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SA agriculture needs to crack the Chinese market

Here's how the sector can boost exports.

By Wandile Sihlobo 16 Sep 2024 ⌚ 04:02



China has 1.5bn people to feed, presenting a vast opportunity for SA agricultural exports. Image: Qilai Shen/Bloomberg

South Africa's agricultural sector has more than doubled in value and volume terms since 1994. This success has been linked to international trade. Exports now account for roughly half (in value terms) of the annual agricultural production.

Other drivers have been improvements in productivity through crop and animal genetics.

Exports are largely to the rest of the African continent. In 2023, these accounted for 38% of South Africa's agricultural exports. The EU is another important market for South Africa's agricultural sector, accounting for a 19% share in 2023.

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In recent years, Asia and the Far East, in particular China, have been identified by the agriculture sector and policymakers as the key growth frontiers.

Asia and the Middle East accounted for a quarter of South Africa's agricultural exports in 2023. But huge pockets of opportunity remain, in terms of products and countries.

China is the biggest opportunity, largely because of its population and economic size. China, the world's **second-largest economy after the US**, must feed **1.4 billion people**. To do this, China is a huge importer, resulting in an agricultural trade deficit with the rest of the world of about US\$117 billion. This suggests there's a gap for countries with good agricultural offerings.

South Africa has lagged behind its competitors in gaining from this growth in Chinese imports. It stands at number 32 in the list of countries that supply China with food. South Africa's agricultural exports to China accounted for a mere **0.4% of Chinese imports in 2023**.

Read: **South Africa targets China as key market for its farm produce**

China's size warrants more attention than it typically receives from South African policymakers. The **South African agricultural sector** – I am the chief economist of the **Agricultural Business Chamber of South Africa** – has been calling for greater efforts to increase South African exports to China.

China's agricultural trade



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