

## Trade performance review of the agricultural sector of South Africa

The Department of Agriculture, Land Reform and Rural Development (DALRRD) has released its *Trade Performance Review of the Agricultural sector of South Africa* for 2022. The purpose of the annual report is to inform sector stakeholders about the status of South Africa's trade performance of primary agricultural products by analysing trade flows for the calendar year 2022 compared to 2021. The report for example notes that South Africa's exports of agricultural products increased by 18,6% in value terms.

Key import findings are that imports of agricultural products increased by 16,3% p.a. in value terms. South Africa's total import value of agricultural products from the world was R115 billion, with animal or vegetable fats and oils South Africa's largest import product group with a value of R19 billion, comprising a 17% share of total agricultural imports.

South Africa's valuable agricultural trade surplus continued, and even expanded in 2022, with exports outpacing imports by over R80 billion.

Of the top 10 largest export destinations for agricultural products by value in 2022, five were from Africa, two from Europe, with China, the US and the UAE rounding off the set. These 10 export destination markets contributed about half of the total export value of R203 billion. All the markets except China displayed strong growth. Fruit and nuts, beverages, cereals, meats and sugars are key export categories across the markets with the addition of wool to China. Overall, the top three agricultural export product groupings by value in 2022 were (in decreasing rank): edible nuts and fruit; cereals; beverages, spirits and vinegar; with fruit and nuts dominating at 34% of the basket, specifically citrus fruit, grapes, apples, pears, and quinces. Within cereals, maize, wheat and meslin, and then rice were the top three products, and within beverages, spirits and vinegar, wine, ethyl alcohol and waters.

Adding to the positive outlook, every subsector within the top 10 agricultural export product groupings by value experienced strong growth from 2021 to 2022, with the lowest figure coming in at 11% for fruit and nut, and the highest at 78% for oilseeds and oleaginous fruits. These 10 product groupings comprise nearly 84% of total exports, so the growth figures are encouraging in the context of a year of input cost increases, and energy and logistic challenges to name a few. To cushion the sector against the ongoing weight of such constraints, government must expand its efforts to support industry as the partners seek to maximise access to traditional markets and secure access to new markets.

With the AAMP in place, the collaborative work of DALRRD, dtic, Department of International Relations and Cooperation and industry, in structures that facilitate market access strategies, planning and marketing, is now key such as the industry roundtables, DALRRD's Agricultural Trade Forum and Nedlac's respective trade-orientated committees, as well as the upcoming AGOA and BRICS gatherings. South Africa's agricultural exports comprise a national asset, with benefits linking deep into rural economies and flowing to the fiscus. With exports still expanding, the goal must be to proactively protect and safeguard this asset against the significant domestic challenges that too are expanding.

