

## SECTOR TRADE PERFORMANCE REVIEW DURING 2012 (STPR-2012)

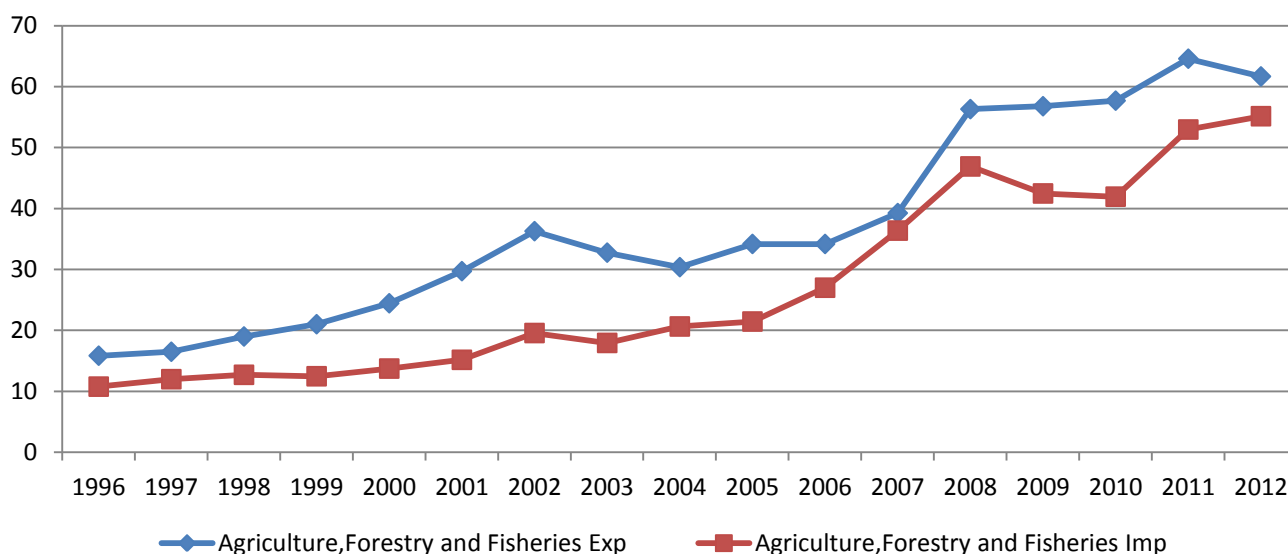
### SOUTH AFRICA'S AGRICULTURAL, FORESTRY AND FISHERIES (AFF) TRADE PERFORMANCE: 2012

#### PURPOSE

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

#### Overview of South Africa's agricultural, forestry and fisheries trade performance: 1996 to 2012.

(Figures in Billions of RSA Rand)



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

##### Observations on exports

- SA's AFF exports decreased by 5% between 2011 and 2012
- SA is a net exporter of agriculture, forestry and fisheries (AFF) products.
- SA is a net exporter of primary agricultural products.
- Exports of fats and oils experienced a high growth (28%) during 2012.
- Exports of cereal declined by 42% in value terms during 2012.
- Fruits and Nuts constituted the largest sub-sector export by value in SA's total AFF exports.
- Zimbabwe has, for the first time, become the largest export destination for SA's AFF products by value during 2012.

##### Observations on imports

- SA's AFF imports increased by 4% between 2011 and 2012
- South Africa is a net importer of processed agricultural products.
- Imports of Meat and Fish Preparations grew with the highest rate of 116% during 2012.
- Imports of cotton declined by 11% in value terms during 2012.
- Cereal constituted the largest sub-sector import by value in SA's total AFF imports
- China has, for the first time, become the largest import source for SA's AFF products by value.

1. **Analysis of South Africa's major agricultural, forestry and fisheries export markets and product drivers during the period 2011 and 2012**

**Table 1. South Africa's top ten largest export destinations for agricultural, forestry and fisheries products by value during 2011 and 2012.**

Calendar Year 2011			Calendar Year 2012			
Top 10 export markets	Share in SA total agric exports	Export Value (Bill Rand)	Top 10 export markets	Share in SA total agric exports	Export value (Bill Rand)	Top 3 products exported into major markets
Netherlands	9%	5.5	Zimbabwe	9%	5.3	Soybean Oils, Sunflower seeds & Oils, and Wheat
United Kingdom	8%	5.0	United Kingdom	8%	5.2	Apples, Grapes & Grape Wines
Zimbabwe	7%	4.7	Netherlands	8%	5.2	Grapes, Oranges & Grape Wines
China	5%	2.9	China	6%	3.7	Wool, Wood Pulp & Grape Wines
Mozambique	5%	2.9	Mozambique	5%	3.0	Sugar, Soups and Broths Maize
Indonesia	5%	2.9	Mexico	4%	2.6	Maize, Paper & Wood Pulp
Mexico	4%	2.8	Indonesia	4%	2.4	Wood pulp, Cotton & Paper
Germany	3%	2.1	Angola	4%	2.3	Maize Meal, Liqueurs & Cordials & Cigarette
Korea, South	3%	2.0	Germany	3%	2.0	Grape Wines, Paper & Vegetables
Angola	3%	1.9	United States of America	3%	1.8	Grape Wines, Oranges & Wood Pulps

**1.1 Export market analysis at country level during 2012:**

- Zimbabwe** ranked the largest export market for South Africa's agricultural, forestry and fisheries products by value and the largest export market in Africa during 2012. It is for the first time in seventeen years that an African country becomes the largest export market for South Africa. Its share in South Africa's total agricultural, forestry and fisheries exports increased from 7% in 2011 to 9% in 2012. South Africa's exports to Zimbabwe increased by 13% in value terms between 2011 and 2012. South Africa's top five major exports to Zimbabwe during 2012 were: soybean oils, sunflower seeds and oils, wheat, food preparations and sugar. Exports of sugar and soybean oils increased exponentially by 71% and 64% respectively during 2012.
- United Kingdom** remained firm as South Africa's second largest export market for agricultural, forestry and fisheries product by value during 2011 and 2012. South Africa's agricultural, forestry and fisheries exports to the United Kingdom increased by only 2% between the two calendar years. The top five products that South Africa exported to the United Kingdom during 2012 were: apples, grapes, grape wines, mandarin and oranges. The share of these top five products in SA's total agricultural, forestry and fisheries exports to the United Kingdom increased from 55% to 60% during 2011 and 2012, respectively. Exports of apples increased moderately by 25% and fresh grapes increased substantially by 84% during 2012.

- South Africa's exports of agricultural, forestry and fisheries products to the **Netherlands** decreased by 5% between 2011 and 2012 calendar years. Its share in South Africa's total agricultural, forestry and fisheries exports also decreased from 9% in 2011 to 8% during 2012. The top five products exported by South Africa to the Netherlands during 2012, constituting 63% of SA's total agricultural, forestry and fisheries exports to the Netherlands, were: grapes, oranges, grape wines, avocados and plums. However, exports of avocados to the Netherlands increased substantially by 88% during 2012.
- South Africa's agricultural, forestry and fisheries exports to **China** increased substantially by 27% between 2011 and 2012. The total value of South Africa's agricultural, forestry and fisheries exports to China also increased from R3.0 billion in 2011 to R4.0 billion during 2012. The top five major products exported by South Africa to China during 2012 were: wool, wood pulp, grape wines, fish meal, and oranges. Exports of wood and oranges increased substantially by 73% and 40% respectively during 2012.
- **Mozambique** ranked the fifth largest export market for South Africa's agricultural, forestry and fisheries products and the second largest export market in Africa during 2012. South Africa's exports to Mozambique increased by 4% between 2011 and 2012 calendar years. The top five major products exported by South Africa to Mozambique during 2012 were: sugar, soups and broths, maize, food preparations and oranges. Exports of oranges and sugar increased by 66% and 16% respectively whilst exports of maize decreased by 7% during 2012.

Table 2 below provides an indication of South Africa's growing and declining agricultural, forestry and fisheries export markets between 2011 and 2012 calendar years.

**Table 2 South Africa's growing and declining agricultural, forestry and fisheries export markets between 2011 and 2012 calendar years.**

Growing Export Markets			Top 3 products driving export growth & their individual growth percentage		
Ranking	Top 3 Growing Markets	Export Growth			
1	China	27%	Bird Skin (461%)	Grape (375%)	Wool (74%)
2	Zambia	23%	Wheat Flour (1008%)	Soybean Oil (775%)	Kraft Paper (331%)
3	Angola	13%	Onions (386%)	Bovine Meat (357%)	Sugar (343%)
Shrinking Export Markets			Top 3 products driving total import shrinkage & their individual shrinkage percentage		
Ranking	Top 3 Shrinking Markets	Shrinkage percent			
1	Indonesia	-86%	Cocoa (-99%)	Wood pulp (-22%)	Grapes (-14%)
2	Japan	-16%	Maize Meal (-61%)	Lobsters (-22%)	Wood Pulp (-16%)
3	Germany	-8%	Wood Pulp (-96%)	Plums (-65%)	Plants (-37%)

Table 2 above indicates that, of all South Africa's agricultural, forestry and fisheries export markets, China, Zambia and Angola were the fastest growing export markets by value between 2011 and 2012. Exports of bird skin to China, wheat flour to Zambia and onions to Angola registered the highest growth during 2012. The table further indicates that Indonesia Japan and Germany showed the highest negative growth during the same period with cocoa to Indonesia, maize meal to Japan and wood pulp to Germany declining the most.

## 1.2 Export market analysis at sub-sector level during 2012:

**Table 3. South Africa's top 10 major agricultural, forestry and fisheries export sub-sectors by value during 2012. These sub-sectors constituted 92% of SA's total agricultural, forestry and fisheries exports during 2012.**

Sub-sector Description (HS Level 2)	Exported value 2012 (Bill Rand)	Sub-sector growth between 2011 & 2012	Top 3 products exported during 2012	Top 3 export markets by value during 2012
Edible Fresh Fruits and Nuts	18.9	16%	Oranges Grapes Apples	Netherlands United Kingdom Hong Kong
Beverages, Spirits and Vinegar	9.0	11%	Wines Liqueurs and Cordials Mineral Waters	United Kingdom Germany Sweden
Wood Pulp	5.9	-17%	Chemical Wood Pulp Non-Coniferous Wood Mechanical Wood Pulp	Indonesia China Thailand
Paper and Paperboards	4.7	2%	Kraft liner Uncoated Paper Newsprint	Zimbabwe Zambia Mozambique
Preserved Fruits and Vegetables	4.0	10%	Preserved Peaches Fruit Mixtures Preserved Pears	Japan Netherlands Germany
Cereals	6.1	-42%	Maize Rice Wheat	Mexico Zimbabwe Mozambique
Fish and Seafood	3.6	1%	Hake Squid Crawfish	Spain Hong Kong Italy
Wood	2.9	-2%	Wood Chips Wood Charcoal Fibre Board	Japan United Kingdom Mozambique
Wool & Animal Hair	2.4	7%	Wool Animal Hair Wool Waste	China Czech Republic Italy
Miscellaneous Food	2.4	10%	Soups & Broths Ice Cream Protein Concentrate	Zimbabwe Mozambique Nigeria

- Edible Fruits and Nuts** has been the largest South African export sub-sector by value over the past seventeen years. Exports of this sub-sector grew by 16% from R16.3 billion to R18.9 billion between 2011 and 2012. The share of this sub-sector in South Africa's total agriculture, forestry and fisheries exports also increased from 25% to 31% during the two years under consideration. The top five major products exported by South Africa within this sub-sector during 2012 were: oranges, grapes, apples, pears and mandarins. These top five products accounted for 70% of the total sub-sector exports during 2012. Exports of apples and mandarins increased by 24% and 25% respectively between the two years

observed. The Netherlands, United Kingdom, Hong Kong, United Arab Emirates and Russia ranked the top five largest export markets for the sub-sector by value during 2012. Sub-sector exports to the United Arab Emirates and Hong Kong grew by 34% and 29% during 2012.

- **Beverages, spirits and vinegar** remained firm as South Africa's second largest sub-sector exports by value from 2006 to 2012. Exports of this sub-sector remained stable at around R8.0 billion during the past five years. The share of this sub-sector in South Africa's total agriculture, forestry and fisheries exports averages around 13% per year. Major products exported by South Africa within this sub-sector during 2012 were: grape wines, liqueurs and cordials, ciders, mineral waters and malt beer, together accounting for 85% of the total sub-sector exports. The United Kingdom, Germany, Sweden, Angola and United States of America ranked the top five major export markets for South Africa's sub-sector exports by value during 2012. Sub-sector exports to the United States of America increased by 24% whilst exports into Sweden declined by 9% during 2012.
- South Africa's exports of **Wood Pulp** declined by 17% from R7.1 billion during 2011 to R5.9 billion in 2012. Major products exported by South Africa under this sub-sector were chemical wood pulp and non-coniferous wood representing over 85% share within the sub-sector during 2012. Indonesia, China, Thailand, India and Belgium ranked South Africa's top five major export markets for the sub-sector by value during 2012. Sub-sector exports to Belgium grew substantially by 33% whilst exports to Indonesia and India declined by 21% and 15% respectively during 2012.
- Exports of **Paper and Paperboards Products** ranked the fourth largest South Africa's sub-sector export by value during 2012. Exports of this sub-sector remains stable at around R4.5 billion per year. The share of this sub-sector in South Africa's total agricultural, forestry and fisheries exports also remained firm at the average of around 7% per year. Zimbabwe, Zambia, Mozambique, United Kingdom and Nigeria ranked South Africa's top five major export markets for the sub-sector by value during 2012. Exports of this sub-sector to Zimbabwe increased by 17% during 2012.
- **Preserved Fruits and Vegetables** exports registered a moderate growth during 2012. The sub-sector exports grew by 10% from R3.6 billion during 2011 to R4.0 billion in 2012. The share of this sub-sector in South Africa's total sector exports also increased moderately from 5% to 6% between the two years under observation. Major products exported by South Africa within this sub-sector during 2012 were: preserved peaches, fruits juices, preserved pears, preserved apricots and apple juice. Together these products accounted for over 50% of the total sub-sector exports during 2012. Japan, the Netherlands, Germany, Zimbabwe and the United Kingdom ranked the top five major South Africa's export markets for the sub-sector by value during 2012. Sub-sector exports to Japan increased by 29% during 2012.

2. **Analysis of South Africa’s major agricultural, forestry and fisheries import markets and product drivers between 2011 and 2012 calendar years.**

**Table 4. South Africa’s top ten imports markets for agricultural, forestry and fisheries products by value between 2011 and 2012.**

Calendar Year 2011			Calendar Year 2012			
Top 10 import markets	Share in SA total agric imports	import Value (Bill Rand)	Top 10 import markets	Share in SA total agric imports	Import value (Bill Rand)	Top 3 products imported from major markets
Argentina	11%	5.7	China	10%	5.6	Rice, Kidney Beans & Animal Offal
United states of America	8%	4.0	Argentina	9%	5.2	Soybean Oils, Sunflower Seeds or Oils & Grape Juice
Brazil	7%	3.8	United Kingdom	7%	4.0	Whiskies, Books & Chicken Cuts
United Kingdom	7%	3.5	Brazil	6%	3.5	Chicken Cuts, Sugar & Tobacco
Germany	6%	3.3	United states of America	6%	3.0	Books, Food Preparations and Wood Pulp
China	6%	3.3	Netherlands	5%	2.9	Soybean Oils, Chicken Cuts & Dogs and Cat Foods
Thailand	5%	3.0	Germany	5%	2.6	Soybean Oils, Swine Meat & Chicken Cuts
Malaysia	4%	2.3	Thailand	5%	2.6	Rice, Chicken Cuts & Manioc (Cassava)
Indonesia	4%	2.0	Indonesia	4%	2.4	Palm & Kernel Oil, Wood Doors & Coffee
Netherlands	4%	1.9	Malaysia	4%	2.3	Palm & Kernel Oil, Cocoa Butter & Vegetable Fats & Oils

**2.1 Import market analysis at country level during 2011 and 2012 calendar years:**

- **China** ranked South Africa’s largest import market for agricultural, forestry and fisheries products by value during 2012 after ranking the sixth during 2011. Its share in South Africa’s total agricultural, forestry and fisheries imports increased dramatically from 6% in 2011 to 10% in 2012. South Africa’s imports of agricultural, forestry and fisheries products have, in total, increased by 70% between 2011 and 2012 calendar years. The top five products that South Africa imported from China during 2012 were; rice, kidney beans, animal offal, apple juice and books. This increase in total agricultural, forestry and fisheries imports from China was largely driven by an increase in the imports of rice which grew by 8455% and to a lesser extent, imports of kidney beans which increased by 40% between 2011 and 2012.
- Although **Argentina** ranked South Africa’s second largest import market for agricultural, forestry and fisheries products by value during 2012, its imports decreased by both value and share between 2011 and 2012 calendar years. Total imports of agricultural, forestry and fisheries products from Argentina decreased by 9% between the two years under consideration. The top five products South Africa imported from Argentina during 2012 were; soybean oils,

sunflower seeds and oils, grape juice, cotton seeds and oils, and chicken cuts. Imports of sunflower seeds and oils from Argentina increased by 252% between the two years observed despite a negative trend in total agricultural, forestry and fisheries imports from Argentina.

- The **United Kingdom** ranked the third largest import market for South Africa's agricultural, forestry and fisheries products by value during 2012 after ranking the fourth during 2011. However, its share in South Africa's total imports of agricultural, forestry and fisheries products remained firm at 7% during 2011 and 2012. South Africa's total imports of agricultural, forestry and fisheries products from the United Kingdom grew by 14% between the two years observed. This growth was mainly driven by an increase in imports of chicken cuts and cocoa preparations which grew by 101% and 93% respectively during 2012.
- Total imports of agricultural, forestry and fisheries products from **Brazil** decreased by 8% during 2012. Its share in South Africa's total imports of agricultural, forestry and fisheries products also decreased from 7% during 2011 to 6% during 2012. The top five products that South Africa imported from Brazil during 2012 were; chicken cuts, sugar, tobacco, rice and soybean oils. Imports of these top five products constituted 70% of South Africa's total agricultural, forestry and fisheries imports from Brazil during 2012. Imports of sugar from Brazil increased by 104% between the two years observed despite a negative trend in total agricultural, forestry and fisheries imports.
- **United States of America** ranked the fifth largest import market for South Africa's agricultural, forestry and fisheries products by value during 2012 after ranking the second during 2011. South Africa's imports of agricultural, forestry and fisheries products from the United States of America decreased by 24%, in total, during 2012. Its share in South Africa's total imports of agricultural, forestry and fisheries products and total imports value also decreased from 8% to 6% and value from R4.0 billion to R3.0 billion during 2011 and 2012 respectively. The top five products South Africa imported from the United States of America during 2012 were; books, food preparations, wood pulp, whiskies and mineral waters. Imports of whiskies and books from the United States of America decreased by 13% and 5% respectively between the two years observed. However imports of mineral waters increased by 91% despite a negative trend in total agricultural, forestry and fisheries imports from the United States of America.
- None of the countries from **Africa** appeared in South Africa's top ten import markets by value during both 2011 and 2012 calendar years observed.

Table 5 below provides an indication of South Africa's growing and declining agricultural, forestry and fisheries imports markets during 2011 and 2012.

**Table 5. South Africa's growing and shrinking agricultural, forestry and fisheries import source markets and products during 2011 and 2012 calendar years.**

Growing Import Markets			Top 3 products driving total import growth & their individual growth percentage		
Ranking	Top 3 Growing Markets	Growth percentage			
1	China	72%	Rice (8455%)	Yeast (260%)	Grape Juice (256%)

2	Netherlands	49%	Infant Food (319%)	Chicken Cuts (110%)	Soybean Oil (108%)
3	India	31%	Rice (144%)	Peanuts (135%)	Naturals Gums (89%)
<b>Shrinking Import Markets</b>			<b>Top products driving total import shrinkage &amp; their individual shrinking percentage</b>		
<b>Ranking</b>	<b>Top 3 Shrinking Markets</b>	<b>Shrinkage percentage</b>			
1	United States of America	- 24%	Wood Pulp (-73%)	Peptones (-70%)	
2	Germany	- 20%	Rum & Tafia (-87%)	Books (-75%)	
3	Thailand	-14%	Photocopy Papers (-52%)	Cocoa Butter (-50%)	

Table 4 above indicates that, of all South Africa's agricultural, forestry and fisheries import markets, China, Netherlands and India ranked the highest in terms of import growth between 2011 and 2012 calendar years. Imports of rice from China and India as well as infant food from the Netherlands registered the highest growth. The United States of America, Germany and Thailand declined significantly during the same period with wood pulp, rum & tafia and photocopy papers declining the most.



## 2.2 Import market analysis at sub-sector level during 2012 calendar year:

**Table 6. South Africa's top 10 major agricultural, forestry and fisheries import sub-sectors by value during 2012. These constituted 92% of SA's total agricultural, forestry and fisheries imports during 2012.**

Sub-sector Description (HS Level 2)	Exported value 2012 (Bill Rand)	Sub-sector growth between 2011 & 2012	Top 3 products exported during 2012	Top 3 export markets by value during 2012
Cereals	10.6	22%	Rice Wheat Maize	Thailand China Argentina
Fats and Oils	8.8	12%	Palm Oils Soybean Oils Sunflower-seeds & Oils	Indonesia Malaysia Argentina
Paper and Paperboards	8.4	10%	Sanitary Articles Paper Paperboards	Germany China Finland
Meat and meat products	4.9	23%	Chicken Meat Turkey Meat Bovine Meat	Brazil Netherlands Germany
Food Waste and Residues (Animal Feeds)	4.7	18%	Soybean Residues Dogs & Cats Food Sunflower Seeds	Argentina Netherlands France
Beverages, Spirits and Vinegar	4.1	16%	Whiskies Mineral Waters Malt Beer	United Kingdom USA France
Wood	2.7	13%	Coated Wood Wood Products Clothes Hangers	Germany China Finland
Books, Newspapers and Manuscripts	2.5	19%	Paper Sheets Picture Designs Children's Books	United Kingdom Germany USA
Miscellaneous Edible Food Preparations	2.3	17%	Coffee Extracts Sauces Yeasts	USA Germany Netherlands
Meat & Fish Preparations	2.0	116%	Sardines Tuna Mussels	Thailand China Philippines

- South Africa's total imports of **Cereals** increased by 22% from R8.6 billion in 2011 to R10.6 billion in 2012. The share of this sub-sector in South Africa's total agricultural, forestry and fisheries imports also increased from 15% to 16% between the two years under observation. Much of this increase was due to an increase in imports of maize and rice which increased by 766% and 59% respectively during 2012. Imports of maize, rice and wheat alone accounted for over 90% of the total sub-sector imports over the past three years. South Africa imports these cereals mostly from Thailand, Argentina, USA, Australia and Germany. Cereal imports from China grew significantly by 5089% whilst imports from Thailand declined by 22% during 2012.
- South Africa's total imports of **Animal or Vegetable Fats and Oils** increased by 12% from R7.9 billion during 2011 to R8.8 billion during 2012. Major products imported by South Africa during 2012 under this sub-sector were palm oils, soybean oils, and sunflower seeds or oils. These products accounted for 90% of the total sub-sector imports by value during 2012 and were mostly imported from Asian countries such as Malaysia and Indonesia and to a lesser extent from

Argentina, Spain, The Netherlands and Germany. Imports from Argentina and the Netherlands increased significantly by 101% and 83% respectively whilst imports from Germany declined by 58% during 2012.

- **Paper and Paperboards** imports into South Africa increased by 10% from R7.6 billion during 2011 to R8.4 billion during 2012. The share of this sub-sector in South Africa's total agricultural, forestry and fisheries imports remains firm at the average of 14% over the past five years. Major products imported by South Africa under this sub-sector are sanitary napkins, diapers, uncoated and coated papers as well as paperboards. These products are mostly imported from Germany, China, Finland, Sweden and South Korea, .
- Imports of **Meat and Meat Products** by South Africa increased by 23% from R4.0 billion in 2011 to R5.0 billion in 2012. The share of this sub-sector in South Africa's total agricultural, forestry and fisheries imports also increased from 8% to 9% between the two years currently considered. Much of this increase was due to an increase in imports of chicken and bovine meat which increased by 39% and 44% respectively during 2012 and to a lesser extent turkey meat which increased by 21%. These products were mostly imported from Brazil, the Netherlands, Germany Australia and the United Kingdom. Imports of these products from the Netherlands increased by 111% during 2012.
- Imports of **Food Residues and Waste** improved slightly in value terms after increasing by 17% from R4.0 billion in 2011 to R4.7 billion in 2012. The share of this sub-sector in South Africa's total agricultural, forestry and fisheries imports also increased slightly from 8% during 2011 to 9% to 2012. This slight positive move was mainly driven by an increase in imports of sunflower seeds as well as cotton seeds mainly from Zimbabwe.

Enquiries: Department of Agriculture, Forestry and Fisheries

Director: International Trade: [DITR@daff.gov.za](mailto:DITR@daff.gov.za)

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

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

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