

Trade performance review of the agricultural sector of South Africa: 2020

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Executive Summary

The purpose of this annual report is to inform sector stakeholders about the status of South Africa's trade performance of agricultural products by analysing trade outflows and inflows for the year 2020 compared to 2019.

Key observations on export performance in 2020 (variations 2019-2020):

- South Africa's exports of agricultural products increased by 18.1 % in value terms.
- The total export value of agricultural products was R167 billion for the 2020 calendar year.
 - South Africa's total export value for primary agricultural products was R93 billion. (55.7% of total agricultural exports)
 - The total export value for secondary agricultural products was R74 billion. (44.3% of agricultural exports)
- Edible fruits and nuts (HS08) were South Africa's largest product export category with a value of R63 billion. (38% of the total agricultural export basket)
- Exports of Cereals (HS10) had the highest growth rate of 98.3% per annum from 2019 to 2020. (South Africa had a second largest bumper maize production in decades, for 2020)
- Netherlands was the largest export destination country with an export value of R17 billion. The main products that were exported to the Netherlands were: fruit & nuts (HS08), Preparations of fruits & vegetables (HS20) and Beverages (HS22).
- Among the top 10 destination markets identified, South Africa's export growth of agricultural products declined to Namibia (-4.5%) and Botswana (-2.2%). The three major products exported to Namibia were: Dairy, Cereals and Animal & vegetable fats & oils. The three main export products to Botswana that declined were: Dairy products, Edible vegetables and Cereals.
- South Africa's exports to Zimbabwe increased by 158.4% p.a. in growth. The main exports were: Cereals, Milling industry products and Animal & vegetable fats & oils.

Key observations on imports in 2020 (variations 2019-2020)

- South Africa's imports of agricultural products increased by 6% p.a. in value terms.
- South Africa's total import value of agricultural products amounted to R96 billion for the 2020 calendar year.
 - South Africa's total import value of primary agricultural products was R35 billion. (36.5% of total agricultural imports)
 - The total import value for secondary agricultural products was R61 billion. (63.5% of total agricultural imports)
- Cereals (HS10) were South Africa's largest import product grouping with a value of R18 billion (19% share).
- Imports of Animal or vegetable oils, fats & waxes (HS15) had the highest annual import growth rate of 28.3% p.a.
- Thailand was the largest supplier country of agricultural products to South Africa, with an imported value of R6 billion (6.3% of total the agricultural import basket). The main products that were imported from Thailand were: Cereals (HS10), Live animals (HS01) and Meat Products (HS02).
- SA agricultural imports from Poland was the highest with import growth of 105.4% p.a.

- Imports from Germany reported a declining annual growth rate of -20.2% and the three major products imported from Germany were: Cereals (HS10), Miscellaneous edible Preparations (HS21) and Live Animals (HS01).

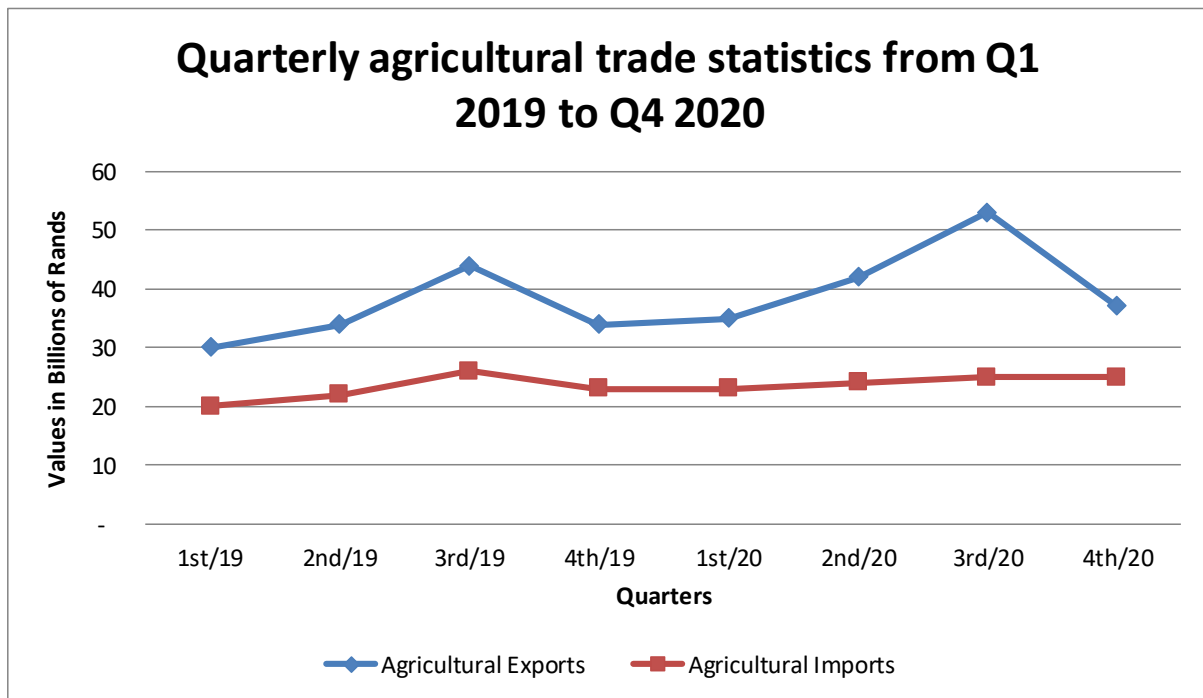


Figure 1: Quarterly series of South Africa's agricultural trade per quarter for 2019 and 2020

Analysis of South Africa's major agricultural export markets and product drivers in 2020 (variations from 2019 - 2020):

Table 1: South Africa's top 10 largest export destinations for agricultural products by value in 2020

Partner Country	Values (Billion Rands) 2020	% share of total exports by value	% Change from 2019 to 2020	Top 3 products exported into major markets (2HS)
World	167	100,0	18,1	
Netherlands	17	10,2	42,0	Fruits and nuts; Preparations of fruits and vegetables Beverages
United - Kingdom	13	7,9	24,0	Fruits and nuts Preparations of fruits and vegetables Animal or vegetable fats and oils
China	10	6,1	27,0	Fruit and nuts Wool Meat
Botswana	10	6,2	-2,2	Dairy produce Edible vegetables Cereal

Partner Country	Values (Billion Rands) 2020	% share of total exports by value	% Change from 2019 to 2020	Top 3 products exported into major markets (2HS)
Namibia	9	5,7	-4,5	Dairy produce Cereals Animal and vegetable fats and oils
Mozambique	8	5,0	3,1	Meat Dairy produce Edible vegetables
Zimbabwe	7	4,4	158,4	Cereals Milling industry products Animal and vegetable fats and oils
United States	6	3,8	21,3	Fruit and nuts Preparations of fruits and vegetables Miscellaneous edible preparations
Lesotho	6	3,4	4,8	Meat Milling industry products Beverages
United Arab Emirates	5	3,2	33,5	Fruit and nuts Beverages Live animals

Source: Global Trade Atlas, 2021

The top ten export destination markets for agricultural exports contributed 54.5% of the total export value of R167 billion, reported for 2020. From 2019 to 2020, exports increased in value by 18.1%.

In 2020, **the Netherlands** was the largest export destination market for South Africa's agricultural products with a value of R17 billion and has been the largest market for the past four years. The share of total agricultural exports to the Netherlands was 10.2%, with an increase in growth rate of 42% p.a. The top three products exported to the Netherlands were: Fruit & nuts (HS08), Preparations of fruits and vegetables (HS20) and Beverages, spirits & vinegar (HS22).

The United Kingdom was the second largest export destination market with a value of R13 billion. Exports of agricultural products to the United Kingdom increased by 24% p.a. and had a market share of 8% of the total agricultural products. The top three product exports to the United Kingdom were: Fruit & nuts (HS08), Preparations of fruits & vegetables (HS20) and Animal or vegetable fats & oils (HS15).

China was the third largest export destination market, with a value of R10 billion with a market share of 6% of the total agricultural product basket from South Africa. Exports of agricultural products to China increased by 27% p.a. and the top three products exported to China were: Fruit & nuts (HS08), Wool (HS51) and Meat Products (HS02).

Botswana was the fourth largest export destination market, with a value of R10 billion and a market share of 6.2% of the total agricultural product basket from South Africa. Exports from South Africa to Botswana decreased by 2.2% per annum. The top three products exported to Botswana were: Dairy Produce (HS04), Edible Vegetables (HS07) and Cereals (HS10).

Namibia was the fifth largest export destination market for South Africa's agricultural products with a value of R9 billion and a share of 6% of the total agricultural products. The annual growth rate decreased by 5% p.a. in 2020. The top three products exported to Namibia were: Dairy Produce (HS04), Cereals (HS10) and Animal or Vegetable fats & oils (HS15).

1.1. Export market growth analysis during 2020 (variation 2019 – 2020)

Table 2: South Africa's growing and declining agricultural export markets in 2020

Growing export markets during 2019/2020						
Ranking	Top 3 growing markets	Values (Billion Rands)	Export growth p.a	Top 3 products driving export growth and their individual growth percentage (2HS)		
1	South Korea	2	466%	Cereals (5814%)	Sugars (>9999%)	Milling industry products (48%)
2	Taiwan	2	245%	Cereals (>9999%)	Live trees and other plants (39%)	Edible vegetables (402%)
3	Zimbabwe	7	158%	Milling industry products (1%)	Animal or vegetable fats and oils (47%)	Lucerne meal and pellets (47%)
Shrinking export markets during 2019/2020						
Ranking	Top 3 shrinking markets	Values (Billion Rands)	Export shrinkage p.a	Top 3 products driving export shrinkage and their individual shrinkage percentage (2HS)		
1	Malaysia	2	-48%	Fruit and nuts (- 3%)	Sugars (-79%)	Live animals (- 1%)
2	Czech Republic	1	-46%	Wool (- 49%)	Live animals (-99%)	Products of animal origin (-73%)
3	Angola	1	-38%	Meat (- 28%)	Dairy produce (-62%)	Live trees (-64%)

Source: Global Trade Atlas, 2021

The above, Table 2 shows growing and shrinking markets from a selection of SA's export destinations with a minimum export value that is greater than or equal to one billion Rand. South Africa's export of agricultural products to South Korea, Taiwan and Zimbabwe were the fastest growing markets in value terms in 2020. The exports of Cereals and Sugars to South Korea had annual growth rate of 5814% and >9999%, respectively. The export of Milling industry products to South Korea had an annual growth rate of 48.4%. The table further demonstrates a declining annual growth rate of exports to Malaysia, Czech Republic and Angola. The decline was mostly due to the exports of in Fruit & nuts and Sugars to Malaysia, with a decline of 3.4% and 79.3% p.a. respectively. Live Animals to Czech Republic declined by 99.3%.

1.2. Export market analysis at product grouping level (HS2) in 2020 (variations 2019 – 2020)

Table 3: South Africa's top 10 major agricultural product groupings by value in 2020

Sub-sector description	Exported value (Billion Rand)	Sub-sector share in SA total agriculture exports (%)	Sub-sector growth (%)	Top 3 products exported within the sub-sector (4HS)	Top 3 export markets by value
HS08 Edible fruit and nuts	63	37,7	26,6	Fresh or dried citrus Fresh or dried grapes Fresh apples, pears and quinces	Netherlands United Kingdom China
HS22 Beverages, spirits and vinegar	18	10,8	-3,1	Wine Waters Ethyl alcohol	United Kingdom Belgium Botswana
HS10 Cereals	11	6,6	98,3	Maize corn Wheat and meslin Rice	Zimbabwe Botswana South Korea
HS20 Preparations of vegetables, fruit and nuts	9	5,4	2,9	Fruit juices Edible parts of fruit and nuts Vegetable, fruit and nuts	Botswana Namibia Netherlands
HS21 Miscellaneous edible preparations	8	4,8	20,3	Food preparations Sauces, mixed condiments and seasonings and prepared mustard Soups and broths	Botswana Mozambique Namibia
HS17 Sugars and sugar confectionary	7	4,2	-12,8	Cane or beet sugar Sugar confectionary Sugars	Botswana Italy South Korea
HS23 Residues of waste from food industries	5	3,0	23,8	Preparations used in animal feeding Flours, meals and pellets of meat, not used for human consumption Soybean oilcake and other residues	Botswana China Namibia
HS15 Animal or vegetable fats and oils	5	3,0	53,0	Soybean oil and its fractions Sunflower seed oil Margarine	Botswana Namibia Mozambique

Sub-sector description	Exported value (Billion Rand)	Sub-sector share in SA total agriculture exports (%)	Sub-sector growth (%)	Top 3 products exported within the sub-sector (4HS)	Top 3 export markets by value
HS02 Meat and edible meat offal	5	3,0	32,7	Fresh, chilled or frozen meat of bovine Frozen meat of bovine animals Meat and edible offal of fowls of <i>Gallus Domesticus</i>	China Lesotho Mozambique
HS51 Wool	4	2,4	-4,0	Wool	China Czech Republic Australia
HS19 Preparations of cereals. Flour, starch or milk and baker's ware	4	2,4	6,7	Concentrated and sweetened milk and cream Milk and cream, not concentrated or sweetened Buttermilk, yogurt and kephir	Botswana Namibia Afghanistan

Source: Global Trade Atlas, 2021

The top 10 agricultural export product groups in table 3 were highly concentrated with a market share of 83% of total agricultural exports.

In 2020, **edible fruits and nuts** remained the leading product grouping with an exported value of R63 billion that is higher than the value of R49 billion that was reported in 2019. This was mainly due to the combination of the weak exchange rate and a bumper crop. The product grouping had a market share of 38% of South Africa's agricultural exports and an annual export growth rate of 27%. The main export products by the product grouping were: fresh or dried citrus fruits, fresh or dried grapes and fresh apples, pears and quinces. The top three destination markets were: the Netherlands, the United Kingdom and China.

Beverages, spirits and vinegar was the second largest export product grouping with an exported value of R18 billion and a share of 11% of South Africa's agricultural exports basket. From 2019 to 2020, exports of beverages, spirits and vinegar exports declined by a rate of 3.1% per annum. The main beverages from the product grouping were: wine, waters and ethyl alcohol. The top three destination markets were; the United Kingdom, Belgium and Botswana.

Cereals product grouping was the third largest with an exported value of R11 billion and a product grouping share of 7% of South Africa's agricultural exports. Cereals had a massive growth rate of 98.3% per annum from 2019 to 2020. The main export products by this product grouping were: Maize corn, Wheat and meslin and Rice. The top three destination markets for the sub-sector were: Zimbabwe, Botswana and South Korea.

Preparations of vegetables, fruit & nuts products grouping was the fourth largest, with an exported value of R9 billion and a share of 5.4% of South Africa's agricultural exports. From 2019 to 2020, the value of exports of Preparations of vegetables, fruit & nuts increased by 3%

per annum. The main export products from this grouping were: Fruit juices, Edible parts fruit & nuts and Vegetable, fruit & nuts. The three largest destination markets were: Botswana, Namibia and Netherlands.

The fifth largest exporting industry was **miscellaneous edible preparations**, with an exported value of R8 billion and a product grouping share of 5% of South Africa's total agricultural exports basket. The export growth rate of the product grouping was growing rapidly at 20% per annum between 2019 and 2020. The main products exported by the grouping were: Food preparations, Sauces, mixed condiments and seasonings & prepared mustard, and Soups and broths. The top market destinations were: Botswana, Mozambique and Namibia.

2. Analysis of South Africa's major suppliers (imports) of agricultural products in 2020

Table 4: South Africa's top 10 suppliers of agricultural products in value during 2020 (variations from 2019 – 2020)

Top 10 import markets	Imported value 2020 (Billion Rands)	Share in SA's imports (%)	Import growth 2019-2020 (%)	Top 3 products imported into major markets (2HS)
World	96	100,0	5,7	
Thailand	6	6,5	14,9	Cereals; Live animals; Meat
Swaziland	6	5,8	8,5	Sugars; Live animals; Meat
Brazil	5	5,4	11,6	Meat; Oil seeds and Oleaginous fruits; Live animals
United States	4	4,3	-15,9	Meat; Miscellaneous edible preparations; Live animals
Poland	4	3,9	105,4	Cereals; Live animals; Meat
Netherlands	4	4,2	8,2	Animal or vegetable fats and oils; Miscellaneous edible preparations; Live animals
Indonesia	4	4,5	34,8	Animal or vegetable fats and oils; Live animals; Products of animal origin
India	4	4,5	39,1	Cereals; Coffee, tea, mate and spices, Live animals
Germany	4	3,7	-20,22	Cereals; Miscellaneous edible preparations; Live animals
China	4	4,7	7,3	Products of animal origin; Preparations of fruit and vegetables; Peptones and derivatives

Source: Global Trade Atlas, 2021

2.1. Import market analysis

In 2020, **Thailand** was South Africa's largest supplier of agricultural import products with the value of R6 billion and a market share of 6.5%. South Africa's import of agricultural products from the Thailand increased by 15% per annum from 2019 to 2020. The main three products imported by South Africa were: Cereals, Live animals and Meat products.

Eswatini was the second largest supplier with the value of R6 billion and a share of 6% of South Africa's agricultural imports. From 2019 to 2020, the annual imports increased by 8.5%. The three major products imported from Eswatini were: Sugars, Live animals and Meat products.

Brazil was the third largest supplier of agricultural products to South Africa with the imported value of R5 billion and a market share of 5.4% of South Africa's agricultural imports basket. South Africa's import from Brazil had a growth rate of 12% per annum, between 2019 and 2020. The main products imported were: Meat, Oil seeds & oleaginous fruits and Live animals.

The United States was the fourth largest supplier of agricultural products to South Africa, with a value of R4 billion and a market share of 4.3% of South Africa's agricultural imports. Between 2019 and 2020, South Africa's imports of agricultural products from the United States declined by 16% per annum. The main three products imported from the partner country were: Meat, Miscellaneous edible preparations and Live animals.

Poland was the fifth largest supplier of agricultural products with a value of R4 billion and a market share of 4% of South Africa's agricultural imports. From 2019 to 2020, imports from Poland increased massively by a whopping 105% per annum. The main three products imported from Poland were: Cereals, Live animals and Meat products.

2.1.1 Growing and declining supplier markets of agriculture products to South Africa

Table 5 below list growing and declining supplier markets of agricultural products. South Africa's import suppliers that had an import value greater or equal to one billion Rand was listed. The top three growing import markets for South Africa were: Romania, Lesotho and Poland and the top three shrinking import markets were: Namibia, Argentina and Zimbabwe.

Table 5: South Africa's growing and declining suppliers (imports) of agricultural products in 2020 (variations from 2019 – 2020)

Growing import markets during 2019/2020						
Ranking	Top 3 growing markets	Values (Billion Rands)	Import growth p.a	Top 3 products driving import growth and their individual growth percentage (2HS)		
1	Romania	1	236%	Animal or vegetable fats and oil (281%)	Oil seeds and oleaginous fruits (77%)	Preparations of cereals, flour, starch or milk and pastrycook products (50%)
2	Lesotho	1	130, %	Wool (586%)	Live animals (16%)	Dairy produce (160%)
3	Poland	4	105%	Cereals (219%)	Live animals (10%)	Fruit and nuts (68%)

Shrinking import markets during 2019/2020						
Ranking	Top 3 shrinking markets	Values (Billion Rands)	import shrinkage p.a	Top 3 products driving import shrinkage and their individual shrinkage percentage (2HS)		
1	Namibia	4	- 41%	Live animals (- 34%)	Beverages (- 58%)	Meat (- 83%)
2	Argentina	6	- 25%	Animal or vegetable fats and oil (- 29%)	Live animals (- 100%)	Edible vegetables (- 6%)
3	Zimbabwe	1	- 25%	Products of animal origin (- 54%)	Live trees and other plants (- 23%)	Fruit and nuts (- 13%)

Source: Global Trade Atlas, 2021

In 2020, imports of animal or vegetable fats and oil from Romania had annual import growth rate of 281% and also imports of wool from Lesotho had a high annual import growth rate of 586%. Meat imports from Namibia declined by 83% import growth rate in 2020, followed by beverages from the same country with a decline of 58% growth rate per annum in 2020. Live Animals import growth rate from Argentina declined by 100% per annum in 2020.

Imports analysis by product grouping level (HS2) during 2020

Table 6: South Africa's top 10 major agricultural import product groupings by value during 2020 (variations from 2019 – 2020)

Sub-sector description	Imported value (Bill Rands)	Sub-sector share in SA total agriculture imports (%)	Sub-sector growth p.a.	Top 3 products imported within the sub-sector (4HS)	Top 3 import markets by value
HS10 Cereals	18	18,8	24,0%	Rice Wheat and meslin Maize corn	Thailand India Poland
HS15 Animal or vegetable oils, fats and waxes	12	12,5	28,3%	Ethyl alcohol Beer made from malt Waters	Indonesia Malaysia Argentina
HS22 Beverages, spirits and vinegar	7	7,3	-29,9%	Ethyl alcohol, Undenatured Beer made from malt Waters, including Mineral waters	United Kingdom France Mexico

Sub-sector description	Imported value (Bill Rands)	Sub-sector share in SA total agriculture imports (%)	Sub-sector growth p.a.	Top 3 products imported within the sub-sector (4HS)	Top 3 import markets by value
HS17 Sugars and sugar confectionary	7	7,3	2,7%	Cane or beet sugar Sugars not elsewhere specified Sugar confection, excluding cocoa	Eswatini Angola Argentina
HS02 Meat and edible meat offal	7	7,3	-17,6%	Meat and edible offal of poultry Fresh meat of swine Edible offal of bovine	Brazil Ireland Spain
HS23 Food industry residues and prepared animal feed	6	6,3	7,1%	Soybean oilcake Preparations used in animal feed Flours, meals and pellets of meat	Argentina Australia Austria
HS21 Miscellaneous edible preparations	6	6,3	16,4	Food preparations, nesoi Extracts of coffee, tea and mate preparations Sauces, mixed condiments and seasonings and mustard preparations	Germany Netherlands United States
HS20 Prepared vegetables, fruit and nuts or other plant parts	4	4,2	-5,5%	Preserved tomatoes Preserved fruits, nuts and other edible parts Fruit juices	China Argentina Austria
HS19 Preparations of cereals, flour, starch or milk and pastry-ware	3	3,1	15,8%	Malt extracts, preparations of meal, starch, flour or groats extracts Pastas Mixes and dough	Algeria Argentina Australia
HS18 Cocoa and cocoa preparations	3	3,1	15,3%	Chocolate and other foods Whole or broken cocoa beans Cocoa shells, husks, skins and other cocoa waste	Argentina Australia Austria

Source: Global Trade Atlas, 2021

The top 10 import product groupings were highly concentrated with a share of about 76% of total agricultural imports.

In 2019, **cereals** were the largest product group imported, with an imported value of R18 billion and a market share of 19% of South Africa's total agricultural imports. From 2019 to 2020, the product grouping's growth rate was 24% per annum. The top three products imported during

the reporting period were: Rice, Wheat and meslin, and Maize corn. The top three suppliers were: Thailand, India and Poland.

Animal or vegetable oils, fats and waxes was the second largest import product group, with an imported value of R12 billion and a market share of 12.5% of South Africa's total agricultural imports basket. From 2019 to 2020, the product grouping had a growth rate of 28.3% per annum. The top three products imported during the reporting year were: Ethyl alcohol, Beer made from malt and Waters. The top three suppliers were: Indonesia, Malaysia and Argentina.

Beverages, spirits and vinegar product grouping was the third largest product group imported, with an imported value of R7 billion and a market share of 7.3% of South Africa's total agricultural imports basket. The product grouping reported a massive declining growth rate of 30% per annum from 2019 to 2020, possibly due to covid-19 restrictions and the weaker exchange rate. The three major import products into South Africa were: Ethyl alcohol, undenatured, Beer made from malt and Waters, including Mineral waters. The three main suppliers of this product grouping were: United Kingdom, France and Mexico.

Sugars and sugar confectionary was the fourth largest product grouping of imports, with an imported value of R7 billion and a market share of 7.3% of South Africa's total agricultural import basket. The product grouping's supply increased by 3% from 2019 to 2020. The top three import products were: Cane or beet sugar, Sugars, nesoi and Sugar confection, excluding cocoa. The top three supplier partners were: Eswatini, Angola and Argentina.

Meat and edible meat offal was the fifth largest product group imported, with a value of R7 billion and a market share of 7.3% of South Africa's total agricultural imports. The product group's imports declined by 18% per annum, from 2019 to 2020. The top three products imported under this grouping were: Meat and edible offal of poultry, Fresh meat of swine and Edible offal of bovine. The top three supplier partners were: Brazil, Ireland and Spain.