

Downbeat agriculture exports in Q2 of 2024 reflect tough seasonal conditions

By [Paul Makube](#)

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Although still recording a trade surplus in Q2 of 2024, it was slower than expected as the total value of agriculture exports eased by 0.1% year-on-year to \$3.37bn according to the recently updated Trade Map data. At \$1.47bn, South Africa's agriculture trade surplus shrank by 6% year-on-year in Q2 of 2024.



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The downbeat agriculture exports show a modest reversal from an impressive Q1 gain of 6% year-on-year with the trade surplus having surged by a whopping 20% year-on-year during the same period.

A combination of weak import demand amid a depressed global commodity price environment contributed to the lacklustre exports in Q2 of 2024.

Although operating conditions remain tough on the logistics side, there was a rebound in port performance relative to the previous year as stakeholders from Transnet and the agriculture sector continued to collaborate closely to ensure smooth transit of products to international markets.

Key agriculture exports

Major horticulture commodities shipped were citrus, whose export season gained momentum in Q2, avocados, apples and pears, grapes, dates, and pineapples. For field crops, major export products were maize, sugar and wool in the livestock category while other products included wines and fruit juices.

After an initially optimistic outlook, the citrus export estimates were downgraded consistently during the current season with the latest figures showing a drop of 10.7% from the original estimate, and down 1.7% year-on-year at 162.3 million (15kg) cartons. Although unscathed by El Nino as water reservoirs were at their best levels for irrigation, inclement weather with severe frost hit some production areas of Limpopo, while parts of the coastal provinces of the Eastern Cape and Western Cape experienced excessive winds and flooding conditions, respectively.

On the back of a sharp reduction in harvest, SA's maize exports fell sharply by 36% year-on-year in Q2 of 2024 at 483,626 tonnes with the cumulative total for the marketing season to date (May to 9 August 2024) down by 45% year-on-year largely due to declines for yellow maize.

Strong demand for white maize on the continent saw volumes of exports surging by 109% year-on-year Q2 of 2024 at 241,813 tons with the cumulative total for the marketing season to date up 104% year-on-year at 396,867 tonnes.

Potential softening of agriculture's GDP

The above trends indicate that agriculture's quarterly GDP outcomes may soften in the next update. Nonetheless, it is not all doom and gloom as we have recently experienced a sustained electricity supply in the past few months which has reduced operational costs for irrigation, cold storage, and other intensive agriculture operations such as poultry, dairy, and piggeries.

The recent Transport Logistics Committee's announcement of a timeline for the Private Sector operators to gain access to the country's rail network by October 2024 increases optimism about the improvement of operating conditions for the sector. The interest rate outlook also points to a cut of about 25 basis points or more before the end of the year which will go a long way in reducing debt servicing costs for farmers.

Finally, the weather outlook has turned the corner with La Nina on the way for the 2024/25 summer rainfall season which indicates potential bumper crops in the year ahead.

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