

Q3 2023 sees stealthy 4% jump in agriculture export earnings

By Paul Makube

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The latest trade data update from Trade Map shows another impressive performance from the agriculture sector with the value of export earnings jumping by 4% year-on-year to \$3.9bn. The increased seasonal availability from bumper harvests in the horticulture and field crops underpinned this stellar performance.



Source: onlyyouqj via [Freepik](#)

Although slightly firmer in Q2, the rand exchange rate depreciated by 14.4% year-on-year in Q3 2023 thus enhancing earnings in addition to the increased volumes and better prices for some of the products.

Major commodities exported included citrus, maize, apples and pears, nuts, wine, soybeans, sugar, and fruit juices. Citrus was already on its way to another excellent seasonal export performance towards the end of Q3 2023 with volumes up by 3% year-on-year at 159.1 million cartons (15kg) as of week 39, which is 96% of the original industry estimate.

Maize continued to enjoy strong growth in exports with an impressive 8.5% year-on-year surge in volumes exported at 1.64 million tonnes in Q3 dominated by yellow maize (81%) followed by white maize (19%) according to the South African Grain Information Services (SAGIS) data.

The path forward

The sector must continue to agitate for gains in market share and expand to new markets. Retaining and growing the export market provides an opportunity for expansion and foreign earnings.

This stellar performance was however not without hurdles and the longstanding trade distortions such as the uncompetitive phytosanitary measures on citrus by the EU, dilapidated roads, challenges at ports and railway infrastructure are yet to be finally concluded. Nonetheless, navigation around these issues with increased collaboration between industry players and Transnet has played a huge role in ensuring this good performance.

Further, the sector is constantly adapting to the changing landscape and has expanded despite tough conditions. More work is needed to unlock new markets and improve logistics in terms of rail and ports all of which are achievable through increased collaboration with government and the relevant State-Owned Enterprises (SOEs).

Seizing opportunities

The long-term outlook is still positive on the back of the renewed impetus to open export markets following the conclusion of deals for exports of avocados to China and the reopening of the Saudi Arabian market for SA meat. The sector should take advantage of the recent success of the BRICS summit in SA to explore this market with 6 additional members.

From a volume perspective, the sector should take advantage of increased capacity in terms of prior investment in orchards with the non-bearing equivalent for citrus commodities at approximately 43%, 31%, and 21% for soft citrus, lemons, and grapefruit respectively. Even larger percentages are estimated for macadamias and avocados with non-bearing equivalents of 63% and 51% respectively. South African agriculture is therefore geared for export business and the wheels must continue to turn.

ABOUT PAUL MAKUBE

Paul Makube is Senior Agricultural Economist at FNB.

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