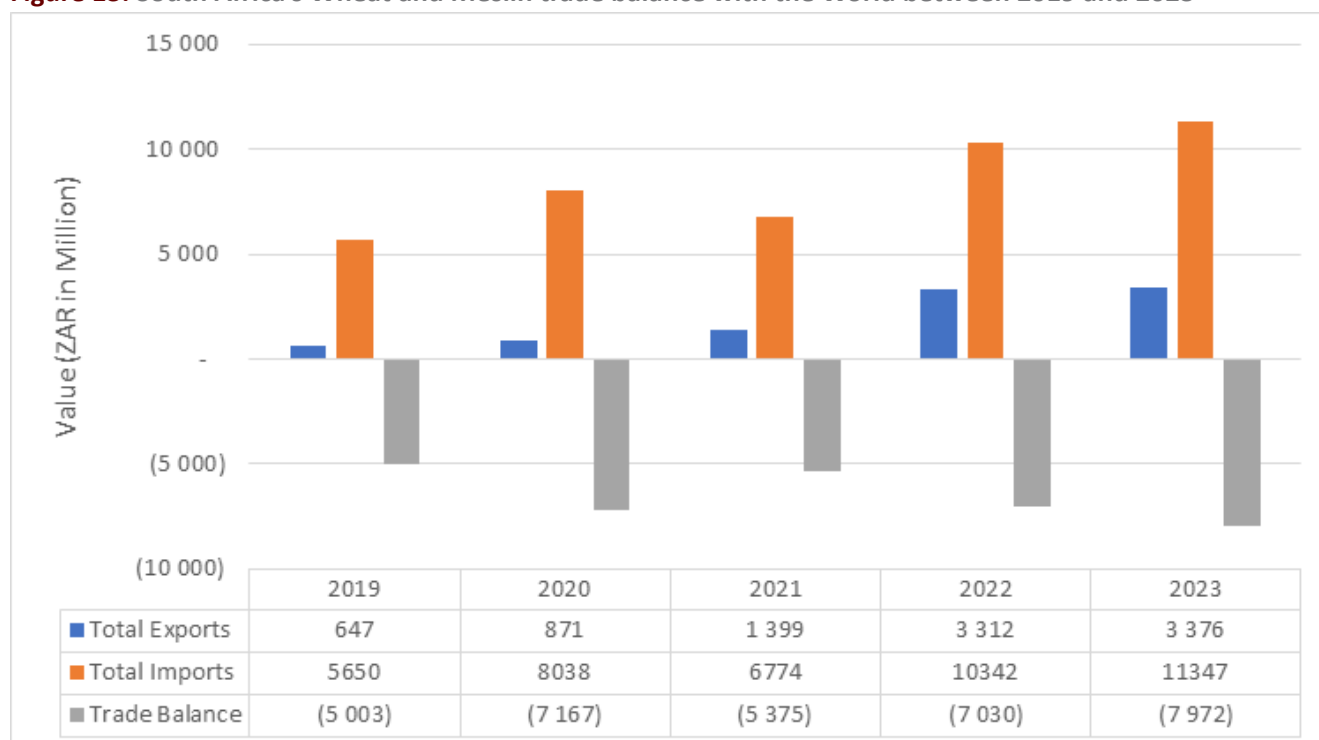
Source: Trade Map, 2024

SOUTH AFRICA’S TRADE BALANCE OF WHEAT AND MESLIN TO THE WORLD

Figure 13 shows that in terms of Wheat and Meslin, South Africa is a net importer. Figure 13 indicates South Africa’s value of exports and imports for the past five years from 2019 to 2023. The results indicate that South Africa’s imports of Wheat and Meslin have been increasing as from 2019, the value of imports declined in 2020 and there was an increase in 2022 and 2023. During this period Wheat and Meslin exports have been slightly increasing for the past 5 years.

The main destination for South Africa’s Wheat and Meslin is Zimbabwe, accounting for a share of 28.8%. The analysis shows that South African Wheat and Meslin is having zero percent access to its top market such as Zimbabwe, Botswana, Lesotho, Zambia and Eswatini. The five leading export markets are SACU and SADC member states. The top world suppliers of Wheat and Meslin are Australia and Russian federation with the world market share of 15% and 12.6%, respectively.

Figure 13: South Africa’s Wheat and Meslin trade balance with the World between 2019 and 2023



Source: Easy Data, 2024

CONCLUSION

In terms of wheat consumption in South Africa, bread remains the dominant wheat-based product preferred. However, there is a noticeable rise in consumption of other wheat-based foods such as pasta and bakery products. The growing patterns of diversification in consumption will broaden the demand for wheat, while providing opportunities for the multiplier effect of the industry. The producers must invest in research and development for disease-resistant and high-yield wheat varieties for sustainable production as well as matching domestic demands.

SOUTH AFRICA INITIATES WTO DISPUTE AGAINST EU CITRUS BLACK SPOT CITRUS REGULATIONS



The Department of Agriculture, Land Reform and Rural Development (DALRRD) and the Department of Trade, Industry and Competition (the dtic) have announced that SA has requested consultations with the European Union in the World Trade Organisation in relation to phytosanitary trade regulations imposed on South African citrus by the European Union (EU). This action was initiated to find a lasting solution to the EU's phytosanitary regulations on Citrus Black Spot (CBS), in order to protect the livelihoods of tens of thousands of people in the local citrus industry. The steps taken by the SA Government has the support of the Citrus Growers' Association of Southern Africa (CGA).

CBS is a fungal infection that can result in cosmetic blemishes on the affected fruit. Despite the world's leading scientists proving that CBS cannot be transmitted through the actual fruit as a pathway, the EU has continued to enforce measures on South African citrus growers. These involve a detailed spray programme and inspections at orchard and packhouse level with significant financial burden and other unintended consequences for the South African industry.

Available at: <https://www.thedtic.gov.za/south-africa-initiates-wto-dispute-against-eu-citrus-black-spot-citrus-regulations/>

AFCFTA TO INTRODUCE DIGITAL TRADE PROTOCOL TO FURTHER BOOST AFRICA'S ECONOMY.



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The African Continental Free Trade Area (AfCFTA) is set to introduce a Digital Trade Protocol to further boost Africa's economy. This was revealed by Secretary General of the African Continental Free Trade Area (AfCFTA), Wamkele Mene today January 17 at a Wall Street Journal event dubbed 'Trade's Transformative Power'. Mr Wamkele also spoke about Africa's trade evolution.

Emphasizing AfCFTA's role beyond a trade agreement, he highlighted its aim to catalyze economic growth through labour and innovation.

Key focuses include harmonizing customs procedures and overcoming practical challenges by introducing digital customs systems, he said, stressed that while governments set fair trade rules and create enabling environments, it is businesses that trade.

In his remarks at the Alliance for a Green Revolution in Africa (AGRA) session at the ongoing 2024 Edition of the World Economic Forum Annual Meetings being held from Tuesday, 16th January, to Friday, 19th January, Mr Wamkele Mene said that a major hindrance to intra-African trade is the high tariffs on agricultural products.

Available at: <https://3news.com/business/afcfta-to-introduce-digital-trade-protocol-to-further-boost-africas-economy/>.

MULTILATERAL COLLABORATION IS INDISPENSABLE TO UNLOCKING AFRICA'S POTENTIAL



As the world manages numerous geopolitical and economic challenges—including high inflation and interest rates, conflict, or water and food insecurity—multilateral collaboration is indispensable to achieving both peace and prosperity in a troubled world.

In other words, we need to build bridges rather than burn them if we want to reach our common goals. Many African nations are particularly vulnerable to the effects of a fragmented geopolitical environment, and it will require an engaged community of nations to help Africa advance.

In recent years, conflict and economic disruption have contributed to interrupted food and fertilizer supply chain systems, leading to higher food prices, and affecting the most vulnerable people and countries first — and most severely. Now more than 2 billion people are food insecure, according to the FAO. Food shortages have prompted 86 countries in the past year to restrict exports or agriculture trade, further exacerbating this growing hunger crisis.

Available at: <https://www.weforum.org/agenda/2024/01/multilateral-collaboration-indispensable-unlocking-africa-potential/>

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