

Bi-Weekly Trade Tracker

September 2020

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INSIGHT



agriculture, land reform
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Department:
Agriculture, Land Reform and Rural Development
REPUBLIC OF SOUTH AFRICA

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University of Pretoria

Acknowledgement

This report was compiled by a number of collaborating researchers from the Bureau for Food and Agricultural Policy, the Department of Agricultural Economics, Extension and Rural Development at the University of Pretoria and the Department of Agriculture, Land Reform and Rural Development.

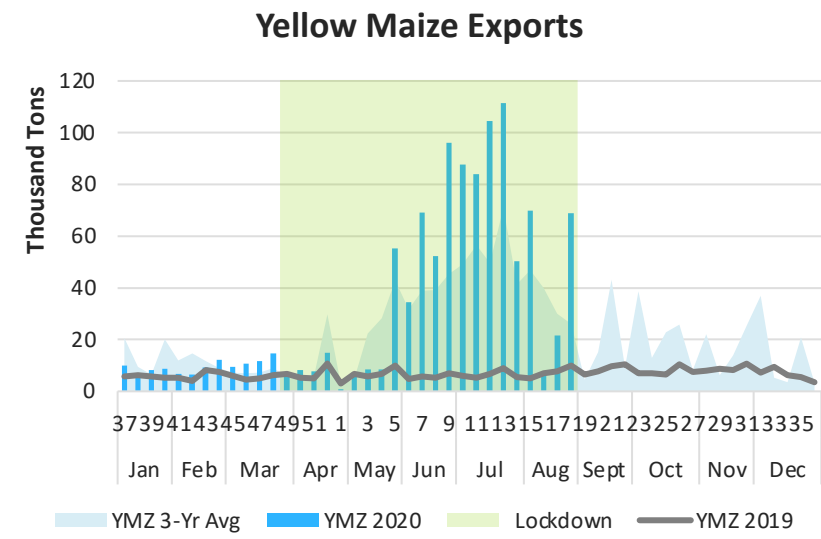
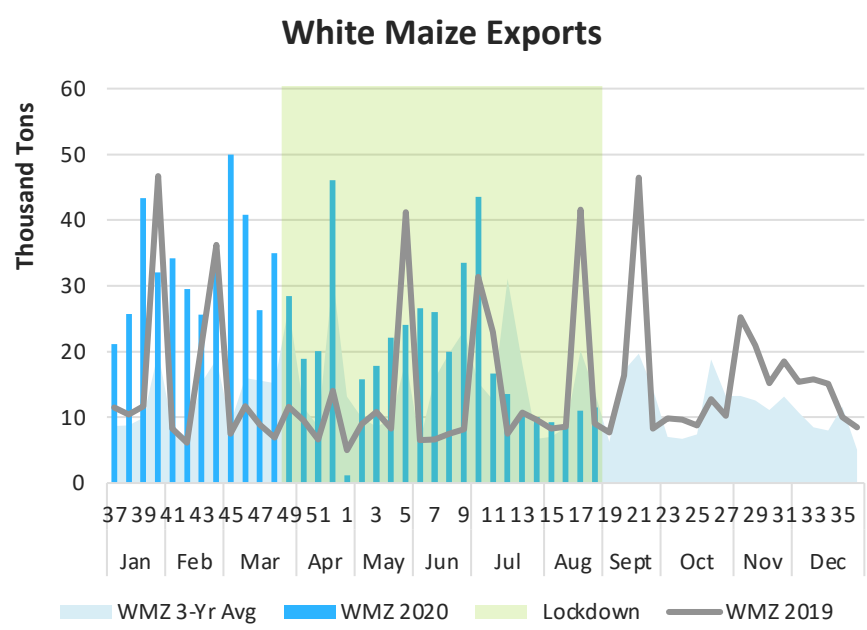
Contributing researchers:

| Researcher | Affiliation |
|-----------------|--|
| Dipuo Boshomane | Bureau for Food and Agricultural Policy |
| Kandas Cloete | Bureau for Food and Agricultural Policy |
| Tracy Davids | Bureau for Food and Agricultural Policy |
| Khani Hlungwani | Bureau for Food and Agricultural Policy |
| Mmatlou Kalaba | University of Pretoria |
| Tinashe Kapuya | Bureau for Food and Agricultural Policy |
| Ferdi Meyer | Bureau for Food and Agricultural Policy |
| Tshepo Ranoto | Department of Agriculture, Land Reform and Rural Development |
| Pieter Smit | Bureau for Food and Agricultural Policy |
| Ezra Steenkamp | Department of Agriculture, Land Reform and Rural Development |

Grains

Weekly focus: Maize and Wheat

White maize exports increased marginally over the past two weeks, but remain below the 3 year average volume for the equivalent period. All exports that did occur were destined for Southern Africa While deliveries of SA's new season crop are running smoothly, some availability challenges with respect to premium quality maize has driven prices higher, making South Africa less competitive in the export market. This is further exacerbated by good harvests in Zambia and Malawi, which has pushed regional prices down.



Yellow maize exports have increased sharply in the past two weeks, following a sharp decline in the second week of August. Exports were mainly destined for Asia (86%), with 55% headed to Japan and Sub-Saharan Africa. Cumulative yellow maize exports for the 2020/21 marketing year have surpassed 900 thousand tonnes, already more than double the total volume exported in the 2019/20 marketing year.

Wheat imports have remained weak over the past 2 weeks – well below the 3year average for the equivalent period. Imported wheat remains expensive with the weak exchange rate. All of the imports that did occur originated from the EU. Early estimates of the new season crop are positive, suggesting that less imports will be required in the 2020/21 marketing year.

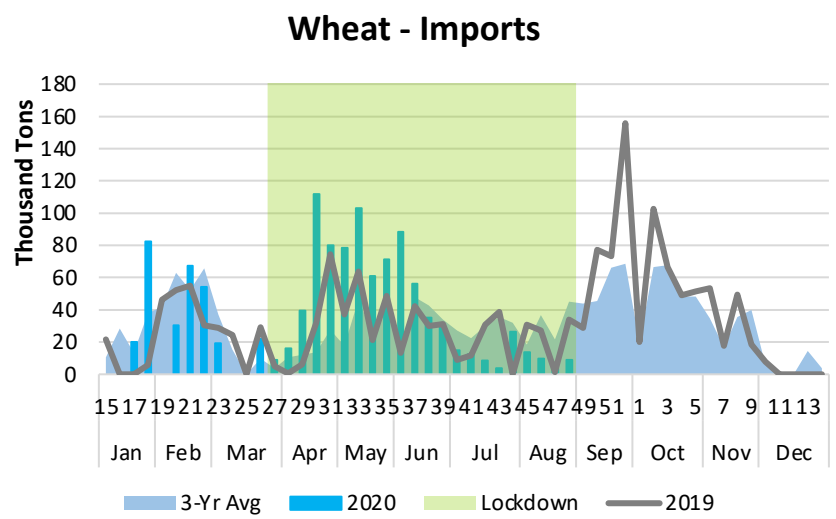


Table 1: Trade Summary – Past 20 weeks (lockdown period)

| | April – Aug 31 2018 | April – Aug 30 2019 | % Y-O-Y | April – Aug 28 2020 | % Y-O-Y |
|--------------|------------------------|------------------------|---------|------------------------|---------|
| White maize | 269 008 | 294 599 | +10% | 435 365 | +48% |
| Yellow Maize | 1 144 416 | 145 132 | -87% | 974 149 | +571% |
| Wheat | 826 814 | 589 669 | -29% | 880 937 | +49% |

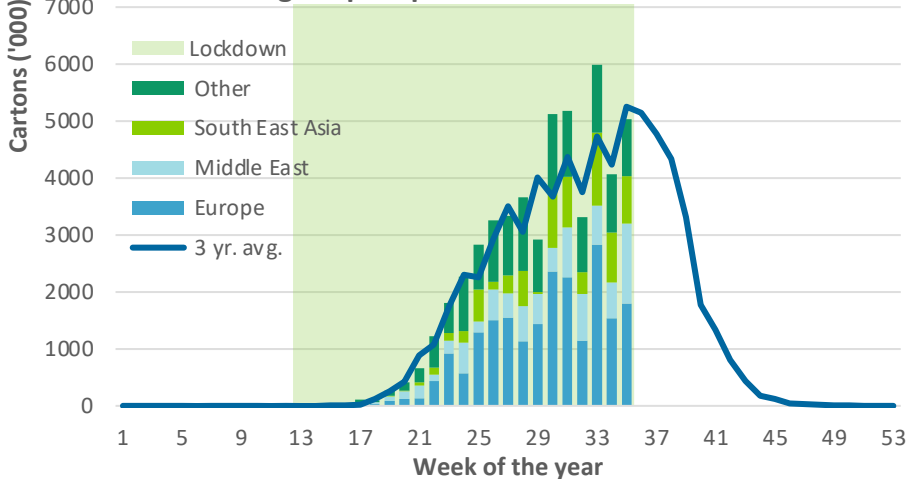
Horticulture

Weekly focus: Citrus

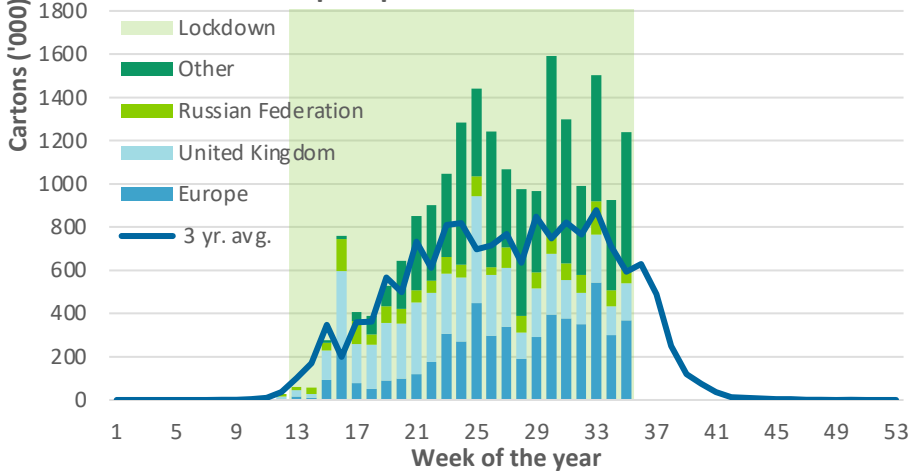
The export volumes for 2020 YTD is 15% more than the average for the past three seasons (2017-2019). This is primarily as a result of drastic increases in lemons (+30%) and soft citrus (+48%) for the same period. Oranges (+6%) are also higher, whilst Grapefruits (-8%) are lower.

The most notable changes in trade is the contraction in citrus exports to South East Asia (-13%), when comparing 2020 YTD with the average for 2017-2019 up to week 35. Conversely, growth in volumes to Europe (+29%), North America (+29%) and the UK (+25%) occurred. The largest market growth for Oranges was in the European market, with Soft Citrus exports increase especially to Europe and the UK markets. Middle East and Europe showed the largest increase in lemon imports from SA. Grapefruit exports to Asia and Europe contracted, but expanded to South East Asia.

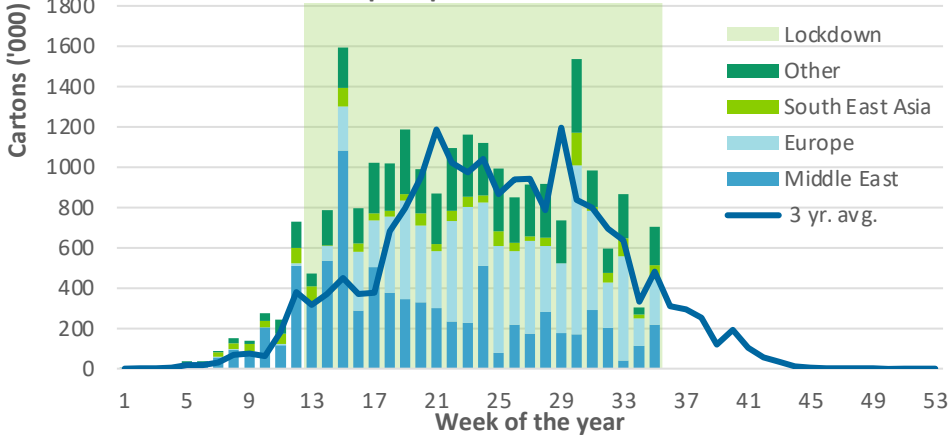
SA Orange Export per week: 2017-2019 & 2020 YTD



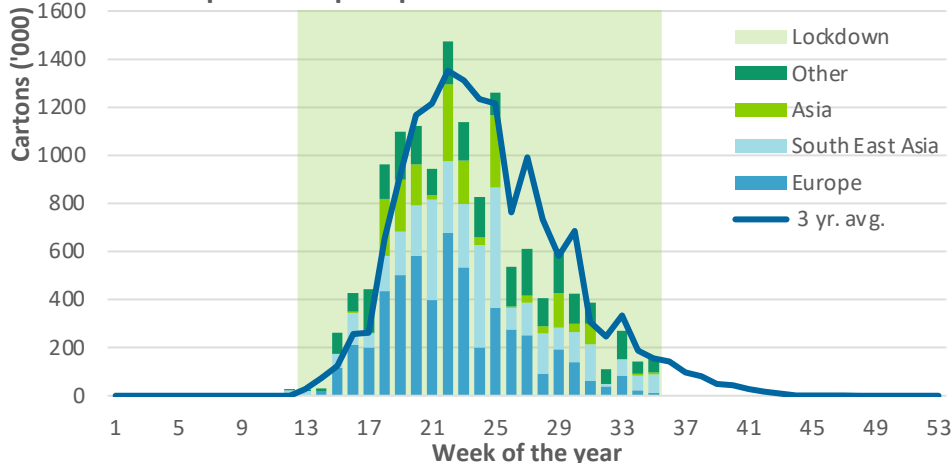
SA Soft Citrus Export per week: 2017-2019 & 2020 YTD



SA Lemons&Limes Export per week: 2017-2019 & 2020 YTD



SA Grapefruit Export per week: 2017-2019 & 2020 YTD



With orange exports at peak levels and the continuation of high volumes of soft citrus, more than 7 million cartons has been exported, on average, over the last six weeks. This is expected to decrease significantly as producers are expecting a slightly shorter than normal tail to the orange season.

Certain citrus areas and types will be affected by the voluntary termination of exports to EU from the 12th of September for the rest of the season to exclude potential interceptions of fruit with citrus black spot (CBS). As the EU is an important market for South African citrus and the risk of interception increasing as the season progresses towards its final stages, the objective of this termination is to protect this market.

The impact of Covid-19 on trade of produce cannot be disputed. Not only was freight severely affected, including the closure of airports, ports, and reduction in road transport, the ability of trading facilities to continue operating was also impacted. Furthermore, economies were affected in various ways at different times within the timeframe of the pandemic. In the case of South African imports, strict lockdown measures reduced sales and the weakening of the Rand increased the cost of imports.

Total value of agricultural imports increased from the first seven month in 2019 to the first seven months of 2020 from R51.15 billion to R54.25 billion, resulting in a growth in value of 6.1%. In terms of YoY growth for the period January to July, the biggest import value growth can be observed in Wool & Animal Hair (+117.7%), Oil Seeds (+46.7%) and Cereals (+45.0%) – on the back of a weak wheat harvest. Furskins and artificial fur (-77.4%), Raw Hides, Skins & Leather (-37.1%), and Silk (-35.1%) has seen the biggest reduction in value YoY.

Top contributors in absolute terms to the growth in total agricultural commodity imports value was Cereals (+R3.24 bn), Animal/Vegetable Fats & Oils (+R1.27 bn), and Oil Seeds (+R0.44 bn). Top categories losing most value in absolute terms YoY YTD are Beverages (-R1.26 bn), Meat & Edible Meat Offal (-R1.17 bn), and Tobacco (-R0.42 bn).

