

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 fourth 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

The global economic outlook is somewhat brighter as advanced economies continue to recover and this is expected to boost export demand in most emerging market and developing economies. Global activity and world trade picked up in the second half of 2013 and global growth is projected to increase from 3% in 2013 to 3,7% in 2014 (IMF, 2014). The euro area, which has been in recession for the past two years, is also expected to start its recovery process with growth in this region forecast at 1% in 2014 following a 0,4% contraction in 2013. The IMF also forecast growth in the US to increase from 1,9% in 2013 to around 2,8% in 2014. Emerging market and developing economies, though still slower, performed better than previously expected, growing by 4,7% in 2013 and forecast to grow by 5,1% in 2014. Growth in emerging market and developing economies was largely supported by growth in China, which rebounded strongly in the second half of 2013 as investment in the country increased.

World grain production forecast has been revised upwards, now forecast to rise by 174 million tons (10%) from 1 790 million tons in 2012/13 to 1 964 million tons in 2013/14 (IGC, 2013). This increase is largely due to the expected 11% increase in global maize production from 861 million tons in 2012/13 to 959 million tons in 2013/14 as maize yield in the US is expected to recover following lower yields the previous year due to drought. Wheat production is forecast to rise by 8% from 655 million tons in 2012/13 to 707 million tons in 2013/14. However, wheat production is expected to fall slightly in 2014/15 as wheat prices have been pressured by ample global supplies in the current season. Global grains trade is expected to surpass the previous high of 269 million tons recorded in 2011/12, forecast to increase by 19 million tons (7%) from 265 million tons in 2012/13 to 284 million tons in 2013/14.

The SA economic growth rebounded strongly in the fourth quarter of 2013, rising by 3,8% quarter-on-quarter (q/q) in the fourth quarter of 2013 after a 0,7% q/q growth rate in the third quarter of 2013. The significant improvement in the domestic economy was largely due to a rebound in the manufacturing sector which grew by 12,3% q/q in the fourth quarter of 2013 following a 6,6% q/q contraction in the third quarter of 2013.

The mining and quarrying sector also boosted economic activity, rising by 15,7% q/q in the fourth quarter after increasing by 11,4% q/q in the third quarter. The agriculture, forestry and fishing sector grew by 6,4% q/q in the fourth quarter of 2014, boosted largely by significant increases in income from animal products. On an annual basis, the SA GDP slowed to 1,9% in 2013 after recording a 2,5% growth in 2012. The mining and quarrying sector showed a significant improvement on an annual basis, growing by 3,1% in 2013 after a 3,6% contraction in 2012. The agriculture, forestry and fishing sector also improved slightly on an annual basis, growing by 2,3% in 2013 from 2% in 2012.

Employment in South Africa increased by 141 000 persons during the fourth quarter of 2013 compared to the third quarter of 2013, an increase of 0,9%. This was largely due to the increase in informal sector jobs by 123 000 persons and the increase in formal sector jobs by 64 000 persons. The SA unemployment rate declined by 0,4% from 24,5% in the third quarter of 2013 to 24,1% in the fourth quarter of 2013. Agriculture recorded the third consecutive q/q decline in employment, shedding 27 000 jobs between the third quarter of 2013 and the fourth quarter of 2013. Although agriculture lost the largest number of jobs (27 000) on a q/q basis, the manufacturing sector lost the largest number of jobs (48 000) on a year-on-year (y/y) basis. On a y/y basis, agriculture lost 4 000 jobs between the fourth quarter of 2012 and the fourth quarter of 2013. The community and social services sector created the highest number of jobs both on a q/q basis (97 000) and on an y/y basis (219 000).

Gross farming income from all agricultural products increased marginally by 0,2% from R41,8 billion in the fourth quarter of 2012 to R41,9 billion in the fourth quarter of 2013. The marginal increase was largely due to the declines in income from horticultural products and animal products. Income from horticultural products declined by 1,4% while income from animal products declined by 0,4% y/y. Income from field crops increased by 3,8% y/y in the fourth quarter of 2013 despite the 13,5% decline income from maize. The net farming income growth remained in the negative territory for the second consecutive quarter, declining by 23,5% y/y in the fourth quarter of 2013; from R9,8 billion in the fourth quarter of 2012 to R7,5 billion in the fourth quarter of 2013.

However, looking at the 2013 calendar year, the net farming income increased by 7% from R52,4 billion in 2012 to R56,2 billion in 2013.

The value of SA agricultural exports increased by 25%, from R12,9 billion in the fourth quarter of 2012 to R16,2 billion in the fourth quarter of 2013. Zimbabwe was South Africa's major agricultural trading partner during the fourth quarter of 2013, with SA gaining about R1,7 billion of agricultural export revenue from this country; followed by Mozambique from which about R1,3 billion in agricultural export revenue was earned. The value of agricultural imports into SA decreased slightly by 2% from R15,9 billion in the fourth quarter of 2012 to R15,6 billion in the fourth quarter of 2013. Rice remained the major agricultural import item accounting for 9% of the import value in the fourth quarter of 2013.

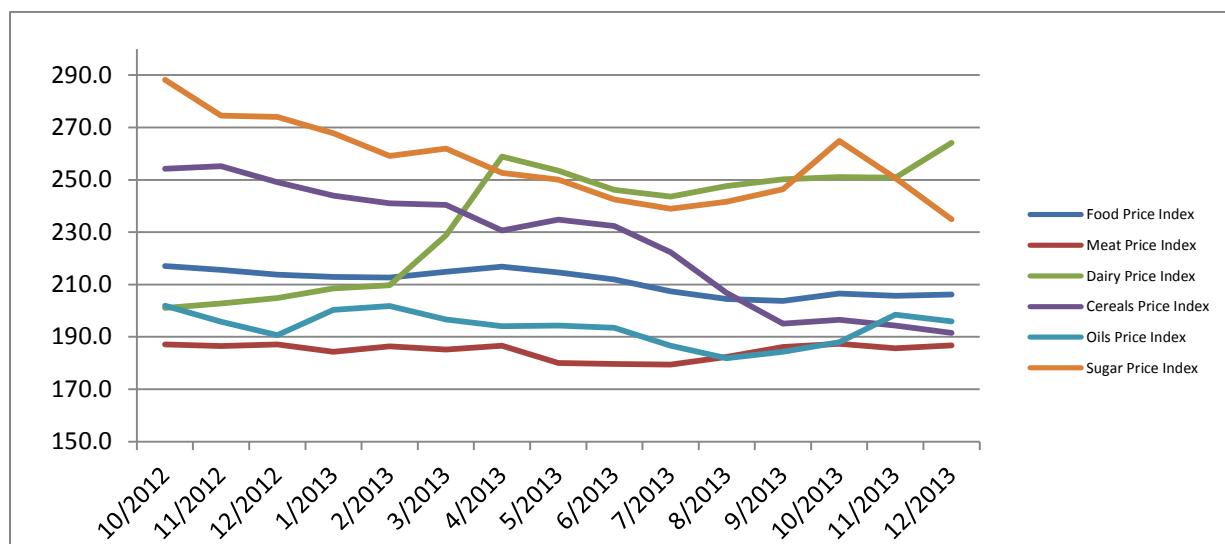
## 1. GLOBAL OVERVIEW OF THE AGRICULTURE, FORESTRY AND FISHING ECONOMY

Although global activity picked up during the second half of 2013, global output slowed marginally in 2013 compared to 2012. Unemployment remained high both in emerging and in advanced economies. In summary, global economic growth slowed to 3,0 percent in 2013 from 3,1% in 2012. Regardless of the global instability associated with macroeconomic conditions in advanced economies, IMF projects that world growth will rise to 3,7% in 2014.

Advanced economies, led by the US, are currently picking up the recovery pace while emerging market and developing economies are slowing as a result of adjustment problems after a quick catch-up, with some large emerging market and developing countries facing significant capital outflows which are likely to weigh on growth. However, overall growth in emerging market and developing economies is expected to increase to 5,1% in 2014 and to 5,4% in 2015 as they are expected to benefit from stronger external demand in advanced economies (IMF, 2014). The euro area is also projected to move out of recession with the expected growth of 1% in 2014 and 1,4% in 2015.

Global inflation has been fairly stable in recent months, however, international **food prices** have been increasing over the last three months of 2013. The FAO Food Price Index increased from 205,8 points in October to 206,3 points in November and to 206,7 points in December 2013. However, all these price indices are slightly lower than during the same months in 2012. The October price increase was mainly due to rising sugar prices. Figure 1 shows the global food price trends since October 2012.





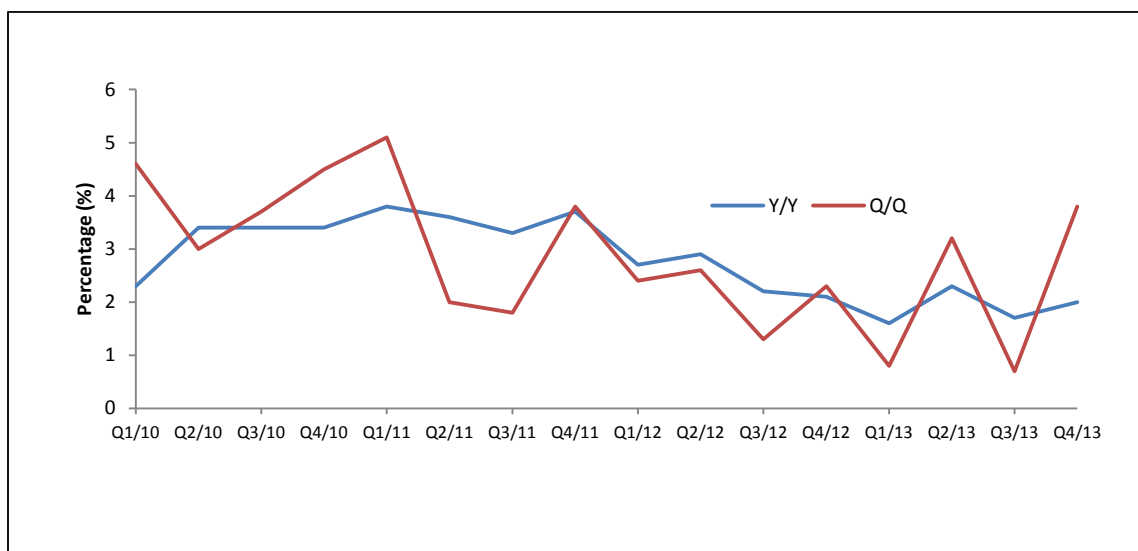
**Figure 1: Global Food Price Indices**

Data Source: FAO

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

### 2.1 Growth

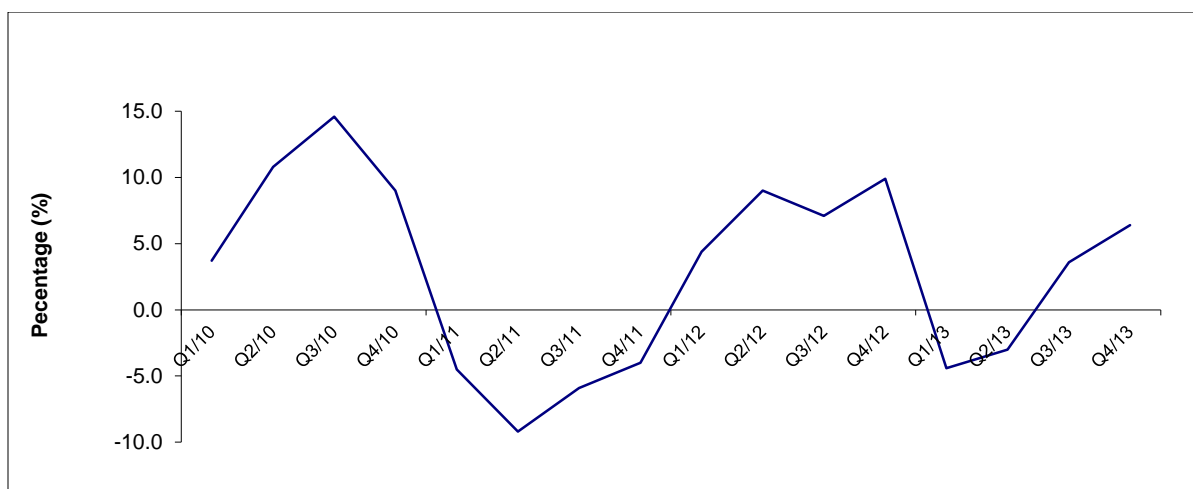
According to Statistics SA, real GDP at market prices rose by 3,8% q/q, seasonally adjusted and annualised, during the fourth quarter of 2013. The main contributors to this increase were the manufacturing industry which grew by 12,3% and the mining and quarrying industry which grew by 15,7%. Growth in the manufacturing industry was mainly due to higher production in food and beverages; petroleum, chemical products, rubber and plastic products; as well as motor vehicles, parts and accessories and other transport equipment. Economic activity in the electricity, gas and water industry reflected a negative growth of 5,6 % due to lower consumption of both electricity and water. Figure 2 shows the SA quarterly GDP growth trend since the first quarter of 2010.



**Figure 2: Domestic real GDP growth**

Data Source: Stats SA

Economic activity in the agriculture, forestry and fishing sector reflected a positive growth of 6,4% q/q in the fourth quarter of 2014, boosted largely by significant increases in income from animal products. The sector's improvement comes after the contraction in the first half of 2013, before rebounding to a positive growth rate of 3,6% in the third quarter of 2013. On an annual basis, the agriculture, forestry and fishing sector improved slightly, growing by 2,3% in 2013 from 2% in 2012. Figure 3 shows the agriculture, forestry and fishing sector quarterly growth trend since the first quarter of 2010.

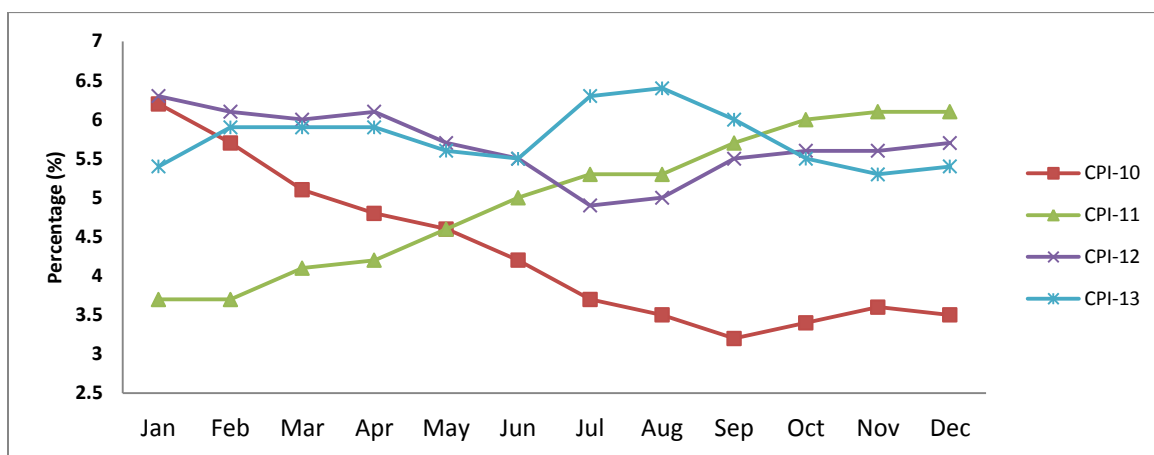


**Figure 3: Annualised growth in the seasonally adjusted quarterly value for agriculture, forestry and fishing**

Data Source: Stats SA

## 2.2 Inflation

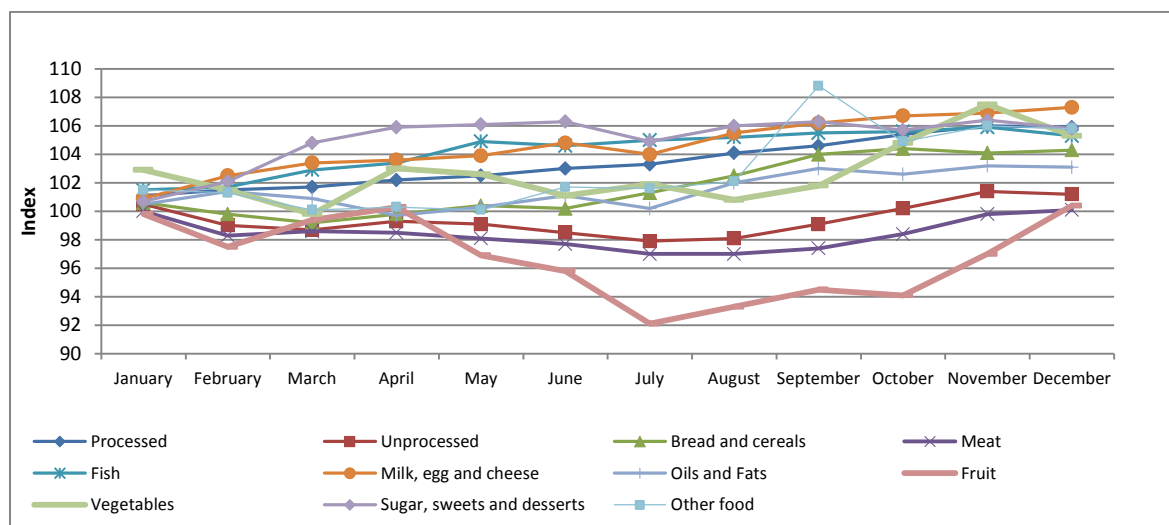
The SA headline CPI annual inflation rate slid back within the SA Reserve Bank's target range during the fourth quarter of 2013, averaging 5,4% during the period October to December 2013. The official average annual inflation rate for the year 2013 was 5,7% which is marginally higher than the corresponding average annual inflation rate of 5,6% for the year 2012. Figure 4 shows the monthly headline CPI trends since 2010.



**Figure 4: SA Consumer Price Index (CPI)**

Source: Stats SA

Food prices rose by 3,5% y/y in December 2013 compared to December 2012, while on a m/m basis food prices declined by 0,1% in December 2013 compared to November 2013. On an annual basis, prices of milk, eggs and cheese showed the highest increase in the food category in December 2013, rising by 5,3% y/y after increasing by 12,1% y/y in September 2013. Meat prices continued to show relatively low increases, rising by 0,1% y/y and 0,3% m/m in December 2013. Figure 5 shows the 2013 CPI for food.



**Figure 5: CPI for food products (2013)**

Source: Stats SA

Producer prices rose by 6,5% m/m in December 2013 compared to November 2013. The annual percentage change in the Producer Price Index (PPI) for manufactured goods averaged 6,2% during the fourth quarter of 2013, a slight drop from the 6,7% average in the third quarter of 2013. The PPI for agriculture, forestry and fishing rose by 4,1% y/y in December 2013 compared to December 2012; and by 1,5% m/m in December 2013 compared to November 2013. The main contributor to the 6,5% m/m increase in producer prices was the food products, beverages and tobacco products item which rose by 5,2% y/y in December 2013. Producer prices of food products rose by 5,8% y/y in December 2013, pushed mainly by the sharp increase of 18,6% in producer prices of fish and fish products.

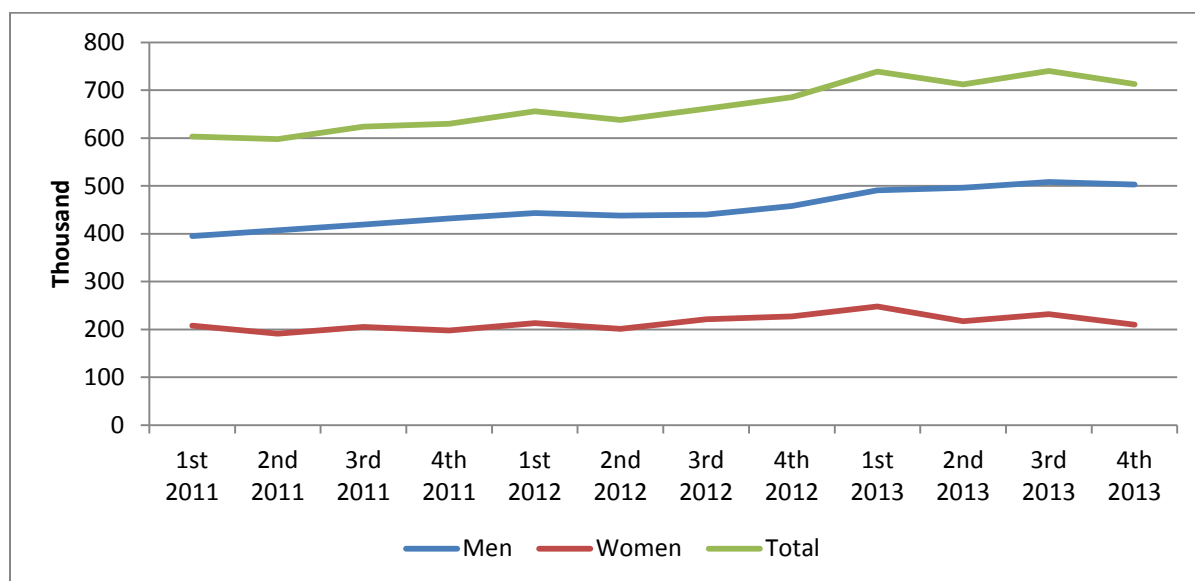
## 2.3 Employment

The SA unemployment rate eased to 24,1% of the labour force in the fourth quarter of 2013, the lowest level in seven quarters, after a revised 24,5% in the third quarter of 2013. In its Quarterly Labor Force Survey (QLFS), Statistics South Africa said the number of people without jobs dropped by 50 000 to reach 4,8 million in the fourth quarter of 2013, slightly down from 4,9 million in the previous three months. The number of jobs increased by 141 000 in the fourth quarter of 2013, largely due to an increase of 123 000 jobs in the informal sector and 64 000 jobs in the formal sector. Most of the increase was among people with temporary and short-term contracts.

Despite the rise in employment numbers, the percentage of working-age South Africans with jobs stood at 43,3% and is still below the pre-recession peak of 46,2% observed in the fourth quarter of 2008.

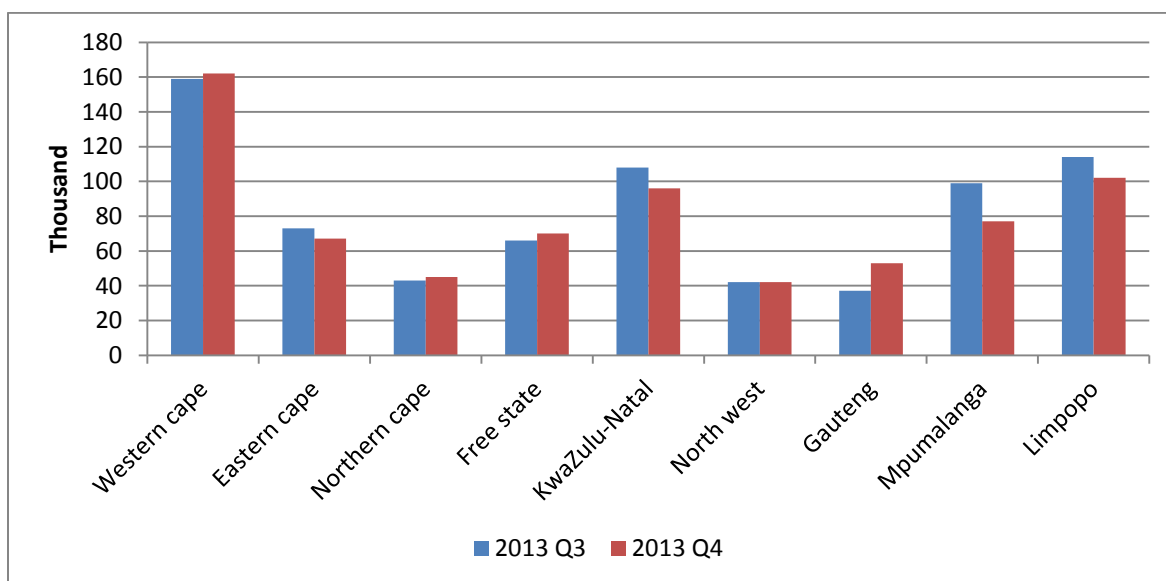
The SA economy has been losing jobs since last year as a result of strikes in the mining and manufacturing sectors as well as the slump in global demand that crippled exports. President Jacob Zuma, on the 18th of December 2013, signed into law a tax incentive programme to help reduce joblessness among young people, even as labour unions criticised the plan. Analysts believed that the unemployment rate in South Africa was unlikely to be reduced significantly in the short-term given weak domestic demand, rising input costs, labour disputes, significant infrastructure constraints and other regulatory issues in some key sectors. The figures suggest that the country's weak economy is still struggling to significantly reduce the unemployment rate and the growth outlook is still fragile.

Figure 6 shows that employment in agriculture declined in the fourth quarter of 2013 after picking up in the third quarter of 2013.



**Figure 6: Total number of people employed in agriculture between 2011 and 2013.**  
Source: DAFF

The number of people employed in agriculture decreased by 27 000 persons in the fourth quarter of 2013; from 740 000 persons in the third quarter of 2013 to 713 000 persons in the fourth quarter of 2013. Compared to a year ago, 4 000 people lost their jobs in agriculture from 718 000 in the fourth quarter of 2012 to 713 000 in the fourth quarter of 2013. Of the 27 000 q/q job losses in agriculture during the fourth quarter of 2013, 21 000 jobs were lost by women while 5 000 jobs were lost by men. In total, agriculture comprised of 210 000 women and 503 000 men in the fourth quarter of 2013 compared to 232 000 women and 508 000 men in the third quarter of 2013.



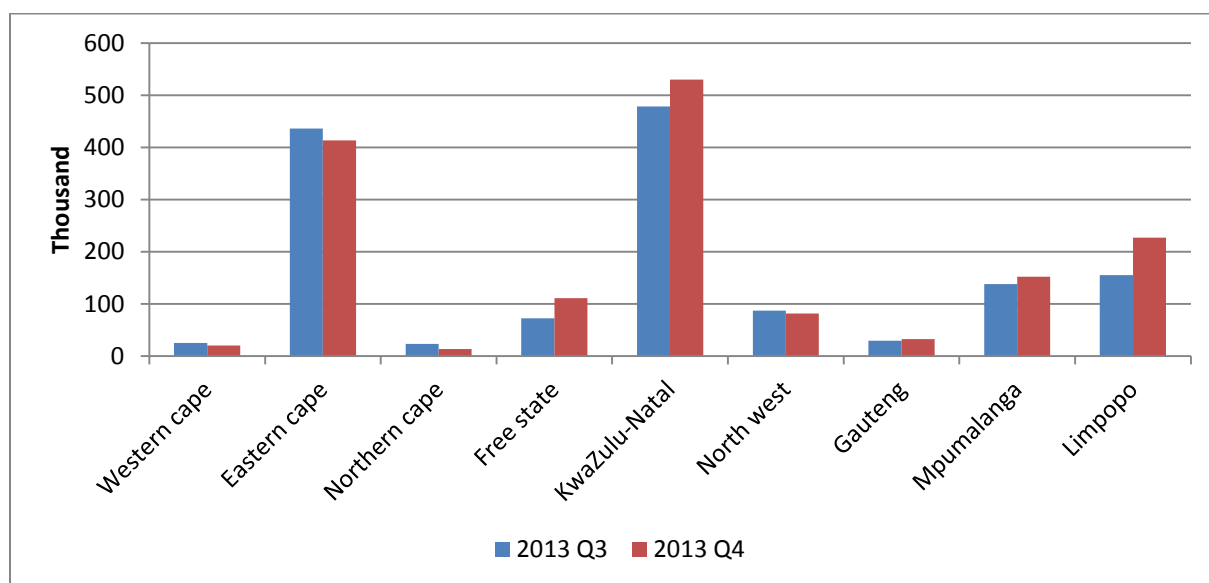
**Figure 7: Agriculture employment per province.**

Source: DAFF

Figure 7 shows that the Western Cape provincial agriculture had the highest number (162 000) of people employed in the fourth quarter of 2013, followed by the Free State provincial agriculture with 70 000 people and Gauteng with 53 000 people. The Northern Cape provincial agriculture also increased from 43 000 people in the third quarter of 2013 to 45 000 people in the fourth quarter of 2013. Mpumalanga provincial agriculture lost about 22 000 jobs in the fourth quarter of 2013, from 99 000 jobs in the third quarter of 2013 to 77 000 jobs in the fourth quarter of 2013. Limpopo provincial agriculture lost about 13 000 jobs during the same period while KwaZulu-Natal lost about 12 000 jobs during the same period.



The QLFS for the fourth quarter 2013 also indicated that 1,6 million people were involved in subsistence farming during the fourth quarter of 2013 compared to 1,4 million in the third quarter of 2013, an increase of 137 000 persons on a quarter-on-quarter basis. Figure 8 shows the number of people involved in subsistence farming in provinces during the fourth quarter of 2013 compared to the third quarter of 2013.



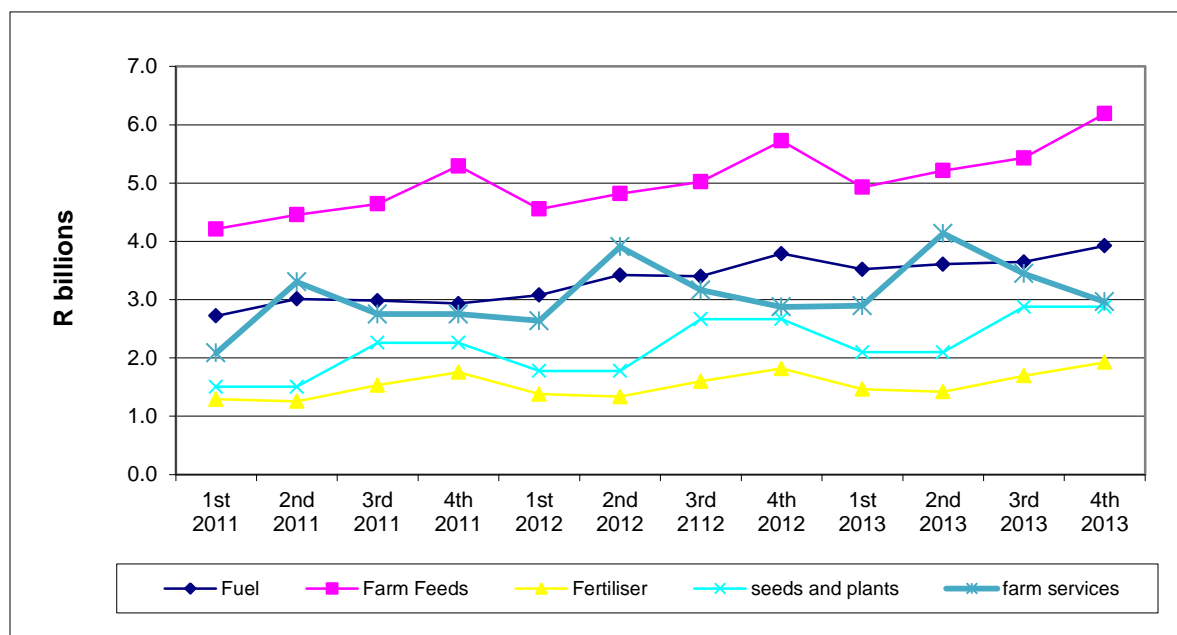
**Figure 8: Number of people involved in subsistence farming per Province**

Source: DAFF

KwaZulu-Natal continued to have the highest number (530 000) of people involved in subsistence farming, followed by Eastern Cape with 413 000 persons during the fourth quarter of 2013. Limpopo and Mpumalanga had 227 000 and 152 000 persons, respectively, involved in subsistence farming during the fourth quarter of 2013.

## 2.4 Expenditure on intermediate goods and services by the agricultural sector

The total expenditure on intermediate goods and services increased slightly to R29,0 billion in the fourth quarter of 2013 compared to R27,3 billion in the previous quarter, an increase of 6,2%. Compared to a year ago, the total expenditure on intermediate goods and services increased by 7,3% from R27,0 billion in the last quarter of 2012 to R290,1 billion in the fourth quarter of 2013. Figure 9 shows the total expenditure on fuel, farm feeds, fertilizers, seeds and plants as well as farm services.



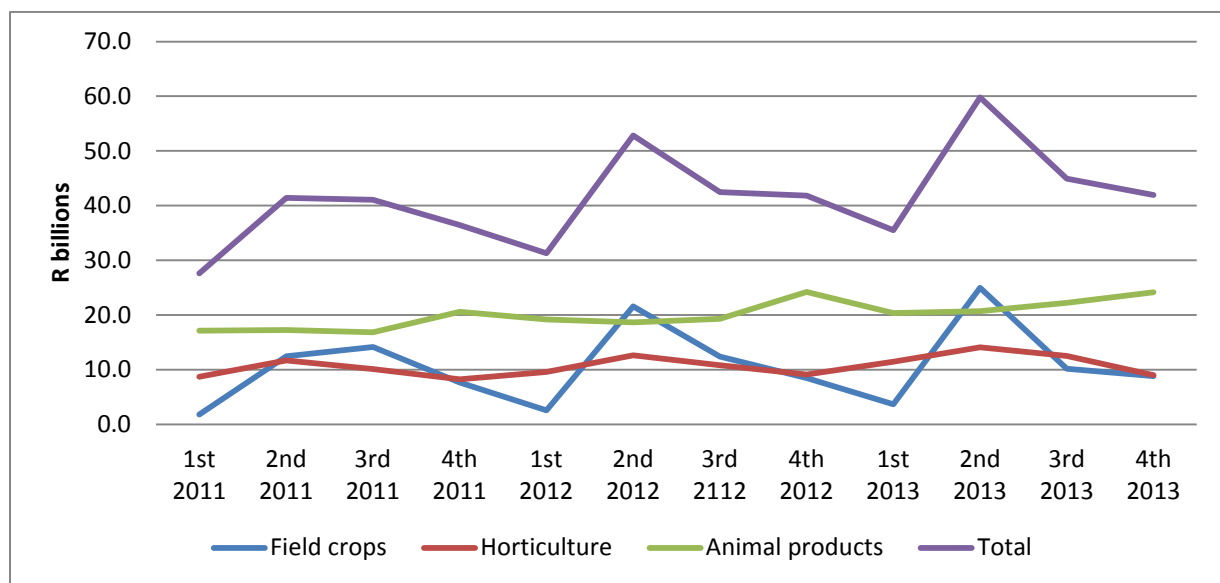
**Figure 9: Expenditure on fuel, farm feeds, fertilisers, seeds & plants and farm services between 2011 and 2013.**

Source: DAFF

During the fourth quarter of 2013, the increase in total expenditure on intermediate goods and services was mainly supported by an increase in expenditure on farm feeds and fertilisers which increased by 14,0% and 13,6% respectively. During the same period, the expenditure on fuel also increased by 7,6%. The expenditure on seeds and plants remained relatively flat while the expenditure on farm services recorded its second consecutive quarterly decline, decreasing by 14,0% in the fourth quarter of 2013 compared to the previous quarter.

## 2.5 Gross farming income and net farm income from agricultural products

The gross income from all agricultural products increased slightly by 0,2% during the fourth quarter of 2013 compared to the fourth quarter of 2012. The slight increase was mainly due to the 1,4% decline in income from horticultural products and the 0,4% decline in income from animal products during the fourth quarter of 2013 compared to the fourth quarter of 2012. Figure 10 shows the gross income from field crops, horticulture and animal products between 2011 and 2013.

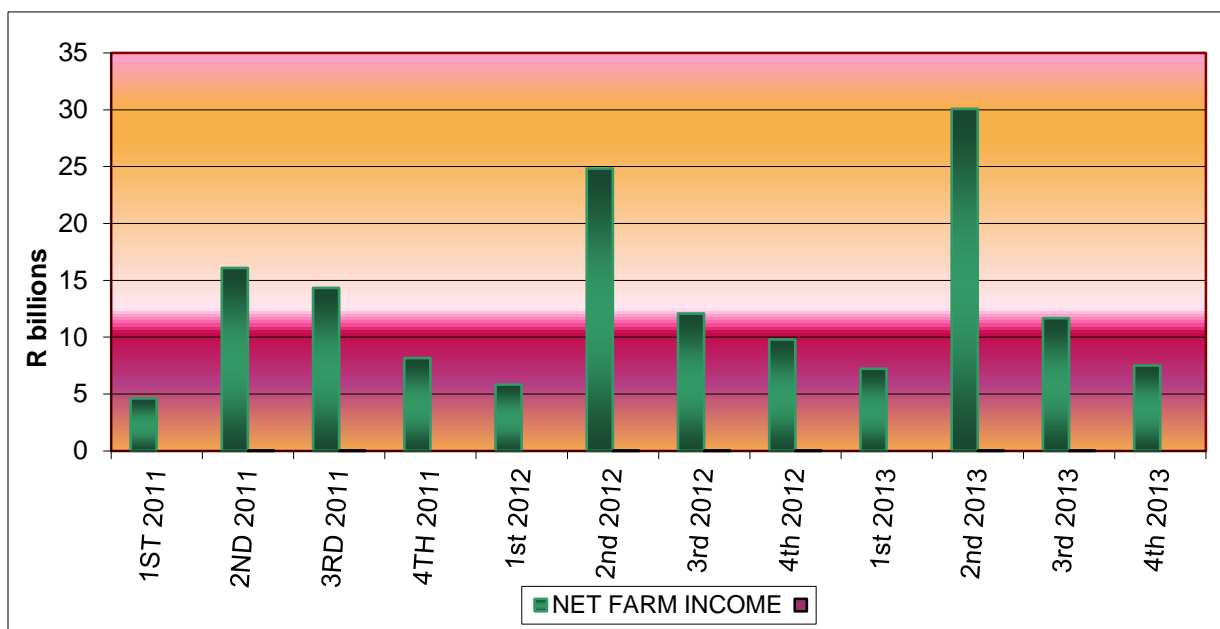


**Figure 10: Gross farming income between 2011 and 2013.**

Source: DAFF

Income from horticultural production declined from R9,1 billion in the fourth quarter of 2012 to reach R8,9 billion in the fourth quarter of 2013, mainly due to the 1,9% decline in income from citrus fruit as well as the 9,8% decline in income from subtropical fruit during the same period. The decline in income from animal products was largely due to the 8,4% decline in income from cattle and calves slaughtered as well as the 6,5% decline in income from eggs. On the other hand, income from field crops increased by 3,8% during the period under review. The increase in income from field crops was largely boosted by the sharp increase in income from sunflower seeds; although income from maize declined by 13,5% while income from wheat declined by 3,4%.

The net farming income declined sharply by 23,5% from R9,8 billion in the fourth quarter of 2012 to R7,5 billion in the fourth quarter of 2013. The sharp decline was largely due to the marginal increase in gross income from all agricultural products while expenditure on intermediate inputs increased significantly. However, looking at the year 2013, the net farming income increased by 7,3% from R52,4 billion in 2012 to R56,2 billion in 2013. Figure 11 depicts the net farm income trends between 2011 and 2013.

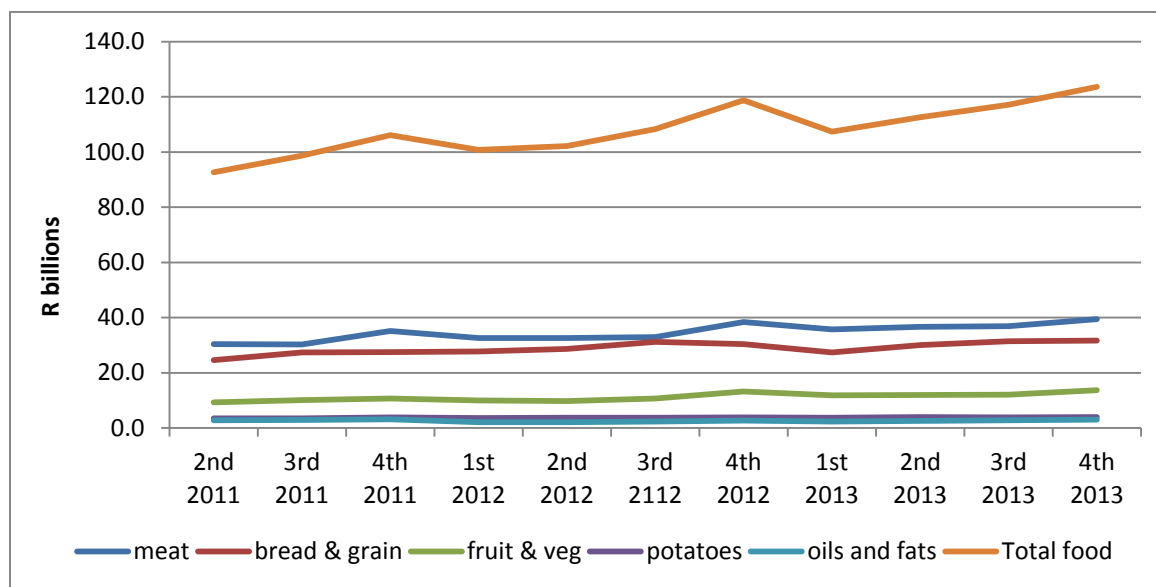


**Figure 11: Net farm income between 2011 and 2013.**

Source: DAFF

## 2.6 Private consumption expenditure on agricultural products

Private consumption expenditure on food reached R123,6 billion in the fourth quarter of 2013 compared to R117,1 billion in the third quarter, an increase of 5,6%. Compared to a year ago, private consumption expenditure on food increased slightly by 4,1% from R118,7 billion in the fourth quarter of 2012 to R123,6 billion in the fourth quarter of 2013. The main expenditure item on a y/y basis was oils and fats which increased by 12,1%. Potatoes increased by 5,5% followed by expenditure on bread and grain which increased by 4,0%. During the same period, the expenditure on fruit and vegetables increased by 2,9%, while the expenditure on meat increased by 2,7%. Figure 12 depicts private consumption expenditure trends of selected items between 2011 and 2013.



**Figure 12: Private consumption expenditure between 2011 and 2013.**

Source: DAFF

## 2.7 Trade of agricultural, forestry and fisheries products

### 2.7.1 Agricultural trade

South Africa's agricultural trade has been growing strongly in emerging markets despite the high levels of volatility and a higher frequency of severe weather conditions. South Africa maintained a positive trade balance for agricultural, forestry and fisheries collectively in the fourth quarter of 2013.

The total export value of agricultural products increased by 25% from R12,9 billion to R16,2 billion between the fourth quarter of 2012 and the fourth quarter of 2013. During the fourth quarter of 2013, South Africa gained most of its agricultural export revenue from products exported to Zimbabwe, from which SA gained R1,7 billion in agricultural export revenue representing 11% of the total export value. Mozambique was the second leading export destination for SA's agricultural exports from which R1,3 billion of agricultural export revenue was received, representing 8% of the total export value. Other countries from which a considerable amount of agricultural export revenue was received include the United Kingdom (8%), Netherlands (8%) and China (6%). The top three exported products during this period were: wine in 2 Litre bottles which

accounted for 19% of agricultural export revenue, followed by wool (10%) and fresh grapes (6%), see Table A.5.

While exports of agricultural products increased considerably in the midst of slow global demand, the total import value of agricultural products decreased marginally between the fourth quarter of 2012 and the fourth quarter of 2013. The total import value of agricultural products decreased by 2% from R15,9 billion to R15,6 billion between the fourth quarter of 2012 and the fourth quarter of 2013. The top three agricultural products which contributed a considerable amount to the total import value include rice (9%), palm oil (7%) as well as wheat and meslin (6%), see table A.5.

### **2.7.2 Fisheries trade**

Trading of fisheries products decreased between the fourth quarter of 2012 and the fourth quarter of 2013 due to reduced consumer demand globally because of the higher prices. Both values and volumes entering the international fish markets are showing moderate growth and the overall market situation continues to be difficult, particularly in traditional developed country markets. Slightly higher prices of some of the farmed species indicate supply shortage symptoms more than strong demand (FAO, 2013).

The total export value of fisheries products decreased by 8%, from R344 million to R317 million between the fourth quarter of 2012 and the fourth quarter of 2013. Major export destinations for South African fisheries products were United States, Italy and Australia, with a market share of 21%, 15% and 10% respectively. In comparison with the fourth quarter of 2012, the US has increased its market share by 11% while Italy and Australia decreased their share by 7% and 1% respectively. The top three products exported during the fourth quarter of 2013 were rock lobster and other sea crawfish (frozen), fish (prepared or preserved, whole or in pieces) as well as cuttle fish and squid (frozen, dried, salted or in brine), see Table A.7.



Due to reduced consumer demand globally, the total import value of fisheries products decreased significantly between the fourth quarter of 2012 and the fourth quarter of 2013. The total import value of fisheries products decreased by 27%, from R591 million to R433 million between the fourth quarter of 2012 and the fourth quarter of 2013. The top three sources of fisheries imports in the fourth quarter of 2013 were Thailand, Norway and China while the top three fisheries products imported during this period were sardines/sardinella/ brisling (prepared or preserved and not minced), tunas/skipjack/bonito (prepared or preserved and not minced) as well as cuttle fish and squid (frozen, dried, salted or in brine), see Table A.7.

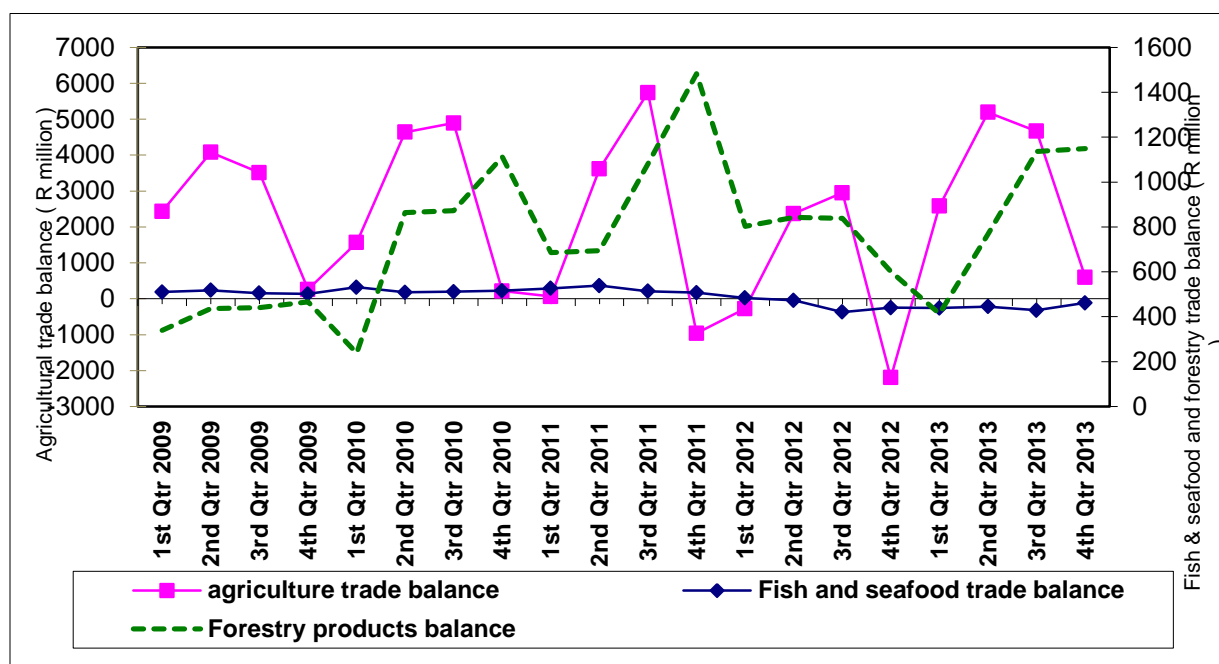
### **2.7.3 Forestry trade**

Trading of forestry products increased considerably between the fourth quarter of 2012 and the fourth quarter of 2013 while the South African forestry sector remains under continued pressure to adapt itself to the different challenges the industry faces (FSA, 2011).

The total export value of forestry products increased by 32%, from R2,5 billion to R3,3 billion between the fourth quarter of 2012 and the fourth quarter of 2013 (Table A.8). The top three export destinations for forestry products during the fourth quarter of 2013 were Indonesia, China, and Zimbabwe while the top three forestry products which contributed to the total export revenue of forestry products received were chemical woodpulp (dissolving grades), kraftliner (uncoated, bleached, in rolls or sheets) as well as chemical woodpulp (soda or sulphate, not dissolving grades), see Table A.9.

The total import value of forestry products increased by 14% from R1,9 billion to R 2,2 billion between the fourth quarter of 2012 and the fourth quarter of 2013 (Table A.8). SA's major forestry import sources include China, United Kingdom and the United States. The most important forestry products imported during the fourth quarter of 2013 include printed books, brochures as well as leaflets & similar printed matter, see Table A.9.

Between the first quarter of 2009 and the fourth quarter 2013, agriculture's trade balance experienced 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 fourth quarter of 2013, agriculture's trade balance decreased considerably compared to the third quarter of 2013, however, it maintained its positive healthy levels. Figure 13 shows trends in trade balances for agriculture, fish and sea food as well as forestry products.



**Figure 13: Trends in trade balances for agriculture, fish and seafood and forestry products.**

Source: South African Revenue Services

The fisheries trade balance fluctuated significantly between the first quarter of 2009 and the fourth quarter of 2013, however, it remained in positive territory between the first quarter of 2009 and the first quarter of 2012. The fisheries trade balance has been in negative territory since the second quarter of 2012 until the fourth quarter of 2013.

The trade balance for forestry products fluctuated significantly between the first quarter of 2009 and the fourth quarter of 2013 although it remained in positive territory

despite significant challenges experienced by forestry industries since the global economic crisis.

## **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. Given the 2012/2013 drought in the western production areas and virtually depleted soil moisture levels in the major producing areas, a contraction in the 2012/13 aggregate crop is expected. In addition, the final calculated 2013 maize crop as set by the Crop Estimates Committee is 11,690 million tons, approximately 1,2% less than 11,830 million tons of the previous season.

Furthermore, after some planting delays in October due to dry weather conditions, the arrival of good rains in November may have helped stimulate an increase in the area planted to maize in the 2013/2014 production season, however, preliminary planting intentions point to a 3% year-on-year contraction in the maize area for 2014 (FAO, 2013).

During the fourth quarter of 2012, the average opening stock for white and yellow maize was 3,5 million tons and 2,3 million tons respectively, while the average total opening stock (white maize plus yellow maize) was 5,8 million tons. During the fourth quarter of 2013, the average opening stock for white and yellow maize was 2,7 million tons and 2,2 million tons respectively, while the average total opening stock (white maize and yellow maize) was 4,9 million tons, approximately 9% less than in the fourth quarter of 2012.

Consumption of maize in South Africa totaled 2,2 million tons in fourth quarter of 2012. Of this total, 1,3 million tons were white maize while 953 000 tons were yellow maize. Consumption of maize during the fourth quarter of 2013 totalled 2,3 million tons,

approximately 6% more than in the fourth quarter of 2012. Of this total, 1,1 million tons were white maize while 1,2 million tons were yellow maize.

Local demand for maize is expected to grow marginally in 2013/14 as demand for maize for human consumption and animal feed has flattened over the past three years, due to relatively high maize prices and slow economic growth. The total SA maize exported during the fourth quarter of 2013 reached 313 000 tons, about 18 000 tons less than 331 000 tons of maize exported during the fourth quarter of 2012; while uncertainties of the current crop size due to the drought conditions slowed exports (USDA, 2013).

Internationally, early indications suggest that the overall expected production of wheat for the 2013/2014 production season could increase slightly compared to last year; while the bulk of the winter wheat crop in the northern hemisphere for harvest in 2014 is already in the ground and prospects are generally favourable (FAO, 2013).

Domestically, with pressure on profit margins, many local farmers scaled down wheat production and switched wheat fields with other crops or increased livestock production. The declining trend of the area planted to wheat created a gap between production and demand and this gap is expected to continue into the 2013/14 marketing year (USDA, 2013). Meanwhile, harvesting of the winter wheat crop is currently underway and the expected commercial production of wheat is 1,751 million tons, just about 6,8% less than 1,870 million tons of the previous seasons (DAFF, 2013).

During the fourth quarter of 2012, the average opening stock of wheat for human consumption was 926 000 tons while the average opening stock of wheat for animal feed reached 7 000 tons. The average opening stock of wheat for human consumption during the fourth quarter of 2013 decreased by 21% to 729 000 tons, while the average opening stock of wheat for animal feed decreased considerably by 48% to 4 000 tons.

Consumption of wheat in the fourth quarter of 2012 amounted to 779 000 tons. Of this total, 763 000 tons were used for human consumption, 10 000 tons were for the animal feed market while the rest was kept at producer level as seed for the next planting season. During the fourth quarter of 2013, consumption of wheat increased by 3% to 801 000 tons. Of this total, 792 000 tons were used for human consumption, approximately 5 000 tons were for the animal feed market while the rest was kept at producer level as seed for the next planting season.

World oilseed production has been rising sharply with the growing demand for the global crushing industry and rising demand for soy oil and soy meal. Dry conditions in Argentina resulted in a decrease in the area planted with maize, which was substituted with a record soybean crop in South America (Grain SA, 2014).

During the fourth quarter of 2013, the price of white and yellow maize increased by 10% and 13% to average R2 522/ton and R2 430/ton respectively. During the same period, the price of wheat, sunflower seed and soya bean increased by 3%, 13% and 15% to average R3 525/ton, R5 628/ton and R6 232/ton respectively. Domestic wheat and oilseed prices are expected to remain in the upward trend due to continuous demand and tight stocks that will pressure prices (Absa, 29 November 2013).

### **2.8.2 Fruit and vegetable market review**

Table B.1 shows quarterly average prices and quantities of various fruits that were traded at Fresh Produce Markets (FPMs) during the fourth quarters of 2012 and 2013. Between the fourth quarter of 2012 and the fourth quarter of 2013, the average prices of avocados, oranges, pears and mangoes increased by 5%, 25%, 26% and 10% respectively, due to a reduction in quantities supplied to markets. Meanwhile, the average prices of apples, bananas and grapes decreased by 9%, 14% and 34% respectively, due to an increase in quantities supplied to markets.

The quantity of selected fruits traded through FPMs decreased significantly between the fourth quarter of 2012 and the fourth quarter of 2013, except for apples, bananas and grapes which increased by 19%, 25% and 36% respectively. According to BFAP

(2013), the latest fruit crop estimate from Hortgro reveal that exports of pears were 8% higher than the preceding three year average. This therefore implies relatively reduced supplies to the local markets, exerting upwards pressure on prices. During the same period under review, the quantities of avocados, oranges, pears and mangoes decreased by 12%, 16%, 22% and 19% respectively. According to production trends, large volumes of avocados are available between March and October while in other months, the volumes are a less.

It is a matter of interest that mango farmers in the country are venturing into more profitable agricultural enterprises while some farmers were reported to have removed their mango trees altogether (NAMC, June 2013). Meanwhile, a large proportion of South Africa's citrus crop such as oranges is exported to other countries, leaving only 9% for domestic consumption as fresh produce (NAMC, January 2013). Prices of a number of vegetables traded through the FPMs increased significantly between the fourth quarter of 2012 and the fourth quarter of 2013. The prices of cucumber, onions, potatoes, spinach and green beans increased by 16%, 20%, 22%, 28% and 14% respectively, due to a reduction in quantities supplied to markets. During the same period, the prices of beetroot, carrots, lettuce and cabbage increased by 10%, 17%, 21% and 7% respectively, despite an increase in quantities supplied to markets. Meanwhile, the average price of tomatoes and sweet potatoes decreased by 14% and 48% respectively, due to an increase in quantities supplied across markets.

During the period under review, quantities of most vegetables traded through FPMs increased significantly with the quantities of beetroot, carrots, lettuce, cabbage, tomatoes and sweet potatoes increasing by 3%, 6%, 9%, 12%, 12% and 82% respectively. During the same period, the quantities of cucumber, onions, potatoes, spinach and green beans decreased by 15%, 71%, 2%, 2% and 9% respectively.

### **2.8.3 Meat Industry Review**

World meat production is anticipated to grow marginally, by 1,4% in 2013 with improved national supplies in a number of importing countries and a fall in production in some of the principal exporters (FAO, 2013).



At the domestic level, extreme increases in feed prices resulted in an increase in meat prices, however, the increase in feed prices has not matched similar increases in meat prices, thus diminishing producer profit margins significantly (BFAP, 2013).

### **2.8.3.1 Beef Industry Review**

While South Africa appears to have a thriving beef industry, its average productivity, compared with that of its counterparts, is not achieving its full potential. Escalating production costs, intermittent drought, livestock diseases and increasingly stringent food safety legislation are pressurising beef supply and profitability (Phillips, 2013). Meanwhile, production conditions are expected to improve due to good rains in some producing areas although more rain is needed as other areas have been extremely dry (FNB, 01 November 2013).

Between the fourth quarter of 2012 and the fourth quarter of 2013, the gross production value of beef decreased by 8%, from R5,6 billion to R5,1 billion. During the same period, the average price of beef decreased by 9%, from R31,58/kg to R28,81/kg. Meanwhile, the number of cattle slaughtered increased slightly between the fourth quarter of 2012 and the fourth quarter of 2013 from 656 094 to 661 903 (Table B.3).

### **2.8.3.2 Poultry Industry Review**

Global poultry production is anticipated to expand by 1,8% in 2013 while domestically, the poultry industry experienced some relief from an announcement by Trade and Industry Minister, Rob Davies, that poultry import tariffs were raised by an average of 8,75%. Moreover, the new import tariff will soon be seen on the new prices as EU figures will be used for chicken due to the new duties on imports from Brazil. Furthermore, the broiler industry remained steady to firm as increases in uptake and supply levels were reported adequate to meet the festive demand (FNB Agri-weekly, 01 November 2013).

Between the fourth quarter of 2012 and the fourth quarter of 2013, the gross production value of poultry increased marginally, by 1% from R8,7 billion to R8,9 billion. During the same period, the average price of poultry per ton decreased by 4% from R23 457/ton to R22 620/ton. Total production of poultry increased by 5% from 372 993 metric tons to 391 643 metric tons between the fourth quarter of 2012 and the fourth quarter of 2013 (Table B.4).

#### **2.8.4 Eggs and dairy Industry Review**

Despite the global economic slowdown, the domestic egg market grew rapidly in recent years, however, the pressure of high feed costs and other input costs resulted in the domestic egg market being rather volatile (BFAP, 2013). In addition, efforts by the industry to increase egg prices in order to recover the additional production costs were not successful, thus a downswing in egg production in 2013 was expected (SAPA, 2012).

Between the fourth quarter of 2012 and the fourth quarter of 2013, the gross production value of eggs decreased by 7%, from R2,2 billion to R2,1 billion. Meanwhile, the average price per dozen of eggs increased by 2%, from R9,90/ dozen to R10,09/dozen. Total production of eggs between the fourth quarter 2012 and the fourth quarter of 2013 decreased by 8%, from 224,5 million dozens to 205,7 million dozens.

World milk production growth in major trading countries remained low in 2013, despite higher production prices and very optimistic pay out predictions in New Zealand and Australia (MPO, 29 November 2013). Domestically, due to the prolonged drought that negatively affected pastures, total milk production slowed in 2013. According to the Milk Producer's Organisation (MPO), the slow growth in milk production will not be enough to provide for an expanded dairy industry. In addition, the current levels of producer prices do not encourage farmers to increase production which, during autumn and winter season when production is low, can result in supply challenges (MPO, 29 November 2013).

Between the fourth quarter of 2012 and the fourth quarter of 2013, the gross production value of milk increased considerably by 13%, from R3,2 billion to R3,6 billion. During the same period, the average price per litre of milk increased by 11%, from R3,48/l to R3,88/l. Total production of milk between the fourth quarter 2012 and the fourth quarter of 2013 increased marginally, by 2% from 913,0 million litres to 928,0 million litres.

### 3. OUTLOOK OF THE AGRICULTURAL ECONOMY

**Weather Outlook:** The weather forecasting system indicated weak probabilities for above-normal rainfall conditions for most parts of the summer rainfall region for autumn. There is an indication of drier conditions over the eastern parts of the country moving towards the early winter season, although notably some weak probabilities for above-normal rainfall conditions can be found over the winter rainfall regions.

Most of the country is expected to be cooler in autumn with a tendency of the cooler conditions extending into early winter. During autumn neither above nor below normal rainfall is favoured countrywide. In this instance, farmers are advised to plan their activities in accordance with weather conditions usually associated with that particular period in their areas. It is anticipated that it may become drier in the east during early winter. Maximum and minimum temperatures are likely to be cooler. Farmers are encouraged to continually check updates i.e. seasonal forecasts and utilize 7 day weather forecasts for short-term planning

Latest estimates by the Food and agricultural Organization (FAO) confirm a large increase in 2013 **world cereal output** and early prospects for the 2014 wheat crop are mostly favourable. Locally, the 2013 final wheat production is expected to end the year at 1 804 450 tons which is 3,5% lower than it was in 2012. This is due to, inter-alia, the reduction in hectares allocated to the crop compared to 2012. The tons expected for malting barley and canola are expected to average -10,7% and 41,8%

respectively compared to 2012. Table 1 shows the production estimates for SA winter cereals

	Final crop 2012	Final estimate 2013	Ha/2012	Ha/2013
Wheat	1 870 000	1 804 450	511 200	505 500
Malting Barley	298 000	266 002	84 940	81 320
Canola	79 000	112 041	44 100	72 165

**Table 1: RSA Winter cereals production estimates**

Source: DAFF

**Maize:** Internationally, global maize production is forecast to increase by 11% during the 2013/14 season. Locally, maize production is expected to increase by 6,1% in 2014 compared to 2013. The increase is largely due to an increase in the tons expected for white maize. The white maize production is expected to increase by 18% whilst yellow maize production is expected to decline by 4,7% in 2014 compared to 2013. Table 2 shows production estimates for SA maize.

	2013 Tons	2014 Tons	2013 Hectares	2014 Hectares
Yellow Maize	6 145 000	5 854 700	1 164 000	1 137 000
White Maize	5 545 000	6 548 050	1 617 200	1 531 200
Total Maize	11 690 000	12 402 750	2 781 200	2 668 200

**Table 2: RSA Maize production estimates**

Source: DAFF

Average white maize future price contracts entered in the month of January 2014 were 43,5%; 44,2%; 38,9% ;26,5%; 15%;14,8% and 13,9% higher for the month of Jan'14, Feb'14, Mar'14, Apr'14, May'14, Sept'14 and Dec'14 respectively, compared to the same period last year. Average yellow maize futures contracts were 38%; 35,6%; 27,5%; 13,6%; 8,9%; 9% and 10% higher, respectively, for the same period. The short-term rise in prices could be the result of old crop shortages, which are expected to relax during the harvesting period.

**Sunflower seed and soybeans:** The tons expected for sunflower seed and soybeans are expected to increase by 39,7% and 6,1% respectively in 2014 compared to 2013. The sharp increase in tons expected for sunflower is due to an 18,7% increase in

hectares allocated to the crop. Local sunflower seed prices are expected to be lower due to the high tons expected in 2014. Soybeans prices are expected to be lower due to the expected record world supply as well as an expected rise in the production of the crop locally.

**Milk:** Total local milk production during 2013 was 1,2% higher than the same period last year. The recent sharp increase in input prices will have a negative effect on milk production in the coming months. The increase in milk prices since January 2014 is not expected to have a significant effect on production due to the cost squeeze. During 2013, dairy products equivalent to 162 million litres were imported and 431 million litres exported, resulting in net exports of 268 million litres (MPO, 2014).

In terms of prices, Internationally, in the first two months ending in February 2014 the FAO dairy index was 30% higher than it was during the same period in 2013. According to the MPO, domestic price increases were announced by some processors since the beginning of September 2013. However, prices are still significantly below levels needed to encourage production (MPO, 2014). Limited supplies have boosted prices and are expected to continue, especially with limited export supplies expected in the Oceania (FAO, 2014).

**Beef and mutton:** Lower supplies of beef and mutton are anticipated due to improved grazing (ABSA, 2014). International meat prices are expected to remain high due to tight supplies and local prices are expected to track international prices.

**Poultry:** Internationally, broiler, turkey, and egg prices are raised on expected demand strength and reduced supplies of competing meats in 2014 (USDA, 2014). Domestic prices are expected to move upwards in the short-term due to higher demand because of the increasing red meat prices

**Vegetables:** An increase in the quantity of cabbage produced has resulted in a decrease in prices. The persistent rains are expected to cause producers to take more volumes off the ground to avoid damages resulting in further declines in prices. Increased supplies of carrots, tomatoes and onions are also expected to put

downward pressure on their prices.

**Exchange rate:** The rand exchange rate remained weaker against the US dollar throughout the fourth quarter of 2013. The Rand is still expected to trade weaker against the US dollar in 2014. The latest forecasts by Investec, Nedbank and ABSA indicate that the rand will trade at weaker levels against the US dollar. The sharp depreciation of the rand has resulted in the highest ever rand based prices, but it has also raised the prices of inputs which are US dollar denominated (MPO, 2014).

<i>USD/ZAR Forecasts 2014</i>	<i>Q1</i>	<i>Q2</i>	<i>Q3</i>	<i>Q4</i>
<i>ABSA</i>	<i>10.45</i>	<i>10.74</i>	<i>10.88</i>	<i>10.98</i>
<i>Nedbank</i>	<i>11.30</i>	<i>11.07</i>	<i>10.74</i>	<i>10.63</i>

*ABSA and Nedbank Perspectives*

<i>Year</i>	<i>2013</i>	<i>2014</i>
<i>USD/ZAR</i>	<i>R/\$ 10.73</i>	<i>R/\$ 10.18</i>

*Investec Perspective*

## 4. CONCLUSION

The global economic outlook is improving and economic growth in advanced economies is expected to support export demand from emerging market and developing economies. Most emerging market and developing economies, including South Africa, have recently been under pressure, however, China and India seem to be rebounding and this is expected to boost demand in many other emerging market economies. Domestically, the SA economic growth slowed to 1,9% in 2013 with the ongoing labour unrests in the mining industry remaining a serious concern. The domestic inflation rate has breached the upper band of the Reserve Bank's target range and should the Reserve Bank hike the interest rates, consumers' disposable income will be negatively affected and this might result in a shift from buying some of the agricultural products regarded as luxury items, e.g meat, to more basic food items.



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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
4th Qtr 2011	2 751	653	2 934	2 732	370	3 233	1 754	1 510	2 260	5 293	257	216	42	24 006
4th Qtr 2012	2 876	725	3 791	3 197	411	3 491	1 818	1 752	2 666	5 725	287	248	44	27 032
4th Qtr 2013	2 962	798	3 924	3 484	456	3 806	1 926	1 927	2 880	6 192	322	286	47	29 009
4th Qtr 2011 to 4th Qtr 2012	4,5%	11,0%	29,2%	17,0%	11,1%	8,0%	3,6%	16,0%	18,0%	8,2%	12,0%	15,0%	5,6%	12,6%
4th Qtr 2012 to 4th Qtr 2013	3,0%	10,0%	3,5%	9,0%	11,0%	9,0%	5,9%	10,0%	8,0%	8,2 %	12,0 %	15,0%	5,4%	7,3%

Source: DAFF

**Table A.2: Gross income from agricultural products between 2011 and 2013**

Year	2011				2012				2013			
Quarter	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>	1 <sup>st</sup>	2 <sup>nd</sup>	3 <sup>rd</sup>	4 <sup>th</sup>
Real gross income from agricultural products (R million)												
Field crops	1 791,52	12 472,88	14 130,61	7 630,95	2 587,13	21 568,60	12 368,07	8 476,56	3 680,74	25 084,36	10 181,84	8 796,95
Horticulture	8 689,96	11 676,17	10 116,09	8 224,83	9 564,78	12 630,37	10 816,51	9 114,70	11 481,95	14 851,86	12 484,84	8 987,49
Animal products	17 146,20	17 103,13	17 108,73	20 837,49	19 168,99	18 664,50	19 311,70	24 233,72	20 305,02	20 760,31	22 232,08	24 139,75
<b>Total</b>	27 627,69	41 252,18	41 355,43	36 693,27	31 320,89	52 863,47	42 496,28	41 824,98	35 467,71	60 696,53	44 898,76	41 924,19

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
1 <sup>st</sup> Qtr 2011	29 308	22 738	1 057	10 365	1 208	2 990	9 187	2 597	7 685	87 134
2 <sup>nd</sup> Qtr 2011	30 383	24 594	1 666	10 094	2 136	3 517	9 317	2 761	81 71	92 639
3 <sup>rd</sup> Qtr 2011	30 269	27 404	1 782	11 519	2 435	3 463	10 112	2 939	8 698	98 622
4 <sup>th</sup> Qtr 2011	35 132	27 534	1 785	12 424	2 210	3 835	10 688	3 163	9 361	106 132
1 <sup>st</sup> Qtr 2012	32 570	27 762	1 363	11 520	2 098	3 574	9 953	3 002	8 884	100 725
2 <sup>nd</sup> Qtr 2012	32 711	28 678	1 632	11 691	2 052	3 666	9 701	3 046	9 013	102 193
3 <sup>rd</sup> Qtr 2012	32 930	31 159	1 776	13 013	2 275	3 681	10 714	3 229	9 555	108 331
4 <sup>th</sup> Qtr 2012	38 381	30 402	1 783	14 393	2 698	3 789	13 277	3 539	10 472	118 733
1 <sup>st</sup> Qtr 2013	35 696	27 361	1 213	12 468	2 363	3 751	11 860	3 200	9 471	107 384
2 <sup>nd</sup> Qtr 2013	36 662	30 072	1 594	12 563	2 533	3 894	11 962	3 355	9 928	112 564
3 <sup>rd</sup> Qtr 2013	36 842	31 378	1 828	14 496	2 836	3 863	12 039	3 490	10 328	117 101
4 <sup>th</sup> Qtr 2013	39 425	31 612	1 750	15 532	3 025	3 999	13 664	3 683	10 901	123 589
4 <sup>th</sup> Qtr 2012 to 4 <sup>th</sup> Qtr 2013	2,7%	4,0%	-1,8%	7,9%	12,1%	5,5%	2,9%	4,1%	4,1%	4,1%

Source: DAFF

**Table A.4: SA's top ten largest export destination and import markets for agricultural products by value between the fourth quarter of 2012 and the fourth quarter of 2013**

	Export values by destination (R million)		Share in SA total agric exports			Import values by exporting country (R million)		Share in SA total agric imports	
	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013		4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013
<b>Top 10 export markets</b>					<b>Top 10 import markets by exporting country</b>				
Total	12 949	16 185	-	-	Total	15 914	15 594	-	-
Zimbabwe	1 487	1 718	11%	11%	Argentina	1 761	1 292	11%	8%
Mozambique	820	1 324	6%	8%	Brazil	1 105	1 161	7%	7%
United Kingdom	1 049	1 244	8%	8%	United Kingdom	835	1 089	5%	7%
Netherlands	1 018	1 216	8%	8%	Netherlands	1 100	1 020	7%	7%
China	828	983	6%	6%	Indonesia	758	983	5%	6%
Angola	666	889	5%	5%	Thailand	887	960	6%	6%
Zambia	434	652	3%	4%	United States	553	867	3%	6%
Germany	415	592	3%	4%	China	1 507	765	9%	5%
Italy	182	516	1%	3%	India	637	650	4%	4%
United States	491	499	4%	3%	Germany	776	593	5%	4%

Source: South African Revenue Services

**Table A.5: SA's Top five export and import values of agricultural products by product between the fourth quarter of 2012 and the fourth quarter of 2013**

	Export values by destination (R million)		Share in SA total agric exports			Import values by product (R million)		Share in SA total agric imports	
	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013		4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013
<b>Top 5 products exported into major markets</b>					<b>Top 5 products imported from major markets</b>				
Total	12 949	16 185	-	-	Total	15 914	15 594	-	-
Wine, Fr Grape Nesoï & Gr Must W Alc, Nov 2 Liters	1 043	1 324	20%	19%	Rice, (Semi- Or Wholly Milled, Polished Or Not)	1 920	1 346	12%	9%
Wool, not carded or combed, greasy, shorn	869	1060	8%	10%	Palm Oil, Refined But Not Chemically Modified	1 133	1 078	7%	7%
Grapes, fresh	736	926	5%	6%	Wheat and Meslin	871	972	5%	6%
Oranges, Fresh	648	702	6%	6%	Whiskies	552	816	3%	5%
Wine, Fr Grape Nesoï & Gr Must With Alc	641	665	3%	4%	Chicken cuts and edible offal (incl livers), Frozen	885	705	6%	5%

Source: South African Revenue Services

**Table A.6: SA's top ten largest export destination and import markets for fisheries products by value between the fourth quarter of 2012 and the fourth quarter of 2013**

Top 10 export markets	Export values by destination (R million)		Share in SA total fisheries exports		Top 10 import markets by exporting country	Import values by exporting country (R million)		Share in SA total fisheries imports	
	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013		4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013
Total	344	317	-	-	Total	591	433	-	-
United States	40	68	12%	21%	Thailand	408	247	69%	57%
Italy	74	47	22%	15%	Norway	21	38	4%	9%
Australia	38	33	11%	10%	China	70	36	12%	8%
Spain	59	25	17%	8%	Philippines	26	19	4%	4%
Germany	20	23	6%	7%	Pakistan	0	15	0%	3%
Netherlands	16	22	5%	7%	Mozambique	2	12	0%	3%
Mauritius	9	18	3%	6%	Spain	8	10	1%	2%
Switzerland	0	14	0%	4%	South Korea	0	9	0%	2%
Japan	9	10	3%	3%	United States	5	8	1%	2%
Greece	13	8	4%	3%	United Kingdom	5	7	1%	2%

Source: South African Revenue Services

**Table A.7: SA's Top five export and import values of fisheries products by product between the fourth quarter of 2012 and the fourth quarter of 2013**

	Export values by destination (R million)		Share in SA total fisheries exports			Import values by product (R million)		Share in SA total fisheries imports	
	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013		4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013
<b>Top 5 products exported into major markets</b>					<b>Top 5 products imported from major markets</b>				
Total	344	317	-	-	Total	591	433	-	-
Rock Lobster And Other Sea Crawfish, Frozen	41	93	12%	29%	Sardines/ Sardinella/ Brisling Prep/Pres, Not Minced	410	213	69%	49%
Fish, Prepared Or Preserved, Whole Or Pieces	50	56	15%	18%	Tunas/Skip jack/Bonito Prep/Pres Not Minced	90	80	15%	18%
Cuttle Fish & Squid, Froz, Dri, Salted Or In Brine	137	49	40%	15%	Cuttle Fish & Squid, Froz, Dri, Salted Or In Brine	36	49	6%	11%
Fish, Prepared Or Preserved	36	35	10%	11%	Atlantic Salmon and Danube Salmon	15	31	3%	5%
Albacore/ Longfinned Tunas Ex Fillet/Lvr/ Roe Frozen	20	20	6%	6%	Rock Lobster And Other Sea Crawfish, Frozen	2	12	0%	2%

Source: South African Revenue Services

**Table A.8: SA's top ten largest export destination and import markets for forestry products by value between the fourth quarter of 2012 and the fourth quarter of 2013**

	Export values by destination (R million)		Share in SA total forestry exports			Import values by exporting country (R million)		Share in SA total forestry imports	
	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013		4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013
<b>Top 10 export markets</b>					<b>Top 10 import markets by exporting country</b>				
Total	2 532	3 348	-	-	Total	1 931	2 198	-	-
China	342	1013	14%	30%	China	330	353	17%	16%
Indonesia	473	418	19%	12%	United Kingdom	273	318	14%	14%
Zimbabwe	153	196	6%	6%	United States	252	271	13%	12%
Mozambique	115	175	5%	5%	Germany	158	200	8%	9%
United Kingdom	177	160	7%	5%	Sweden	106	149	5%	7%
India	115	146	5%	4%	New Zealand	33	102	2%	5%
United States	50	114	2%	3%	Austria	69	81	4%	4%
Angola	30	112	1%	3%	Finland	54	76	3%	3%
Zambia	81	109	3%	3%	Indonesia	73	72	4%	3%
Germany	57	97	2%	3%	Italy	54	61	3%	3%

Source: South African Revenue Services



**Table A.9: SA's Top five export and import values of forestry products by product between the fourth quarter of 2012 and the fourth quarter of 2013**

	Export values by destination (R million)		Share in SA total agric exports			Import values by product (R million)		Share in SA total agric imports	
	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013		4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013
<b>Top 5 products exported into major markets</b>					<b>Top 5 products imported from major markets</b>				
Total	2 532	3 348	-	-	Total	1 931	2 199	-	-
Chemical Woodpulp, Dissolving Grades	1182	1 844	47%	55%	Printed Books, Brochures , Etc., Nesoi	419	484	22%	22%
Kraftliner, Uncoated, Bleached, In Rolls Or Sheets	423	355	17%	11%	Chemical Woodpulp , Soda Etc. N Dis S BI & BI Conif	89	175	5%	8%
Chemical Woodpulp, Soda Etc, N Dis S BI & BI Nonconif	167	177	7%	5%	Paper, Paperbd, Cellulose Wadd Etc, Coat Etc Nesoi	119	131	6%	6%
Printed Books, Brochures, Etc., Nesoi	68	118	3%	4%	Sack Kraft Paper Uncoated Unbleach ed, Rolls/She ets	69	93	4%	4%
Cartons, Boxes & Cases Corrugated Paper & Paperbd	68	96	3%	3%	Ppr/Pbrd Ex Lit-Wgh Writng Etc Clay Ctd Ov 10% Mec	92	88	5%	4%

Source: South African Revenue Services

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

	Oct 2012	Nov 2012	Dec 2012	4 <sup>th</sup> Qtr 2012	Oct 2013	Nov 2013	Dec 2013	4 <sup>th</sup> Qtr 2013	4 <sup>th</sup> Qtr 2012 to 4 <sup>th</sup> Qtr 2013 % change
	<b>Volumes (1000 tons)</b>								
White maize opening stock*	3 944	3 508	3 043	3 498	3 101	2 685	2 248	2 678	-23%
Yellow maize opening stock*	2 622	2 252	1 894	2 256	2 675	2 185	1 725	2 195	-3%
Total maize opening stock*	6 566	5 760	4 937	5 754	5 776	4 870	3 973	4 873	-15%
White maize processed for local consumption	411	445	399	1 255	389	396	361	1 146	-9%
Yellow maize processed for local consumption	351	321	281	953	444	402	353	1 199	26%
Total maize processed for local consumption	762	766	680	2 208	834	798	714	2 346	6%
Total white maize exports	111	83	74	268	86	77	65	228	-15%
Total yellow maize exports	20	23	20	63	30	31	24	85	35%
Total maize exports	131	106	94	331	116	108	89	313	-5%
Wheat opening stock: human market*	645	673	1 461	926	488	491	1 208	729	-21%
Wheat opening stock: feed market*	6	6	9	7	2	2	7	4	-48%
Wheat opening stock*	651	679	1 470	933	490	493	1 215	733	-22%
Wheat consumption: human consumption	267	259	237	763	270	265	257	792	4%
Wheat consumption: animal feed	4	3	3	10	0	0.4	4	4.6	-54%
Total wheat consumption	272	264	243	779	271	267	263	801	3%
Wheat imports (for human consumption only)	218	115	63	396	237	111	251	599	51%
Wheat exports	21	22	19	62	11	8	15	34	-45%
Average opening sunflower stock*	248	193	143	195	225	191	122	179	-8%
Sunflower seed imports	2	0	0	2	32	0	0	32	1510%
Total processed sunflower for consumption	58	50	31	139	66	71	45	182	31%
Average soya bean opening stock*	325	278	218	274	334	258	209	267	-2%
Soya bean consumption	48	61	43	152	78	49	49	176	16%
	<b>Market prices (R/ton)</b>								<b>4<sup>th</sup> Qtr 2012 to 4<sup>th</sup> Qtr 2013 % change</b>
White maize	2 263	2 297	2 307	2 289	2 360	2 452	2 753	2 522	10%
Yellow maize	2 171	2 138	2 122	2 144	2 168	2 392	2 731	2 430	13%
Wheat	3 447	3 439	3 350	3 412	3 453	3 538	3 584	3 525	3%
Sunflower	5 171	4 850	4 976	4 999	5 277	5 683	5 925	5 628	13%
Soya bean	5 269	5 291	5 670	5 410	5 694	6 287	6 716	6 232	15%

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

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

Prices of selected fruits at FPM					
	Average prices at FPM (R/ton)		Average prices at FPM (R/ton)		Average prices at FPM (R/ton)
	4 <sup>th</sup> Qtr 2011		4 <sup>th</sup> Qtr 2011		4 <sup>th</sup> Qtr 2011
Apples	5 994	Apples	5 994	Apples	5 994
Avocados	12 599	Avocados	12 599	Avocados	12 599
Bananas	4 521	Bananas	4 521	Bananas	4 521
Oranges	2 696	Oranges	2 696	Oranges	2 696
Pears	6 649	Pears	6 649	Pears	6 649
Mangoes	7 612	Mangoes	7 612	Mangoes	7 612

Source: DAFF

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

Total quantities sold at FPM (1000 tons)				Percentage change	
	4 <sup>th</sup> Qtr 2011	4 <sup>th</sup> Qtr 2012		4 <sup>th</sup> Qtr 2011	4 <sup>th</sup> Qtr 2012
Apples	37 118	34 908	Apples	37 118	34 908
Avocados	2 897	6 676	Avocados	2 897	6 676
Bananas	59 923	59 617	Bananas	59 923	59 617
Oranges	17 635	16 539	Oranges	17 635	16 539
Pears	6 248	7 135	Pears	6 248	7 135
Mangoes	2 009	4 206	Mangoes	2 009	4 206
Grapes	2 411	2 299	Grapes	2 411	2 299

Source: DAFF

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

	Average prices at FPM (R/ton)			Percentage change	
	4 <sup>th</sup> Qtr 2011	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013	4 <sup>th</sup> Qtr 2011 to 4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2012 to 4 <sup>th</sup> Qtr 2013
Beetroot	2 382	2 527	2 769	6%	10%
Carrots	2 745	3 106	3 626	13%	17%
Cucumber	3 305	5 483	6 386	66%	16%
Lettuce	3 202	6 349	5 042	98%	21%
Onions	1 717	3 284	2 616	91%	20%
Potatoes	3 114	3 347	4 067	7%	22%
Spinach	2 641	3 194	4 098	21%	28%
Tomatoes	4 823	6 549	5 652	36%	-14%
Cabbage	1 380	1 755	1 885	27%	7%
Green beans	6 844	7 482	8 501	9%	14%
Sweet potatoes	6 174	6 626	3 441	7%	-48%

**Table B.5: Quantities of selected vegetables sold at FPM**

	Total quantities sold at FPM (1000 tons)			Percentage change	
	4 <sup>th</sup> Qtr 2011	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013	4 <sup>th</sup> Qtr 2011 to 4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2012 to 4 <sup>th</sup> Qtr 2013
Beetroot	12 145	12 051	12 394	-1%	3%
Carrots	27 833	29 265	31 110	5%	6%
Cucumber	147	92	79	-37%	-15%
Lettuce	7 632	6 948	7 599	-9%	9%
Onions	87 402	266 727	78 413	205%	-71%
Potatoes	261 702	266 727	261 382	2%	-2%
Spinach	3 464	3 130	3 067	-10%	-2%
Tomatoes	68 570	63 540	71 197	-7%	12%
Cabbage	27 155	24 666	27 678	-9%	12%
Green beans	3 131	3 181	2 906	2%	-9%
Sweet potatoes	2 555	3 139	5 703	23%	82%

Source: DAFF

**Table B.6: Beef**

	Units	4 <sup>th</sup> Qtr 2011	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013	4 <sup>th</sup> Qtr 2011 to 4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2012 to 4 <sup>th</sup> Qtr 2013
Gross value	R'000	5 377	5 560	5 095	3%	-8%
Average price	R/kg	31,39	31,58	28,81	1%	-9%
Total slaughtering	Heads	644 655	656 094	661 903	2%	1%

\*Heads refer to the number of cattle slaughtered  
Source: DAFF

**Table B.7: Poultry**

	Units	4 <sup>th</sup> Qtr 2011	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013	4 <sup>th</sup> Qtr 2011 to 4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2012 to 4 <sup>th</sup> Qtr 2013
Gross value	R'000	6 963	8 749	8 859	26%	1%
Average price	R/Mt	18 860	23 457	22 620	24%	-4%
Commercial Production	Mt	369 189	372 993	391 643	1%	5%

Source: DAFF

**Table B.8: Eggs**

	Units	4 <sup>th</sup> Qtr 2011	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013	4 <sup>th</sup> Qtr 2011 to 4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2012 to 4 <sup>th</sup> Qtr 2013
Gross value	R'000	1 963	2 221	2 077	13%	-7%
Average price	R/dozen	9,22	9,90	10,09	7%	2%
Total Production	1000 dozen	212 823	224 487	205 740	5%	-8%

Source: DAFF

**Table B.9: Milk**

	Units	4 <sup>th</sup> Qtr 2011	4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2013	4 <sup>th</sup> Qtr 2011 to 4 <sup>th</sup> Qtr 2012	4 <sup>th</sup> Qtr 2012 to 4 <sup>th</sup> Qtr 2013
Gross value	R'000	2 664	3 180	3 603	19%	13%
Average price received by farmers	R/litre	3,01	3,48	3,88	16%	11%
Total Production	1000 litre	884 459	912 996	927 953	3%	2%

Source: DAFF

## Appendix C: Descriptions of forestry import and export products

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

<p><b><u>Export products descriptions</u></b></p> <p><b>Fuel In Log;Chips,etc.:</b> 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><b>Wood Charcoal:</b> Wood charcoal (including shell or nut charcoal), whether or not agglomerated</p> <p><b>Blders' Joinry+Carpntr:</b> Builders and apos; joinery and carpentry of wood, including cellular wood panels, assembled parquet panels, shingles and shakes</p> <p><b>Fibrbrd Of Wd/Ot Lign:</b> Fibreboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances</p> <p><b>Rough,Not Sapwood:</b> Wood in the rough, whether or not stripped of bark or sapwood, or roughly squared</p>
<p><b><u>Import product descriptions</u></b></p> <p><b>Lumber &gt; 6 mm thick:</b> 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><b>Cask,Barr,Vat,etc.+Pts:</b> Casks, barrels, vats, tubs and other coopers and apos; products and parts thereof, of wood, including staves</p> <p><b>Fibrbrd Of Wd/Ot Lign:</b> Fibreboard of wood or other ligneous materials, whether or not bonded with resins or other organic substances</p> <p><b>Plywood,Veneer,etc.:</b> Plywood, veneered panels and similar laminated wood</p> <p><b>Blders' Joinry+Carpntr:</b> Builders and apos; joinery and carpentry of wood, including cellular wood panels, assembled parquet panels, shingles and shakes</p>