

South Africa's envisaged agricultural trade growth will be export-led

The first Russia-Africa summit held last week concluded with an announcement that urged all participants to increase co-operation in security, science, environmental protection, trade and economic matters.

Increased agricultural trade by the Russia-Africa Summit is positive for South Africa's agricultural sector. The current engagements with Russia should seek to improve South Africa's position by promoting more exports in that market.

On the last point, the declaration highlights that participants should "make efforts to substantially expand the trade between the Russian Federation and the African states and diversify it, including by increasing the share of agricultural products in import and export operations".

Russia is 13th largest importer

Russia is an important player in global agricultural markets, ranked as the 13th largest importer, valued at \$28.8-billion annually, on average, over the past five years. The countries that have benefited from Russia's agricultural import needs are Belarus, China, Germany, Brazil, Ecuador, Italy, Turkey, Paraguay, Indonesia and France, among others. The African countries are down on the list of key agricultural exporters to Russia. In fact, while Russia's agricultural trade balance is negative, the country has a trade surplus with the African continent. In 2018, Russia had an agricultural trade surplus of \$2.8-billion with the African continent, according to data from Trade Map.

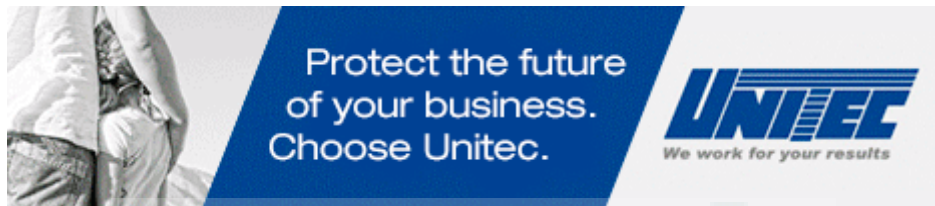
Over the past five years, wheat has been the dominant product in Russia's agricultural exports to Africa. It accounted for an average 79% of all exports to the continent over the past five years. The other products that Africa imports from Russia are sunflower oil, soybean oil, barley, maize, and linseed. Also, this is not widespread across the continent. Nearly half of Russia's agricultural exports into Africa go to Egypt, and it is mainly wheat. Sudan, Nigeria, Algeria and Kenya are other key markets, which collectively, added to Egypt, accounted for about 73% value of Russia's agricultural exports to Africa.

Different picture

In South Africa, the picture is different. South Africa enjoys an agricultural trade surplus with Russia. The products that South Africa exports to Russia include citrus, apples, pears, wine, grapes, apricots, cherries, peaches and fruit juices. These are among the products that Russia generally imports from the world (Russia's top 10 agricultural imports are citrus, bananas, wine, soybean, cheese, beef, palm oil, apples, pears and tobacco).

Source: [dailymaverick.co.za \(https://www.dailymaverick.co.za/opinionista/2019-10-29-growth-envisaged-by-sa-in-agricultural-trade-will-be-export-led/\)](https://www.dailymaverick.co.za/opinionista/2019-10-29-growth-envisaged-by-sa-in-agricultural-trade-will-be-export-led/)

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