



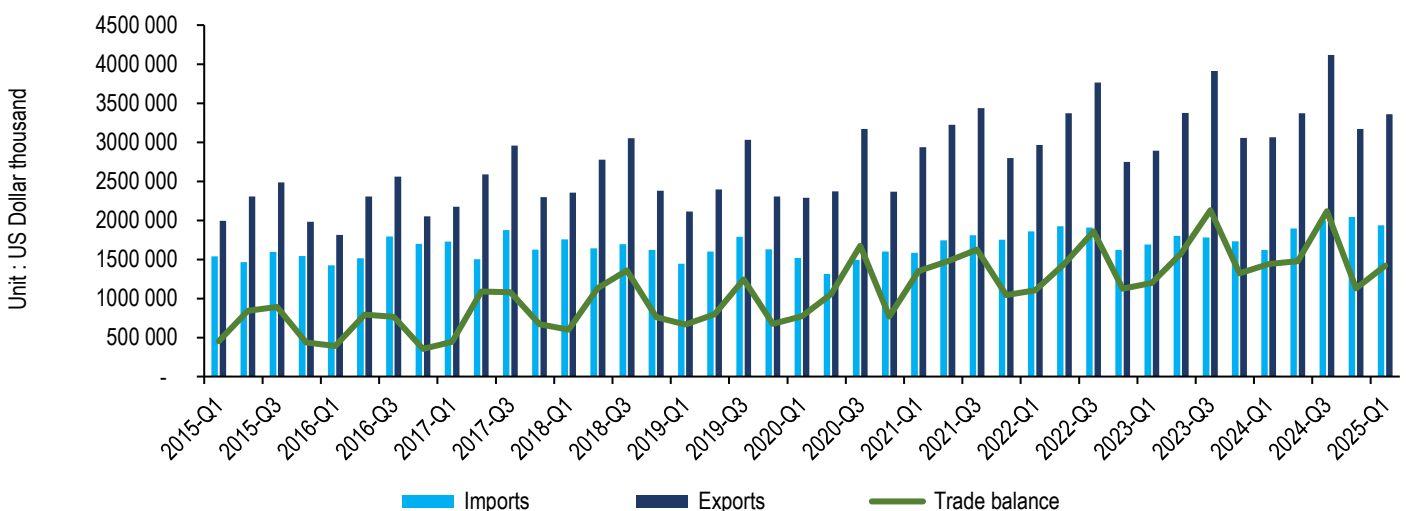
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South Africa's agricultural exports remained robust in Q1, 2025

- In a year where trade has dominated the headlines since the U.S. started imposing higher tariffs against its trading partners, agricultural export activity is worth paying close attention to. Encouragingly, the start of the year has remained positive for the sector. In the first quarter of 2025, South Africa's agricultural exports totalled US\$ 3.36 billion, up 10% from the same period a year ago, according to data from Trade Map. This is a function of both higher volumes of various product exports and better commodity prices.
- The products that dominated the exports list in the first quarter were mainly grapes, maize, apples, pears, apricots, cherries, peaches, wine, wool, fruit juices, nuts, dates, avocados, pineapples, and beef, among other products. While the ports remain a challenge and require further improvement and investment, the agricultural export season in the first quarter experienced less friction than in the recent past.

Exhibit I: South Africa's agricultural trade



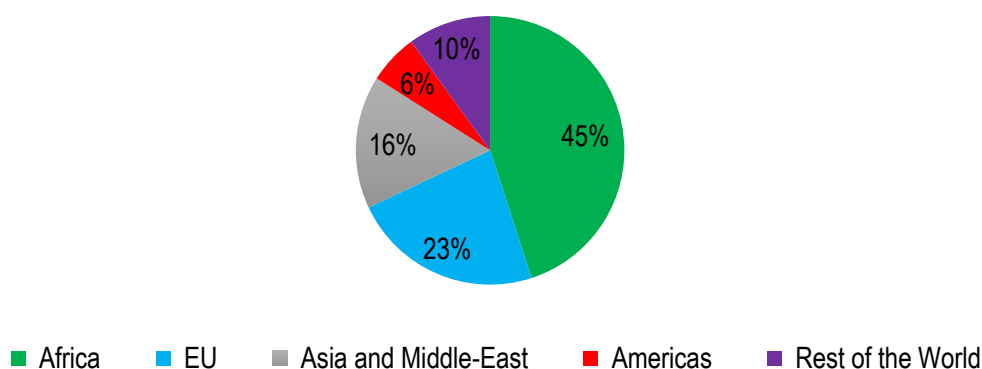
Source: Trade Map and Agbiz Research

- From a regional perspective, the African continent maintained the lion's share of South Africa's agricultural exports in the first quarter of 2025, accounting for 45% of the total value. The products

leading the exports list in the African continent were maize, maize meal, sugar, apples and pears, fruit juices, wine, soybean oil, sunflower oil, oilcake, and wheat, amongst other products.

- The EU was South Africa's second-largest agricultural market, accounting for a 23% share. Grapes, apricots, cherries, peaches, nectarines, wine, apples and pears, wool, dates, figs, pineapples, avocados, mangos, guavas, fruit juices, and nuts were amongst the primary agricultural products South Africa exported to the EU in the first quarter of 2025.
- As a collective, Asia and the Middle East were the third largest agricultural markets, accounting for 16% of the total agricultural exports in the first quarter of 2025. The exports to this region primarily included apples and pears, grapes, wool, beef, apricots, cherries, peaches, nectarines, citrus, lamb, nuts, and strawberries, among other products.
- The Americas region accounted for 6% of South Africa's agricultural exports in the first quarter of the year. The main exported products include grapes, apricots, cherries, wine, fruit juices, nuts, apples and pears, and citrus.
- Given ongoing concerns about South Africa's participation in the AGOA (Africa Growth and Opportunity Act) trade arrangement and the current higher tariffs imposed by the U.S., it is worth highlighting that South Africa's agricultural exports to the U.S. were still 4% in the first quarter of 2025 (which is part of the 6% exports to the Americas region we mention above).
- Notably, South Africa's agricultural exports to the U.S. increased by 19% in the first quarter of 2025, from the same period a year ago, at US\$118 million.
- This share is roughly unchanged from the previous years. Importantly, the 4% is not a small value, as few specific industries are primarily involved in these agricultural exports to the U.S. These are mainly citrus, grapes, wine, and fruit juices. Since the start of AGOA, the percentage share of South Africa's agricultural exports to the U.S. has remained at these levels. From now on, a great deal hinges on whether South Africa succeeds in securing favourable trade terms with the U.S.
- The rest of the world, including the United Kingdom, accounted for 10% of South African agricultural exports in the first quarter of 2025.

Exhibit 2: South Africa's agricultural exports by region in Q1, 2025



Source: Trade Map and Agbiz Research

- South Africa does not engage in one-way trade. The country imports various agricultural products. In the first quarter of 2025, South Africa's agricultural imports totalled US\$ 1.94 billion, a 19% increase year-over-year, according to data from Trade Map. The increase resulted from higher value and volume of major products South Africa imports, such as wheat, palm oil, rice, poultry, and whiskies.
- As we have argued before, South Africa lacks favourable climatic conditions for growing rice and palm oil and thus relies on imports of these products. Regarding wheat, South Africa imports nearly half of the annual consumption. In the Free State province, which was once one of the country's major wheat-growing regions, production has declined notably over time due to unfavourable weather conditions and profitability challenges of wheat compared to other crops. Meanwhile, imports account for around 20% of the annual domestic poultry consumption. Given the current ban on Brazil's poultry imports, we may see an increase in volume from other regions, or a recovery in domestic production, as the local producers indicate.
- Subsequently, when we account for the exports and imports, South Africa's agriculture sector recorded a trade surplus of US\$ 1.42 billion in the first quarter of 2025, down 1% from the previous year.

Policy considerations

- In the current environment of heightened geoeconomic tensions, South Africa's export-oriented agricultural sector must work to maintain its current export markets and expand into new ones. The focus for both policymakers and agribusinesses and organized agriculture should be on the following aspects:
 - First, South Africa should maintain its focus on improving logistical efficiency. This entails investments in port and rail infrastructure, as well as improving roads in farming towns.
 - Second, South Africa must work diligently to maintain its existing markets in the EU, Africa, Asia, the Middle East, and the Americas.
 - Lastly, the South African Department of Trade, Industry and Competition, the Department of International Relations and Cooperation, and the Department of Agriculture should lead the way in expanding exports to current markets and exploring new ones. South Africa should expand market access to some key BRICS countries, such as China, India, Saudi Arabia, and Egypt.
 - The BRICS grouping should emphasize the need for member countries to lower import tariffs and address artificial phytosanitary barriers that hinder deeper trade within this grouping. The discussion in BRICS should move beyond the general rhetoric of intentions to meaningful trade agreements or arrangements.