

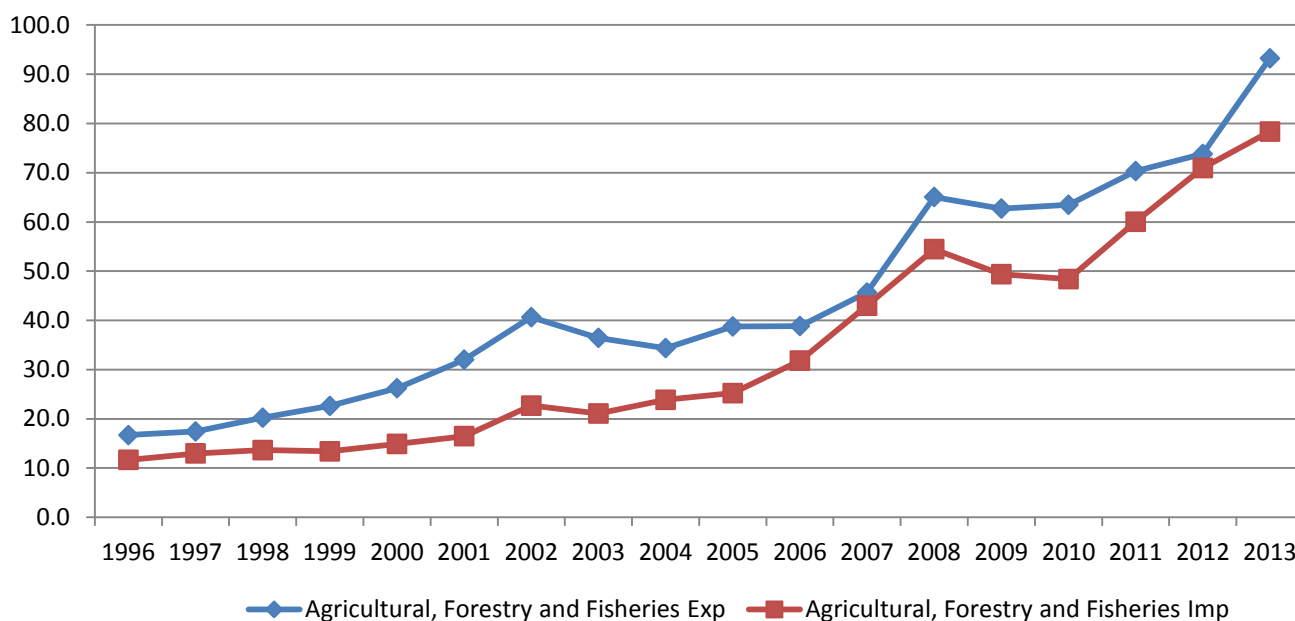
SECTOR TRADE PERFORMANCE REVIEW DURING 2013 (STPR-2013)

SOUTH AFRICA'S AGRICULTURAL, FORESTRY AND FISHERIES (AFF) TRADE PERFORMANCE DURING 2013

PURPOSE

The purpose of this briefing is to inform stakeholders of the status of South Africa's agricultural, forestry and fisheries trade performance on an annual basis by analysing trade flows.

South Africa's agricultural, forestry and fisheries trade: 1996 to 2013. (Figures in Billions of RSA Rand)



Key observations during the period considered above:

Observations on exports

- SA's exports of agriculture, forestry and fisheries (AFF) products increased by 26% during 2013.
- SA is a net exporter of AFF products and a net exporter of primary AFF products
- Fruits and Nuts constituted SA's largest sub-sector export by value during 2013.
- Exports of Cereals experienced the highest growth (76%) during 2013.
- Exports of Miscellaneous grains, seeds and other fruits declined the most (42%) during 2013.
- The Netherlands constituted the largest market for SA's AFF exports by value during 2013.
- SA AFF exports to Japan experienced the highest growth of 71% during 2013.
- SA AFF exports to Mexico decreased significantly by 64% during 2013.

Observations on imports

- SA's imports of AFF products increased by 10% during 2013.
- SA is a net importer of processed AFF products.
- Cereals constituted SA's largest sub-sector import by value during 2013.
- Imports of Sugar increased significantly by 50% during 2013.
- Imports of Fats & Oils declined by 11% during 2013.
- China constituted the largest source of SA's AFF imports by value during 2013.
- SA AFF imports from India experienced the highest growth of 38% during 2013.
- SA AFF imports from Argentina decreased significantly by 18% during 2013

1. **Analysis of South Africa's major agricultural, forestry and fisheries export markets and product drivers during the period 2012 and 2013**

Table 1. South Africa's top ten largest export destinations for agricultural, forestry and fisheries products by value during 2012 and 2013.

Calendar Year 2012			Calendar Year 2013				
Top 10 export markets	Export Value (Bill Rand)	Share in SA total AFF exports	Top 10 export markets	Export value (Bill Rand)	Share in SA total AFF exports	Growth during 2013	Top 3 products exported
Netherlands	6.2	8%	Netherlands	8.0	9%	29%	Grapes Oranges Pears
Zimbabwe	5.9	8%	United Kingdom	7.1	8%	26%	Apples Grapes Grape Wines
United Kingdom	5.6	8%	Zimbabwe	6.9	7%	18%	Maize Soybean Oils Wheat
China	3.9	5%	China	5.6	6%	44%	Wool Wood Pulp Hides & Skins
Mozambique	3.5	5%	Mozambique	5.3	6%	51%	Sugar, Soups and Broths Beer
Japan	2.9	4%	Japan	5.0	5%	71%	Maize Wood Grapefruit
Indonesia	2.7	4%	Angola	3.4	4%	32%	Maize Meal, Liqueurs & Cordials Sugar
Mexico	2.6	4%	Germany	3.0	3%	37%	Grape Wine Kraft liner Wood Pulp
Angola	2.5	3%	United States of America	2.8	3%	24%	Grape Wines Macadamia Nuts Wood Pulp
United States of America	2.3	3%	Zambia	2.7	3%	31%	Food Preparations Animal Feed Soybean Oils

1.1 Export market analysis at country level during 2013:

- The **Netherlands** maintained its rank as South Africa's largest agricultural, forestry and fisheries export destination by value during 2012 and 2013. Exports of agricultural, forestry and fisheries products from South Africa to Netherlands increased by 29% between the two years observed. The share of the Netherlands in South Africa's total agricultural, forestry and fisheries exports also increased from 8% in 2012 to 9% during 2013. The top five products exported by South Africa to the Netherlands during 2013, constituting 56% of SA's total agricultural, forestry and fisheries exports to the Netherlands, were: grapes, oranges, pears, grape wines and avocados. Exports of pears and avocados to the Netherlands increased substantially by 65% and 41% respectively during 2013.
- The **United Kingdom** improved its ranking from being South Africa's third largest agricultural, forestry and fisheries export destination to rank second during 2013.

South Africa's agricultural, forestry and fisheries exports to the United Kingdom increased by 26% during 2013. The top five products that South Africa exported to the United Kingdom during 2013 were: apples, grapes, grape wines, mandarins and oranges. The share of these top five products in SA's total agricultural, forestry and fisheries exports to the United Kingdom increased from 56% to 59% from 2012 to 2013. Exports of apples and grapes wines increased moderately by 44% and 41% respectively during 2013.

- **Zimbabwe** ranked the third largest export market for South Africa's agricultural, forestry and fisheries products by value and the largest export market in Africa during 2013. However, Zimbabwe's share in South Africa's total agricultural, forestry and fisheries exports decreased from 8% in 2012 to 7% in 2013. South Africa's exports to Zimbabwe increased by 18% in value terms between 2012 and 2013. South Africa's top five major exports to Zimbabwe during 2013 were: maize, soybean oils, wheat, sugar and sunflower seeds and oils. Exports of maize and sugar more than doubled whilst exports of soybean oils reduced by almost a half during 2013.
- South Africa's agricultural, forestry and fisheries exports to **China** increased substantially by 44% between 2012 and 2013. The total value of South Africa's agricultural, forestry and fisheries exports to China increased from R3.9 billion in 2012 to R5.6 billion during 2013. The top five major products exported by South Africa to China during 2013 were: wool, wood pulp, hides and skins, grape wines, and oranges. Exports of hides & skins as well as oranges increased substantially by 154% and 76% respectively during 2013.
- **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 both 2012 and 2013 calendar years. South Africa's total agricultural, forestry and fisheries exports to Mozambique increased substantially by 51% between 2012 and 2013 calendar years. The top five major products exported by South Africa to Mozambique during 2013 were: sugar, soups and broths, beer, maize and food preparations. Exports of beer increased exponentially by 267% whilst exports of sugar increased substantially by 16%.

Table 2 below provides an indication of South Africa's growing and declining agricultural, forestry and fisheries export markets between 2012 and 2013 calendar years.

Table 2 South Africa's growing and declining agricultural, forestry and fisheries export markets between 2012 and 2013 calendar years.

Growing Export Markets			Top 3 products driving export growth & their individual growth percentage		
Ranking	Top 3 Growing Markets	Export Growth			
1	Japan	71%	Fruit Juices (198%)	Fish Meals (148%)	Whey (148%)
2	Italy	54%	Wool Waste (206%)	Pears (198%)	Hides & Skins (121%)
3	Mozambique	51%	Grape Wines (764%)	Baking Powders (488%)	Peas (396%)
Shrinking Export Markets					

Ranking	Top 3 Shrinking Markets	Shrinkage percent	Top 3 products driving total import shrinkage & their individual shrinkage percentage		
1	Mexico	-64%	Paper & Paperboard (-90%)	Kraft liner (-89%)	Maize (-64%)
2	Malaysia	-16%	Fruit Juices (-27%)	Scraps (-20%)	Starch (-6%)
3	Indonesia	-11%	Cotton (-92%)	Grapes (-81%)	Scraps (-57%)

Table 2 above indicates that, of all South Africa's agricultural, forestry and fisheries export markets, Japan, Italy and Mozambique were the fastest growing export markets by value during 2013. Exports of fruit juices to Japan, wool waste to Italy and grape wines to Mozambique registered the highest growth during 2013. The table further indicates that Mexico, Malaysia and Indonesia registered the highest negative growth during the same period with paper & paperboards to Mexico, fruit juices to Malaysia and cotton to Indonesia declining the most.

1.2 Export market analysis at sub-sector level during 2013:

Table 3. South Africa's top 10 major agricultural, forestry and fisheries export sub-sectors by value during 2013. These sub-sectors constituted 78% of SA's total agricultural, forestry and fisheries exports during 2013.

Sub-sector Description (HS Level 2)	Exported value 2013 (Bill Rand)	Sub-sector share in RSA total AFF Exp	Sub-sector growth between 2012 & 2013	Top 3 products exported during 2013	Top 3 export markets during 2013
Edible Fresh Fruits and Nuts	24.9	27%	32%	Oranges Grapes Apples	Netherlands United Kingdom United Arab Emirates
Beverages, Spirits and Vinegar	11.8	13%	31%	Wines Liqueurs and Cordials Grape Brandy	United Kingdom Germany USA
Wood Pulp	6.9	7%	17%	Chemical Wood Pulp Non-Coniferous Wood Mechanical Wood Pulp	China Indonesia India
Cereals	6.3	7%	75%	Maize Maize Seeds Rice	Japan Zimbabwe Mexico
Paper and Paperboards	5.0	5%	7%	Kraft liner Uncoated Paper Newsprint	Zimbabwe Mozambique Zambia
Preserved Fruits and Vegetables	4.8	5%	20%	Preserved Peaches Fruit Mixtures Preserved Pears	Netherlands Japan Germany
Fish and Seafood	4.0	4%	13%	Hake Crawfish Squid	Spain Italy Hong Kong
Sugar	3.4	4%	75%	Sucrose Cane Sugar Refined Sugar	Zimbabwe Mozambique Indonesia
Wool & Animal Hair	3.0	3%	23%	Wool Animal Hair Noils	China Italy Czech Republic
Wood	3.0	3%	10%	Wood Chips Wood Charcoal Fibre Board	Japan Mozambique United Kingdom

- **Edible Fruits and Nuts** has been the largest South African export sub-sector by value over the past eighteen years. Exports of this sub-sector rose by 32% from R18.9 billion to R24.9 billion between 2012 and 2013. The share of this sub-sector in South Africa's total agriculture, forestry and fisheries exports also increased from 26% to 27% during the two years under consideration. The top five major products exported by South Africa within this sub-sector during 2013 were: oranges, grapes, apples, pears and lemons. These top five products accounted for 68% of the total sub-sector exports during 2013. Of these top five, exports of apples and pears increased the most by 58% and 40% respectively during 2013. The Netherlands, the United Kingdom, the United Arab Emirates, Russia and Hong Kong, ranked the top five largest export markets for the sub-sector by value during 2013. Sub-sector exports to Russia and the Netherlands increased the most by 37% each during 2013.
- **Beverages, spirits and vinegar** remained firm as South Africa's second largest sub-sector exports by value from 2006 to 2013. Exports of this sub-sector increased from R8.9 billion during 2012 to R11.8 during 2013. The share of this sub-sector in South Africa's total agriculture, forestry and fisheries exports averages around 12% to 13% per year. Major products exported by South Africa within this sub-sector during 2013 were: grape wines, liqueurs and cordials, brandies, ciders and mineral waters. Together these accounted for 84% of the total sub-sector exports. The United Kingdom, Germany, the United States of America, Sweden and Angola ranked as the top five major export markets for South Africa's exports of the sub-sector by value during 2013. Sub-sector exports to Germany and the United States of America increased the most, by 40% and 32% respectively during 2013.
- South Africa's exports of **Wood Pulp** increased by 17% from R5.9 billion during 2012 to R6.9 billion in 2013. Major products exported by South Africa under this sub-sector during 2013 were chemical wood pulp, non-coniferous wood and mechanical wood pulp. These three products represented over 85% of the total sub-sector exports during 2013. China, Indonesia, India, Thailand and the United States of America ranked as South Africa's top five major export markets for the sub-sector by value during 2013. Sub-sector exports to Belgium grew substantially by 33% whilst exports to the United States of America and India increased the most, by 76% and 60% respectively during 2013.
- Of the top ten South Africa's sub-sector exports, **Cereals** registered the highest export growth during 2013. The sub-sector exports rose by 76% from R3.6 billion during 2012 to R6.3 billion in 2013. The share of this sub-sector in South Africa's total sector exports also increased from 5% to 7% between the two years under observation. Major products exported by South Africa within this sub-sector during 2013 were: maize, maize seeds, rice, wheat and husk. Together these products accounted for 99% of the total sub-sector exports during 2013. Japan, Zimbabwe, Mexico, Taiwan and Mozambique ranked as South Africa's top five major export markets under this sub-sector by value during 2013. Sub-sector exports to Zimbabwe increased by 261% during 2013 whilst export to Mexico declined by 64% during the same period.
- Exports of **Paper and Paperboards Products** ranked the fifth largest South Africa's sub-sector export by value during 2013. Exports of this sub-sector remains stable at around R4.8 billion per year over the last three years. The share of this sub-sector in South Africa's total agricultural, forestry and fisheries exports re-

mained firm at an average of 6% between 2011 and 2013. Zimbabwe, Mozambique, Zambia, the United Kingdom and Nigeria ranked as South Africa's top five major export markets under this sub-sector by value during 2013. Exports of this sub-sector to Mozambique and Nigeria increased significantly by 28% and 19% respectively during 2013.

2. Analysis of South Africa's major suppliers of agricultural, forestry and fisheries products between 2012 and 2013 calendar years.

Table 4. South Africa's top ten suppliers of agricultural, forestry and fisheries products by value between 2012 and 2013.

Calendar Year 2012			Calendar Year 2013				
Top 10 import markets	Import Value (Bill Rand)	Share in SA total AFF imports	Top 10 import markets	Import value (Bill Rand)	Share in SA total AFF imports	Growth during 2013	Top 3 products imported
Argentina	7.0	10%	China	7.1	9%	6%	Rice, Apple Juice Animal Offal
China	6.7	9%	Argentina	5.7	7%	-18%	Soybean Oilcakes Soybean Oils Sunflower Seeds or Oils
Brazil	4.9	7%	Brazil	5.4	7%	10%	Sugar Chicken Cuts Wheat
United Kingdom	4.2	6%	United Kingdom	5.1	7%	21%	Whiskies Books Chicken Cuts
Thailand	4.1	6%	Germany	4.6	6%	15%	Chicken Cuts Swine Cuts Paper
Germany	4.0	6%	Thailand	4.5	6%	8%	Rice Fish Preparations Starch
United States of America	3.4	5%	United States of America	4.2	5%	23%	Books Food Preparations Wood Pulp
Netherlands	3.1	4%	India	3.9	5%	38%	Rice Prawns Tobacco
Malaysia	2.8	4%	Netherlands	3.5	4%	14%	Chicken Cuts Soybean Oils Sunflower Seeds or Oils
India	2.8	4%	Indonesia	3.2	4%	17%	Palm & Kernel Oil Coffee Doors & Frames

2.1 Imports analysis at country level during 2012 and 2013 calendar years:

- China** remains the largest supplier of South Africa's agricultural, forestry and fisheries products by value during 2013. Its share in South Africa's total agricultural, forestry and fisheries imports remained firm at 9% during both periods under observation. The top five products that South Africa imported from China during 2013 were; rice, apple juice, animal offal, kidney beans and books. Although imports of apple juice from China increased substantially by 60% during 2013 imports of kidney beans decreased substantially by 57% during the same period.

- South Africa's imports of agricultural, forestry and fisheries products from **Argentina** decreased considerably in both value and share terms during 2013. Total imports of agricultural, forestry and fisheries products from Argentina decreased by 18% between the two years under consideration. The top five products South Africa imported from Argentina during 2013 were; soybean oilcakes, soybean oils, sunflower seeds and oils, peanuts and apple juice. Imports of sunflower seeds and oils decreased substantially by 55% between the two years observed.
- South Africa's imports of agricultural, forestry and fisheries products from **Brazil** remained stable in terms of value and share during 2013. Major products South Africa imported from Brazil during 2013 were; sugar, chicken cuts, wheat, tobacco and paper. Imports of these top five products constituted 80% of South Africa's total agricultural, forestry and fisheries imports from Brazil during 2013. Imports of sugar increased by 110% between the two years observed whilst imports of chicken cuts and wheat decreased by 11% and 26% respectively during the same period.
- The **United Kingdom** ranked as the fourth largest supplier of South Africa's agricultural, forestry and fisheries products by value during both 2012 and 2013. However, its share in South Africa's total imports of agricultural, forestry and fisheries products increased from 6% in 2012 to 7% during 2013. Imports of agricultural, forestry and fisheries products from the United Kingdom rose by 21% between the two years observed. This growth was mainly driven by an increase in imports of chicken cuts and food preparations which increased by 71% and 60% respectively during 2013.
- **Germany** ranked as the fifth largest supplier of South Africa's agricultural, forestry and fisheries products by value during 2013 after ranking the sixth during 2012. South Africa's imports of agricultural, forestry and fisheries products from Germany increased by 15%, in total, during 2013. Its share in South Africa's total imports of agricultural, forestry and fisheries products and total imports value remained firm at 6% during both years. The top five products South Africa imported from Germany during 2013 were; paper & paper products, chicken cuts, swine meat, paper & paperboards as well as food preparations. Imports of paper & paper products increased by 60% between the two years observed. However imports of swine meat decreased by 10% during the same period.
- None of the countries from **Africa** appeared in South Africa's top ten suppliers of agricultural, forestry and fisheries products by value during both 2012 and 2013 calendar years observed.

Table 5 below provides an indication of growing and declining suppliers of South Africa's agricultural, forestry and fisheries products during 2012 and 2013.

Table 5. South Africa's growing and shrinking suppliers of agricultural, forestry and fisheries products during 2012 and 2013 calendar years.

Growing Import Markets			Top 3 products driving total import growth & their individual growth percentage		
Ranking	Top 3 Growing Suppliers	Growth percentage			
1	India	38%	Advertising Material (243%)	Chickpeas (243%)	Cotton Seeds (174%)
2	Italy	29%	Paper & Paperboard (250%)	Wheat (170%)	Essential Oil (158%)
3	USA	23%	Kidney Beans (529%)	Milk (447%)	Rum & Tafia (440%)
Shrinking Import Markets			Top products driving total import shrinkage & their individual shrinking percentage		
Ranking	Top 3 Shrinking Suppliers	Shrinkage percentage			
1	Argentina	- 18%	Animal Feed (-67%)	Peas (-60%)	Grape Juice (-56%)
2	Belgium	- 6%	Paper & Paperboard (-70%)	Chicken Cuts (-58%)	Potato Flakes (-53%)
3	Canada	-4%	Paper & Paperboard (-89%)	Swine Meat (-68%)	Advert Material (-60%)

Table 4 above indicates that, of all South Africa's agricultural, forestry and fisheries import suppliers, India, Italy and the United States of America ranked the highest in terms of import growth during the 2013 calendar year. Imports of advertising materials from India, paper & paperboards from Italy and kidney beans from the United States of America registered the highest growth during 2013. South Africa's agricultural, forestry and fisheries imports from Argentina, Belgium and Canada declined significantly during the same period with animal feed from Argentina, paper & paperboards from Belgium and Canada declining the most.

2.2 Imports analysis at sub-sector level during 2013 calendar year:

Table 6. South Africa's top 10 major agricultural, forestry and fisheries import sub-sectors by value during 2013. These constituted 92% of SA's total agricultural, forestry and fisheries imports during 2013.

Sub-sector Description (HS Level 2)	Imported value 2013 (Bill Rand)	Sub-sector share in RSA total AFF Imp	Sub-sector growth between 2012 & 2013	Top 3 products exported during 2013	Top 3 export markets during 2013
Cereals	10.8	14%	1%	Rice Wheat Grain Sorghum	Thailand India China
Paper and Paperboards	10.0	13%	18%	Paper & Paperboards Sanitary Articles Adhesive Paper	Germany China Finland
Fats and Oils	7.8	10%	-11%	Palm Oils Soybean Oils Sunflower-seeds & Oils	Indonesia Argentina Malaysia

Food Waste and Residues	5.4	7%	14%	Soybean Residues Animal Feed Dogs & Cats Food	Argentina Netherlands France
Beverages, Spirits and Vinegar	5.1	7%	25%	Whiskies Mineral Waters Malt Beer	United Kingdom Italy France
Meat and meat products	5.0	6%	3%	Chicken Meat Turkey Meat Bovine Meat	Brazil Netherlands Germany
Wood	3.1	4%	13%	Lumber & Meranti Wood Casks & Barrels Wood Fibreboard	China Malaysia Brazil
Miscellaneous Edible Food Preparations	3.0	4%	27%	Coffee Extracts Sauces Yeasts	USA Germany Netherlands
Sugar	2.9	4%	50%	Sucrose Cane Sugar Sugar Confectionery	Brazil China USA
Books, Newspapers and Manuscripts	2.8	4%	15%	Books & Brochures Unused Postage Marketing & Advertising	United Kingdom Germany USA

- Imports of **Cereals** remained firm as South Africa's largest sub-sector import by value over the past three years and beyond. The share of this sub-sector in South Africa's total agricultural, forestry and fisheries imports averages around 15% looking at the period between 2011 and 2013. Imports of rice and wheat accounted for 57% and 35% respectively of the total sub-sector imports during 2013. South Africa sources these cereals mostly from Thailand, India, China, and Ukraine. Imports of cereal from Ukraine and India increased significantly by 70% whilst imports from China declined by 10% during 2013.
- **Paper and Paperboards** imports into South Africa increased by 18% from R8.4 billion during 2012 to R10.0 billion during 2013. The share of this sub-sector in South Africa's total agricultural, forestry and fisheries imports increased slightly to 13% in 2013 from 12% during 2012. Major products imported by South Africa under this sub-sector are paper and paperboards, sanitary articles (napkins, diapers, etc) and uncoated as well as coated papers. These products are mainly imported from Germany, China, Finland, Sweden and the United States of America.
- South Africa's total imports of **Animal or Vegetable Fats and Oils** decreased by 11% from R8.8 billion during 2012 to R7.8 billion during 2013. The share of this sub-sector in South Africa's total agricultural, forestry and fisheries imports also decreased from 12% in 2012 from 10% during 2013. Major products imported by South Africa under this sub-sector during 2012 were; palm oils, soybean oils, sunflower seeds or oils, kernel/babassu oils and margarine. These products accounted for 88% of the total sub-sector imports by value during 2013 and were mostly imported from Asian countries such as Indonesia and Malaysia and to a lesser extent from Argentina, Spain and the Netherlands. Imports from Indonesia increased by 18% whilst imports from Malaysia declined by 42% during 2013.
- Imports of **Food Residues and Waste** improved slightly in value terms after increasing by 14% from R4.7 billion in 2012 to R5.4 billion in 2013. The share of this sub-sector in South Africa's total agricultural, forestry and fisheries imports remained firm at 7% over the past three years. Major products imported by South Africa under this sub-sector during 2013 were; soybean residues, animal feed, dog and cat food, cotton seeds and meat pellets. These products were mostly

imported from Argentina, the Netherlands, France and Mozambique and to a lesser extent from Zimbabwe.

- Imports of **Beverages, Spirits and Vinegar** by South Africa increased by 25% from R4.1 billion in 2012 to R5.1 billion in 2013. The share of this sub-sector in South Africa's total agricultural, forestry and fisheries imports also increased from 6% to 7% between the two years currently considered. This increase was mostly driven by an increase in imports of grape brandy and whiskies which increased by 37% and 20% respectively during 2013. Imports of these products mostly originate from the United Kingdom, Italy, France, Ireland and the United States of America. Imports of Italy increased significantly by 129% whilst imports from the United States of America declined by 15% during 2013.

Enquiries: Department of Agriculture, Forestry and Fisheries

Director: International Trade: DITR@daff.gov.za

Author: Sam Legare (Tel – 012 319 8011 & Email - SamLe@daff.gov.za)

Supervisor: Ezra Steenkamp (Tel – 012 319 8003 & Email - EzraS@daff.gov.za)

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