

SA agri exports fall R2bn, first drop in 10 years

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SA's worst drought in decades has cost the country billions of Rands in lost export revenue, data showed on Friday. The country's agricultural exports declined in 2015 for the first time in 10 years, Agricultural business chamber (Agbiz) said.



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Overall, the country's agricultural exports shrank from R106bn in 2014 to R104bn in 2015, the business chamber said.

The drought caused production shortages locally, necessitating costly imports which led to a sharp increase in food prices. Food inflation has increased steadily from 7% year on year in January to 11% year on year in June.

Africa remained SA's largest market, accounting for 45% of agricultural exports - which was 1% below the five-year average share, Agbiz said.

The EU accounted for 27% of SA's agricultural exports in 2015, with Asia taking up 12%, and the Middle East 7%. The Americas and the rest of the world accounted for 5% of SA's agricultural exports, respectively.

The sharpest decline in exports was to Asia, where agricultural exports fell 15% from R14.4bn in 2014 to R12.2bn in 2015 mainly on the fall in cereal exports, mainly maize.

Exports to Africa fell by 3.5% from R49bn in 2014 to R47bn in 2015 mainly due to the sharp fall in sugar and sugar confectionery, cereal, as well as dairy product exports.

Agricultural exports to Europe bucked the trend, firming by 8.3% from R26.2bn in 2014 to R28.3bn in 2015. Edible fruits accounted for 60% of the country's agricultural exports to the EU, while 20% were wines, Agbiz data showed.

Source: BDpro

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