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South Africa's potatoes exports expected to fall in 2016

As we wait for December 2016 export figures, we expect South Africa's potatoes export volumes to drop in 2016 by as much as 18% year-on-year. By November 2016, South Africa had exported 102 090 tons of potatoes, which is 28% lower compared to the same time in 2015. An optimistic view places December 2016 exports at between 12 000 tons and 16 000 tons, and we expect total 2016 annual exports at somewhere close to 120 000 tons.

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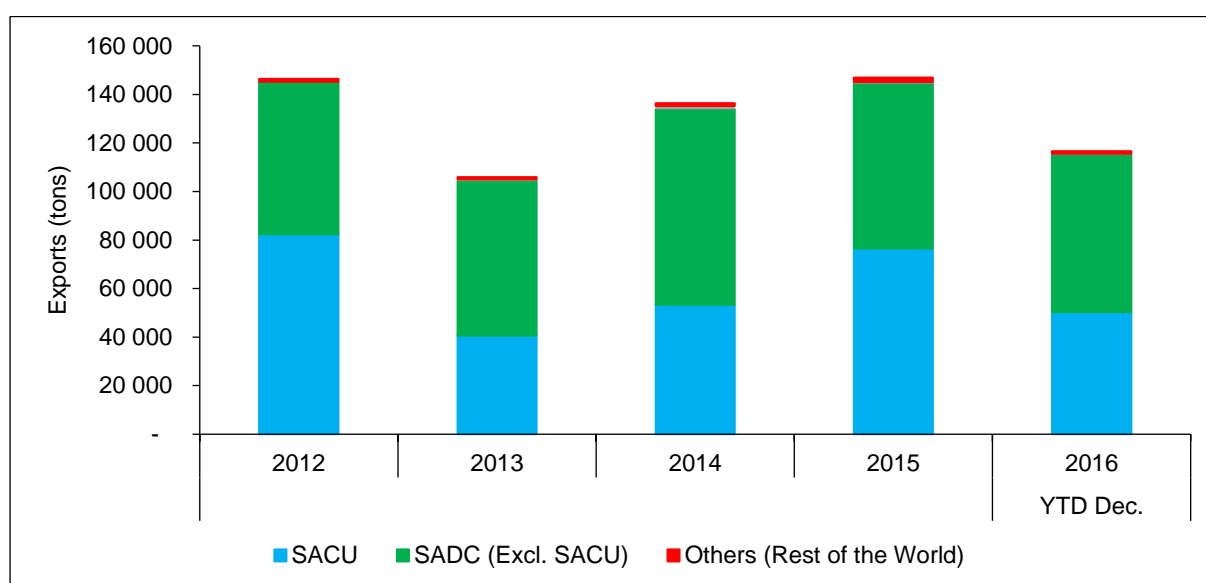


Figure 1: South Africa's potato exports: 2012-2016

Source: ITC (2017), Agbiz Research

South Africa's potatoes export volumes grew steadily between 2013 and 2015, from 105 964 tons to a peak of 155 667 tons, respectively – and increase of 47%. South Africa's export growth between 2013 and 2015 was mainly attributed to the increase in demand from the SACU market, while SADC held steady growth, especially Mozambique.

Almost all of South Africa's potatoes exports are consumed within regional markets, with SACU accounting for an average of 47%, and the rest of the SADC region making up 52%. The decline in 2016 seems to be as a result of a substantial pullback in the SACU market – which fell almost 30%, from 62 527 tons to 44 599 tons – over the Jan-Nov period, 2016 versus 2015. Worth noting, is that potatoes exports to Botswana between Jan 2016 to Nov 2016 are 44% lower if compared to the same period in 2015. Notable declines can also be noted for exports to Swaziland (-29%), Lesotho (-20%) and Namibia (-17%).

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