

Exports to Mexico surge

Mexico has leapt to the top of the rankings as SA's fastest-growing market for agricultural goods after buying most of SA's 4Mt maize surplus last year.

The agriculture, forestry & fisheries department and the National Agricultural Marketing Council report exports of agricultural products to Mexico grew by almost 18000% last year. Maize exports to Mexico accounted for most of the growth in 2011 over the 2010 calendar year. This growth is put at 2535%.

SA also found a fast-growing market for wood pulp in the central American country. This product grew 1337% and vegetable products by 895%.

The value of SA agricultural goods exported to Mexico was put at R2,8bn.

Observers predict maize exports to Mexico will be a watershed for the local grain industry. It has proved, contrary to popular belief, that SA has the infrastructure necessary for exports.

Mexico's rapid growth as a market for SA agricultural products outstripped South Korea (93% growth) and China (42%). The top three products driving South Korea's growth were kraftliner paper (used for packaging), fish and juices. The country bought agricultural goods from SA valued at R2bn.

The growth in exports to China was led by grapefruit, wood pulp and wine, with a total value of R2,9bn.

While some markets grew, others shrank. Kenya, Belgium and Saudi Arabia showed the biggest declines. Kenya's decline as an agricultural export destination for SA was led by maize (99% shrinkage), an indication that cultivation of the grain in the region is increasing and it is now available from within the country or close neighbours.

Belgium's decline is led by a 97% shrinkage in tobacco imports from SA, possibly due to a major international antismoking drive led by the UN.

Saudi Arabia declined as a market mainly because it bought less SA fruit. Peaches, plums and mandarins that order, were the products less sought.

China is SA's fourth-largest export market for agricultural goods, with Mexico now at seventh and South Korea ninth. SA's top three export destinations for agricultural goods are Holland (R5,5bn), the UK (R5bn) and Zimbabwe (R4,7bn).

Meanwhile, Transnet harbour authority CE Tau Morwe has good news for agricultural exporters. He said at recent agricultural business conference that export costs would be "considerably" reduced when tariffs on containers were lowered. SA tariffs on containers are among the world's highest.

Morwe also said consultation was taking place with the agriculture sector on how best to invest funds available from Transnet's R300bn capital expansion.

Source: *Financial Mail*

For more, visit: <https://www.bizcommunity.com>