

South Africa's agriculture sees export growth despite droughts and import reliance

South Africa's agricultural sector has experienced a year of mixed outcomes, with challenges such as droughts and animal diseases affecting its performance. However, the horticultural sub-sector has shown promising signs of recovery, thanks to strong fruit harvests. Wandile Sihlobo, chief economist at the Agricultural Business Chamber (Agbiz), shared insights into the sector's performance, highlighting the resilience shown in export figures.

Trade Map data revealed that South Africa's agricultural exports reached \$4.12 billion in the third quarter, a 5% increase from the previous year. The first three quarters saw exports climb to \$10.55 billion, up by 4% from 2022, driven by both volume and price increases. Despite logistical hurdles, efforts by Transnet and other organizations have kept the export flow steady.

The main exports include citrus fruits, nuts, maize, apples, pears, and wine. Africa remains the largest market for these exports, followed by Asia, the Middle East, and the European Union. These regions primarily import South African citrus fruits, beef, and wine.

On the import side, agricultural imports rose to \$1.99 billion in the third quarter, a 12% increase year-on-year. Essential items like wheat and poultry have driven a 6% rise in imports over the first three quarters to \$5.52 billion. Sihlobo pointed out the necessity of importing staples like rice and palm oil, with nearly half of the nation's wheat consumption relying on imports.

Despite the import challenges, South Africa's agricultural sector has maintained a positive trade balance, showcasing a surplus of \$2.12 billion. The National Agricultural Marketing Council anticipates a recovery in the stone fruit sector, with improved climate and logistics supporting this outlook. Sihlobo emphasized the importance of market diversification and investment in climate resilience and efficient logistics for the sector's future.

Source: IOL (<https://www.iol.co.za/business-report/economy/south-africas-agricultural-sector-sees-mixed-fortunes-amidst-drought-and-trade-recovery-4021c511-e681-451e-8b28-f45d98855067>)

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