

## SECTOR TRADE PERFORMANCE REVIEW (STPR)

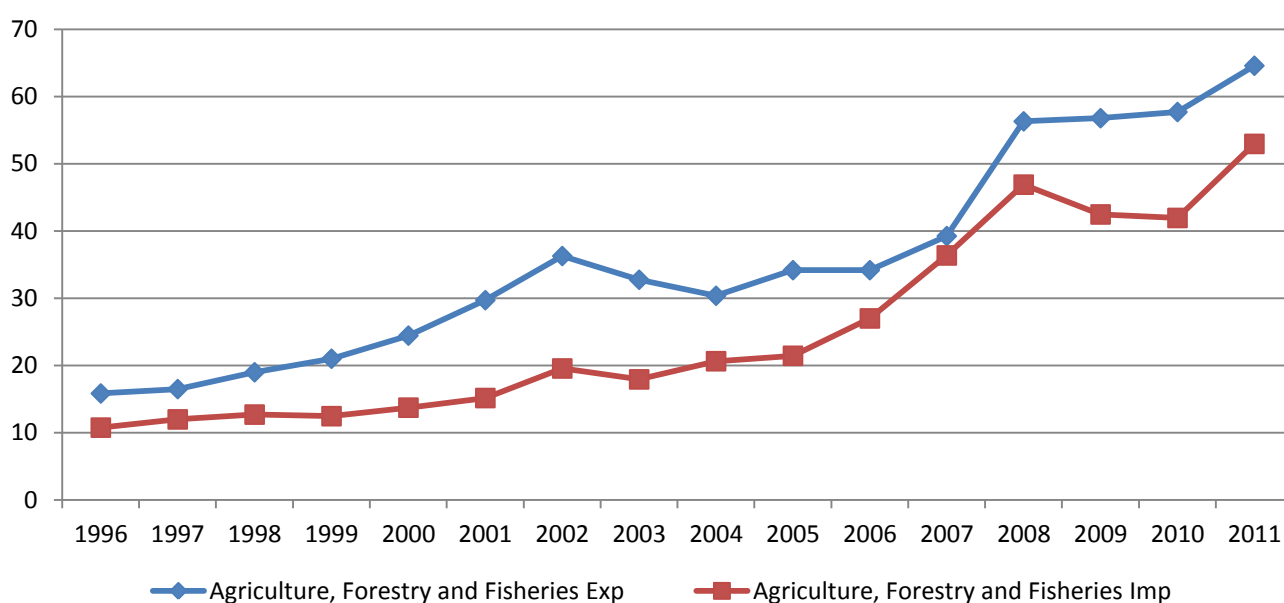
### SOUTH AFRICA'S AGRICULTURAL, FORESTRY AND FISHERIES TRADE PERFORMANCE: 2011

#### PURPOSE

The purpose of these briefings is to inform stakeholders of the status of South Africa's agricultural, forestry and fisheries trade performance on a quarterly and annual basis by analysing trade flows.

#### Overview of South Africa's agricultural, forestry and fisheries trade performance: 1996 to 2011.

(Figures in Billions of RSA Rand)



#### Key observations during the period considered above:

##### Observations on exports

- SA is a net exporter of agriculture, forestry and fisheries (AFF) products.
- SA is a net exporter of primary agricultural products.
- SA's exports of sugar declined by 38 and 16% in value terms during 2010 and 2011 respectively.
- Exports of Cereals experienced a high growth (153%) during 2011.
- Fruits and Nuts constitute the largest sub-sector export by value in SA's agriculture, forestry and fisheries total exports.
- The Netherlands is SA's largest export destination for agricultural, forestry and fisheries exports by value.

##### Observations on imports

- South Africa is a net importer of processed agricultural products.
- Paper and Paperboards is the largest sub-sector imports in SA's total AFF imports
- Cereals and Meat imports grew with the highest rate; 63 and 50% respectively, during 2011.
- Imports of Meat and Fish preparations declined by 8% in value terms during 2011.
- Most of SA's AAF imports originate from Argentina.

1. **Analysis of South Africa's major agricultural, forestry and fisheries export markets and product drivers during the period 2010 and 2011**

**Table 1. South Africa's top ten largest export destinations for agricultural, forestry and fisheries products by value during 2010 and 2011.**

2010			2011			
Top 10 export markets	Share in SA total agric exports	Export Value (Bill Rand)	Top 10 export markets	Share in SA total agric exports	Export value (Bill Rand)	Top 3 products exported into major markets
Netherlands	9%	5.2	Netherlands	9%	5.5	Grapes, Oranges & Grape Wines
United Kingdom	9%	4.1	United Kingdom	8%	5.0	Grape Wines, Grapes & Apples
Zimbabwe	7%	2.7	Zimbabwe	7%	4.7	Soybean Oils, Sunflower seeds & Oils, and Wheat
Mozambique	5%	2.5	China	5%	2.9	Wool, Wood Pulp & Grape Wines
Indonesia	4%	2.3	Mozambique	5%	2.9	Sugar, Maize & Soups and Broths
Germany	4%	2.0	Indonesia	5%	2.9	Wood Pulp, Grapes & Pears and Quinces
China	4%	2.3	Mexico	4%	2.8	Maize, Liqueurs & Cordials, and Grape Wines
United States of America	3%	1.9	Germany	3%	2.1	Grape Wines, Paper & Wood Pulp
Angola	3%	1.6	Korea, South	3%	2.0	Maize, Wood Pulp & Paper
Japan	3%	1.6	Angola	3%	1.9	Sugar, Maize & Beverages

**2.1 Export market analysis at country level during 2011:**

- Netherlands** remained stable as South Africa's largest export market for agricultural, forestry and fisheries products by value during both 2010 and 2011 calendar years. South Africa's agricultural, forestry and fisheries exports to the Netherlands increased by 5% in value terms between 2010 and 2011. However, its share in South Africa's total agricultural, forestry and fisheries exports remained constant at 9%. The top five products exported by South Africa to the Netherlands during 2011, constituting 60% of SA's total agricultural, forestry and fisheries exports to the Netherlands; were grapes, oranges, grape wines, pears & quinces and grapefruits. Exports of grapefruits and pears & quinces to the Netherlands increased substantially by 23% and 18% during 2011.
- United Kingdom** ranked the second largest export market for South Africa's agricultural, forestry and fisheries product during 2010 and 2011. South Africa's exports of these products to the United Kingdom declined by 2% between the two calendar years. The top five products that South Africa exported to the United Kingdom during 2011 were: grape wines, grapes, apples, mandarins, and oranges. Exports of these top five constituted 50% of SA's total agricultural, forestry and fisheries exports to the United Kingdom during 2011. Whilst exports of fresh grapes increased by 9%, exports of grape wines declined by almost 50% in value terms during 2011.

- **Zimbabwe** ranked the third largest export market for South Africa's agricultural, forestry and fisheries products and the first largest export market in Africa during 2011. Although its share in South Africa's total agricultural, forestry and fisheries exports remained stable at 7%, South Africa's exports to Zimbabwe increased by 14% in value terms between 2010 and 2011. South Africa's top five major exports to Zimbabwe during 2011 were: soybean oils, sunflower seeds and oils, wheat, food preparations and sugar. Exports of sugar and soybean oils to Zimbabwe increased exponentially by 275% and 192% respectively during 2011.
- South Africa's agricultural, forestry and fisheries exports to **China** increased substantially with 42% between 2010 and 2011. This increase contributed to China to become the fourth largest export market for South Africa during in 2011 after ranking the seventh during 2010. The top five major products exported by South Africa to China during 2011 were wool, wood pulp, grape wines, fish meal, and sheep skins. Exports of wood pulp and grape wines increased substantially by 143% and 111% respectively during 2011.
- **Mozambique** ranked the fifth largest export market for South Africa's agricultural, forestry and fisheries products and the second largest export market in Africa during 2011. South Africa's exports to Mozambique increased by 5% from R2.7 billion during 2010 to R2.9 billion during 2011. The top five major products exported by South Africa to Mozambique during 2011 were: sugar, maize, soups and broths, food preparations and milk. Exports of food preparations and milk increased substantially by 60% during 2011.

Table 2 below provides an indication of South Africa's growing and declining agricultural, forestry and fisheries export markets between 2010 and 2011 calendar years.

**Table 2 South Africa's growing and declining agricultural, forestry and fisheries export markets between 2010 and 2011 calendar years.**

Growing Export Markets			Top 3 products driving export growth & their individual growth percentage		
Ranking	Top 3 Growing Markets	Export Growth			
1	Mexico	17 655%	Maize (2 535%)	Wood Pulp (1 337%)	Vegetable Products (895%)
2	Korea, South	93%	Kraft liner Papers (348%)	Fish (231%)	Juices (27%)
3	China	42%	Grapefruits (231%)	Wood Pulp (143%)	Grape Wines (111%)
Shrinking Export Markets			Top 3 products driving total import shrinkage & their individual shrinkage percentage		
Ranking	Top 3 Shrinking Markets	Shrinkage percent			
1	Kenya	-33%	Maize (-99%)	Kraft liner Paper (-45%)	Newsprints (-39%)
2	Belgium	-30%	Tobacco (-97%)	Fresh Grapes (-92%)	Fresh Apples (-72%)
3	Saudi Arabia	-25%	Peaches (-40%)	Plums (-19%)	Mandarins (-9%)

Table 2 above indicates that, of all South Africa's agricultural, forestry and fisheries export markets, Mexico, South Korea and China were the fastest growing export markets between 2010 and 2011. Exports of maize to Mexico, kraftliner papers to South Korea and grapefruits to China registered the highest growth during 2011. The table further indicates that Kenya, Belgium and Saudi Arabia showed the highest negative growth during the same period with maize to Kenya, tobacco to Belgium and peaches to Saudi Arabia declining the most.

## 2.2 Export market analysis at sub-sector level during 2011:

**Table 3. South Africa's top 10 major agricultural, forestry and fisheries export sub-sectors by value during 2011. These constituted 87% of SA's total agricultural, forestry and fisheries exports during 2011.**

Sub-sector Description (HS Level 2)	Exported value 2011 (Bill Rand)	Sub-sector growth between 2010 & 2011	Top 3 products exported within the sub-sector	Top 3 export markets by value during 2011
Edible Fresh Fruits and Nuts	16.3	5%	Oranges Grapes Apples	Netherlands United Kingdom Russia
Beverages, Spirits and Vinegar	8.1	0%	Wines Liqueurs and Cordials Ethyl Alcohol	United Kingdom Germany Sweden
Wood Pulp	7.1	28%	Chemical Wood Pulp Non-Coniferous Wood Mechanical Wood Pulp	Indonesia China Thailand
Cereals	6.1	153%	Maize Rice Wheat	Mexico South Korea Italy
Paper and Paperboards	4.6	-2%	Kraft liner Uncoated Paper Newsprint	Zimbabwe Zambia Mozambique
Preserved Fruits and Vegetables	3.6	4%	Preserved Peaches Fruit Mixtures Grapefruit Juice	Japan Netherlands Germany
Fish and Seafood	3.5	7%	Fish Fillets Squid Crawfish	Spain Italy Hong Kong
Wood	2.7	2%	Wood Chips Door Frames Wood Charcoal	Japan United Kingdom Australia
Miscellaneous Food	2.2	25%	Soups & Broths Ice Cream Protein Concentrate	Zimbabwe Mozambique Nigeria
Sugars and sugar confectioneries	1.7	-16%	Sucrose Raw Sugar Glucose	Mozambique Angola Zimbabwe

- Edible Fruits and Nuts** has since 1996 to 2011 been the largest South Africa's export sub-sector by value. Exports of this sub-sector grew by 5% from R15.5 billion to R16.3 billion between 2010 and 2011. However, the share of this sub-sector in South Africa's total agriculture, forestry and fisheries exports decreased slightly from 27% to 25% between 2010 and 2011. The top five major products exported by South Africa within this sub-sector during 2011 were: oranges, grapes, apples, pears and lemons. These top five products accounted for 72% of the total sub-sector exports during 2011. Whilst exports of oranges declined

slightly by 2%, exports of lemons and apples grew substantially by 21% and 15% respectively between the two years observed. Netherlands, United Kingdom, Russia, Hong Kong and United Arab Emirates ranked the top five largest export markets for South Africa's edible fruits and nuts by value during 2011. Sub-sector exports to Hong Kong grew by 39% whilst exports to United Arab Emirates declined by 6% during 2011.

- **Beverages, spirits and vinegar** remained firm as South Africa's second largest sub-sector exports by value from 2006 to 2011. Exports of this sub-sector remained stable at around R8.0 billion during the past four years. The share of this sub-sector in South Africa's total agriculture, forestry and fisheries exports declined slightly from 14% to 13% between 2010 and 2011. This was due to an increase in total agriculture, forestry and fisheries exports to the world. Major products exported by South Africa within this sub-sector during 2011 were: grape wines, liqueurs and cordials, ethyl alcohol as well as mineral waters, together accounting for 88% of the total sub-sector exports. The United Kingdom, Germany, Sweden, Angola and Netherlands ranked the top five major export markets for South Africa's sub-sector exports by value during 2011. Sub-sector exports to the United Kingdom fell by 25% whilst exports into Angola grew by 16% during 2011.
- South Africa's exports of **Wood Pulp** increased substantially by 28% from R5.5 billion during 2010 to R7.1 billion in 2011. Major products exported by South Africa under this sub-sector were chemical wood pulp and non-coniferous wood representing 80% and 17% shares respectively within sub-sector during 2011. Indonesia, China, Thailand, India and South Korea ranked South Africa's top five major export markets for the sub-sector by value during 2011. Sub-sector exports into China, India and Indonesia grew substantially by 79%, 40% and 36% respectively during 2011.
- **Cereals** exports registered the highest growth during 2011. The sub-sector exports grew by 153% from R2.4 billion during 2010 to R6.1 billion in 2011. The share of cereals in South Africa's total sector exports also increased substantially from 4% to 10% between the two years under observation. This was mainly driven by exponential increase in exports of maize and maize seeds which increased by 120% between 2010 and 2011. Export of maize and maize seeds alone accounts for over 90% of the total sub-sector exports. Mexico, South Korea, Italy, Taiwan and Zimbabwe ranked the top five major South Africa's export markets for the sub-sector by value during 2011. The sub-sector exports to Mexico and South Korea represented 45% and 24% markets shares respectively during 2011.
- Exports of **Paper and Paperboards Products** ranked the fifth largest South Africa's sub-sector export by value during 2011. However, exports of this sub-sector declined by 2% from R4.7 billion during 2010 to R4.6 billion in 2011. The share of this sub-sector in South Africa's total agricultural, forestry and fisheries exports also declined from 8% to 7% share during 2010 and 2011 respectively. This was mainly driven by a decrease in exports of uncoated paper which declined by 30% between the two years. Zimbabwe, Zambia, Mozambique, United Kingdom and Nigeria ranked South Africa's top five major export markets for the sub-sector by value during 2011. Exports of this sub-sector to the United Kingdom and Nigeria declined by 20% and 25% respectively between the 2010 and 2011 whilst exports to Mozambique, Zimbabwe and Zambia increased by 25%, 13% and 14% respectively during the same period.

3. **Analysis of South Africa's major agricultural, forestry and fisheries import markets and product drivers between 2010 and 2011 calendar years.**

**Table 4. South Africa's top ten imports markets for agricultural, forestry and fisheries products by value between 2010 and 2011.**

2010			2011			
Top 10 import markets	Share in SA total agric imports	import Value (Bill Rand)	Top 10 import markets	Share in SA total agric imports	Import value (Bill Rand)	Top 3 products imported from major markets
Argentina	11%	4.4	Argentina	11%	5.7	Soybean Oils, Wheat and Sunflower Seeds & Oils
United Kingdom	7%	3.0	USA	8%	4.0	Whiskies, Books and Newspapers
Germany	7%	3.0	Brazil	7%	3.8	Chicken Meat, Sugar & Rice
China	7%	2.9	United Kingdom	7%	3.5	Whiskies, Books & Chicken Meat
Brazil	7%	2.8	Germany	6%	3.3	Soybean Oils, Wheat and Swine Meat
Thailand	7%	2.8	China	6%	3.3	Kidney Beans, Animal Offal's & Apple Juice
USA	7%	2.8	Thailand	5%	3.0	Rice, Dextrins (Starches) & Manioc (Cassava)
Malaysia	5%	1.9	Malaysia	4%	2.3	Palm & Kernel Oil, Cocoa Butter & Vegetable Fats & Oils
Indonesia	4%	1.6	Indonesia	4%	2.0	Palm & Kernel Oil, Wood Doors & Coffee
Netherlands	4%	1.5	Netherlands	4%	1.9	Soybean Oils, Chicken Meat & Dogs and Cat Foods

**3.1 Import market analysis at country level during 2010 and 2011 calendar years:**

- **Argentina** ranked South Africa's number one import market for agricultural, forestry and fisheries products during 2010 and 2011. Although its share in South Africa's total agricultural, forestry and fisheries imports remained stable at 11%, imports from Argentina increased by 29% between 2010 and 2011. This increase in total agricultural, forestry and fisheries imports from Argentina was largely driven by an increase in the imports of wheat which has grown by 2237% and to a lesser extent, imports of soybean oils which increased by 5% between 2010 and 2011.
- Imports of agricultural, forestry and fisheries products from **the United States of America** increased significantly during 2011. This led to USA becoming the second world's largest import market for South Africa by value during 2011, up from ranking the seventh during 2010. Its share in South Africa's total imports of agricultural, forestry and fisheries products also increased from 7% to 8% between 2010 and 2011. The growth in total agricultural, forestry and fisheries imports from the USA was mainly driven by an increase in imports of wheat and whiskies which grew by 122% and 21% between 2010 and 2011.

- Imports of agricultural, forestry and fisheries products from **Brazil** increased significantly by 44% from R2.8 to R3.8 billion during 2011. Its share in South Africa's total imports of agricultural, forestry and fisheries products remained firm at 7% during 2010 and 2011. This growth was mainly driven by an increase in imports of rice and sugar which grew by 1 899% and 372% respectively between 2010 and 2011. Imports of chicken meat, constituting more than 20% of the total agricultural, forestry and fisheries imports from Brazil, grew moderately by 2% during 2011.
- The **United Kingdom** ranked the fourth largest import market for South Africa's agricultural, forestry and fisheries products by value during 2011. Its share in South Africa's total imports of agricultural, forestry and fisheries products remained firm at 7% during 2010 and 2011. South Africa's total imports of agricultural, forestry and fisheries products from the United Kingdom grew by 17% between the two years observed. This growth was mainly driven by an increase in imports of whiskies and printed material which grew by 10% and 9% respectively during 2011.
- South Africa's total agricultural, forestry and fisheries imports from **Germany** increased slightly from R3.0 billion to R3.3 billion between 2010 and 2011 calendar years. However, Germany's market share in South Africa's total agricultural, forestry and fisheries imports decreased from 7 to 6% during the same period. This trend was mostly driven by decreases in imports of wheat which declined by 40% between the two years.
- None of the **African** countries appeared in South Africa's top ten import markets by value during both 2010 and 2011 calendar years.

Table 5 below provides an indication of South Africa's growing and declining agricultural, forestry and fisheries imports markets during 2010 and 2011.

**Table 5. South Africa's growing and shrinking agricultural, forestry and fisheries import source markets and products during 2010 and 2011 calendar years.**

Growing Import Markets			Top 3 products driving total import growth & their individual growth percentage		
Ranking	Top 3 Growing Markets	Growth percentage			
1	Australia	80%	Wheat (461%)	Coffee (386%)	Kraftliner Paper (252%)
2	Zimbabwe	56%	Cotton (179%)	Tobacco (60%)	Cotton Seeds (3%)
3	USA	44%	Wheat (122%)	Bovine Fats (29%)	Almonds Nuts (27%)
Shrinking Import Markets			Top products driving total import shrinkage & their individual shrinking percentage		
Ranking	Top 3 Shrinking Markets	Shrinkage percentage			
1	Cote d'Ivoire	- 53%	Cocoa Butter, Fats & Oils (-93%)		Cocoa Paste (-52%)
2	Colombia	- 35%	Fruit & Vegetable Juices (-86%)		Chewing Gums (-45%)
3	Uganda	-29%	Tobacco (-92%)		Live Plants (-81%)

Table 4 above indicates that, of all South Africa's agricultural, forestry and fisheries import markets, Australia, Zimbabwe and USA ranked the highest in terms of import growth between 2010 and 2011 calendar years. Imports of wheat from Australia and the USA as well as cotton from Zimbabwe registered the highest growth. Cote d'Ivoire, Columbia and Uganda declined significantly during the same period with cocoa butter, fats and oils from Cote d'Ivoire, fruits and vegetable juices from Columbia as well as tobacco from Uganda, declining the most.

### 3.2 Import market analysis at sub-sector level during 2011 calendar year:

**Table 6. South Africa's top 10 major agricultural, forestry and fisheries import sub-sectors by value during 2011. These constituted 83% of SA's total agricultural, forestry and fisheries imports during 2011.**

Sub-sector Description (HS Level 2)	Exported value 2011 (Bill Rand)	Sub-sector growth between 2010 & 2011	Top 3 products exported within the sub-sector	Top 3 export markets by value during 2011
Cereals	8.6	63%	Wheat Rice Barley	Thailand Argentina USA
Fats and Oils	7.9	29%	Palm Oils Soybean Oils Sunflower-seeds & Oils	Malaysia Indonesia Spain
Paper and Paperboards	7.6	9%	Sanitary Articles Paper Paperboards	Germany China Finland
Food Waste and Residues (Animal Feeds)	4.0	10%	Soybean Residues Dogs & Cats Food Cotton Seeds	Argentina Netherlands France
Meat and meat products	4.0	51%	Chicken Meat Turkey Meat Bovine Meat	Brazil Australia Germany
Beverages, Spirits and Vinegar	3.5	16%	Whiskies Mineral Waters Malt Beer	United Kingdom USA Ireland
Wood	2.4	19%	Coated Wood Wood Products Clothes Hangers	Malaysia China Brazil
Books, Newspapers and Manuscripts	2.1	1%	Paper Sheets Picture Designs Children's Books	United Kingdom USA China
Miscellaneous Edible Food Preparations	2.0	28%	Coffee Extracts Sauces Yeasts	USA Germany Netherlands
Preserved Food	1.6	35%	Apple Juice Grape Juice Preserved Potatoes	China Argentina Italy

- South Africa's total imports of **Cereals** increased by 63% from R5.3 billion in 2010 to R8.6 billion in 2011. The share of this sub-sector in South Africa's total agricultural, forestry and fisheries imports also increased from 13% to 16% between the two years under observation. Much of this increase was due to increased imports of wheat and rice which increased by 116% and 17% respectively during 2011. Imports of wheat and rice alone accounted for over 90% of the total sub-sector imports over the past three years. South Africa imports these cereals mostly from Thailand, Argentina, USA, Australia and Germany. Cereal imports from Argentina, Australia and the USA grew significantly by 1516%, 507%



and 109% respectively whilst imports from Germany declined by 41% during 2011.

- Although the share of **Animal or Vegetable Fats and Oils** in South Africa's total imports of agricultural, forestry and fisheries remained stable at 15% during 2010 and 2011, imports of this sub-sector grew by 29% from R6.1 billion during 2010 to R7.9 billion in 2011. Major products imported by South Africa during 2011 under this sub-sector were palm oils, soybean oils, and sunflower seeds or oils. These products accounted for 80% of the total sub-sector imports by value during 2011 and were mostly imported from Asian countries such as Malaysia and Indonesia and to a lesser extent from Spain, Germany and Argentina. Imports from Spain, Germany and Indonesia grew significantly by 215%, 35% and 30% respectively whilst imports from Argentina declined by 46% during 2011.
- Although the share of **Paper and Paperboards** sub-sector in South Africa's total agricultural, forestry and fisheries imports decreased from 17% in 2010 to 14% in 2011, these imports increased by 9% from R7.0 billion to R7.6 billion between the two years under observation. Major products imported by South Africa under this sub-sector during 2011 were sanitary napkins, diapers, uncoated and coated papers, paperboards. These products were mostly imported from Germany, China, Finland, Sweden and USA.
- Imports of **Food Residues and Waste** improved slightly in value terms after increasing by 10% from R3.7 billion in 2010 to R4.0 billion in 2011. The share of this sub-sector in South Africa's total agricultural, forestry and fisheries imports remained firm at 8% between 2010 and 2011. This slight positive move was mainly driven by an increase in imports of dogs and cats food as well as meat of-fal mainly from Argentina, Netherlands, France and China.
- Imports of **Meat and Meat Products** increased substantially by 50% from R2.7 billion in 2010 to R4.0 billion in 2011. The share of this sub-sector in South Africa's total agricultural, forestry and fisheries imports also increased from 6% to 8% between the two years currently considered. Much of this increase was due to an increase in imports of chicken meat from Brazil and to lesser extent bovine meat from Australia.

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