

SA's agriculture exports surge in Q1 2024, boosting trade surplus

South Africa's agricultural sector is showing muscle, with exports rising by 6% year-on-year in the first quarter of 2024. This positive trend, reaching US\$3.1bn, is driven by a combination of increased export volumes and higher product prices.



Source: tawatchai07 via [Freepik](#)

Fruits like grapes, apples, and pears topped the export list, along with maize (corn) and wine. Africa remained the largest buyer (42%), followed by the European Union (EU) with countries like Germany, Netherlands, and France taking the lead, Asia & the Middle East (19%), and the Americas (6%).

This strong export performance translates to a significant boost in South Africa's agricultural trade surplus. Compared to Q1 2023, the surplus grew by 20%, reaching US\$1.4bn. This improvement is partly due to a 4% year-on-year decline in agricultural imports.

However, recent challenges faced by the deciduous fruit industry at the Port of Cape Town, managed by state-owned logistics giant Transnet National Ports Authority (TNPA), highlight a crucial area for continued focus: efficient logistics.

Collaboration between TNPA, organised businesses like Agri SA, and agricultural stakeholders remains essential to streamline port operations and ensure efficient transportation of perishable goods like fruits by companies like Cape Fruit Packers and Langeberg.

The Agricultural Business Chamber (Agbiz) has urged policymakers to consider several key strategies for sustained growth:

- Infrastructure investment: Increased investment in port infrastructure like Cape Town and Durban, railways, and rural roads is necessary to overcome logistical bottlenecks and support continued export growth.
- Market expansion: While maintaining existing markets in the EU and Africa is crucial, South Africa should also strategically expand access to new markets with high potential, such as China, India, and other BRICS+ nations (Brazil, Russia, India, China, and South Africa).
- Addressing domestic needs: South Africa relies on imports for rice, palm oil, and nearly half of its wheat consumption. Policies encouraging domestic production where feasible can reduce reliance on imports from countries like Thailand (rice) and Indonesia (palm oil) and improve food security.

While the positive trends in Q1 are encouraging, there are some concerns. The decline in grain exports due to the mid-summer drought might dampen overall export performance throughout the year. Close monitoring of global developments, such as the US's upcoming USDA crop progress reports, is essential to understand potential future food price movements.

Overall, South Africa's agricultural sector is demonstrating promising signs. The sector can ensure long-term sustainability and contribute significantly to the country's economic growth by focusing on infrastructure improvements, market diversification, and addressing domestic needs.

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