



QUARTERLY

Economic Overview of the Agriculture, Forestry and Fisheries Sector

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PREFACE

The core business of the Directorate: Statistics and Economic Analysis is to provide economic and statistical services to monitor the economic performance of the Agriculture, Forestry and Fisheries (AFF) sector. To support this important task, the Economic and Statistical Research division/unit conducts economic analyses of the performance of and external impact on the AFF sector and its industries.

This publication, the *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 use 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 the AFF and the South African AFF sector.

This issue looks at the economic developments in the second quarter of 2013 as well as the expected economic trends in the South African AFF sector as the domestic and global economies continue to face economic uncertainties.

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

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EXECUTIVE SUMMARY

Nothing much has changed in terms of global growth prospects in the second quarter of 2013 from the first quarter of 2013. Global growth is expected to remain flat in 2013, forecast at 3,1% which is the same as in 2012. Weaker domestic demand and slower growth in several key emerging market economies remain the main drivers behind the subdued outlook. However, advanced economies, mainly the US, seem to be picking up the recovery pace. Recession in the euro area remains a key concern and the possibility of a longer-term growth slowdown in emerging market economies are some of the downside risks to global growth prospects (IMF, WEO Update, July 2013). Growth in emerging market and developing economies is now expected to evolve at a more moderate pace, forecast at 5% in 2013 and about 5,5% in 2014, reflecting weaker prospects across all regions. Global growth is expected to recover slightly to 3,8% in 2014

World grain production for 2013/14 is expected to increase by 8% (135 million tons) year-on-year (y/y) to reach 1 919 million tons in 2013/14. The prospects of bumper crops weighed on grain and oilseed prices during the first half of 2013. Maize production has rebounded following last season's drop due to drought. World maize production is forecast to increase by 92 million tons (10,8%) during 2013/14 compared to 2012/13. World trade in maize will rise slightly by 3,2% in 2013/14 as larger harvests in some countries are expected to restrict trade gains, but China is expected to be a much larger buyer of maize. World wheat production is forecast to increase by 4,3% to reach 683 million tons in 2013/14 while wheat trade is expected to remain relatively flat in 2013/14 compared to 2012/2013 as the production increase is expected to be largely absorbed by demand. Also, the large maize harvest is expected to potentially limit feed demand for wheat in some countries.

After growing by less than 1% during the first quarter of 2013, the SA economy rebounded in the second quarter, recording a Gross Domestic Product (GDP) growth rate of 3,0% quarter-on-quarter (q/q) during the second quarter of 2013. The largest contribution to the q/q growth was the manufacturing sector which grew by 11,5% q/q

in the second quarter of 2013 following a 7,9% contraction during the first quarter of 2013. The electricity, gas and water industry also rebounded from a 3,0% contraction in the first quarter of 2013, recording a growth rate of 5,3% during the second quarter of 2013. The mining and quarrying sector was the worst performer during the second quarter of 2013, contracting by 5,6% after an impressive growth of 14,6% during the first quarter of 2013. The agriculture, forestry and fishing sector recorded its second consecutive quarterly contraction of 3,7% during the second quarter of 2013 following a 4,9% contraction in the first quarter of 2013. However, on a y/y basis, the agriculture, forestry and fishing sector was the best performer with its unadjusted real GDP at market prices increasing by 6,7% in the second quarter of 2013 compared to the second quarter of 2012.

The SA unemployment rate rose slightly to 25,6% in the second quarter of 2013 from 25,2% in the first quarter of 2013. This was largely due to the 1,2% (222 000 persons) q/q increase in the labour force while the number of employed persons grew by just 0,7% (100 000 persons) q/q during the same period. Employment declined in five of the ten South African industries on a q/q basis, with the largest declines in the agriculture (26 000) as well as the community and social services (22 000) industries. The construction sector created the most number of jobs (62 000) during the second quarter of 2013, followed by the trade (52 000) industry. Employment in agriculture declined by 3,6% (26 000) on a q/q basis largely due to the end of the summer crops harvesting season. However, on a y/y basis, employment in agriculture rose by 11,6% (74 000 persons) in the second quarter of 2013 compared to the second quarter of 2012. The SA economy created a total of 274 000 jobs between the second quarter of 2013 and the second quarter of 2012. The largest y/y increase in employment was observed in finance and other business services (81 000), followed by agriculture (74 000), while the trade industry lost the largest number (22 000) of jobs during the second quarter of 2013 compared to the second quarter of 2012.

Gross farming income from all agricultural products increased by 11,3% from R52,9 billion in the second quarter of 2012 to R58,9 billion in the second quarter of 2013. Once more, income from field crops was the main driver behind the increase in gross

farming income, rising by 15,7% from R21,6 billion in the second quarter of 2012 to R25 billion in the second quarter of 2013. Income from the top field crops income earner, maize, rose by 17,3% from R13,2 billion in the second quarter of 2012 to R15,5 billion in the second quarter of 2013 while soya beans showed the best improvement under field crops, recording a 53,8% increase in income from R2,0 billion in the second quarter of 2012 to R3,1 billion in the second quarter of 2013. Income from horticultural products rose by 11,7% boosted largely by the significant increase in income from dried fruit and rooibos tea. Although animal products recorded the lowest percentage (11%) in terms of income growth, animal products remain the largest contributor to gross income from agricultural products, accounting for 47% of gross farming income during the second quarter of 2013; followed by field crops which accounted for 28% and horticultural products (25%). After increasing by just a little over 1% during the first quarter of 2013, the net farming income increased by a welcome 14,1% during the second quarter of 2013 compared to the same quarter of 2012, boosted by the marked increase in gross farming income while expenditure on intermediate goods and services eased off from the double-digit increases recorded in the first quarter.

The value of SA agricultural exports increased by 33% from R13,0 billion to R17,3 billion between the second quarter of 2012 and the second quarter of 2013, boosted largely by the weaker rand which has been trading at its lowest level in years. South Africa gained most of its agricultural export revenue from products exported to the United Kingdom (R1,7 billion) during the second quarter of 2013. Other countries from which a considerable amount of agricultural export revenue was generated include the Netherlands, Zimbabwe, Japan, Mozambique, Angola and China. Following a decrease in the value of agricultural imports during the first quarter of 2013, the SA agricultural import value rose by 14% to reach R12,1 billion during the second quarter of 2013, with rice contributing the largest amount to the total import value.

1. GLOBAL OVERVIEW OF THE AGRICULTURE, FORESTRY AND FISHING ECONOMY

Global Economic Growth is mobilising away from emerging markets, back to advanced economies after years in despondency. According to Business Day live (2013) United States seem to be the main driver of this global economic improvement while emerging market economies are at danger of slowing down due to US tighter monetary policies. OECD (2013) explains that many emerging market economies have been hurt by capital outflows, increasing financing costs and rapid currency depreciations. Countries with large current account deficits, which relied on capital inflows as finance, have been hit the hardest; with South Africa, Brazil and India seeing the value of their currencies drop by more than 10% since May 2013. Additionally, emerging markets are slow due to their conservative policy responses and weak export markets in the core economies.

Amongst the emerging market economies China appears to be the main outlier. Its economic growth slowed to 7,5% in the second quarter, down from 7,7% in the three months ending March 2013 (Reuters, 2013). This growth difficulty is due to China's structural adjustments and declining surplus labour. However, rising consumption, increasing urbanization and catch-up growth in less developed regions will be the long-term economic drivers. The US recovery might also be positive for emerging market economies as it might mean recovery in demand that could add to their future growth. Despite the current conditions, IMF is confident that global growth will accelerate in 2014.

According to the International Labour Organisation (ILO)'s 2013 world report, the **global employment rate** is still below pre-crises level. Five years after the global financial crisis, the employment state worldwide still face challenges. In emerging market economies, labour improvement efforts have been uneven, as employment growth rates vary widely across countries and regions. But most emerging economies labour markets are recovering much faster than the majority of advanced economies. Recovery is not expected until 2018 in advanced economies, particularly those in the Euro zone. Nearly half of the advanced countries examined by the ILO have

employment rates that have been consistently declining since the beginning of the economic crises. The employment rate in advanced economies is not expected to reach its pre-crisis level until 2018, more than 10 years after the economic crisis began.

International food prices have been declining in recent months. The FAO Food Price Index averaged 201,8 points in August 2013, almost 4 points (1,9%) under its July 2013 value and 11 points (5,1%) less than in August 2012. The August 2013 decrease, the fourth in a row, was driven by continued falls in the international prices of cereals and oils; while dairy, meat and sugar prices rose slightly (Figure 2). The Cereal Price Index averaged 210,9 points in August 2013, down 16,4 points (7,2%) from July 2013 and 49,4 points (19%) from August 2012. This sharp decline following an already sizeable fall in July, is consistent with hope for strong growth in world cereal production this year and, particularly, a sharp recovery in maize supplies. While prices of wheat and rice were down by 2 to 3 percent, the fall reached 14% in the case of maize in spite of some late-month gains, on concerns over drought and heat stress conditions in the United States.

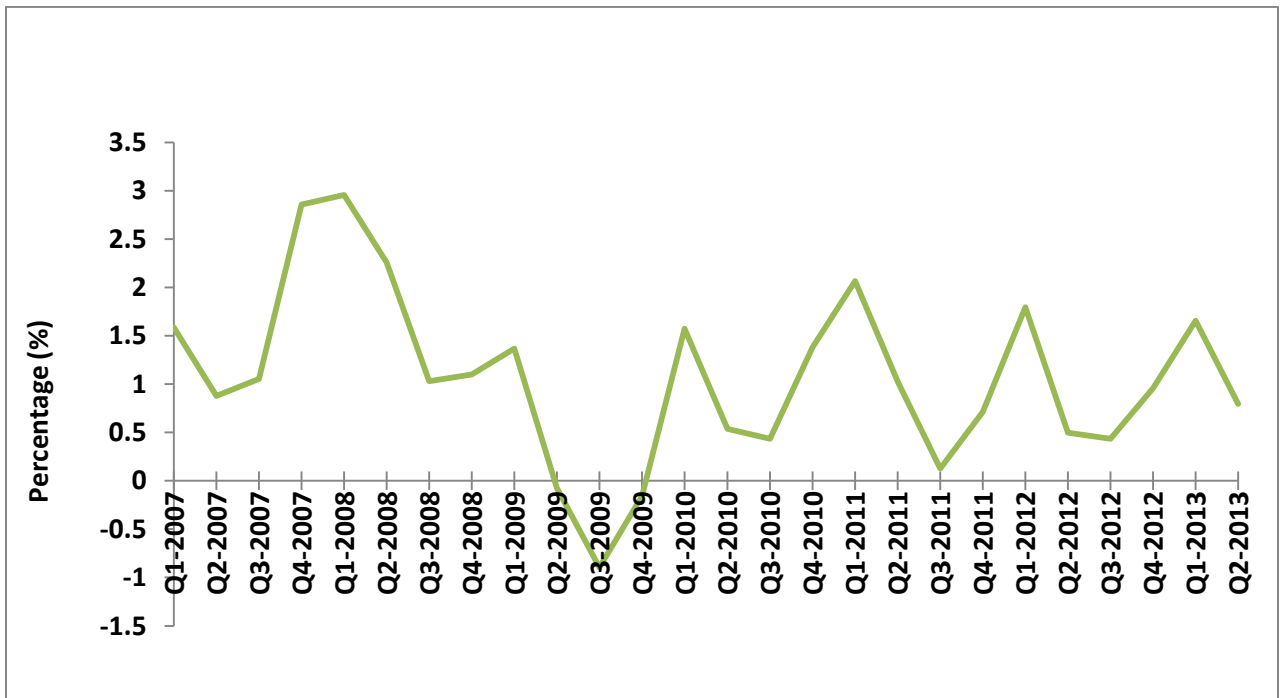


Figure 1: Global Consumer Price Index (Food)
Data Source: OECD

The Oils/Fats Price Index averaged 185,5 points in August 2013; 5,7 points (3,0%) lower than the July value and the third consecutive monthly decrease. The slide in the index continued to be led by palm oil, as ample inventories in South-east Asia kept prices under pressure. Soya oil values first eased on overflowing export availabilities from Argentina and generally good crop prospects for 2013/14, only to regain strength when the United States lowered the forecast for its own forthcoming soya harvest. However, in general, the prospect of expanding total vegetable oil supplies in 2013/14 is pointing towards a general decline in vegetable oil prices.

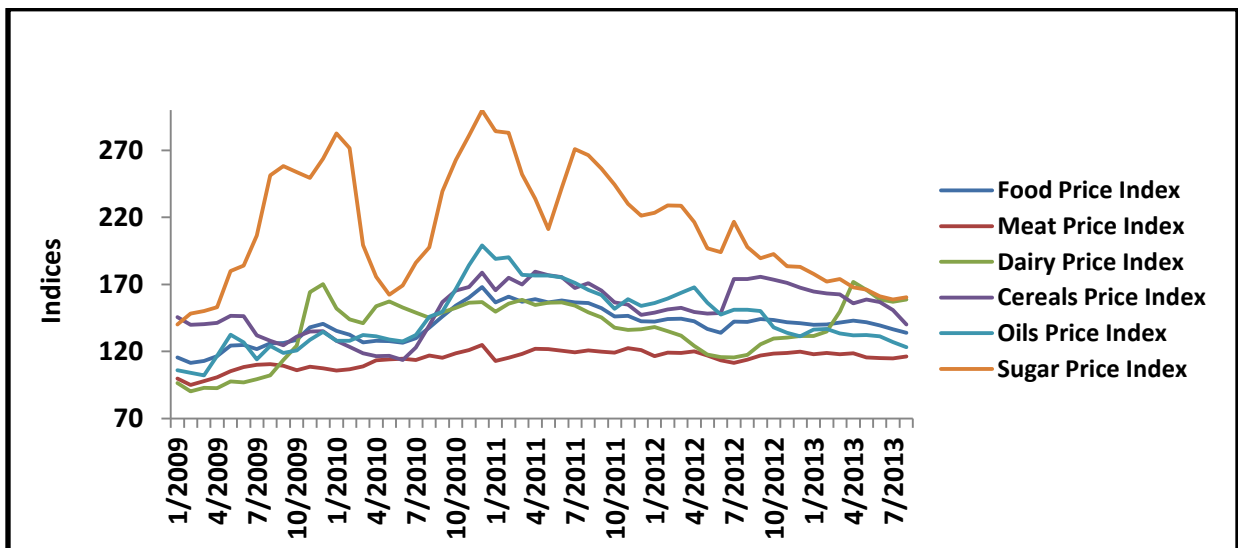


Figure 2: Global Food Price Indices

Data Source: FAO

The Dairy Price Index averaged 239,1 points in August 2013; 2,8 points (1,2%) more than in July and 37% above its August 2012 level. Prices increased in August for all the dairy products that make up the index, except for butter, as export supplies remain limited in major trading countries. Furthermore, with milk production declining seasonally in the northern-hemisphere and the new production season only just starting in Oceania and South America, availabilities for the rest of 2013 are uncertain. This has lent support to prices as importers seek to cover commitments for upcoming months. Strongest growth was recorded for skimmed milk powder, which rose by 2,7% following a similar change in July; whole milk powder prices also improved. The Meat Price Index averaged 175,0 points in August 2013, an increase of 2,2 points (1,3%). The growth mainly reflected stronger prices for pig meat, which

rose by 4,5% as those of other meat types changed by a small margin. An important element sustaining pig meat prices was the strengthening of the Euro in relation to the US dollar. Poultry prices registered a fourth consecutive monthly decline, dropping by 1,3% partially as a result of lower feed costs.

2. THE STATE OF THE DOMESTIC ECONOMY IN AGRICULTURE, FORESTRY AND FISHING

2.1 Growth

The SA economy rebounded in the second quarter of 2013, recording a GDP growth rate of 3,0% (q/q); following a 0,9% growth rate in the first quarter of 2013. Overall, GDP expanded 2% (y/y) in the second quarter of 2013 over the matching quarter of 2012. The GDP annual growth rate averaged 3,2% from 1994 until 2013, reaching an all time high of 7,1% in December of 2006 and a record low of -2,7% in June of 2009. The largest sector of the economy is the services sector which accounts for around 73% of GDP. Within services, the most important are finance, real estate and business services (21,2% of GDP); government services (13,6%); wholesale, retail and motor trade, catering and accommodation (12,5%); and transport, storage and communication (9%). Manufacturing accounts for 15,3% of GDP; mining and quarrying for around 5,1% and agriculture for only 2,2% of GDP.

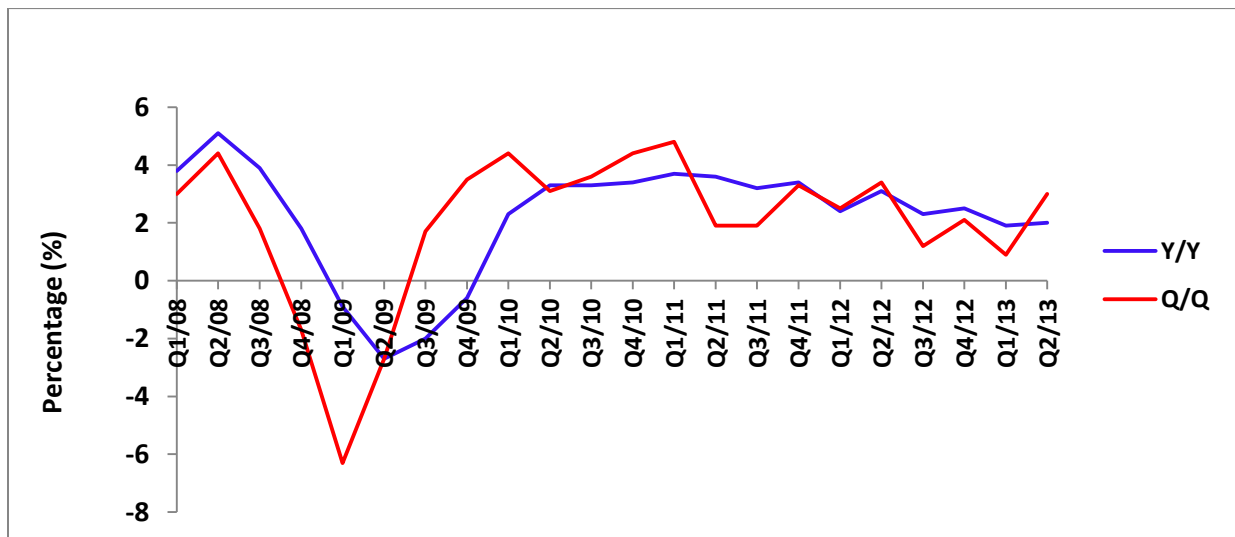


Figure 3: Domestic real GDP growth

Data Source: Stats SA

The largest contribution to the q/q growth during the second quarter of 2013 was the manufacturing sector which grew by 11,5% q/q; following a 7,9% contraction during the first quarter of 2013. The electricity, gas and water industry also rebounded from a 3,0% contraction in the first quarter of 2013, recording a growth rate of 5,3% during the second quarter of 2013. The mining and quarrying sector was the worst performer during the second quarter of 2013, contracting by 5,6% after an impressive growth of 14,6% during the first quarter of 2013. The agriculture, forestry and fishing sector recorded its second consecutive quarterly contraction of 3,7% during the second quarter of 2013 following a 4,9% contraction in the first quarter of 2013. However, on a y/y basis, the agriculture, forestry and fishing sector was the best performer with its unadjusted real GDP at market prices increasing by 6,7% in the second quarter of 2013 compared to the second quarter of 2012.

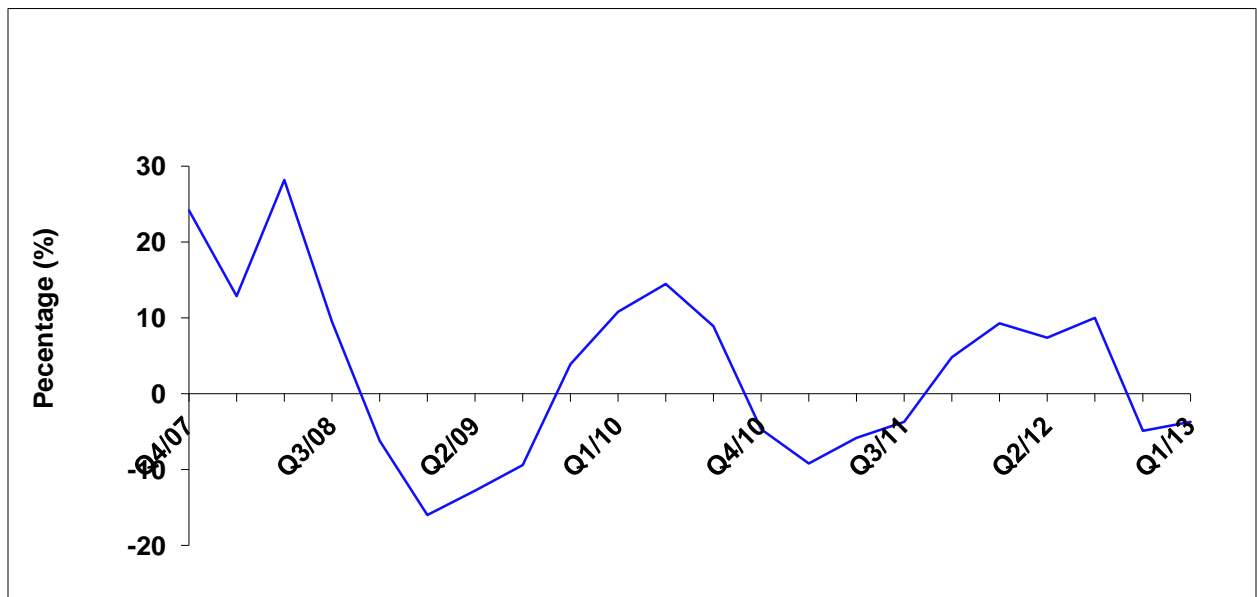


Figure 4: Annualised growth in the seasonally adjusted quarterly value for agriculture, forestry and fishing

Data Source: Stats SA

The future still looks bright in the agricultural division as local organizations are investing in the sector, for example Potato South Africa is planning to assist potato emerging farmers and Tiger Brands is planning to invest about R1 billion in its domestic agribusiness over the next 18 months. DAFF's plans to implement forestry grants in order to assist forestry emerging farmers and the Minister's support on fish recovery strategy will add value to growth. The plans by the Mpumalanga provincial

department to establish a Fresh Produce hub will add more value to the GDP. Tariffs imposed on wheat imports will also add value as it may reduce the quantity of wheat imported, benefiting local producers. However, one of the cons faced by agriculture is the threat of climate change in wine growing areas. It is estimated that wine cultivation will decrease by 55% in 2050 and the question is what is it that can be done in order to reduce this huge number, given that the wine industry is contributing big margins to agriculture and ecotourism. Other questions to be addressed are the impact of persistent drought in maize production regions such as North West and how hard this will hit maize output?

2.2 Inflation

The headline Consumer Price Index (CPI) annual inflation breached the 3% - 6% Reserve Bank target range in July 2013, rising by 6,3% following a 5,5% annual rate in June 2013. This is the first time since April 2012 that the headline CPI rose above the 6% upper band. On a month-on-month basis, prices increased by 1,1% on average between June 2013 and July 2013. The food and non-alcoholic beverages index rose by 6,8% in July 2013 compared to July 2012, while on a month-on-month basis it remained unchanged. The largest annual price increases in this category came from bread and cereals (7,3%); milk, eggs and cheese (6,7%) as well as meat (5,8%) and fish (5,8%).

On a month-on-month basis, the housing and utilities index increased by 2,1% between June 2013 and July 2013 mainly due to a 9,4% increase in water tariffs; a 7,2% increase in electricity tariffs and a 6,1% increase in assessment rates. The transport index increased by 2,5% on a month-on-month basis, mainly due to an 84c/litre increase in the price of petrol. The annual transport index rate increased to 8,2% in July 2013 from 3,7% in June 2013.

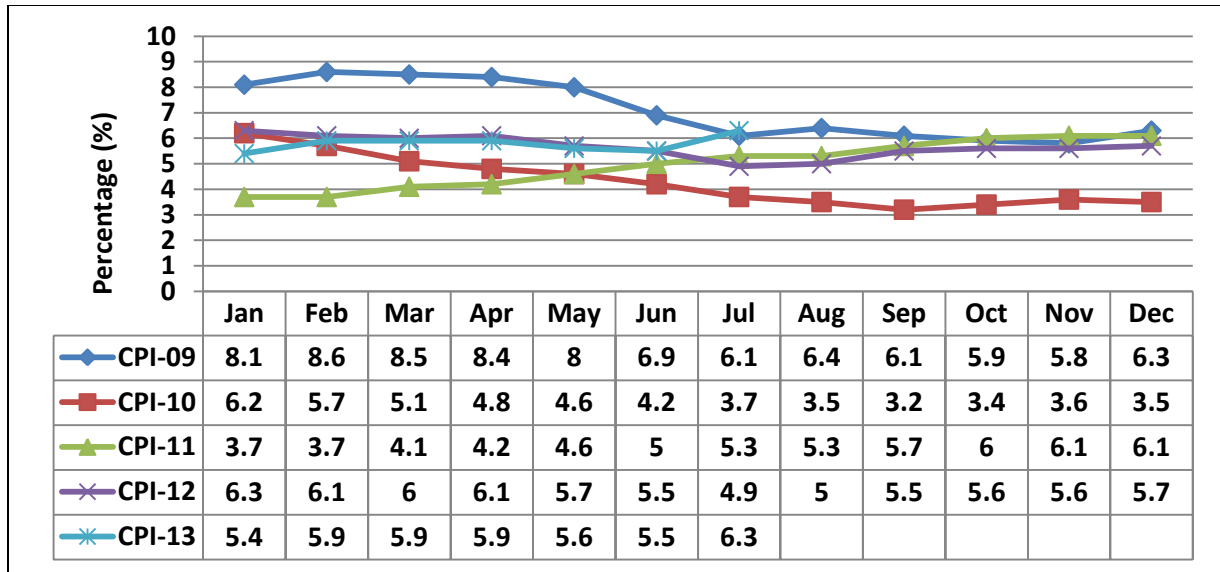


Figure 5: SA Consumer Price Index (CPI)

Source: Stats SA

The headline Producer Price Index (PPI) for final manufactured goods in South Africa was 6,6% in July 2013 (up from 5,9% in June 2013). The main contributors to the 6,6% annual rate were food products, beverages and tobacco products which rose by 6,5% y/y. The PPI for food products rose by 7,5% y/y and by 0,7% m/m. The largest contributor to the annual rise in the PPI for food in July was meat and meat products which rose by 10,1% y/y. The annual percentage change in the PPI for agriculture, forestry and fishing was 1,4% in July 2013, down from the 3,2% annual change in June 2013.

2.3 Employment

South Africa’s official unemployment rate deteriorated slightly in the second quarter of 2013 to 25,6% compared to 25,2% in the first quarter of 2013, as people lost jobs while more started looking for work. There was a gain of 100 000 jobs in the second quarter of 2013, although this was offset by an additional 122 000 people looking for jobs. Analysts believe a rise in the unemployment rate is not a surprise, given the current economic environment where consumer and business confidence remain weak. On the export side, the euro zone which is one of our major trading partners, remained in recession and China’s economic growth is slowing. Under these circumstances companies are reluctant to employ more people. The economy is not

expected to pick up soon and a high number of people will be looking for jobs, hence the unemployment rate is expected to remain higher.

Construction, trade as well as finance and other business services were the biggest contributors to employment gains in the second quarter. Construction gained 62 000 jobs in the second quarter of 2013, after losing 41 000 jobs in the first quarter of 2013. The trade industry gained 52 000 jobs in the second quarter of 2013, the first gain in this sector after five successive quarters of job losses. Employment in finance and other business services also grew by 37 000 jobs in the second quarter of 2013 after two successive quarters of job losses. Compared with a year earlier, all industries contributed positively to a gain of 274 000 jobs, except trade and private households industries.

On a quarter-on-quarter basis, manufacturing, which is the economy's second-biggest sector, lost 18 000 jobs between the first and second quarters of 2013 despite producers benefiting from a weaker rand in the second quarter. Employment in the agricultural sector declined by 26 000 jobs as the sector faces pressure from higher labour costs following the implementation of higher wages this year following labour disruptions, while higher input costs from fuel are also putting the sector under pressure.

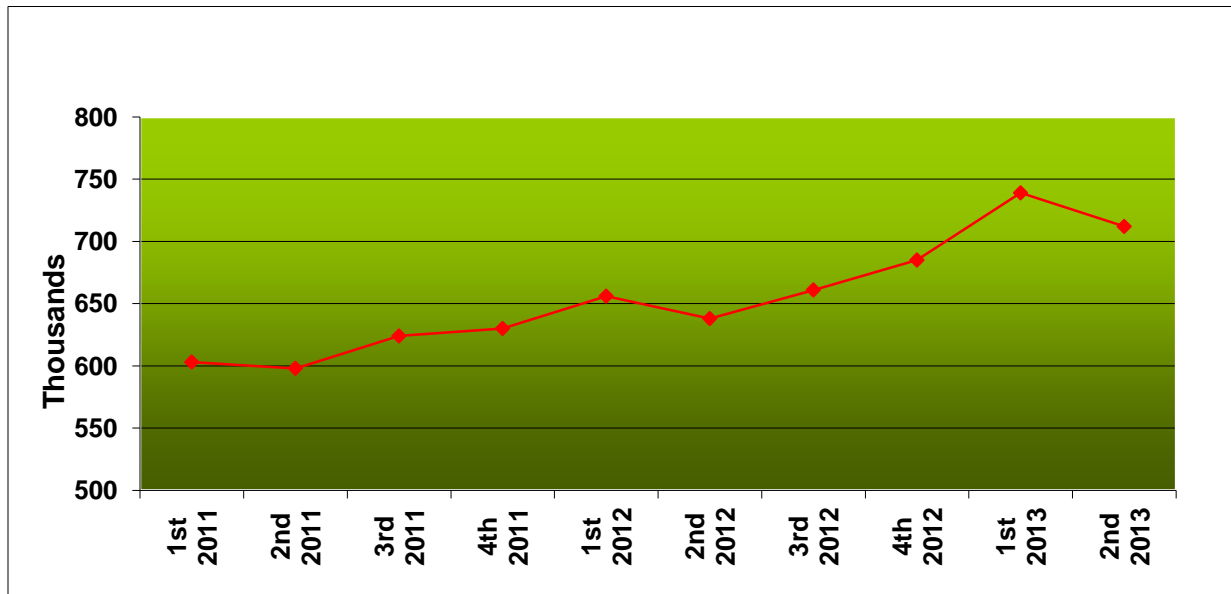


Figure 6: Total employment in agriculture

Source: Stats SA

The number of people employed in agriculture decreased by 26 000 from 739 000 persons in the first quarter of 2013 to 712 000 persons in the second quarter of 2013. Compared to a year ago, 74 000 more people were employed in agriculture, from 638 000 in the second quarter of 2012 to 712 000 in the second quarter of 2013. Of the 26 000 job losses in the agricultural sector during the second quarter of 2013 (q/q), 31 000 were lost by women, while 5 000 jobs were created for men. In total, the agricultural sector comprised of 217 000 women and 496 000 men in the second quarter of 2013 compared to 248 000 women and 491 000 men in the first quarter of 2013.

The Limpopo province had the highest number (125 000) of people employed in agriculture during the second quarter of 2013, up from 114 000 the previous quarter; followed by Mpumalanga with 103 000; up from 96 000 the previous quarter and Gauteng increasing slightly by 44 000 jobs. All other provinces recorded job losses in agriculture during the same period. Western Cape lost 9 000 jobs, from 126 000 jobs created in the first quarter of 2013 to 117 000 in the second quarter of 2013. Eastern Cape provincial agriculture and Northern Cape provincial agriculture lost 4 000 and 3 000 jobs, respectively, in second quarter of 2013; while Free State provincial agriculture lost 25 000 jobs during the same period - the largest number compared to other provinces. Kwazulu-Natal provincial agriculture lost 3 000 jobs, from 99 000 in the first quarter of 2013 to 96 000 in the second quarter of 2013. North West provincial agriculture declined slightly from 34 000 jobs in the first quarter of 2013 to 32 000 in the second quarter of 2013. The second quarter job losses in agriculture can be attributed to seasonality factors. On a year-on-year basis, the highest number of jobs were created in the Eastern Cape province (28 000) followed by Limpopo which created 26 000 new jobs and Mpumalanga with 18 000 jobs.

The 2013 second Quarterly Labor Force Survey (QLFS) also indicated that 1,5 million people were involved in subsistence farming during the second quarter of 2013 compared to 1,9 million in the first quarter of 2013, a decrease of 362 000 on a quarter-on-quarter basis. KwaZulu-Natal remained with the highest number (552 000) of people involved in subsistence farming during the second quarter of 2013, although this was a decrease of 135 000 from 687 000 in the first quarter. The Eastern Cape

had the second-highest number (464 000) followed by Limpopo (164 000) and Mpumalanga (150 000). All provinces showed a decrease in the number of people involved in subsistence farming during the second quarter compared to the first quarter, with the exception of Gauteng where the number of people involved in subsistence farming increased by 11 000 from 13 000 in the first quarter of 2013 to 24 000 in the second quarter of 2013

2.4 Expenditure on intermediate goods and services by the agricultural sector

The expenditure on intermediate goods and services increased by 8,3% to reach R24,9 billion in the second quarter of 2013 compared to R23,0 billion in the same quarter of 2012 (Figure 7).

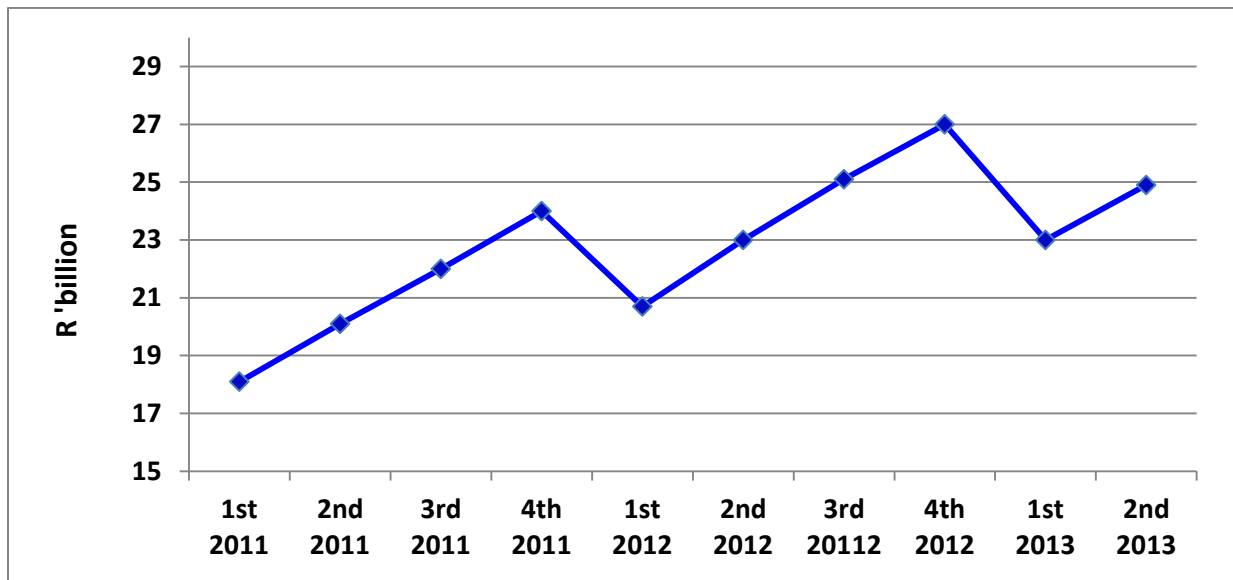


Figure 7: Total expenditure on intermediate goods and services

Source: DAFF

The increase in intermediate expenditure was mainly supported by the increase in expenditure on seeds and plants (17,9%) followed by expenditure on water tax and insurance which increased by 15,3% and 11,9% respectively. The expenditure on electricity and packing material increased by 10,9% and 7,0% respectively, while expenditure on farm services increased by 5,8% during the same period (Appendix A.1).

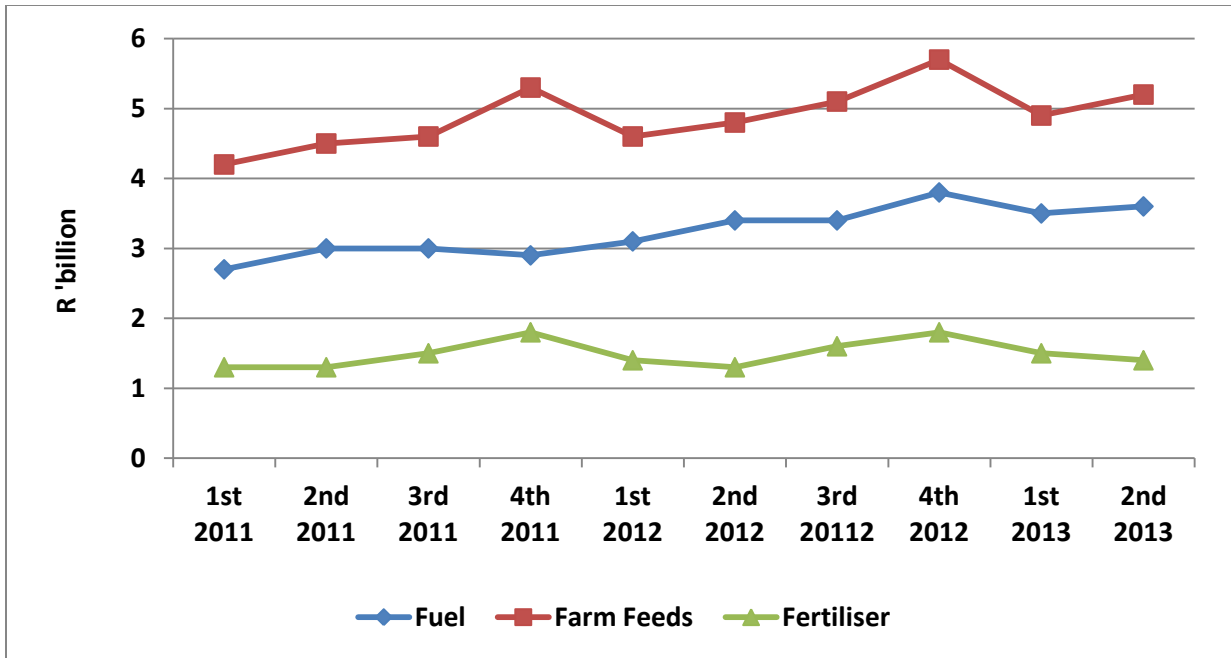


Figure 8: Total expenditure on intermediate goods and services

Source: DAFF

The expenditure on fuel increased by 5,9% from R3,4 billion in the second quarter of 2012 to R3,6 billion during the second quarter of 2013. During the same period the expenditure on fertilisers increased to R1,4 billion from R1,3 billion, an increase of 7,7%. The expenditure on farm feeds increased to R5,2 billion in the second quarter of 2013 compared to the R4,8 billion in the second quarter of 2012, an increase of 8,3%. The total expenditure on intermediate goods and services increased to R24,9 billion in the second quarter of 2013 from R23,0 billion in the second quarter of 2012; an 8,2% increase after a decrease in the first quarter of 2013.

2.5 Gross farming income and net farm income from agricultural products

Gross farming income from all agricultural products amounted to R58,9 billion in the second quarter of 2013 from R52,9 billion reported in the second quarter of 2012, an increase of 11,3%. This increase was boosted largely by an increase in gross income from field crops which increased by 15,3%. Both animal products and horticultural products also supported the overall increase with an increase of 9,2% and 8,4% respectively. (Appendix A.2)

Gross income from field crops increased by 15,3% to R24,9 billion in the second quarter of 2013 from R21,6 billion in second quarter of 2012. The increase in income from field crops was largely boosted by a significant increase in income from maize (16,5%). Income from soya beans and dry beans also increased significantly by 54,1% and 44,1% respectively. Income from wheat decreased by 9,2% while gross income from sunflower seed decreased slightly by 0,2%.

Gross income from horticultural products increased to R13,7 billion in the second quarter of 2013, from R12,6 billion in the same quarter of 2012, an increase of 8,4%. This can be attributed to increases in gross income from vegetables, deciduous and other fruit, viticulture and citrus fruit which increased by 14,9%; 12,5%; 5,2% and 4,1% respectively. On the other hand, gross income from subtropical fruit decreased slightly by 3,9% (Appendix A.2).

Gross income from animal products increased to R20,4 billion in the second quarter of 2013 from R18,6 billion in the second quarter of 2012, an increase of 9,2%. The largest increase in gross income from animal products was recorded by karakul pelts, mohair and wool which increased by 41,9%, 30,4% and 24,8% respectively. Gross income from poultry meat, sheep slaughtered and eggs increased by 15,8%; 12,4% and 10,0% respectively, in the second quarter of 2013. Gross income from other livestock products and pigs slaughtered increased by 8,1% and 6,4% respectively, while gross income from goats slaughtered and milk increased by 3,8% and 3,5% respectively, during the same period. Gross income from cattle and calves slaughtered increased slightly by 0,6% while gross income from ostrich feathers decreased by 26,9% (Appendix A.2).

The net farm income for the second quarter of 2013 is estimated at R28,3 billion, an increase of 14,1% compared to R24,8 billion recorded in the second quarter of 2012. The increase in net farm income in the second quarter of 2013 was boosted by an increase of 11,5% in gross income from all agricultural products which amounted to R58,9 billion compared to the R52,9 billion reported in the second quarter of 2012. Figure 9 depicts the net farm income trends between 2010 and 2013.

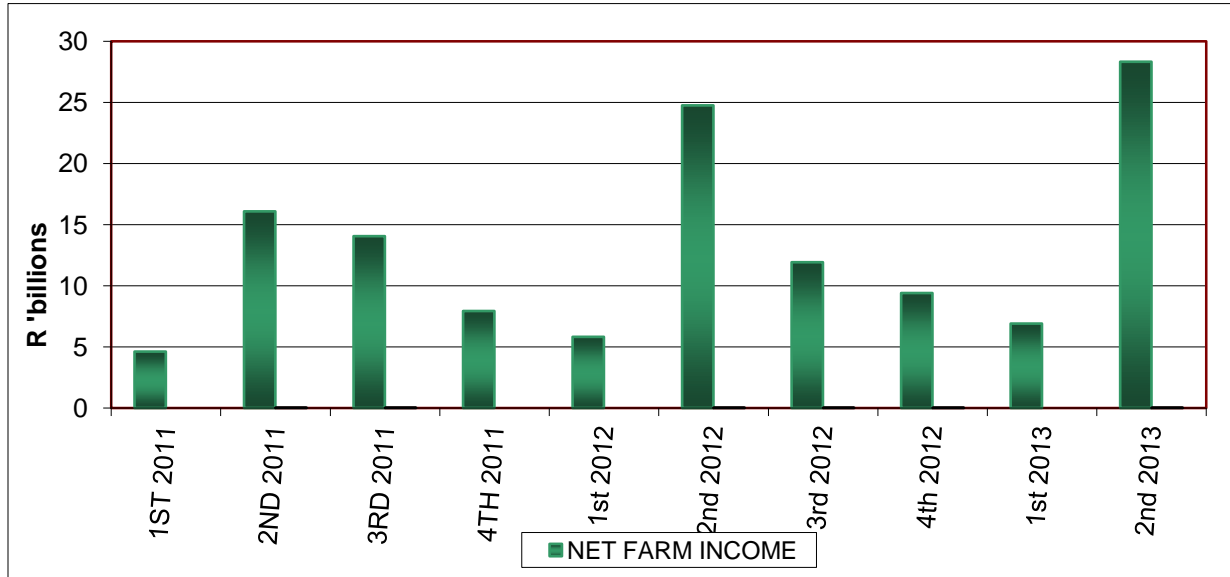


Figure 9: Net farm income
Source: DAFF

2.6 Private consumption expenditure on agricultural products

During the second quarter of 2013, private consumption expenditure on food reached R111,1 billion, an increase of 8,7% compared to the R102,2 billion reported for the second quarter of 2012. The main expenditure items were oils and fats which increased by 23,4% while fruit and vegetables increased by 23,3%; followed by expenditure on meat and potatoes which increased by 9,3% and 6,2% respectively. The expenditure on coffee, tea and other also increased by 8,8% respectively. Milk, milk products and eggs expenditure increased by 6,8% while the expenditure on bread and grain increased by 3,9%. The expenditure on sugar recorded a slight decrease of 1,9% during the same period (Appendix A.3).

2.7 Trade of agricultural, forestry and fisheries products

2.7.1 Agricultural trade

Although international and local economic conditions deteriorated since 2012, local policy intervention created some space for economic growth. Consequently, the

country's agricultural, forestry and fisheries sector contributed 2,2% to the South African GDP in 2012. Moreover, South Africa maintained a positive trade balance of agricultural, forestry and fisheries exports collectively from 2007 till 2012 (NAMC, May 2013).

According to data on table A.4, the total export value of agricultural products increased by 33%, from R13,0 billion to R17,3 billion between the second quarter of 2012 and the second quarter of 2013. During the second quarter of 2013, South Africa gained most of its agricultural export revenue from products exported to the United Kingdom. From this country alone, SA gained R1,7 billion of agricultural export revenue which represents 10% of the total export value. Netherlands was the second leading export destination for SA's agricultural exports with R1,6 billion of agricultural export revenue received, representing 9% of the total export value. Other countries from which a considerable amount of agricultural export revenue was received include Zimbabwe, Japan, Mozambique, Angola, China, Taiwan, Germany and Russia. According to data on table A.4, all of these countries accounted for 56% of the total export revenue received from agricultural products. Agricultural products which contributed a considerable amount to the total agricultural export value include maize (11%), fresh apples (10%), wine in 2 Litre bottles (7%) and fresh oranges (5%), see Table A.5.

Although exports of agricultural products increased considerably in the midst of slow global demand, the total import value of agricultural products increased notably between the second quarter of 2012 and the second quarter of 2013. According to data on Table A.6, the total import value of agricultural products increased by 14% from R10,6 billion to R12,1 billion between the second quarter of 2012 and the second quarter of 2013. The top ten leading sources of agricultural imports into South Africa during the second quarter of 2013 collectively accounted for 64% of the total import value of agricultural products (see Table A.6). Argentina, China, Netherlands and Brazil were the 4 leading sources of agricultural imports during the second quarter of 2013, accounting for 9%, 9%, 7% and 7% respectively, of the total import value of agricultural products. The 4 key agricultural products which contributed a considerable amount to the total import value include rice (12%), palm oil (7%), chicken cuts (6%)

and soybean oilcake (6%), see table A.7. According to data on table A.7, all of these products accounted for 30% of the total import value of agricultural products.

2.7.2 Fisheries trade

According to the FAO, tight supply and higher feed costs for several key traded species are pushing international seafood prices higher. Also contributing to higher prices are, inter alia, the evolution of production and transportation costs and prices of alternative meats (FAO, 2012). Moreover, the lingering economic crisis in major seafood importing markets of northern Europe and North America contributed to the sluggish growth in seafood imports. For this reason, the direction of international prices and import volumes of fish and fishery products in 2013 remain unclear (FAO, 2013). According to data on table A.8, the total export value of fish and seafood decreased by 19%, from R339 million to R273 million between the second quarter of 2012 and the second quarter of 2013. Major export destinations for SA fish and seafood were United States, Italy, Australia, Germany, Japan, Spain, Netherlands, Mauritius, Angola and Greece which jointly accounted for 84% of the total export revenue from fish and seafood. The biggest proportion of fish and seafood exported during the second quarter of 2013 include rock lobster and other sea crawfish (frozen), fish (prepared or preserved, whole or in pieces), cuttle fish and squid (frozen, dried, salted or in brine), fish (prepared or preserved), and sardines/sardinella/brisling (prepared or preserved, not minced), see Table A.9.

Despite tight supply and higher feed costs, global supply is still growing due to aquaculture, with strong local and regional demand sustaining production growth (FAO, 2013). According to data on Table A.10, the total import value of fish and seafood increased considerably by 28% from R383 million to R490 million between the second quarter of 2012 and the second quarter of 2013. The 10 major sources of imports which accounted for 97% of the total import value of fish and seafood in the second quarter of 2013 include Thailand, China, Norway, United States, Peru, Portugal, Taiwan, United Kingdom, Indonesia and Poland. Imported products which accounted for 96% of the total import value of fish and seafood include sardines/sardinella/brisling (prepared or preserved and not minced), tuna/skipjack/bonito (prepared or preserved and not minced), cuttle fish and squid

(frozen, dried, salted or in brine), Atlantic and Danube salmon (frozen), and salmon (prepared or preserved, whole or pieces) see Table A.11.

2.7.3 Forestry trade

Trading of forestry products increased notably between the second quarter of 2012 and the second quarter of 2013, while the South African forestry sector continues to remain under pressure. The total export value of forestry products increased by 12%, from R2,4 billion to R2,7 billion between the second quarter of 2012 and the second quarter of 2013 (Table A,12). Export destinations of forestry products during the second quarter of 2013 include Indonesia, China, India, Zimbabwe, United Kingdom, Thailand, Mozambique, United States, Belgium and Zambia; which jointly accounted for 73% of the total export revenue from forestry products. The most important forestry products which accounted for 78% of the total export revenue of forestry products include chemical woodpulp (dissolving grades), kraftliner (uncoated, bleached, in rolls or sheets), chemical woodpulp (soda or sulphate, not dissolving grades), cartons, boxes and cases, corrugated paper and paper boards and newsprint (in rolls or sheets), see Table A.13.

The total import value of forestry products increased by 24% from R1,6 billion to R 1,9 billion between the second quarter of 2012 and the second quarter of 2013 (Table A.14). SA's major forestry import sources include China, United Kingdom, United States, Germany, Sweden, Austria, Italy, Australia, France and Finland; which jointly accounted for 73% of the total import value of forestry products. The most important forestry products imported during the second quarter of 2013 include printed books, brochures, leaflets & similar printed matter, chemical woodpulp (soda or sulphate, not dissolving grades), paper or paperboard (cellulose wadd etc), paper or paper boards (ex light weight writing etc, clay coated over 10mech) and sack kraft paper (uncoated or unbleached, rolls or sheets), see Table A.15. All of these products accounted for 41% of the total import value of forestry products.

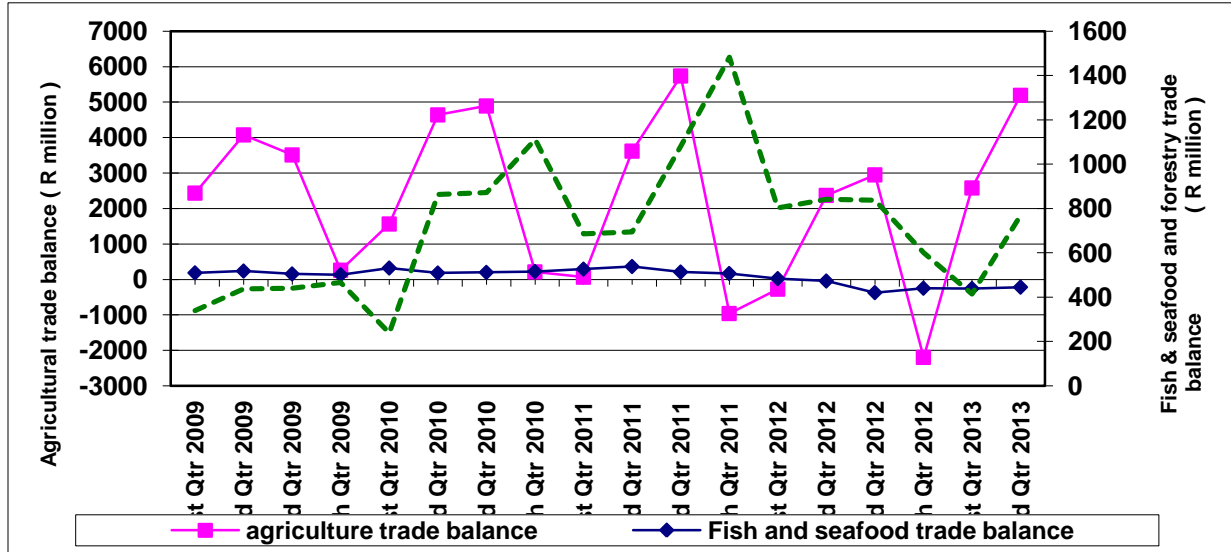


Figure 10: Trends in trade balances for agriculture, fish and seafood and forestry products.

Source: South African Revenue Services

Figure 10 shows trade balance trends for agriculture; fish and seafood as well as forestry products. Between the first quarter of 2009 and the second quarter 2013, agriculture’s trade balance fluctuated significantly experiencing negative trade balances in three quarters, i.e, the fourth quarter of 2011, the first quarter of 2012 and the fourth quarter of 2012. During the second quarter of 2013, agriculture’s trade balance maintained its positive healthy levels therefore showing resilience to the economic slowdown.

The fish and seafood trade balance also fluctuated significantly between the first quarter of 2009 and the second quarter of 2013; however, it remained in positive territory until the first quarter of 2012. Due to supply being tight and feed costs rising for several key traded species, the trade balance for fish and seafood remained on negative territory from the second quarter of 2012.

The trade balance for forestry products also showed a fluctuating trend, though it remained in positive territory since 2009 with a R769 million trade balance during the second quarter of 2013.

2.8 Review of agricultural markets

2.8.1 Grain market review

Table B.1 shows monthly and quarterly proxies of supply and demand of major grains in South Africa, i.e maize, wheat, sunflower and soya beans. Following a prolonged dry spell in the main growing areas that negatively impacted crops, weather conditions during the 2012/13 production season remained uncertain while the uneven rainfall distribution throughout South African resulted in the aggregate 2013 grain crop slightly lower than previous year's good harvest.

During the second quarter of 2012, the average opening stock for white and yellow maize was 906 000 tons and 811 000 tons respectively, while the average total opening stock (white maize plus yellow maize) was 1,7 million tons. During the second quarter of 2013, as the new crop from the ongoing 2013 harvest kept coming in, the average opening stock for white and yellow maize was 1,1 million tons and 1,1 million tons respectively, while the average total opening stock (white maize and yellow maize) was 2,2 million tons, just about 28% more than in the second quarter of 2012.

Consumption of maize in South Africa has shown constant increases over the past 10 years due to strong economic growth that has led to significant increases in direct and derived demand for maize (Absa, 2013). During the second quarter of 2012, consumption of maize in South Africa totalled 2,2 million tons. Of this total, 1,2 million tons were white maize while 1,0 million tons were yellow maize. Consumption of maize during the second quarter of 2013 reached 2,3 million tons, approximately 5% more than in the second quarter of 2012. Of this total, 1,3 million tons were white maize while 1,0 million tons were yellow maize.

Grain SA, in an effort to promote export of grains and oilseeds, received delegates from Japan and Taiwan during April 2013. The main aim was to create permanent markets for SA grains and oilseeds for sustainable crop production. The outcome proved positive as there has been a significant rise in yellow maize exports to these countries and there is still more positive prospects that there will be more exports to

these countries (Grain SA, 26 April 2013). Thus, the total maize exported during the second quarter of 2013 reached 886 000 tons, which is 513 000 tons more than 373 000 tons of maize exported during the second quarter of 2012.

Regardless of higher wheat prices around the globe in 2013, less favourable weather conditions in South Africa prompted producers to leave many fields for summer maize planting to gain better profitability (BFAP, 2013). During 2013, as the wheat planting season progresses, the Crop Estimates Committee anticipates an increase in wheat planting largely due to strong wheat prices, although a recovery of yields in some areas may be affected by less favourable soil moisture conditions.

During the second quarter of 2012, the average opening stock of wheat for human consumption was 1,4 million tons while the average opening stock of wheat for animal feeds reached 12 000 tons. The average opening stock of wheat for human consumption during the second quarter of 2013 decreased marginally to 1,4 million tons, while the average opening stock of wheat for animal feeds decreased considerably by 66% to 4 000 tons.

Consumption of wheat in the second quarter of 2012 amounted to 787 000 tons. Of this total, 752 000 tons were used for human consumption, 28 000 tons were for the animal feed market while the rest was kept at producer level as seed for the next planting season. During the second quarter of 2013, consumption of wheat decreased by 3% to reach 764 000 tons. Of this total, 750 000 tons were used for human consumption, 9 000 tons were for the animal feed market while the rest was kept at producer level as seed for the next planting season.

Although total wheat utilization is forecast to increase again after a decline in 2012/13; the increase is anticipated only in wheat for human consumption as wheat for animal feed, which grew significantly in 2011/12 due to tight supplies and high grain prices, is likely to remain close to the 2012/13 level (FAO, 2013).

Although global oilseeds suffered due to unfavourable weather conditions in several countries, global oilseed production is forecast to rebound strongly in 2012/13, up by 5% as a result of a rise in production (FAO, 2013)

Domestically, summer grain producers increased sunflower planting by 11,3%; from 453 350 hectares in 2012 to 504 700 hectares in 2013. Soybean planting increased by 9,4%, from 472 000 hectares in 2012 to 516 500 hectares in 2013 (DAFF, 2013)

During the second quarter of 2013, the total opening stock of sunflower seed averaged 252 000 tons, which was 67 000 tons (37%) more than 185 000 tons recorded in the second quarter of 2012. Locally, consumption of sunflower seed decreased by 1% from 175 000 tons to 174 000 tons between the second quarter of 2012 and the second quarter of 2013. According to FAO (2013), subdued global economic growth is likely to slow demand for oils/fats in 2012/13. Imports of this commodity decreased by 95%, from 3,2 tons to zero imports between the second quarter of 2012 and the second quarter of 2013. Meanwhile, the average opening stock of soya beans was 361 000 tons in the second quarter of 2013, just about 5% less than 380 000 tons recorded for the second quarter of 2012. Consumption of soya beans increased by 18% from 160 000 tons to 188 000 tons between the second quarter of 2012 and the second quarter of 2013.

Domestic prices of white and yellow maize averaged R2 136/ton and R2 061/ ton respectively, in the second quarter of 2012; while wheat, sunflower and soya bean prices averaged R2 823/ton, R4 786/ton and R4 168/ton respectively, during the same period.

During the second quarter of 2013, weather developments in the US were critical for price direction going forward (FNB Agri-weekly, 03 May 2013). Therefore during the second quarter of 2013, the price of white and yellow maize increased by 3% and 7% to average R2 206/ton and R2 200/ton respectively. During the same period, the price of wheat, sunflower seed and soya beans increased by 23%, 11% and 17% to average R3 471/ton, R5 332/ton and R4 871/ton respectively. For both white and

yellow maize prices; the depreciation of the rand outweighed the effect of lower international prices while drought in the Western production regions lowered the supply of white maize, thereby supporting the 2013 SAFEX white maize prices (BFAP, 2013). Furthermore, domestic yellow maize prices are expected to strengthen due to lower yields in the Free State and Northwest regions (Absa, 21 June 2013). Moreover, domestic SAFEX wheat prices are projected to be higher due to the volatile currency and higher international prices (BFAP, 2013), while crop developments in the US will continue to influence price direction for oilseeds in the medium term (FNB, 07 June 2013)

2.8.2 Fruit and vegetable market review

Table B.2 shows quarterly average prices of various fruits that were traded at Fresh Produce Markets (FPMs) during the second quarters of 2011, 2012 and 2013.

Between the second quarter of 2012 and the second quarter of 2013, the average prices of avocados, pears and grapes increased by 18%, 10% and 52% respectively, due to reduced quantities supplied to markets. The significant rise in the average price of grapes is based on conditions that the expansion of the table grape industry is restricted as a result of rising input costs that exceeded inflation, but also due to uncertainty resulting from the violent labour strikes in the industry towards the end of 2012 (BFAP, 2013). Meanwhile, during the same period; the average prices of apples, bananas and oranges increased by 9%, 13% and 14% respectively, despite an increase in quantities supplied to markets, while the average price of mangoes decreased by 3% even though there was a reduction in the quantities supplied to markets.

The quantity of selected fruits traded through FPMs decreased significantly between the second quarter of 2012 and the second quarter of 2013, except for apples, bananas and oranges which increased by less than one percent, 3% and 1% respectively. Since 2008, the packed volume of oranges increased by an average of 2% per annum (NAMC, January 2013) while the area planted to bearing apple trees

is projected to continue its upward trend, increasing by 470 hectares in 2012 (ARC, March 2012). During the period under review, the quantities of avocados, pears, mangoes and grapes decreased by 14%, 2%, 53% and 34% respectively.

Prices of a number of vegetables traded through the FPMs increased significantly between the second quarter of 2012 and the second quarter of 2013. The prices of beetroot, carrots, cucumber, onions, tomatoes, cabbage and green beans increased by 91%, 36%, 8%, 77%, 18%, 28% and 20% respectively (Table B.4), due to a significant reduction in quantities supplied across markets (FNB, 17 May & 21 June 2013). During the same period, the prices of lettuce, potatoes and spinach increased by 1%, 25% and 8% respectively, despite an increase in quantities supplied to markets. Meanwhile, the average price of sweet potatoes decreased by 9% due to an increase in quantities supplied across markets.

During the period under review, quantities of most vegetables traded through FPMs decreased significantly; with the quantities of beetroot, carrots, cucumber, onions, tomatoes, cabbage and green beans decreasing by 16%, 6%, 27%, 12%, 4%, 8% and 10% respectively. During the same period, the quantities of lettuce, potatoes, spinach and sweet potatoes increased by 3%, 1%, less than a percentage and 34% respectively.

2.8.3 Meat Industry Review

World meat production is expected to grow marginally in 2013, an increase of 1,4% compared with 2012. Meanwhile, producers in many countries continue to struggle against high feed costs (FAO, 2013).

Domestically, high feed grain prices due to difficult weather conditions have not matched similar increases in meat prices, diminishing producer margins significantly (BFAP, 2013). Meanwhile, beef prices are expected to trade upwards in the medium-term due to lower supplies because of drought and poor grazing in the Central and Northwest regions (Absa, 03 May 2013).

Between the second quarter of 2012 and the second quarter of 2013, the gross production value of beef increased marginally, from about R4,0 billion to R4,1 billion. During the same period, the average price of beef increased by 5% from R25,55/kg to R26,81/kg. Meanwhile, the number of cattle slaughtered increased marginally between the second quarter of 2012 and the second quarter of 2013; from 548 932 to 550 259 (Table B.6).

Domestically, with the import parity price of imported whole birds still trading below the domestic price for whole frozen chicken, the trend may continue (BFAP, 2013). However, the International Trade Commission (Itac)'s latest move to hit poultry importers with an 80% price increase on imported chicken is projected to get right into the pots of the poor. Rainbow, Astral, Sovereign and Country Bird as well as other members of the South African Poultry Association persuaded Itac to hit importers by raising duties. Consumers are now expected to pay up to 50% more for chicken as a result of this decision (Absa, 26 April 2013).

Between the second quarter of 2012 and the second quarter of 2013, the gross production value of poultry increased by 16% from R6,9 billion to R8,0 billion. During the same period, the average price of poultry per ton increased by 10% from R18 517/ton to R20 340/ton. Total production of poultry increased by 5% from 372 166 metric tons to 392 metric tons between the second quarter of 2012 and the second quarter of 2013 (Table B.7).

2.8.4 Eggs and dairy Industry Review

2.8.4.1 Eggs

The domestic egg market has been volatile although it grew rapidly in recent years (BFAP, 2013). Experts from the International Egg Commission expect that within a few years, the production volume of eggs will be greater than that of beef and veal, assuming growth rates will remain fairly constant (FAO, 2010)

Between the second quarter of 2012 and the second quarter of 2013, the gross production value of eggs increased by 10% from R2,0 billion to R2,2 billion. Meanwhile, the average price per dozen of eggs increased by 10% from R9,30/ dozen to R10,21/dozen. Total production of eggs between the second quarter 2012 and the second quarter of 2013 increased marginally from 212,1 million dozens to 212,6 million dozens.

2.8.4.2 Milk

According to the Milk Producer's Organization (MPO), the international dairy industry faced some difficulties during the first half of 2012, with lower prices mainly caused by high production growth and weaker demand in developed countries. The weakening milk-to-feed price ratio and adverse climatic conditions resulted in a slowdown in production in the USA; while the international supply outlook deteriorated significantly since January 2013, mainly as a result of drought in New Zealand. Production estimates for 2013 were downwardly revised while producer prices reached new record levels. However, after a short adjustment period, prices increased again during June and July 2013 (MPO, August 2013)

Domestically, milk production slowed and is expected to continue to slow down due to high production costs. Production during the first seven months of 2013 recorded a marginal increase year-on-year and is expected to remain at the 2012 levels. Nevertheless, MPO anticipates a production recovery in spring or later in the year due higher producer prices (MPO, August 2013).

Between the second quarter of 2012 and the second quarter of 2013, the gross production value of milk increased by 4%, from R2,7 billion to R2,8 billion. During the same period, the average price per litre of milk increased by 4% from R3,55/ℓ to R3,70/ℓ. Total production of milk between the second quarter 2012 and the second quarter of 2013 decreased marginally, by 1% from 752,9 million litres to 747,9 million litres.

3. OUTLOOK OF THE AGRICULTURAL ECONOMY

3.1 Production

Weather conditions have tremendous impact on agricultural production as they influence planting decisions and crop yields. The National Agro-meteorological Committee (NAC)(2013), estimated that there will be enhanced probabilities for below-normal rainfall conditions over most of South Africa during the period spanning from September to December 2013. As we go into early summer, the forecasting system indicates elevated probabilities for above normal rainfall conditions for most of the country. Early summer predictions indicate warmer temperatures for the extreme north-east and southern coastal areas, but generally cooler temperatures for the mid-parts of South Africa.

Field Crops production: The 7th production forecast by the Crop Estimates Committee (CEC) indicates that total maize production for this year has been adjusted up from the previous forecast. Total maize production is expected to average 11 513 400 tons in 2013, compared to 11 394 800 tons estimated in the 6th production forecast of 2013. On a year-on-year basis, total maize production is expected to decline by 5%. The decline is attributed to a decline in white maize production, which is estimated to have decreased by 19,1% in 2013 compared to 2012.

The volume of sunflower and sorghum production is expected to increase by 8,5% and 14% respectively, in 2013 compared to 2012. Production of soybeans and dry beans is expected to increase by 21,1% and 26,2% respectively, in 2013 compared to 2012, while groundnuts production is expected to decline by 28,3%.

The first production forecast for winter cereals revealed that the tons expected for wheat and malting barley are expected to decline by 4,5% and 5,7% respectively. The production of canola is expected to increase by 43% due to a 70% increase in hectares allocated to the crop.

Horticultural production: According to the Bureau for Food and Agricultural Policy (BFAP), the area under potato production has been fluctuating between 50 000 and 54 000 hectares over the outlook period of 2013-2022 and estimations are of the area under production increasing by a further 15%.

The area planted to table grapes is expected to increase by an annual rate of 0,3% per annum over the next ten years, which is lower than the 1,7% increase in the previous decade. The area planted to table grapes is forecast to average 25 980 in 2013, which is 0,4% lower than the area estimate for 2012 (BFAP, 2013). The reason for the decline in hectares is due to, inter-alia, the increase in violent strikes by farm workers and high input costs resulting in reduced investments by producers.

According to Sawis (2013), an estimated 1 150,2 million liters of wine is expected to be produced in 2013 compared to 1 097,1 million litres in 2012. The area planted to bearing apple trees is expected to peak in 2014 at 20 216 hectares, while the area allocated to planting pears is expected to decline in the next ten years due to factors like the rising input costs and uncertainty due to violent strikes (BFAP, 2013).

Milk and Dairy Production: According to the Milk Producers Organization (MPO) (2013), 1 272 million litres of milk was produced in 2013 which is 0,2% less than in 2012. MPO estimates that production will probably remain low until spring 2013; and with significantly lower prices anticipated this year, production will increase only marginally. The FAO/OECD outlook estimates that milk and fresh dairy production in the country will increase by 1,5% and 1,2% respectively in 2013; from an estimated of 3,2 and 2,9 billion litres in 2012. BFAP estimates milk production to expand by 1% this year, with the marginal increase in production due to sluggish demand.

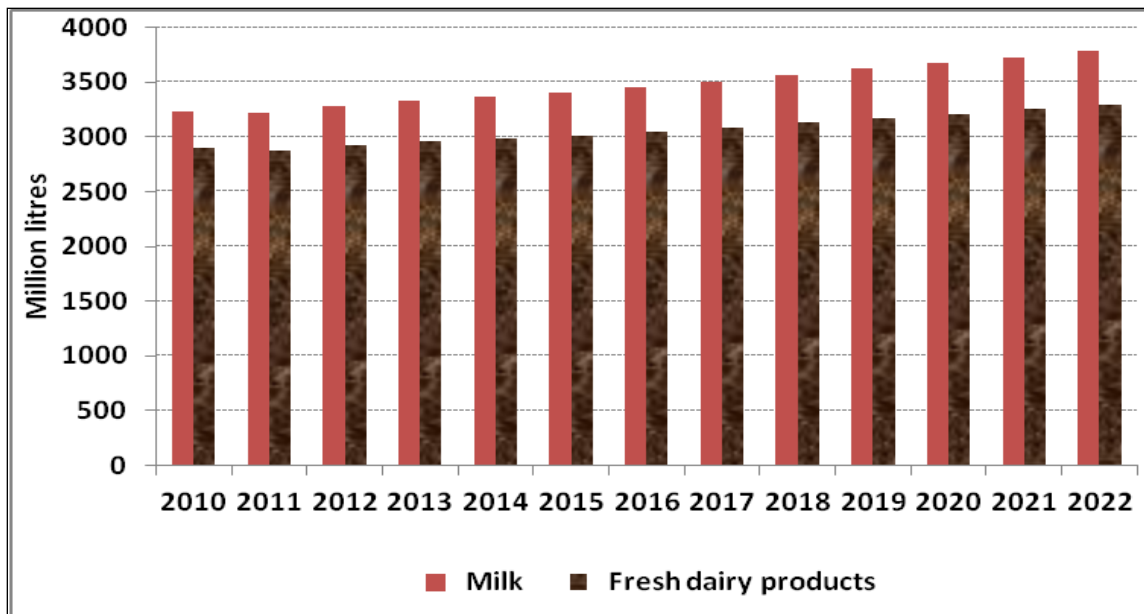


Figure 11: Dairy Products

Source: OECD-FAO

Growth in whole milk production is expected to decrease significantly over the next decade; with an annual growth rate of 3,1% compared to 8,5% in the past decade (BFAP,2013). Butter, cheese, skim milk and whole milk powder production is expected to grow by 0,8%; 4,6%; 3,3% and 0,7% respectively in 2013 compared to 2012 (Figure 12).

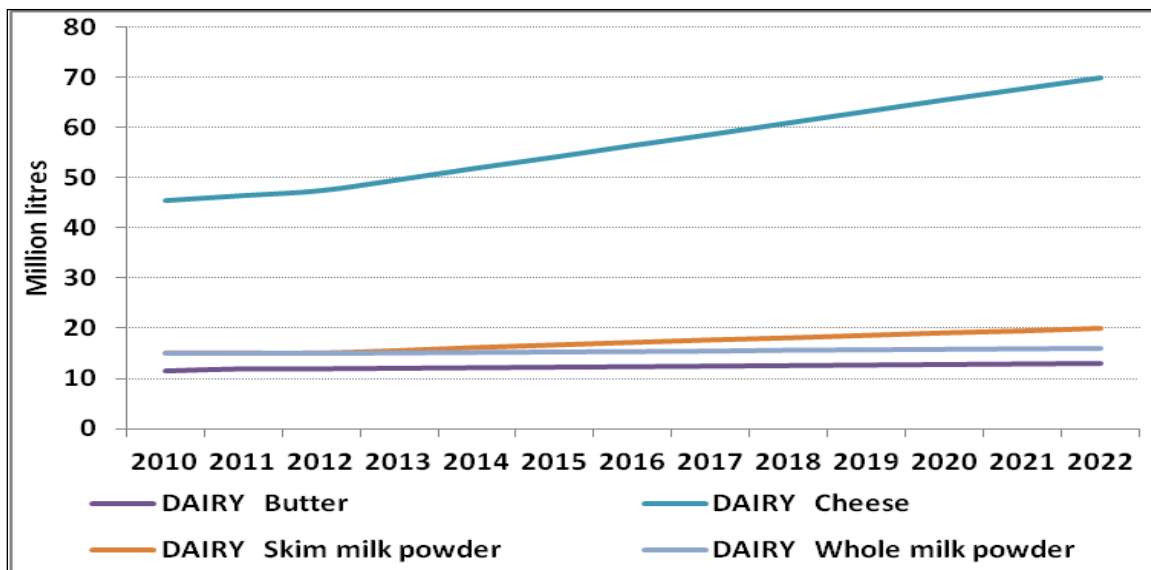


Figure 12: Dairy Products

Source: OECD-FAO

Meat production: Beef and calf production is expected to grow by 0,5% in 2013 compared to 2012, while poultry meat is expected to grow by 3,6% during the same period. The production of pig and sheep meat is expected to decline by 2,2% and 0,9% respectively in 2013 compared to 2012, but overall production is expected to grow over the next 10 years. Sheep meat production is expected to be under pressure in the next coming years. SA is expected to remain a net importer of chicken meat as annual growth in chicken production is outpaced by growth in consumption.

3.2 Employment

Statistics SA Census of agricultural households (2013), revealed that an estimated 2,88 million households in SA are involved in agriculture, this represents 19,9% of households in SA. In the second quarter of 2013 employment in the agricultural sector declined but on an annual basis it has increased. Industries which have a potential to increase employment in the SA agricultural sector based on fundamentals as presented by the BFAP and the OECD/FAO outlook are, the apples, fish production and sugar production industries.

Employment in the pears and table grapes industries might be hampered by the reduced investment in these industries due to the rising input costs and uncertainty.

Sheep meat production is expected to be under pressure in the next coming years and as a result employment might be affected in this sector. The chicken industry, which employs a significant number of people and indirectly contributes to employment in the soya and maize industry is also facing tough competition abroad. Milk production is expected to grow only marginally, which is expected to have a minimal impact on job creation.

Maize, sorghum, sunflower and soybeans might increase workers in the fourth quarter of 2013 during planting season, whilst; winter cereals might increase workers during the harvesting periods in the fourth quarter of 2013 as well.

3.3 Inflation

The food and non-alcoholic beverages price index averaged 6,8% which was unchanged between June and July 2013. During the second quarter of 2013, the price of white maize, wheat and sunflower increased by 0,5%; 0,2% and 2,6% respectively compared to the first quarter of 2013, whilst all other major grain prices declined during the same period. On a year-on-year basis, the prices of all major grains increased. The rise in white maize prices could be attributed to, inter-alia, the expected decline in yields due to drought in late 2012 and early 2013.

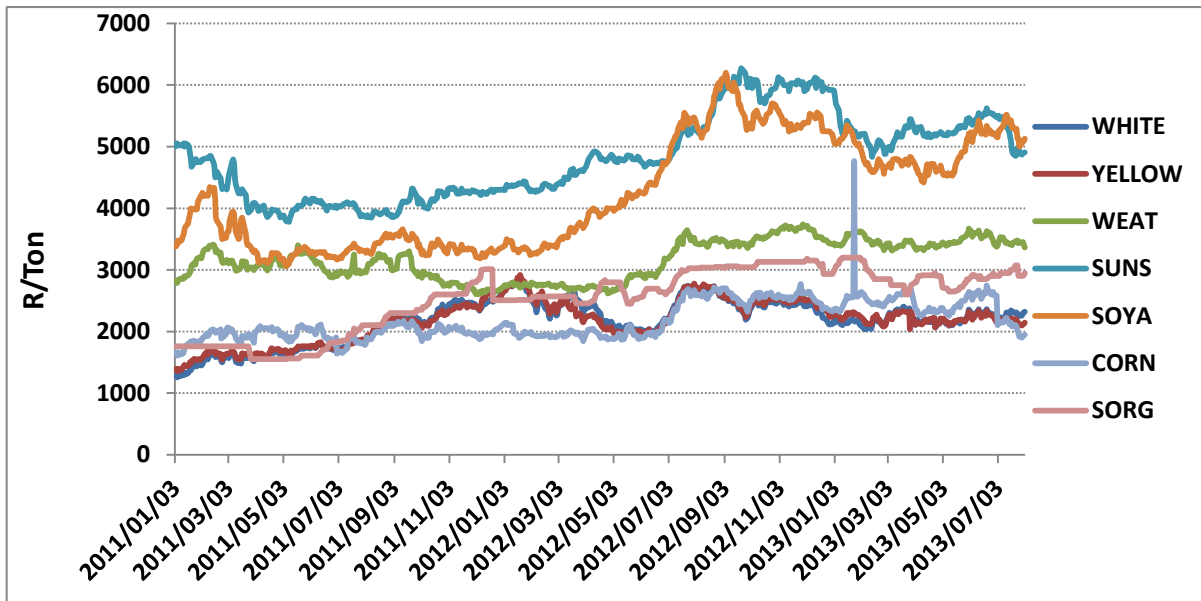


Figure 13: Grain Prices

Source: Safex

The above information points to a rise in the cereals and bread index as well as the oils and fats index which contribute to the food and non-alcoholic beverages index of the CPI. This rise may be expected in the third quarter of 2013, when incorporating the lag effects.

BFAP projects the price of fresh grapes to increase by 7% from R8 200/ton in 2012 to R8 795/ton in 2013. In the next coming ten years prices are expected to increase by an annual average rate of 7,4% compared to 8,4% during the previous decade.

According to BFAP, the season kicked off with relatively high apple prices due to supply shortages as a result of low carryover stocks. The average price of apples in

2013 is estimated at R5 780/ton, a 10% year-on-year increase despite large anticipated supplies. Pear prices increased by an average of 8% year-on-year in 2012 compared to 2011, averaging R4 840/ton. In 2013 prices are still expected to continue their upward movement, with expectations of prices increasing by 9% to average R5 260/ton.

3.4 Exchange rate

The Rand has weakened almost 18% so far this year, the worst performer among developing nations after India's rupee, according to data compiled by Bloomberg. The Rand is expected to be on the backfoot this year due to, inter-alia, the large current account deficit which is unlikely to improve much according to ABSA. The outlook for portfolio capital inflows is not as positive this year as it was in 2012 (ABSA, 2013), again in June, there was a further decline in gross reserves, to \$46,98 billion from \$48,15 billion, with the market consensus expecting a more moderate drop to \$47,60 billion (Investec, 2013).

News that the US Federal Reserve might reduce their stimulus spending sooner than initially expected will impact on emerging market currencies. ABSA expects the Rand to average R10,5 to the dollar, ending the year at R10,3 to the dollar.

The anticipated depreciation of the rand is expected to decrease import volumes of pork meat, which pose a greater threat to the domestic industry during periods of an appreciated rand (BFAP, 2013). The depreciation of the rand combined with the drought in the western production regions is also expected to boost white maize prices, despite the estimated decline in international white maize prices. A higher average wheat price is expected due to high international prices and the depreciation of the rand will boost local wheat prices.

Sunflower, soybeans and canola prices have benefited from the depreciated rand value despite softer international prices, and prices of these oil seed products are expected to be higher on average in 2013. One of the industries that has not benefited from the depreciated rand is the chicken industry. According to BFAP, the rand

depreciation in 2012 was insufficient to discourage a surge in lower international chicken imports in the country.

Overall the depreciation of the rand is expected to benefit local exports volumes, whilst; reducing imports of other products, but yet SA is not self-sufficient in the production of certain products as a result imports are still expected to balance local shortfalls.

4. CONCLUSION

As advanced economies continue to reduce their demand and spending, emerging market economies are beginning to feel the pinch of lower global demand and reduced capital inflows from advanced economies. Some advanced economies, particularly the US, are beginning to show signs of recovery after struggling to recover from the global economic recession. However, with the euro area still expected to remain in recession throughout 2013 and with weaker domestic demand coupled with slower growth in several key emerging market economies, global growth is projected to remain subdued in 2013. Growth in Sub-Saharan Africa, which relies heavily on capital inflows, is also expected to remain low. The SA economy fared well in the second quarter of 2013 and economic growth in South Africa is expected to remain positive throughout 2013 although there are various downside risks, such as the labour unrests in the mining industry, which may negatively impact on the country's economic growth. The agriculture, forestry and fishing sector showed signs of the lag effects of production disruptions last year which resulted from strikes by farm workers. However, as an export-oriented sector, the agriculture, forestry and fishing sector is expected to be boosted by the weak rand.

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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	Maintenance and repair of machinery and implements	Fertilizers	Packing material	Seeds and plants	Farm feeds	Insurance	Water tax	Other	Total
2 nd Qtr 2011	3 303	900	3 013	1 048	370	1 466	1 256	1 958	1 506	4 457	375	216	43	201 289
2 nd Qtr 2012	3 907	1 017	3 420	1 226	411	1 716	1 337	2 428	1 778	4 820	420	248	45	229 950
2 nd Qtr 2013	4 135	1 119	3 608	1 336	456	1 887	1 420	2 598	2 097	5 214	470	286	42	248 942
2 nd Qtr 2011 to 2 nd Qtr 2012	18.3%	13.0%	13.5%	17.0%	11.1%	17.1%	6.4%	24.0%	18.1%	8.1 %	12.0%	14.8%	4.7%	14.2%
2 nd Qtr 2012 to 2 nd Qtr 2013	5.8%	10.0%	5.5%	9.0%	10.9%	10.0%	6.2%	7.0%	17.9%	8.2 %	11.9 %	15.3%	-6.7%	8.3%

Source: DAFF

Table A.2: Nominal gross income from agricultural products between 2011 and 2013

Year	2011				2012				2013	2 nd Qtr 2011 to 2 nd Qtr 2012	2 nd Qtr 2012 to 2 nd Qtr 2013
	2 nd	3 rd	4 th	1 st	2 nd	3 rd	4 th	1 st	2 nd		
Real gross income from agricultural products (R billion)											
Field crops	12 472,88	14 130,61	7 630,95	2 589,71	21 568,60	12 367,85	8 396,48	3 655,11	24 867,79	72,9%	15,3%
Horticulture	11 675,99	10 115,90	8 224,64	9 564,60	12 633,18	10 816,31	9 114,51	11 498,36	13 696,65	8,2%	8,4%
Animal products	17 264,03	16 832,14	20 610,89	19 153,65	18 649,18	19 190,28	23 906,51	20 171,69	20 368,04	8,0%	9,2%
Total	41 412,91	41 078,65	36 466,48	31 307,96	52 850,96	42 374,45	41 417,50	35 325,17	58 932,48	27,6%	11,5%

Source: DAFF

Table A.3: Private consumption expenditure on food between 2011 and 2013

	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
2 nd Qtr 2011	30 383	24 594	1 666	10 094	2 136	3 517	9 317	2 761	81 71	92 639
3 rd Qtr 2011	30 269	27 404	1 782	11 519	2 435	3 463	10 112	2 939		98 622
4 th Qtr 2011	35 132	27 534	1 785	12 424	2 210	3 835	10 688	3 163	9 361	106 132
1 st Qtr 2012	32 554	27 762	1 363	11 520	2 098	3 574	9 953	3 001	8 882	100 708
2 nd Qtr 2012	32 696	28 679	1 633	11 691	2 052	3 667	9 701	3 045	9 012	102 176
3 rd Qtr 2012	32 914	31 159	1 776	13 013	2 275	3 681	10 714	3 228	9 553	108 314
4 th Qtr 2012	38 279	30 417	1 783	14 393	2 698	3 789	13 277	3 536	10 464	118 636
1 st Qtr 2013	35 541	27 379	1 213	12 468	2 363	3 751	11 860	3 196	9 457	107 228
2 nd Qtr 2013	35 736	29 809	1 602	12 485	2 533	3 894	11 962	3 312	9 802	111 135
2 nd Qtr 2012 to 2 nd Qtr 2013	9,3%	3,9%	-1,9%	6,8%	23,4%	6,2%	23,3%	8,8%	8,8%	8,8%

Source: DAFF

Table A.4: Export values of agricultural products by destination between 2010 and 2013

	2 nd Qtr 2010	2 nd Qtr 2011	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013
	Export values by destination (R millions)				Export value as % of total export value		Cumulative %	
Total	12 294	13 254	12 990	17 286	-	-	-	-
United Kingdom	1 222	1 130	1 294	1 677	10%	10%	10%	10%
Netherlands	1 313	1 514	1 101	1 602	8%	9%	18%	19%
Zimbabwe	825	844	1 073	1 306	8%	8%	27%	27%
Japan	454	372	389	1 288	3%	7%	30%	34%
Mozambique	1 158	597	636	870	5%	5%	35%	39%
Angola	263	386	477	641	4%	4%	38%	43%
China	371	435	493	601	4%	3%	42%	46%
Taiwan	39	39	50	554	0%	3%	42%	49%
Germany	516	466	486	542	4%	3%	46%	53%
Russia	378	522	375	532	3%	3%	49%	56%

Source: South African Revenue Service

Table A.5: Export values of agricultural products by product between 2010 and 2013

	2 nd Qtr 2010	2 nd Qtr 2011	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013
	Export values by product (R millions)				Export value as % of total export value		Cumulative %	
Total	12 294	13 254	12 990	17 286	-	-	-	-
Corn (Maize), Other Than Seed Corn	234	1 238	720	1 874	6%	11%	6%	11%
Apples, Fresh	767	884	1 057	1 756	8%	10%	14%	21%
Wine, Fr Grape Nesoi & Gr Must W Alc, Nov 2 Liters	1 062	917	901	1 186	7%	7%	21%	28%
Oranges, Fresh	769	1 012	950	933	7%	5%	28%	33%
Grapefruit, Fresh Or Dried	441	621	593	843	5%	5%	32%	38%
Wine, Fr Grape Nesoi & Gr Must With Alc, Nesoi	380	384	445	768	3%	4%	36%	43%
Lemons And Limes, Fresh Or Dried	411	357	390	639	3%	4%	39%	46%
Wool, Not Carded Or Combed, Greasy, Shorn	307	569	469	579	4%	3%	43%	50%
Mandarins (Inc Tanger Etc) & Citrus Hybr Fr Or Dri	414	451	480	567	4%	3%	46%	53%
Avocados, Fresh Or Dried	157	124	248	363	2%	2%	48%	55%

Source: South African Revenue Service

Table A.6: Import values of agricultural products by exporting country between 2010 and 2013

	2 nd Qtr 2010	2 nd Qtr 2011	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013
	Import values by exporting country (R millions)				Import value as % of import value		Cumulative %	
Total	7 502	9 636	10 622	12 095	-	-	-	-
Argentina	724	1,523	1,264	1,138	12%	9%	12%	9%
China	457	497	876	1,092	8%	9%	20%	18%
Netherlands	443	314	508	886	5%	7%	25%	26%
Brazil	698	718	858	854	8%	7%	33%	33%
United Kingdom	446	510	529	759	5%	6%	38%	39%
Indonesia	314	404	495	662	5%	5%	43%	45%
India	236	300	470	654	4%	5%	47%	50%
United States	407	882	522	595	5%	5%	52%	55%
Germany	596	491	468	533	4%	4%	56%	59%
Thailand	442	540	565	512	5%	4%	62%	64%

Source: South African Revenue Services

Table A.7: Import values of agricultural products by product between 2010 and 2013

	2 nd Qtr 2010	2 nd Qtr 2011	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013
	Import values by product (R millions)				Import value as % of import value		Cumulative %	
Total	7 502	9 636	10 622	12 095	-	-	-	-
Rice, Semi- Or Wholly Milled, Polished Etc Or Not	515	537	1 185	1 406	11%	12%	11%	12%
Palm Oil, Refined But Not Chemically Modified	446	622	828	826	8%	7%	19%	18%
Chicken Cuts And Edible Offal (Inc Livers), Frozen	306	356	548	714	5%	6%	24%	24%
Soybean Oilcake & Oth Solid Residue, Wh/Not Ground	370	780	602	670	6%	6%	30%	30%
Whiskies	398	400	358	492	3%	4%	33%	34%
Food Preparations Nesoi	223	248	287	397	3%	3%	36%	37%
Soybean Oil, Refined, And Fractions, Not Modified	318	318	414	332	4%	3%	40%	40%
Meat Of Swine, Nesoi, Frozen	105	150	161	271	2%	2%	41%	42%
Sunflower-Seed Or Safflower Oil, Crude, Fract, Etc	185	44	544	249	5%	2%	46%	44%
Meat & Offal Of Chickens, Not Cut In Pieces, Frozen	106	192	173	227	2%	2%	48%	46%

Source: South African Revenue Services

Table A.8: Export values of fish and seafood by destination between 2010 and 2013

	2 nd Qtr 2010	2 nd Qtr 2011	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013
	Export values by destination (R millions)				Export value as % of total export value		Cumulative %	
Total	527	623	339	273	-	-	-	-
United States	41	42	28	56	8%	21%	8%	21%
Italy	83	99	54	35	16%	13%	24%	33%
Australia	6	14	28	25	8%	9%	32%	42%
Germany	15	21	11	22	3%	8%	36%	51%
Japan	21	22	29	22	9%	8%	44%	59%
Spain	116	132	47	21	14%	8%	58%	66%
Netherlands	1	5	17	17	5%	6%	63%	73%
Mauritius	16	9	8	12	2%	4%	65%	77%
Angola	30	16	1	10	0%	4%	66%	81%
Greece	11	17	6	10	2%	4%	68%	84%

Source: South African Revenue Services

Table A.9: Export values of fish and seafood by product between 2010 and 2013

	2 nd Qtr 2010	2 nd Qtr 2011	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013
	Export values by product (R millions)				Export value as % of total export value		Cumulative %	
Total	527	623	339	273	-	-	-	-
Rock Lobster And Other Sea Crawfish, Frozen	48	53	61	84	18%	31%	18%	31%
Fish, Prepared Or Preserved, Whole Or Pieces Nesoi	18	44	45	49	13%	18%	31%	49%
Cuttle Fish & Squid, Froz, Dri, Salted Or In Brine	103	117	43	47	13%	17%	44%	66%
Fish, Prepared Or Preserved, Nesoi	3	11	34	29	10%	11%	54%	77%
Sardines/Sardinella/Brisling Prep/Pres, Not Minced	11	7	10	10	3%	4%	57%	80%

Source: South African Revenue Services

Table A.10: Import values of fish and seafood by exporting country between 2010 and 2013

	2 nd Qtr 2010	2 nd Qtr 2011	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013
	Import values by exporting country (R millions)				Import value as % of import value		Cumulative %	
Total	346	259	383	490	-	-	-	-
Thailand	170	103	261	375	68%	77%	68%	77%
China	30	42	33	46	9%	9%	77%	86%
Norway	14	18	11	17	3%	3%	80%	89%
United States	5	10	9	12	2%	2%	82%	92%
Peru	9	5	3	6	1%	1%	83%	93%
Portugal	2	3	2	5	1%	1%	83%	94%
Taiwan	4	4	3	4	1%	1%	84%	95%
United Kingdom	2	3	8	4	2%	1%	86%	96%
Indonesia	9	2	4	2	1%	0%	87%	96%
Poland	1	0	0	2	0%	0%	87%	97%

Source: South African Revenue Services

Table A.11: Import values of fish and seafood by product between 2010 and 2013

	2 nd Qtr 2010	2 nd Qtr 2011	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013
	Import values by product (R millions)				Import value as % of import value		Cumulative %	
Total	346	259	383	490	-	-	-	-
Sardines/Sardinella/Brisling Prep/Pres, Not Minced	126	60	179	346	47%	71%	47%	71%
Tunas/Skipjack/Bonito Prep/Pres Not Minced	49	51	98	76	26%	16%	72%	86%
Cuttle Fish & Squid, Froz, Dri, Salted Or In Brine	44	33	48	20	13%	4%	85%	90%
Atlantic Salmon and Danube Salmon, frozen	0	0	8	15	2%	3%	87%	93%
Salmon, Prepared Or Preserved, Whole Or Pieces	5	4	0	12	0%	2%	87%	96%

Source: South African Revenue Services

Table A.12: Export values of forestry products by destination between 2010 and 2013

	2 nd Qtr 2010	2 nd Qtr 2011	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013
	Export values by destination (R millions)				Export value as % of total export value		Cumulative %	
Total	2 337	2 282	2 395	2 693	-	-	-	-
Indonesia	562	399	483	546	20%	20%	20%	20%
China	159	263	302	362	13%	13%	33%	34%
India	58	69	147	206	6%	8%	39%	41%
Zimbabwe	124	142	139	184	6%	7%	45%	48%
United Kingdom	151	151	111	154	5%	6%	49%	54%
Thailand	167	152	128	150	5%	6%	55%	59%
Mozambique	73	79	90	114	4%	4%	58%	64%
United States	33	38	42	89	2%	3%	60%	67%
Belgium	39	77	101	82	4%	3%	64%	70%
Zambia	56	59	83	81	3%	3%	68%	73%

Source: South African Revenue Services

Table A.13: Export values of forestry by product between 2010 and 2013

	2 nd Qtr 2010	2 nd Qtr 2011	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013
	Export values by product (R millions)				Export value as % of total export value		Cumulative %	
Total	2 337	2 282	2 395	2 693	-	-	-	-
Chemical Woodpulp, Dissolving Grades	1104	1129	1188	1421	50%	53%	50%	53%
Kraftliner, Uncoated, Bleached, In Rolls Or Sheets	346	357	413	348	17%	13%	67%	66%
Chem Woodpulp, Soda Etc, N Dis S BI & BI Nonconif	262	220	132	183	6%	7%	72%	72%
Cartons, Boxes & Cases Corrugated Paper & Paperbd	44	52	58	81	2%	3%	75%	75%
Newsprint, In Rolls Or Sheets	84	70	69	68	3%	3%	78%	78%

Source: South African Revenue Services

Table A.14: Import values of forestry products by exporting country between 2010 and 2013

	2 nd Qtr 2010	2 nd Qtr 2011	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013
	Import values by exporting country (R millions)				Import value as % of import value		Cumulative %	
Total	1 473	1 587	1 553	1 925	-	-	-	-
China	208	220	253	284	16%	15%	16%	15%
United Kingdom	185	214	200	241	13%	13%	29%	27%
United States	189	195	196	233	13%	12%	42%	39%
Germany	117	148	153	163	10%	8%	52%	48%
Sweden	58	73	82	123	5%	6%	57%	54%
Austria	10	27	29	95	2%	5%	59%	59%
Italy	34	45	46	76	3%	4%	62%	63%
Australia	22	48	33	73	2%	4%	64%	67%
France	42	56	56	65	4%	3%	67%	70%
Finland	39	48	56	55	4%	3%	71%	73%

Source: South African Revenue Services

Table A.15: Import values of forestry by product between 2010 and 2013

	2 nd Qtr 2010	2 nd Qtr 2011	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2012	2 nd Qtr 2013
	Import values by product (R millions)				Import value as % of import value		Cumulative %	
Total	1 473	1 587	1 553	1 925	-	-	-	-
Printed Books, Brochures, Etc., Nesoi	273	300	323	370	21%	19%	21%	21%
Chemical Woodpulp, Soda Etc. N Dis S BI & BI Conif	116	67	75	118	5%	6%	26%	27%
Paper, Paperbd, Cellulose Wadd Etc, Coat Etc Nesoi	43	70	89	99	6%	5%	31%	32%
Ppr/Pbrd Ex Lit-Wgh Writng Etc Clay Ctd Ov 10% Mec	83	76	91	86	6%	4%	37%	37%
Sack Kraft Paper Uncoated Unbleached, Rolls/Sheets	16	24	39	82	3%	4%	40%	41%

Source: South African Revenue Services

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

	April 2012	May 2012	June 2012	2 nd Qtr 2012	April 2013	May 2013	June 2013	2 nd Qtr 2013	2 nd Qtr 2012 to 2 nd Qtr 2013 % change
	Volumes (1000 tons)								
White maize opening stock*	798	518	1 403	906	1 098	757	1 430	1 095	21%
Yellow maize opening stock*	478	476	1 480	811	874	660	1 760	1 098	35%
Total maize opening stock*	1 276	994	2 883	1 718	1 972	1 417	3 190	2 193	28%
White maize processed for local consumption	389	421	354	1 164	465	445	384	1 294	11%
Yellow maize processed for local consumption	295	360	370	1 025	313	361	336	1 010	-1%
Total maize processed for local consumption	684	781	724	2 189	778	806	720	2 304	5%
Total white maize exports	65	61	207	333	97	98	61	256	-23%
Total yellow maize exports	11	14	15	40	210	167	253	630	1475%
Total maize exports	76	75	222	373	307	265	314	886	138%
Wheat opening stock: human market*	1 533	1 397	1 206	1 379	1 588	1 395	1 137	1 373	-0.4%
Wheat opening stock: feed market*	15	12	8	12	4	4	4	4	-66%
Wheat opening stock*	1 548	1 409	1 214	1 390	1 592	1 399	1 141	1 377	-1%
Wheat consumption: human consumption	237	260	255	752	246	267	237	750	-0.3%
Wheat consumption: animal feed	16	11	1	28	3	3	3	9	-68%
Total wheat consumption	257	273	257	787	251	272	241	764	-3%
Wheat imports (for human consumption only)	115	91	62	268	63	22	61	146	-46%
Wheat exports	14	21	30	65	23	28	29	80	23%
Average opening sunflower stock*	87	146	321	185	147	249	361	252	37%
Sunflower seed imports	0.3	1.6	1.3	3.2	0	0	0.2	0	-95%
Total processed sunflower for consumption	44	62	69	175	53	65	56	174	-1%
Average soya bean opening stock*	175	422	542	380	81	397	604	361	-5%
Soya bean consumption	48	59	53	160	56	60	72	188	18%
	Market prices (R/ton)								
White maize	2 293	2 059	2 055	2 136	2 155	2 169	2 293	2 206	3%
Yellow maize	2 159	2 000	2 025	2 061	2 153	2 178	2 268	2 200	7%
Wheat	2 697	2 805	2 967	2 823	3 371	3 479	3 563	3 471	23%
Sunflower	4 819	4 806	4 733	4 786	5 219	5 280	5 496	5 332	11%
Soya bean	3 921	4 128	4 454	4 168	4 606	4 755	5 251	4 871	17%

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

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

	Average prices at FPM (R/ton)			Percentage changes	
	2 nd Qtr	2 nd Qtr	2 nd Qtr	2 nd Qtr 2011 to	2 nd Qtr 2012 to
	2011	2012	2013	2 nd Qtr 2012	2 nd Qtr 2013
Apples	4 243	4 539	4 946	7%	9%
Avocados	6 181	5 567	6 571	-10%	18%
Bananas	4 095	4 512	5 107	10%	13%
Oranges	1 819	1 767	2 022	-3%	14%
Pears	4 120	4 459	4 926	8%	10%
Mangoes	8 337	7 389	7 201	-11%	-3%
Grapes	6 004	6 283	9 526	5%	52%

Source: DAFF

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

	Total quantities sold at FPM (1000 tons)			Percentage changes	
	2 nd Qtr	2 nd Qtr	2 nd Qtr	2 nd Qtr 2011 to	2 nd Qtr 2012 to
	2011	2012	2013	2 nd Qtr 2012	2 nd Qtr 2013
Apples	41 597	43 649	43 856	5%	0%
Avocados	6 049	7 923	6 819	31%	-14%
Bananas	53 587	49 382	51 019	-8%	3%
Oranges	54 437	55 221	55 519	1%	1%
Pears	12 922	13 565	13 266	5%	-2%
Mangoes	330	868	405	163%	-53%
Grapes	6509	7 765	5 106	19%	-34%

Source: DAFF

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

	Average prices at FPM (R/ton)			Percentage changes	
	2 nd Qtr	2 nd Qtr	2 nd Qtr	2 nd Qtr 2011 to	2 nd Qtr 2012 to
	2011	2012	2013	2 nd Qtr 2012	2 nd Qtr 2013
Beetroot	2 672	2 440	4 655	-9%	91%
Carrots	3 408	2 606	3 533	-24%	36%
Cucumber	2 214	3 602	3 890	63%	8%
Lettuce	5 365	3 526	3 555	-34%	1%
Onions	2 821	2 694	4 759	-5%	77%
Potatoes	2 469	2 438	3 036	-1%	25%
Spinach	4 613	3 521	3 797	-24%	8%
Tomatoes	5 004	4 363	5 148	-13%	18%
Cabbage	1 445	1 960	2 500	36%	28%
Green beans	5 729	6 105	7 322	7%	20%
Sweet potatoes	2 208	2 485	2 264	13%	-9%

Source: DAFF

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

	Total quantities sold at FPM (1000 tons)			Percentage changes	
	2 nd Qtr 2011	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2011 to 2 nd Qtr 2012	2 nd Qtr 2012 to 2 nd Qtr 2013
Beetroot	8 424	9 732	8 157	16%	-16%
Carrots	21 713	26 668	25 081	23%	-6%
Cucumber	106	106	77	0%	-27%
Lettuce	5 263	5 671	5 844	8%	3%
Onions	85 391	90 743	80 034	6%	-12%
Potatoes	248 088	263 765	265 536	6%	1%
Spinach	2 002	2 950	2 964	47%	0%
Tomatoes	56 426	65 729	62 906	16%	-4%
Cabbage	28 138	25 840	23 818	-8%	-8%
Green beans	3 211	3 228	2 907	1%	-10%
Sweet potatoes	7 816	8 281	11 123	6%	34%

Source: DAFF

Table B.6: Beef

	Units	2 nd Qtr 2011	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2011 to 2 nd Qtr 2012	2 nd Qtr 2012 to 2 nd Qtr 2013
Gross value	R'000	4 119	4 056	4 079	-2%	1%
Average price	R/kg	25,94	25,55	26,81	-2%	5%
Total slaughtering	Heads	561 239	548 932	550 259	-2%	0%

*Heads refer to the number of cattle slaughtered

Source: DAFF

Table B.7: Poultry

	Units	2 nd Qtr 2011	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2011 to 2 nd Qtr 2012	2 nd Qtr 2012 to 2 nd Qtr 2013
Gross value	R'000	6 281	6 891	7 978	10%	16%
Average price	R/Mt	17 013	18 517	20 340	9%	10%
Total Production	Mt	369 189	372 166	392 214	1%	5%

Source: DAFF

Table B.8: Eggs

	Units	2 nd Qtr 2011	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2011 to 2 nd Qtr 2012	2 nd Qtr 2012 to 2 nd Qtr 2013
Gross value	R'000	1 814	1 972	2 170	9%	10%
Average price	R/dozen	8,91	9,30	10,21	4%	10%
Total Production	1000 dozen	203 580	212 060	212 593	4%	0%

Source: DAFF

Table B.9: Milk

	Units	2 nd Qtr 2011	2 nd Qtr 2012	2 nd Qtr 2013	2 nd Qtr 2011 to 2 nd Qtr 2012	2 nd Qtr 2012 to 2 nd Qtr 2013
Gross value	R'000	2 225	2 673	2 767	20%	4%
Average price received by farmers	R/litre	2,89	3,55	3,70	23%	4%
Total Production	1000 liter	769 053	752 864	747 945	-2%	-1%

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>