TRENDS

IN THE
AGRICULTURAL SECTOR

2023

agriculture, land reform& rural development

Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

2030 NDP

STAY SAFE
VACCINATE TO SAVE SOUTH AFRICA
TOGETHER WE CAN BEAT CORONAVIRUS

Trends
in the
Agricultural Sector
2023

2024

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ECONOMIC REVIEW OF SOUTH AFRICAN AGRICULTURE FOR THE YEAR ENDED 30 JUNE 2023

Summary

Gross farming income from all agricultural products increased by 17,3% to R445 450 million for the period ended 30 June 2023, as compared to R379 864 million in the previous period, mainly due to the increase in income from field crops, animal and horticultural products by 39,0%, 9,4% and 8,8%, respectively.

The average prices received by the farmers for their agricultural products increased by 10,7%. This was the result of the increase in prices of field crops by 15,6% and animal and horticultural products by 9,2% each.

The increase of 15,6% in average price of field crops was the result of the increase in prices of summer grains by 21,9%, winter grains (17,9%), dry beans (14,5%), sugar cane (11,3%) and cotton (2,5%). The decrease in the price of oilseeds decreased by 13,1%.

The increase of 9,2% in average price of animal products was driven by the increase in the prices of poultry meat by 16,0%; dairy products by 15,1% and slaughtered stock by 2,5%. The price of pastoral products decreased by 8,9%.

The weighted average price of horticultural products increased by 9,2% as a result of the increase in prices of vegetables by 19,2%, viticulture (4,5%), and fruit (2,7%).

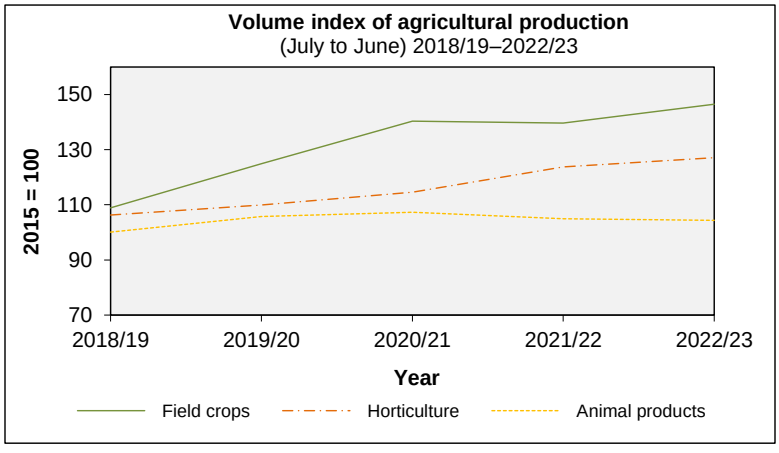
The prices paid for farming requisites, including machinery and implements, material for fixed improvements as well as intermediate goods and services, increased by 7,9% for the period ended June 2023. The reason was mainly the result of the increase in prices of feeds by 18,5%, fuel (10,9%), building material (8,3%), animal health and crop protection (8,2%), fencing material (7,8%), trucks (7,4%), irrigation equipment (7,3%), seeds (6,9%), maintenance and repairs of machinery and implements (6,4%), packaging material (4,7%), tractors (4,5%) and fertilisers (1,9%).

The domestic terms of trade increased by 3,0% from 1,00 to 1,03 due to improved prices received by the farmers for the products.

The net farming income increased substantially by 33,8% to R122 732 million for the period ended June 2023, from R91 752 million in the previous corresponding period.

Volume of agricultural production

The estimated volume of agricultural production in 2022/23 was 2,0% more than in 2021/22.



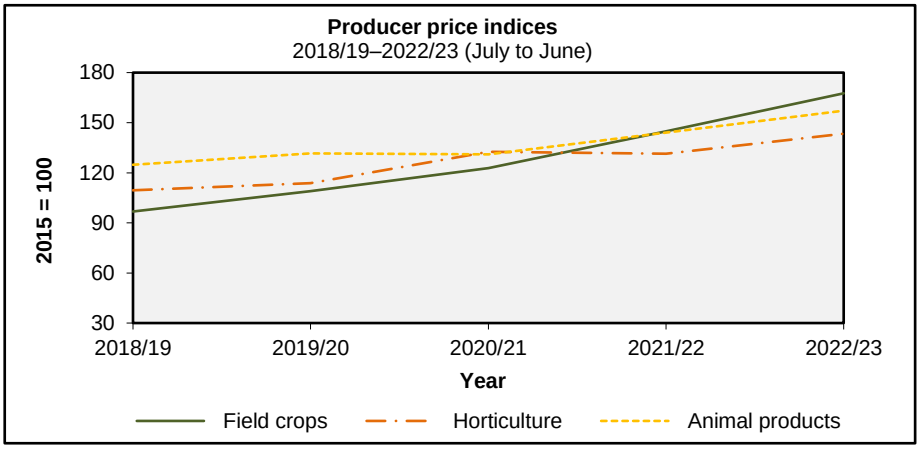
The field crop production volume for 2022/23 increased by 5,0%, mainly as a result of increases in the production of summer crops (maize) and oilseed crops (soya beans and groundnuts), as well as other food crops (sugar cane) and hay. Maize production increased by 881 000 tons (5,5%), soya beans by 525 300 tons (23,6%) and groundnuts by 3 756 tons (7,0%) from 2021/22. Sugar cane production increased by 712 230 tons (4,1%) as compared to the previous season. Furthermore, the production of hay (lucerne, teff and other hay) also increased by 327 000 tons (6,0%) as compared to 2021/22.

Horticultural production for 2022/23 increased by 2,8% from the previous season, which can mainly be attributed to increases in the production of citrus and subtropical fruit. The production of oranges increased by 172 820 tons (10,7%), lemons by 122 808 tons (18,7%) and grapefruit by 71 073 tons (20,2%), which all led to an increase in the production of citrus fruit from the previous season. Furthermore, increases in the production of bananas by 137 777 tons (34,6%) and avocados by 26 450 tons (30,3%) contributed to an increase in the production of subtropical fruit as compared to the previous season.

Animal production decreased by 0,6%, mainly as a result of decreases in the production of eggs, pastoral animal products (wool) and the production of stocks slaughtered for 2022/23. The production of eggs decreased by 2 534 tons (0,4%) and the production of wool decreased by 5 166 tons (20,2%) as compared to 2021/22. Furthermore, the production of stock slaughtered for cattle and calves decreased by 11 541 tons (1,4%), as well as sheep and lambs by 5 479 tons (5,5%) as compared to 2021/22.

Producer prices of agricultural products

The average prices received by the farmers for their agricultural products increased by 10,7%. This was the result of the increase in prices of field crops by 15,6% and animal and horticultural products by 9,2% each.



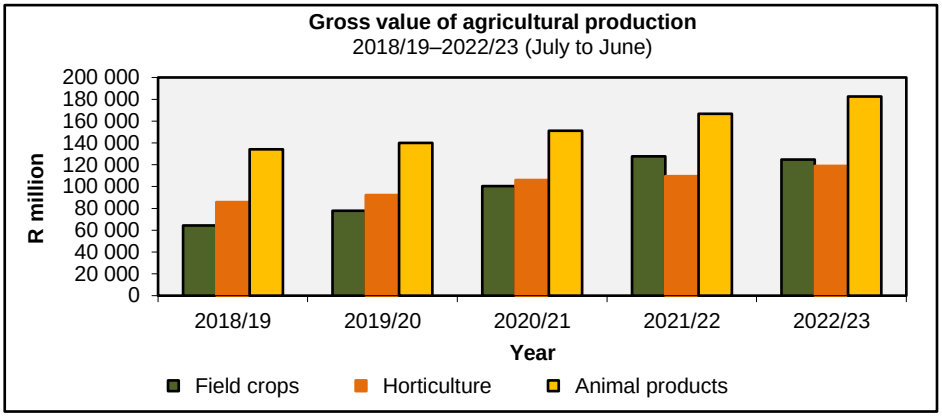
The increase of 15,6% in average price of field crops was the result of the increase in prices of summer grains by 21,9%, winter grains (17,9%), dry beans (14,5%), sugar cane (11,3%) and cotton (2,5%). The price of oilseeds decreased by 13,1%.

The increase of 9,2% in average price of animal products was driven by the increase in prices poultry meat by 16,0%, dairy products by 15,1% and slaughtered stock by 2,5%. The price of pastoral products decreased by 8,9%.

The weighted average price of horticultural products increased by 9,2% as a result of the increase in prices of vegetables by 19,2%, viticulture (4,5%) and fruit (2,7%).

Gross value of agricultural production

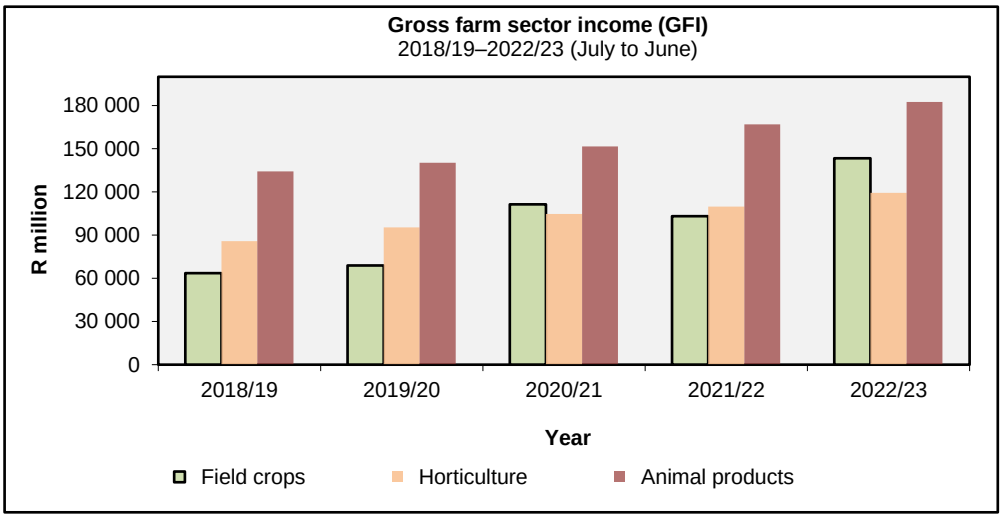
The *total gross value of agricultural production* (total production during the production season valued at the average basic prices received by producers) for 2022/23 is estimated at R426 440 million, compared to R404 062 million the previous year—an increase of 5,5%. This increase can mainly be attributed to an increase in the value of animal products and horticulture.



The gross value of animal products, field crops and horticultural products contributed 42,8%, 29,3% and 27,9%, respectively, to the total gross value of agricultural production. The poultry meat industry and maize made the largest contribution with 14,7% and 14,0%, respectively followed by cattle and calves slaughtered with 11,2%.

Farming income

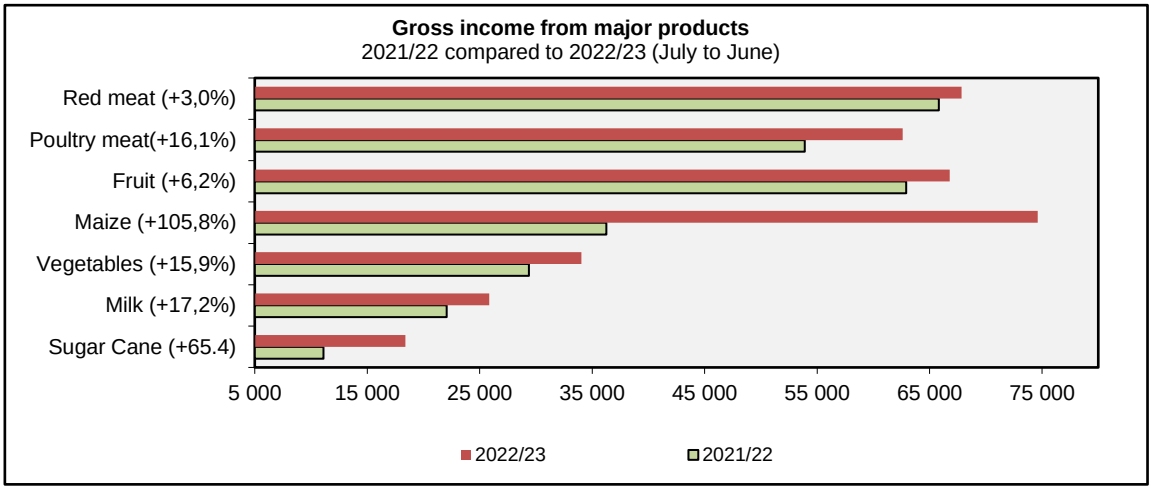
The *gross income of producers* (the value of sales and production for other uses, plus the value of changes in inventories) increased by 17,3% to R445 450 million for the year ended 30 June 2023, compared to R379 864 million the previous year. This was influenced by the increase in income from field crops, animal and horticultural products by 39,0%, 9,4% and 8,8%, respectively.



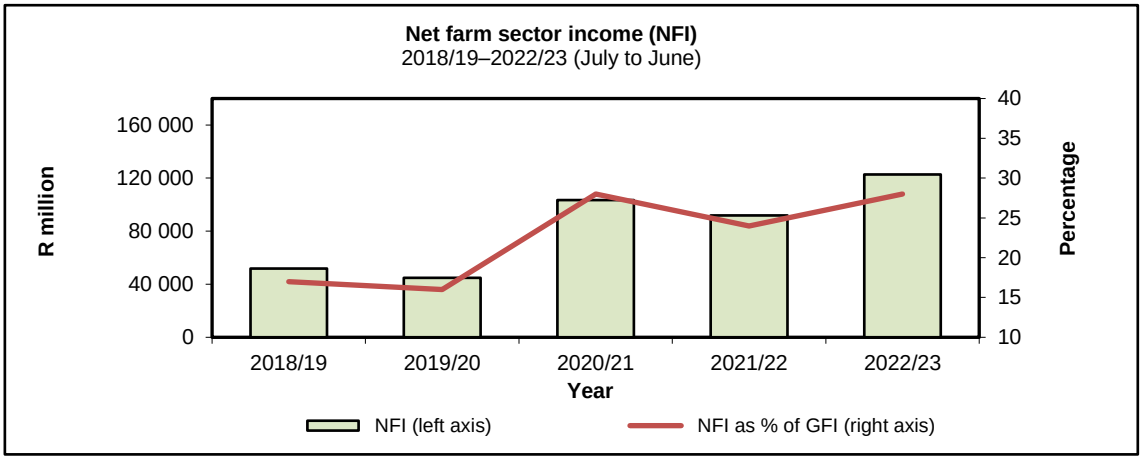
The *gross income from field crops* increased significantly by 39,0% to R143 455 million for the year ended June 2023, compared to R103 208 million of the previous period. This was mainly due to the increase in income from maize (105,8%), sugar cane (65,4%), canola (26,6%), groundnuts (21,2%), soya beans (10,4%) and wheat (10,2%). Income from dry beans and sunflower seed decreased substantially by 84,4% and 16,6%, respectively.

The *gross income from horticultural products* increased by 8,8% to R119 432 million for the year ended June 2023, compared to R109 820 million the previous period. This can be attributed to the increase in income from vegetables by 15,9%, subtropical fruits by 14,3%, deciduous and other fruits by 5,0% and citrus fruit by 5,5%. The income derived from viticulture decreased slightly by 2,3%.

The *gross income from animal products* increased by 9,4% and amounted to R182 563 million for the year ended June 2023, compared to R166 836 million the previous period. This was due to the increase in income from milk by R3 798 million (17,2%), poultry meat by R8 697 million (16,1%), eggs by R1 540 million (13,4%),pigs slaughtered by R898 million (9,5%), cattle and calves slaughtered by R1 331 million (2,9%). The income derived from sheep slaughtered decreased by R305 million (3,4%).



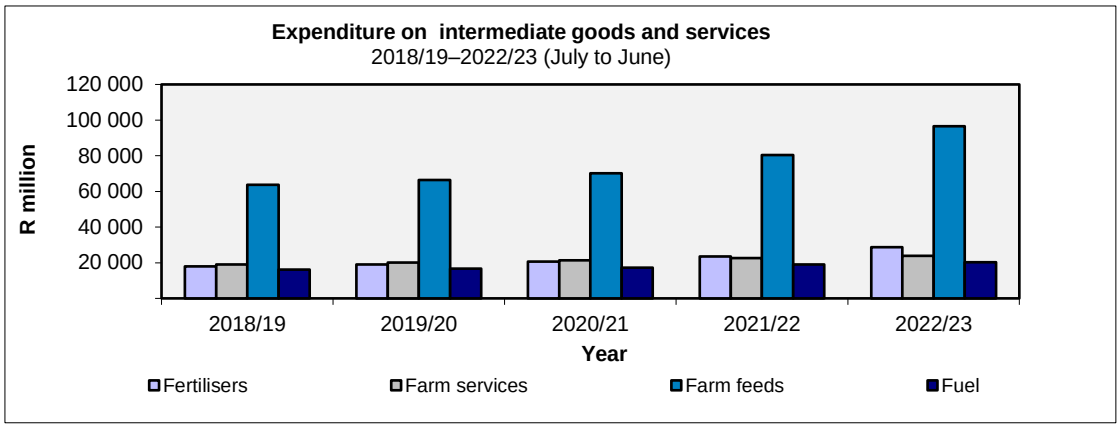
The *net farm income* (after the deduction of all production expenditure, excluding expenditure on fixed assets and capital goods) increased significantly by 33,8% and amounted to R122 732 million for the period ended on 30 June 2023. Payments for salaries and wages, which represented 16,0% of the total farming costs, amounted to R52 850 million. Interest paid by farmers to banks and other financiers during the 12 months up to 30 June 2023 is estimated at R14 763 million, or 4,0% of the total farming costs.



Expenditure on intermediate goods and services

Intermediate expenditure refers to the value of goods and services that were purchased for consumption as inputs during the production process.

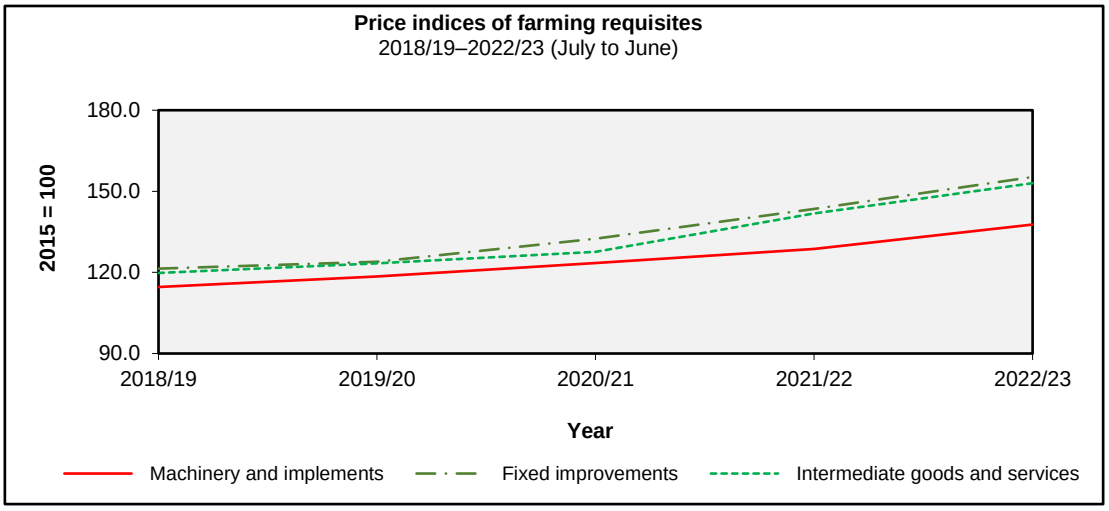
Expenditure on intermediate goods and services increased by 13,5% to R248 726 million. This was due to the increases in expenditure on fertilisers by 22,0%, farm feeds by 20,0%, seed and plants and building and fencing material by 10,0% each, animal health and crop protection by 8,8%, maintenance and repairs of machinery and implements by 8,0%, packing material by 7,8%, fuel by 7,0% and farm services by 6,0%.



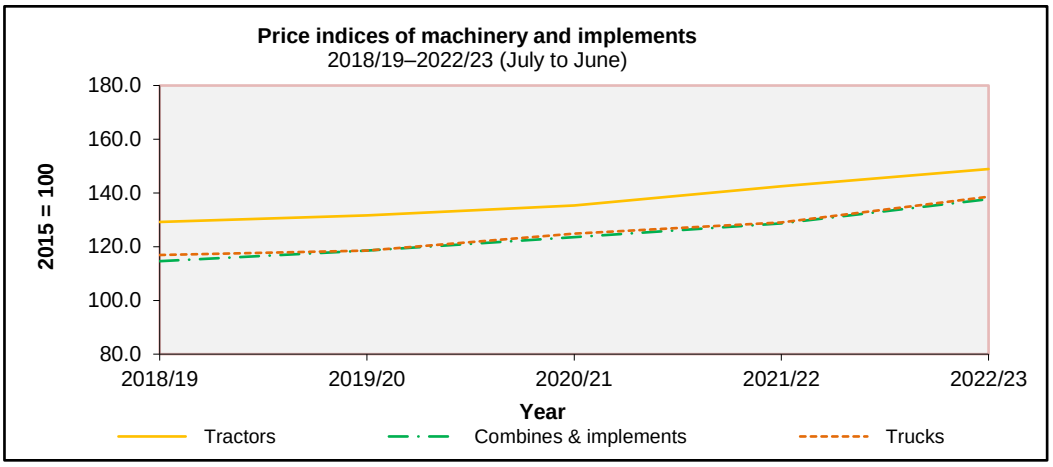
Farm feeds was the largest expenditure item and accounted for 38,8% of the total expenditure, followed by fertilisers (11,6%), farm services (9,6%), fuel (8,1%), maintenance and repairs of machinery and implements (6,5%), seed and plants (6,4%), animal health and crop protection and building and fencing material (3,9%) each and packing material (3,8%).

Prices of farming requisites

The prices paid for farming requisites, including machinery and implements, material for fixed improvements as well as intermediate goods and services increased by 7,9% for the period ended June 2023. This was mainly caused by the increase in prices of feeds (18,5%), fuel (10,9%), building material (8,3%), animal health and crop protection (8,2%), fencing material (7,8%), trucks (7,4%), seeds (6,9%), maintenance and repairs of machinery and implements (6,4%), packaging material (4,7%), tractors (4,5%) and fertilisers (1,9%).



The combined price index of materials for fixed improvements increased by 8,2%, intermediate goods and services increased by 7,9% and machinery and implements by 7,0%.

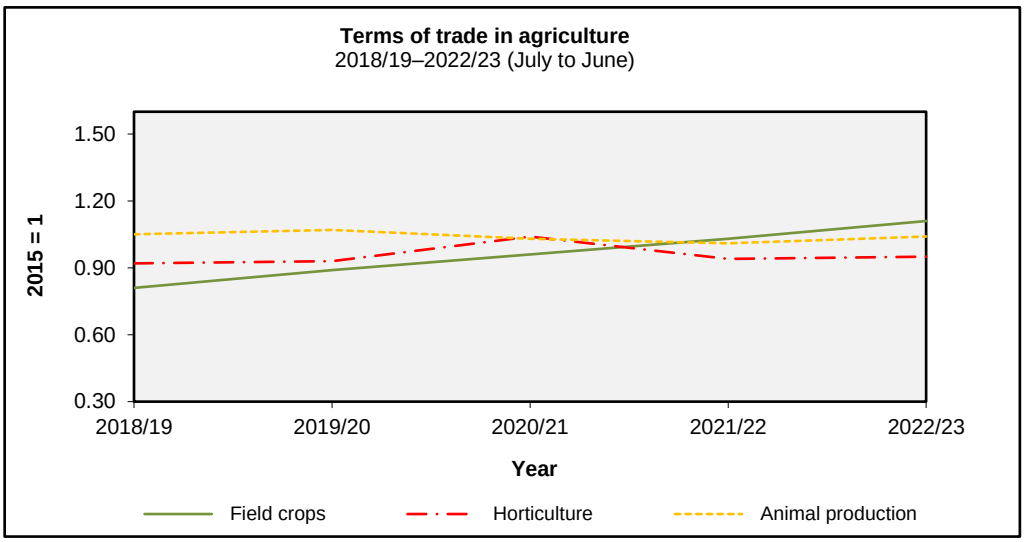


Domestic terms of trade in agriculture (2015 = 1)

The terms of trade indicate the extent to which producer prices received by farmers kept pace with the prices paid for farming requisites.

The domestic terms of trade increased by 3,0% from 1,00 to 1,03 as a result of improved prices that were received by farmers for their products.

The terms of trade for field crops increased by 8,0 (from 1.03 to 1,11) and horticultural and animal products by 1,0% each from 0,94 to 0,95 and 1,03 to 1,04, respectively.



Contribution of agriculture to value added at basic prices

Value added is the value of total output less the value of intermediate consumption during the production period.

The summary below shows the overall contribution of the agricultural sector to the South Africa's economy. The contribution of agriculture to value added for the year ended 31 December 2022 is estimated at R159 465 million, which presents 2,7% of the total value added to the economy, the highest since 2002.

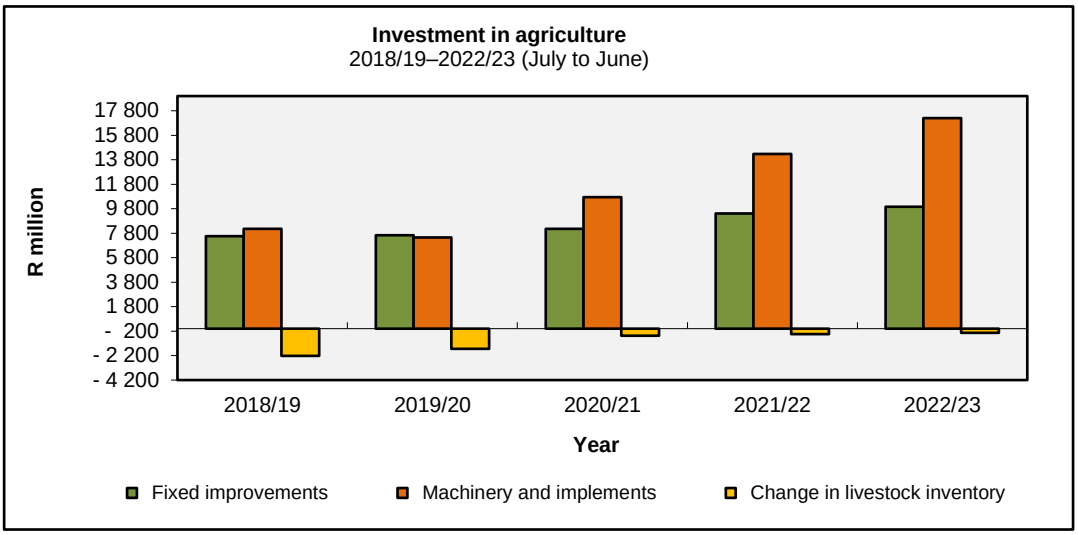
Year	Total value added R million	Contribution of agriculture to value added R million	Contribution of agriculture as percentage of total value added %
2008	2 377 921	57 106	2,4
2009	2 564 505	56 990	2,2
2010	2 801 585	54 745	2,0
2011	3 035 118	57 801	1,9
2012	3 236 488	59 923	1,9
2013	3 502 361	63 361	1,8
2014	3 738 791	74 694	2,0
2015	3 981 758	83 946	2,1
2016	4 288 841	97 669	2,3
2017	4 592 450	107 644	2,3
2018	4 829 603	103 059	2,1
2019	5 058 166	93 253	1,8
2020	5 042 558	122 220	2,4
2021	5 595 306	134 961	2,4
2022	5 952 708	159 465	2,7

Capital assets and investment in agriculture

The value of capital assets in agriculture showed an increase of R53 250 million (8,7%) to R662 336 million for the period ended June 2023, compared to R609 087 million the previous corresponding period.

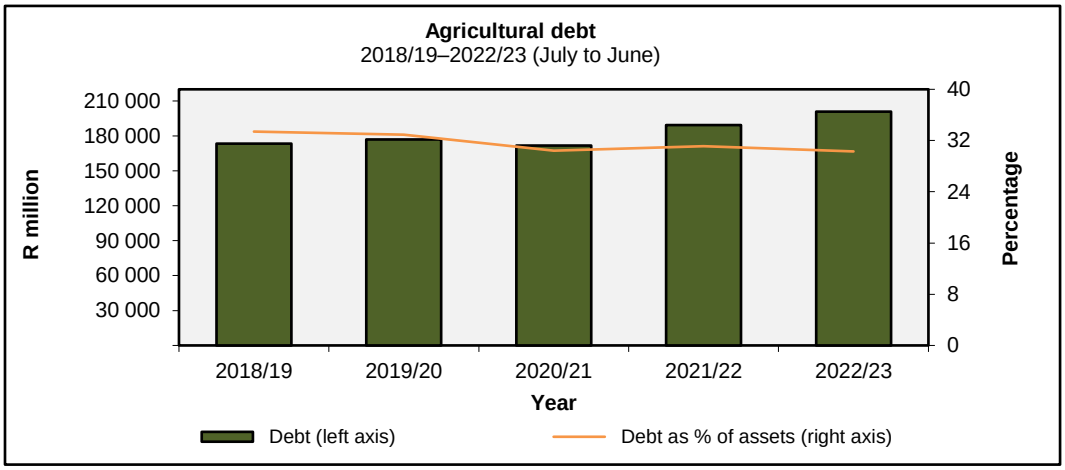
The proportion of land and fixed improvements to the total value of capital assets was R407 603 (61,5%), livestock (R137 623 million or 20,8%) and machinery and implements (R117 111 million or 17,7%).

The gross investment in machinery, implements and vehicles increased by 19,2% (R19 336 million) for the period ended June 2023. Implements increased by 20,6% (R17 205) and transport vehicles by 8,9% (R2 131). Fixed improvements increased by 5,8% (9 967). The livestock inventory was estimated at 22,0% (R101 million) more than in the previous period.



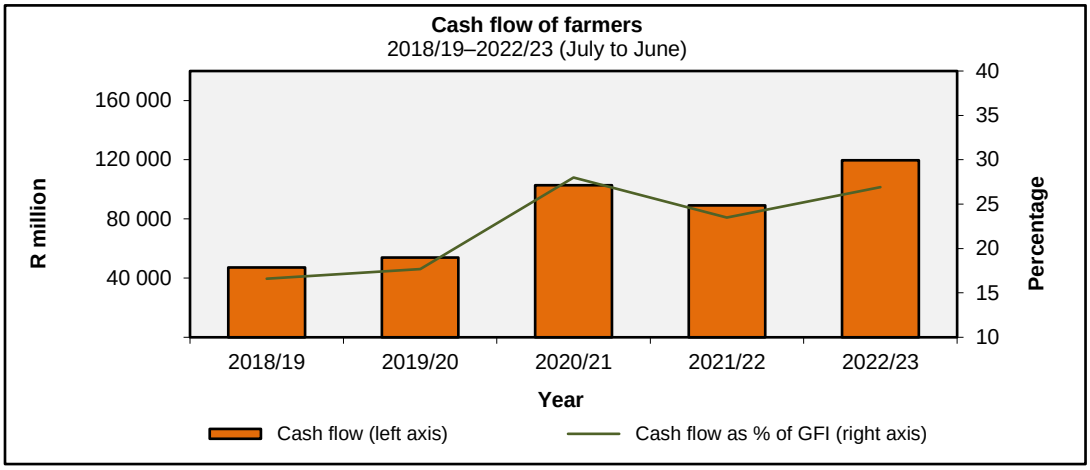
Farming debt

The total farming debt has increased by 6,1% and is estimated at R200 931 million for the year ended June 2023, compared to R189 331 million at the end of June 2023.



Cash flow of farmers

The farmers' cash flow also increased significantly by 34,3% to R119 737 million for the period ended June 2023, from R89 187 million in the previous corresponding period due to better prices received by farmers for their products.



Consumer prices

The consumer prices of all agricultural products showed a slight increase of 0,8% for the period ended June 2023. The consumer prices of milk, eggs and cheese increased by 6,7%, non-food (6,4%), grain products (4,6%), food (2,0%) and meat (1,2%).

The consumer prices of fats and oils increased by 17,4%, coffee and tea (11,8%), fish (10,5%), sugar (10,2%) and fruit (1,3%).

NB: Imports and exports statistics on agricultural products not available.

Branches of the industry

FIELD CROP HUSBANDRY

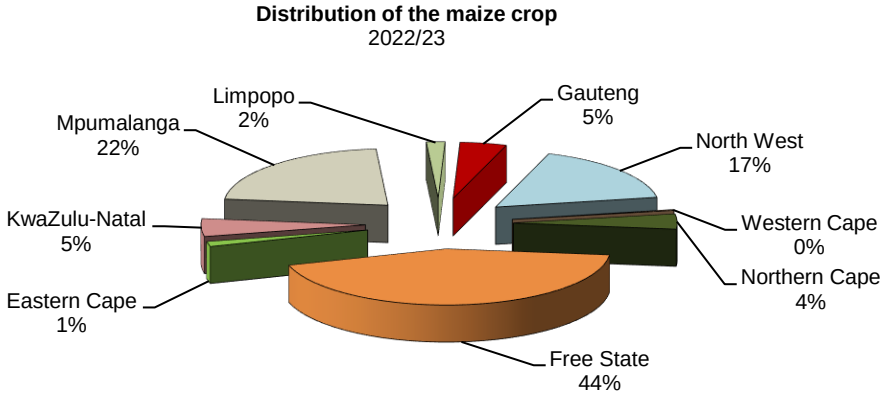
Maize

Maize is the most important grain crop in South Africa, being both the major feed grain and the staple food of the majority of the South African population. About 51,8% of maize produced in South Africa is white and the remaining 48,2% is yellow maize (2023). White maize is primarily used for human consumption, while yellow maize is mostly used for animal feed production.

The gross value of agricultural production is determined by the quantity produced and prices received by producers.

The largest contributor towards the gross value of field crops for 2022/23 is maize (47,6%), followed by soya beans (16,5%), wheat (10,8%), sugar cane (9,3%) and sunflower seed (5,1%). The gross value of maize for 2022/23 amounts to R59 511 million, which is 8,7% or R5 636 million less than the R65 147 million for 2021/22.

The contribution by provinces to maize production during the 2022/23 production season is depicted in the following figure.



White maize is generally produced in the western parts of the maize belt, while yellow maize is planted in the eastern parts.

The two main white maize-growing provinces in South Africa, namely Free State and North West, produced about 78% of the white maize harvest in 2023, whereas Free State and Mpumalanga produced about 67% of the yellow maize harvest.

Maize is planted during late spring/early summer, with optimal planting times in November and December. However, planting can start as early as October and extend to January. In a particular season, the rainfall pattern and other weather conditions determine the planting period as well as the length of the growing season. Most of the maize is harvested from late May up to the end of August.

The present ratio of areas planted is 58,8% white maize to 41,2% yellow maize. An estimated 4,1% of the area planted to white maize is under irrigation and 95,9% is dryland, while the estimate for yellow maize is 15,6% under irrigation and 84,4% is dryland.

About 90,0% of South Africa's maize production is grown with GM seeds.

Area planted and production

In terms of the 2022/23 production season, South Africa's grain production started off properly with above-average rains over most parts of the summer rainfall production area during November and December 2022 which boosted crop plantings. Although excessive rain in some parts of the Mpumalanga, the eastern Free State and Kwazulu-Natal provinces delayed planting operations outside the optimal planting window (from October to mid-November), favourable conditions in January with warmer and sunnier days provided conducive growing conditions for the developing crop. However, in small areas of the grain producing area, excessive heat damaged the maize crop. The warmer weather was followed by above-average rains in February month over most parts of the summer rainfall production area boosting plant growth and positively affected anticipated yields.

The estimated area that South African commercial producers planted to maize during the 2022/23 season is 2,586 million ha. This is 1,4% or 36 900 ha less than the 2,623 million ha planted the previous season and 2,6% or 64 390 ha more than the five-year average of 2,522 million ha planted up to 2021/22.

The slight decline in the maize area was mostly driven by delayed plantings, as well as a strong upsurge in the 2023 soybean plantings, given the relatively lower input requirements and consequently lower production costs compared to maize.

Commercial white and yellow maize plantings for 2022/23 were 1 521 300 ha and 1 064 800 ha, respectively. This represents a decrease of 3,4% for white maize and an increase of 1,6% for yellow maize.

The commercial maize crop for the 2022/23 production season is estimated to be 16,395 million tons, with an estimated yield of 6,34 t/ha. The production represents an increase of 6,0% from the previous season (2021/22), which was estimated at 15,470 million tons.

The production estimate for white maize is 8,500 million tons, which is 8,3% or 649 965 tons more than the 7,850 million tons of 2022 and 14,6% or 1,083 million tons more than the average of the five years (7,416 million tons) up to 2022. The estimated yield for white maize is 5,59 t/ha, compared to 4,98 t/ha the previous season.

In the case of yellow maize, the production estimate for 2023 is 7,895 million tons, which is 3,6% or 275 260 tons more than the 7,620 million tons the previous season and 16,8% or 1,138 million tons more than the five-year average (6,758 million tons) up to 2022. The estimated yield for yellow maize was 7,41 t/ha, compared to 7,27 t/ha in 2022.

For the 2022/23 season, 96,1% of the deliveries of white maize were grade WM1, compared to 74,5% of the 2021/22 crop and 97,2% of the yellow maize deliveries were grade YM1, compared to 93,1% of the 2021/22 crop.

Plantings, production and yields of commercial maize from 2018/19 to 2022/23 are as follows:

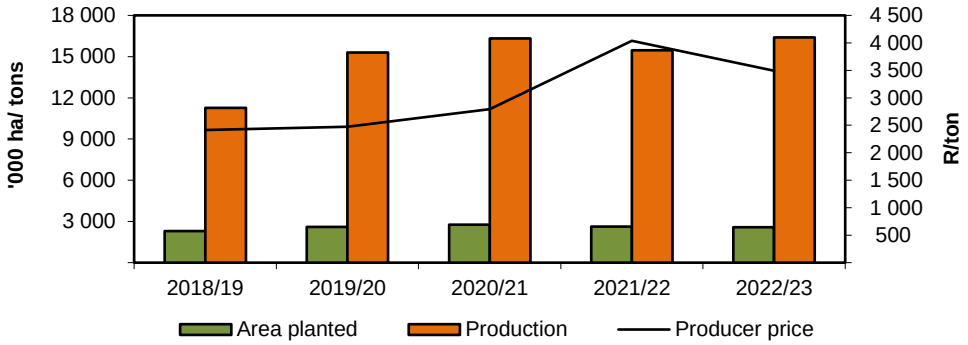
Season	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**
Plantings (ha)	2 300 500	2 610 800	2 755 400	2 623 000	2 586 100
Production (t)	11 275 000	15 300 000	16 315 000	15 470 000	16 395 225
Yield (t/ha)	4,90	5,86	5,92	5,90	6,34

The estimated yield for maize is 6,34 t/ha for 2022/23, which is 7,4% or 0,44 t/ha more than the 5,90 t/ha the previous season. South Africa's five largest maize crops on record were produced in the past seven years (2016/17, 2019/20, 2020/21, 2021/22 and 2022/2023), driven mainly by increased yields.

South Africa's maize yields have more than doubled in the past 30 years, substantiating the positive impact that adoption of new production technologies, such as genetically engineered seed and more efficient and effective farming practices, including precision and conservation farming, have on production output.

The area planted, production and producer prices of maize are depicted in the following graph:

Maize: Area planted, production and producer prices
2018/19–2022/23



In South Africa, the breadbasket of the southern African region, the maize sector comprises both commercial and non-commercial farmers; the latter being mostly in Eastern Cape, Limpopo, Mpumalanga and northern KwaZulu-Natal.

The area planted to maize by the non-commercial sector during 2022/23 is estimated at 358 620 ha, which comprises 275 805 ha of white maize and 82 815 ha of yellow maize. Production by the non-commercial sector is estimated at 643 445 tons: 456 140 tons of white maize and 187 305 tons of yellow maize. Maize grown by this sector is mainly for own use and contributes only approximately 3,8% to total production.

Prices

Since the deregulation of the South African agricultural market in 1996, the maize market has essentially been an open market in which a number of basic factors play a role in determining prices. These factors include:

- International maize prices
- Exchange rates
- Local production (influenced by weather conditions and area planted)
- Local consumption
- Production levels in the Southern African Development Community region (South Africa is usually the main source of white maize for these countries in times of shortage)
- Stock levels (both domestic and international).

Based on domestic stock levels, the domestic prices of maize fluctuate within a band that is determined by world prices, the exchange rate and local maize production. Because of the erratic weather conditions in the country, substantial variations in local production occur.

During periods of shortages, the rand price of maize tends to increase towards import parity, which is the international maize price *plus* transport and other costs, multiplied by the exchange rate. During surplus periods, the rand price tends to move towards export parity, which is the price of maize on the international market *minus* transport and other costs, multiplied by the exchange rate.

Currently, the prices of maize differ from one area to another and can fluctuate daily. Producers can manage their price risk by negotiating spot, contract or futures prices on SAFEX, based on market conditions.

The average producer price of maize decreased by 13,4%, from R4 037,11/t in 2021/22 to R3 494,46/t in 2022/23, mostly because South Africa produced a fourth consecutive good crop, which negatively affected local maize prices.

The average producer prices of maize from 2018/19 to 2022/23 are as follows:

Season	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**
	R/ton				
Producer price	2 414,19	2 470,58	2 795,83	4 037,11	3 494,46

The South African maize market has matured considerably since the deregulation of marketing. Producers, traders and other intermediaries interact freely in the marketing of maize.

Supply and Demand

Most of the maize produced in South Africa is consumed locally; as a result, the domestic market is very important to the industry.

Considering the 2023/24 marketing season (May to April), the total supply of maize is projected at 17,711 million tons (9,441 million tons white and 8,270 million tons yellow). This includes an opening stock (on 1 May 2023) of 1,954 million tons (1,083 million tons white and 871 291 tons yellow) and local commercial deliveries of 15,755 million tons (8,290 million tons white and 7,465 million tons yellow). No maize imports are projected for the 2023/24 season.

The total demand, local and exports, for maize is projected at 14,895 million tons (7,826 million tons of white and 7,069 million tons of yellow maize). The total local demand is projected at 11,565 million tons (6,736 million tons white and 4,829 million tons yellow). A projected export quantity of 3,330 million tons (1,090 million tons white and 2,240 million tons yellow) is expected for the 2023/24 marketing season. The projected closing stock level by 30 April 2024 is estimated at 2,816 million tons (1,615 million tons white and 1,201 million tons yellow).

Trade balance

In the case of a product such as maize, millers (who are the main buyers of the maize crop) have the option of importing maize instead of buying locally produced maize. In a deregulated market, the decision whether to buy from domestic or foreign sources is influenced by, among other factors, transport costs, price and quality. When the product is imported, the exchange rate plays an important role in the actual rand price.

Depreciation in the value of the rand against relevant foreign currencies makes import products, such as maize, wheat and oilseeds more expensive in rand terms, thereby providing some protection for South African farmers and an incentive to increase production in the longer term. However, if South African producers are unable to meet the needs of the processors, or if processors are uncertain about local supplies, foreign sources can be considered.

South African producers, on the other hand, will consider the export market if local processors are unwilling to pay the prevailing local market price. In this manner, the market sets "natural" floor and ceiling prices, i.e., a price band within which such products trade. The price-setting mechanism for these crops is the JSE Security Exchange of South Africa's Agricultural Products Division.

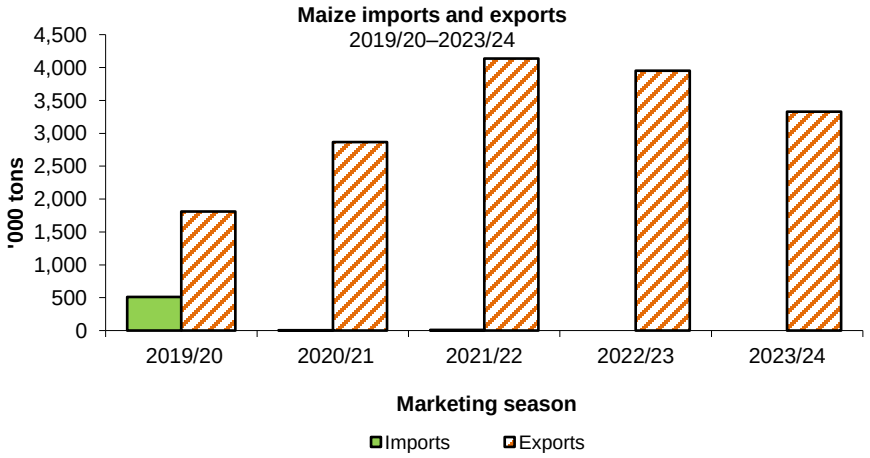
South Africa will remain a net exporter of maize for the 2023/24 marketing season on an estimated fourth consecutive bumper maize crop that will see commercial production exceeding local consumption. Up to 6 October 2023, about 1,971 million tons of maize, of which 377 736 tons were white maize and 1,594 million tons yellow maize, had been exported since May—approximately 59,2% of the estimated whole maize exports of 3,330 million tons.

For the 2023/24 marketing season, Botswana (31,5% or 118 984 tons), Kenya (17,9% or 67 649 tons) and Mozambique (12,6% or 47 418 tons) were the major markets for South Africa's white maize exports. South Africa, with amble white maize stocks, is in the perfect position to continue supplying the region with maize.

The bulk of the yellow maize exports for the current season, up to 6 October 2023, was characterised by exports to Taiwan (29,1% or 463 086 tons), Korea (27,4% or 436 041 tons) and Japan (26,1% or 415 162 tons), Vietnam (7,9% or 126 555 tons) and China (3,5% or 55 960 tons), amongst others.

Normally, the window of opportunity for exports of domestic maize lasts only until the end of October, when the harvesting of the US crop and US exports start.

The following graph shows the imports of maize to and exports from South Africa during the past five marketing seasons (May to April).



Maize tariff

The import tariff on maize is another domestic factor that could have an impact on the local price of maize. The import tariff on maize, as published in the *Government Gazette* of 8 December 2006, is zero.

World maize situation

According to the October 2023 report of the United States Foreign Agricultural Services, world maize production in 2023/24 (October to September) was forecast at 1,214 billion tons, which is 5,1% or 59,5 million tons more than the 1,155 billion tons produced during 2022/23. The US contributed 31,5% (382,7 million tons), China 22,8% (277,0 million tons), Brazil 10,6% (129,0 million tons) and the European Union 4,9% (59,7 million tons) to world production. The remaining 30,2% is made up by Argentina, Ukraine, Mexico, India and South Africa, among others.

Global consumption in 2023/24 was expected to be 1,200 billion tons—32,8 million tons more than in the previous year. Global ending stocks at the end of August 2024 were expected to be 312,4 million tons, which is 14,3 million tons or 4,8% more than in the previous year.

Marketing, information and research

No statutory levies are applicable and the marketing of maize is free from statutory intervention.

The information function is performed by the Department of Agriculture, Land Reform and Rural Development through the Directorate: Statistics and Economic Analysis and Grain South Africa, which promote the interests of maize producers and SAGIS, a section 21 company funded by, among others, the maize industry.

Research is financed with income from the Maize Trust and performed by the Agricultural Research Council, the Council for Scientific and Industrial Research and other organisations.

Sorghum

Plantings and production

Sorghum is an indigenous crop in Africa and regarded as the fifth most important cereal in the world. There are two types of sorghum, namely, bitter and sweet sorghum cultivars. Preference is given to the sweet cultivars. Bitter sorghum is planted in areas where birds are a problem because it contains tannin, which leaves a bitter taste and consequently birds tend to avoid feeding on it.

Sorghum is mainly cultivated in low and erratic rainfall areas, especially in shallow and heavy clay soils. Sorghum is planted mainly between mid-October and mid-December. The rainfall pattern and other weather conditions of the particular season can determine the planting period in addition to the length of the growing season to a large extent.

During the last production season, an estimated 34 000 ha were planted to sorghum for commercial use, representing a decrease of 8,6% from the 37 200 ha planted for the 2022 season.

Sorghum for commercial purposes was produced mainly in Mpumalanga (37,4%), followed by Limpopo (35,3%), Free State (15,7%) and North West (10,7%). For the past five seasons until 2022, South Africa produced an average of 143 628 tons of sorghum per annum, which is relatively small compared to domestic maize and wheat production.

During the 2023 production season, sorghum contributed only approximately 0,3% to the gross value of field crops. The estimated average annual gross value of sorghum for the five years up to 2022/23 amounts to R508 million.

South Africa’s 2022/23 planting season was characterised by generally favourable weather conditions that prevailed throughout the cropping season.

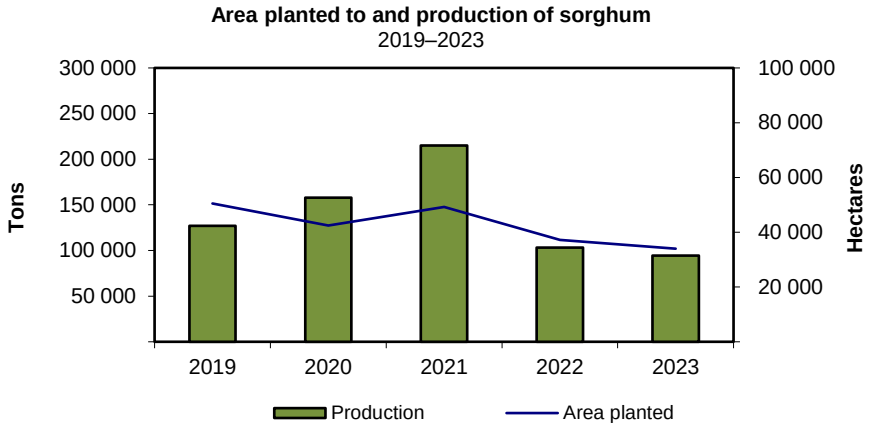
The commercial sorghum crop for the 2023 season is estimated at 94 360 tons, which is 8,5% less than the 103 140 tons of the previous season and 34,3% less than the five-year average production of 143 628 tons up to 2022. The yield for 2023 is estimated at 2,78 t/ha, which is 19,9% less than the five-year average yield of 3,47 t/ha up to 2022.

Plantings, production and the yields of sorghum from 2019 to 2023 are as follows:

Season	2019	2020	2021	2022	2023
Plantings (ha)	50 500	42 500	49 200	37 200	34 000
Production (t)	127 000	158 000	215 000	103 140	94 360
Yield (t/ha)	2,51	3,72	4,37	2,77	2,78

Over the past decade, sorghum production in South Africa decreased dramatically as producers preferred to plant more profitable crops, like maize and oilseeds.

The following graph shows the area planted to and the production of sorghum in South Africa.



The non-commercial agricultural sector contributed approximately 15 079 tons, which was about 13,0% of the total sorghum production in South Africa during 2023.

Consumption

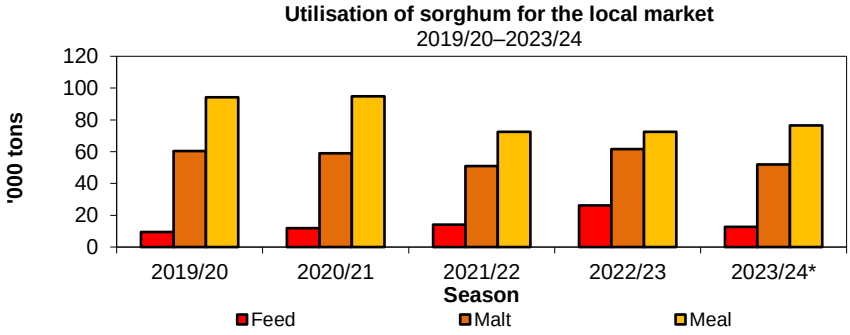
Sorghum, like other grains, has two basic markets that it serves, i.e., the human component and the animal feed component. Sorghum is consumed mainly in the human food market and, as in the case of maize, consumers tend to replace sorghum-based products with preferred products as the household income increases.

Expectations are that a total of 92 360 tons of sorghum will be available for local consumption during the 2023/24 marketing season (March to February), compared to 103 140 tons the previous season. The total domestic supply of 175 916 tons estimated for this season comprises of carry-over stocks as of 1 March 2023 amounting to 46 956 tons, plus producer deliveries of 92 360 tons at commercial structures, imports of 35 000 tons and a surplus of 1 600 tons.

The projected commercial utilisation of sorghum for the 2023/24 marketing season is approximately 141 205 tons, of which 128 600 tons are for human consumption (malt, meal and other uses) and 12 605 tons are for animal feed (poultry, pet, pigeon and ostrich feeds). Other uses (released to end-consumers, withdrawn by producers, etc.) amounts to 1 075 tons. Projected exports during the 2023/24 marketing season are 8 700 tons.

Considering the above, carry-out stocks on 28 February 2024 are expected to be about 24 936 tons.

The following graph depicts the utilisation of sorghum in South Africa (marketing seasons):



**Projection*

Producer prices

Local producer prices of sorghum decreased by 3,0%, from R3 889,48/t in 2022 to R3 773,76/t in the 2023 season.

Season	2019	2020	2021	2022	2023
	R/t				
Producer price	2 919,18	2 639,36	3 337,55	3 889,48	3 773,76

Imports and exports

During 2023 season, South Africa imports mainly from the United States of America and Botswana.

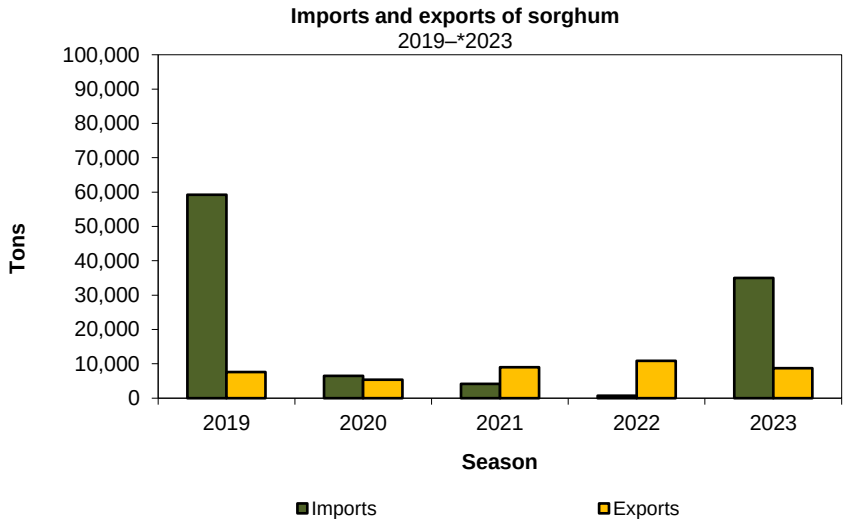
When it comes to exports, South Africa exports small quantities of sorghum to key markets in southern Africa, i.e., Botswana and Eswatini.

Imports and exports of sorghum from 2019 to 2023 are as follows:

Season	2019	2020	2021	2022	2023*
	Tons				
Imports	59 253	6 546	4 147	768	35 000
Exports	7 643	5 380	9 058	10 841	8 700

**Projection*

Projected exports of sorghum for 2023 is 8 700 tons, which is 19,8% less than the 10 841 tons of 2022. In 2023, 35 000 tons of sorghum was imported.



**Projection*

Per capita intake

Indigenous cereals such as sorghum make only a small contribution to the starch-rich staple food complex in South Africa. The average estimated annual per capita intake (2019 to 2023) remains dominated by maize (70 kg/capita) and wheat (47 kg/capita), followed by potatoes (35 kg/capita) and rice (15 kg/capita), while sorghum intake was significantly lower at a mere 1 kg/capita.

World sorghum situation

According to the FAS/USDA report released in October 2023, world production of sorghum increased by 11,2%, from 54,9 million tons in 2022 to 61,0 million tons in 2023. The contribution to world production by selected countries is as follows: United States contributed 15,0% (9,1 million tons), Nigeria 11,0% (6,7 million tons), Sudan 8,2% (5,0 million tons), Mexico 7,9% (4,8 million tons) and both Ethiopia and India at 7,2% (4,4 million tons respectively). The balance of 43,5% was made up by other remaining countries.

Cooperation

The Sorghum Forum, consisting of all the participating parties in the sorghum industry (producers, traders, silo owners, processors, labour, consumers and the ARC), meets regularly to discuss various issues relevant to the industry.

The Sorghum Trust provides funding for research on sorghum, the maintenance and improvement of quality standards and the storing and updating of information required by the sorghum industry.

SAGIS, an independent section 21 company collects, collates and publishes market information on sorghum.

The Southern African Grain Laboratory, incorporated under Section 21 (Association Not for Gain), analyses the quality of grain.

The Crop Estimates Committee plays an important role in providing up-to-date market information on which important decisions and actions can be based.

On a national basis, the ARC is responsible for research and development in the agricultural sector.

Wheat

In terms of value of production, wheat is the third most important field crop produced in South Africa. In the 2022/23 season, this crop contributed approximately 11% to the gross value of field crops. The annual gross value of wheat amounts to R13 428 million, compared to R59 511 million for maize, which is the most important field crop.

Wheat is mainly planted between mid-April and mid-June in the winter rainfall area and between mid-May and the end of July in the summer rainfall area. The crop is harvested from November to January. Most of the wheat produced in South Africa is bread wheat, with small quantities of durum wheat being produced in certain areas.

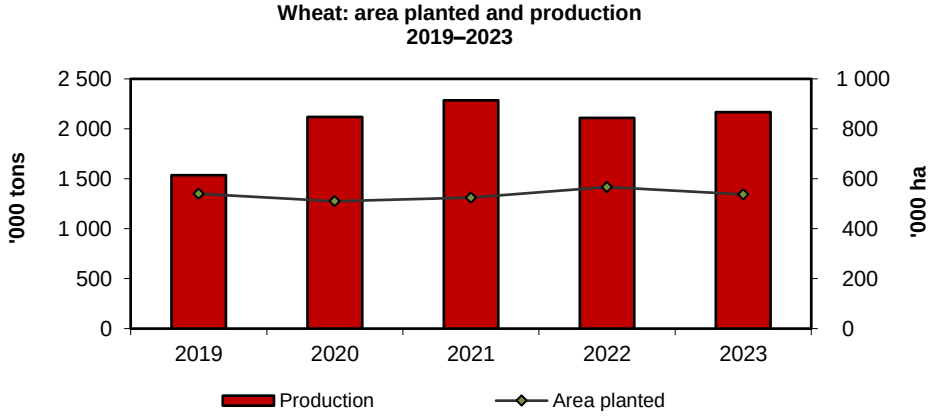
Wheat is generally classed as “hard” or “soft.” Hard wheat tends to have higher protein content than softer wheat and is used mainly for bread. Soft wheat, on the other hand, is more suitable for confectionery.

Areas planted and production

The estimated area planted to wheat for the 2023 season is 537 950 ha, which is 5,1% less than the 566 800 ha of the previous season. The area planted to wheat in the Western Cape is 365 000 ha (68%), which is 5 000 ha more than the 360 000 ha planted in the previous season. In Free State, the area planted is 72 000 ha (13%), which is 24 000 ha less than the previous seasons’ area of 96 000 ha.

For the 2023 production season, weather conditions across South Africa’s wheat growing areas were quite favourable. The Western Cape, which is the major wheat growing area in the RSA, has received rainfall since the beginning of the season, which is favourable for the wheat crop and which supported the plant activity and crop growth conditions. The heavy rains in June 2023 in the province, had a minimal adverse effect on the overall winter crops.

The areas planted to and production of wheat is depicted in the following graph:



Based on conditions prevailing towards the end of October 2023, the expected commercial wheat crop for 2023 was 2,167 million tons. The expected production in the Western Cape was 1,150 millions tons (53%), in the Northern Cape 310 000 tons (14%) and in the Free State 309 600 tons (14%). The expected average yield was 4,03 t/ha. This is the second-highest yield ever recorded, reflecting the favourable weather conditions in the main producing provinces.

Plantings, production and yields from 2019 to 2023 are as follows:

Season	**2019**	**2020**	**2021**	**2022**	**2023**
Plantings (ha)	540 000	509 800	523 500	566 800	537 950
Production (t)	1 535 000	2 120 000	2 285 000	2 110 000	2 166 825
Yield (t/ha)	2,84	4,16	4,36	3,72	4,03

Consumption

According to the Supply and Demand Estimates Committee (S&DEC), a total of 4,370 million tons of wheat (commercial) were available for local consumption during the 2022/23 marketing season (October to September). This comprised carry-over stocks as of 1 October 2022 of 625 083 tons, producer deliveries of 2,060 million tons, a surplus of 762 tons and imports of approximately 1,684 million tons.

The total demand for wheat for the 2022/23 marketing season is estimated at approximately 3,812 million tons, of which 292 918 tons were exported. Carry-out stocks as of 30 September 2023 are estimated to be 557 457 tons.

For the 2023/24 marketing season, the total supply of wheat is forecasted at 4,286 million tons (expected producer deliveries of 2,122 million tons, together with the carry-over stocks of 557 457 tons, a surplus of 6 500 tons and expected imports of 1,600 million tons).

The demand for wheat (exports included) is estimated at 3,837 million tons. Carry-out stocks at the end of September 2024 are expected to amount to 449 182 tons.

Imports

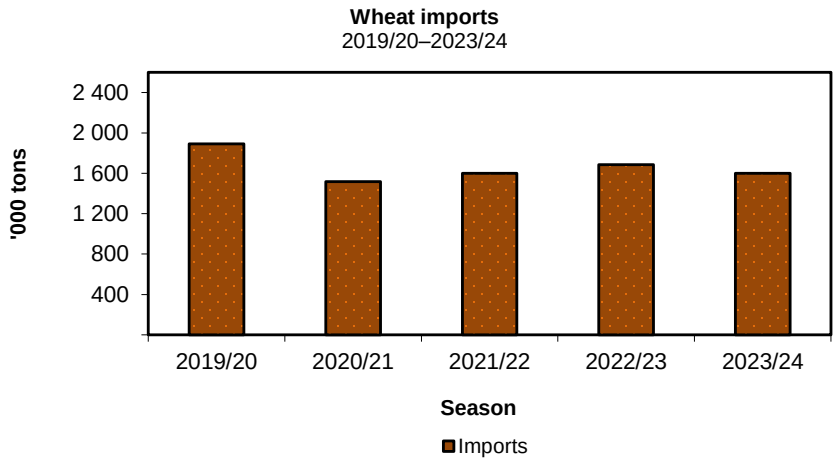
South Africa, a net importer of wheat, relies on imports from Poland, Russian Federation, Australia and Lithuania, amongst other countries, to meet its domestic demand. It is expected that for the 2023/24 marketing season, 45% or 1,600 million tons of the wheat required for domestic consumption will have to be imported.

Wheat imports from 2019/20 to 2023/24 are as follows:

Season	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**
	Tons				
Imports	1 889 868	1 516 995	1 601 299	1 684 369	1 600 000

Projection for the 2023/24 marketing season
Source: SAGIS

The following graph shows the imports of wheat during the past five seasons (October to September).



There are mainly two factors that affect local wheat prices—the value of the rand against the dollar and international prices. The average producer price of wheat decreased by 3,7%, from R6 335,92/ton in 2022/23 to R6 100,00/ton in 2023/24.

The average producer prices of wheat from 2019/20 to 2023/24 are as follows:

Season	**2019/20**	**2020/21**	**2021/22**	**2022/23**	**2023/24**
	R/ton				
Producer price	4 086,49	4 864,03	5 193,31	6 335,92	6 100,00

Marketing

The South African wheat market was deregulated on 1 November 1997 and wheat can therefore be traded freely. The only government intervention in the market is the tariff on wheat imports. On 2 July 2021, a free wheat tariff was published in the *Government Gazette.*

World wheat situation

According to the October 2023 report of the United States Foreign Agricultural Services, the global wheat production in 2023/24 is projected at 783,4 million tons, down by 0,8% or 6,1 million tons from the 2022/23 record. Drier weather conditions over the past few months are the primary reason for the decline in production in the EU, Russia, Canada, Ukraine, Australia, the UK and Kazakhstan. However, this is the second largest global wheat harvest on record.

According to expectations, China would contribute 17,5% (137,0 million tons), the European Union 17,1% (134,0 million tons), India 14,5% (113,5 million tons) and Russia 10,8% (85,0 million tons) to world production during 2023/24. The balance of 40,1% is made up by the US, Canada, Australia and Pakistan, among others.

Global consumption is expected to be 792,9 million tons during 2023/24—1,8 million tons less than the previous year. Global ending stocks are expected to decline to 258,1 million tons by the end of June 2024, which is 9,4 million tons or 3,5% less than the previous year.

Research and information

The Winter Grains Trust is responsible for the allocation of funding and appraisal of relevant research projects in the winter grains industry. Since 1998, statutory levies on sales of winter cereals have been used to finance the Winter Grains Trust.

The ARC-Small Grain Institute in Bethlehem conducts the research on wheat and other winter grains.

The South African Grain Information Service (SAGIS), a section 21 company funded by, among others, the wheat industry, administers the information function for the wheat industry.

Accurate crop forecasts and estimates also play an important role by providing up-to-date information upon which important decisions and measures can be based. The crop estimates are a result of the collated inputs of, and consensus reached by, the various members of the Crop Estimates Committee.

Malting Barley

Plantings and production

Barley is one of the most important grain crops in South Africa, surpassed only by wheat and maize and is, following wheat, the most important small grain type.

The cultivation area for barley under dryland conditions is at present restricted to a very specific region, namely, the Southern Cape, which stretches from Bot River in the west to Heidelberg in the east. It would not be economically viable to cultivate barley on dryland in an area that does not receive 350 mm of well-distributed rainfall during the growing season (April to October). At present, five varieties are recommended for barley production in the Southern Cape, viz., SabbiErica, SabbiNemesia, Disa, Agulhas and Hessekwa.

The concentration of the production of a relatively minor commodity, for instance barley, in a specific area has various advantages, e.g., it facilitates transport, storage, control, extension and research, which also implies cost advantages.

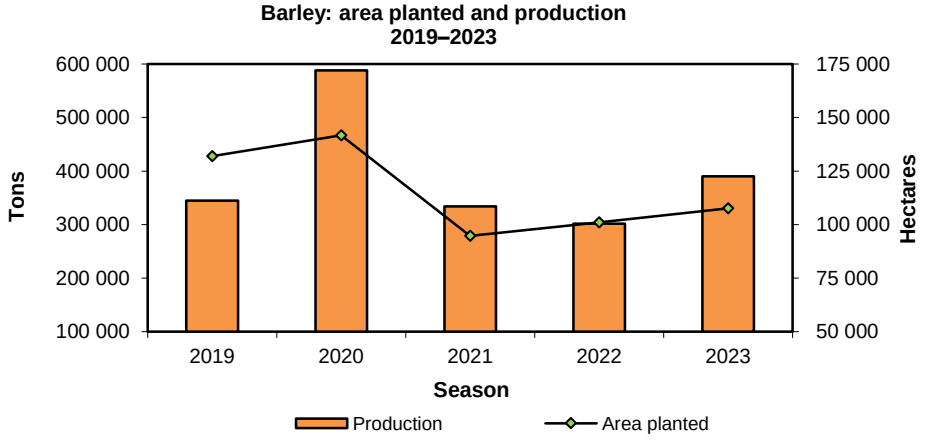
However, because of the risk of unpredictable weather conditions in the Southern Cape, barley production has also been introduced to the cooler central irrigation areas in Northern Cape. There are also farmers in other areas of South Africa, such as North West, Limpopo and Free State, who plant small quantities of barley under irrigation.

Barley under irrigation has a higher yield and is more stable than in the Southern Cape, where the crop is dependent on rainfall.

Barley is planted over a relatively short period of time (from three weeks in certain areas to five weeks in others). The earlier plantings generally have a higher yield potential. This results in greater yield increases with disease and pest control programmes in earlier plantings. Barley planted later than the optimum planting period is therefore at greater risk in terms of both yield and quality.

Barley is mainly used for the production of malt (for brewing beer), animal feed and pearl barley. However, the Crop Estimates Committee's barley estimates only involve barley, therefore excluding barley for animal feed.

The area planted to barley for the 2023 season is estimated at 107 600 ha. This is an increase of 6,5% or 6 600 ha from the plantings of 101 000 ha during 2022. It is also 8,6% or 10 076 ha less than the five-year average of 117 676 ha planted up to 2022. Of the 107 600 ha planted in 2023, 98 000 ha (91,1%) are in Western Cape, 6 000 ha (5,6%) are in Northern Cape, 1 700 ha (1,6%) are in Limpopo, 1 500 ha (1,4%) are in North West and only 400 ha (0,4%) are in Free State.



A total crop of 380 020 tons of barley is expected for the 2023 season. This is an increase of 25,8% more than the production of 302 000 tons in the previous season and 4,5% or 18 080 tons less than the average production of 398 100 tons per annum over the five years up to 2022. The expected average yield for 2023 is 3,6 t/ha.

Plantings, production and yield of barley from 2019 to 2023 are as follows*:*

Season	2019	2020	2021	2022	2023
Plantings (ha)	131 960	141 690	94 730	101 000	107 600
Production (t)	345 000	588 000	334 000	302 000	389 920
Yield (t/ha)	2,61	4,15	3,53	2,99	3,62

Consumption

The processing of barley into malt is done mainly in Caledon in the Southern Cape, but also in Alrode near Johannesburg. Malt barley is all about taste and is mainly used to flavour beer. It is also used around the world in many foods.

The total supply of barley for the 2022/23 marketing season (October to September) is estimated at 593 900 tons (imports included). Carry-over stocks as of 1 October 2022 amounted to 201 900 tons. Production for the 2022/23 season was 302 000 tons, while 90 000 tons were imported.

For the 2022/23 marketing season, the total demand for barley was estimated at 427 000 tons, including 30 000 tons of exports. Carry-out stocks of 30 September 2023 were 166 900 tons.

For the 2023/24 marketing season, the total supply of barley is expected to be 649 900 tons, comprising the expected crop of about 166 900 tons, carry-over stocks of 380 000 tons and 100 000 tons of imports are expected. The domestic demand is estimated at 425 000 tons, including 30 000 tons of exports. Carry-out stocks at the end of September 2023 are expected to amount to 221 900 tons.

Producer prices and value of the crop

The average producer price of barley increased by 61,8%, from R2 795,48/ton in 2021 to R4 524,24/ton in 2022.

The average producer prices of barley from 2018 to 2022 are estimated as follows:

Season	**2018**	**2019**	**2020**	**2021**	**2022**
	R/ton				
Producer price	3 398,63	3 039,82	2 515,69	2 795,48	4 524,24

The average annual gross value of barley for the past five years up to 2022/23 amounts to R1 252 million, compared to the R9 812 million of wheat and R40 742 million of maize.

Marketing

Barley is different from most, if not all, other agricultural commodities as there is only one major buyer in South Africa, namely, South African Breweries Maltings (SABM), which supplies its major shareholder, South African Breweries Limited (SAB) with malted barley. Barley producers have a guaranteed market (there is a written commitment to source locally) and fixed-price forward contracts. The malt barley industry is significant in South Africa's national economy, with barley playing a crucial role in the crop rotation systems used by farmers.

Imports

Variability in rainfall can cause wide fluctuations in barley quality and yields in South Africa. Whenever the local crop has fallen short of requirements, South Africa depends on imports from Australia, France and the Ukraine.

Barley and malt imports from 2018/19 to 2022/23 are as follows:

Season	2018/19	2019/20	2020/21	2021/22	2022/23
	Tons				
Imports – Barley	0	44 837	0	0	75 000
– Malt	98 424	70 542	98 469	145 861	190 000

Source: SAGIS; customs & excise

World barley situation

Global production in the 2022/23 marketing season is mainly driven by the larger crops in the European Union (51,65 million tons) and Russia (21,50 million tons).

According to the September 2023 report of the United States Foreign Agricultural Services, world barley production is estimated at 147,88 million tons for the 2022/23 marketing year, while global consumption is expected to be 150,77 million tons. Global ending stocks at the end of June 2023 are expected to be 19,16 million tons.

Research and information

The ARC-Small Grain Institute (SGI) in Bethlehem and the South African Barley Breeding Institute (Sabbi) near Caledon conducts research on and breeding of barley in South Africa, which is financed by statutory levies on barley sales**.**

The ARC-SGI is one of the crop institutes of the ARC which has, under the Agricultural Research Act of 1990 (Act No. 86 of 1990), the mandate to perform research, development, and transfer of technology within the RSA to the advantage of all agricultural and agriculture-related industries and therefore improve the quality of life of all South Africans.

On the other hand, Sabbi's Research and Development mission is to ensure sustainable barley production for the benefit of the SAB, SABM and the producer through innovative research and development. Producers need better quality, higher yields, and more resistant varieties in addition to increased knowledge of enhanced agricultural production practices in order to be more competitive with global competitors.

The SAGIS, a section 21 company funded by, among others, the barley industry, administers the information function for the barley industry.

Sunflower seed

Sunflower seed can be planted from the beginning of November to the end of December in the eastern parts of the production areas and up to the middle of January in the western part. Sunflowers grow best when planted in midsummer to ensure that less moisture is lost from the soil during the crucial growing phases. Compared to other crops, sunflower performs well under dry conditions. This is probably the main reason for the crop's popularity in the marginal production areas of South Africa. A close link exists between the area planted to maize and the area planted to sunflower seed because farmers can easily switch to sunflower if the normal period for maize planting has passed.

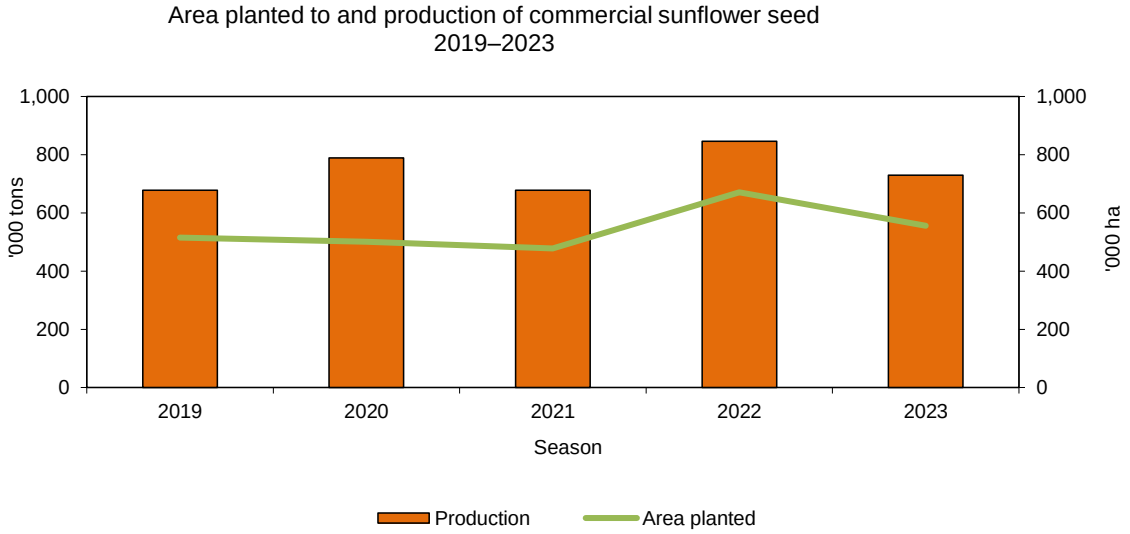
Plantings and production

During the 2023 production season, the bulk of the crop was produced in Free State (52,2%), North West (27,9%) and Limpopo (18,0%).

The contribution of sunflower seed to the gross value of field crops during the 2022/23 season is approximately 5,1%, compared to 47,6% of maize, the largest contributor to field crops. The average annual estimated gross value of sunflower seed over the period 2017/18 to 2021/22 amounts to R5 199 million compared to the R40 942 million of maize.

The annual plantings of sunflower show remarkable variation over the past two decades, varying from 606 450 ha planted in 2003, a high of 718 500 ha planted in 2016, and 555 700 ha in 2023. The area planted to sunflower seed for commercial use during the 2023 production season decreased by 17,2% to 555 700 ha, from an estimated 670 700 ha the previous season. This is also 0,5% more than the five-year average of 553 130 ha up to 2021/22. The decrease in the 2023 sunflower plantings can mainly be attributed to the

increase in soybean and yellow maize plantings due to favourable weather conditions during November and December 2022.



Commercial sunflower seed production during 2023 is approximately 729 10 tons, which is 13,8% more than the previous season (845 550 tons) and 5,4% less than the average of 770 410 tons for the previous five years. The increase in production can mainly be attributed to the increase in the expected yields. The average yield for 2023 is approximately 1,31 t/ha, which is 4,0% more than 1,26 t/ha during the previous season and 5,8% less the five-year average of 1,39 t/ha up to 2022. The occurrence of sclerotinia in 2023 was minimal and a higher average yield realised.

Non-commercial agriculture contributed an estimated 30 119 tons (3,8%) to the total sunflower seed production in South Africa during 2023.

Commercial plantings, production and yields of sunflower seed from 2019 to 2023 are as follows:

Season	2019	2020	2021	2022	2023
Plantings (ha)	515 350	500 300	477 800	670 700	555 700
Production (t)	678 000	788 500	678 000	845 550	729 110
Yield (t/ha)	1,32	1,58	1,42	1,26	1,31

Producer prices

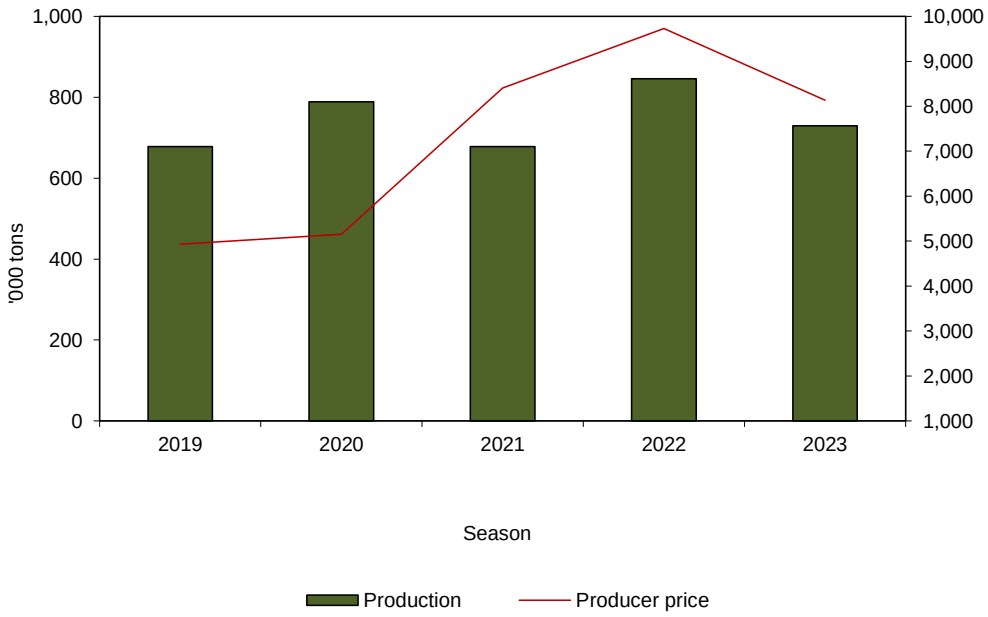
The average producer price decreased by 16,4%, from R9 729,58/ton in 2022 to R8 137,66/ton in 2023. In terms of soya bean and sunflower seed prices, the interaction with the global market is different as South Africa is a net importer of these commodities. This means the domestic market tends to be sensitive to global developments.

South Africa's agricultural industries operate in a relatively open-market environment, where local and international factors have an impact on domestic oilseed prices. Local oilseed prices will continue to move with export parity levels for the rest of the season and will be influenced by the uncertainty created by global trade disruptions caused by variations in the international price of oilseeds, planting progress in the United States, local productions, export progress and South Africa's volatile exchange rate.

The average producer prices of sunflower seed from 2019 to 2023 are as follows:

Season	2019	2020	2021	2022	2023
	R/ton				
Producer price	R4 932	R5 155	R8 409	R9 730	R8 138

Commercial production and producer prices of sunflower seed
2019–2023



Consumption

The National Agricultural Marketing Council (NAMC) established the South African Grain and Oilseeds Supply and Demand Estimates Committee (S&DEC) in 2013. The Committee was formed to address the specific need for accurate information pertaining to the supply of and demand for the major grain and oilseed crops, namely, white and yellow maize, wheat, sorghum, sunflower seed and soya beans.

The sunflower seed marketing season in South Africa commences on 1 March and ends on 28 February. The estimated sunflower seed crop of 729 110 tons for the 2023/24 marketing season, together with carry-over stocks of about 73 517 tons on 1 March 2023, a surplus of 5 000 tons and projected imports of 8 000 tons, leaves the domestic supply of commercial seed at an estimated 815 627 tons for the season.

In South Africa, sunflower seed is used almost exclusively (an estimated 735 000 tons in 2023) for oil and oilcake production. The estimated domestic demand of seed for the 2023/24 marketing year is approximately 746 470 tons, including 7 900 tons for human and animal consumption. Other consumption is estimated at 3 400 tons. The projected exports during 2023 are 170 tons. Carry-out stocks on 28 February 2024 are expected to be approximately 69 157 tons.

Trade

Regarding exports, phytosanitary requirements and quality standards must be adhered to and a Perishable Products Export Control Board (PPECB) certificate must be obtained. For 2023, South African imports were mainly from Botswana and Malawi. On the other hand, South African exports were mainly to Eswatini and Mauritius.

Imports and exports of sunflower seed from 2019 to 2023.

Year	**2019**	**2020**	**2021**	**2022**	**2023***
	Tons				
Imports	457	471	1 256	6 805	8 000
Exports	576	1 140	217	170	170

**Projection*

International overview

The October 2023 report by the United States of Foreign Agricultural Services (FAS) indicated that the global harvested area decreased by 2,0% (580 000 ha) in 2022/23 compared to 2021/22, to a figure of 28,0 million ha.

World output of sunflower seed during 2022/23 decreased by 4,4 million tons or 7,8% from 56,9 million tons in 2021/22 to 52,4 million tons in 2022/23. It is important to note that the Ukraine and Russia, as two of the main sunflower seed exporting countries in the world, are expecting crops of 12,2 million tons and 16,2 million tons, respectively, in 2022/23. This represents an decrease of 30,3% or 5,3 million tons in the Ukraine and an increase of 4,4% or 680 000 tons in the case of Russia.

The FAS October 2023 report projected that global sunflower seed production will reach 56,4 million tons in 2023/24—an increase of 7,6% or 4,0 million tons compared to 52,4 million tons during 2022/23. Sunflower seed production in the Ukraine is expected to increase by 1,8 million tons or 14,8% to 14,0 million tons. Sunflower seed production in Russia is expected to increase by 1,2 million tons or 7,7% to 17,5 million tons.

Marketing, information and research

No statutory levies are applicable and the marketing of oilseeds is free from statutory intervention.

The information function is performed by the Department of Agriculture, Land Reform and Rural Development, through the Directorate: Statistics and Economic Analysis; Grain South Africa, which promotes the interests of oilseed producers and the SAGIS, a section 21 company funded by, among others, the oilseeds industry.

Research is financed with income from the Oilseeds Trust and performed by the ARC, the CSIR and other organisations.

Soya beans

Various soya bean cultivars have adapted quite well to South African conditions. Depending on prevailing local conditions, soya beans are usually planted in November and December. On ripening, the leaves turn yellow and the seeds' moisture content decreases – from about 65% to 14% within 14 days – provided hot, dry weather occur.

It is a relatively difficult crop to grow and not all areas are suitable for soya bean cultivation. These plants thrive in warm, fertile, clayish soil and are mainly cultivated under dry land conditions.

Soya beans contributed approximately 16,5% to the gross value of field crops during 2022/23. The estimated average annual gross value of soya beans for the past five seasons up to 2021/22 amounts to R10 619 million.

Plantings and production

The plantings of soya beans ranged between 135 000 ha and 1,148 million ha over the past 20 years.

During the 2023 season, soya beans were grown primarily in Free State (565 000 ha or 49,2%), Mpumalanga (305 000 ha or 26,6%), North West (155 000 ha or 13,5%), Gauteng (48 000 ha or 4,2%) and KwaZulu-Natal (44 000 ha or 3,8%). The main factors contributing to this positive trend in soya bean planting include investments in new oilseed processing plants, an improved affinity by farmers to use soya beans as a rotational crop with maize and favorable soya bean prices.

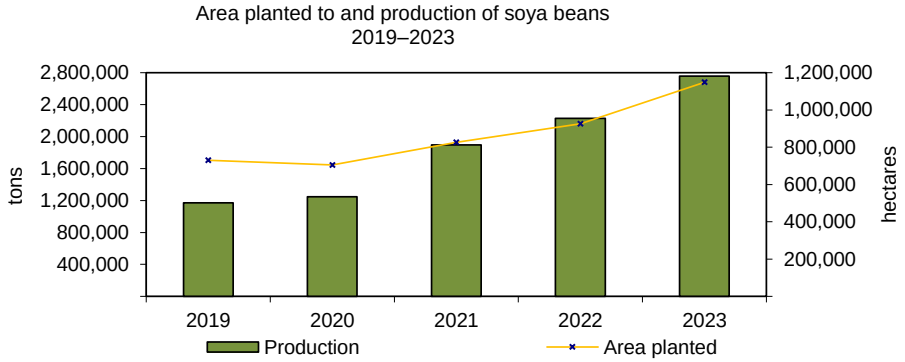
During the 2023 season, an estimated 1,148 million ha were planted for commercial use, compared to an estimated 925 300 ha the previous season. This represents an increase of 24,1% and is 44,4% more than the five-year average of 795 020 ha up to 2022. These record plantings for 2023 also surpassed the yellow maize area planted (1,065 million ha) for the first time.

South Africa had an excellent start to the 2022/23 season, with above-average rains over most parts of the summer rainfall production area during November and December 2022 that boosted crop plantings. Though excessive rains in some parts of the Mpumalanga, the eastern Free State and Kwazulu-Natal provinces delayed planting operations to outside the optimal planting window (from October to mid-November), favorable conditions in January 2023 with warmer and sunnier days provided conducive growing conditions for the developing crop. However, in small pockets of the grain producing area, excessive heat damaged the crops. The warmer weather was followed by above-average rains in February month over most parts of the summer rainfall production area boosting plant growth and positively affected anticipated yields.

The crop of an estimated 2,755 million tons in 2023 (the highest on record) represents an increase of 23,6% from the 2022 crop of 2,230 million tons. It is also 70,4% higher than the average of 1,616 million tons for the five years up to 2022. The average yield of 2,40 t/ha is 0,4% less than the 2,41 t/ha of the previous season. Following the introduction of the statutory levy on soya beans that will support the availability of new technology to South African producers, the average yield of soya beans is projected to increase over time.

Plantings, production and yields of soya beans from 2019 to 2023 are as follows:

Season	**2019**	**2020**	**2021**	**2022**	**2023**
Plantings (ha)	730 500	705 000	827 100	925 300	1 148 300
Production (t)	1 170 345	1 245 500	1 897 000	2 230 000	2 755 300
Yield (t/ha)	1,60	1,77	2,29	2,41	2,40



Producer prices

The international market mainly influences the local soya bean market. Local soya beans prices are mainly determined by import and export parity prices, as well as the derived price of oil and oil cake prices. The oilseeds market is very complex in this regard as the products that are obtained through the processing of soya beans, namely, the oil and oilcake, can be imported separately, thereby adding a third factor to the price formation mechanism of oilseeds, namely the derived price. The derived price is the calculated price that takes into account the value of the oil and oilcake imports.

The average local producer price of soya beans for 2023 is approximately R7 497/ton, which is 11,8% less than the price for 2022. Local soya bean prices are, among other factors, influenced by international soya bean and vegetable oil prices. Other factors include the level of soya bean production in South America, the demand for imported soya in China, marine freight rates and the rand/dollar exchange rate.

The average producer prices of soya beans from 2019 to 2023 are as follows:

Year	**2019**	**2020**	**2021**	**2022**	**2023**
	R/ton				
Producer price	4 680	6 325	7 221	8 505	7 497

Consumption

The National Agricultural Marketing Council established the South African Grain and Oilseeds Supply and Demand Estimates Committee (S&DEC) in 2013 after an extensive consultation process. The committee was formed to address the specific need for accurate information that relates to grain imports and exports to be made available timely to all stakeholders. In addition, there was also a need for the release of official supply and demand figures for the major grain and oilseed crops, namely, white and yellow maize, wheat, sorghum, sunflower seed and soya beans.

The soya bean marketing season in South Africa commences on 1 March and ends on 28 February. An estimated total of 2,934 million tons of soya beans were available for utilisation during the 2023 marketing season. It comprises carry-over stocks on 1 March 2023 amounting to 171 897 tons, the estimated production (excluding retentions by producers) of 2,755 million tons, a surplus of 5 000 tons and projected imports of 2 000 tons.

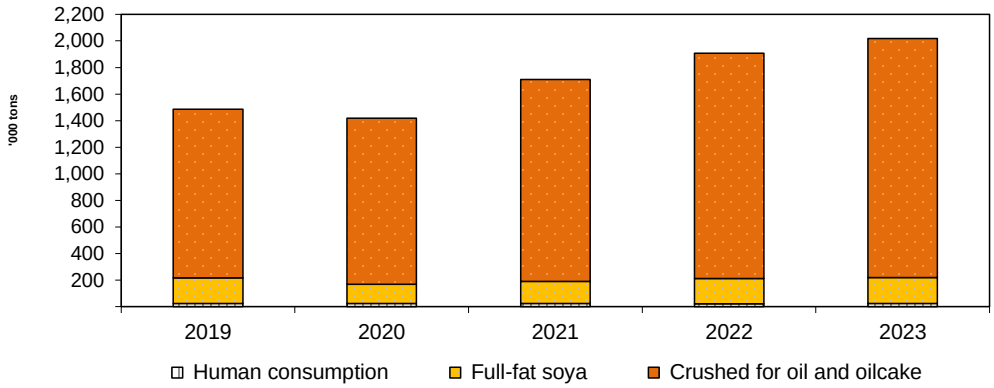
In South Africa, soya beans are mainly used for animal feed. The local demand for soya bean meal, as the preferred source of protein for animal feed, has increased in correlation with the increase in poultry production in South Africa and more than doubled over the past decade. As local production of soya bean meal was limited in the past, almost all of the local consumption had to be imported. With the expansion of the local soya bean crushing industry and soya bean production, imports as a percentage of local consumption is expected to show a decreasing trend.

The local commercial consumption of soya beans for 2023 is projected at 2,030 million tons—195 000 tons for feed (full-fat soya), 1,800 million tons for oil and oilcake and 23 000 tons for human consumption. Other consumption is estimated at 12 050 tons.

The projected exports during 2022 are 420 000 tons. Carry-over stocks on 28 February 2024 are expected to be approximately 484 147 tons.

The following graph illustrates the commercial consumption of soya beans.

Commercial consumption of soya beans
2019–2023



Trade

During the first nine months of 2023, South African exports of soya beans were mainly to Malaysia and Vietnam, as well as Thailand. South African imports for the mentioned period were mainly from the Zambia and Botswana.

The imports and exports of soya beans from 2019 to 2023 are as follows:

Year	**2019**	**2020**	**2021**	**2022**	**2023***
	Tons				
Imports	9 100	116 100	13 400	4 200	2 000
Exports	5 300	1 100	42 300	277 500	420 000

**Projected*

International overview

According to the World Agricultural Supply and Demand Estimate (WASDE) report released in October 2023, world production of soya beans increased by 2,7%, from 360,4 million tons for the 2021/22 season to 370,2 million tons for 2022/23. The decrease in world production can mainly be attributed to the smaller crops in the United States and Argentina. The United States contributed 31,4% (116,2 million tons) and Argentina contributed 6,8% (25,0 million tons) to world production. However, for the same period, an increase is projected for Brazil, where soya bean production is expected to increase by 25,5 million tons to 156,0 million tons and China with an increase of 3,9 million tons to 20,3 million tons.

Outlook

Total soya bean processing capacity in South Africa (crush and full fat) is derived from a combination of dedicated soya bean processing facilities, as well as plants with the ability to switch between soya beans and sunflower seed. Combined with dual plants, however, total capacity is approximately 2,5 million tons, suggesting that South Africa has ample capacity to process (crush and full fat) the projected volumes until 2026, if crush margins are sufficient to induce switching of dual plants into soya bean crushing. However, unfavorable economic conditions and additional operational costs imposed by load shedding will prevent significant investment in increased capacity.

Role players in the soya bean industry had, through the Sunflower and Soybean Forum, requested the Minister of Agriculture, Forestry and Fisheries to impose a statutory levy on soya beans. The purpose of the levy is to compensate breeders of soya bean varieties for their contribution to benefit the soya bean industry in South

Africa through the successful procurement and utilisation of improved international and local agricultural intellectual property.

The Minister of Agriculture, Forestry and Fisheries approved the statutory levy on soya beans on 22 June 2018, according to which seed companies can be compensated for their performance in the soya bean seed market.

The Breeding and Technology levy on soya beans has been approved for a further two years with effect from 1 March 2023. The levy is R66,00 per ton for the first year and R92,00 per ton for the second year. These values are calculated at 1,2% of the previous marketing year's average soya bean price and will be payable when producers sell their soya beans.

The soya bean levy will be administered by the SA Cultivar and Technology Agency (SACTA) and paid to seed companies according to their market share. SACTA is a non-profit company established to administer seed levies for all open-pollinated crops..

The October 2023 WASDE report projected the global production of soya beans for the 2023/24 marketing season at 399,5 million tons—an increase of 7,9% or 29,3 million tons from 370,2 million tons in 2022/23. Increases are projected for Brazil, Argentina, Paraguay and Uruguay. This increase in world production can mainly be attributed to the larger expected crops of Brazil with an increase of 7,0 million tons to 163,0 million tons, followed by Argentina with an increase of 23,0 million tons to 48,0 million tons, Paraguay with an increase of 995 000 tons to 10,0 million tons and Uruguay with 2,2 million tons to 2,9 million tons. However, for the same period, a decrease is projected for the United States, where soya bean production is expected to decrease by 4,5 million tons to 111,7 million tons and India with a decrease of 1,4 million tons to 11,0 million tons.

Research and information

Locally, the ARC, the CSIR and other organisations financed by income from the Oil and Protein Seeds Development Trust, perform research on soya beans.

The Department of Agriculture, Land Reform and Rural Development through the directorate performs the information function: Statistics and Economic Analysis, by Grain South Africa and by SAGIS, a section 21 company funded by the four-grain trusts. SAGIS collects, collates and publishes highly factual and reliable market information (stocks, imports, exports, producer deliveries and consumption) once a month. Since February 2018, SAGIS has started to report on weekly producer deliveries for soya beans and sunflower seed.

Accurate crop forecasts and estimates also play an important role by providing up-to-date information, upon which important decisions and measures can be based. The crop estimates are a result of the collated inputs of and consensus reached by the various members of the Crop Estimates Committee.

Groundnuts

Plantings and production

The normal planting time for groundnuts is mid-October to mid-November. Groundnuts are a high value crop produced mainly in the north-western regions of South Africa, particularly the western and north-western parts of Free State, in North West and in Northern Cape. Groundnuts are also produced in Limpopo, KwaZulu-Natal and Mpumalanga, but to a lesser extent.

During the 2022/23 production season, 47,9% of the plantings were in North West, 39,3% in Free State and 6,4% in Northern Cape. The remaining 6,4% of plantings were in Limpopo.

Groundnuts contributed approximately 0,4% to the value of local field crops in 2022/23, while the average annual gross value of groundnuts for the five years up to 2022/23 amounts to approximately R419,7 million.

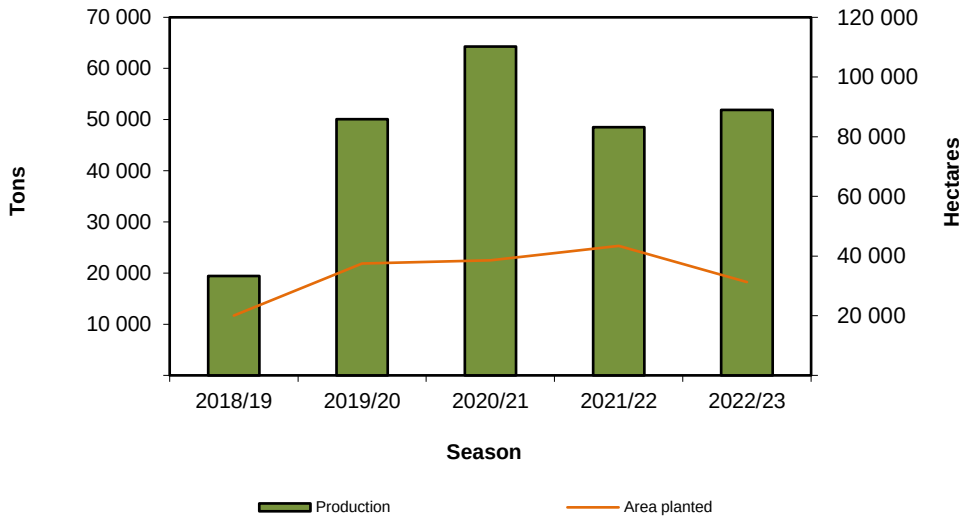
An estimated 31 300 ha were planted to groundnuts for commercial use, compared to 43 400 ha planted during 2021/22. This represents a decrease of 27,9% and is 20,1% less than the average of 39 160 ha planted during the five years up to 2021/22.

An estimated commercial crop of 51 910 tons of groundnuts was produced during 2022/23. This represents an increase of 7,0% from the 2021/22 crop of 48 500 tons. The 2022/23 crop is 8,5% more than the five-year average of 47 856 tons up to 2021/22. The average yield for 2022/23 was 1,66 t/ha, which is 48,4% more than the 1,12 t/ha of the previous season and 35,7% more than the five-year average of 1,22 t/ha up to 2021/22.

Plantings, production and the yield of groundnuts from 2018/19 to 2022/23 are as follows:

Season	2018/19	2019/20	2020/21	2021/22	2022/23
Plantings (ha)	20 050	37 500	38 550	43 400	31 300
Production (t)	19 400	50 080	64 300	48 500	51 910
Yield (t/ha)	0,97	1,34	1,67	1,12	1,66

Area planted to and production of groundnuts
2018/19–2022/23



Producer prices

Groundnuts are traditionally an export commodity and local prices are determined mainly by export parity.

The average producer prices of groundnuts from the 2019/20 to 2023/24 marketing seasons were as follows:

Season	2019/20	2020/21	2021/22	2022/23	2023/24*
Producer price	7 858	7 934	7 831	7 874	7 880

**Preliminary*

The average producer price for groundnuts shows a slight increase of 0,08%, from R7 874/ton in 2022/23 to R7 880/ton in 2023/24.

Trade balance

The SA Groundnut Forum has requested all role players to comply with legally prescribed standards for permissible levels of chemical residue on groundnuts destined for export in order to maintain the market share of South African groundnuts, especially in the European Union and Japan. These regulations are based on the principle of Critical Good Agricultural Practices (CGAP).

South Africa generally applies an import duty of 10,0% ad valorem on imports of groundnuts. However, imports of groundnuts from Member Countries of the following regional structures may enter South Africa free of duty: SACU, the European Union and SADC. This is due to free trade agreements that exist between South Africa and abovementioned regional structures.

Imports of groundnuts to and exports from South Africa during the five marketing seasons (March to February) up to 2023/24 are as follows:

Season	2019/20	2020/21	2021/22	2022/23	2023/24*
Imports	33 700	30 300	23 900	12 200	25 000
Exports	4 900	7 700	6 800	8 400	5 000

**Projections*

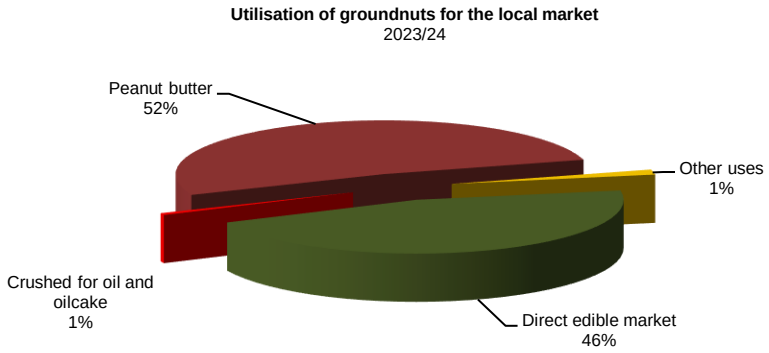
It is expected that the South African groundnuts imports could increase by 104,9%, from 12 200 tons in 2022/23 to 25 000 tons in the 2023/24 marketing season. During the first six months of the abovementioned marketing season, South African imports of groundnuts were mainly from Brazil, Mozambique, Malawi and India.

The expected groundnuts exports show a decrease of 40,5%, from 8 400 tons in 2022/23 to 5 000 tons in 2023/24. The major export destinations for South African groundnuts are Japan, the Netherlands, Mozambique and Eswatini (Swaziland).

Consumption

An estimated 86 910 tons of groundnuts will be available for utilisation during the 2023/24 marketing season. Carry-over stocks on 1 March 2023 amounted to 10 000 tons and the estimated production is 51 910 tons. Projected imports amount to approximately 25 000 tons.

In South Africa, groundnuts are mainly consumed in two forms, i.e., as edible nuts and processed peanut butter. The local commercial consumption of groundnuts for 2023/24 is estimated at 65 400 tons—400 tons for oil and oilcake, 34 000 tons for peanut butter, 30 000 tons for the direct edible market and 1 000 tons as pods. Other consumption (released to end consumers, seed, etc.) amounts to 1 000 tons. The projected exports during 2023 are 5 000 tons. Carry-over stocks on 28 February 2024 are expected to be approximately 15 510 tons.



The per capita consumption for the 2023/24 marketing season is projected at 0,65 kg, which is 14,0% more than the 0,57 kg in the previous season.

International overview

The world production of groundnuts shows a decrease of 4,9% (2,56 million tons), from 51,89 million tons in 2021/22 to 49,33 million tons in 2022/23. This decrease can mainly be attributed to the 27,6% (2,40 million tons) decrease in India's groundnut production, from 8,70 million tons in 2021/22 to 6,30 million tons in 2022/23, followed by the United States with a decrease of 13,1% (0,38 million tons) from 2,89 million tons to 2,51 million tons.

The world production of groundnuts is expected to increase by 2,4% (1,19 million tons), from 49,33 million tons in 2022/23 to 50,52 million tons in 2023/24. The increase can mainly be attributed to the expected increases in China, India, the United States and Argentina's production of groundnuts. China's production of

groundnuts is expected to increase by 1,6% or 0,30 million tons, followed by India with an expected increase of 1,6% or 0,10 million tons, United States with an expected increase of 12,7% or 0,32 million tons and Argentina with an expected increase of 37,5% or 0,36 million tons in 2023/24.

Canola

Canola was developed in the early 1970s using traditional plant breeding techniques by Canadian plant breeders to remove the anti-nutritional components (erucic acid and glucosinolates) from rapeseed to assure its safety for human and animal consumption. The canola plant produces seeds with a very low level of saturated fat.

Local and international investors in the oilseed-crushing sector are boosting South Africa's capacity to process local oilseed crops such as soya beans, canola and sunflower seed. This forms part of efforts to meet growing domestic demand for proteins and to be less dependent on imports of these crops.

Almost the entire canola crop in South Africa is produced in Western Cape, particularly in the Southern Cape. Over time, there were also farmers in other areas of South Africa, such as Northern Cape, Free State, Eastern Cape, KwaZulu-Natal, Limpopo and North West, who started to plant small quantities of canola.

Plantings and production

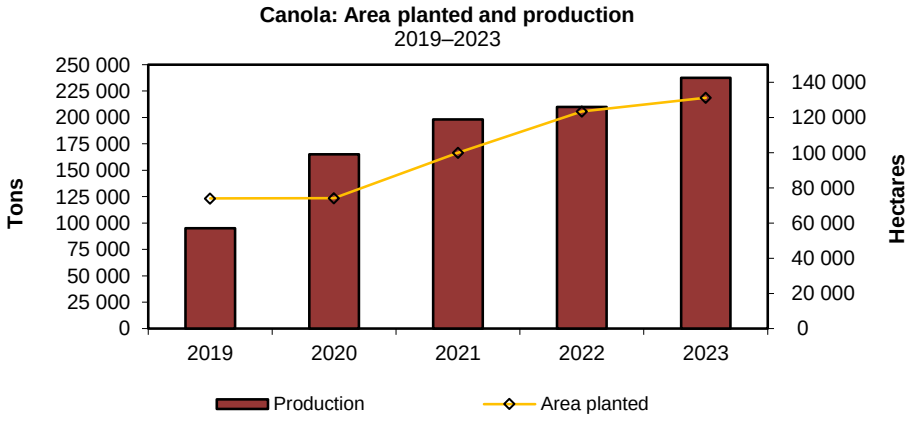
The estimated area planted to canola increased by 6,2%, from 123 510 ha in 2022 to 131 200 ha in 2023. The canola crop production is expected (October 2023) to increase by 13,1%, from 210 000 tons in 2022 to 237 450 tons in 2023, mainly due to favourable weather conditions in the Western Cape. This is the largest expected canola crop ever recorded for South Africa.

The expected average yield increased by 6,5%, from 1,70 t/ha in 2022 to 1,81 t/ha in 2023. The increase is mainly supported by an expansion in the planted area and the anticipated better yields. This is the third highest yield ever recorded.

Estimated plantings, production and yields of canola from 2019 to 2023 are as follows:

Season	**2019**	**2020**	**2021**	**2022**	**2023**
Plantings (ha)	74 000	74 120	100 000	123 510	131 200
Production (t)	95 000	165 200	198 100	210 000	237 450
Yield (t/ha)	1,28	2,23	1,98	1,70	1,81

The areas planted to and production of canola is depicted in the following graph.



The planting of canola as an alternative to small grain crops has become an important part of crop rotation practices in Western Cape. It is particularly the herbicide-resistant cultivars that make it possible for canola to be included in crop rotation systems with wheat in many regions. In such crop rotation systems, canola usually causes an increase in the yields of the subsequent crops.

Consumption

Canola oil is the healthiest commodity oil available to consumers, the food service industry and food processors. Canola oil contains the least amount of saturated fat (7%) of any common edible oil, with the remaining 93% being healthy monounsaturated and polyunsaturated fats. The polyunsaturated fats in canola oil are essential omega-3 and omega-6 fatty acids. The omega-3, alpha-linolenic acid, may help prevent heart attacks and strokes. The omega-6, linoleic acid, is important for the brain and essential for the growth and development of infants.

Canola meal is used as an animal feed for dairy cows, pigs and poultry. Its unique characteristics are especially valuable in the dairy industry, where it has been shown that by including 20% canola meal in a feed ration improves milk production by one litre per cow per day.

Canola is primarily used for the manufacturing of canola oil and oilcake. On the local market, canola competes with other oilseeds such as sunflower seed and soya beans. The market for soft oils (oils that are liquid at room temperature), including canola oil, is a huge one and applications for this market are typically bottled oil for household use, e.g., soft margarine, mayonnaise, salad oil and various industrial uses.

The total supply of canola is projected at 253 650 tons for the 2022/23 marketing season. This includes an opening stock as from 1 October 2022 of 43 650 tons, domestic production of 210 000 tons and no imports this marketing season. Total demand for canola for the 2022/23 marketing season was approximately 159 420 tons, while carry-out stocks on 30 September 2023 were approximately 54 230 tons.

For the 2023/24 marketing season, the total supply of canola is estimated at 291 680 tons (the estimated canola crop of 237 450 tons, together with carry-over stocks of 54 230 tons). Domestic demand for canola is estimated at 159 420 tons, while carry-out stocks at the end of September 2024 is expected to reach 82 160 tons.

Prices

As a large percentage of the local demand for vegetable oil is imported, the international oilseed prices largely determine the local prices of oilseeds and therefore the price of soya bean oilcake. The price of canola oil is based on the local price of sunflower oil and soya bean oilcake. Prices paid to producers vary, depending on the protein content and whether it is delivered for the feed market or to be crushed for oil.

The average producer prices of canola from 2019 to 2023 are as follows:

Season	**2019**	**2020**	**2021**	**2022**	**2023**
	R/ton				
Producer price	5 350,00	6 200,00	8 933,00	10 668,00	8 500,00

The average producer price of canola decreased by 20,3%, from R10 668, 00/ton in 2022 to R8 500, 00/ton in 2023. Canola prices have fallen due to a recovery in the global supply of oilseeds – global oilseed supply catching up with demand.

International overview

Global canola production has grown rapidly over the past 40+ years, rising from the sixth largest oil crop (soya beans, canola/rapeseed, sunflower seed, peanuts, cotton seed, palm kernel and copra) to the second largest. During 2023/24, canola production is expected to contribute 12,9% to world oil crop production. During the same period, soya bean production, which is the largest oilseed crop, is expected to contribute 60,6% of the world oilseed crop production.

The USDA Foreign Agricultural Service indicated in October 2023 that world production of canola/rapeseed decreased by 4,2%, from 88,8 million tons in the 2022/23 marketing season to 85,0 million tons in the 2023/24.

The key global canola producers during the 2023/24 marketing year are the European Union contributing 23,5% (20,0 million tons), Canada contributing 20,9% (17,8 million tons), China contributing 18,1% (15,4 million tons), India contributing 13,8% (11,7 million tons) and other countries contributing 23,7% (20,1 million tons) to world production.

The European Union, China and Japan are the primary importers (67,1%) of canola seed, while Canada accounts for 44,1% of canola seed exports.

Global canola consumption is expected to reach 85,2 million tons for 2023/24, basically the same as the 2022/23 season.

Global ending stocks for 2023/24 are expected to decline by 1,4 million tons, from 7,6 million tons in 2022/23 to 6,2 million tons in 2023/24.

Research and information

The Western Cape Department of Agriculture conducts research and cultivar trials on canola. The Protein Research Foundation (PRF) funds this research and it is the task of the canola-working group of the PRF to promote the local canola industry.

The information function for canola is performed by the SAGIS; a section 21 company funded by, among others, the oilseeds industry.

Cotton

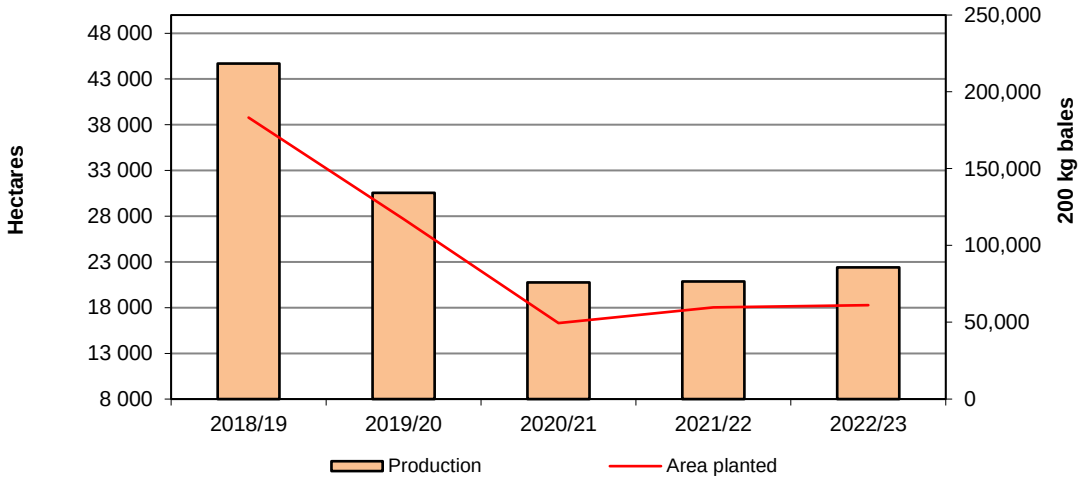
In South Africa, cotton is grown in the warm regions of Limpopo, Mpumalanga, Northern Cape, North West and KwaZulu-Natal where minimum night temperatures are at least 15 °C during the growing season. Cotton is planted mainly during October, although planting can be done until the second half of November.

The cotton industry is labour intensive and provides work for roughly one worker per hectare of cotton planted. Oil extracted from cottonseed can be used for cooking and salad dressings. Extracted seed can also be used as a fertiliser or as feed for livestock, poultry and fish.

Area planted and production

The total area planted to cotton in South Africa for the 2022/23 production season is estimated at 17 664 ha, which is a decrease of 2, 0% from 18 018 ha of the previous season.

Area planted to cotton and production of cotton lint in the RSA
2018/19–2022/23



Source: Cotton SA

Yields per hectare under irrigation are 2,06% more than on dry land. An estimated average yield of 4 439 kg/ha seed cotton was realised on irrigated land during the 2022/23 production season, compared to 1 447

kg/ha realised on dryland.

During 2022/23, an estimated 61, 5% of the total area planted to cotton was on dryland, as against 60,1% in the previous season. The area under irrigation also decreased by 3,6% from 2021/22 to 2022/23.

The domestic production of cotton lint for the 2022/23 marketing season (April to March) is estimated at 85 703 bales of 200 kg each, which is a decrease of 11,8% from the 76 659 bales produced during the 2021/22 season.

Areas planted to cotton and the production of cotton lint from the 2018/19 to 2022/23 production seasons by the RSA and Eswatini compare as follows:

RSA

Production season	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23***
Total RSA plantings (ha)	38 785	27 675	16 313	18 018	18 278
Dryland (ha)	16 020	16 132	5 802	10 823	11 240
Irrigation (ha)	22 765	11 543	10 511	7 195	7 038
Production of cotton lint (200 kg bales) from RSA-grown cotton	218 430	134 230	76009	76 659	85 703

Eswatini

Production season	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23***
Total Eswatini plantings (ha)	1 750	1 417	0	1 585	1 660
Dryland (ha)	1 500	1 000	0	1 000	1 000
Irrigation (ha)	250	417	0	585	660
Production of cotton lint (200 kg bales) from produce Eswatini - grown cotton	3 005	1 995	0	4 260	4 490

** Estimates (September 2023)*

Source: Cotton SA

World cotton production for 2022/23, as forecast by the International Cotton Advisory Committee (ICAC), is expected to be 24,98 million tons. The mill use is projected at 23,31 million tons for 2023/24, the global economic growth has weakened and this slowdown is expected to continue in the 2023/24.

The international reference price of cotton, as measured by the Cotlook A-index, has risen to 98 cents per pound.

Cotton is an agricultural product and the uncertainties in production, consumption, weather condition and pest pressures all contribute to the price volatility surrounding these uncertainties.

The average producer price for seed cotton (lint and seed derived from the boll of the cotton plant before it is ginned) for the 2021/22 marketing season (April to March) was 886 c/kg, while the price for 2022/23 is projected to increase to 909 c/kg. In South Africa, the price of cotton normally emulates global price trends.

The average South African producer prices for seed cotton and cotton lint compare as follows:

Marketing year	2019/20	2020/21	2021/22	2022/23	2023/24*
	c/kg				
Seed cotton	799	772	886	829	776
Cotton lint	2 269	2 156	2 537	2 347	2 171

**Projections*

Consumption

Consumption of cotton lint by RSA and Eswatini spinners for the 2022/23 marketing year is estimated at 78 835 bales of 200 kg, compared to the 60 270 bales of the 2021/22 year—a decrease of 19, 1%.

Consumption of cotton lint by South African and Eswatini spinners compared as follows:

Marketing year	2018/19	2019/20	2020/21	2021/22	2022/23*
	200 kg bales				
Consumption	94 795	85 400	60 270	97 400	78 835

**Projection*

Marketing arrangements, information and research

In terms of the free trade agreement between countries within the SADC region that has been in force since 2000, there has been no duty on cotton imports since 1 January 2004.

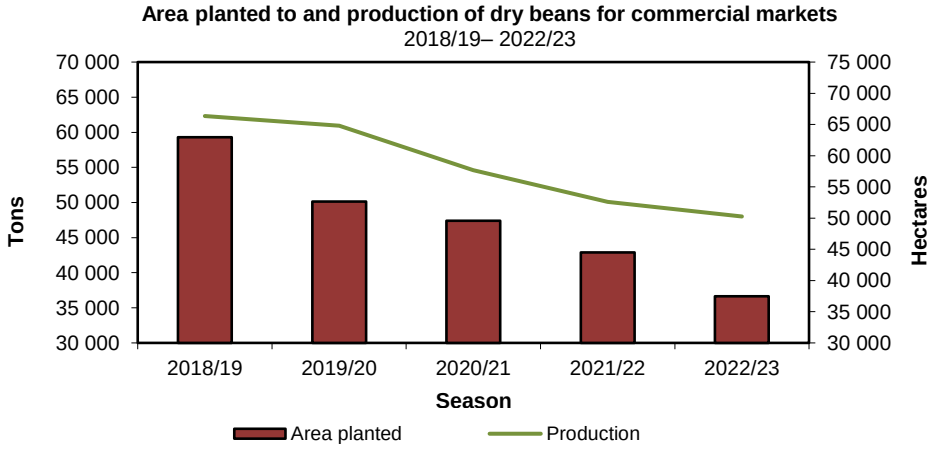
Locally, either the seed cotton is sold to a ginner who gins and sells lint to spinners and seed to processors, or a producer may contract a ginner to gin at a fee, in which case the lint will be sold either by the producer or by the contracted ginner on the producer's behalf.

After the Cotton Board was dissolved in 1998, stakeholders in the cotton industry formed a section 21 company named Cotton SA. A statutory levy, which was introduced in April 2004 in terms of the Marketing of Agricultural Products Act, 1996 (Act No. 47 of 1996), is applicable to finance research and the other functions of Cotton SA, namely information, promotion and grading. Research is coordinated by Cotton SA and performed by the ARC.

Dry beans

Areas planted and production

According to the Crop Estimates Committee, an estimated 36 650 ha were planted to dry beans for commercial markets during the 2022/23 production season, compared to 42 900 ha planted in 2021/22. This represents a



decrease of 14,6% as compared to 2021/22 and is also 27,6% less than the average of 50 620 ha planted during the five years up to 2021/22. The estimated commercial crop of 50 260 tons for 2022/23 is 4,4% less than the previous crop of 52 590 tons. The 2022/23 crop is 19,1% less than the five-year average of 62 155 tons up to 2021/22. The average yield for the 2022/23 crop is approximately 1,37 t/ha—an increase of 11,9% from the 1,23 t/ha of the previous season.

Limpopo produced 31,8% (16 000 tons) of the 2022/23 commercial crop, followed by Free State with 26,5% (13 300 tons), North West with 16,7% (8 400 tons) and Mpumalanga with 13,9% (7 000 tons). The remaining 11,1% (5 560 tons) was produced in the other provinces.

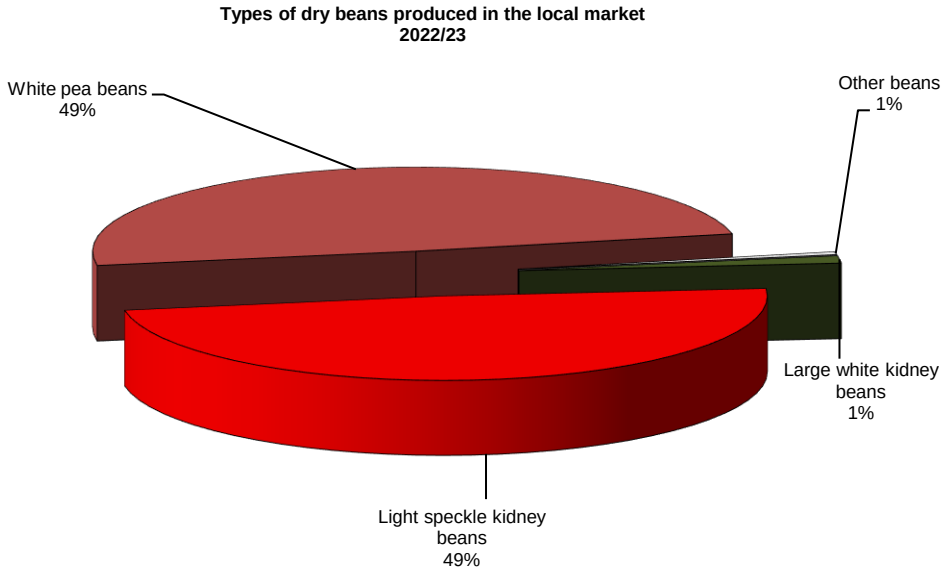
Production in the provinces and their share of the 2022/23 dry bean crop are as follows:

Province	**Production (t)**	**Share in crop (%)**
Western Cape	180	0,36
Northern Cape	990	1,97
Free State	13 300	26,46
Eastern Cape	360	0,72
KwaZulu-Natal	3 150	6,27
Mpumalanga	7 000	13,93
Limpopo	16 000	31,83
Gauteng	880	1,75
North West	8 400	16,71
Total	50 260	100,00

Dry beans contributed an estimated amount of R1 116 million to the gross value of field crops for the 2022/23 season, which is 0,3% more than the R1 112 million of the previous season, while the average annual gross value of dry beans for the five years up to 2021/22 amounts to approximately R957 623.

The contribution of different types of dry beans to total local production in 2022/23 is estimated to be as follows:

Light speckled kidney beans – 24 488 tons (48,7%), white pea beans – 24 850 tons (49,4%), large white kidney beans – 687 tons (1,4%) and other dry beans – 265 tons (0,5%), mainly cariocas.



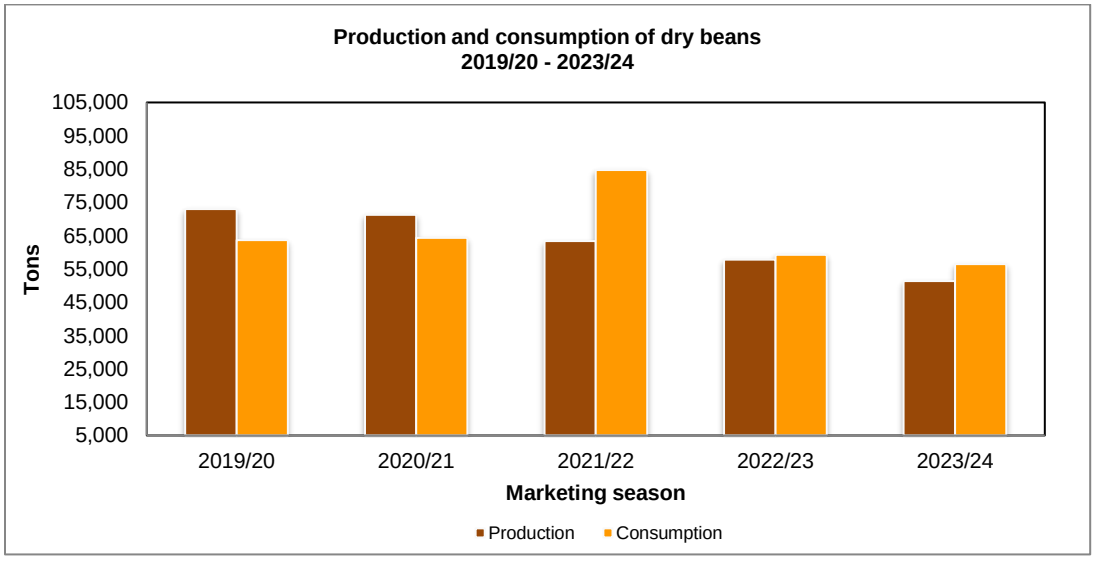
The most extensive seed production takes place in the Lowveld area of Mpumalanga, followed by Limpopo and Northern Cape.

In an attempt to improve profitability for producers and to meet the increase in protein demand, new cultivars with higher yields have been developed by the Dry Bean Producers' Organisation in cooperation with the ARC's Grain Crops Institute. These cultivars are suited for most soil types, have greater resistance to diseases and can be grown successfully in different areas.

Consumption

An estimated amount of 56 434 tons of dry beans is expected to be consumed locally during the 2023/24 marketing season (April to March), which is 4,8% less than the 59 274 tons in 2022/23. The projected per capita consumption for 2023/24 is 0,81 kg, which is 4,7% less than the 0,85 kg in 2022/23.

According to the Department of Agriculture, Land Reform and Rural Development, the quantities of dry beans produced and consumed from the 2019/20 to the 2023/24 marketing season were as follows:



Producer prices

The average prices received by producers for dry beans from the 2018/19 to 2022/23 production season are as follows:

Production season	2018/19	2019/20	2020/21	2021/22	2022/23
	R/t				
Producer price	11 544	12 892	14 396	19 232	20 190

The average producer price of dry beans increased by 5,0%, from R19 232/ton in the 2021/22 production season to R20 190/ton in the 2022/23 production season. The producer price of dry beans in South Africa is derived mainly from import parity from China and local supply and demand has little to no effect on price determination.

Trade balance

Imports of dry beans to and exports from South Africa during the five marketing seasons from 2019/20 up to 2023/24 are as follows:

Marketing season	2019/20	2020/21	2021/22	2022/23	2023/24*
	Tons				
Imports	17 279	27 380	43 148	28 850	21 287
Exports	26 652	34 332	21 735	26 925	16 234

**Projection*

The expected imports of dry beans show a decrease of 26,2%, from 28 850 tons in 2022/23 to 21 287 tons in 2023/24. Imports of dry beans during the first four months of the 2023/24 marketing season were mainly from Zambia, Poland and Ethiopia.

The projected exports of dry beans also decreased by 39,7%, from 26 925 tons in 2022/23 to 16 234 tons in the 2023/24 marketing season. During the first four months of the 2023/24 marketing season, exports of dry beans were mainly to Eswatini (Swaziland), Vietnam and Lesotho.

Research and information

The Dry Bean Producers' Organisation is the national commodity organisation promoting the interests of the dry bean producers in the country. The main objectives of the organisation are to provide production and market information, support product and market research and ensure the supply of disease-free certified seed to producers.

Sugar

Sugar cane is a ratoon crop, which means that after cropping, new shoots emerge from the roots. It yields up to 10 crops from the original rootstock, after which it is uprooted and the field is replanted. This is done on a rotational basis, with approximately 10% of the area under sugar cane being replanted each season. Planting usually coincides with the first spring rains.

In the cooler production areas, sugar cane is harvested 18 to 24 months after re-sprouting. Late harvesting maximises growth and the sucrose content of the cane. In the coastal areas, where the crop grows faster, it is harvested at an average age of approximately 12 months, usually from April to December.

Industry overview

The South African Cane Growers' Association, established in 1927, administers the sugar cane growing industry in South Africa. The industry is regulated in terms of the Sugar Act, 1978 (Act No. 9 of 1978) and the Sugar Industry Agreement (SIA 2000), which are binding on all sugar cane growers and producers of sugar products.

The cane-growing sector comprises approximately 21 926 registered sugar cane growers farming predominantly in KwaZulu-Natal (KZN) and Mpumalanga.

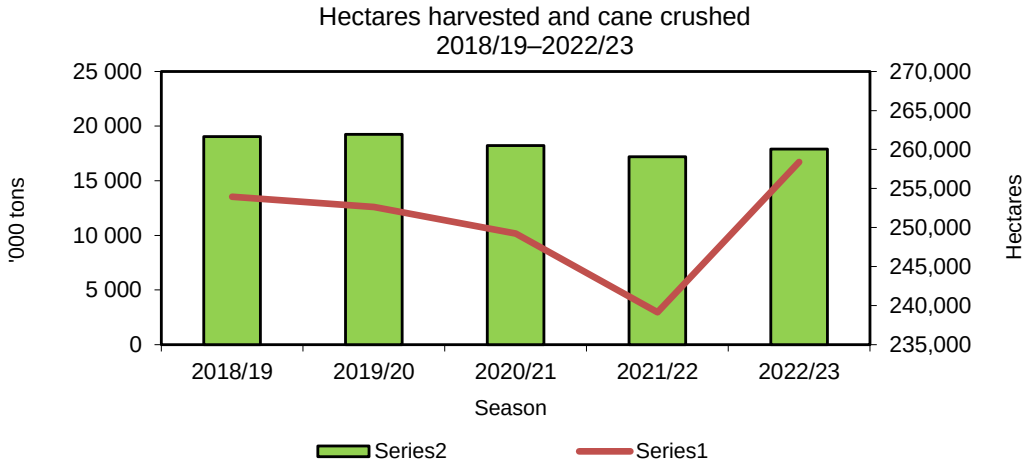
Six milling companies manufacture sugar with 14 sugar mills operating in the cane growing regions.

The R14 billion South African industry is cost effective, consistently ranking in the top 15 out of approximately 120 sugar-producing countries worldwide. The industry combines sugar cane production and production of sugar (raw or refined), syrup and some by-products.

Employment within the industry is estimated at 435 000 people (direct and indirect) and the industry have produced an average of approximately 2,2 million tons of sugar per season.

Production and price of sugar cane

The production of sugar cane increased by 4,1% to 17,9 million tons from 2018/19 to 2022/23, while production for the 2023/24 season at 18,5 million tons is expected to be 3,4% higher than in 2022/23.



The average cane production over the past decade (from the 2013/14 to the 2022/23 season) is 17,6 million tons per annum, with the yield of harvested cane averaging 69,6 t/ha over the same period. The yield stands at 71,9 t/ha for the 2021/22 season. The area harvested increased by 8,0%, from 239 152 ha in 2021/22 to 258 403 ha in 2022/23.

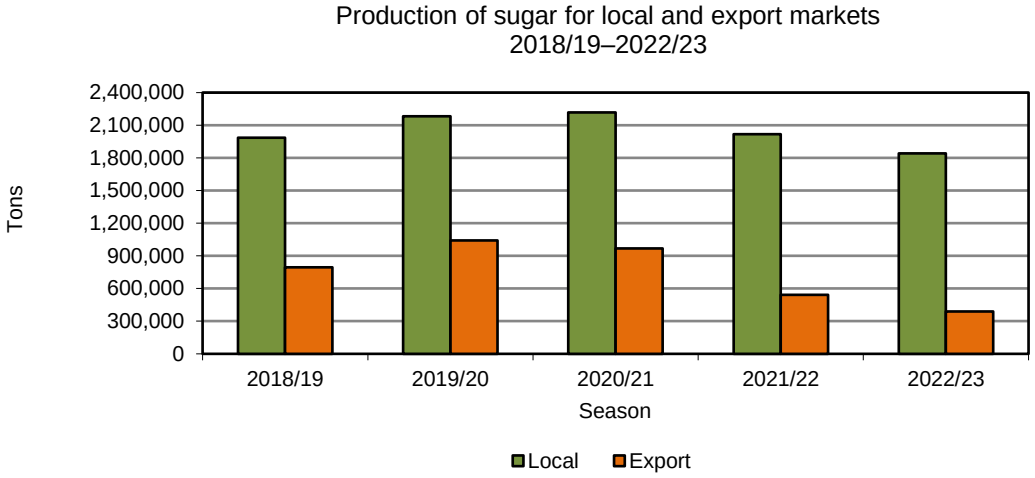
The producer price of sugar cane increased by 0,4%, from R644.63 in 2021/22 to R647.16 in 2022/23.

The average producer prices of sugar cane from 2018/19 to 2022/23 were as follows:

Year	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**
	R/ton				
Producer price	451,58	517,38	613,28	644,63	647,16

Production and consumption of sugar

The local production of sugar reached a record level of 2,76 million tons during the 2002/03 season. For 2022/23, production is estimated at 1,93 million tons. The quantity of cane crushed to produce one ton of sugar stands at 9,30 tons for the 2022/23 season.



Marketing

The Sugar Act, 1978 (Act No. 9 of 1978) and the Sugar Industry Agreement (SIA 2000), endorse a regulatory provision within which the pricing of refined sugar in South Africa takes place. The combination of the regulatory provisions allows the sugar industry to maintain a domestic sugar price that is at or near the import parity price, including the tariff that eradicates price discrimination and anti-competitive practises within the industry. With sugar prices pushed up close to import parity price, the country's sugar industry can maximise profit that will impact positively on the economy.

South Africa continues to be one of the world's most cost competitive producers of high quality sugar and the key drivers of excellence is its export infrastructure, world-renowned agriculture, industry research platforms and efficient industry organisation.

The raw sugar exports are handled at the Sugar Terminal in Durban. The terminal provides storage and handling facilities for the sugar industry's export production of bulk raw and bagged (raw and refined) sugar. It also houses a unique molasses mixing plant, which coats bulk raw sugar at the time of loading to produce variable levels of quality, as specified by the international buyers.

A total of 676 176 tons of sugar were produced for the international market during the 2022/23 season. About 60% of this sugar is marketed in the Southern African Customs Union (SACU) and the remainder is exported to markets in Africa, Asia and the Middle East. The total supply of 1,93 million tons of sugar to the Southern African Customs Union (SACU) during 2022/23 an increase of 4,6% from the 1,84 million tons supplied in 2021/22.

The local production and sales of sugar to the SACU from 2018/19 to 2022/2 were as follows:

Year	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**
	'000 tons				
Production	2 183	2 217	2 018	1 842	1 926
Sales to SACU	1 141	1 249	1 476	1 453	1 250

Research, training and other information

In order to improve the quality of the cane produced and the profitability of cane production, the South African Sugarcane Research Institute is tasked with developing new sugar cane varieties and the improvement of crop management and farming systems, which are then made available to cane farmers. This information includes

improving soil quality, minimising the occurrence of pests and diseases and research on the optimal choice in the use of fertilisers, water and ripening and weed-control agents.

Currently, modern biotechnological approaches are deployed to develop systems for rapid bulking and distribution of high-quality cane seed and investigate the biological basis of sucrose accumulation in sugar cane, with a view to enhance the process. The quality of cane deliveries to the mills is determined by the Cane Testing Services, while Umthombo Agricultural Finance assists small-scale cane farmers with regard to credit and savings facilities.

HORTICULTURE

Deciduous fruit

Production areas

The main deciduous fruit producing areas of South Africa are situated in Western Cape and Eastern Cape, mostly in areas where warm, dry summers and cold winters prevail. According to the HORTGRO Tree Census of 2022, the area under deciduous fruit production during the 2022/23 season is estimated at 55 081 ha, an increase of 604 ha (1,1%) compared to 54 477 ha the previous year.

The area planted in hectares (ha) per fruit type, over the past five seasons compares as follows:

Fruit type	2018/19	2019/20	2020/21	2021/22	2022/23
	Hectares				
Apples	24 176	24 930	25 272	25 209	25 438
Pears	12 319	12 674	12 913	12 848	12 950
Table grapes	21 798	21 100	20 564	20 379	20 379
Peaches and nectarines	8 686	8 171	8 049	7 809	8 056
Apricots	2 737	2 448	2 371	2 240	2 241
Plums	5 486	5 319	5 451	5 523	5 465

Production

In South Africa, there are about 883 producers of stone fruit and 637 producers of pome fruit.

Fruit type	2018/19	2019/20	2020/21	2021/22	2022/23
	Tons				
Apples	893 479	997 255	1 144 771	1 260 343	1 180 897
Pears	401 401	428 007	456 238	535 472	472 921
Table grapes	315 393	321 429	362 208	376 228	360 998
Peaches and nectarines	145 774	163 235	168 239	189 648	178 901
Apricots	26 307	15 538	33 195	24 291	31 027
Plums	62 557	65 373	101 969	111 227	92 932
Total	1 844 911	1 990 837	2 266 620	2 497 209	2 317 676

The production (tons) per fruit type, which excludes dried fruit, over the past five seasons compares as follows: The production of deciduous fruit decreased by 7,2%, from 2,497 million tons in 2021/22 to 2,317 million tons in 2022/23. The production of all fruits showed a decrease, except apricots which had an increase of 6 736 tons (27,7%), from 24 291 tons in 2021/22 to 31 027 tons in 2022/23.Apples showed a huge decrease of 79

446 tons (6,3%), followed by pears with 62 551 tons (11,7%), plums with 18 295 tons (16,4%), grapes with 15 230 tons (4,0%) and peaches and nectarines with10 747 tons (5,7%) decrease.

Marketing

During 2022/23, deciduous fruit contributed approximately 27,5% to the gross value of horticultural products.

Approximately 345 733 tons of deciduous fruit were sold locally on the major fresh produce markets, other markets and directly to retailers during the 2022/23 season, representing a decrease of 6,1% from the368 124 tons sold during the 2021/22 season.

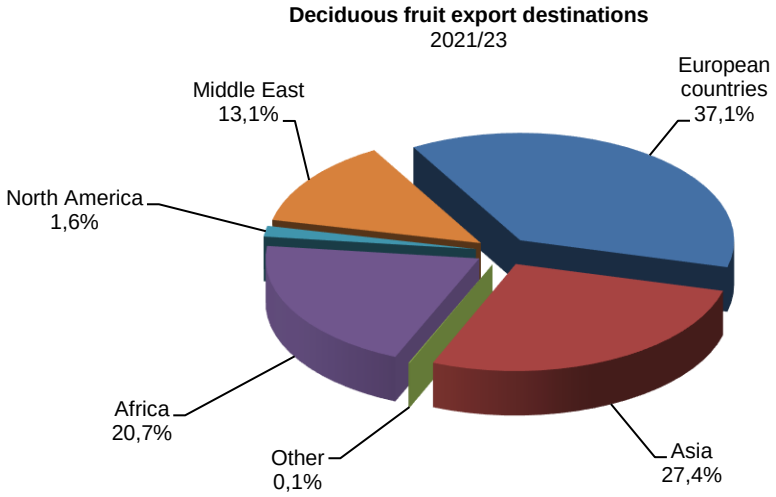
The average prices (R/ton) realised for deciduous fruit on the major fresh produce markets during the period 2018/19 to 2022/23 were as follows:

Fruit type	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**
	R/ton				
Apples	7 591	7 454	7 590	7 421	8 554
Pears	7 174	7 127	7 192	7 087	8 204
Table grapes	15 121	19 981	17 447	18 763	21 366
Peaches and nectarines	15 514	14 571	15 294	14 733	15 759
Apricots	15 845	18 065	15 326	17 114	18 170
Plums	9 666	9 524	8 669	8 202	9 607

The price of grapes showed the biggest increase of R2 600/ton (13,9%), followed by plums with R1 405/ton (17,1%), apples with R1 133/ton (15,3%) , pears with R1 117/ton (15,8%) while peaches and nectarines showed the least increase of R1 026/ton (7,0 %) followed by apricot with R1 056/ton (6,2%)

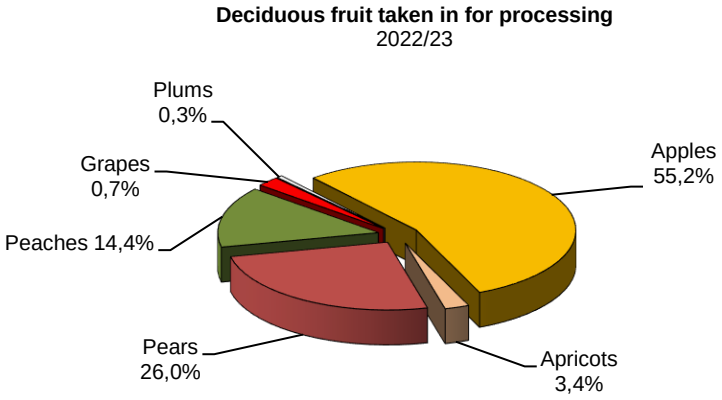
The exporting of deciduous fruit is a major earner of foreign exchange for South Africa. During the 2022/23 season (October to September), about 51,3% of deciduous fruit produced was exported and approximately 83,4% of the gross value from deciduous fruit came from export earnings. Total exports amounted to 1 271 871 tons. This represents a decrease of 6,5% from the 1 188 870 tons exported during 2021/22.

The following graph indicates deciduous fruit export destinations during 2022/23.



Intake of deciduous fruit for processing

During 2022/23, about 783 072tons of deciduous fruit produced were utilised for processing—a decrease of 8,6% from the 857 215 tons processed during 2021/22.



The following graph indicates the contribution of deciduous fruit types to total deciduous fruit taken in for processing during 2022/23.
Over the past five seasons, most of the deciduous fruit was processed into juice, except for apricots and peaches, which were used mostly for canning.

During 2022/23, approximately 99,4% of apples taken in for processing was used for juice and 0,6% was used for canning, while 82,6% of pears was used for juice and 17,4% was canned. Producers received an average of R2 503 and R2 111 per ton for apples used for canning and for juice, respectively. In the case of pears used for canning and for juice, producers received an average of R2 729 and R1 780 per ton, respectively.

Domestic consumption

Local per capita consumption and total consumption of deciduous fruit over the past five years were as follows:

Season	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**
Per capita consumption (kg/year)	10.52	11.46	12.43	12.85	11.94
Total consumption (‘000 tons)	618	683	747	779	731

Prospects

The 2023/24 production season of pome fruits such as apples and nectarines are expected to increase by 18% and 17% respectively. Indications are that the production for stone fruit will increase.

Subtropical fruit

Measured in terms of value of production, the subtropical fruit industry earned R7 263 million in 2022/23—an increase of 21,1% from the 2021/22 figure of R5 999 million.

Production and production areas

The cultivation of some types of subtropical fruit is only possible in certain specific areas of the country because of climatic requirements. In general, subtropical fruit types need warmer conditions and are sensitive to large temperature fluctuations and frost. The best areas to produce these types of fruit in South Africa are in Limpopo, Mpumalanga and KwaZulu-Natal. Fruit types such as granadillas and guavas are also grown in Western Cape, while pineapples are cultivated in Eastern Cape and KwaZulu-Natal.

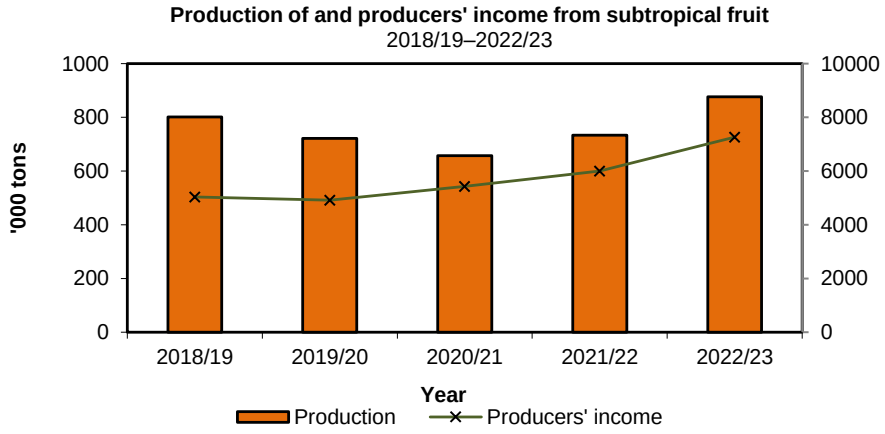
The total production area of avocados in 2022/23 is estimated at approximately 19 500 ha, mangoes at 5 436 ha and litchis at 1 339 ha.

The production of subtropical fruit from 2018/19 to 2022/23 is as follows:

Fruit type	2018/19	2019/20	2020/21	2021/22	2022/23
	’000 tons				
Avocados	116,1	86,5	87,8	87,3	113,7
Bananas	427,3	382,1	336,8	397,7	535,4
Pineapples	116,7	120,4	114,8	127,7	132,3
Mangoes	93,9	88,8	74,5	90,9	50,3
Papayas	11,6	14,0	9,4	8,7	10,2
Granadillas	0,8	1,0	0,7	1,3	0,7
Litchis	7,5	4,8	6,4	5,6	6,8
Guavas	26,9	24,3	27,0	26,1	27,8

The total production of subtropical fruit increased by 19,6%, from 733 195 tons in 2021/22 to 877 164 tons in 2022/23. Production of bananas increased by 34,7%, avocados by 30,2%, litchis by 21,4%, papayas by 17,2%, guavas by 6,5%, and pineapples by 3,6%.

However, the production of granadillas dropped by 46,2%, and mangoes by 44,7%.



Bananas, pineapples and avocados contributed 61,0%, 15,1% and 13,0%, respectively, to the total production of subtropical fruit during the 2022/23 season.

Domestic sales

During 2022/23, the largest contributors to the sales of subtropical fruit on the major fresh produce markets were bananas (67,8%), avocados (13,9%), mangoes (7,0%), and pineapples (6,3%), followed by papayas (2,1%) and guavas, litchis and granadillas combined (2,8%).

The quantities of avocados, bananas, papayas, litchis, and guavas sold on the major fresh produce markets increased during 2022/23, while the quantities of mangoes, pineapples and granadillas decreased.

Total quantities of subtropical fruit sold on the major fresh produce markets (year ending 30 June) are as follows:

Fruit type	2018/19	2019/20	2020/21	2021/22	2022/23
	Tons				
Avocados	31 077	26 350	24 145	23 078	33 768
Bananas	249 528	222 625	195 963	233 370	316 328
Pineapples	23 703	24 441	20 918	23 993	23 615
Mangoes	29 621	22 541	19 259	19 220	15 176
Papayas	6 888	7 460	5 318	4 737	4 921
Granadillas	489	506	385	398	242
Litchis	1 422	984	1 653	986	1 905
Guavas	1 708	1 938	1 853	1 771	1 788
Total	344 436	306 845	269 494	307 553	397 743

Intake for processing

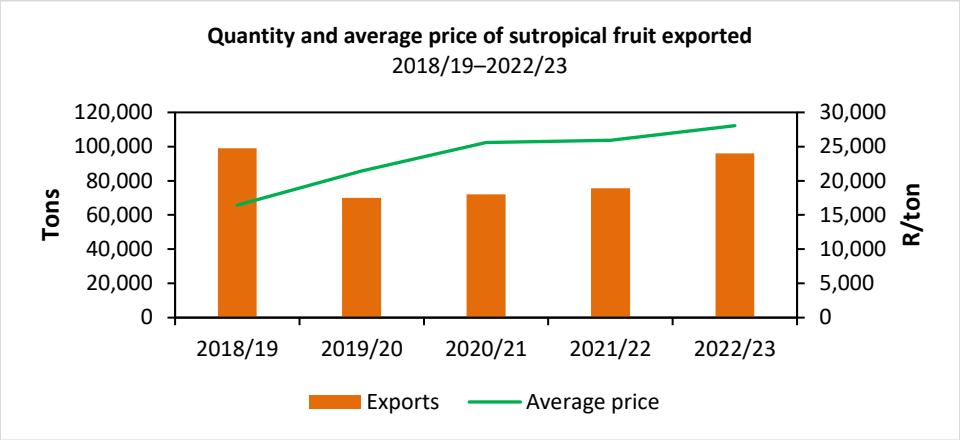
During 2022/23 (July to June), pineapples accounted for 63,0% of the total intake of subtropical fruit types for processing. The other two main contributors to the processing industry were guavas (15,3%) and mangoes (14,5%).

The quantities of pineapples, papayas, litchis, and guavas taken in for processing increased during 2022/23, while the intake of avocados, bananas, mangoes, and granadillas decreased.

Fruit type	2018/19	2019/20	2020/21	2021/22	2022/23
	Tons				
Avocados	8 567	9 091	8 207	7 278	6 730
Bananas	443	643	342	799	315
Pineapples	87 181	91 062	90 754	100 765	105 343
Mangoes	51 042	56 305	47 030	63 139	24 267
Papayas	1 236	2 881	1 309	1 569	2 847
Granadillas	219	348	194	783	362
Litchis	1 878	949	1 688	1 724	1 747
Guavas	24 537	21 685	24 816	24 024	25 674
Total	175 103	182 964	174 340	200 081	167 286

Exports

From 2021/22 to 2022/23, total exports of subtropical fruit increased by 27,1%, from 75 550 tons to 96 035 tons and the average export price increased by 5,8%, from R26 509/t to R28 053/t.



The main subtropical fruit type being exported is avocados. During 2022/23, exports of avocados contributed 73,4% to the total value of exports of subtropical fruit. Other types that were exported were bananas, litchis, mangoes, pineapples and papayas.

Marketing and research

Research is largely funded through the relevant growers' associations. Organisations that carry out industry-funded research include the ARC-Institute for Tropical and Subtropical Crops (ITSC), universities and private research organisations.

Prospects

Expectations are that the production of most subtropical fruit types will increase during the 2024 production season.

Citrus fruit

Production areas

Citrus fruit is grown in Limpopo, Eastern Cape, Mpumalanga, Western Cape and KwaZulu-Natal in areas where subtropical conditions (warm to hot summers and mild winters) prevail.

The area under citrus production is estimated at 99 697 ha.

Production

Oranges contributed about 48,7% to the total production of citrus fruit in South Africa during 2022/23. Citrus fruit production increased by 12,8%, from 3 257 047 tons in 2021/22 to 3 674 001 tons in 2022/23. There has been an annual average increase of 5,4% over the past five years in citrus production.

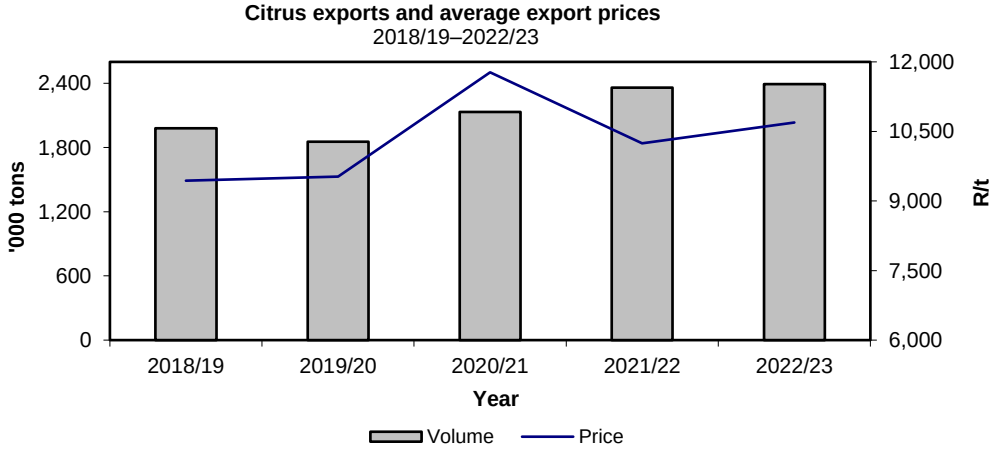
Citrus fruit production for the past five production seasons (1 February to 31 January) is as follows:

Fruit type	2018/19	2019/20	2020/21	2021/22	2022/23
	Tons				
Oranges	1 774 451	1 687 332	1 499 411	1 614 848	1 787 667
Grapefruit	445 351	379 173	349 453	352 618	423 692
Lemons	473 197	506 570	645 055	655 994	778 812
Naartjes	53 230	89 963	85 196	112 974	116 263
Soft citrus	285 504	326 942	415 569	520 613	567 567
Total	3 301 733	2 989 980	2 994 684	3 257 047	3 674 001

Exports

The citrus industry in South Africa is primarily export-orientated, with very small quantities being imported. South Africa is one of the major citrus fruit exporters in the world.

Exports increased from 2 357 623 tons during 2021/22 to 2 390 718 tons during 2022/23—an increase of 1,4%. During 2022/23, the European Countries, East Asia and Pacific, Middle East, North and South America and Africa were South Africa's largest trading partners in terms of citrus fruit exports. About 1 150 770 tons of oranges (approximately 48,1% of the citrus crop) were exported.



Domestic sales

Citrus fruit sales on the major fresh produce markets in South Africa increased by 18,9%, from 166 753 tons during 2021/22 to 198 254 tons during 2022/23 and comprised about 5,4% of total citrus fruit production. Approximately 58,6% of the oranges production, 12,7% of lemon, 13,7% of naartjes and 13,0% of soft citrus were sold on the fresh produce markets.

The average prices realised on the major fresh produce markets during the period 2018/19 to 2022/23 were as follows:

Fruit type	**2018/19**	**2019/20**	**2020/21**	**2021/22**	**2022/23**
	R/ton				
Oranges	3 363	3 639	4 908	3 994	3 305
Grapefruit	5 255	2 925	6 420	6 33	4 664
Lemons	6 519	6 494	6 886	5 364	4 941
Naartjes	7 127	5 288	6 654	6 437	6 201
Soft citrus	5 940	6 043	7 193	6 710	5 651

Processing

Approximately 24,2% of the total citrus fruit production was taken in for processing during 2022/23. Citrus fruit taken in for processing increased by 56,8%, from 567 401 tons in 2021/22 to 890 019 tons in 2022/23.

Consumption

Per capita consumption of citrus fruit from 2018 to 2022 was as follows:

Year	2018	2019	2020	2021	2022
	kg/year				
Per capita consumption	15,23	15,15	10,62	10,91	17,33

Research

The Citrus Research International (CRI) is mandated by the Citrus Growers' Association of Southern Africa (CGA) to maximise the long-term global competitiveness of the Southern African citrus growers through the development, support, coordination and provision of research and technical services. The CRI is a division of the CGA and research funding is primarily derived from levies on citrus exports.

Vegetables (excluding potatoes)

General

Vegetables are produced in most parts of the country. However, in certain areas farmers tend to concentrate on specific crops; for example, green beans are grown mainly in Kaapmuiden, Marble Hall and Tzaneen; green peas mainly in George and Vaalharts; onions mainly in Caledon, Pretoria and Brits and asparagus mainly in Krugersdorp and Ficksburg.

Production

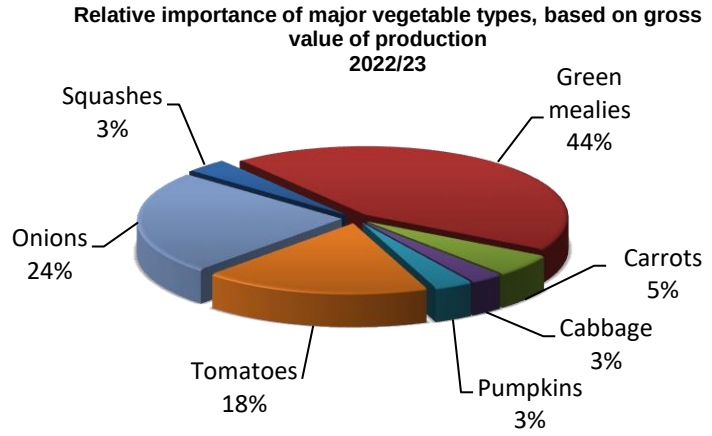
From 2021/22 to 2022/23 (July to June), the total production of vegetables (excluding potatoes) decreased by 5,5%, from 3 046 967 tons to 2 880 443 tons. All the major vegetable types in terms of volumes produced decreased, except for green mealies and sweet corn, and pumpkins that increased by 1,9% and 4,0%, respectively.

The production of vegetables (excluding potatoes) in South Africa for the period 2018/19 to 2022/23 compares as follows:

Year	2018/19	2019/20	2020/21	2021/22	2022/23
	'000 tons				
Tomatoes	570	620	543	534	495
Onions	742	746	713	737	650
Green mealies and sweet corn	394	401	418	419	427
Cabbages	161	163	170	191	186
Pumpkins	265	275	271	274	285
Carrots	225	222	223	239	212
Other	687	686	665	653	625
Total	3 044	3 113	3 002	3 047	2 880

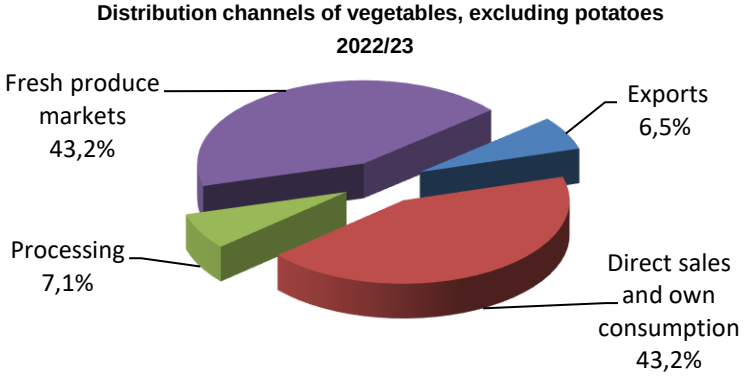
Relative importance of major vegetable types

The relative importance of the major vegetable types, according to gross value of production during the 12 months up to 30 June 2023, is depicted in the following graph:



Distribution channels

As depicted in the following graph, approximately 43% of the volume of vegetables produced is traded on the major fresh produce markets. The total volume of vegetables (excluding potatoes) sold on these markets during 2022/23 amounted to 1 245 093 tons, as against 1 341 332 tons sold during 2021/22, which represents a decrease of 7,2%.



The values of sales of vegetables (excluding potatoes) on the major South African fresh produce markets for the period 2018/19 to 2022/23 were as follows:

Year	2018/19	2019/20	2020/21	2021/22	2022/23
	R'000				
Tomatoes	2 042 981	2 012 454	2 169 955	2 067 306	2 312 530
Onions	1 526 336	1 775 987	1 558 715	1 556 710	3 051 576
Green mealies and sweet corn	68 346	80 726	81 716	84 225	93 989
Cabbages	312 747	327 106	344 452	325 567	434 456
Pumpkins	129 210	134 430	149 622	158 505	135 067
Carrots	520 739	529 929	555 241	485 307	653 971
Other	2 603 387	2 748 981	3 052 497	2 878 957	3 193 046
Total	7 203 746	7 609 613	7 712 198	7 556 577	9 874 635

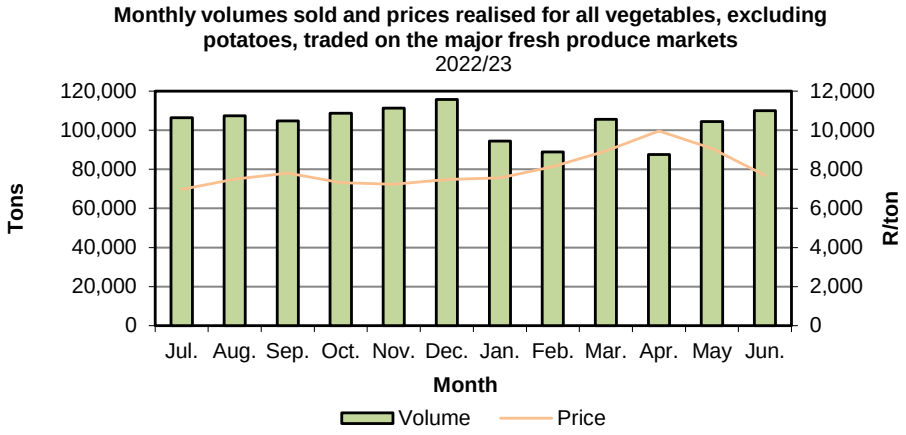
The value of the above vegetables except for pumpkins increased during 2022/23 and the highest increase was for onions with 96,0%.

Prices

The average prices of vegetables realised on the fresh produce markets for the period 2018/19 to 2022/23 were as follows:

Year	2018/19	2019/20	2020/21	2021/22	2022/23
	R/ton				
Tomatoes	6 953,33	6 627,85	8 619,14	8 276,66	9 943,82
Onions	3 817,59	4 415,52	4 082,92	3 951,71	8 879,95
Green mealies and sweet corn	18 483,06	18 663,99	19 062,68	22 380,91	25 763,58
Cabbages	2 617,44	2 695,27	2722,74	2 285,66	3 093,52
Pumpkins	2 485,99	2 332,78	2996,09	3 231,53	2 450,89
Carrots	3 878,89	4 025,06	4 243,73	3 468,65	5 227,49
Other	5 189,12	5 430,94	5 870,34	5 633,60	7 930,80

Of the major vegetable types, the price of tomatoes, onions, green mealies and sweet corn, cabbages and carrots increased by 20,1%, 124,7%, 15,1%, 35,3% and 50,7% respectively. The price of pumpkins decreased by 24,2%.



Consumption

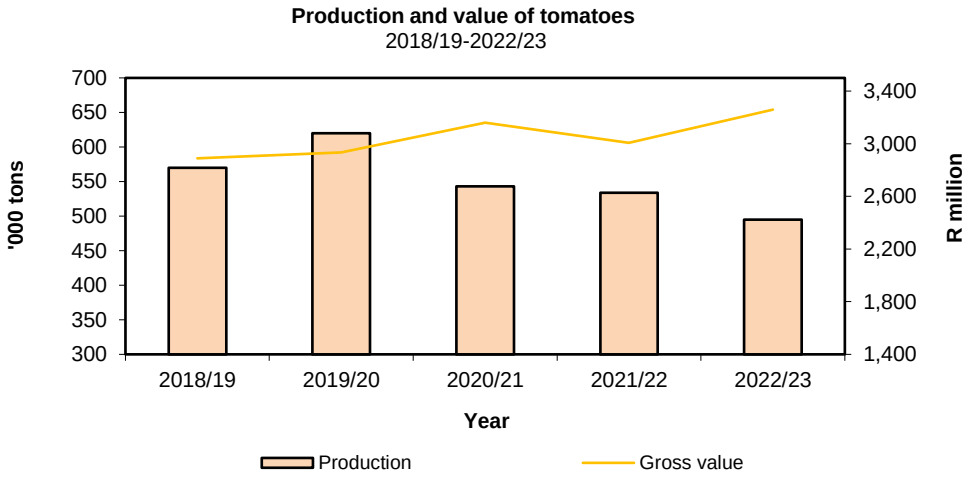
The importance of vegetables in a healthy diet is strongly promoted by all the stakeholders in the fresh produce marketing chain. The per capita consumption of fresh vegetables was 40,02 kg during 2022/23, approximately 2,5% lower than the 41,04 kg of 2021/22.

Tomatoes

Production and value

Production of tomatoes decreased by 7,4%, from 534 279 tons in 2021/22 (July to June) to 494 958 tons in 2022/23.

The gross value of production increased by 8,4%, from R3 007 million in 2021/22 to R3 259 million in 2022/23.



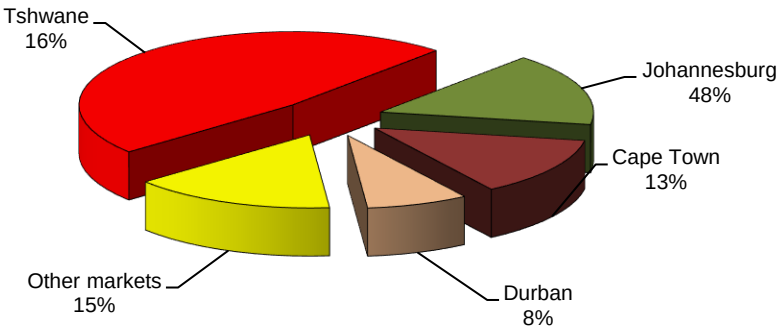
Sales

Sales on fresh produce markets constituted approximately 47,0% and direct sales approximately 18,8% of the total volume of tomato sales.

Owing to the geographic distribution and production of tomatoes, a sufficient volume of good quality tomatoes is normally being produced almost throughout the year to meet the daily demand.

The quantity of tomatoes sold on the 18 major fresh produce markets decreased by 6,9%, from 249 755 tons in 2021/22 to 232 560 tons in 2022/23.

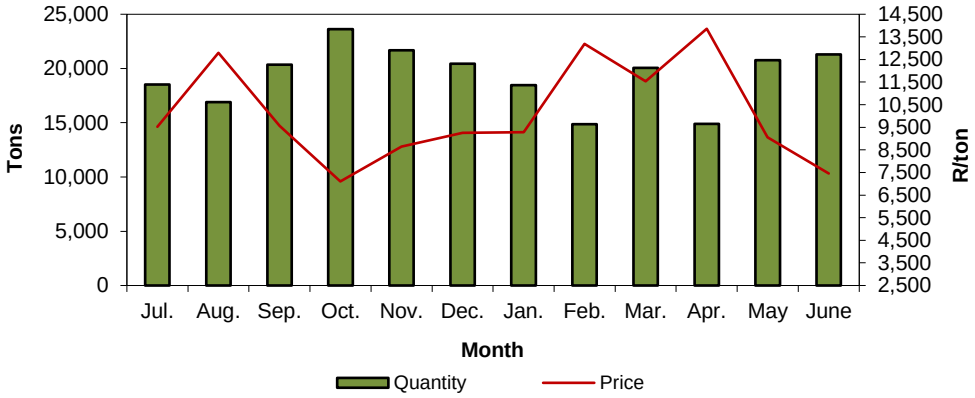
Tomato sales on the major fresh produce markets
2022/23



Prices

The average price of tomatoes sold on the major fresh produce markets increased by 20,1%, from R8 276,66 per ton during 2021/22 to R9 943,82 per ton during 2022/23.

Monthly sales and prices of tomatoes on major fresh produce markets
2022/23



*Exports**

The quantity of tomatoes exported decreased by 0,3%, from 17 732 tons in 2021/22 to 17 671 tons in 2022/23.

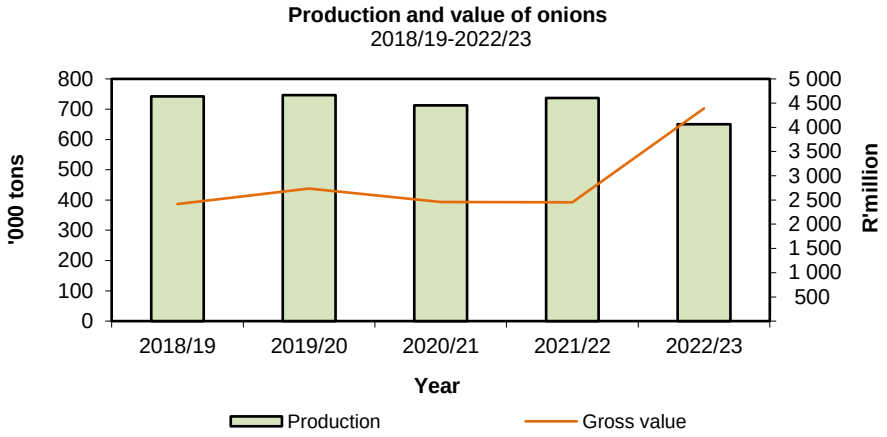
*Source: *Customs and Excise*

Onions

Production

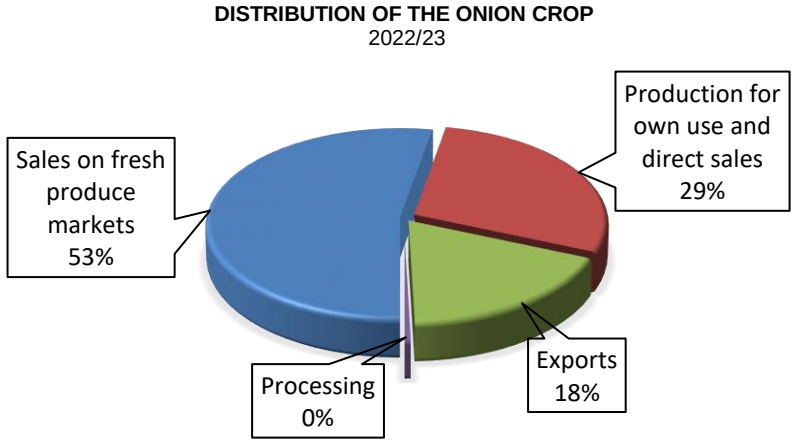
Onions are produced in almost all of South Africa's provinces.

Approximately 650 471 tons of onions were produced during the 2022/23 season (July to June). This is 11,8% less than the 737 423 tons of the previous season. The industry experienced an average annual decrease of 1,9% in production from 2018/2019 to 2022/2023.



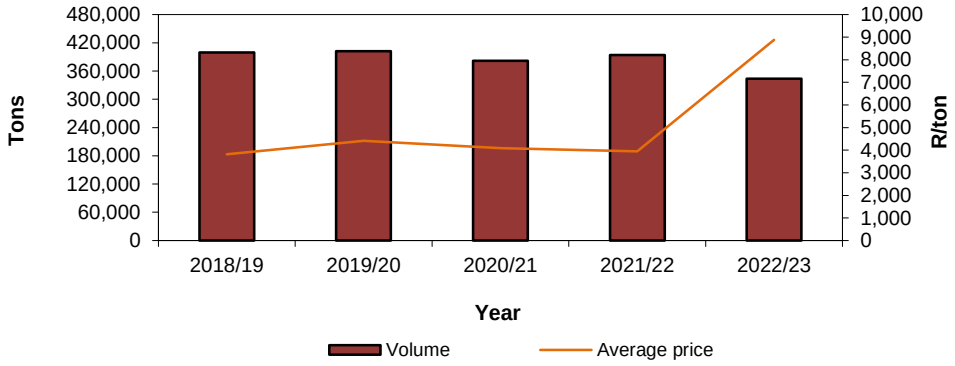
Sales

The fresh produce markets remain an important marketing channel for onions. Approximately 53% of the total production during the 2022/23 season was sold on the major fresh produce markets, while 18% was exported. The remainder comprises of producers' own consumption and direct sales to supermarkets and chain stores (29%) and a small quantity, less than 1%, was sold to processing factories.



The sales of onions on the fresh produce markets decreased by 12,6%, from 393 333 tons in 2021/22 to 343 648 tons in 2022/23.

Sales of onions on the fresh produce markets
2018/19–2022/23



Prices

The average price of onions sold on the fresh produce markets has significantly increased by 124,7%, from R3 952 per ton in 2021/22 to R 8 880 per ton in 2022/23.

Processing

Less than 1% of the total production of onions was taken in for processing during the 2022/23 season. There has been a significant decrease of 34,8% in the total processing of onions since the 2018/19 season, when 4726 tons were taken in for processing compared to 3079 tons in the 2022/23 season. During 2022/23, about 93,5% was canned and the remaining 6,5% was frozen.

*Exports**

During the 2022/23 season, the volume of onions exported represented approximately 18,0% of the total onion crop. The volume of exports decreased by 6,8%, from 126 843 tons in 2021/22 to 118 174 tons during 2022/23.
* Source: *Customs and Excise*

Potatoes

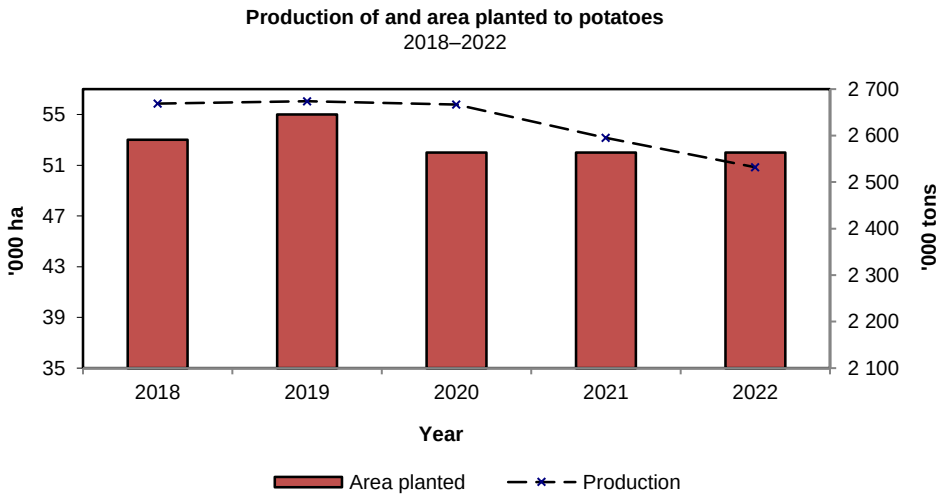
There are 16 distinct potato-production regions in South Africa, which are spread throughout the country. The main regions are situated in Free State, Western Cape, Limpopo and Mpumalanga. Potatoes are planted at different times because of climate differences in the production areas, resulting in fresh potatoes being available throughout the year. In the early 1990s, there was a major shift in production from dryland to irrigation and currently almost 80% of plantings are under irrigation.

Area planted

Plantings for 2022 were 52 095 ha, which was 0,5% less than the 52 355 ha of the previous year.

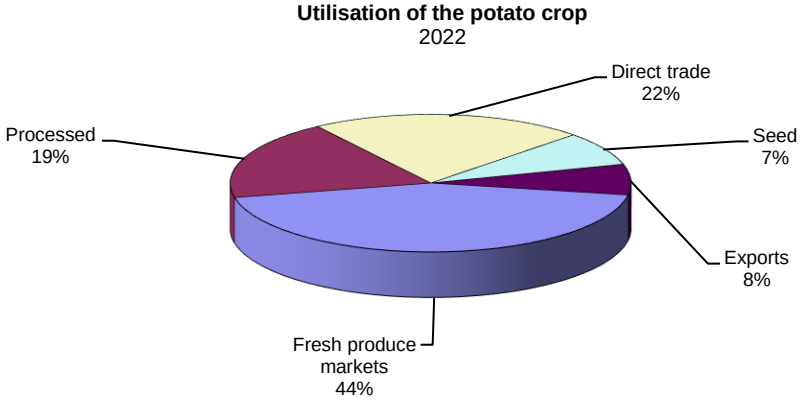
Production

In 2022, the average yield was approximately 4 861 x 10 kg pockets per hectare, compared to 4 957 x 10 kg pockets per hectare in 2021, which is a decrease of 1,9%.



Sales

The major fresh produce markets remain an important channel for the sale of potatoes.

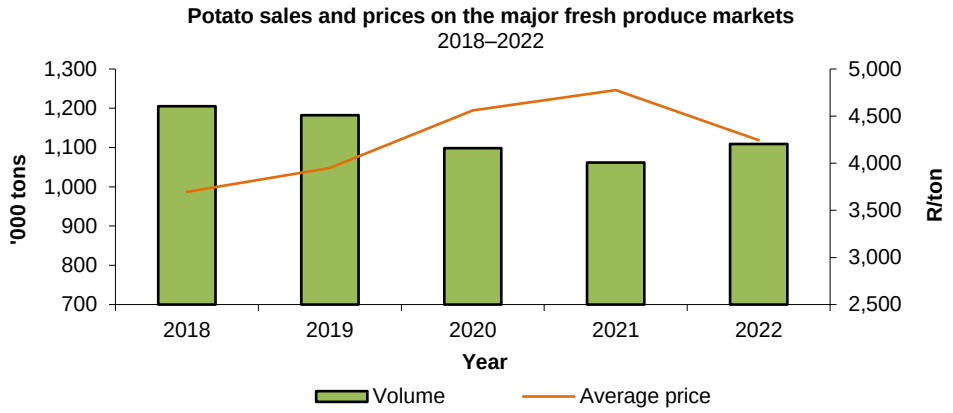


During 2022, approximately 111 million x 10 kg pockets of potatoes were sold on the major fresh produce markets, as against 106 million in 2021—a significant increase of 47,2%. The Johannesburg Fresh Produce Market remains the biggest outlet, followed by the Tshwane, Cape Town and Durban markets. During the five years from 2018 to 2022, potato sales on the major fresh produce markets on average showed a decrease of approximately 2,1%.

Prices

Between 2018 and 2022, potato prices realised on the major fresh produce markets increased by an average of 5,8% per annum, from R3 696 per ton in 2018 to R4 246 per ton in 2022.

The average price decreased by 11,1%, from R4 776 per ton in 2021 to R4 246 per ton in 2022.



Processing

During 2022, approximately 18,8% of the total potato production was taken in for processing. About 91,0% of these potatoes were processed into potato chips, both fresh and frozen. The remaining 8,0% and 1,0% was used for freezing and canning, respectively. The processing of potatoes showed an increase of 3,8%, from 474 551 tons in 2021 to 476 362 tons in 2022.

*Exports**

In 2022, 182 156 tons, approximately 8,0% of total local potato production, was exported. The quantities of potatoes exported increased from 181 464 tons in 2021. During 2022, 97,0% of total potato exports went to Africa.

*Source: *Customs and Excise*

Consumption

The total gross human consumption of potatoes decreased by 3,5% and the per capita consumption decreased by 1,6 kg to about 35,38 kg.

Year	2018	2019	2020	2021	2022
Total production ('000 tons)	2 670	2 674	2 669	2 595	2 532
Gross human consumption ('000 tons)	2 220	2 213	2 205	2 128	2 065
Per capita consumption (kg p.a.)	38,45	37,65	36,98	35,38	34,07

Prospects

It is expected that there will be a decrease in the production of potatoes in 2023.

ANIMAL PRODUCTION

Livestock numbers

Extensive livestock farming is vast in the country, approximating four-fifths of the agricultural land in South Africa. However, livestock farming is also found were there are mixed farming enterprises.

Below normal rainfall over the recent years has meant that the area involved in cattle, sheep and goat farming (approximately 590 000 km^2) has been negatively affected, further affecting grazing area which is 53% of all agricultural land in the country. Livestock conditions were reasonable to good in most provinces in recent years. Commercial sheep farms also occur in other areas such as the Kgalagadi, the winter rainfall area and the grasslands of Mpumalanga, as well as the eastern Free State and KwaZulu-Natal, with challenges of wild animals and stock theft threatening the successful farming thereof.

Foot-and-mouth disease is still prevalent in some parts of Limpopo, KwaZulu-Natal, Gauteng, North West and Free State, with movement restrictions in place for identified locations and biosecurity measures encouraged. Other diseases that continue to affect the industry are African Swine Fever, Lameness and eye infection.

Cattle

Cattle are found throughout the country, but mainly in Eastern Cape, KwaZulu-Natal, Free State and North-West. Herd sizes vary according to type of cattle, ranging between less than 50 and 300 for dairy cattle, while beef cattle herds range from small (less than 20 head of cattle) to large farms and feedlots (more than 4 000 head). Some farms in North West and Gauteng have been found to have some of the largest cattle herds in the country. The production of weaners for the feedlot industry is the main form of cattle farming – feedlots account for approximately 75% of all beef produced in the country. Prices (R/kg) for weaners and live animals are lower for the first half of the year in comparison to 2018 (Source: SA Feedlot Association).

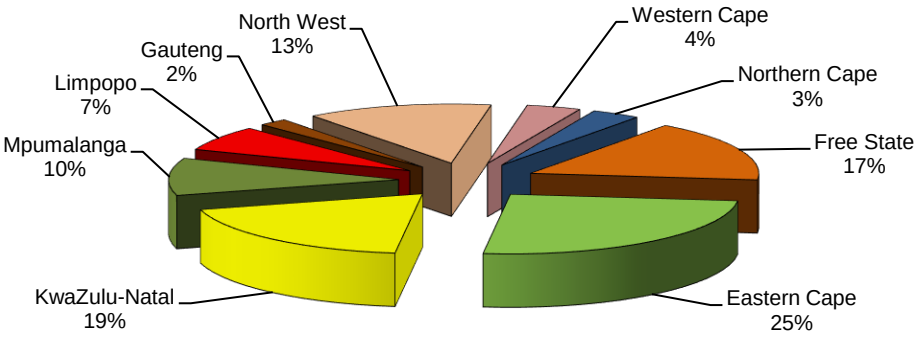
The total number of cattle in South Africa at the end of August 2023 is estimated at 12,196 million, comprising various international dairy and beef cattle breeds in addition to indigenous breeds such as the Afrikaner and the Nguni. The number is approximately 0,01% lower than the estimate of 12,197 million as at the end of August 2022. Beef cattle contribute approximately 80% to the total number of cattle in the country, while dairy cattle make up the remaining 20%. Holstein-Friesian, Jersey, Guernsey and Ayrshire are the four major dairy breeds found in South Africa.

Cattle numbers per province since 2018 are estimated as follows:

Province	**2019**	**2020**	**2021**	**2022**	**2023***
	'000 (August)				
Western Cape	488	466	467	468	467
Northern Cape	433	419	419	419	419
Free State	2 109	2 054	2 030	2 062	2 028
Eastern Cape	3 082	3 050	3 068	3 045	3 073
KwaZulu-Natal	2 481	2 380	2 339	2 311	2 339
Mpumalanga	1 243	1 248	1 247	1 230	1 234
Limpopo	898	860	841	838	841
Gauteng	246	246	246	245	246
North West	1 578	1 576	1 576	1 580	1 574
Total	12 558	12 299	12 233	12 197	12 196

** Preliminary*

Distribution of cattle by province
August 2023* (%)

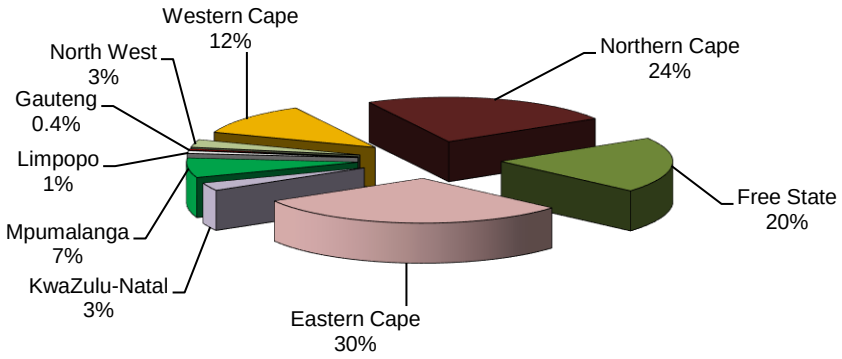


There are various breeders' organisations representing most international and indigenous cattle breeds. Most of the organisations are affiliated with the South African Studbook and Animal Improvement Association. The Milk Producers' Organisation (MPO) is the most prominent producer organisation in the South African dairy sector. The Red Meat Producers' Organisation (RPO) and the National Emergent Red Meat Producers' Organisation (NERPO) represent producers in the commercial and emerging agricultural sectors, respectively.

Sheep

Sheep farming is found in all provinces; but is mostly concentrated in the more arid parts of the country. The total number of sheep in South Africa at the end of August 2023 were estimated at 21,42 million, 0,04% lower than the estimated 21,43 million as at the end of August 2022. For August 2023, the largest numbers of sheep were estimated to be in Eastern Cape (30%), Northern Cape (24%), Free State (20%) and Western Cape (12%).

Distribution of sheep by province
August 2023* (%)



Flock sizes vary between less than 50 and 1 800 animals. Sheep flocks in Eastern Cape, Western Cape and Northern Cape tend to be much larger than those in the other provinces, including Free State.

The animals are kept mainly for wool and mutton production and the industry is therefore represented by organisations from the mutton as well as the wool industry. The sheep industry also has various breeders' associations, with the Dorper Sheep Breeders' Society of South Africa and Merino SA being the most prominent. Western Cape, the inland Karoo and Overberg produce wool, mutton, and the pedigree Merino breeding stock.

The number of sheep in the various provinces since 2019 was estimated to be as follows:

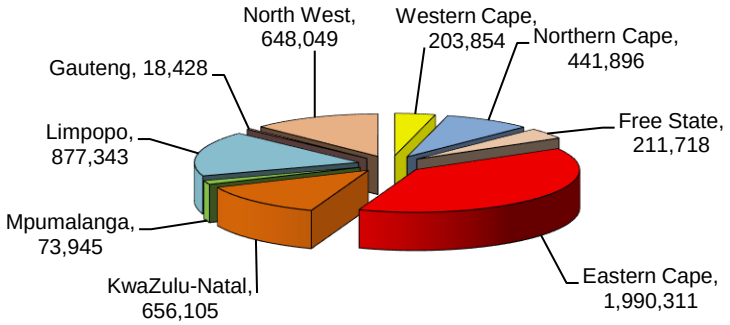
Province	2019	2020	2021	2022	2023*
	'000 (August)				
Western Cape	2 623	2 545	2 540	2 538	2 532
Northern Cape	5 305	5 182	5 172	5 149	5 177
Free State	4 518	4 330	4 309	4 314	4 262
Eastern Cape	6 531	6 513	6 442	6 434	6 417
KwaZulu-Natal	656	628	617	615	615
Mpumalanga	1 554	1 527	1 512	1 513	1 520
Limpopo	204	199	192	192	223
Gauteng	87	84	84	84	84
North West	607	596	596	593	593
Total	22 085	21 604	21 464	21 432	21 423

** Preliminary*

Goats

Goats are found mainly in Eastern Cape, Limpopo, KwaZulu-Natal and North West. Estimates indicate that there was a decrease of 0,35% in the number of goats, from 5,139 million in August 2022 to 5,121 million in August 2023.

Distribution of goats by province
August 2023*



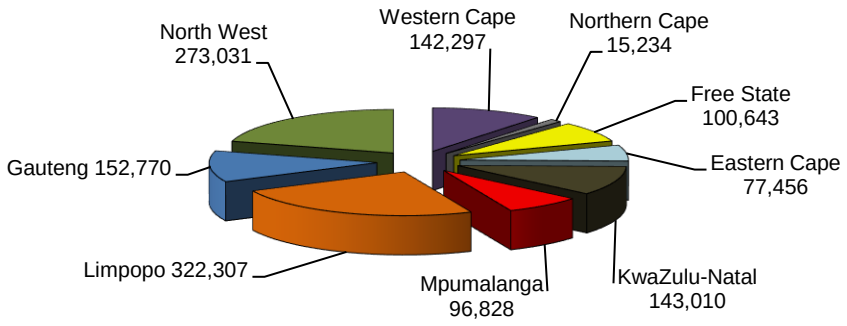
**Preliminary*

Flocks of goats intended for meat production are usually smaller than sheep flocks, averaging approximately 300 goats per farm. Angora goats are kept primarily for mohair production, while Boer goats are mainly for meat production. According to the SA Milch Goat Breeders' Society, there are also farmers who have adopted a market differentiating strategy by producing goat's milk and these are increasing in numbers.

Pigs

Pigs are found in high numbers in Limpopo, North West, Gauteng and Western Cape. There are approximately 400 commercial pork producers and 19 stud breeders in South Africa. It is estimated that pig numbers remained almost the same at 1,323 million between August 2022 and August 2023.

Distribution of pigs by province
August 2023*



**Preliminary*

The South African Pork Producers' Organisation (SAPPO) is the official mouthpiece for pork producers in South Africa. The organisation is primarily concerned with administration, liaison with government, the promotion of pork and pork products and matters of national interest such as health and research. The organisation is also concerned with consumer education, as well as business development for sustainable, economic viability and profit maximisation of producers.

According to SAPPO, most pork meat imports originate from Europe and Brazil, while a few SA neighbouring countries are export destinations. The total number of employees in the formal pork production industry in South Africa is estimated to be approximately 10 000, comprising about 4 000 farm workers and 6 000 workers in the processing and abattoir sectors.

Red meat

The red meat industry is one of the most important growing industries in the South African agricultural sector. It contributed approximately 16,6% to the gross value of agricultural production in the RSA during 2021/22. While sheep farming is mainly extensive, a large percentage of beef animals are supplied by feedlots.

Livestock slaughtering

It is estimated that the total number of cattle slaughtered decreased by 3,7%, sheep (including lambs) slaughtered decreased by 2,1% and pigs slaughtered increased by 1,2% from 2021/22 to 2022/23.

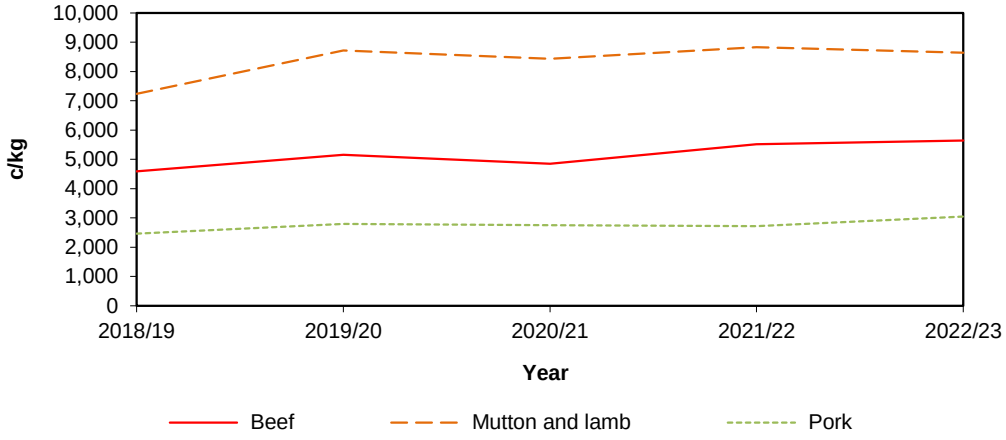
Commercial slaughtering of red meat producing livestock categories over the past five years were as follows:

Year	2018/19	2019/20	2020/21	2021/22	2022/23
Cattle	2 445 125	2 592 605	2 629 884	2 579 000	2 484 300
Sheep and lambs	3 657 328	4 464 404	3 920 889	3 840 496	3 759 923
Pigs	3 025 292	3 281 635	3 396 979	3 728 838	3 774 960

Auction prices

The prices for red meat are mainly determined by the interaction between demand and supply (the latter two are affected by the level of the consumers' disposable income, the prices of substitute products and import parity prices, etc.). In the case of mutton, for example, the level of wool prices also influences the domestic supply of mutton.

Average producer prices of beef, mutton and pork
2018/19–2022/23 (July to June)



In view of the ever-strong influence of international trade on the local mutton industry, both the cyclical and seasonal price patterns for mutton were influenced by imports. The average producer price for pork increased by 11,9%, from R27,25/kg in 2021/22 to R30,48/kg in 2022/23.

The average producer price for beef decreased by 2,2% from R55,21/kg to R56,44/kg in 2022/23. The average producer price for mutton and lamb decreased by 2,1%, from R88,32/kg in 2021/22 to R86,45/kg in 2022/23.

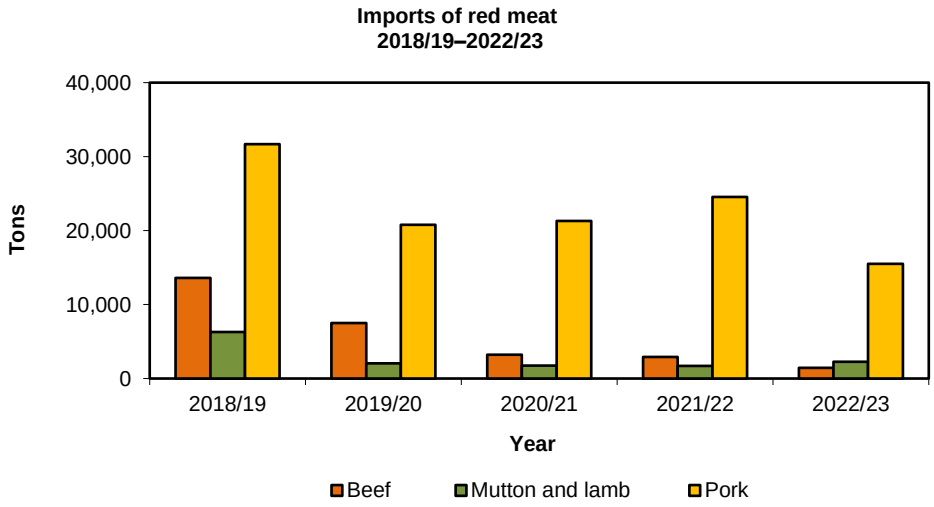
Imports

Imports of red meat decreased by 34,2%, from 29 179 tons in 2021/22 to 19 212 tons in 2022/23 (31,6% lower than the average of approximately 31 308 tons for the five years up to 2022/23).

Beef imports amounted to 1 465 tons in 2022/23, which is a decrease of 49,5% from the 2 899 tons imported during 2021/22 and 74,4% lower than the five-year average of 5 734 tons up to 2022/23.

Imports of pork amounted to 15 492 tons, a decrease of 36,9% from the 24 554 tons imported during 2021/23 and 31,9% lower than the five-year average of 22 764 tons up to 2022/23.

Imports of mutton during 2022/23 amounted to 2 255 tons, an increase of 30,6% from the 1 726 tons imported the previous year but 19,7% lower than the average of 2 809 tons for the five years up to 2022/23.



Poultry

The poultry industry consists of the day-old chick, the broiler and the egg supply. The Southern African Poultry Association (SAPA) represents both commercial and non-commercial poultry farmers within these three subsectors.

This article focuses on the broiler and the egg industry, as the chick supply is an input into both.

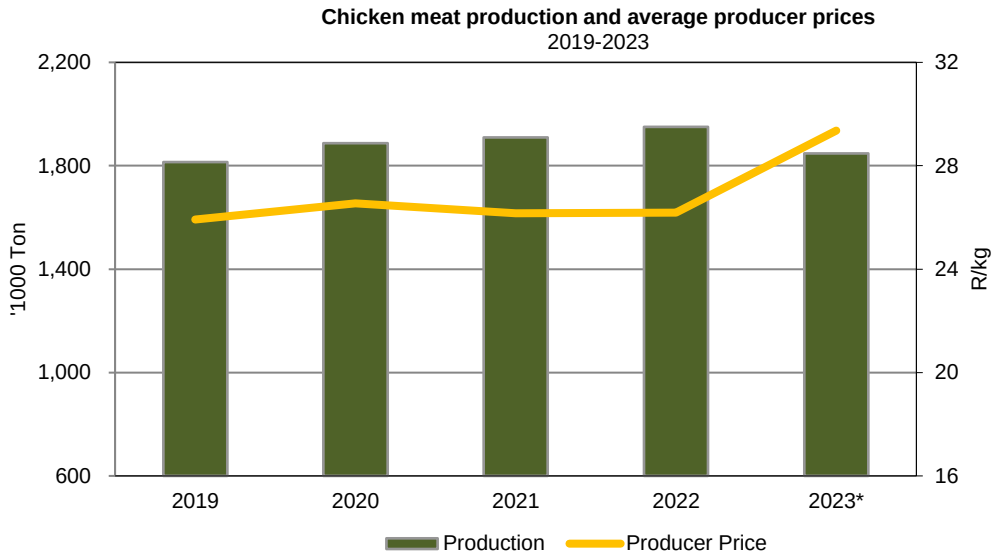
Broiler industry

The broiler industry continues to dominate the agricultural sector in South Africa as the main supplier of animal protein.

Production

The distribution of broiler birds (including broiler breeders) per province is as follows: North West (24,5%), Mpumalanga (22,8%), Western Cape (12,5%), Free State (11,6%), Gauteng (10,4%), KwaZulu-Natal (8,6%), Eastern Cape (6,0%), Limpopo (3,4%) and Northern Cape (0,2%).

In 2022, a total of 1 177-million-day-old chicks were hatched, an increase of 2,2% compared to the previous year. The average number of broilers slaughtered for commercial markets during 2022 was estimated at 1 112,7 million. This is 2,1% more than the 1 090,3 million slaughtered during 2021. Annual production of chicken meat totalled 1,848 million tons in 2022. This includes broilers for commercial markets, production by subsistence farming and meat from the sale of spent broiler breeder hens and cocks and spent hens from the egg industry.



* Expected production for 2023 and average producer price for the first nine months of 2023

Prices received by producers

The average weighted basic gross price (before rebates, advertising and distribution costs are deducted) received by producers of broilers increased by 12,2%, from R26,18/kg in 2022 to R29,36/kg in 2023.

Average weighted producer prices of broilers from 2019 to 2023 are as follows:

Year	**2019**	**2020**	**2021**	**2022**	**2023***
	R/kg				
Price of broilers	25,92	26,54	26,16	26,18	29,36

** Preliminary: January to September 2023*

Consumption

Consumption of poultry meat accounted for 60,6% of the total meat consumed (beef, mutton, goat, pork and poultry) in 2022 compared to 60,1% of the previous year. The per capita consumption of poultry meat decreased slightly by 1,7%, from 38,1 kg in 2021 to 37,5 kg in 2022.

Per capita consumption of commercially produced poultry meat from 2018 to 2022 is as follows:

Year	**2018**	**2019**	**2020**	**2021**	**2022**
	kg/year				
Per capita consumption	38,9	39,0	38,7	38,0	37,3

Imports

In 2022, poultry imports totalled 373 049 tons, a year-on-year decrease of 59 258 tons or 13,7%. The value of imports amounted to R4,6 billion.

Brazil was the main country of origin of imports in 2022, accounting for 75,6%, or 282 128 tons of total poultry imports into South Africa. The USA was the second-largest importer with 12,6%, followed by the Argentina with 9,0%. The EU contributed 0,6% to total poultry imports.

Prospects

The forecasting model used to predict broiler breeder bird numbers and number of broilers slaughtered was updated in 2021. The hatcheries projected 22, 57 million chicks per week, which increased by 2,2% as compared to the 22,09 million during 2021. Based on the number of day-old parent pulled placed, the size of the breeder laying flock is expected to increase by 4,7% or 7, 40 million during the first four months of 2023.

Egg industry

Based on information provided by SAPA, the distribution of layers per province is as follows: Gauteng (25,1%), Western Cape (16,4%), Free State (16,1%), North West (12,6%), KwaZulu-Natal (12,2%), Limpopo (7,4%), Mpumalanga (6,2%) Eastern Cape (3,7%) and Northern Cape (0,3%).

The number of layers increased by 2,1%, from 26,85 million in 2021 to 27,40 million in 2022. An average flock of 26,64 million layers is projected for the first four months of 2022, this will be a decrease of 2,0% compared to the same period in 2022.

The average price received by egg producers during 2023 was 12,8% more than the average price received during the same period of 2022.

The average weighted producer prices of eggs from 2019 to 2023 are as follows:

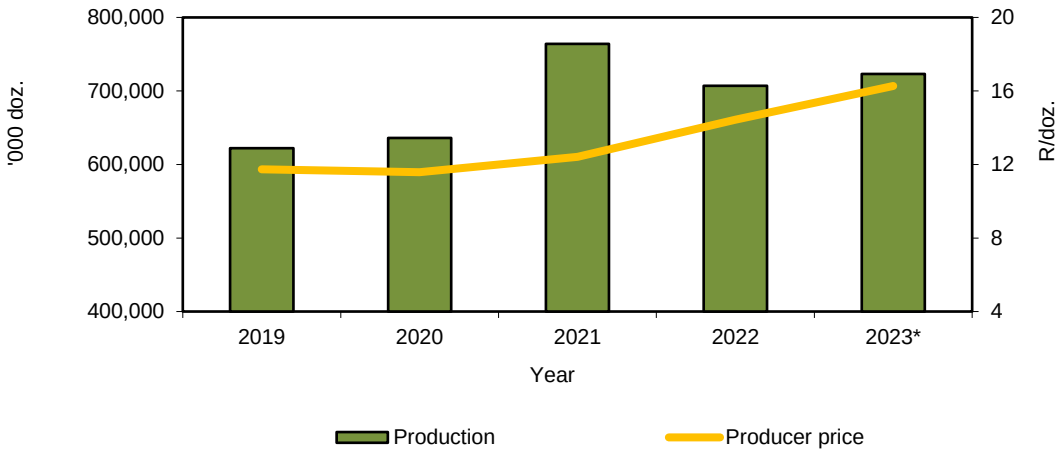
Year	**2019**	**2020**	**2021**	**2022**	**2023***
	R/dozen				
Price of eggs	11,74	11,58	12,41	14,43	16,27

** Preliminary: January to September 2023*

Production

Egg production showed a year-on-year increase of 2,3% in 2022. The average number of cases produced per week was 462 200 compared to 451 800 cases per week in 2021. The total production of eggs for human consumption in 2022 was 723 million dozen, an increase of 2,3% as compared to 707 million dozen of the previous year.

Production of eggs and prices received by producers
2019–2023



* *Preliminary: January to September 2023*

Consumption

The per capita consumption in 2022 was 148,6 eggs or 9,08 kg compared to 146,4 eggs or 8,95 kg in 2021. During 2022, the annual turnover was R12,82 million, an increase of 8,0% as compared to R11,87 million in 2021. Eggs are still an affordable animal protein source compared to meat.

Prospects

New breed standards have been applied to the model and the laying cycle has been extended by to 78 weeks. These changes resulted in an increase in the estimated size of the national laying flock in terms of the number of egg cases produced and the mean egg weight. Hen numbers decreased from 26,85 million at the end of December 2021 by 0,8%, or 26,64 million, during the same period of 2022. Consequently, egg production is expected to decrease by 2,0% or 448 100 cases per week during the first four months of 2023.

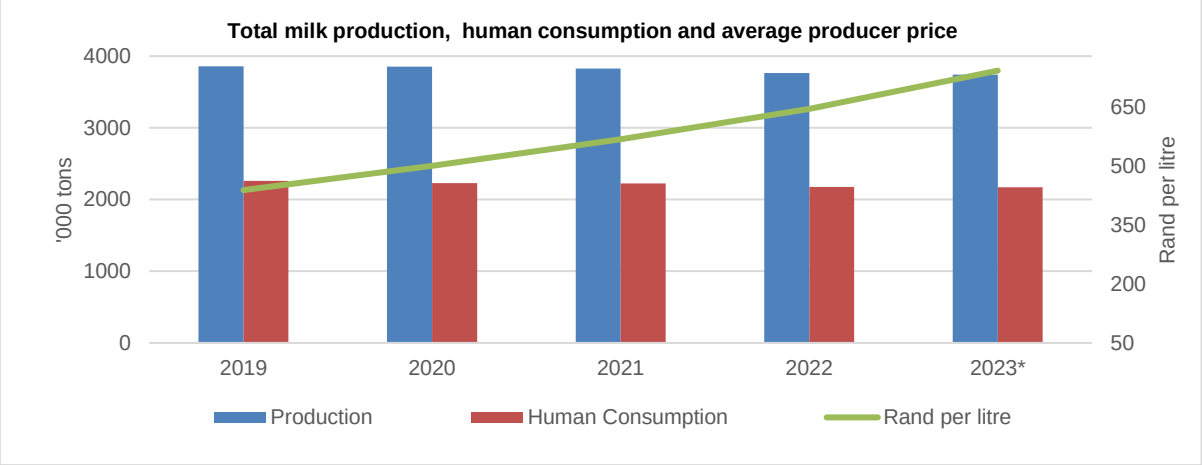
Milk

Milk production in South Africa is concentrated largely in the coastal regions because of their mild temperatures and good rainfall conditions; which assures good quality, natural and artificial pastures. In 2022, the Western Cape was the largest milk producer and accounted for 29,3% of the total commercial milk production, followed by KwaZulu Natal (28,5%), the Eastern Cape (28,0%), Mpumalanga (4,1%), Free State and Gauteng (4,0%) each, North West (1,7%) and Limpopo (0,4%). According to Milk South Africa, the number of milk producers in the country decreased significantly by 702 (44,1%), from 1 593 in January 2017 to 891 producers in January 2023.

Local milk production contributes approximately 0,4% to the world milk production. However, in terms of the value of agricultural production, the milk industry is the seventh largest agricultural industry in South Africa. The gross value of milk produced in 2022, including milk for the producer's own consumption and on-farm usage, increased by 12,4% and amounted to R23 797 million, compared to R21 170 million in 2021 due to higher producer prices.

Milk shortages are rarely reported in South Africa as the supply is always sufficient to meet the local demand. Production of total milk (*which includes production from commercial, informal and subsistence farms)* decreased marginally by 0,9% for the period January to September 2023, when compared to the same period in 2022.

The graph below depicts total milk production, human consumption and average producer price for the period 2019 - 2023.



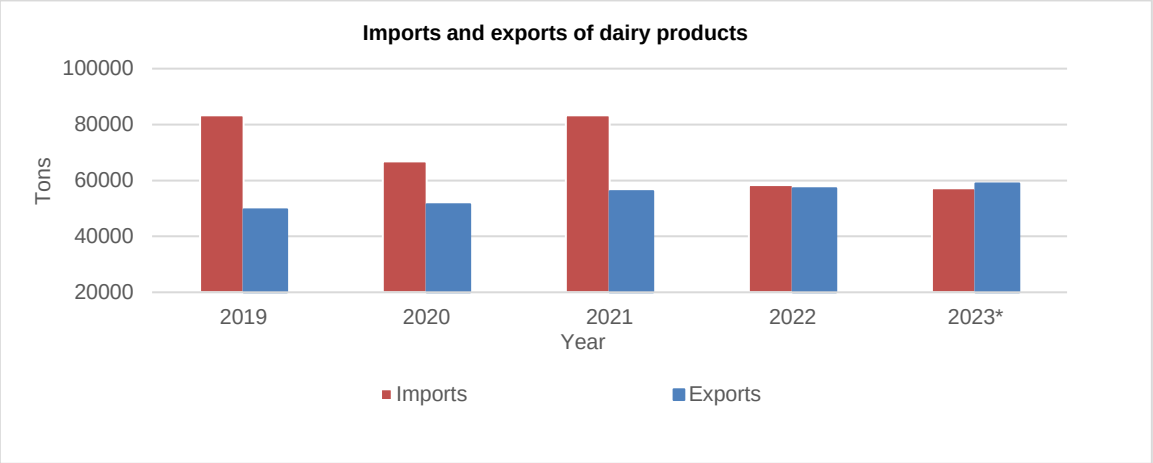
Source: Milk SA and Dalrrd

*Preliminary

Milk production was 1,6% lower in 2022 and estimated at 3 682 million litres, as opposed to 3 740 million litres in 2021. Production further dropped slightly by 0,9% to 2 302 million litres over the period January to

September 2023, from 2 323 million litres during the same period in 2022. The average producer price of milk showed an upward trend since 2020 despite slower growth in demand and output levels. The average producer price for the period January to September 2023 increased by 15,7% to R7,43 per litre, as opposed to R6,43 per litre in 2022.

Imports and exports



Source: SAMPRO

*Forecast

The imports of milk and milk products decreased substantially by 30,0% to 58 332 tons and valued at R2 919 million in 2022, compared to 83 356 tons which were valued at R2 709 million in 2021. Contrarily, the exports increased by 1,9% and amounted to 57 259 tons with the value of R1 854 million in 2022, from 56 208 tons valued at R1 438 million in 2021.

Prospects

Production of and demand for milk for 2023 season are both expected to be approximately 1,2% higher than in 2022. The increase in producer price of milk from R6,43 per litre for the period January - September 2022 to R7,43 per litre during the same period in 2023, may also stimulate production in the last three months of 2023 (October – December).

Wool

Areas of production

Wool is produced throughout South Africa; however, the main production areas are in the drier regions of the country. Based on annual sales of producer lots, Eastern Cape was the largest wool-producing province during 2022/23 with 16,2 million kg, followed by Free State with 8,6 million kg, Western Cape with 7,9 million kg, Northern Cape with 5,2 million kg and Mpumalanga with 2,0 million kg, while 1,5 million kg were produced in the remaining four provinces.

Production

South Africa, like Australia, produces mainly apparel wool, while the bulk of the wool of the other major producers, such as New Zealand, China, Uruguay and Argentina, is the coarse type used in the manufacturing of carpets and interior textiles. The main fibres competing with wool are cotton and man-made fibres such as polyester, nylon and acrylic.

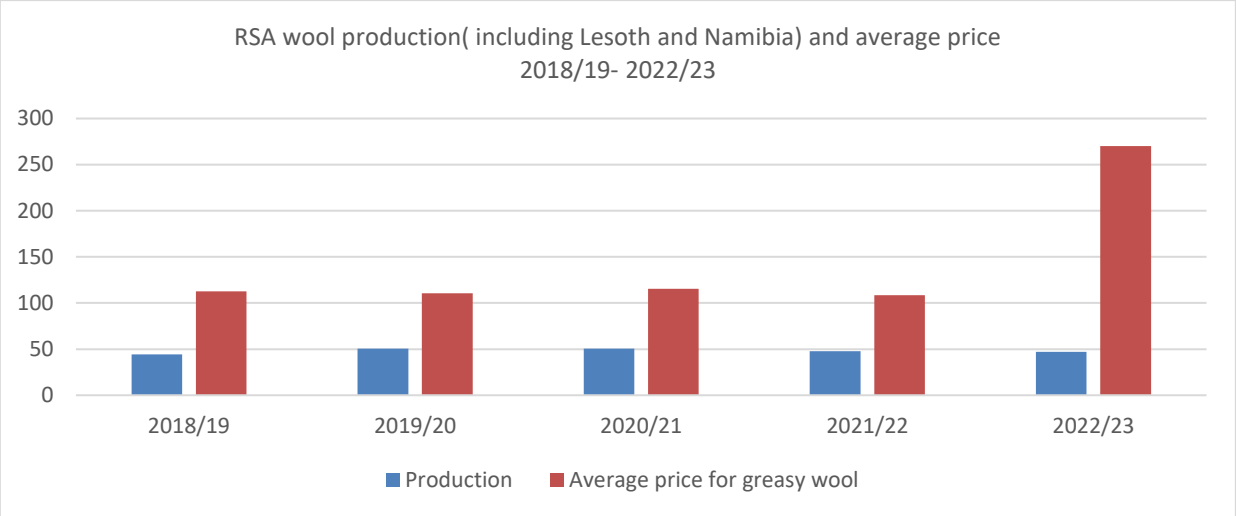
Total receipts for 2022/23 decreased to 47,2 million kg, a decrease of 1,4% from 2021/22. The slight decrease was mainly due to increased volumes by 2, 0% offered for sale by Lesotho producers.

Marketing

An excess of 90% of all greasy wool sold in South Africa is traded by means of weekly auctions taking place from August to June. Normally, there is considerable volatility in prices during and between auctions. The price

of wool is determined by a complex set of variables, including the level of the market in Australia on a specific day, exchange rate fluctuations, quantities offered for sale at auctions, the specific demand for different wool types at various times, the extent and timing of contract commitments by local buyers for delivery to clients and the prevailing economic conditions in wool-consuming countries.

South Africa produces mainly a Merino clip, which comprises more than 80% of all lots offered for sale. Mean fibre diameter is the major price determinant for Merino wool, with finer micron categories normally commanding a premium over medium and strong wool.



Marketing arrangements

Wool marketing in South Africa is free from statutory intervention. Wool is traded primarily via the open-cry auction system. Wool auctions are centralised in Port Elizabeth and runs from August of one year to June the next year. Alternative selling mechanisms, such as contract growing, forward deliveries and futures, have not been established in the South African wool industry.

The global price for apparel wool is determined in Australia, where the largest volumes of wool are traded. South Africa, with its small clip, is therefore a market follower or price-taker.

Numerous sellers and few buyers are typical of wool auctions. Buyers normally have to compete for wool over a number of auctions to make up processing batches to meet their clients' contract specifications in terms of price, quantity and delivery date. Contracts in foreign currencies, such as the euro or the US dollar, have to be converted into buying limits in Rand and the buyer carries the risk.

Cape Wools of South Africa promotes the interests of the South African wool industry. It is a non-profit company established and owned by farmers and other directly-affected industry groups registered with the Wool Forum, which represents all role players in the industry. The Board of Directors proportionately represents these groups. Cape Wools started operating on 1 September 1997.

Cape Wools' service portfolio comprises market information and statistics; research and development; transfer of wool production and promotion of wool. The Wool Trust from funds transferred from the former Wool Board funds Cape Wools.

Exports

Wool is an export product with approximately 94% of total production being shipped overseas, in either greasy or semi-processed form (scoured and wool top). Main export destinations for the year under review were China, the Czech Republic and Italy.

During 2022/23, the major export destinations for South African wool were as follows:

Wool shipments to the five top export destinations – July 2022 to June 2023								
Country	Greasy		Scoured		Top and noils		Total	% of total FOB value
	Value R1 000	Volume Kg	Value R1 000	Volume Kg	Value R1 000	Volume Kg	Value R1 000	
China/Macau/ Hong Kong	3 184 664	33 417	0	0	0	0	3 184 664	69,7
Czech Republic	662 685	5 799	0	0	0	0	662 685	14,5
Italy	439 166	2 670	5 084	76	0	0	439 166	9,6
India	106 532	1 048	0	0	0	0	106 532	2,3
Eygpt	100 960	815	0	0	0	0	100 960	2,2

Outlook

The South African government have reached an agreement with China to lift the restriction on the export of wool that was imposed because of foot and mouth disease.

Mohair

Production

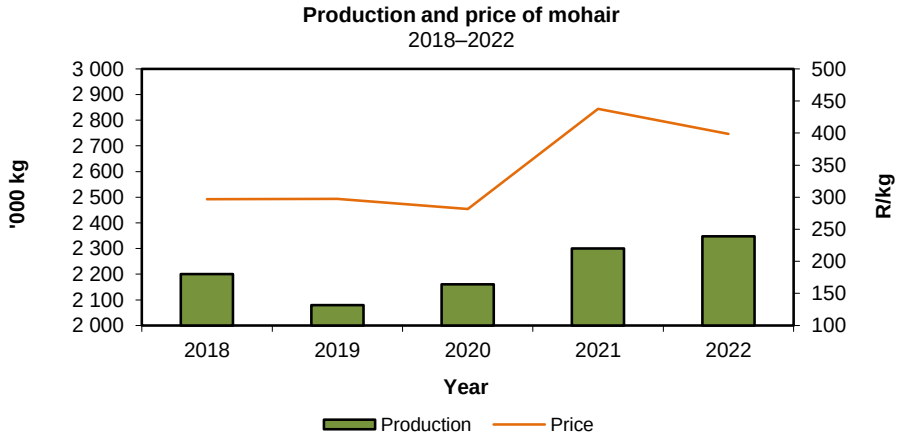
Mohair production in South Africa mainly occurs in Eastern Cape and the adjacent part of Western Cape. South Africa produces approximately 53% of the world mohair clip. In realising the responsibility involved in being the most reliable source of mohair, Mohair South Africa was established to perform functions aimed at the advancement of the entire mohair industry. Through selective breeding and farming techniques, the Angora goat farmer plays a crucial role in promoting the constant availability of quality natural fibres.

South Africa's mohair production was stable at 2, 3 million kg in 2022 compared to 2, 3 million kg in 2021. The trend continues to surge slightly upward in comparison to the two seasons.

Production of mohair by South Africa during the period 2018 to 2022 is as follows:

Year	**2018**	**2019**	**2020**	**2021**	**2022**
	Million kg				
Production	2,2	2,1	2,2	2,3	2,3

Prices



During the last half of 2022, the mohair price started to drop. As more than 90% of South African mohair is exported to countries like Italy, China and the UK, the mohair price is also linked to international economies. The war between Ukraine and Russia had a direct economic impact on the countries purchasing South African mohair, which effected the mohair price towards the end of 2022.

The average auction price of mohair decreased by 8,9%, from R437,75 in 2021 to R398,69 in 2022. Although the kid sector experienced some downward pressure, the rest of the clip had good demand.

Average auction prices of mohair for the period 2018 to 2022 are as follows:

Year	**2018**	**2019**	**2020**	**2021**	**2022**
	R/kg				
Price	297,00	297,48	281,62	437,75	398,69

Imports and exports

Most of the world mohair production is imported to South Africa for further processing, after which it is exported together with locally- (including Lesotho) produced mohair. Italy became the leader in mohair imports from South Africa in 2020/2021, followed by China and UK.

Mohair exports decreased by 15,63% from 2021 to 2022 at an estimated 0,5 million kg. The imports remained almost the same between 2021 and 2022.

Year	**2018**	**2019**	**2020**	**2021**	**2022**
	Million kg				
Imports	1,3	1,3	1,3	1,3	1,3
Exports	3,3	3,3	3,0	3,2	2,7

Prospects

Mohair South Africa launched an internationally recognized standard in March 2020, called the Responsible Mohair Standard (RMS). This standard ensures that South Africa offers an ethically and sustainably certified product. The beginning of 2021 saw the first RMS-certified mohair being offered to buyers, which increased the demand for South African mohair. 80% of the South African mohair clip now complies with the internationally recognised Responsible Mohair Standard, which will become the minimum standard if a farmer

wants to sell his mohair at competitive prices. The industry is also working on a life cycle assessment, which will measure the impact we have on the environment. With the world focusing on counteracting the effects of climate change, it is important for us to know our impact and then plan how we can improve.

Mohair production in South Africa is on the rise, with most of the mohair production areas in South Africa receiving good rains after a 6 - 7-year drought. The rain means natural feed for the angora goats which makes it more profitable to farm with angora goats. Mohair price per kg remains lucrative and angora goat farming has become an attractive farming commodity. Half year during 2023, production is up by more than 10% compared to the previous year at the same time.

Ostriches

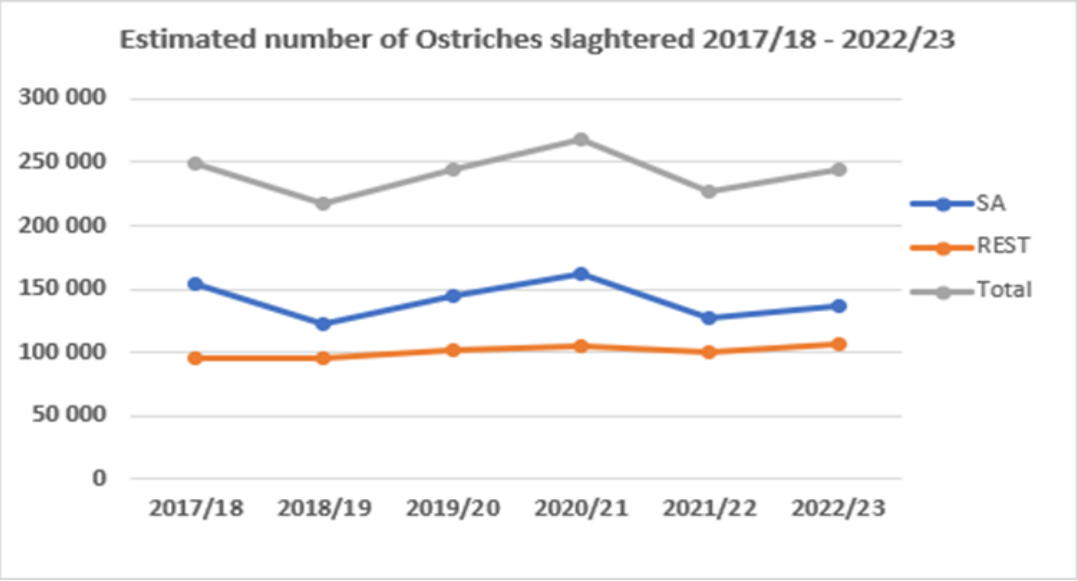
Commercial ostrich farming in the country started in 1864 with large-scale exports of feathers to Europe. The industry flourished during what was referred to as the second ostrich feather boom between 1900 and 1914. At this stage, ostriches were only farmed for their feathers and a handful of feathers were enough to buy a farm. Soon afterwards, the industry virtually collapsed because of changes in world fashion trends, the introduction of the motor car as a means of transport (ladies struggled to get into the cars while wearing their hats with long ostrich feathers) and the First World War.

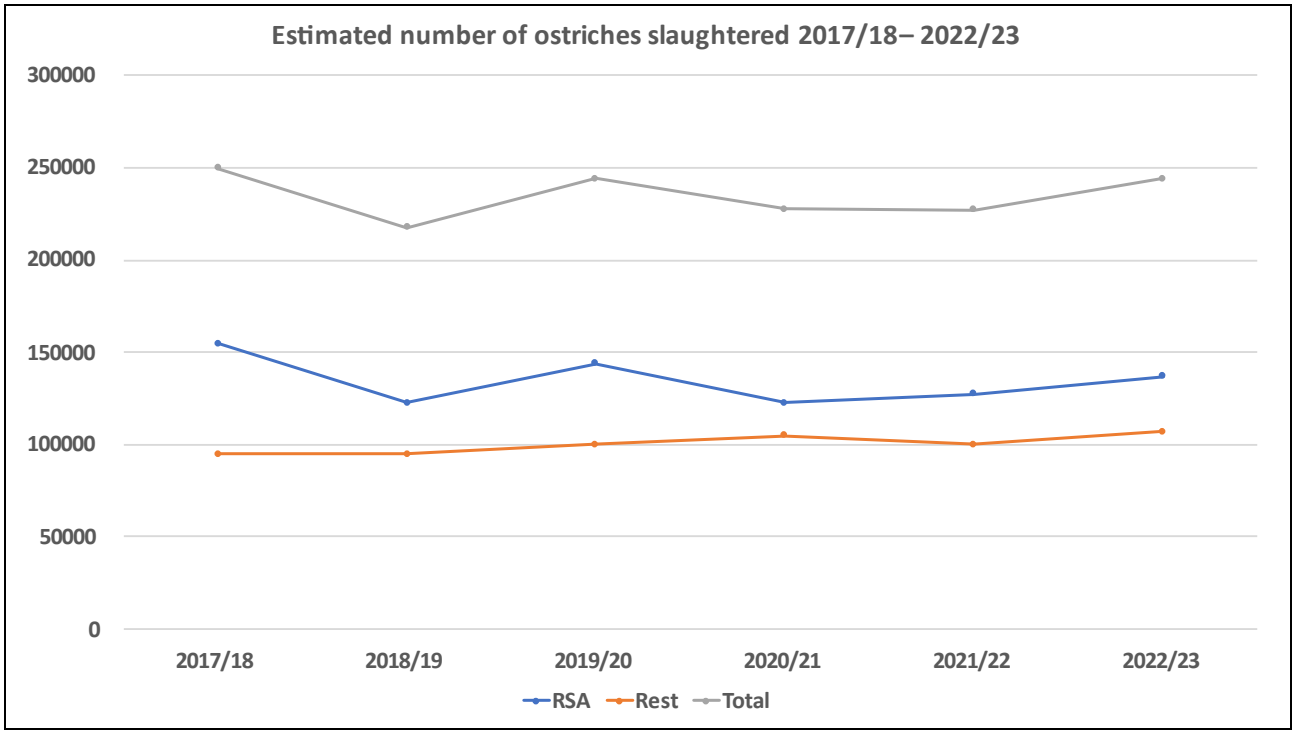
During the 1960s, the industry was transformed into an intensively managed farming activity. The emphasis shifted from feather to leather production.

More recently, ostrich meat became popular because of health benefits, and compared with beef and chicken meat, it has almost no fat and lower cholesterol, a slightly higher protein content but lower energy and calcium content, while rich in iron. The greater focus on a healthy lifestyle is resulted in a growing demand for ostrich meat worldwide and South Africa is normally the main supplier.

Currently, all major stakeholders in the industry are affiliated to either the National Ostrich Processors of South Africa (NOPSA) or the South African Ostrich Producers' Organisation (SAOPO). Both these organisations are key members of the South African Ostrich Business Chamber (SAOBC). The objective of the SAOBC is to facilitate the sustainability and profitability of the ostrich industry in South Africa.

The ostrich production season in South Africa runs from 1 July to 30 June and therefore the statistics provided cover this period annually.





According to the SAOBC, the number of ostriches slaughtered worldwide is estimated at ± 244 000 for the 2022/23 production season. 137 071 (56%) were slaughtered in South Africa. The profitability of ostrich farming enterprises is a huge challenge and therefor production in RSA will only slightly increase by ± 8% for the next slaughter season.

Worldwide, the demand for ostrich meat is stable and ostrich meat should still benefit from the healthy lifestyle trend—ostrich meat is a tasty red meat. As mentioned before, it contains almost no fat or cholesterol and is high in protein.

Demand and price for feathers is excellent with the return of the carnivals and cabaret shows worldwide and the fact that ostrich feathers are in fashion now with the fashion houses.

The demand for the very high-quality ostrich leather for the fashion industry is good and the activity in other segments of the exotic leather market recovered to the volume before the impact of Covid-19 on these markets. Currently, ±45% of the total income for the producers per ostrich will be for leather, ±15% for meat and ±40% for feathers. The income for the meat still suffers because of the ban on export of fresh ostrich meat due to Avian Influenza regulations. The export of heat-treated ostrich meat is still possible from some farms and the demand for the products is increasing.

The ostrich industry's aim is the supply of mainly higher-grade leather to the market. Various research programmes and projects regarding quality and genetic improvement are therefore being conducted.

Prospects

The continued drought in the main ostrich production areas had a huge impact on production costs and ostrich feed still accounts for more than 70% of input costs. Fortunately, these production areas had good rains and the potential for production of own feed for ostriches will improve.

New markets need to be developed for leather and heat-treated meat for the export market, therefore the SAOBC partners with the Department of Trade, Industry and Competition to grow the industry's earnings in foreign revenue for South Africa, as well as safeguard the remaining direct jobs in the rural, drier areas of the country.

The industry had to employ various strategies during the past two years to prevent further job losses, as the export and movement bans have left most producers in a negative cash flow situation. The biggest risk for the sustainability of the industry lies in the potential outbreaks of animal diseases such as avian influenza,

therefore the industry collaborates with the government to ensure compliance with international requirements in this regard. This is being done via the SAOBC, which is the representative body for the entire South African ostrich industry.

During 2020, the South African Ostrich Industry implemented the new SAOBC Ostrich Standards, which address all the animal welfare and environmental challenges for the whole production chain. NSF, an independent, international and experienced third-party auditing firm audits all farms, hatcheries, and abattoirs. This initiative was welcomed by all clients in the value chain and plays a major role in the long-term sustainability of the South African Ostrich Industry.