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Agri-Food Trade Quarterly Report 2024Q2

Theme: Navigating Global Markets in a Shifting Geopolitical Landscape

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1. Introduction

In the second quarter of 2024, the Western Cape's agri-food trade landscape continues to be significantly shaped by a complex interplay of international trade agreements and geopolitical shifts. South Africa and the Western Cape are facing a dynamic trade environment with both challenges and emerging opportunities. Factors such as import bans i.e. of South African vegetables by Botswana and Namibia, ongoing African Growth and Opportunity Act (AGOA) renegotiations, the expansion of BRICS+, and developments under the African Continental Free Trade Agreement (AfCFTA) have had a significant impact on trade patterns for various commodities. This period witnessed substantial growth in agri-food exports to key markets, including Europe, Africa, and the Americas, with notable increases in high-value products like citrus fruits, apples, pears, and processed goods.

The report provides a detailed analysis of the key trends in both export and import markets, focusing on specific commodities relevant to the Western Cape. It aims to provide insights into how the Western Cape can adapt to the changing trade environment and strategically position itself in a shifting geopolitical environment. Additionally, products with growth potential will be highlighted, offering insights into future export opportunities. The scope of the analysis spans agri-food exports and imports classified under HS codes 1-24 from 2019Q2 (pre-COVID) to 2024Q2.

2. Western Cape Export and Import Markets by Region

Figures 2.1a and 2.1b show the trends in agri-food exports and the share of agri-food exports relative to total exports. South African agri-food exports increased by 78% from R35.3 billion in 2019Q2 to R63.1 billion in 2024Q2 but declined by 0.2% in the past year. The Western Cape agri-food exports increased by 72% from R16 billion in 2019Q2 to R27.6 billion in 2024Q2 but declined by 4.2% from previous year. In 2024Q2, the

Western Cape contributed 44% of the total South Africa agri-food exports. The share of South Africa agri-food exports relative to total exports was 12% and 51% for the Western Cape in 2024Q2 which means that the Western Cape exports more agri-food products than non-agri-food products. The Western Cape agri-food exports were the highest in Europe at R13.2 billion with a growth rate of 94% in the past five years and agri-food exports to Americas had the highest growth rate at 109% to R2.6 billion in the same period. Most of the Western Cape exports to Europe consist of agri-food products at 81% in 2024Q2 and that share has remained stable over the past five years. The share of agri-food exports to Asia has decreased from 68% in 2019Q2 to 50% in 2024Q2, which may be attributed to shifting demand patterns that favour non-agri-food products over agri-food products. This trend could reflect increased consumer demand for industrial goods, technology, and other manufactured products, potentially leading to a reduced emphasis on imports of agricultural commodities from the Western Cape. Additionally, Asia's growing capacity for domestic food production and imports from closer or more competitive markets may have further contributed to this shift.

Figures 2.1c and 2.1d illustrate the trends in agri-food imports and the share of agri-food imports relative to total imports. South African agri-food imports increased by 53% from R23.1 billion in 2019Q2 to R35.4 billion in 2024Q2 and increased by 4.7% in the past year. The Western Cape agri-food imports increased by 52% from R6.9 billion in 2019Q2 to R10.5 billion in 2024Q2 and increased by 9.2% from the previous year. In 2024Q2, the Western Cape accounted for 30% of the total South African agri-food imports. Agri-food imports made up 7.6% of South Africa's total imports and 13.4% of the Western Cape's total imports in 2024Q2. The highest value of Western Cape agri-food imports was from Europe, at R4 billion, with a growth rate of 35% over five years. Imports from Asia saw the highest growth rate at 127%, reaching R3.4 billion. The Western Cape imports from the Americas consisted of 28% of agri-food products in 2024Q2 which was lower compared to 34% in the previous year but showing signs of recovery. Agri-food imports from Africa saw a sharp decline, dropping from 30% in 2022Q2 to 7% in 2024Q2. This sharp drop may be due to the Western Cape diversifying its import sources, shifting towards Europe or Asia for certain agri-food products. Additionally, there may have been an increased focus on importing non-agri-food products, leading to a reduced share of agricultural imports from African countries. This shift could also reflect changes in trade agreements, logistics, or competitive pricing, which have made other regions more attractive for sourcing imports.

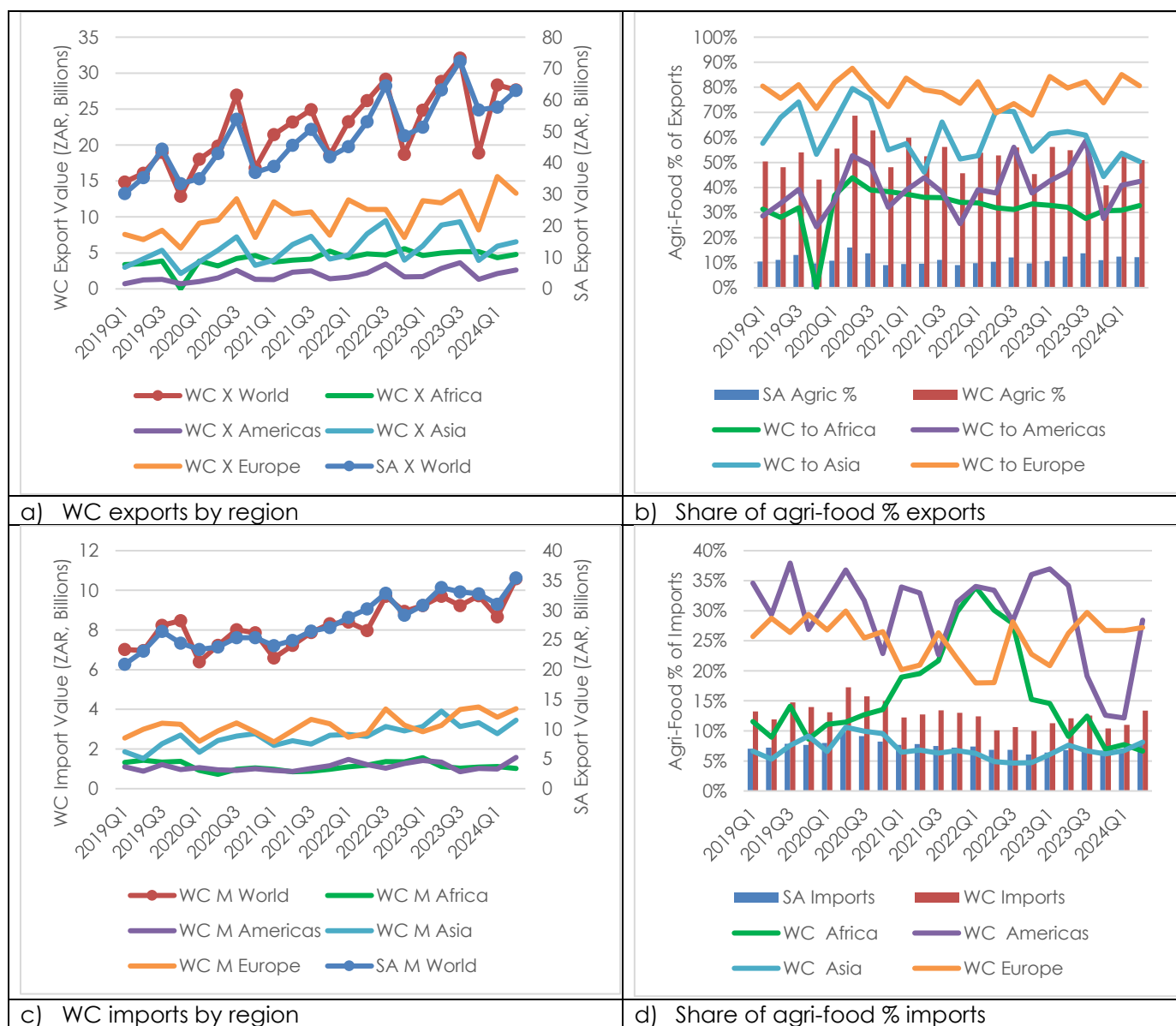


Figure 2.1. Western Cape exports and imports by region

Source: SARS; Quantec 2024

3. Western Cape Top Traded Agri-Food Products with Europe

As part of the Southern African Customs Union (SACU), South Africa has established trade agreements with the EU (under the EU-SADC EPA since October 2016) and the UK (through the Economic Partnership Agreement, following Brexit in March 2019), both of which benefit the Western Cape from tariff reductions or improved market access.ⁱ SADC products such as sugar, dairy products, canned fruits, flowers, fisheries, dried spices, essential oils, herbal teas, vegetable oils, dried fruits and nuts benefit from the EU-SADC EPA.ⁱⁱ Recently, the EU Strategic Dialogue report emphasized the need for policies and support measures, including technical assistance and capacity-building programs, to help non-EU economic operators meet EU food and farming standards while considering local socio-economic, geographic, and regulatory conditions.ⁱⁱⁱ In 2024Q2, the Western Cape agri-food exports to Europe were mainly to the Netherlands (29%) and the UK (24%) at R3.8 billion and R3.2 billion, respectively. On the other hand, the Western Cape agri-food imports from the Netherlands (6%) and the UK (4%) were at R237.1 million and R177.7 million, respectively. South Africa, through BRICS+, also benefits from trade with Russia. The Western Cape's agri-

food exports to Russia stood at R1.5 billion (12% of exports to Europe), while imports from Russia reached R269.8 million (7% of imports from Europe).

Tables 3.1 and 3.2 present the Western Cape's top 20 agri-food products traded with Europe over the past five years. The Western Cape mainly exported citrus fruit (27% or R3.5 billion), apples/pears (20% or R2.6 billion), and wine (12% or R1.6 billion) to the European market in 2024Q2. Agri-food exports with consistent growth include dried fruit, which increased by 420% to R159.8 million, and edible roots (e.g., carrots, turnips, and radishes), which surged by 1770% to R24.8 million. This trend is likely driven by the rising global demand for healthy and natural snacks and ingredients and technology advancements in processing technologies improving quality and shelf life of these products.^{iv} In the past year, exports of plants used for perfumery, pharmacy, insecticides, and fungicides saw a sharp rise of 529%, reaching R71.5 million. The Western Cape has benefited from the rise in global demand for organic and plant-based ingredients, capitalizing on niche markets with higher margins and less competition.

The Western Cape's main agri-food imports from Europe in 2024Q2 were waters (12% or R500.3 million), wheat (12% or R427.5 million), alcohol (11% or R427.5 million), tobacco products (6% or R230.1 million) and sunflower/cotton seed oils (6% or R227.3 million). Agri-food imports with consistent growth include waters (up 142%), animal feed preparations (up 70% to R216.7 million), pasta (up 255% to R105.1 million), and flours, meals and pellets (up 162% to R102.1 million). The increasing demand for waters is likely to be driven by the health trends, the growth of the hospitality and tourism sectors, water scarcity and concerns about local water quality. Domestic shortages in the production of wheat (or insufficient processing capacity) and certain food products, such as pasta, may have contributed to an increase in imports. Lastly, the growing demand for animal feed preparations could be linked to the expansion of the livestock, and poultry in the Western Cape.^v The cost-effectiveness of these products to ensure supply chain security needs to be evaluated and the role of trade agreements which lower tariffs and other barriers on products such as pasta and animal feed preparations, because these products can be produced domestically.

Table 3.1. WC Top 20 agri-food products exported to Europe

Rank	HST	2019Q2	2023Q2	2024Q2	Share%	GR 5YR	GR 1YR
	HST 0 Total Agri-Food	6 840 627 207	11 943 182 255	13 285 666 862		94%	11%
1	HST0805: Citrus fruit	1 650 899 329	3 657 444 653	3 544 512 076	27%	115%	-3%
2	HST0808: Apples, pears and quinces	1 204 528 122	1 766 746 824	2 625 327 643	20%	118%	49%
3	HST2204: Wine	1 392 624 212	1 624 320 250	1 646 289 679	12%	18%	1%
4	HST0804: Dates, figs, pineapples, avocados, guavas, mangoes	191 647 192	383 058 705	808 783 628	6%	322%	111%
5	HST0304: Fish fillets and other fish meat	457 422 568	691 242 562	629 093 511	5%	38%	-9%
6	HST0806: Grapes	333 537 092	357 550 209	626 828 629	5%	88%	75%
7	HST1504: Fats and oils of fish	27 487 719	357 921 603	390 576 865	3%	1321%	9%
8	HST2301: Flours, meals and pellets unfit for human consumption	204 470 559	421 831 932	359 556 073	3%	76%	-15%
9	HST0303: Fish	239 459 858	325 620 361	344 025 373	3%	44%	6%
10	HST0307: Molluscs	142 676 374	127 876 386	316 394 406	2%	122%	147%
11	HST1209: Seeds, fruit and spores	99 618 848	160 635 125	266 994 679	2%	168%	66%

12	HST2008: Fruit, nuts and other edible parts of plants	172 737 193	242 621 457	263 842 205	2%	53%	9%
13	HST0813: Dried fruit	30 732 062	110 977 145	159 816 580	1%	420%	44%
14	HST2007: Jams, fruit jellies, marmalades	45 438 094	141 221 587	138 126 662	1%	204%	-2%
15	HST0809: Apricots, cherries, peaches, plums and sloes	50 749 324	150 358 060	119 460 482	1%	135%	-21%
16	HST0709: Other vegetables	42 254 783	106 554 427	106 180 031	1%	151%	0%
17	HST0603: Cut flowers and flower buds	42 186 970	79 101 483	100 093 685	1%	137%	27%
18	HST0810: Other fruit	101 476 616	94 387 059	99 107 905	1%	-2%	5%
19	HST1211: Plants used primarily in perfumery, pharmacy or for insecticidal, fungicidal	8 387 246	11 390 923	71 599 322	1%	754%	529%
20	HST2009: Fruit and vegetable juices	20 199 186	102 694 591	64 062 956	0%	217%	-38%

Source: SARS; Quantec 2024

Table 3.2. WC Top 20 agri-food products imported from Europe

Rank	HST	2019Q2	2023Q2	2024Q2	Share %	GR 5YR	GR 1YR
	HST 0 Total Agri-Food	2 993 909 349	3 186 160 005	4 029 131 655		35%	26%
1	HST2202: Waters	206 772 309	304 259 905	500 307 458	12%	142%	64%
2	HST1001: Wheat and meslin	444 486 897	298 195 539	473 549 098	12%	7%	59%
3	HST2208: Undenatured ethyl alcohol	468 796 110	294 996 478	427 536 619	11%	-9%	45%
4	HST2402: Cigars and cigarettes	133 404 344	123 054 085	230 188 475	6%	73%	87%
5	HST1512: Sunflower-seed, safflower or cotton-seed oil	7 899 754	100 255 536	227 372 566	6%	2778%	127%
6	HST2309: Preparations used in animal feeding	127 577 768	156 801 171	216 745 047	5%	70%	38%
7	HST1806: Chocolate and other food preparations containing cocoa	53 245 871	127 822 731	147 044 592	4%	176%	15%
8	HST1905: Bread, pastry, cakes, biscuits and other bakers' wares	80 000 182	105 769 999	112 787 086	3%	41%	7%
9	HST2009: Fruit and vegetable juices	132 886 552	125 923 689	106 424 605	3%	-20%	-15%
10	HST1902: Pasta	29 604 701	117 127 717	105 157 510	3%	255%	-10%
11	HST2301: Flours, meals and pellets, unfit for human consumption	38 978 736	106 028 887	102 103 750	3%	162%	-4%
12	HST0809: Apricots, cherries, peaches (including nectarines), plums and sloes	20 034 556	6 477 363	99 435 729	2%	396%	1435%
13	HST0406: Cheese and curd	42 016 562	137 311 780	92 302 188	2%	120%	-33%
14	HST2002: Tomatoes prepared	35 019 549	51 847 132	86 593 946	2%	147%	67%
15	HST1507: Soya-bean oil	5 122 273	65 603 960	72 867 442	2%	1323%	11%
16	HST2005: Other vegetables prepared or preserved	18 216 483	40 812 728	71 213 194	2%	291%	74%
17	HST0303: Fish	27 531 043	94 135 340	69 221 763	2%	151%	-26%
18	HST2106: Food preparations	37 079 638	107 242 282	67 404 246	2%	82%	-37%
19	HST2103: Sauces and preparations	5 813 440	23 508 625	51 501 511	1%	786%	119%
20	HST0206: Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies	19 285 117	31 004 169	49 711 225	1%	158%	60%

Source: SARS; Quantec 2024

4. Western Cape Top Agri-food Products Traded with Asia

Through BRICS+, South Africa has strengthened its trade relations with China, India, and the United Arab Emirates (UAE), creating new opportunities for the Western Cape's agri-food sector. In 2024Q2, agri-food exports from the Western Cape to China and the UAE represented 16% (R1 billion) and 20% (R1.3 billion),

respectively, of the region's total exports to Asia. Meanwhile, agri-food imports from China accounted for 25% (R849.7 million), with a smaller share coming from the UAE at 1% (R20.9 million). While trade with China and the UAE has expanded, there are challenges, such as competition from other suppliers and stringent import regulations in these markets. Further engagement and negotiation in BRICS+ forums could help overcome these barriers and unlock greater market potential for the Western Cape's agri-food sector.

Tables 4.1 and 4.2 list the Western Cape's top 20 agri-food products traded with Asia in the past five years. In 2024Q2, the Western Cape mainly exported citrus fruit (33% or R2.13 billion), apples/pears (32% or R2.12 billion), and flours, meals and pellets (5% or R358.7 million) to the Asian market. Agri-food exports that showed consistent growth include other fresh fruit and seeds for sowing have surged by 237% to R206 million and 140% to R129.5 million, respectively, over the past five years. Notably, In the last year, there was a significant jump in exports of dates, figs, pineapples, avocados, guavas, and mangoes by 493% to R96.1 million, and plants used in perfumery, pharmacy, insecticide and fungicide grew by 350% to R42.1 million.

On the import side, the Western Cape's key agri-food imports from Asia in 2024Q2 were rice (44% or R1.5 billion), prepared fish and fish eggs (12% or R409.4 million), and animal guts, bladders, and stomachs (8% or R279.4 million). Imports with significant growth included palm oil, which surged by 9609% to R159.5 million, and spices and herbs (such as ginger, saffron, turmeric, thyme, bay leaves, and curry), increased by 227% to R25 million. The rise in palm oil imports is likely driven by increasing demand for processed foods and non-consumable products (i.e. cosmetics, soaps, and pharmaceuticals). According to BFAP (2023), palm oil trades at a discount of about 25% compared to sunflower and soybean oil which makes it attractive in the global market and is mainly produced in West Africa, Indonesia and Malaysia.^{vi} Additionally, imports of spices and herbs are likely due to changing culinary preferences and higher demand for diverse food ingredients.

Table 4.1. Top 20 WC agri-food products exported to Asia

Rank	HST	2019Q2	2023Q2	2024Q2	Share %	GR 5YR	GR 1YR
	HST 0 Total Agri-Food	4 190 303 131	8 856 809 825	6 538 515 725		56%	-26%
1	HST0805: Citrus fruit	1 506 221 133	2 405 622 387	2 138 689 037	33%	42%	-11%
2	HST0808: Apples, pears and quinces	1 122 206 771	1 892 446 084	2 122 119 837	32%	89%	12%
3	HST2301: Flours, meals and pellets, unfit for human consumption	163 280 400	487 670 063	358 766 416	5%	120%	-26%
4	HST0810: Other fruit, fresh	61 215 075	171 843 730	206 092 146	3%	237%	20%
5	HST2204: Wine	221 050 327	365 485 984	205 685 740	3%	-7%	-44%
6	HST2008: Fruit, nuts and other edible parts of plants	207 015 757	194 425 994	172 407 593	3%	-17%	-11%
7	HST0307: Molluscs	77 729 897	305 979 878	168 342 874	3%	117%	-45%
8	HST1209: Seeds, fruit and spores, of a kind used for sowing	53 887 906	79 778 058	129 563 760	2%	140%	62%
9	HST0804: Dates, figs, pineapples, avocados, guavas, mangoes	25 825 750	16 210 624	96 114 583	1%	272%	493%
10	HST0306: Crustaceans	174 285 269	94 255 376	89 808 803	1%	-48%	-5%
11	HST0204: Meat of sheep or goats	232	92 632 683	70 179 067	1%	30249498%	-24%
12	HST1605: Crustaceans, molluscs and other aquatic invertebrates	47 629 289	85 345 065	62 436 486	1%	31%	-27%
13	HST0802: Other nuts	27 299 932	19 012 217	54 174 938	1%	98%	185%
14	HST0806: Grapes, fresh or dried	28 607 746	48 328 539	53 405 294	1%	87%	11%

15	HST2009: Fruit and vegetable juices	75 838 564	97 170 438	49 916 323	1%	-34%	-49%
16	HST0303: Fish	29 645 635	35 343 544	47 920 201	1%	62%	36%
17	HST0406: Cheese and curd	-	21 782 707	46 109 691	1%		112%
18	HST0603: Cut flowers and flower buds	25 849 418	40 629 303	42 547 537	1%	65%	5%
19	HST1211: Plants used primarily in perfumery, pharmacy or for insecticidal, fungicidal	4 767 365	9 369 772	42 166 862	1%	784%	350%
20	HST1214: Forage products	-	59 059 263	40 075 403	1%		-32%

Source: SARS; Quantec 2024

Table 4.2. Top 20 WC agri-food products imported from Asia

Rank	HST	2019Q2	2023Q2	2024Q2	Share %	GR 5YR	GR 1YR
	HST 0 Total Agri-Food	1 520 829 724	3 909 400 708	3 455 759 707		127%	-12%
1	HST1006: Rice	365 317 668	1 813 961 047	1 531 751 826	44%	319%	-16%
2	HST1604: Prepared or preserved fish; fish eggs	233 235 455	532 776 048	409 429 426	12%	76%	-23%
3	HST0504: Guts, bladders and stomachs of animals	156 090 949	222 416 700	279 476 860	8%	79%	26%
4	HST1511: Palm oil	1 642 902	95 211 774	159 517 271	5%	9609%	68%
5	HST2009: Fruit and vegetable juices	128 957 274	344 590 312	133 091 992	4%	3%	-61%
6	HST1905: Bread, pastry, cakes, biscuits and other bakers' wares	36 487 707	49 808 247	69 541 765	2%	91%	40%
7	HST0712: Dried vegetables	14 838 314	63 745 306	64 617 186	2%	335%	1%
8	HST2002: Tomatoes prepared	11 923 849	122 055 988	64 413 935	2%	440%	-47%
9	HST2008: Fruit, nuts and other edible parts of plants	43 559 859	45 726 742	61 675 775	2%	42%	35%
10	HST0303: Fish	30 757 699	36 408 820	61 326 714	2%	99%	68%
11	HST1605: Crustaceans, molluscs and other aquatic invertebrates	63 927 029	53 465 534	58 197 573	2%	-9%	9%
12	HST0904: Pepper	20 172 401	42 195 677	56 940 902	2%	182%	35%
13	HST0306: Crustaceans	16 381 450	39 615 832	43 427 603	1%	165%	10%
14	HST1902: Pasta	10 336 339	24 704 169	31 093 523	1%	201%	26%
15	HST0307: Molluscs	58 140 028	21 018 002	28 189 866	1%	-52%	34%
16	HST2103: Sauces and preparations	11 804 920	24 660 899	25 880 124	1%	119%	5%
17	HST0910: Ginger, saffron, turmeric, thyme, bay leaves, curry and other spices	7 663 291	9 193 957	25 042 868	1%	227%	172%
18	HST1108: Starches; inulin	15 223 323	30 464 689	23 918 674	1%	57%	-21%
19	HST0801: Coconuts, Brazil nuts and cashew nuts	9 480 210	9 294 108	23 904 231	1%	152%	157%
20	HST1516: Animal or vegetable fats and oils	16 130 037	23 945 379	17 089 051	0%	6%	-29%

Source: SARS; Quantec 2024

5. Western Cape Top Agri-food Products Traded with Americas

South Africa benefits from the African Growth and Opportunity Act (AGOA) with the United States which is set to expire in September 2025.^{vii} This presents both opportunities and challenges for South Africa and the Western Cape, as trade renegotiations or alternative agreements may be needed to maintain favourable access to the USA market. The final decision will ultimately be in the hands of the new American president after the elections in November 2024. Without a replacement agreement, products like citrus and wine, which benefit from preferential tariffs, could face higher barriers. There is an opportunity for the Western

Cape to engage in discussions about trade policy continuity or seek alternative markets to mitigate risks. In 2024Q2, the Western Cape's agri-food exports to the USA accounted for 66% (R1.7 billion) of the total exports to the Americas market. Conversely, the Western Cape's agri-food imports from the USA accounted for 19% (R301.2 million) of the total imports from the Americas market.

Tables 5.1 and 5.2 detail the Western Cape's top 20 agri-food products traded with Americas over the past five years. In 2024Q2, the Western Cape mainly exported citrus fruit (39% or R1 billion), wine (12% or R305.7 million), and fruit, nuts and other edible plant parts (7% or R175.9 million) to the Americas market. Exports showing significant and consistent growth included fruit and vegetable juices (up 1292% to R161.6 million), dried fruits (up 1689% to R109.3 million), and bottled waters (up 710% to R6.4 million). The increase in juice and dried fruit exports likely reflects a growing demand for health-conscious, convenience-based food products, especially in the USA market, which presents an opportunity for the Western Cape to further diversify its product offerings. By capitalizing on this trend, the Western Cape could further diversify its export portfolio, especially in niche markets like organic or functional foods.

On the import side, the Western Cape's primary agri-food imports from the Americas in 2024Q2 were maize (24% or R371.8 million), poultry meat and edible offal (15% or R235.3 million), crustaceans (5% or R80.4 million), fish (5% or R79.7 million), and fruits, nuts, and other edible plant parts (5% or R78.1 million). The reliance on the USA imports of maize and poultry indicates strong demand for these products in the Western Cape. The bulk of the maize imports consisted of yellow maize for animal feed, a critical input for the livestock industry, and trade disruptions could affect local agriculture. Given the uncertainty of the continuity of AGOA, the Western Cape will need to explore local production or alternative sources to reduce dependency on the USA imports. Imports showing strong growth include sowing seeds, fruits, and spores, which surged by 1036% to R55 million, and other oil seeds and oleaginous fruits, which increased by 1206% to R7.3 million. This sharp increase in agricultural inputs suggests a shift toward more intensive farming practices in the Western Cape, potentially driven by a focus on expanding local production and improving agricultural yields.

Table 5.1. WC Top 20 agri-food products exported to Americas

Rank	HST	2019Q2	2023Q2	2024Q2	Share%	GR 5YR	GR 1YR
	HST 0 Total Agri-Food	1 253 275 088	2 844 330 839	2 614 406 762		109%	-8%
1	HST0805: Citrus fruit	372 244 305	965 303 463	1 010 590 702	39%	171%	5%
2	HST2204: Wine	284 974 892	380 843 811	305 753 985	12%	7%	-20%
3	HST2008: Fruit, nuts and other edible parts of plants	76 457 688	243 347 662	175 917 017	7%	130%	-28%
4	HST2009: Fruit and vegetable juices	11 609 039	128 397 544	161 648 833	6%	1292%	26%
5	HST1209: Seeds, fruit and spores	44 297 104	102 426 287	125 997 946	5%	184%	23%
6	HST0808: Apples, pears and quinces	72 015 777	114 239 711	122 532 951	5%	70%	7%
7	HST0302: Fish	60 738 081	150 277 692	111 306 818	4%	83%	-26%
8	HST0813: Fruit	6 112 674	101 777 312	109 377 811	4%	1689%	7%
9	HST0306: Crustaceans	109 252 938	136 605 276	107 553 504	4%	-2%	-21%
10	HST0806: Grapes	19 220 028	66 884 814	66 639 693	3%	247%	0%
11	HST2103: Sauces and preparations	1 127 887	41 068 715	58 422 733	2%	5080%	42%

12	HST2007: Jams, fruit jellies, marmalades	2 177 753	138 635 772	58 411 981	2%	2582%	-58%
13	HST0809: Apricots, cherries, peaches, plums and sloes	-	26 680 150	35 712 303	1%		34%
14	HST1302: Vegetable saps and extracts	3 727 916	7 185 766	24 444 068	1%	556%	240%
15	HST0904: Pepper	5 510 049	30 253 859	18 878 430	1%	243%	-38%
16	HST0304: Fish fillets and other fish meat	13 746 351	29 175 655	15 223 449	1%	11%	-48%
17	HST2208: Undenatured ethyl alcohol	85 595 115	62 491 013	11 880 651	0%	-86%	-81%
18	HST1211: Plants used primarily in perfumery, pharmacy or for insecticidal, fungicidal	2 103 950	4 608 638	11 471 853	0%	445%	149%
19	HST0810: Other fruit	5 668 286	11 507 208	7 839 140	0%	38%	-32%
20	HST2202: Waters	802 366	1 838 992	6 498 164	0%	710%	253%

Source: SARS; Quantec 2024

Table 5.2. WC Top 20 agri-food products imported from Americas

Rank	HST	2019Q2	2023Q2	2024Q2	Share%	GR 5YR	GR 1YR
	HST 0 Total Agri-Food	877 834 432	1 331 958 964	1 576 347 227		80%	18%
1	HST1005: Maize (corn)	74 943	-	371 836 109	24%	496059%	
2	HST0207: Meat and edible offal, of the poultry	214 077 163	327 187 780	235 305 302	15%	10%	-28%
3	HST0306: Crustaceans	30 481 247	66 161 006	80 458 852	5%	164%	22%
4	HST0303: Fish	38 890 577	49 163 091	79 775 613	5%	105%	62%
5	HST2008: Fruit, nuts and other edible parts of plants	25 492 881	42 527 289	78 142 018	5%	207%	84%
6	HST0901: Coffee	16 112 471	75 532 025	57 635 383	4%	258%	-24%
7	HST0802: Other nuts	62 846 539	49 619 797	57 454 118	4%	-9%	16%
8	HST2208: Undenatured ethyl alcohol	27 399 519	80 316 748	55 808 833	4%	104%	-31%
9	HST1209: Seeds, fruit and spores	4 847 564	26 649 208	55 085 790	3%	1036%	107%
10	HST0206: Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies	20 463 824	59 506 692	48 152 779	3%	135%	-19%
11	HST2301: Flours, meals and pellets, unfit for human consumption	37 186 333	24 848 331	43 263 457	3%	16%	74%
12	HST0504: Guts, bladders and stomachs of animals	22 270 299	49 686 316	42 529 822	3%	91%	-14%
13	HST2106: Food preparations	36 498 631	29 074 986	37 681 202	2%	3%	30%
14	HST2009: Fruit and vegetable juices	87 372 721	47 792 348	32 749 224	2%	-63%	-31%
15	HST0307: Molluscs	18 571 828	32 772 605	29 662 675	2%	60%	-9%
16	HST0203: Meat of swine	5 837 343	19 303 936	23 810 606	2%	308%	23%
17	HST0511: Animal products	9 768 068	15 364 191	22 931 938	1%	135%	49%
18	HST1905: Bread, pastry, cakes, biscuits and other bakers' wares	9 167 921	33 425 267	22 918 533	1%	150%	-31%
19	HST1704: Sugar confectionery	5 381 745	6 475 471	19 318 191	1%	259%	198%
20	HST2103: Sauces and preparations	1 529 723	41 301 772	19 157 063	1%	1152%	-54%

Source: SARS; Quantec 2024

6. Western Cape Top Agri-food Products Traded with Africa

South Africa became a signatory to the African Continental Free Trade Agreement (AfCFTA) in January 2024, joining 47 Member States that have deposited their instruments of AfCFTA ratification.^{viii} In 2024Q2, the Western Cape's agri-food exports to the African market represented 17% (R4.8 billion) of its global agri-food

exports, while imports from Africa accounted for 10% (R1 billion) of total agri-food imports. Intra-Africa trade in processed fruit and vegetable products was about 60% of the total trade, although African countries are not part of the top global players in processed fruit and vegetable products.^{ix} In contrast, countries like Brazil have become the world's largest global exporter of soybeans, poultry, beef, coffee, sugar, orange juice, and other agricultural products.^x The agreement could foster more collaboration and investment in agri-processing facilities across Africa, creating new value-added opportunities for Western Cape businesses.

Tables 6.1 and 6.2 list the Western Cape's top 20 agri-food products traded with Africa in the past five years. In 2024Q2, the Western Cape key exports to the African market included apples/pears (15% or R702.3 million), fruit and vegetable juices (10% or R471.6 million), sauces and preparations (5% or R252 million), wine (5% or R231 million) and food preparations (4% or R204.8 million). Notably, the Western Cape maize exports surged to R133.1 million in 2024Q2, up from R87.4 million in 2023Q4 and R44.5 million in 2023Q2. Moreover, soyabean oil cake exports had significant increase of 209% to R93.5 million over the past year. These trends signal growing demand for staple and feed products within Africa, offering potential for the Western Cape to strengthen its presence in key agricultural value chains. Other agri-food exports with consistent growth include sauces and preparations (up 178%), sowing seeds, fruits, and spores (up 253% to R87.1 million), prepared vegetables (up 124% to R73.5 million), pasta (up 294% to R69.1 million), and sugar confectionery (up 146% to R66.3 million) over the last five years. The AfCFTA could further support trade diversification, particularly in less established sectors which are already showing significant growth in export value.

The Western Cape's main agri-food imports from Africa in 2024Q2 were fish (21% or R299.1 million), fish fillets (10% or R100.1 million), live sheep and goats (7% or R71 million), fruit jams (6% or R58.9 million) and live bovine animals (6% or R58.3 million). These import trends underscore the Western Cape's reliance on neighbouring countries for key food products and indicating an opportunity for improving local supply chains or diversifying import sources.

Table 6.1. WC Top 20 agri-food products exported to Africa

Rank	HST	2019Q2	2023Q2	2024Q2	Share %	GR 5YR	GR 1YR
	HST 0 Total Agri-Food	3 480 758 417	4 970 162 559	4 810 321 220		38%	-3%
1	HST0808: Apples, pears and quinces	361 067 823	598 538 098	702 392 883	15%	95%	17%
2	HST2009: Fruit and vegetable juices	255 292 102	345 188 292	471 683 696	10%	85%	37%
3	HST2103: Sauces and preparations	90 645 358	203 153 747	252 028 848	5%	178%	24%
4	HST2204: Wine	288 853 191	474 059 833	231 049 136	5%	-20%	-51%
5	HST2106: Food preparations	135 172 595	128 219 524	204 853 498	4%	52%	60%
6	HST2402: Cigars and cigarettes	378 114 298	170 966 436	188 723 510	4%	-50%	10%
7	HST1006: Rice	28 600 933	174 806 620	156 999 536	3%	449%	-10%
8	HST1005: Maize (corn)	2 514 143	44 585 368	133 126 620	3%	5195%	199%
9	HST0805: Citrus fruit	62 081 291	147 412 379	118 109 426	2%	90%	-20%
10	HST0406: Cheese and curd	61 845 574	83 906 361	94 250 149	2%	52%	12%
11	HST2304: Oil-cake from soyabean oil	39 733 376	30 316 532	93 570 673	2%	135%	209%

12	HST1209: Seeds, fruit and spores	24 696 559	67 015 927	87 162 261	2%	253%	30%
13	HST0303: Fish	89 583 471	141 520 836	83 190 156	2%	-7%	-41%
14	HST0401: Milk and cream	62 320 062	93 638 773	80 167 841	2%	29%	-14%
15	HST0806: Grapes	44 237 277	71 566 884	78 944 002	2%	78%	10%
16	HST2008: Fruit, nuts and other edible parts of plants	80 351 357	56 572 166	75 824 971	2%	-6%	34%
17	HST1904: Prepared foods	67 232 565	66 505 064	74 340 488	2%	11%	12%
18	HST2005: Other vegetables prepared	32 898 496	54 014 778	73 578 126	2%	124%	36%
19	HST1902: Pasta	17 555 597	68 285 606	69 120 222	1%	294%	1%
20	HST1704: Sugar confectionery	26 949 391	61 491 397	66 395 073	1%	146%	8%

Source: SARS; Quantec 2024

Table 6.2. WC Top 20 agri-food products imported from Africa

Rank	HST	2019Q2	2023Q2	2024Q2	Share %	GR 5YR	GR 1YR
	HST 0 Total Agri-Food	1 435 182 668	1 112 316 512	1 014 827 319		-29%	-9%
1	HST0303: Fish	307 255 532	224 035 525	215 262 558	21%	-30%	-4%
2	HST0304: Fish fillets and other fish meat	76 199 650	106 543 358	100 184 598	10%	31%	-6%
3	HST0104: Live sheep and goats	22 587 849	49 031 340	71 366 932	7%	216%	46%
4	HST2007: Jams, fruit jellies, marmalades	46 822 367	57 589 839	58 962 884	6%	26%	2%
5	HST0102: Live bovine animals	65 104 857	58 565 920	58 315 764	6%	-10%	0%
6	HST0801: Coconuts, Brazil nuts and cashew nuts	7 330 780	16 333 459	43 797 179	4%	497%	168%
7	HST0806: Grapes	15 071 669	54 769 555	41 521 800	4%	175%	-24%
8	HST0202: Meat of bovine animals	128 608 369	31 079 764	38 493 780	4%	-70%	24%
9	HST0810: Other fruit	1 537 839	39 890 123	31 888 631	3%	1974%	-20%
10	HST2009: Fruit and vegetable juices	2 391 255	6 506 678	29 997 314	3%	1154%	361%
11	HST0901: Coffee	3 952 491	65 831 621	22 369 211	2%	466%	-66%
12	HST0702: Tomatoes	612 423	440 814	21 412 120	2%	3396%	4757%
13	HST2008: Fruit, nuts and other edible parts of plants	20 338 080	15 647 761	20 107 250	2%	-1%	28%
14	HST2002: Tomatoes prepared	4 869	12 572 060	18 390 867	2%	377613%	46%
15	HST0307: Molluscs	13 204 267	10 691 847	18 361 357	2%	39%	72%
16	HST0709: Other vegetables	9 677 795	10 193 895	13 097 518	1%	35%	28%
17	HST2306: Oil-cake	24 897 737	41 170 930	12 999 752	1%	-48%	-68%
18	HST1904: Prepared foods	180	3 417 515	12 294 156	1%	6829987%	260%
19	HST0206: Edible offal of bovine animals, swine, sheep, goats, horses, asses, mules or hinnies	14 578 774	4 327 576	12 251 113	1%	-16%	183%
20	HST2302: Bran, sharps and other residues	24 532 265	27 452 765	11 347 539	1%	-54%	-59%

Source: SARS; Quantec 2024

7. Conclusion and Recommendations

As the Western Cape navigated the evolving global trade landscape in 2024Q2, it faced a complex array of challenges and opportunities. The Western Cape's agri-food trade demonstrated a strong export performance across key markets such as Europe, Africa, and the Americas, despite challenges in the Asian market and a sharp decline in share of agri-food imports from Africa. The province maintained its position as a vital contributor to South Africa's overall agri-food exports.

Significant growth was observed in products like citrus, apples, pears, and emerging markets for processed and value-added goods, including sauces, fruit juices, and soybean oil cake. The AfCFTA presents new opportunities for the Western Cape to expand its presence in African markets, particularly in processed foods, but there are also competitive pressures from global players like Brazil. To effectively navigate the geopolitical complexities, the Western Cape must continue to capitalize on the benefits of international trade agreements while addressing emerging competitive pressures and market declines. This can be achieved by enhancing agri-processing capabilities, diversifying export markets, and ensuring compliance with global standards. With this, the province can strengthen its trade position and secure long-term growth in a rapidly changing geopolitical environment.

Policy Recommendations:

- The Western Cape should capitalize on the AfCFTA by strengthening regional trade partnerships within Africa. This can be done by promoting investments in value-added processing for fruits, vegetables, and staple crops, supporting local farmers and agri-processors in accessing these markets through improved logistics and infrastructure.
- To reduce reliance on traditional export markets like Europe, the Western Cape can explore expanding its trade relationships with new emerging markets, such as Latin America and Southeast Asia. Diversifying export products beyond citrus and apples to include high-growth sectors like dried fruits, edible roots, and perfumery plants could also enhance the region's global competitiveness and help mitigate risks from fluctuating trade patterns.
- Encouraging investment in agri-processing can increase the value of exports, particularly for processed oils, fruits and vegetables, which have strong growth potential. Policies that incentivize agri-processing plants and promote skills development in food processing could bolster these sectors. Technical support for compliance with global food safety and agricultural standards, particularly in the EU, should be enhanced to maintain market access.
- Given the Western Cape's growing trade with the United States under AGOA, efforts should focus on extending AGOA benefits beyond 2025 while promoting other products, such as wines and juices, to the USA market. Additionally, exploring trade opportunities with other countries in the Americas, such as Mexico and Canada, could diversify the province's export base.
- To counter rising competition from global agricultural powerhouses like Brazil, the Western Cape should prioritize enhancing productivity, adopting innovative farming techniques, and investing in sustainable agricultural practices. Trade agreements with BRICS+ nations should also be utilized to safeguard and expand market access for South African products.
- Given the province's reliance on water-intensive crops like citrus, policy should encourage sustainable resource management, including efficient water use and climate resilience. This will ensure long-term growth in agri-food exports while protecting critical agricultural assets from environmental risks.

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About the Macro and Resource Economics Division

The Macro and Resource Economics Division falls under the Agricultural Economic Services Programme in the Western Cape Department of Agriculture. It is responsible for doing research and providing services related to agricultural and agribusiness economics, with a focus on macroeconomics (trade, investment and employment), international trade policy, industrial development, resource management, and rural

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