



National Agricultural
Marketing Council
Promoting market access for South African agriculture

South Africa's trade performance – exports of grains, fruit, and fruit juice

Workshop– South Africa's Way Ahead: New, Old or Close Friends

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Outline of the presentation

- Introduction
- Grain industry
- Fruit industry
- Trade performance
 - Fruit industry
 - Grain industry
 - Fruit juice industry
- Challenges faced by industries

Introduction

- The movements of good and services mainly justifies by trade theories
 - Mercantilist views – wealth of the nation
 - Adam Smith-absolute advantage
 - Ricardo –comparative advantage
- South Africa's advantage in agricultural sector
 - Fruit, grain and fruit juice
- South Africa trade agreements and political ties with various markets (SADC,EU, BRICs and USA)

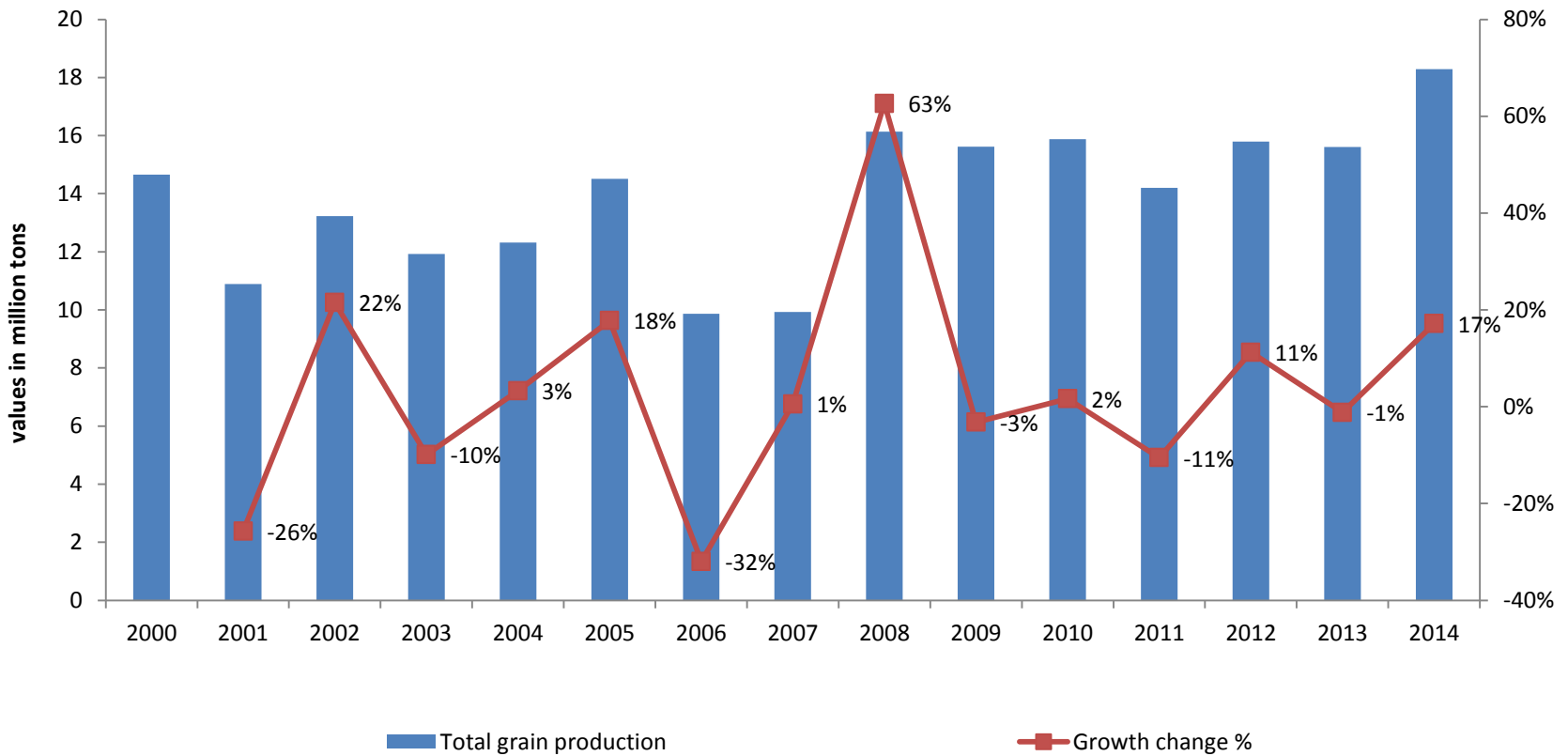
INTRODUCTION

- Agriculture sector plays an important role on the South African Economy
 - Agriculture estimated to contribute a total amount of R208 billion:2.5%
 - The country is the larger producer of grains (16.6 million tons) and fruit (6.3 million tons)
 - Both sectors play important role in employment and export earnings

Grain industry

- In 2014. the grain industry contributed about 18.9% (18 million tons) to the total Agricultural GDP
 - Maize (14 million tons)
 - Wheat (1.7 million tons)
 - Soyabean (938 thousand tons)

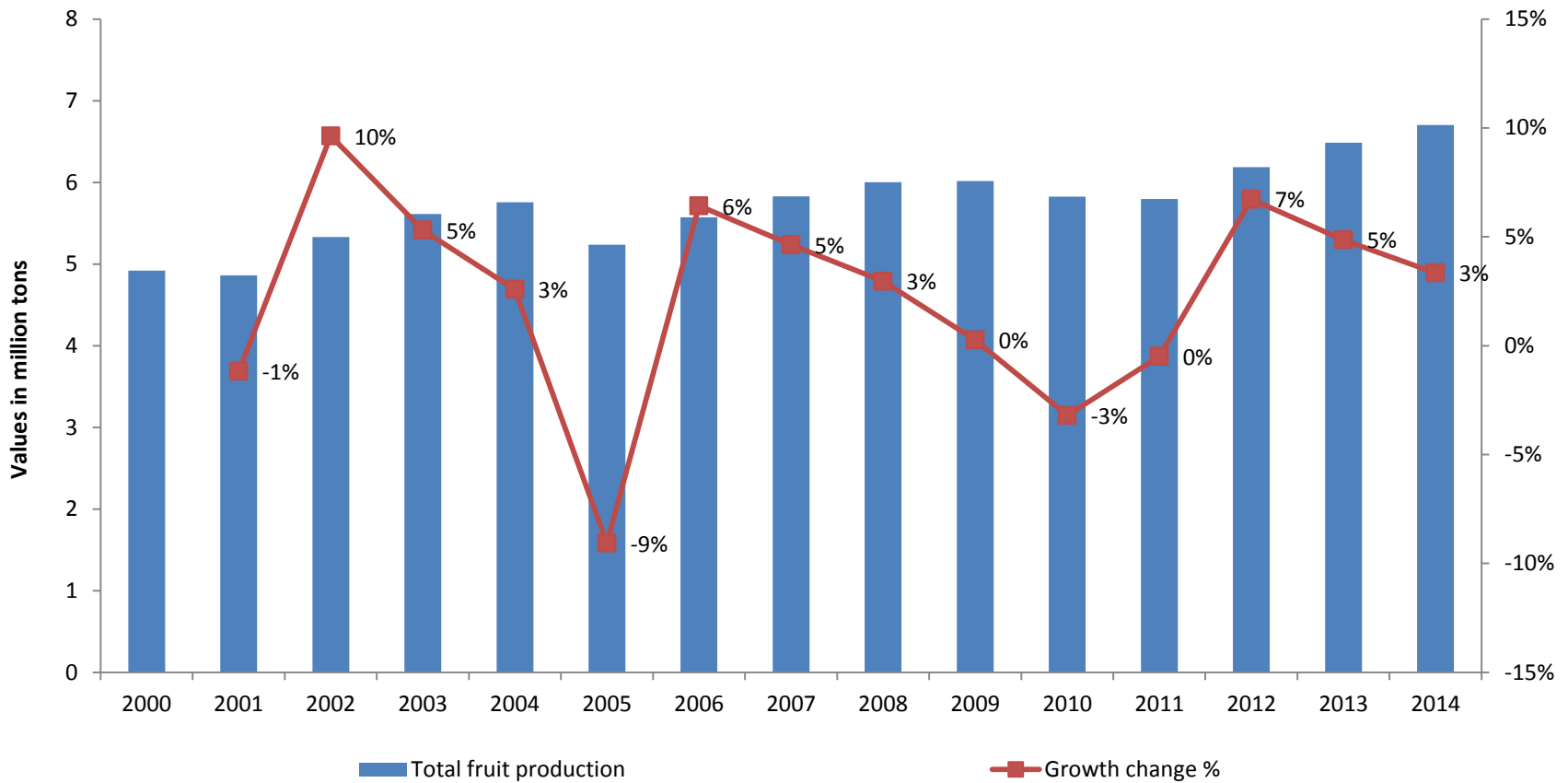
Grain industry



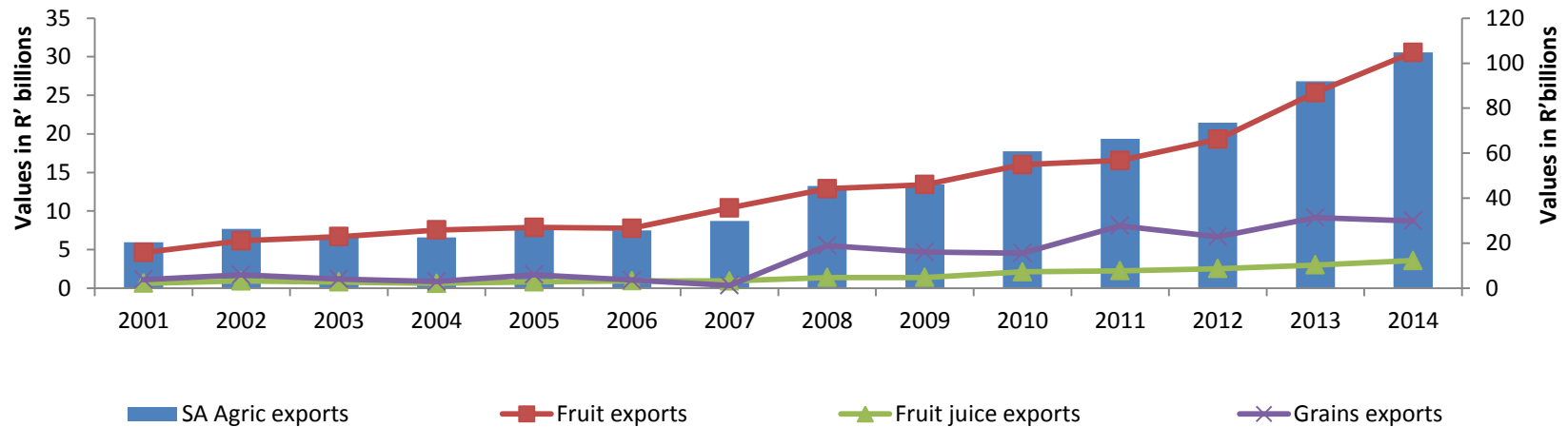
Fruit industry

- In 2014, the fruit sector contributed about 13.4% (6.7 million tons) to the total agricultural GDP Export earnings
 - Citrus fruit (2.1 million tons)
 - Grape (1.9 million tons)
 - Top fruit (1.2 million tons)
- About 60% of is exported in the international market and 40% remains in the local industry for consumption and processing

Fruit industry



Agricultural export performance

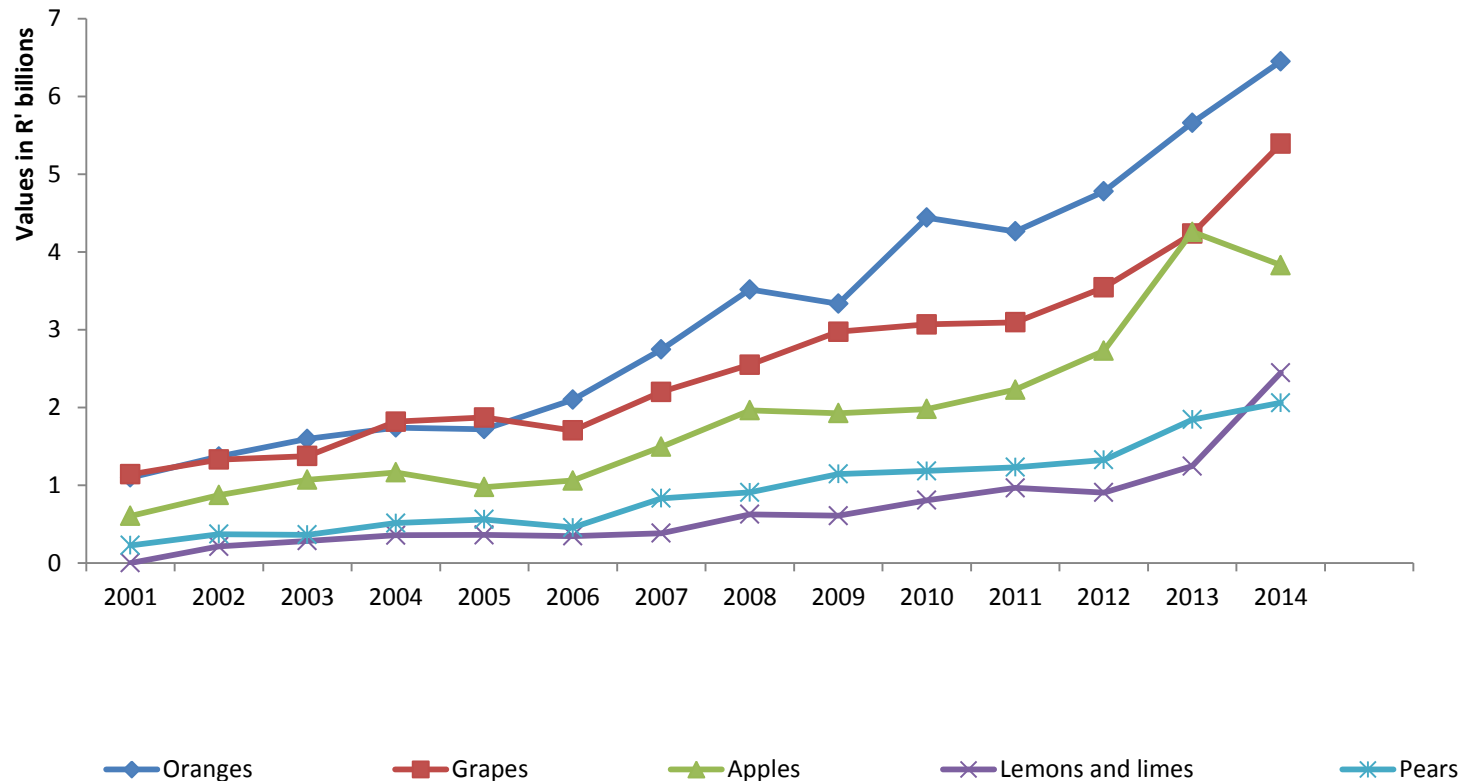


- South Africa estimated to trade approximately about R105 billion (with average growth about 13% per annum between 2001 and 2014)
 - _ Fruit industry commands a share of 29% on agricultural exports (↑ growth of 15%)
 - _ Grain sector commands a share of 8% on the total agric exports (↑ growth of 16%)
 - _ Fruit Juice industry commands share of 3.4%

Fruit industry export performance

- SA's fruit industry has been a net exporter since early 2000s
 - Fruit exported a total value R30 billion value in 2014
 - Main exported fruit products includes
 - Oranges (R6.4 billion)
 - Grapes (R5.3 billion)
 - Nuts (R3.8 billion)
 - The top five per country destinations are Netherlands (21.8%), United Kingdom (15%), Hong Kong (7.9%), United Arab Emirates (6.7%) and Russia (6.5%)

Main exported fruit products



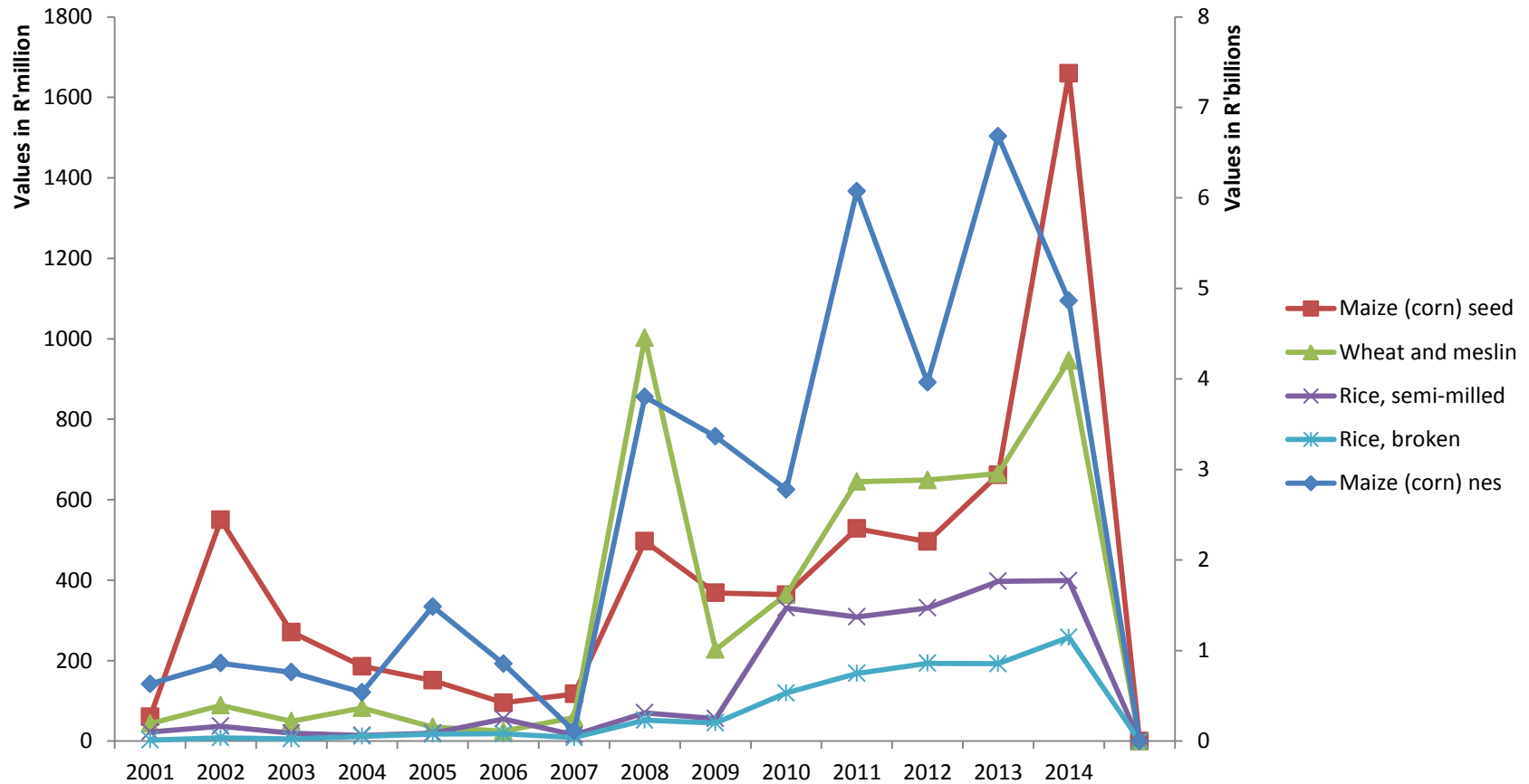
South Africa's market growth and share for fruit

Markets	Export share in 2001:%	Export share in 2014:%
EU 28	66.1%	45.3%
Middle East	8.1%	12.1%
BRIC	2.5%	6.8%
USA	8.1%	5.6%
SADC	3.3	4.9%

Grain industry export performance

- South Africa grain industry exported a total amount of R8.7 billion in 2014.
 - Main exported fruit products includes between 2001 and 2014
 - Maize corn (R4.8 billion with average growth of 16%)
 - Maize seed (R1.6 billion with average growth of 26%)
 - Wheat and Muslin (R945 million with average growth of 24%)
 - The top five per country destinations are Chinese Taipei (19.7%), Zimbabwe (16.4%), Botswana (13.8%), Lesotho (7.9%) and Namibia (6.4%)

Main exported grain products



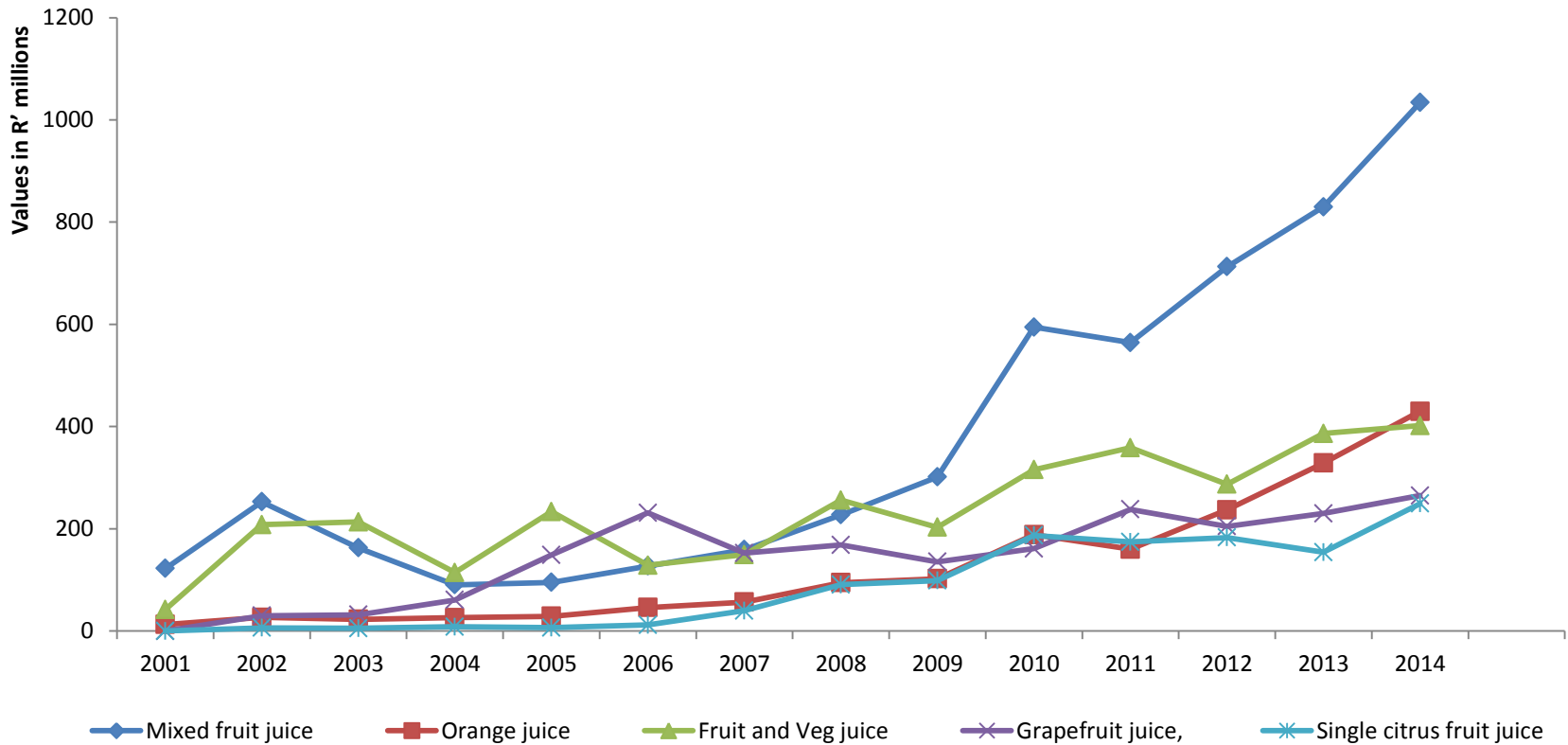
South Africa markets for grains: Export growth and share

Markets	Export share in 2001:%	Export share in 2014:%
Africa	36.5%	56.8%
Asia (exl China and India)	61.9%	34.9%
EU 28	0.8%	5%

Fruit Juice industry Export performance

- The investments in infrastructure can able to increase exports of the fruit juice industry
- The industry is net exporter of fruit juices (↑ growth of 13%)
- Main exported fruit products includes
 - apples juice,
 - fruit juice
 - and fruit & vegetable juice
- Main markets of fruit juice are Netheralands (13.2%), Namibia (9.7%), Botswana (9.2), Mozambique (8.3%) and Japan (5.6)

Main exported fruit juice products



South Africa's fruit juice markets: Growth and share

Markets	Export share in 2001:%	Export share in 2014:%
Africa	36.5%	58.8%
Asia (exl China and India)	61.9%	34.9%
EU 28	0.8%	5%
BRIC	0.1%	0.2%
USA	0.1%	0.1%

Challenges faced by industries

- Limited infrastructure
- Barriers into international markets
- Dependency of on their traditional markets