

# Bi-Monthly Trade Tracker

February 2021  
# 2



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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.

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# Exports Overview

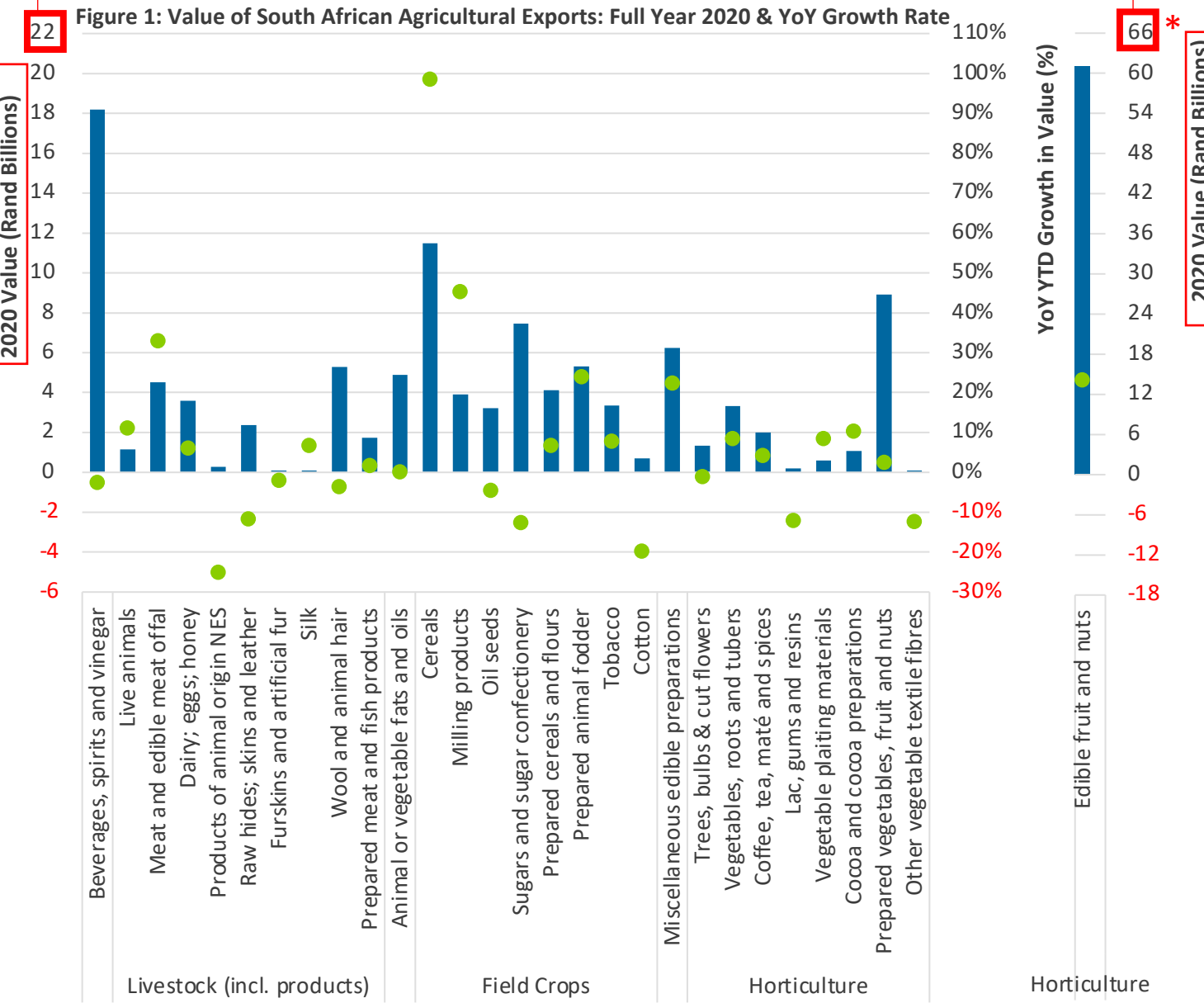
Focus: High-level trade overview of Agricultural Products

On the back of exceptional citrus and maize seasons, the benefit of the weaker Rand propelled the value of agricultural product exports for 2020 to R166 billion, compared to the almost R144 billion of 2019. Despite a number of logistical challenges at ports, airports and borders due to COVID-19 related restrictions, industry and government pulled together to find solutions and get produce transported.

Total exports value grew by R22.5 bn at a growth rate of 15.6%. The biggest winners, in terms of YoY growth, has been Cereals (+98.5%), Milling products (+45.3%) and Meat and edible meat offal (+32.9%). Products of animal origin NES (-25.1%), Cotton (-19.8%), and Sugar and sugar confectionery (-12.7%) has seen the biggest negative growth rates YoY.

Top contributors in absolute terms to the growth in total agricultural commodity exports value were Fruits & Nuts (+R11.62 bn), Cereals (+R5.70 bn), and Animal/Vegetable Fats & Oils (+R1.69 bn). Whilst the value of beverage exports have recovered well from the hard lockdown, it still returned negative YoY growth of R0.5 bn, second only to Sugars & sugar confectionary (-R1.09 bn), with Hides, skins & leather (-R0.32 bn) in third spot.

Prospects for the 2021 export season is looking good at this point in time, with positive growth in horticultural exports expected and good volume and prices projected for grains & oilseeds.



\*Fruits and nuts are on a different value scale, but uses the same % growth scale

# Imports Overview

Focus: High-level trade overview of Agricultural Products

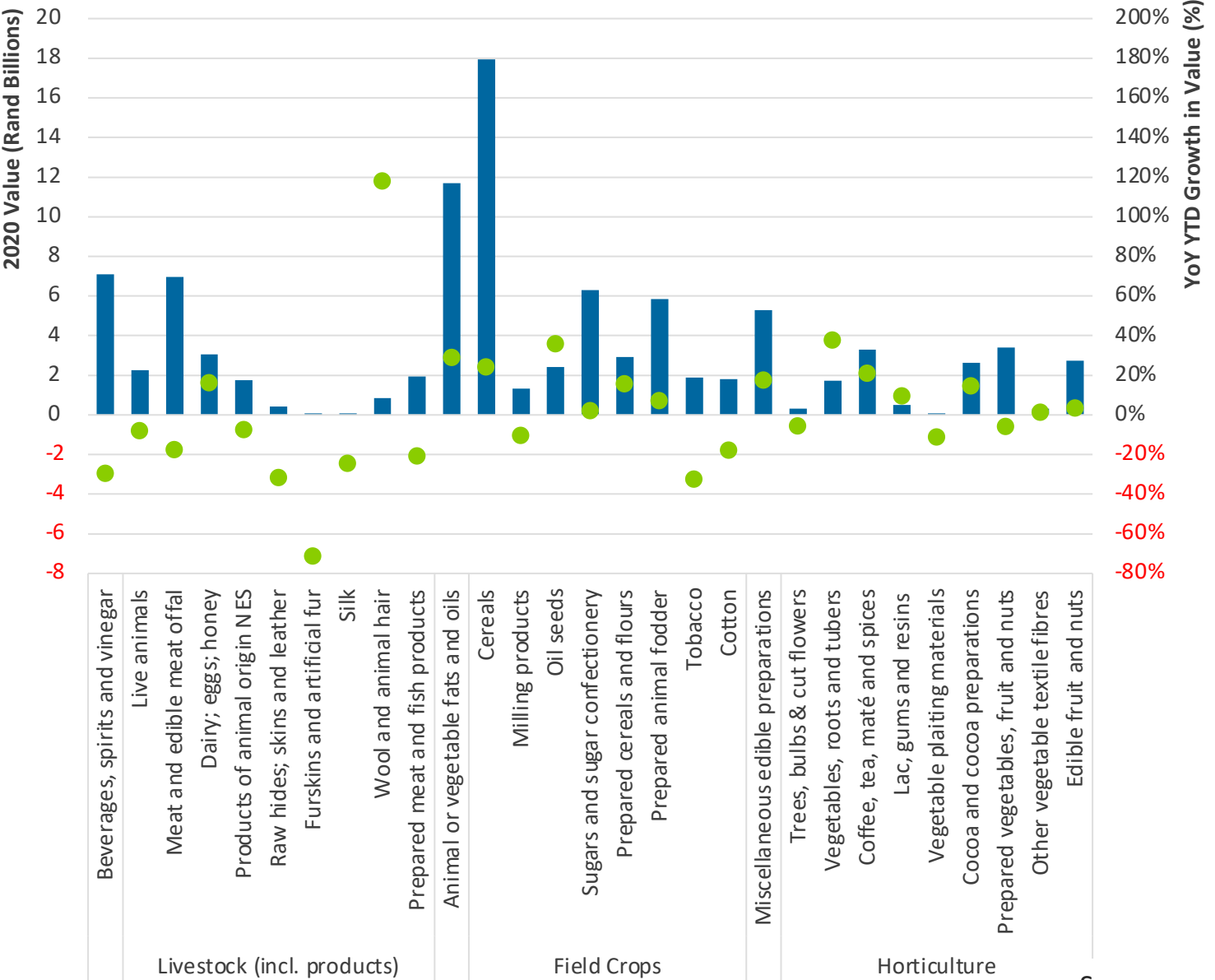
**Figure 2** compares agricultural imports of 2020 to the previous year. In total, the import value of these 29 product groups below have increased by 3.9%, from R93.07 bn in 2019 to R96.73 bn in 2020. Considering the total export value of R166 bn (see *Exports Overview*), it is clear that South African remains a strong net exporter of agricultural products.

The biggest drivers of the positive YoY growth rate in agricultural imports are Cereals (+24.3%), which is driven by wheat and rice imports, and Animal/Vegetable Fats & Oils (+28.9%), resulting in import values for 2020 of R17.94 bn and R11.69 bn respectively for these two product categories. When excluding these two product groupings, the YoY growth would be -3.5%.

Top contributors in absolute terms to the growth in total agricultural commodity imports value were Cereals (+R3.50 bn), Animal/Vegetable Fats & Oils (+R2.62 bn), and Miscellaneous edible preparations (+R0.79 bn). Top categories losing most value in absolute terms YoY are Beverages (-R2.98 bn), Meat & Edible Meat Offal (-R1.49 bn), and Tobacco (-R0.90 bn).

In terms of YoY growth for this period, the biggest import value growth can be observed in Wool & Animal Hair (+118.0%), Oilseeds (+35.9%) and Vegetables, Roots & Tubers (+37.7%). Furskins and artificial fur (-71.2%), Tobacco (-32.5%), and Raw Hides, Skins & Leather (-31.6%) has seen the biggest reduction in import value YoY.

Figure 2: Value of South African Agricultural Imports: Full Year 2020 & YoY Growth Rate



Source:

# Grains and Oilseeds

Focus: Maize, Wheat, Soybeans

This section considers trade performance in calendar year 2020, considering export performance for maize, where South Africa is a surplus producer, as well as import volumes for wheat, soybeans and soybean products.

MAIZE

South Africa produced the second largest maize crop in history in 2020, yielding a substantial exportable surplus. From January to December, white maize exports have been 70% higher than the 3-year average. Africa accounted for 96% of these exports, while 4% was deep sea. Yellow maize exports were 26% higher than the 3-year average over the same period, with a relative share of 31% for African exports and 69% accounted to deep seaports.

Table 1: Maize Exports: Jan - Dec

	3 yr avg. (’17-’19)	2020	% Change
White Maize	694 211	1 181 983	70%
Africa	618 184.7	1 133 367	83%
Other	76 027	48 616	-36%
Yellow Maize	1 094 843	1 380 368	26%
Africa	250 405.3	430 024	72%
Other	844 437.7	950 344	13%

SOYBEANS & PRODUCTS

Table 2: Soybean & product imports: Jan - Dec

	3 yr avg. (’17-’19)	2020	% Change
Soybeans	16 156.1	62 275.7	285%
Brazil	0.0	55 000.5	N/A
Zambia	10 557.5	4 116.8	-61%
Soybean oilcake	479 722.5	400 892.6	-16%
Argentina	42 7284.9	382 687.7	-10%
Zambia	43 430.4	11 070.8	-75%
Soybean oil	143 680.0	150 560.4	5%
Netherlands	67 625.9	72 959.7	8%
Argentina	52 286.6	43 448.7	-17%

The soybean harvest did not increase to the same extent as maize in 2020 due to a reduction in area planted and less favourable weather in the Eastern parts of the country relative to the West. Combined with a surplus crushing capacity, this necessitated some import volumes, as processors balanced the cost of imported beans against lower plant utilisation rates. The bulk of bean imports were attributed to a single ship from Brazil in March 2020. Increased crush volumes, combined with weaker demand from animal feed sectors which came under pressure through lockdown enabled a 16% reduction in soybean oilcake imports for the period Jan-Dec 2020 compared to a 3 years average while soybean oil imports reflected a modest increase of 5%.

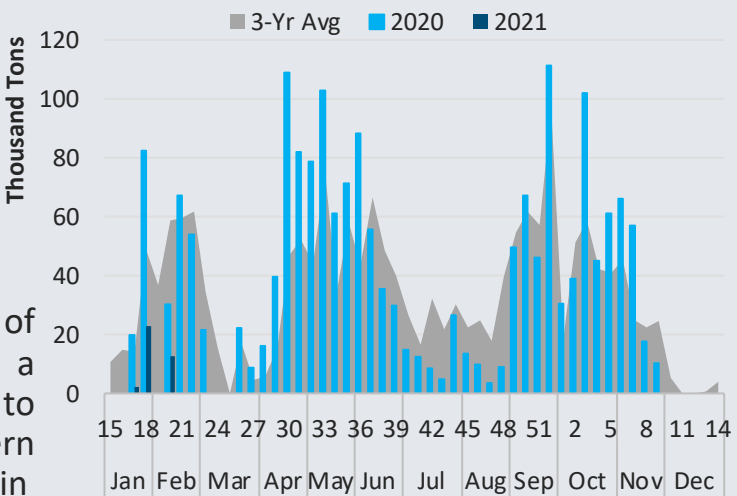
WHEAT

Table 3: Wheat imports: Jan-Dec

	3 yr avg. (’17-’19)	2020	% Change
Wheat	1 611 203	1 881 004	17%
Germany	323 653.7	181 485	-44%
Russia	524 900.3	521 862	-1%
Other	762 649.3	1 177 657	54%

South Africa typically imports around half of its total wheat consumption. Following a below average harvest in 2019 due to weather related challenges in the Western Cape, South Africa’s wheat import demand in 2020 has been stronger than usual. For the period Jan-Dec 2020, wheat imports were 17% above the 3-year average. Imports were predominantly shipped from Germany (27%), Russia (25%) and Lithuania (15%) over this period. Following a much improved harvest in 2020, imports over the first 6 weeks of 2021 have been well below 2020 volumes and the 3-year average.

Figure 3: Wheat - Imports



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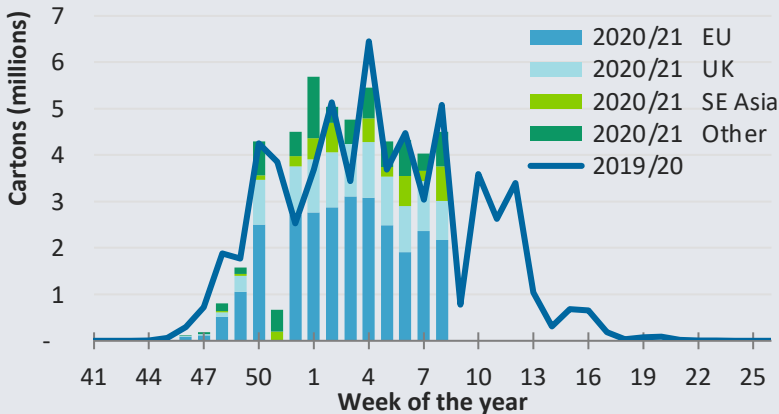


Despite a slightly slower start to the harvesting season as a result of fewer heat units during the spring and early parts of summer, the stone fruit and table grape seasons are in full swing, with higher volumes compared to the previous season (2019/20).

TABLE GRAPES

The season started a bit later, but the total export crop is still estimated between 65.3 and 69.8 million 4.5kg cartons. Currently, the YTD export volume is on par with the previous season. Whilst heavy rain in the Orange River affected harvesting and reduced shipped volumes from that region, a good season is experienced and expected for the other four production regions.

Figure 4: Table Grapes Weekly Exports: 2020/21 vs 2019/20



STONE FRUIT ESTIMATES

With favourable weather conditions experienced during the bloom and fruit set periods and also expected during the harvesting season (relative to the past two seasons), the projected number of export cartons for all four categories of stone fruit are higher than the total exported volumes of the previous season. Young nectarine and plum orchards coming into production are also expected to make a positive contribution to the count, whilst better apricot and peach yields were expected in the Klein Karoo region. So far, the nectarine and peach exports are on par with 2019/20 export season from a cumulative perspective (Figure 5 below). With the season starting a bit later and with new nectarine mid-season orchards coming into production, these two fruit types may reach the estimated carton count of 7.7 million by the end of the season.

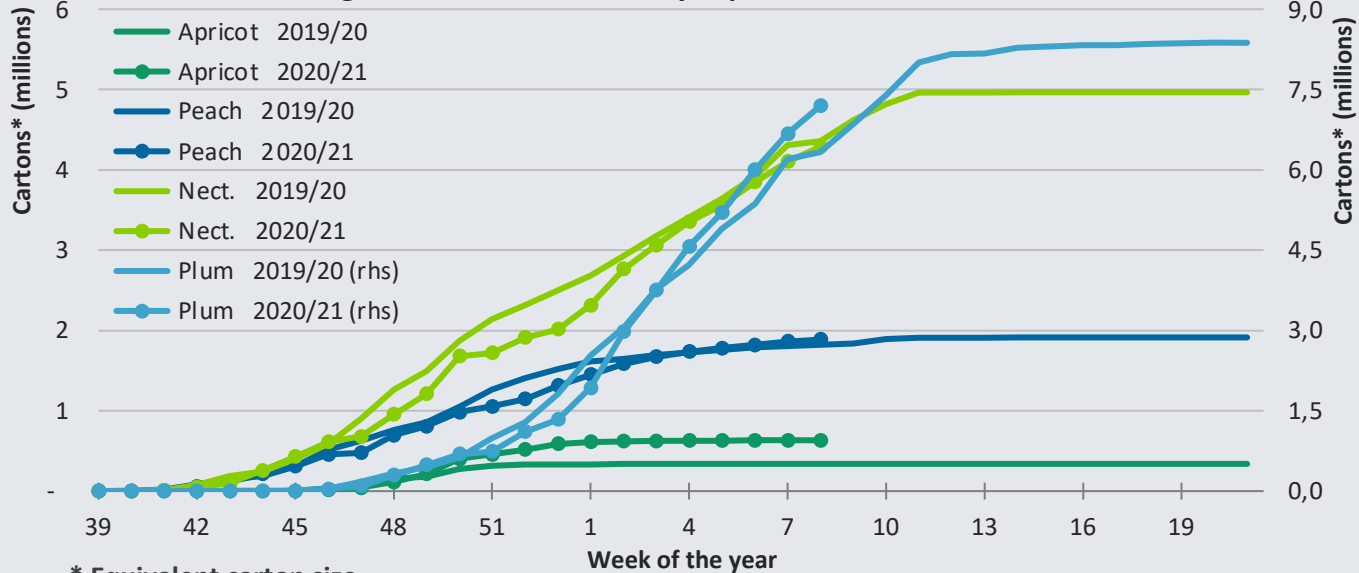
Table 4: Stone Fruit Export Carton Estimate 2020/21

Number of cartons*	3 year average	2020/21 estimate	2020/21 vs 2019/20 growth %
Apricots	550 978	435 600	+23%
Nectarines	4 426 197	5 608 500	+11%
Peaches	2 000 510	2 111 800	+5%
Plums	9 310 900	10 870 500	+22%

With the apricot season essentially concluded, the actual crop surpassed the projections substantially – 632 493 cartons have already been exported. Plum yields were expected to return to normal, and by week 8 the current season’s export volume is 14% higher than at the same time in 2019/20.

STONE FRUIT ACTUALS

Figure 5: Stone Fruit Weekly Exports: 2020/21 vs 2019/20



\* Equivalent carton size  
2.50 kg for Peach & Nectarine  
4.75 kg for Apricot  
5.25 kg for Plum

Sources:



# Beverages

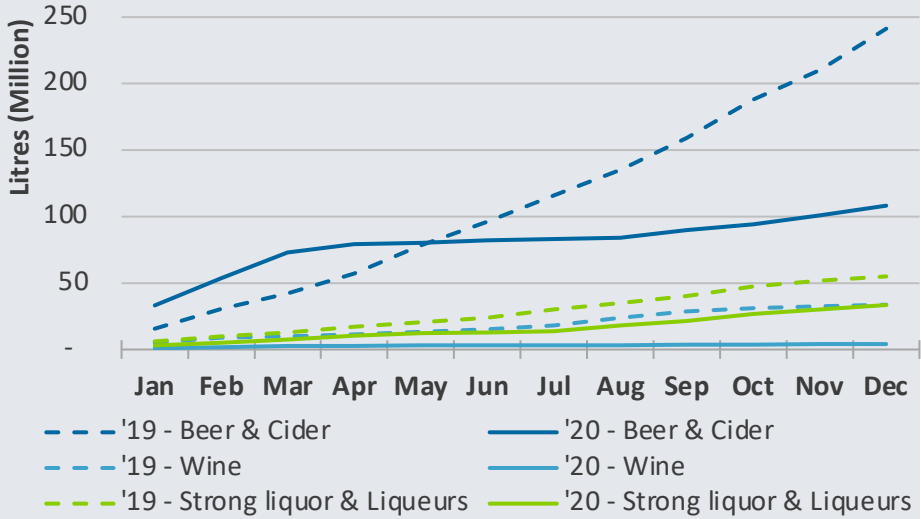
Focus: Import and Export of Beverages with a focus on wine

With sales of alcoholic beverages restricted multiple times during 2020 in an attempt to reduce the spread of COVID-19, alcoholic beverage industries, together with the tobacco industry, were some of the most affected agricultural sectors.

## BEVERAGE & ALCOHOL IMPORTS

**Figure 6** compares the cumulative import volume of alcoholic beverages in 2020 with 2019. By comparing volume instead of value, the effect of price changes and exchange rates are excluded. For all categories the total volume imported are lower than in 2019. Beer & cider imports are 55% lower than in 2019, whilst wine imports plummeted by 88%. Strong liquor & Liqueurs imports reduced by 39%, whilst ethanol imports increased with 79% (not shown on graph) as a result of increased sanitiser demand. Not only has the physical restriction of alcohol sales affected the import volume, but also the lowered domestic purchasing power.

Figure 6: Cumulative volume of alcoholic beverage imports: 2020 vs 2019



## BEVERAGE EXPORTS

Similar to the imports above, **Figure 7** compares the cumulative export volume of alcoholic beverages in 2020 with 2019. Although Strong liquor & Liqueurs (+13%) finished 2020 stronger than 2019, the opposite is true for Wine (-6%) and Beers & Ciders (-31%). The weaker exchange rate partially filled the gap left by the loss in volume, with YoY Beer & Ciders export value down by 21%, whilst Wine value increased by 5%. With the bulk of South Africa's beer and cider exports destined for Africa, sale restrictions, changes in purchasing power and the expansion and/or better use of in-country production capacity affected SA exports.

Figure 7: Cumulative volume of alcoholic beverage exports: 2020 vs 2019

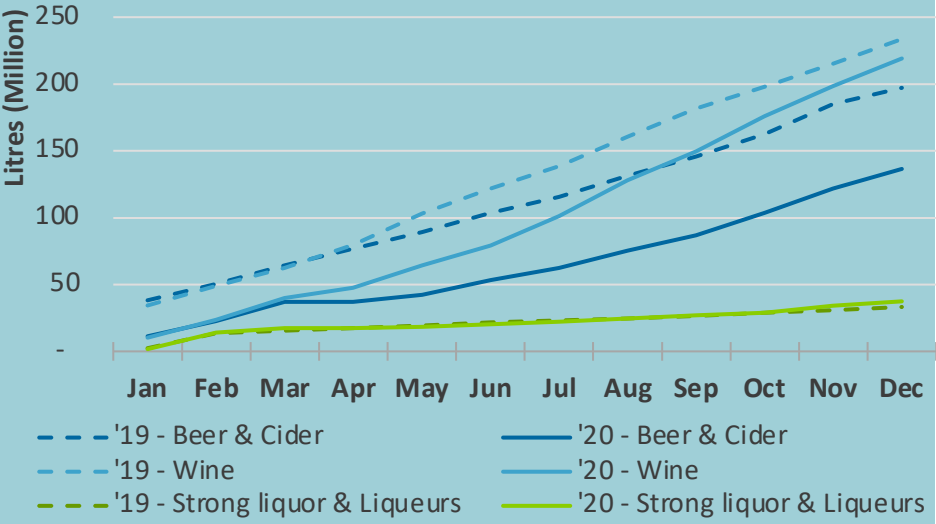
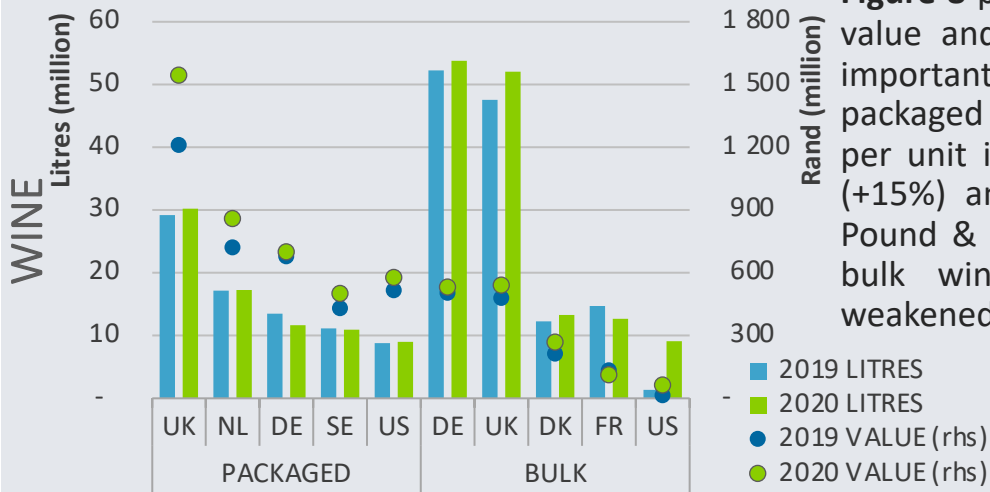


Figure 8: Wine Exports by Type and Country: 2020 vs 2019



**Figure 8** presents a YoY comparison of value and volume for the five most important importers of South African packaged and bulk wine. Whilst value per unit increased for both packaged (+15%) and bulk (+1%), the price in Pound & Euro effectively dropped for bulk wine, as the effect of the weakened Rand did not filter through.