



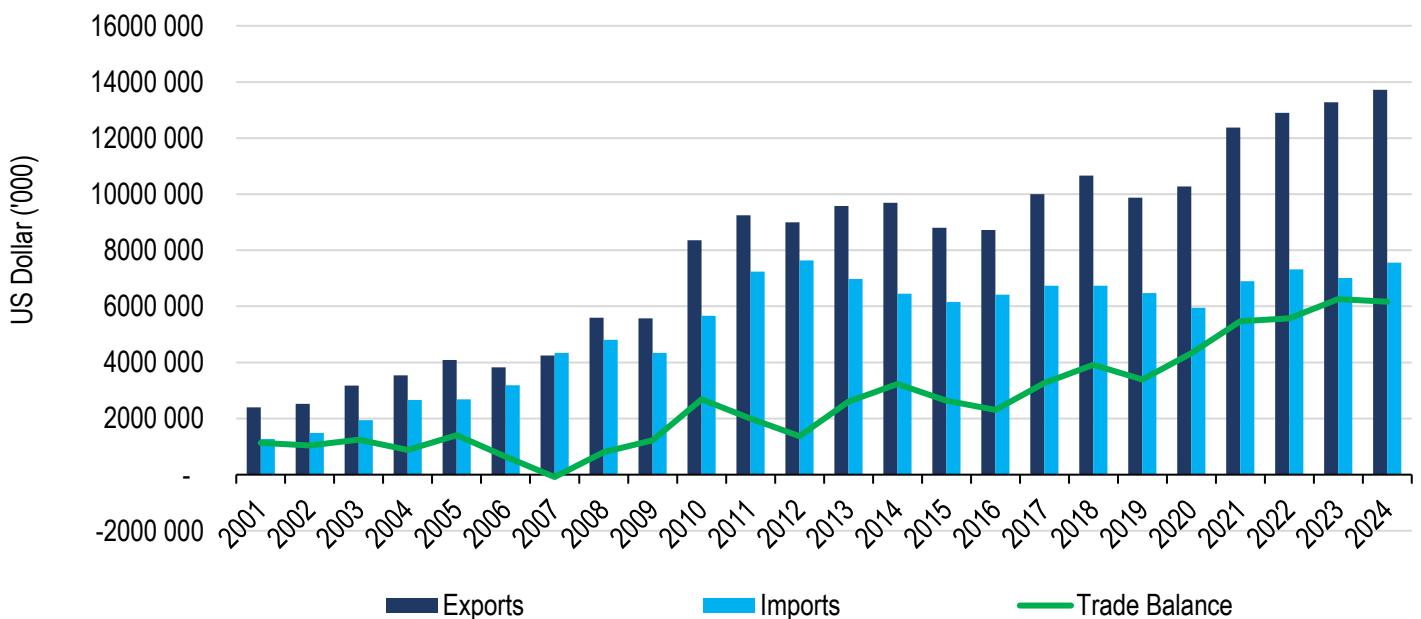
Wandile Sihlobo | Chief Economist | Email: wandile@agbiz.co.za

02 March 2025

South Africa's agricultural exports reach a fresh high in 2024

- While the 2024 mid-summer drought resulted in a poor grains and oilseed output, the robust harvest of fruit, combined with the recovery in livestock and the better stocks of grains from the previous season, supported South African agricultural export growth in 2024. Agricultural exports reached a new record of US\$13,7 billion in 2024, up 3% from the previous year, according to data from Trade Map. This reflects both an increase in the volume of agricultural exports and higher prices of some products.
- Moreover, while logistics infrastructure efficiency remains a primary concern for the farming sector, the ongoing collaboration between Transnet, private industry, and the various logistical organizations assists in ensuring the continuous flow of products, even if there are delays in specific periods.
- The top exported products by value include citrus, grapes, maize, apples and pears, wine, nuts, fruit juices, sugar, berries, dates, pineapples, avocados, wool, apricots and peaches, ciders, and beef, amongst other products.

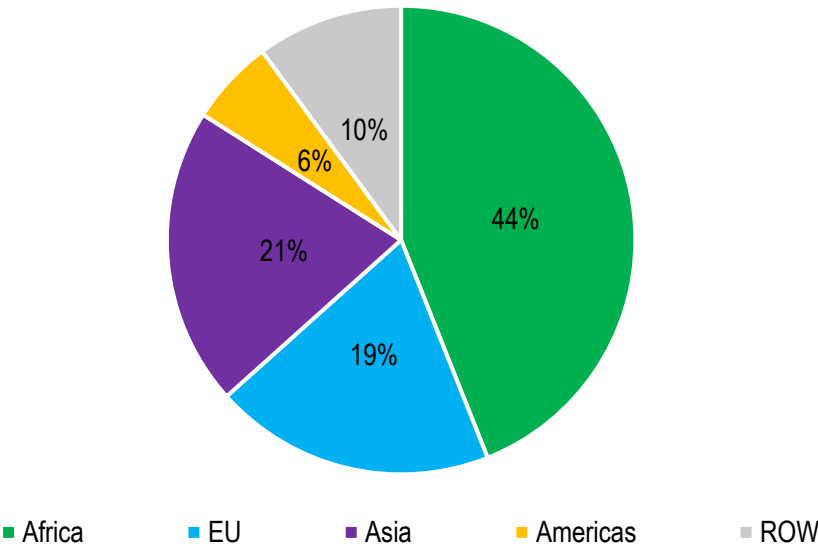
Exhibit I: South Africa's agricultural trade



Source: Trade Map and Agbiz Research

- From a regional perspective, the African continent maintained the lion's share of South Africa's agricultural exports in 2024, accounting for 44% of the total value. The products leading the exports list in the African continent were maize, maize meal, wheat, sugar, apples and pears, fruit juices, wine, soybean oil, sunflower oil, oilcake, and rice, amongst other products.
- As a collective, Asia and the Middle East were the second-largest agricultural markets, accounting for 21% of the share of overall farm exports in 2024. The exports to this region were mainly citrus, nuts, apples and pears, wool, berries, sugar, beef, mutton, wool, wine, fruit juices, maize, apricots and peaches.
- The EU was South Africa's third-largest agricultural market, with a share of 19%. Citrus, grapes, wines, dates, avocados, pineapples, fruit juices, apples and pears, berries, apricots and cherries, nuts, and wool were amongst the top agricultural products South Africa exported to the EU in 2024.
- The Americas region accounted for 6% of South Africa's agricultural exports in 2024. The main exported products include citrus, grapes, wine, fruit juices, and nuts. The rest of the world, including the United Kingdom, accounted for 10% of the exports.
- Given ongoing concerns about South Africa's participation in the AGOA (Africa Growth and Opportunity Act) trade arrangement, it is worth highlighting that South Africa's agricultural exports to the US are 4% (which is part of the 6% exports to the Americas region we mention above). Still, this is not to minimize their value, as few specific industries are primarily involved in these agricultural exports to the US. These are mainly citrus, grapes, wine, and fruit juices. Since the start of AGOA, the percentage share of South Africa's agricultural exports to the US has remained at these levels.
- If South Africa were excluded from AGOA, the country would face an average import duty of about 3% (at the Most Favored Nations Rate). This underscores the fact that AGOA mainly offers price competitiveness to the products South Africa exports to the US. The 3% tariff would advantage other competitors that access the US market duty-free (as South Africa currently does under the AGOA).

Exhibit 2: South Africa's agricultural exports by region in 2024



Source: Trade Map and Agbiz Research

- South Africa does not engage in one-way trade. The country imports various agricultural products. In 2024, South Africa's agricultural imports amounted to US\$7,6 billion, up by 8% year-on-year, according to data from Trade Map. The uptick resulted from a slightly higher value and volume of major products South Africa imports, like wheat, palm oil, rice, poultry and whiskies.
- South Africa lacks favourable climatic conditions to grow rice and palm oil and thus relies on imports of these products. Regarding wheat, South Africa imports nearly half of the annual consumption. In the Free State province, which used to be amongst the major wheat-growing regions of the country, production has declined notably over time because of the unfavourable weather conditions and profitability challenges of wheat relative to other crops. Meanwhile, imports are around 20% of the annual domestic consumption of poultry.
- Subsequently, when we account for the exports and the imports, South Africa's agriculture recorded a trade surplus of US\$6,2 billion in 2024, down 2% from the previous year. The decline is primarily because of the jump in the import value.

Policy considerations

- In the current environment of heightened geopolitical tension, South Africa's export-oriented agricultural sector must work to maintain the current export markets and broaden to new markets. The focus for both policymakers and agribusinesses and organized agriculture should be on the following aspects:
 - First, South Africa should maintain its focus on improving logistical efficiency. This entails investments in the port and rail infrastructure and improving roads in farming towns.
 - Second, South Africa must work hard to retain the existing markets in the EU, the African continent, Asia, the Middle East, and the Americas. This is even more important in the current climate, where US policymakers are increasingly discussing raising tariffs.
 - Lastly, South Africa's Department of Trade, Industry and Competition, the Department of International Relations and Cooperation, and the Department of Agriculture should lead the way for export expansion in the current export markets and the search for new export markets. South Africa should expand market access to some key BRICS countries, such as China, India, Saudi Arabia, and Egypt. The BRICS grouping should emphasize the need for member countries to lower the import tariffs and address artificial phytosanitary barriers hindering deeper trade within this grouping.
 - Other strategic export markets for South Africa's agricultural sector include South Korea, Japan, Vietnam, Taiwan, Mexico, the Philippines and Bangladesh. The private sector and the South African government share this ambition for export market expansion. In the current fragmented world, more resources and marketing must be used for this work.