



QUARTERLY
Economic Overview
of the
Agriculture, Forestry
and Fisheries Sector

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PREFACE

The core business of the Directorate: Economic Services is to analyse macroeconomic trends and other current and relevant sector dynamics, to produce economic information and to render advice for sound decision making in the South African agriculture, forestry and fisheries (AFF) sector. To support this important task, the Economic Research division/unit conducts economic analyses of the performance of and external impact on the AFF sector and its industries.

This publication, *Quarterly Economic Overview of the agriculture, forestry and fisheries sector*, was developed because of a need within the Department of Agriculture, Forestry and Fisheries (DAFF) to be regularly informed on developments and expected economic trends in the agriculture sector. The quarterly report has now been established as a regular feature in the directorate's work plan. Since the beginning of 2004 the report has also been published for outside consumption to add value to a number of regular economic publications on the agriculture sector. It is our vision to maintain it as indispensable reading for everyone interested in developments in AFF and the South African AFF sector.

This issue looks at the economic developments in the first quarter of 2010 as well as the expected economic trends in the South African AFF sector as the domestic and global economies continue to recover from the global economic recession.

Any new comments on the content of this quarterly report series are most welcome.

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EXECUTIVE SUMMARY

Emerging economies continue to lead the global economic recovery process while advanced economies slow down as financial conditions remain tight in most of them. The sharp rise in agricultural production has helped to rebuild global stocks, which could mitigate any supply shock in 2010/11. Output of all grains is expected to rise in 2010 except for wheat, which is expected to decline. The gap between global grain production and consumption is expected to narrow in 2010/11.

The real Gross Domestic Product (GDP) at market prices increased at an accelerated rate of 4,6% in the first quarter of 2010. The agriculture, forestry and fisheries sector also recorded a positive growth of 3,0% in its total value added during the same period. The share of the total value added by the sector to the real GDP (as a percentage of the GDP) has been declining gradually and reached 2,1% in the first quarter of 2010.

The annual inflation of the Producer Price Index (PPI) for domestic output averaged 9,3% in the first quarter of 2010. During the same period, the annual inflation in the PPI for agriculture, forestry, fishing and mining averaged 8,5%. The prices of agricultural commodities are reportedly continuing to decrease. The mixed effects of negative PPI inflation for agriculture and negative inflation of food commodity prices are already being transmitted to the retail food product prices. On average, the inflation of food and non-alcoholic beverages recorded 1,8% during the first quarter of 2010, with food inflation alone averaging 0,1%. At the same time, the annual headline Consumer Price Index (CPI) inflation rate for all urban areas averaged 5,7%.

The intermediate expenditure on goods and services by agriculture increased from R14,4 billion in the first quarter of 2009 to reach R16,1 billion in the first quarter of 2010, i.e. a 12% increase. The number of employed people in South Africa decreased from 13,64 million in the first quarter of 2009 to 12,8 million in the first quarter of 2010. The unemployment rate increased from 23,5% to 25,2% during the same period. Employment in the agriculture, forestry, fishing and hunting sector decreased from 738 000 people in the first quarter of 2009 to 650 000 in the first quarter of 2010. The sector remained the second largest loser of jobs during this period. However, between the last quarter of 2009 and the first quarter of 2010, the sector employment increased by 5,7%, i.e. from 615 000 to 650 000. Other sectors, such as transport, community and social services and private households, also experienced job recoveries of 3,8%, 1,1% and 3,0% respectively.

In nominal terms, the gross income from agricultural products totalled R25,73 billion in the first

quarter of 2010 which is 0,1% higher than the R25,7 billion recorded in the first quarter of 2009. The first quarter of 2010 saw a net farming income of R4,8 billion, which is down from the R6,1 billion and R6,4 billion experienced in the corresponding quarters of 2008 and 2009 respectively. Despite the continuous cutting of the repo rate by the South African Reserve Bank, the increase in farm debt accelerated between June and December 2009.

The total export value of agricultural products decreased from R11,9 billion in the first quarter of 2009 to R10,1 billion in the first quarter of 2010. The total import value of agricultural products also decreased during the same period, i.e. from R9,2 billion to R8,4 billion. A different situation prevailed in terms of fish and seafood as their total export value increased from R904 million to R944 million, while their total import value decreased from R190 million to R185 million. During the same period, the total export value of wood decreased from R614 million to R593 million and the import value decreased from R736 million to R610 million. The trade balance for the first quarter of 2010 remained at R1,8 billion for agriculture and at R760 million for fish and seafood. The trade balance for wood reached a value of -R17 million during the same period.

Employment in the agriculture, forestry and fisheries sector is likely to increase year-on-year during the third and fourth quarters of 2010. Food inflation is expected to remain below 3% or even enter negative territory in the second semester of 2010. Farm debt is likely to increase further during the first and second semesters of 2010. The chances are high that maize production will decrease and stimulate maize commodity price increases in the 2010/11 maize production season.

The agriculture, forestry and fisheries sector has not fully recovered from the effects of economic recession. However, signs in the first quarter of 2010 show that the sector is likely to experience full recovery in the next quarters of 2010.

1. GLOBAL OVERVIEW OF AGRICULTURAL ECONOMY

Emerging economies continue to lead the recovery process while advanced economies are lagging behind as financial conditions remain tight in most advanced economies. Asia remains the leading region among emerging and developing economies, while, surprisingly, the United States (US) – where the global economic downturn originated – has shown a much better start to the recovery process than Europe and Japan did.

World output is expected to rise by about 4,2% in 2010, following a 0,6% contraction in 2009. Advanced economies are expected to expand by 2,3% in 2010 following a 3,2% contraction in 2009, while growth in emerging and developing economies is projected at 6,3% during 2010, from a modest 2,4% increase in 2009.

Meanwhile, world agricultural production has sharply accelerated during 2009/10 – enough to mitigate any supply shock in 2010/11. Global carry-in stocks have surged by nearly 40% in just three years, with wheat and coarse grains accounting for most of the growth.

FAO's first forecast for world cereal production in 2010 stands at 2 286 million tons, just marginally up from last year's level. Output of all grains is expected to rise

in 2010 except for wheat, which is expected to decline. The gap between global grain production and consumption is expected to narrow in 2010/11.

Global wheat production is projected to reach 672 million tons, down 8 million tons from last year, but the large stock carry-in will more than offset the forecast decline, which will continue to put pressure on prices. Meanwhile, rice production is expected to rise despite suppressed demand. Governments of many importing and exporting countries continue to promote rice production by subsidising input costs or purchasing local paddies to boost farm gate prices. Global maize production is expected to reach a record of 835 million tons, up 26 million tons from last year. The 2009/10 production in South Africa, the Ukraine and China is expected to either spur export competition or diminish import demand.

Global consumption of wheat is expected to expand to 668 million tons, up 16 million tons from last year as a result of additional feed demand from Russia and the EU and strong ethanol demand. Meanwhile, consumption of maize is projected to climb 19 million tons to a record 828 million.

During the 2009/10 marketing season, cereals were marked by large supplies, reduced import demand and lower international prices.

The global prices of basic food commodities have generally declined from the 2008 peak but remain significantly above their pre-2008 food-crisis levels in several countries. According to the FAO, the Food Price Index, a measure of the monthly change in the international prices of a food basket composed of cereals, oilseeds, dairy, meat and sugar, has risen steadily since August 2009.

2. THE STATE OF THE DOMESTIC ECONOMY OF AGRICULTURE, FORESTRY AND FISHERIES

2.1 Growth

The real Gross Domestic Product (GDP) at market prices increased at an accelerated rate of 4,6% during the first quarter of 2010, from 3,2% recorded in the last quarter of 2009. It is important to note that all economic sectors experienced positive growth during this period. Figure 1 shows that following the three consecutive negative growth periods in the real GDP in 2008/09, the South African economy continues with its upswing. The agriculture, forestry and fishing sector also recorded a positive growth (3,0%) in its total value added, from a negative growth of 7,6% recorded for the last quarter of 2009. The sector has registered its first positive growth following the four quarters of negative growth. It is important to note that the sector has entered into at least two consecutive contractions three times since 2005, the last

one (for the last quarter of 2009) being the longest.

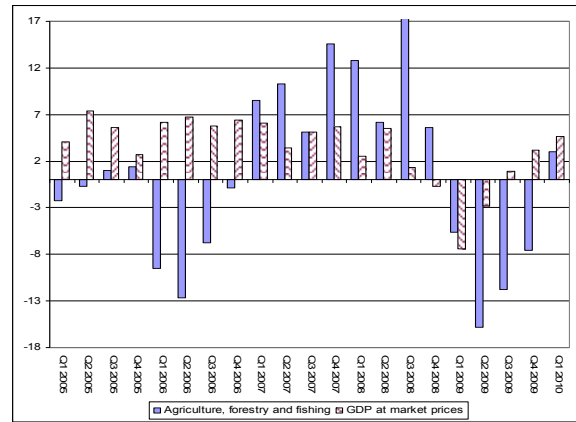


Figure 1: Trends in the real GDP growth and the real value added by the agriculture, forestry and fisheries sector
Source: Stats SA

Figure 2 shows that the real GDP increased at a nearly constant rate to peak at R1,82 trillion in the third quarter of 2008 and declined to a low of R1,77 trillion in the second quarter of 2009. Following the dip, the GDP increased to reach R1,81 trillion in the first quarter of 2010, which is R20 billion higher than the corresponding figure for 2009.

The real growth in the total value added by the agriculture, forestry and fisheries sector shows drastic fluctuations between 2000 and 2010. During the last quarter of 2008, the sector GDP peaked at R41,99 billion and dropped significantly to reach R37,68 billion in the last quarter of 2009, then increased to R37,96 billion in the first quarter of 2010. The R37,96 billion reported in the first quarter of 2010 is R3,44 billion

lower than the corresponding figure for 2009.

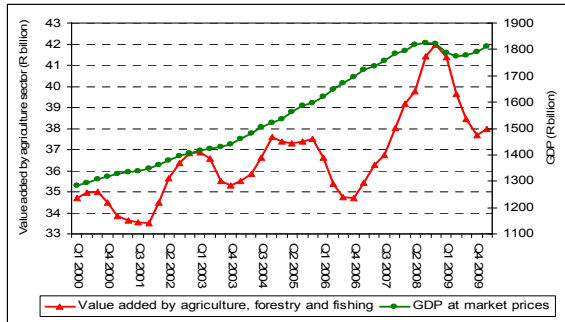


Figure 2: Trends in the real GDP and real value added by the agriculture, forestry and fisheries sector
Source: Stats SA

The contribution of the agriculture, forestry and fisheries sector growth to the real GDP growth has now picked up by 0,1 percentage points following four consecutive negative contributions recorded in 2009. Figure 3 shows that the share of the total value added by the sector to the real GDP (total value added by the sector as a percentage of the GDP) has been declining with time and for the first quarter of 2010 the sector's share is estimated at 2,1%, which is down from 2,7% recorded for the first quarter of 2000.

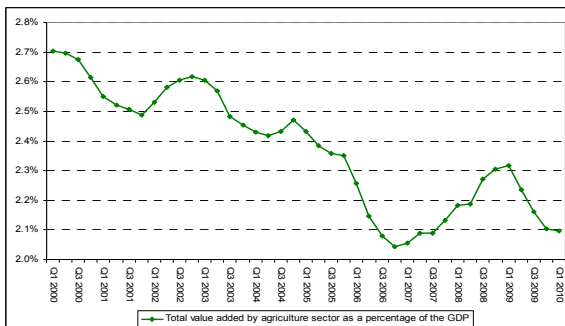


Figure 3: Trend in value added by the agricultural sector as % of real GDP
Source: Stats SA

2.2 Inflation

The annual inflation in the Producer Price Index (PPI) for domestic output reached 3,7% in March 2010, following 2,7% and 3,5% in January 2010 and February 2010 respectively. On the other hand, the annual inflation in the PPI for agriculture, forestry, fishing and mining reached 9,3% in March 2010 after 8,2% and 7,9% in January 2010 and February 2010 respectively. During the first quarter of 2010 the inflation in the PPI for the sector averaged 8,5%. The annual inflation rates in the PPI for the agriculture, forestry and fisheries subsectors in March 2010 were -3,2%, 8,7% and -2,0% respectively. During the first quarter of 2010 they averaged -6,1%, 4,9% and -3,8% respectively. Figure 4 shows that the PPI inflation for the sector (including mining) entered into positive territory from December 2009 following the negative inflation that occurred for the 11 months starting from January 2009. The graph also shows that the negative PPI inflation for the forestry subsector slowed down from October 2009. Inflation for the subsector entered positive territory from February 2010. The inflation of the PPI for the agriculture and fishing subsectors remained in negative territory during the first quarter of 2010.

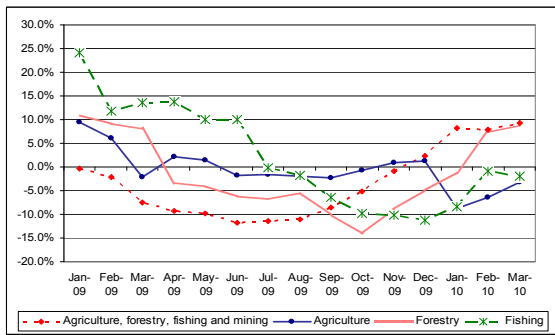


Figure 4: Trends in the PPI Inflation
Source: Stats SA

As the PPI inflation for agriculture has entered into negative territory, the prices of agricultural commodities are reportedly continuing to decrease. The domestic price of wheat fell by 21,8% between March 2009 and March 2010. During the same period, the domestic price of white maize and yellow maize fell by 34,4% and 23,6% respectively. Soya bean experienced a 21,6% decrease in price during this period. Sunflower seed is the only product whose price increased, i.e. by 2,8%. The February 2010 Food Price Monitor of the National Agricultural Marketing Council (NAMC) shows that meat and dairy commodity prices continued to increase gradually between January 2009 and January 2010.

The mixed effects of negative PPI inflation for agriculture and negative inflation of food commodity prices (see grain market review) are already being transmitted to the retail food product prices. The annual inflation of food and non-alcoholic beverages for March 2010 was 1,3%, which is 1,1 and 0,6 percentage points lower than the 2,4% and 1,8% reported in January 2010 and

February 2010 respectively. On average, the inflation of food and non-alcoholic beverages was at 1,8% during the first quarter of 2010, with food inflation alone averaging 0,1%. Figure 5 shows that from a high of more than 15% in the first quarter of 2009, the inflation of food and non-alcoholic beverages and the inflation of food have declined to reach below the lower limit of the South African Reserve Bank (SARB) target inflation bracket.

The annual headline CPI inflation rate for March 2010 (for all urban areas) was 5,1%, which is 1,1 and 0,5 percentage points lower than the 6,2% and 5,7% reported for January 2010 and February 2010 respectively. On average, the first quarter of 2010 experienced headline CPI inflation of 5,7%. Figure 5 also shows that the headline CPI inflation decreased from over 8% in the first quarter of 2009, to fall within the target inflation bracket in October 2009 and November 2009. It reached above these brackets in December 2009 and January 2010 but fell back into the 3% to 6% bracket in February and March 2010.

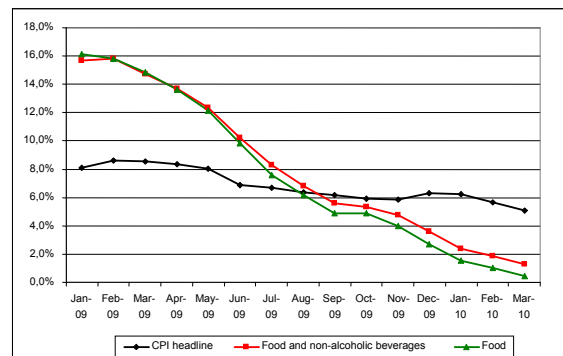


Figure 5: Trends in the CPI Inflation
Source: Stats SA

2.3 Expenditure on intermediate goods and services by the agricultural sector

Table A.1 (See appendices) shows a trend in expenditure on intermediate goods and services by agriculture during the first quarters of 2008, 2009 and 2010. According to these data, the total expenditure on intermediate goods and services increased by 7% between the first quarters of 2008 and 2009. The rate of increase accelerated to 12% between the first quarter of 2009 and the first quarter of 2010. Expenditure on fertilisers decreased during the two periods under consideration, i.e. by 25% and 2% respectively. Between the first quarters of 2009 and 2010 the expenditure on building and fencing, farm feeds and other goods and services increased by less than 10%, while expenditure on the remaining goods and services increased by more than 10%, with expenditure on dips and sprays increasing by 22%. In value terms, the total expenditure on intermediate goods and services by agriculture totaled R16,1 billion in the first quarter of 2010 from R14,4 billion reported for the first quarter of 2009.

2.4 Employment

According to the Labour Force Survey for the first quarter of 2010, the number of employed people in South Africa decreased from 13,64 million in the first of 2009 to 12.80 million in the first quarter of 2010. Between the two quarters under

consideration, the number of jobs lost in South Africa was 833 000, which is lower than the corresponding job losses reported in the last quarter of 2009, i.e. 870 000. During the same period the Black African population lost 717 000 jobs, the Coloured and White populations lost 50 000 and 81 000 jobs respectively, and the Indian/Asian population gained 15 000 jobs. The unemployment rate increased from 23,5% to 25,2% during the same period. The unemployment rate among Blacks in the first quarter of 2010 was 29,7%, while among Coloureds, Indians/Asians and Whites it was 21,8%, 9,2% and 6,1% respectively.

The agriculture, forestry, fishing and hunting sector employed 738 000 people in the first quarter of 2009, and this declined to 650 000 in the first quarter of 2010. The sector remains the second largest loser of jobs between the first quarters of 2009 and 2010 (11,9% in job losses), while the utilities sector is the largest loser of jobs (30,0%). However, the rate of job losses by the sector is lower than the year-on-year job losses of 19,5% reported in the last quarter of 2009 while between the last quarter of 2009 and the first quarter of 2010, the sector employment increased by 5,7%, i.e. from 615 000 to 650 000. Other sectors, such as transport, community and social services and private households, also experienced quarter-on-quarter job

recoveries of 3,8%, 1,1% and 3,0% respectively. Therefore, the agriculture, forestry, fisheries and hunting subsectors experienced the highest rate of quarter-on-quarter job recovery in the first quarter of 2010.

Between the first quarters of 2009 and 2010, the transport and community and social services subsectors happen to be the only ones that experienced year-on-year job gains, i.e. 1,3% and 0,2%.

During the first quarter of 2010, the number of women employed in the agriculture, forestry, fisheries and hunting subsectors was 244 000, which is 3,0% higher than the 273 000 recorded for the first quarter of 2009. The number of men working in these subsectors decreased by 18,8% during the same period, i.e. from 500 000 to 406 000.

Figure 6 shows the distribution of the sector employment in terms of provinces. Between the first quarter of 2009 and the first quarter of 2010, provinces such as the Northern Cape and the Western Cape created jobs in the agriculture, forestry, fisheries and hunting subsectors, i.e. 7,3% and 22,1% respectively. Gauteng Province experienced a 48,2% decrease in the sector employment while the Limpopo and Eastern Cape provinces experienced 26,7% and 25,6% increases respectively. On the other hand, the Free State, KwaZulu-Natal, the North

West and Mpumalanga experienced sector employment decreases of 15,7%, 14,2%, 16,3% and 19,8% respectively. KwaZulu-Natal and the Western Cape appear to be the provinces providing most of the employment in the agricultural sector. The North West, Gauteng and the Northern Cape provided the lowest sector employment during the quarters shown in the graph.

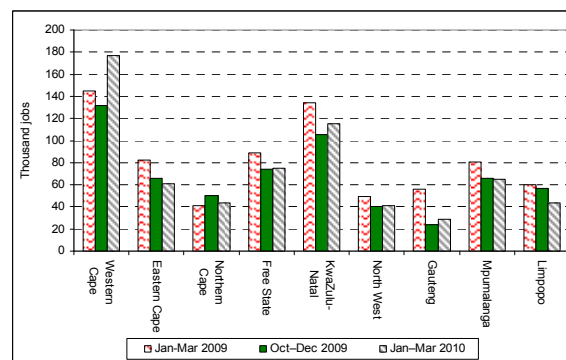


Figure 6: Distribution of the sector employment in terms of provinces
Source: Stats SA

2.5 Nominal gross farm income and net farm income from agricultural products

Table A.2 shows trends in gross farm income from agricultural products during the first quarters of 2008, 2009 and 2010. According to the table, in nominal terms, the gross income from agricultural products totalled R25,73 billion during the first quarter of 2010, which is 0,1% higher than the R25,7 recorded for the first quarter of 2009. Between the first quarters of 2009 and 2010, the income from field crops decreased by 14,4%, which is lower than

the remarkable rate of decrease (-44,6%) reported for the period between the first quarters of 2008 and 2009. On the other hand, income from horticultural products decreased by 3,0% between the first quarter of 2009 and 2010, following a 21,9% increase during the first quarters of 2008 and 2009. During the same periods, income from animal products increased by 3,5% and 12,8% respectively.

Figure 7 shows that the first and last quarters of the year saw lower net farm incomes than the second and third quarters did. During the first quarter of 2010, the net farm income totalled R4,8 billion, which is 21,4% and 25,8% down from R6,1 billion and R6,4 billion experienced during the first quarters of 2008 and 2009 respectively.

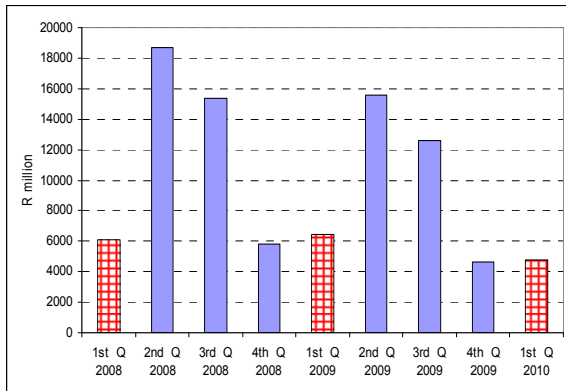


Figure 7: Trends in net income between 2008 and 2010
Source: DAFF

2.6 Farm debt

Despite the continuous cutting of the repo rate by the SARB, the increase in farm debt accelerated between June and December 2009. Figure 8 shows that farm debt

increased steeply by 11% from R46 billion in June 2009 to R51,9 billion in December 2009. Data from the Department of Agriculture, Forestry and Fisheries (DAFF) shows that in both June and December 2009, approximately 69% of the total farm debt was owed to the commercial banks while the Land Bank was owed 6% of the total debt. The remaining debt was owed to the other banks.

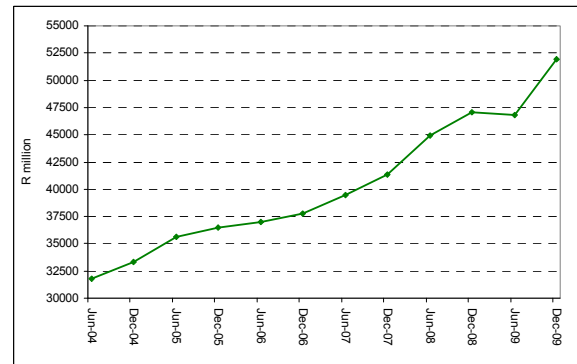


Figure 8: Trend in the farm debt between 2004 and 2009

Source: DAFF

2.7 Private consumption expenditure on agricultural products

Table A.3 shows that in value terms, private expenditure on food totalled R82,7 billion in the first quarter of 2010, which is -0,8% lower than the R83,3 billion reported for the first quarter of 2009. The decrease follows a 13,7% increase experienced between the first quarters of 2008 and 2009. Expenditure on sugar, milk, milk products and eggs, meat and potatoes increased by 3,6%, 7,9%, 3,3% and 5,0% respectively. Expenditure on oils and fats decreased by 10,3% while the rest of the food categories

experienced decreases of less than 10% each.

2.8 Trade of agricultural, forestry and fisheries products

2.8.1 Agricultural trade

Table A.4 shows trends in export values of agricultural products during the first quarters of 2007, 2008, 2009 and 2010. According to the data, the total export value of agricultural products decreased from R 11,9 billion in the first quarter of 2009 to R10,1 billion in the first quarter of 2010. However, this value is higher than the corresponding figures for 2007 and 2008. During the first quarter of 2010, South Africa gained most of its export revenue from agricultural products from the Netherlands, i.e. R1,5 billion, which represent 15% of the total export value. The other countries from which significant export revenue was received include Zimbabwe, Germany, China, Mozambique, Kenya, the United Arab Emirates, the US and Angola. All these countries, including the Netherlands, account for 59% of the total export revenue from agricultural products.

Table A.5 shows the 10 most important agricultural products in terms of export values in the first quarter of 2010. Such products include edible fruits and nuts, beverages, preserved food, tobacco, cereals, wool not carded or combed, miscellaneous food, sugar, meat, milling

products, malt and starch. These products earned 85% of the total export revenue during the period under consideration.

Table A.6 shows that the total import values of agricultural products decreased between the first quarter of 2009 and the first quarter of 2010, i.e. from R9,2 billion to R8,4 billion. According to the data for the first quarter of 2010, most of the total import value of agricultural products (67%) was accounted for by countries such as Argentina, Brazil, Thailand, Germany, China, the Netherlands, the UK, Indonesia, Malaysia and the US, with Argentina contributing the most (15%). In value terms, the most-imported products during the first quarter of 2010 include cereals, meat, soya bean oil cake, beverages, soya bean oil and its fractions, tobacco, palm oil and its fractions, miscellaneous food, spices, coffee, tea, and preserved food (see Table A.7). The import values of these products represent 68% of the total import values of agricultural products.

2.8.2 Fisheries trade

Table A.8 presents the export values of fish and seafood during the first quarters of 2007, 2008, 2009 and 2010. The total export value of these products increased from R904 million to R944 million between the first quarters of 2009 and 2010. During the first quarter of 2010, the most important destinations of South African fish and

seafood included Spain, Italy, Hong Kong, the US, Portugal, Australia, France, Japan, China and the UK, all of which accounted for 83% of the total export revenue of fish and seafood. On the other hand, Table A.9 shows that the most important fish and seafood exported during this period include frozen fish (not fillets), other seafood, crustaceans, fillet, other fish meat and fresh fish (not fillets), all of which accounted for 98% of the total export revenue of fish and seafood.

According to Table A.10 the total import value of fish and seafood decreased from R190 million in the first quarter of 2009 to R185 million in the first quarter of 2010. The most important countries (which accounted for 80% of the total import value of fish and seafood in the first quarter of 2010) include India, New Zealand, Norway, China, Thailand, Argentina, Chile, Spain, Morocco and Mozambique. Table A.11 shows that the most-imported fish and seafood, which accounted for 100% of the total import value of fish and seafood in the first quarter of 2010, include crustaceans, frozen fish (not fillets), other seafood, fillet, other fish meat, fresh fish (not fillets), fish dried and salted etc., and live fish.

2.8.3 *Forestry trade*¹

Table A.12 shows that the total export value of wood decreased from R614 million to R593 million between the first quarter of 2009 and the first quarter of 2010. Export destinations of wood during the first quarter of 2010 included Japan, the UK, Mozambique, the Netherlands, Australia, Zimbabwe, Zambia, Seychelles, Tanzania, and South Korea. These countries accounted for 88% of the total export revenue of wood, with Japan accounting for over half (52%) of the total export revenue. According to Table A.13 the most-imported wood products (which accounted for 84% of the total export revenue of wood in the first quarter of 2010) include fuel in logs and chips, etc., wood charcoal, builders' joinery and carpentry of wood, fibreboard of wood and other ligneous material, rough, not sapwood.

Table A.14 shows that the import values of wood decreased from R736 million in the first quarter of 2009 to R610 million in the first quarter of 2010. South Africa's most important wood-exporting countries include France, Malaysia, China, Germany, Indonesia, the US, Argentina, Brazil, Gabon and Zimbabwe, all of which accounted for 83% of South Africa's total import value of wood. France, Malaysia and China

¹ The descriptions of export and import products under this section are not very clear. The reader can therefore access the full descriptions of these products in Appendix C.

accounted for more than half the total import value of wood. The most important wood products imported during this quarter include lumber > 6 mm thick, casks, barrels, vats, etc. plus parts thereof, fibreboard of wood, other ligneous materials, plywood, veneered panels, etc. and builders and apos, joinery and carpentry of wood (see Table A.15). These products accounted for 79% of the total import value of wood.

Figure 9 shows trends in trade balances for agricultural products, fish and seafood and wood. The trends fluctuated significantly between the first quarters of 2005 and 2010. Since the first quarter of 2005, agriculture has experienced a negative trade balance in three quarters, i.e. the fourth quarter of 2006, the fourth quarter of 2007 and the first quarter of 2008. It experienced its highest trade balance of R4,3 billion in the second quarter of 2009, but this declined to R481 million in the last quarter of 2009. The agriculture trade balance for the first quarter of 2010 stayed at R1,8 billion. The trade balance of fish and seafood remained in positive territory (over R250 million) from the first quarter of 2005. It reached its highest value of R874 million in the second quarter of 2008, after which it dipped at R512 million in the last quarter of 2009 and increased to R760 million in the first quarter of 2010. The trade balance for wood has been fluctuating. It entered negative territory during six quarters from the first quarter of

2005. In the first quarter of 2010, the trade balance for wood reached a negative value of R17 million.

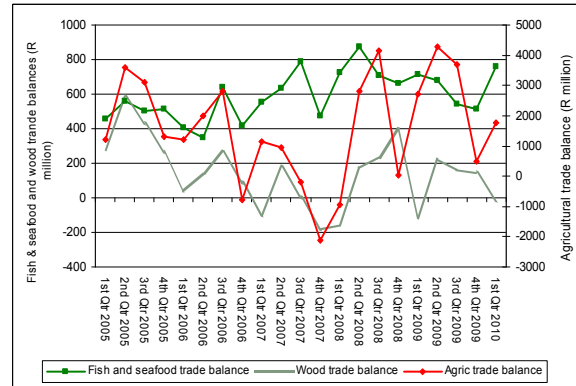


Figure 9: Trends in the trade balance for agriculture, fish and seafood and wood
Source: South African Revenue Services

2.9 Review of agricultural markets

2.9.1 Grain market review

Table B.1 shows monthly and quarterly proxies of supply and demand of four major grains in South Africa, i.e. maize, wheat, sunflower and soya bean. Quarterly figures for opening stocks are averages and the rest of the quarterly figures are totals. In the first quarter of 2009 the average white maize and yellow maize opening stocks were 2,42 million tons and 1,69 million tons respectively, while the total (white maize plus yellow maize) average maize opening stock was 4,10 million tons. The average opening stocks for white maize increased to 2,75 million tons in the first quarter of 2010, while yellow maize decreased to 1,66 million tons. The total average stock increased to 4,41 million tons during the same period. Consumption of maize in

South Africa totalled 2,17 million tons in the first quarter of 2009. Of this total, 1,19 million tons were white maize and 977 thousand tons were yellow maize. The consumption decreased to 2,09 million tons in the first quarter of 2010, when the consumption of the two maize varieties reached 1,15 million tons and 940 000 tons respectively. During the same quarter, total maize exports reached 400 000 tons, which is 305 000 tons less than the 705 000 tons recorded in the first quarter of 2009.

The average opening stocks of wheat for human consumption and for animal feeds in the first quarter of 2009 were 1,85 million tons and 19 000 tons respectively. The average opening stocks of wheat for human consumption decreased to 1,77 million tons while opening stocks for feeds increased to 22 000 tons in the first quarter of 2010. The total average opening stock of wheat increased from 1,87 million tons to 1,80 million tons during the same period. The consumption of wheat was 739 000 tons in the first quarter of 2010. Of this, 707 000 tons were for human consumption, 17 000 tons were for animal feed production and the rest was kept at producer level, e.g. as seeds for the next production. In the first quarter of 2009, 267 000 tons of wheat were imported and 84 000 tons were exported. In the first quarter of 2010, both exports and imports of wheat decreased to 247 000 tons and 62 000 tons respectively.

The total opening stocks of sunflower averaged 198 000 tons in the first quarter of 2009 and increased to 211 000 tons in the first quarter of 2010. During the same period, consumption also increased, from 159 000 tons to 209 000 tons. The imports of this commodity decreased from 44 000 tons to 3 000 tons during the same period. In the first quarter of 2009, the opening stocks of soya bean averaged 69 000 tons and increased to 83 000 tons in the first quarter of 2010. On the other hand, the consumption of this commodity increased from 62 000 tons to 95 000 tons.

The price of white and yellow maize averaged R1 749/ton and R1 619/ton in the first quarter of 2009 respectively. The prices of wheat, sunflower and soya bean during the same quarter averaged R2 720/ton, R3 513/ton and R3 526/ton respectively. The average prices of white and yellow maize in the first quarter of 2010 decreased by 30% and 22% to reach R1 224/ton and R1 270/ton respectively. During the same period, the prices of wheat, sunflower and soya bean also decreased, by 23%, 8% and 21%, to average R2 088/ton, R3 235/ton and R2 776/ton respectively.

2.9.2 *Fruit and vegetable market review*

Table B.2 shows the quarterly average prices of various fruits that were traded at the Fresh Produce Markets (FPMs) during the first quarters of 2008, 2009 and 2010.

The average prices of apples, avocados, bananas and pears in the first quarter of 2010 decreased by 6%, 9%, 3% and 1% respectively. During the same period the price of oranges increased drastically by 43% while the price of mangoes and grapes increased by 12% and 1% respectively.

Table B.3 show the total quantities of various fruits that passed through the FPMs during the first quarters of 2008, 2009 and 2010. Between the first quarters of 2009 and 2010, most fruits experienced increases in quantities traded through the FPMs, with quantities of apples, pears, mangoes and grapes increasing by 12%, 11%, 6% and 1% respectively. On the other hand, avocados and oranges experienced decreases of 8% and 36% while bananas experienced no change in quantities sold through the FPMs.

Table B.4 shows trends in quarterly average prices of various vegetables sold through the FPMs during the first quarters of 2008, 2009 and 2010. Between the first quarters of 2009 and 2010, most vegetables experienced prices decreases. The prices of beetroot, carrots, onions and potatoes decreased by 24%, 21%, 8% and 22% while tomatoes, cabbage, green beans and sweet potatoes experienced price decreases of 38%, 39%, 9% and 8% respectively. Cucumber and lettuce are the only vegetables whose prices increased, i.e.

21% and 5% respectively, while spinach experienced no price change during the period under consideration.

Table B.5 shows the quantities of various vegetables traded through the FPMs during the first quarters of 2008, 2009 and 2010. The period between 2009 and 2010 saw increases in the quantities of most vegetables traded through the FPMs. The quantities of beetroot, carrots, lettuce, onions and potatoes increased by 19%, 11%, 7%, 7% and 8% respectively while tomatoes, cabbage, green beans and sweet potatoes experienced price increases of 31%, 7%, 2% and 10% respectively. Cucumber and spinach are the only vegetables whose quantities decreased during the same period, i.e. by 39% and 10% respectively.

3. OUTLOOK OF THE AGRICULTURAL ECONOMY

In this section the state of the macroeconomic variables are presented and used to predict the future of the agricultural economy. Such predictions are more focused on the agricultural economic factors that are likely to have an impact on the producers and consumers of agricultural commodities and products.

3.1 Employment

As a result of economic recovery and the recovery of the total value added by the

agriculture, forestry and fisheries sector, the year-on-year job losses are likely to come to an end in the third and fourth quarters of 2010. The first quarter of 2010 has already experienced a quarter-on-quarter increase in sector employment. It remains to be seen how far this recovery can be maintained in the next three quarters of 2010.

3.5 Inflation

In line with decreasing prices of agricultural commodities (particularly grains) on the domestic markets, the PPI inflation for agriculture stayed in negative territory during the first quarter of 2010, and remained there until May 2010. Given good production of grains in the country and subsequent decreasing prices, the PPI inflation for grains (maize) is expected to remain in negative territory. This might lead to lower inflation (less than 5%) in the PPI for agriculture during the third quarter of 2010. Food inflation remained below 5% from September 2009 and decelerated to reach 0,1% in May 2010. Given these recent figures in respect of food inflation and the negative PPI inflation for agriculture as well as decreasing grain commodity prices, it will not be surprising to see food inflation remaining below 3% or even entering negative territory during the second semester of 2010.

3.5 Agricultural trade

Table 1 shows the forecast values of the

exchange rate, the oil price, the repo rate and the prime rate for the second, third and fourth quarters of 2010. According to the data, US\$1 will buy R7,50 in the second quarter of 2010 and R7,62 and 7,58 in the third and fourth quarters. The depreciation of the Rand during the third and fourth quarters of 2010 will make imports far more expensive. The importers of agricultural inputs and products are likely to pay higher during the periods under consideration.

3.4 Farm debt

The Monetary Policy Committee (MPC) decided to cut the repo rate by 50 basis points to 6,5% in March 2010 from 7% in August 2009, following a positive inflation outlook and the fact that the pace of recovery is expected to remain slow. Figure 8 shows that despite these cuts in the interest rate, the farm debt kept increasing with time, and the latest increase was the steepest. According to Table 1, the repo rate and the prime rate will remain at the same levels in all quarters shown, i.e. 6,5% and 10% respectively. Therefore, farm debt is most likely to increase further during the second semester of 2010 as the net farm income continues to decrease.

Oil will be sold at R82/barrel in the second quarter of 2010 and the forecast is not expected to change in the third quarter. The price is expected to increase to R86/barrel in the fourth quarter.

Table 1: Forecasts of exchange rate, oil price, repo rate and prime rate

Variable	Forecast		
	2 nd Qtr 2010	3 rd Qtr 2010	4 th Qtr 2010
R/US\$	7,50	7,62	7,58
SA repo rate	6,5	6,5	6,5
SA prime rate	10	10	10
Oil price (US\$/barrel)	82	82	86
Oil price (R/barrel)	615	625	652

Source: ABSA Capital

3.5 Production

The spot price of maize at the SAFEX continues to decrease, with the first quarter of 2010 seeing a 30% decrease in the price of white maize and a 22% decrease in the price of yellow maize. March 2010 prices of white and yellow maize were R1 118/ton and R1 170/ton, which are nearly in the break-even region. Some maize farmers will make thin profits while other might even experience losses. According to the Crop Estimate Committee (CEC) report, the fifth forecast of maize production is 13,3 million tons for 2009/10. White maize production is forecast to reach 7,9 million tons while yellow maize is forecast to reach 5,3 million tons. These figures suggest that the country has more than sufficient production levels for maize. The prices of maize are therefore likely to continue decreasing and to suppress the willingness of the farmers to produce in the next season. As a result, there is a good chance that maize production will decrease in the 2010/11 maize production season and stimulate maize commodity price increases.

Animal feeds are likely to decrease in price following the decrease in the price of grains in the first quarter of 2010. The inflation rates for meat and dairy products are therefore likely to remain below the SARB target inflation brackets and they may well fall into negative territory in the next three to six months as the latest inflation rates of meat and dairy, eggs and cheese are already -1% and 3% respectively.

4. CONCLUSION

This report confirms that the South African economy is currently in a better state since the recession as growth in all economic sectors entered positive territory, with agriculture, forestry and fisheries recording a positive growth of 3,0%. However, the effects of the economic recovery have not fully diffused into the other aspects of the SA economy. For example, employment in most sectors has not yet recovered on a year-on-year and quarter-on-quarter basis. Nevertheless, the agriculture, forestry and fisheries sector is one of the sectors that have seen a quarter-on-quarter job recovery in the first quarter of 2010.

Private consumption expenditure on agricultural products has not yet recovered, but this is expected to change with a recovery in employment. Another important part that needs to recover is the trade of agricultural, forestry and fisheries goods

(export and import values), which decreased between the first quarters of 2009 and 2010 owing to the fall in the global trade flows. The consumer price inflation for agricultural products is now lower than required by the SARB while the producer price inflation for agricultural and fisheries commodities is negative.

The agriculture, forestry and fisheries sector has not fully recovered from the effects of the economic recession. However, the signs in the first quarter of 2010 are that the sector is likely to experience a full recovery in the remaining quarters of 2010.

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Appendix A: Agricultural economic variables

Table A.1: Intermediate expenditure on goods and services by agriculture

Expenditure on intermediate goods and services (R million)															
	Farm services	Building and fencing material	Fuel	Dips and sprays	Electricity	Licences	Maintenance and repair of machinery and implements	Fertilisers	Packing material	Seeds and plants	Farm feeds	Insurance	Water tax	Other	Total
1 st Qtr 2008	1 302	461	2 485	921	271	225	1 193	1 540	591	872	3 329	173	127	34	13 525
1 st Qtr 2009	1 536	503	2 324	1 124	300	273	1 408	1 162	697	1 082	3 601	199	163	37	14 410
1 st Qtr 2010	1 812	548	2 596	1 371	333	300	1 619	1 138	823	1 277	3 895	223	188	39	16 162
1 st Qtr 08 to 1 st Qtr 2009	18%	9%	-6%	22%	11%	21%	18%	-25%	18%	24%	8%	15%	28%	9%	7%
1 st Qtr 2009 to 1 st Qtr 2010	18%	9%	12%	22%	11%	10%	15%	-2%	18%	18%	8%	12%	15%	5%	12%

Source: DAFF

Table A.2: Nominal gross income from agricultural products between 2008 and 2010

Year	2008				2009				2010	1st Qtr 2008 to 1st Qtr 2009	1st Qtr 2009 to 1st Qtr 2010
	1st	2nd	3rd	4th	1st	2nd	3rd	4th	1st		
Nominal gross income from agricultural products (R million)											
Field crops	-44,6%	15 896	14 235	6 952	1 791	12 891	11 884	5 210	1 533	-44,6%	-14,4%
Horticulture	21,9%	9 748	7 852	6 143	8 466	9 134	8 217	6 676	8 214	21,9%	-3,0%
Animal products	12,8%	14 018	15 165	15 830	15 444	15 232	15 457	16 707	15 985	12,8%	3,5%
Total	7,7%	39 662	37 252	28 925	25 701	37 257	35 558	28 593	25 732	7,7%	0,1%

Source: DAFF

Table A.3: Private consumption expenditure on food between 2007 and 2010

	Private consumption expenditure on food (R million)									
	Meat	Bread and grain	Sugar	Milk, milk products and eggs	Oils and fats	Potatoes	Fruit and veg.	Coffee, tea	Other	Total food
4th Qtr 2007	17 230	18 014	1 010	8 620	1 320	2 051	8 041	1 902	5 629	63 817
1st Qtr 2008	23 612	19 134	790	9 020	1 171	2 432	7 233	2 142	6 339	71 875
2nd Qtr 2008	23 745	22 668	1 208	8 072	1 439	2 682	7 062	2 260	6 688	75 823
3rd Qtr 2008	26 518	24 033	1 001	9 367	1 738	2 845	7 542	2 468	7 304	82 817
4th Qtr 2008	26 403	24 359	1 185	10 152	1 900	2 788	9 062	2 563	7 585	85 998
1st Qtr 2009	25 855	24 163	989	8 710	1 867	2 949	8 944	2 483	7 348	83 308
2nd Qtr 2009	26 057	23 551	1 204	8 544	1 946	3 067	8 256	2 454	7 262	82 341
3rd Qtr 2009	26 646	24 286	1 292	9 654	1 931	2 809	8 805	2 549	7 542	85 514
4th Qtr 2009	27 679	23 385	1 368	10 516	1 832	3 422	9 542	2 627	7 774	88 145
1st Qtr 2010	26 714	22 404	1 025	9 395	1 675	3 096	8 584	2 463	7 289	82 646
1st Qtr 2008 to 1st Qtr 2009	8,7%	20,8%	20,2%	-3,6%	37,2%	17,5%	19,1%	13,7%	13,7%	13,7%
1st Qtr 2009 to 1st Qtr 2010	3,3%	-7,3%	3,6%	7,9%	-10,3%	5,0%	-4,0%	-0,8%	-0,8%	-0,8%

Source: DAFF

Table A.4: Export values of agricultural products by destination between 2007 and 2010

	1st Qtr 2007	1st Qtr 2008	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010
	Export values by destination (R millions)				Export value as % of total export value		Cumulative %	
Total	6 821	7 583	11 912	10 139	-	-	-	-
Netherlands	1 091	1 222	1 524	1 540	13%	15%	13%	15%
United Kingdom	1 091	1 069	1 184	1 048	10%	10%	23%	26%
Zimbabwe	109	173	1 161	886	10%	9%	32%	34%
Germany	420	443	501	494	4%	5%	37%	39%
China	185	262	320	414	3%	4%	39%	43%
Mozambique	207	254	457	396	4%	4%	43%	47%
Kenya	95	81	753	379	6%	4%	50%	51%
United Arab Emirates	159	196	295	306	2%	3%	52%	54%
United States	214	241	345	275	3%	3%	55%	57%
Angola	172	246	412	260	3%	3%	58%	59%

Source: South African Revenue Services

Table A.5: Export values of agricultural products by product between 2007 and 2010

	1st Qtr 2007	1st Qtr 2008	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010
	Export values by product (R millions)				Export value as % of total export value		Cumulative %	
Total	6 821	7 583	11 912	10 139	-	-	-	-
Edible fruit and nuts	2 532	2 729	3 440	3 425	29%	34%	29%	34%
Beverages	1 388	1 610	2 015	1 829	17%	18%	46%	52%
Preserved food	539	647	774	714	7%	7%	52%	59%
Tobacco	323	162	487	537	4%	5%	56%	64%
Cereals	114	207	1 548	497	13%	5%	69%	69%
Wool, not carded or combed	312	408	323	442	3%	4%	72%	73%
Miscellaneous food	209	281	410	352	3%	3%	76%	77%
Sugars	351	280	682	344	6%	3%	81%	80%
Meat	112	147	227	266	2%	3%	83%	83%
Milling products, malt, starch	51	53	399	182	3%	2%	87%	85%

Source: South African Revenue Services

Table A.6: Import values of agricultural products by exporting country between 2007 and 2010

	1st Qtr 2007	1st Qtr 2008	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010
	Import values by exporting country (R millions)				Import values as % of import value		Cumulative %	
Total	5 669	8 529	9 191	8 387	-	-	-	-
Argentina	1 129	2 071	1 445	1 303	16%	16%	16%	16%
Brazil	455	767	961	800	10%	10%	26%	25%
Thailand	233	531	763	704	8%	8%	34%	33%
Germany	123	213	280	593	3%	7%	38%	41%
China	271	429	511	488	6%	6%	43%	46%
Netherlands	174	311	363	419	4%	5%	47%	51%
United Kingdom	383	344	366	383	4%	5%	51%	56%
Indonesia	168	367	444	334	5%	4%	56%	60%
Malaysia	281	426	458	331	5%	4%	61%	64%
United States	326	433	377	289	4%	3%	65%	67%

Source: South African Revenue Services

Table A.7: Import values of agricultural products by product between 2007 and 2010

	1st Qtr 2007	1st Qtr 2008	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010
	Import values by product (R millions)				Import values as % of import value		Cumulative %	
Total	5 669	8 529	9 191	8 387	-	-	-	-
Cereals	730	1 786	1 614	1 389	18%	17%	18%	17%
Meat	490	575	537	685	6%	8%	23%	25%
Soya bean oil cake and other solid residue, whole, not ground	327	390	585	642	6%	8%	30%	32%
Beverages	477	667	804	594	9%	7%	39%	39%
Soya bean oil and its fractions, not chemically modified	230	526	404	511	4%	6%	43%	46%
Tobacco	186	229	532	464	6%	6%	49%	51%
Palm oil and its fractions, not chemically modified	293	512	669	442	7%	5%	56%	56%
Miscellaneous food	331	396	395	378	4%	5%	60%	61%
Spices, coffee, tea	147	278	262	297	3%	4%	63%	64%
Preserved food	225	253	336	285	4%	3%	67%	68%

Source: South African Revenue Services

Table A.8: Export values of fish and seafood by destination between 2007 and 2010

	1st Qtr 2007	1st Qtr 2008	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010
	Export values by destination (R millions)				Export value as % of total export value		Cumulative %	
Total	734	935	904	944	-	-	-	-
Spain	225	296	184	245	20%	26%	20%	26%
Italy	127	139	168	165	19%	17%	39%	43%
Hong Kong	23	93	125	130	14%	14%	53%	57%
US	82	34	57	50	6%	5%	59%	63%
Portugal	45	44	51	46	6%	5%	65%	67%
Australia	40	29	40	37	4%	4%	69%	71%
France	21	34	34	31	4%	3%	73%	75%
Japan	30	84	47	28	5%	3%	78%	78%
China	9	6	6	24	1%	3%	79%	80%
UK	28	45	37	24	4%	3%	83%	83%

Source: South African Revenue Services

Table A.9: Export values of fish and seafood by product between 2007 and 2010

	1st Qtr 2007	1st Qtr 2008	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010
	Export values by product (R millions)				Export value as % of total export value		Cumulative %	
Total	734	935	904	944				
Frozen fish, not fillets	176	179	214	259	24%	27%	24%	27%
Other seafood	177	284	171	248	19%	26%	43%	54%
Crustaceans	101	170	174	192	19%	20%	62%	74%
Fillet, other fish meat	144	171	224	161	25%	17%	87%	91%
Fresh fish, not fillet	129	123	102	67	11%	7%	98%	98%

Source: South African Revenue Services

Table A.10: Import values of fish and seafood by exporting country between 2007 and 2010

	1st Qtr 2007	1st Qtr 2008	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010
	Import values by exporting country (R millions)				Import values as % of import value		Cumulative %	
Total	178	207	190	185	-	-	-	-
India	35	46	49	33	26%	18%	26%	18%
New Zealand	35	38	11	29	6%	16%	31%	33%
Norway	10	17	15	18	8%	10%	40%	43%
China	23	20	7	16	4%	9%	43%	52%
Thailand	5	2	9	16	5%	9%	48%	60%
Argentina	9	3	8	11	4%	6%	52%	66%
Chile	3	6	7	7	4%	4%	56%	70%
Spain	4	5	5	7	3%	4%	58%	74%
Morocco	0	0	0	5	0%	3%	58%	77%
Mozambique	9	10	10	5	5%	3%	64%	80%

Source: South African Revenue Services

Table A.11: Import values of fish and seafood by product between 2007 and 2010

	1st Qtr 2007	1st Qtr 2008	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010
	Import values by product (R millions)				Import values as % of import value		Cumulative %	
World	178	207	190	185	-	-	-	-
Crustaceans	49	67	75	60	39%	32%	39%	32%
Frozen fish, not fillets	62	64	60	58	32%	31%	71%	63%
Other seafood	28	34	21	27	11%	15%	82%	78%
Fillet, other fish meat	25	22	14	20	7%	11%	89%	89%
Fresh fish, not fillet	8	11	9	12	5%	6%	94%	95%
Fish, dried, salted, etc.	3	5	7	5	3%	3%	98%	98%
Live fish	4	4	4	4	2%	2%	100%	100%

Source: South African Revenue Services

Table A.12: Export values of wood by destination between 2007 and 2010

	1st Qtr 2007	1st Qtr 2008	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010
	Export values by destination (R millions)				Export value as % of total export value		Cumulative %	
Total	618	679	614	593	-	-	-	-
Japan	402	456	380	308	62%	52%	62%	52%
United Kingdom	81	79	63	80	10%	14%	72%	66%
Mozambique	15	18	35	28	6%	5%	78%	70%
Netherlands	5	9	13	18	2%	3%	80%	73%
Australia	8	8	12	16	2%	3%	82%	76%
Zimbabwe	6	8	9	15	1%	3%	83%	79%
Zambia	2	7	8	15	1%	3%	85%	81%
Seychelles	4	1	3	10	1%	2%	85%	83%
Tanzania	4	8	3	10	1%	2%	86%	85%
Korea, South	0	0	0	20	0%	3%	86%	88%

Source: South African Revenue Services

Table A.13: Export values of wood by product between 2007 and 2010

	1st Qtr 2007	1st Qtr 2008	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010
	Export values by product (R millions)				Export value as % of total export value		Cumulative %	
World	618	679	614	593	-	-	-	-
Fuel In Log;Chips,etc.	405	458	386	338	63%	57%	63%	57%
Wood charcoal	29	45	46	63	7%	11%	70%	68%
Blders' Joinry+ Carpnr	64	50	46	45	7%	8%	78%	75%
Fibrbrd Of Wd/Ot Lign	12	17	21	30	3%	5%	81%	80%
Rough,Not Sapwood	28	32	25	25	4%	4%	85%	84%

Source: South African Revenue Services

Table A.14: Import values of wood by exporting country between 2007 and 2010

	1st Qtr 2007	1st Qtr 2008	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010
	Import values by exporting country (R millions)				Import values as % of import value		Cumulative %	
Total	719	841	736	610	-	-	-	-
France	115	161	187	126	25%	21%	25%	21%
Malaysia	141	150	121	111	16%	18%	42%	39%
China	64	78	75	69	10%	11%	52%	50%
Germany	38	38	32	38	4%	6%	56%	56%
Indonesia	26	39	31	35	4%	6%	61%	62%
United States	45	45	33	32	4%	5%	65%	67%
Argentina	25	48	23	30	3%	5%	68%	72%
Brazil	46	31	37	29	5%	5%	73%	77%
Gabon	36	42	22	19	3%	3%	76%	80%
Zimbabwe	41	27	17	16	2%	3%	78%	83%

Source: South African Revenue Services

Table A.15: Import values of wood by product between 2007 and 2010

Description	1st Qtr 2007	1st Qtr 2008	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010	1st Qtr 2009	1st Qtr 2010
	Import values by exporting country (R millions)				Import values as % of import value		Cumulative %	
Total	719	841	736	610	-	-	-	-
Lumber > 6Mm Thick	283	282	217	175	29%	29%	29%	29%
Cask,Barr,Vat,E tc+Pts	127	175	209	139	28%	23%	58%	52%
Fibrbrd Of Wd/Ot Lign	64	66	59	69	8%	11%	66%	63%
Plywood,Venee r,Etc	56	93	48	59	7%	10%	73%	73%
Blders' Joinry+C arpntr	41	58	46	41	6%	7%	79%	79%

Source: South African Revenue Services

Appendix B: Review of agricultural markets
Table B.1: Proxies of grain supply and consumption and grain prices

	Jan 2009	Feb 2009	Mar 2009	1 st Qtr 2009	Jan 2010	Feb 2010	Mar 2010	1 st Qtr 2010	1 st Qtr 2009 to 1 st Qtr 2010 % change
	Volumes (1000 tons)								
White maize opening stock*	2 982	2 436	1 834	2 417	3 183	2 761	2 313	2 752	14% ↑
Yellow maize opening stock*	2 014	1 688	1 354	1 685	2 023	1 638	1 315	1 659	-2% ↓
Average maize opening stock*	4 996	4 124	3 188	4 103	5 206	4 399	3 628	4 411	8% ↑
White maize processed for local consumption	407	366	421	1 194	309	360	483	1 152	-4% ↓
Yellow maize processed for local consumption	323	313	341	977	365	298	277	940	-4% ↓
Total maize processed for local consumption	730	679	762	2 171	674	658	760	2 092	-4% ↓
Total white maize exports	146	268	255	669	122	122	106	350	-48% ↓
Total yellow maize exports	12	9	15	36	19	15	16	50	39% ↑
Total maize exports	158	277	270	705	141	137	122	400	-43% ↓
Wheat opening stock: human market*	1 934	1 848	1 755	1 846	1 858	1 798	1 663	1 773	-4% ↓
Wheat opening stock: feed market*	1 858	1 798	1 663	1 773	26	23	18	22	-99% ↓
Average wheat opening stock*	1 956	1 866	1 772	1 865	1 884	1 821	1 681	1 795	-4% ↓
Wheat consumption: human consumption	213	211	256	680	218	213	274	705	4% ↑
Wheat consumption: animal feed	2	1	1	4	5	7	5	17	325% ↑
Total wheat consumption	223	217	267	707	228	223	287	738	4% ↑
Wheat imports (for human consumption only)	68	100	99	267	48	51	148	247	-7% ↓
Wheat exports	33	23	28	84	23	16	23	62	-26% ↓
Average opening sunflower stock*	236	194	164	198	266	210	157	211	7% ↑
Sunflower seed imports	8	17	20	44	0	0	3	3	-93% ↓
Total processed sunflower for consumption	50	49	59	159	58	67	84	209	32% ↑
Average soya bean opening stock*	90	69	49	69	113	80	56	83	20% ↑
Soya bean consumption	20	20	22	62	35	30	30	95	53% ↑
	Market prices (R/ton)								
White maize	1 814	1 728	1 705	1 749	1 405	1 151	1 118	1 224	-30% ↓
Yellow maize	1 730	1 596	1 531	1 619	1 413	1 227	1 170	1 270	-22% ↓
Wheat	2 750	2 744	2 667	2 720	2 074	2 103	2 086	2 088	-23% ↓
Sunflower	3 897	3 434	3 207	3 513	3 177	3 232	3 297	3 235	-8% ↓
Soya bean	3 704	3 607	3 266	3 526	3 021	2 746	2 561	2 776	-21% ↓

* Quarterly figures are reported in averages and where there is no asterisk, quarterly figures are reported in totals.

Source: SAGIS

Table B.2: Prices of selected fruits traded at the FPM

	Average prices at FPM (R/ton)			Percentage changes	
	1 st Qtr 2008	1 st Qtr 2009	1 st Qtr 2010	1 st Qtr 2008 to 1 st Qtr 2009	1 st Qtr 2009 to 1 st Qtr 2010
Apples	5 284	5 143	4 818	-3%	-6%
Avocados	6 424	5 905	5 373	-8%	-9%
Bananas	3 398	3 704	3 599	9%	-3%
Oranges	2 761	2 685	3 836	-3%	43%
Pears	2 903	3 682	3 637	27%	-1%
Mangoes	4 438	4 922	5 536	11%	12%
Grapes	5 016	5 953	6 038	19%	1%

Source: DAFF

Table B.3: Quantities of selected fruits traded at the FPM

	Total quantities sold at FPM (1000 tons)			Percentage changes	
	1 st Qtr 2008	1 st Qtr 2009	1 st Qtr 2010	1 st Qtr 2008 to 1 st Qtr 2009	1 st Qtr 2009 to 1 st Qtr 2010
Apples	22,9	29,3	32,7	28%	12%
Avocados	3,2	4,6	4,2	45%	-8%
Bananas	51,1	59,9	59,8	17%	0%
Oranges	3,2	6,0	3,9	86%	-36%
Pears	15,2	11,1	12,4	-27%	11%
Mangoes	13,0	10,1	10,6	-23%	6%
Grapes	13,1	12,8	12,9	-3%	1%

Source: DAFF

Table B.4: Prices of selected vegetables traded at the FPM

	Average prices at FPM (R/ton)			Percentage changes	
	1 st Qtr 2008	1 st Qtr 2009	1 st Qtr 2010	1 st Qtr 2008 to 1 st Qtr 2009	1 st Qtr 2009 to 1 st Qtr 2010
Beetroot	2 261	2 792	2 133	23%	-24%
Carrots	2 065	4 033	3 175	95%	-21%
Cucumber	2 720	2 486	3 017	-9%	21%
Lettuce	3 826	4 867	5 107	27%	5%
Onions	2 508	2 436	2 240	-3%	-8%
Potatoes	2 201	3 089	2 403	40%	-22%
Spinach	3 748	4 599	4 584	23%	0%
Tomatoes	3 421	5 818	3 587	70%	-38%
Cabbage	874	2 289	1 395	162%	-39%
Green beans	6 035	6 481	5 886	7%	-9%
Sweet potatoes	2 325	2 541	2 330	9%	-8%

Source: DAFF

Table B.5: Quantities of selected vegetables traded at the FPM

	Total quantities sold at FPM (1000 tons)			Percentage changes	
	1st Qtr 2008	1st Qtr 2009	1st Qtr 2010	1st Qtr 2008 to 1st Qtr 2009	1st Qtr 2009 to 1st Qtr 2010
Beetroot	7,7	7,2	8,6	-6%	19%
Carrots	20,4	17,8	19,7	-13%	11%
Cucumber	0,1	0,2	0,1	54%	-39%
Lettuce	7,1	6,4	6,9	-9%	7%
Onions	67,1	68,7	73,7	2%	7%
Potatoes	208,7	201,2	217,6	-4%	8%
Spinach	1,8	2,0	1,8	10%	-10%
Tomatoes	55,7	48,5	63,8	-13%	31%
Cabbage	27,6	20,2	21,6	-27%	7%
Green beans	2,3	2,5	2,5	8%	2%
Sweet potatoes	4,2	6,2	6,8	47%	10%

Source: DAFF

Appendix C: Descriptions of forestry import and export products

Table C.1: Descriptions of forestry import and export products

<p><u>Export products descriptions</u></p> <p>Fuel In Log;Chips,etc.: Fuel wood, in logs, in billets, in twigs, in faggots or in similar forms; wood in chips or particles; sawdust and wood waste and scrap, whether or not agglomerated in logs, briquettes, pellets or similar forms Fuel wood, wood in chips and sawdust and wood waste</p> <p>Wood Charcoal: Wood charcoal (including shell or nut charcoal), whether or not agglomerated</p> <p>Blders' Joinry+Carpntr: Builders and apos; joinery and carpentry of wood, including cellular wood panels, assembled parquet panels, shingles and shakes</p> <p>Fibrbrd Of Wd/Ot Lign: Fibreboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances</p> <p>Rough,Not Sapwood: Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared</p>
<p><u>Import product descriptions</u></p> <p>Lumber > 6 mm thick: Wood sawn or chipped length-wise, sliced or peeled, whether or not planed, sanded or end-jointed, of a thickness exceeding 6 mm</p> <p>Cask,Barr,Vat,etc.+Pts: Casks, barrels, vats, tubs and other coopers and apos; products and parts thereof, of wood, including staves</p> <p>Fibrbrd Of Wd/Ot Lign: Fibreboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances</p> <p>Plywood,Veneer,etc.: Plywood, veneered panels and similar laminated wood</p> <p>Blders' Joinry+Carpntr: Builders and apos; joinery and carpentry of wood, including cellular wood panels, assembled parquet panels, shingles and shakes</p>