

April 14 2025

## Remain focused on domestic matters that are key to SA's agricultural growth

- In political economy, there is something called "flooding the zone". Roughly explained, this is when a deluge of information takes people's attention away from what should be a priority. In South Africa's agriculture, we are fortunately not under such an attack through the flood of information. Still, we must continuously be vigilant and reflect thoughtfully on risks affecting the sector.
- In recent weeks, the focus has primarily been on trade matters and the U.S. tariffs, understandably so because the U.S. is a valuable market for South Africa's agriculture. The U.S. reciprocal tariffs are imposed when the citrus industry is at its export season; therefore, our focus on these issues should be paramount. Equally, concerns about the sustainability of the Government of National Unity and the fiscal problems that dominate the domestic conversation are warranted as these place a sharp spotlight on South Africa's political futures and the plight of economic renewal.
- Yet still, we must not allow other important domestic issues affecting the sector to be drowned by political noise. One such area is the continuous effort to control animal diseases. South Africa has made enormous progress following challenging years of avian influenza, African swine fever, and foot and mouth disease. However, we continue to learn about the foot and mouth disease outbreaks in parts of KwaZulu-Natal and some lingering cases in the Eastern Cape. This means animal health should remain a priority for South African agricultural authorities and organized agriculture.
- In South Africa's inclusivity journey, the livestock industry will likely play an even more critical role and is amongst the valuable subsectors of agriculture. Therefore, ensuring sufficient resources in this area and continuous government collaboration with stakeholders such as the Red Meat Industry Services, South African Pork Producers' Organization, National Animal Health Forum, South African Poultry Association, and others is key.
- Equally, while South Africa does not suffer from the rife avian influenza we are witnessing in the U.S. and parts of the UK, there should be increased work to prepare the sector for potential outbreaks. This would involve learning from the last outbreak and efficiencies in registering the vaccines the poultry producers have been calling for. Admittedly, we cannot know when and how the new outbreak will be. Still, ensuring that South Africa's regulators are agile is key. The poultry industry and egg producers are key to the food security and vitality of some of South Africa's small towns. Thus, we should observe the challenges of the U.S. with animal diseases and equally take note of the calls for agility in vaccine registration and move faster.
- The poultry industry and livestock account for roughly half of South Africa's farming economy. Thus, ensuring the efficient operation of this subsector is key to the success and growth of the South African

farming economy. If South Africa succeeds in resolving and preparing for the animal disease challenges, the subsector will be on a better path in some of its operational conditions. For example, the favourable summer rains have helped improve the grazing veld across the country and benefit the livestock. Moreover, the better outlook for maize and soybean production has also led to the easing of the maize and soybean prices, which are key feed ingredients.

- Last year, the resumption of various export markets ensured that South Africa continues to build its red meat and livestock products exports. To sustain this momentum, the continuous collaboration between government and organized agriculture on animal health is vital. In addition to animal health matters, the South African authorities will need to increasingly focus on livestock theft, which remains a challenge in some communities and financially burdens farmers.
- Overall, while we must focus on significant themes shaping the country and the global environment, the officials at various government departments and industry groups must not lose sight of the importance of the day-to-day operational matters that are key to the success of our sector. In this case, animal health is one such aspect that requires consistent focus.

## WEEKLY HIGHLIGHT

### South Africa as G20 leader can take action on Africa's food supply: 4 ways to make a difference

- South Africa, the only African country member of the G20, holds the presidency of the grouping until the end of November 2025. During this time, it could help drive the African continent's food security agenda. The G20 comprises 19 member countries, plus the European Union and the African Union. Its members account for 85% of global GDP, 75% of international trade, and two-thirds of the world's population.
- The presidency of the G20 rotates annually among member countries and is run as a troika made up of the past, present and next holder of the presidency. Though most of the G20's agenda rolls over from year to year, the country holding the presidency has some leeway to set its priorities in consultation with fellow member countries. For agriculture, South Africa has set four G20 priorities:
  - the promotion of policies and investments that can lead to improved food and nutrition security
  - empowering youth and women to participate in agrifood systems
  - fostering innovation and the transfer of useful technologies in agriculture industries
  - building climate resilience for sustainable food production.
- These priorities could benefit the African continent, especially as many other African countries have long struggled with food insecurity and low agricultural productivity. We would argue that South Africa could make use of its G20 presidency to support other African countries in building food security and raising the productivity of their agricultural sector.

- The core work of the G20 is done by various working groups and task forces. As president of the G20, South Africa has established a task force dedicated to food security. This task force could influence the G20 to work towards food security through job creation that gives workers more money to spend. However, it should also focus on food security through better agricultural productivity. Agricultural growth is generally two to three times more effective at reducing poverty than an equivalent amount of growth generated in other industries (for example, car manufacturing or mining). Positive spin-offs from agricultural productivity have the most impact on the poorest individuals in society. Increased food supplies reduce poverty and lessen food insecurity and malnutrition.
- To achieve this progress, the G20's food security task force should consider four broad interventions in agriculture. First, there should be a strong call for sharing knowledge on climate-smart agricultural practices. These are new innovations and ways of farming that minimize the damage caused to crops by climate-related disasters like drought and heat waves. This is important because Africa is very vulnerable to natural disasters. For African agriculture to take off, governments must set up coordinated policies on how to respond to disasters. These responses must include everything African countries need to mitigate against climate-related disasters, adapt to climate change, and recover quickly when disasters hit. The G20 could be the first body to champion this messaging, with South Africa consulting other African countries and leading the discussion.
- Second, South Africa should try to improve food security in Africa through trade. South Africa already enjoys deeper access to agricultural trade with several G20 economies through lower tariffs and some tariff-free access. It is in the G20 members' interest to ensure that open trade is maintained. This enables countries to buy and sell agricultural produce at lower prices. This is vital in the current environment, where some nations are increasingly looking inward and taking a more confrontational approach to trade. African countries whose agriculture is less productive may not benefit as much in the short term. However, in the long run, the benefits will cascade to other parts of the continent.
- Third, South Africa should continue prioritizing discussions about improving fertilizer manufacturing and trade in Africa. Sub-Saharan African countries have poor fertilizer access and usage. Yet greater fertilizer adoption is a key part of growing more food and reducing hunger. Access to affordable finance is also a challenge. Therefore, linking discussions on fertilizer with investments in network industries such as roads and ports is key. It is one thing to have fertilizers available, but moving them to areas of farming is difficult in some countries and increases the costs for farmers.
- As part of this, the G20 should drive localized production. Producing fertilizer on the continent would lessen the negative impact of global price shocks. It would also make it affordable for even the most vulnerable African countries to buy and distribute fertilizer.
- Lastly, South Africa must host incubators with developed and developing countries. These are places where knowledge of agricultural technology and investment opportunities could be shared. This work stream would involve most mechanical and IT-related technologies that improve farming and value chains for crops.

## WEEK AHEAD

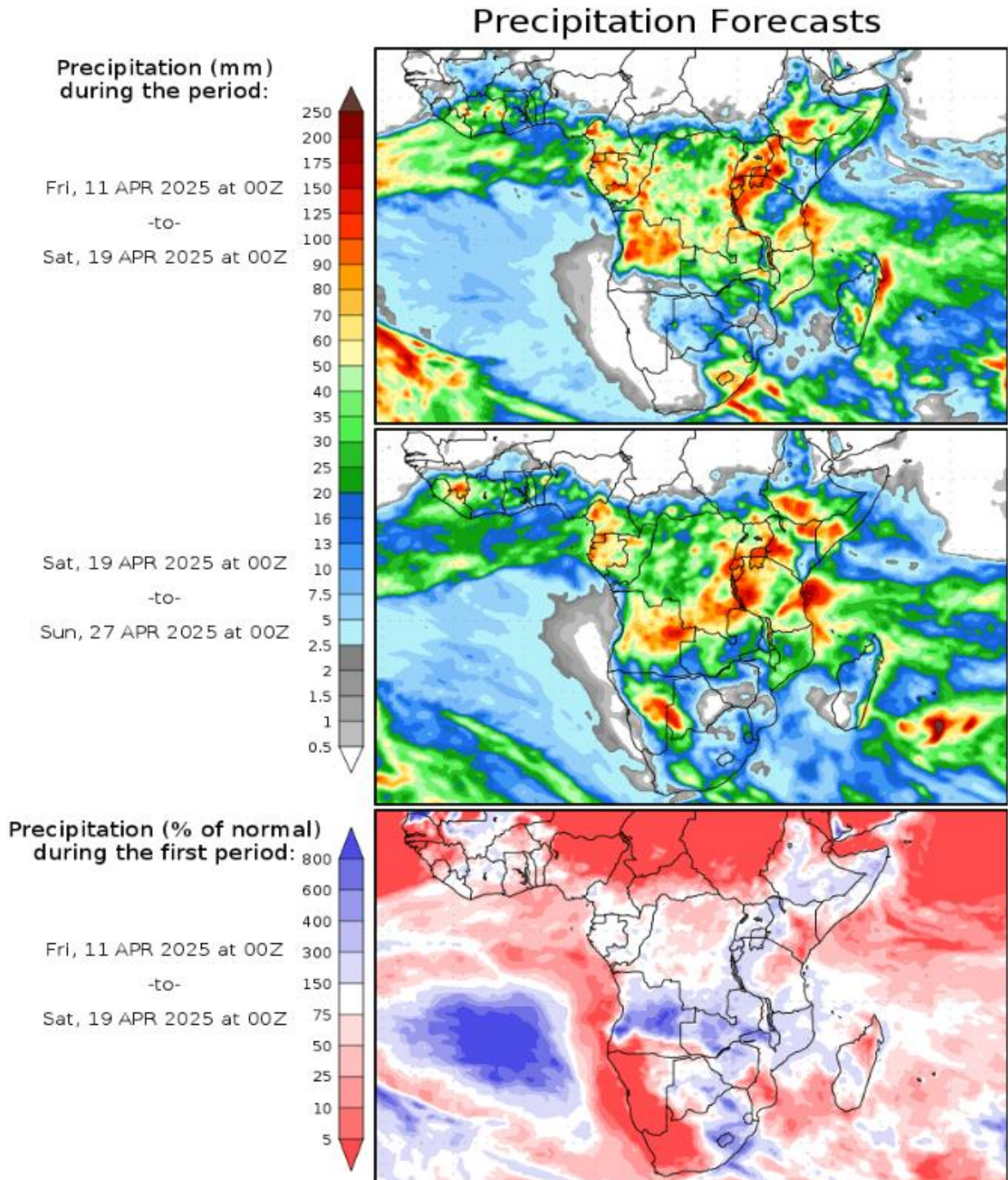
### What we are watching this week

- Again, we start the week with a focus on the global front, and this is another relatively quiet week on the data front with only two essential releases. The United States Department of Agriculture (USDA) will release its weekly **U.S. Crop Progress** report, guiding us about the upcoming 2025-26 crop production season in the U.S. On April 6, 2025, only 3% of the intended area for the U.S. 2025-26 maize crop had been planted, which is up mildly from the 2% area at the same time in 2024. Moreover, the USDA will release its weekly **U.S. Grains and Oilseed Export Sales** data on Thursday.
- On the domestic front, the calendar is relatively quiet. On Wednesday, SAGIS will release its **weekly South Africa's Grains and Oilseeds Producer Deliveries** data. In the case of maize, we will receive a data release for the 50th week of the 2024-25 marketing year (corresponding with the 2023-24 production season). In the previous release on April 4, South Africa's weekly maize producer deliveries were about 51 359 tonnes. This puts the 2024-25 maize producer deliveries at 11,34 million tonnes out of the final harvest of 12,85 million tonnes.
- We are in the new 2025-26 marketing year for oilseeds, which started at the beginning of March 2025. In the first five weeks, the soybean producer deliveries totalled 88 435 tonnes out of the expected harvest of 2,4 million tonnes. In the case of sunflower seed, the first five weeks of the new marketing year's producer deliveries were 84 779 tonnes out of the expected 770 500 tonnes. We expect the early deliveries to remain relatively low and pick up next month because of the season's late start.
- Moreover, the wheat producer deliveries for the first 27 weeks of the 2024-25 marketing year stand at 1,82 million tonnes. The final harvest for the season is 1,92 million tonnes, down from the 2,05 million tonnes of the past season because of the reduced area planted and the poor yields.
- On Thursday, SAGIS will publish its **weekly South Africa's Grains and Oilseeds Trade** data for the 50th week of the 2024-25 marketing year. In the previous release on April 4, the 49th week of the 2024-25 marketing year, South Africa exported 28 286 tonnes of maize. Of this volume, 57% was exported to Zimbabwe, 20% to Botswana, 11% to Eswatini, and the balance was distributed to the neighbouring African countries. This puts South Africa's total maize exports in the 2024-25 marketing year at 2,2 million tonnes, slightly above the expected seasonal exports (but down from 3,44 million tonnes in the 2023-24 marketing year because of the drought).
- While South Africa will likely remain the net exporter of maize in the 2024-25 marketing year, the coastal regions continue to import some volumes of maize because of price competitiveness. We continue to see imports of yellow maize from Argentina and Brazil through the Port of Cape Town and white maize from the United States. South Africa's 2024-25 maize imports stand at 884 346 tonnes.
- South Africa is a net wheat importer, and April 4 was the 27th week in the new 2024-25 marketing year. The imports so far amounted to 904 344 tonnes. The seasonal import forecast is 1,80 million tonnes, down from 1,93 million tonnes the past season. So far, Russia (with 41% share), Lithuania (22%), Poland (10%), Latvia (9%), Australia (7%), Canada (6%) and Romania (5%) are the suppliers.

## South Africa's Precipitation forecast

- Similarly to the past week, this week may bring showers in some regions of South Africa. While we generally welcome the rains during the season, we worry that continuous showers could compromise the crop quality in areas planted early and where the crop has matured. Still, this isn't an immediate issue, but it would be ideal for the weather to dry up so the crop can mature for the harvest period.

### Exhibit I: South Africa's precipitation forecast



Source: George Mason University (wxmaps)