

## SECTOR TRADE PERFORMANCE REVIEW DURING 2014 (STPR-2014)

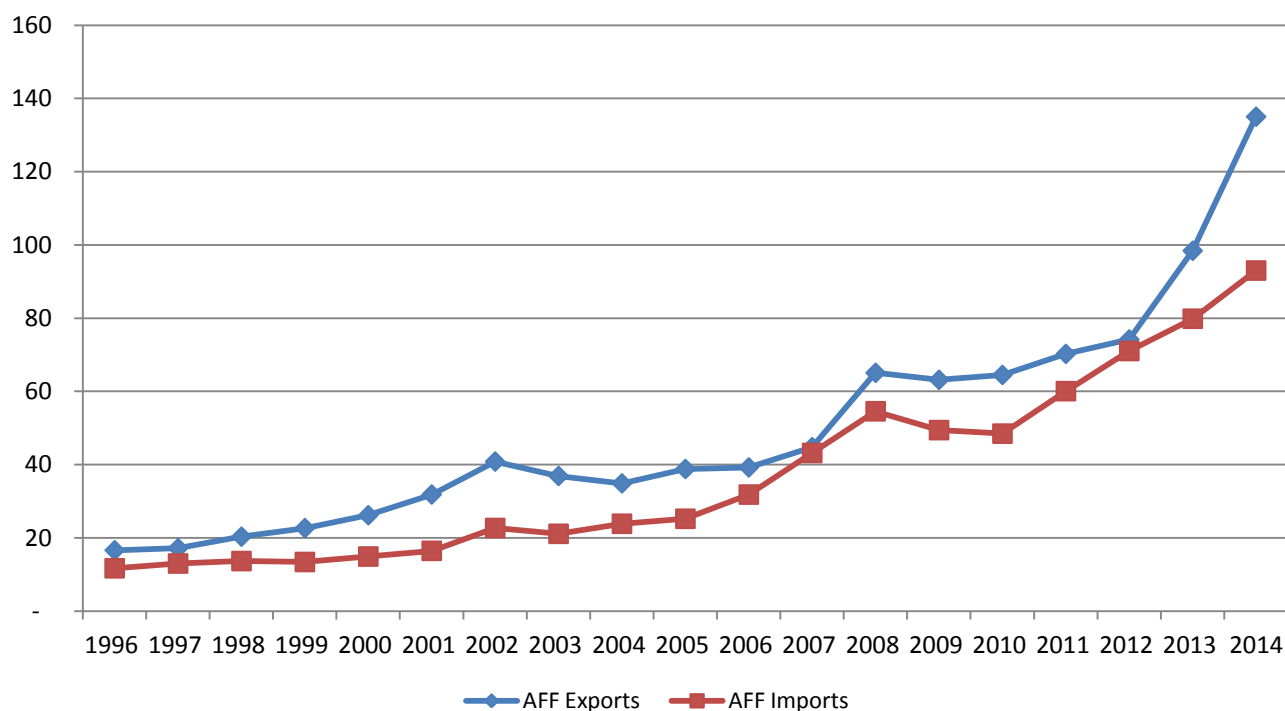
### SOUTH AFRICA'S AGRICULTURAL, FORESTRY AND FISHERIES (AFF) TRADE PERFORMANCE DURING 2014

#### PURPOSE

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

#### South Africa's agricultural, forestry and fisheries trade: 1996 to 2014.

(Figures in Billions of RSA Rand)



#### Key observations on export side:

- SA's exports of agriculture, forestry and fisheries (AFF) products increased by 37% during 2014.
- The share of AFF exports in total SA's exports increased from 12% in 2013 to 14% in 2014.
- SA is a net exporter of AFF products and a net exporter of primary AFF products
- Fruits and Nuts constituted SA's largest sub-sector export by value during 2014.
- Exports of Wood experienced the highest growth (72%) during 2014.
- Namibia constituted the largest market for SA's AFF exports by value during 2014.
- SA AFF exports to China experienced the highest growth of 38% during 2014.
- SA AFF exports to Japan decreased significantly by -19% during 2014.

#### Key observations on import side:

- SA's imports of AFF products increased by 16% during 2014.
- The share of AFF imports in total SA's imports increased from 8% in 2013 to 9% in 2014.
- SA is a net importer of processed AFF products.
- Paper & Paperboards constituted SA's largest sub-sector import by value during 2014.
- Imports of Fish & Crustaceans increased significantly by 79% during 2014.
- China constituted the largest source of SA's AFF imports by value during 2014.
- SA AFF imports from Indonesia experienced the highest growth of 38% during 2014.
- SA AFF imports from Argentina decreased significantly by -26% during 2014.

1. **Analysis of South Africa's major agricultural, forestry and fisheries export markets and product drivers during the period 2013 and 2014**

**Table 1. South Africa's top ten largest export destinations for agricultural, forestry and fisheries products by value during 2013 and 2014.**

Calendar Year 2013			Calendar Year 2014				
Top 10 Export Markets	Export Value (Bill Rand)	Share in SA total AFF exports	Top 10 Export Markets	Export value (Bill Rand)	Share in SA total AFF exports	Growth during 2013/14	Top 3 products exported
Netherlands	R8.0	8%	Namibia	R9.9	7%	482%	Sugar Cigarette Maize
United Kingdom	R7.1	7%	Netherlands	R9.0	7%	13%	Grapes Oranges Avocados
Zimbabwe	R6.9	7%	Botswana	R8.2	6%	454%	Maize Wheat Sunflower Seed/ Oils
China	R5.7	6%	United Kingdom	R8.2	6%	16%	Grapes Grape Wines Apples
Mozambique	R5.3	5%	China	R7.7	6%	38%	Woodpulp Wool Oranges
Japan	R5.0	5%	Zimbabwe	R7.4	5%	7%	Maize Wheat Soybean Oil
Angola	R3.4	3%	Mozambique	R6.9	5%	30%	Sugar Beer Maize
Germany	R3.0	3%	Lesotho	R4.6	3%	448%	Wheat Maize Chicken Cuts
United States of America	R2.8	3%	Japan	R4.1	3%	-19%	Wood Maize Sugar
Zambia	R2.7	3%	Swaziland	R4.0	3%	488%	Maize Animal Feed Preps Printed Books

**1.1 Export market analysis during 2013 and 2014 calendar years:**

- **Namibia** ranked the largest South Africa's agricultural, forestry and fisheries export destination by value during 2014. Exports of agricultural, forestry and fisheries products from South Africa to Namibia increased by 483% between the two years observed. The share of Namibia in South Africa's total agricultural, forestry and fisheries exports also increased from 2% in 2013 to 7% during 2014. The top five products exported by South Africa to Namibia during 2014, constituting 20% of SA's total agricultural, forestry and fisheries exports to the Namibia, were: sugar, cigarette, maize, grapes wines and fermented beverages.
- The **Netherlands** ranked South Africa's largest agricultural, forestry and fisheries export destination by value during 2013 but second largest during 2014. Exports of agricultural, forestry and fisheries products from South Africa to the Netherlands increased by 13% between the two years observed. However, the share of

the Netherlands in South Africa's total agricultural, forestry and fisheries exports decreased slightly from 8% in 2013 to 7% during 2014. The top five products exported by South Africa to the Netherlands during 2014, constituting 59% of SA's total agricultural, forestry and fisheries exports to the Netherlands, were: grapes, oranges, Avocados, grape wines and pears. Exports of pears and avocados and grapes to the Netherlands increased substantially by 59% and 24% respectively during 2014 whilst exports of pears declined by 5% during the same period.

- **Botswana** ranked the third largest export market for South Africa's agricultural, forestry and fisheries products by value during 2014. The share of Botswana in South Africa's total agricultural, forestry and fisheries exports also increased from 2% in 2013 to 6% during 2014. South Africa's exports to Botswana increased by 454% in value terms between 2013 and 2014. South Africa's top five major exports to Botswana during 2014 were: maize, wheat, sunflower seeds and oils, sugar and cigarettes.
- The **United Kingdom** ranked the fourth largest export destination for South Africa's agricultural, forestry and fisheries products during 2014. South Africa's agricultural, forestry and fisheries exports to the United Kingdom increased by 16% during 2014. The top five products exported by South Africa to the United Kingdom during 2014, constituting 50% of SA's total agricultural, forestry and fisheries exports to the United Kingdom, were: grapes, grape wines, apples, mandarins and oranges. Exports of grapes and mandarins increased significantly by 43% and 17% respectively during 2014 whilst exports of apples declined by 27% during the same period.
- South Africa's agricultural, forestry and fisheries exports to **China** increased substantially by 38% between 2013 and 2014. The total value of South Africa's agricultural, forestry and fisheries exports to China increased from R5.7 billion in 2013 to R7.7 billion during 2014. The top five major products exported by South Africa to China during 2014 were: wood pulp, wool, oranges, fish meal and grape wines. Exports of wood pulp increased substantially by 103% during 2014.

Table 2 below provides an indication of South Africa's growing and declining agricultural, forestry and fisheries export markets between 2013 and 2014 calendar years.

**Table 2 South Africa's growing and declining agricultural, forestry and fisheries export markets between 2013 and 2014 calendar years.**

Growing Export Markets			Top 3 products driving export growth & their individual growth percentage		
Ranking	Top 3 Growing Markets	Export Growth			
1	Hong Kong	48%	Lemons (436%)	Oranges (84%)	Grapes (64%)
2	China	38%	Fish Flour Meal (1172%)	Wood pulp (103%)	Oranges (58%)
3	Zambia	33%	Soybean Oils (351%)	Fruit Juices (74%)	Food Stuffs (36%)

Shrinking Export Markets			Top 3 products driving total import shrinkage & their individual shrinkage percentage		
Ranking	Top 3 Shrinking Markets	Shrinkage percent			
1	Japan	-19%	Maize (-75%)	Grape Fruit (-13%)	Wood Pulp (-6%)
2	France	-19%	Grape Brandy (-57%)	Grape Wines (-34%)	Oranges (-19%)
3	Indonesia	-3%	Wood Pulp (-25%)	Waste Paper (-24%)	Apples (-45%)

Table 2 above indicates that, of all South Africa's agricultural, forestry and fisheries export markets, Hong Kong, China and Zimbabwe were the fastest growing export markets for South Africa's agricultural, forestry and fisheries products by value during 2014. Exports of lemons to Hong Kong, fish flour meal to China and soybean oils to Zambia registered the highest growth during 2014. The table further indicates that Japan, France and Indonesia registered the highest negative growth during the same period with maize to Japan, grape brandy to France and wood pulp to Indonesia declining the most.

## 1.2 Export market analysis at sub-sector level during 2014:

**Table 3. South Africa's top 10 major agricultural, forestry and fisheries export sub-sectors by value during 2013. These sub-sectors constituted 74% of SA's total agricultural, forestry and fisheries exports during 2014.**

Sub-sector Description (HS Level 2)	Exported value 2014 (Bill Rand)	Sub-sector share in RSA total AFF Exp	Sub-sector growth between 2013 & 2014	Top 3 products exported during 2013	Top 3 export markets during 2014
Edible Fresh Fruits and Nuts	R30.1	23%	23%	Oranges Grapes Apples	Netherlands United Kingdom Hong Kong
Beverages, Spirits and Vinegar	R15.3	11%	25%	Grape Wines Ethyl Alcohol Mineral Water	United Kingdom Namibia Germany
Wood Pulp	R9.0	7%	29%	Chemical Wood Pulp Non-Coniferous Wood Mechanical Wood Pulp	China Indonesia Thailand
Cereals	R8.7	6%	27%	Maize Wheat Rice	Taiwan Zimbabwe Botswana
Paper and Paper-boards	R8.0	6%	41%	Kraft liner Corrugated Paper Toilet Papers	Zimbabwe Namibia Botswana
Fruits & Vegetables preparations	R7.1	5%	40%	Fruit Mixtures Preserved Peaches Orange Juice	Botswana Netherlands Namibia
Sugar	R5.7	4%	54%	Cane Sugar Refined Sugar Sugar Confectioneries	Namibia Mozambique Botswana
Wood	R5.5	4%	73%	Wood Chips Wood Wood Doors & Frames	Japan Namibia Botswana
Fish	R5.3	4%	30%	Hake Lobster & Crawfish Cuttle Fish & Squid	Spain Italy Hong Kong
Miscellaneous Food Preparations	R4.9	4%	55%	Sauces & Seasonings Soups & Broths Ice Creams	Mozambique Namibia Zimbabwe

- **Edible Fruits and Nuts** has been the largest South Africa's export sub-sector by value over the past nineteen years. Exports of this sub-sector rose by 23% from R25.0 billion to R30.1 billion between 2013 and 2014. However, the share of this sub-sector in South Africa's total agriculture, forestry and fisheries exports decreased from 25% to 23% during the two years under consideration. The top five major products exported by South Africa within this sub-sector, accounting for 66% of the total sub-sector exports during 2014, were: oranges, grapes, apples, lemons and pears. Of these top five, exports of lemons and grapes increased the most by 97% and 28% respectively during 2014. The Netherlands, the United Kingdom, Hong Kong, the United Arab Emirates and Russia, ranked the top five largest export markets for the sub-sector by value during 2014. Sub-sector exports to Hong Kong and the United Arab Emirates increased the most by 86% and 34% respectively during 2014.
- **Beverages, spirits and vinegar** remained firm as South Africa's second largest sub-sector exports by value since 2006 till 2014. Exports of this sub-sector increased by 25% from R12.3 billion during 2013 to R15.3 billion during 2014. The share of this sub-sector in South Africa's total agriculture, forestry and fisheries exports remained firm at the average of around 11.5% per year. Major products exported by South Africa within this sub-sector during 2014 were: grape wines, ethyl alcohol, mineral waters, fermented beverages (ciders) and malt beer. Together these top five products accounted for 73% of the total sub-sector exports during 2014. The United Kingdom, Namibia, Germany, Netherlands and Mozambique ranked as the top five major export markets for South Africa's exports of the sub-sector by value during 2014. Sub-sector exports to Mozambique increased substantially by 74% during 2014.
- South Africa's exports of **Wood Pulp** increased by 29% from R6.9 billion during 2013 to R8.9 billion in 2014. The share of this sub-sector in South Africa's total agriculture, forestry and fisheries exports remained stable at 7% during both years under consideration. Major products exported by South Africa under this sub-sector during 2014 were; chemical wood pulp, non-coniferous wood and mechanical wood pulp. These three products represented about 99% of the total sub-sector exports during 2014. China, Indonesia, Thailand, India and Germany ranked as South Africa's top five major export markets for the sub-sector by value during 2014. Sub-sector exports to China increased substantially by 79% whilst exports to Indonesia decreased by 13% during 2014.
- South Africa's exports of **Cereals** increased by 27% from R6.9 billion during 2012 to R8.7 billion in 2014. Major products exported by South Africa within this sub-sector during 2014 were: maize, wheat and rice. Together these products accounted for 93% of the total sub-sector exports during 2014. Taiwan, Zimbabwe, Botswana, Lesotho and Namibia ranked as South Africa's top five major export markets under this sub-sector by value during 2014. Sub-sector exports Taiwan and Zimbabwe increased by 105% and 42% by value during 2014.
- Exports of **Paper and Paperboards Products** ranked the fifth largest South Africa's sub-sector export by value during 2014. Exports of this sub-sector increased by 41% from R5.6 billion during 2013 to R8.0 billion in 2014. The share of this sub-sector in South Africa's total agricultural, forestry and fisheries exports remained firm at an average of 6% between 2013 and 2014. Kraft liner, corru-

gated and toilet papers were South Africa's major export products under this sub-sector during 2014. Zimbabwe, Namibia, Botswana, Mozambique and Zambia ranked as South Africa's top five major export markets under this sub-sector by value during 2014. Exports of this sub-sector to Zimbabwe increased moderately by 15% whilst exports to Mozambique and Zambia increased by 21% during 2014.

## 2. Analysis of South Africa's major suppliers of agricultural, forestry and fisheries products between 2013 and 2014 calendar years.

**Table 4. South Africa's top ten suppliers of agricultural, forestry and fisheries products by value between 2013 and 2014.**

Calendar Year 2013			Calendar Year 2014				Top 3 products imported
Top 10 import markets	Import Value (Bill Rand)	Share in SA total AFF imports	Top 10 import markets	Import value (Bill Rand)	Share in SA total AFF imports	Growth during 2013	
China	R7.1	9%	China	R6.0	6%	-16%	Animal Offal Peptones Apple Juice
Argentina	R5.7	7%	Germany	R5.6	6%	22%	Wheat Swine Meat Chicken Cuts
Brazil	R5.4	7%	United Kingdom	R5.4	6%	5%	Whiskies Books Chicken Cuts
United Kingdom	R5.1	6%	United States of America	R4.5	5%	7%	Books Food Preparations Wood Pulp
Germany	R4.6	6%	Indonesia	R4.5	5%	39%	Palm & Kernel Oil Cocoa Butter Doors & Frames
Thailand	R4.5	6%	Thailand	R4.3	5%	-4%	Rice Fish Preparations Starch
United States of America	R4.2	5%	Argentina	R4.2	5%	-26%	Soybean Oilcakes Soybean Oils Sunflower Seeds or Oils
India	R3.8	5%	Brazil	R4.0	4%	-25%	Chicken Cuts Sugar Tobacco
Netherlands	R3.5	4%	Namibia	R3.9	4%	480%	Beer Fish Preparations Live Cattle
Indonesia	R3.2	4%	Swaziland	R3.9	4%	522%	Sugar Wood Printed Books

### 2.1 Import market analysis during 2013 and 2014 calendar years:

- **China** remained firm as South Africa's largest supplier of agricultural, forestry and fisheries products despite its negative import growth in value terms between 2013 and 2014. However its share in South Africa's total agricultural, forestry and fisheries imports fell slightly from 9% during 2013 to 6% during 2014. The top five products that South Africa imported from China during 2014 were; animal offal,

peptones, apple juice, kidney beans and tomato paste. Imports of tomato paste increased substantially by 129% during 2014 whilst imports of animal offal and peptones increased moderately by 11% during the same period. Imports of apple juice declined by 36% during the same period.

- **Germany** improved its ranking from the fifth largest supplier of South Africa's agricultural, forestry and fisheries products by value during 2013 to rank the second largest supplier during 2014. South Africa's imports of agricultural, forestry and fisheries products from Germany increased by 22% in value terms during 2014. However, its share in South Africa's total imports of agricultural, forestry and fisheries products remained firm at 6% during both years. The top five products South Africa imported from Germany during 2014 were; wheat, swine meat, chicken cuts, paper & paper products as well as paper & paperboards. Imports of wheat as well as paper & paperboards increased substantially by 840% and 70% respectively between the two years observed whilst imports of chicken cuts declined by 9% during the same period.
- Like Germany, the **United Kingdom** improved its ranking from the fourth during 2013 to become the third largest supplier of South Africa's agricultural, forestry and fisheries products by value during 2014. However, its share in South Africa's total imports of agricultural, forestry and fisheries products remained firm at 6% during both years. The top five products South Africa imported from the United Kingdom during 2014, accounting for 72% of SA's total agricultural, forestry and fisheries imports from the United Kingdom were; whiskies, books, chicken cuts & offal, food preparations and cheese. Imports of cheese as well as food preparations increased the most by 945% and 48% respectively between the two years observed.
- South Africa's imports of agricultural, forestry and fisheries products from the **United States of America (USA)** increased considerably in value terms during 2014. Total imports of agricultural, forestry and fisheries products from the USA increased by 7% between the two years under consideration. The top five products South Africa imported from the USA during 2014 were; books, food stuffs, wood pulps, whiskies and almonds. Imports of almonds and whiskies increased substantially by 78% and 73% during 2014.
- South Africa's imports of agricultural, forestry and fisheries products from **Indonesia** increased substantially in both value and share terms during 2014. This positive move improved Indonesia's rankings from ranking the tenth during 2013 to become the fifth largest supplier of South Africa's agricultural, forestry and fisheries products by value during 2014. The top five products South Africa imported from Indonesia during 2014, accounting for 83% of SA's total agricultural, forestry and fisheries imports from the were; palm & kernel oil, cocoa butter, wood doors & frames, paper & paperboards as well as vegetable fats & oils. Imports of palm & kernel oil and cocoa butter increased by 165% and 107% respectively during 2014 whilst imports of wood door and door frames decreased by 12% during the same period.
- None of the countries from **Africa** appeared in South Africa's top ten suppliers of agricultural, forestry and fisheries products by value during both 2013 and 2014 calendar years observed.

Table 5 below provides an indication of growing and declining suppliers of South Africa's agricultural, forestry and fisheries products during 201 and 2014.

**Table 5. South Africa's growing and shrinking suppliers of agricultural, forestry and fisheries products during 2013 and 2014 calendar years.**

Growing Import Markets			Top 3 products driving total import growth & their individual growth percentage		
Ranking	Top 3 Growing Suppliers	Growth percentage			
1	Indonesia	39%	palm & kernel oil (165%)	Cocoa Butter (107%)	Palm Oil (52%)
2	France	24%	Grape Brandy (69%)	Animal Feed (37%)	Grapes (31%)
3	Germany	22%	Wheat (834%)	Paper & Paperboard (70%)	Swine Meat (18%)
Shrinking Import Markets			Top products driving total import shrinkage & their individual shrinking percentage		
Ranking	Top 3 Shrinking Suppliers	Shrinkage percentage			
1	Argentina	- 26%	Soybean Oil (-30%)	Sunflower Oil (-29%)	Apple Juice (-27%)
2	Brazil	- 25%	Refines Sugar (-59%)	Chicken Cuts (-37%)	Chicken Offal (-2%)
3	China	-16%	Apple Juice (-36%)	Sardines (-9%)	Animal Feed (-6%)

Table 4 above indicates that, of all South Africa's agricultural, forestry and fisheries import suppliers, Indonesia, France and Germany ranked the highest in terms of import growth during the 2014 calendar year. Imports of palm & kernel oil from Indonesia, grape brandy from France and wheat from Germany registered the highest growth during 2014. South Africa's agricultural, forestry and fisheries imports from Argentina, Brazil and China declined significantly during the same period with soybean oil from Argentina, refined sugar from Brazil and apple juice from China declining the most.

## 2.2 Imports analysis at sub-sector level during 2014 calendar year:

**Table 6. South Africa's top 10 major agricultural, forestry and fisheries import sub-sectors by value during 2014. These constituted 68% of SA's total agricultural, forestry and fisheries imports during 2014.**

Sub-sector Description (HS Level 2)	Imported value 2014 (Bill Rand)	Sub-sector share in RSA total AFF Imp	Sub-sector growth between 2013 & 2014	Top 3 products exported during 2014	Top 3 export markets during 2014
Paper and Paperboards	R11.3	12%	14%	Paper& Paperboards Sanitary Articles Adhesive Paper	Germany China Finland
Cereals	R10.9	12%	2%	Wheat Rice Barley	Russia Thailand India
Fats and Oils	R8.4	9%	7%	Palm Oils Soybean Oils	Indonesia Spain



				Sunflower-seeds & Oils	Malaysia
Meat and meat products	R6.1	7%	20%	Chicken Meat Swine Meat Bovine Meat	Brazil Netherlands Namibia
Beverages, Spirits and Vinegar	R6.0	6%	12%	Whiskies Malt Beer Mineral Waters	United Kingdom Namibia France
Food Waste and Residues	R5.5	6%	1%	Soybean Residues Animal Feed Dogs & Cats Food	Argentina Netherlands France
Sugar	R4.5	5%	34%	Cane Sugar Sucrose Sugar Confectionery	Swaziland Brazil China
Wood	R4.3	5%	35%	Tropical Wood Lumber & Meranti Wood Fibreboard	China Swaziland Malaysia
Miscellaneous Edible Food Preparations	R3.6	4%	16%	Coffee Extracts Sauces & Seasonings Yeasts	USA Germany Netherlands
Fish & Fish Products	R2.6	3%	79%	Prawns & Shrimps Mackerel Cuttle Fish & Squid	Namibia India Norway

- Paper and Paperboards** imports into South Africa increased by 14% from R10.0 billion during 2013 to R11.3 billion during 2014. The share of this sub-sector in South Africa's total agricultural, forestry and fisheries imports remained stable at the average of 12.5% per annum. Major products imported by South Africa under this sub-sector during 2014 were; paper and paperboards, sanitary articles (napkins, diapers, etc) and adhesive papers. These products are mainly imported from Germany, China, Finland, Sweden and Australia. Together these top five importing markets accounted for 52% of the total sub-sector imports by value during 2014.
- Imports of **Cereals** remained stable at the average of R10.5 billion in value terms over the past two to three years. The share of this sub-sector in South Africa's total agricultural, forestry and fisheries imports averages around 12.5% looking at the period between 2013 and 2014. Wheat and rice alone accounted for 87% of the total sub-sector imports during 2014. Imports of wheat increased by 39% whilst imports of rice dropped by 28% during 2014. South Africa sources most of these cereals from Russia, Thailand, India, Ukraine and Germany. These top five import markets accounted for 80% of the total sub-sector imports by value during 2014. Imports of cereal from India and Ukraine decreased by 22% respectively during 2013.
- South Africa's imports of **Animal or Vegetable Fats and Oils** increased slightly by 7% from R7.8 billion during 2013 to R8.4 billion during 2014. However, the share of this sub-sector in South Africa's total agricultural, forestry and fisheries imports decreased from 10% in 2013 from 9% during 2014. Major products imported by South Africa under this sub-sector during 2014 were; palm oils, soybean oils, sunflower seeds or oils, palm kernel/babassu oils and margarine. These products accounted for 87% of the total sub-sector imports by value during 2014 and were mostly imported from Asian countries such as Indonesia, Malaysia and Romania and to a lesser extent from Spain and the Netherlands. Imports from Indonesia alone accounted for 42% and increased by 55% during 2014.

- Imports of **Meat and Meat Products** increased by 20% from R5.1 billion during 2013 to R6.1 billion during 2014. The share of this sub-sector in South Africa's total agricultural, forestry and fisheries imports also increased from 6% to 7% between the two years considered. Major products imported by South Africa under this sub-sector during 2014 were; chicken meat, pork, beef and turkey. These products were mostly imported from Brazil, Netherlands, Namibia, United Kingdom and Germany. These top five import markets accounted for 67% of the total sub-sector imports by value during 2014. Imports from Brazil decreased by 17% whilst imports from the United Kingdom increased by 12%.
- Imports of **Beverages, Spirits and Vinegar** by South Africa increased by 12% from R5.4 billion in 2013 to R6.0 billion in 2014. The top five products imported by South Africa under this sub-sector, accounting for 81% of the total sub-sector imports by value, during 2014, were; whiskies, malt beer, mineral waters, grape brandy and cordials & liquors. Whiskies alone accounted for 46% to the total sub-sector imports during 2014. Imports of these products mostly originate from the United Kingdom, Namibia, France, United States of America and Italy. Imports from United Kingdom alone accounted for 41% of the total sub-sector imports during 2014.

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