



International Trends: Food Processing

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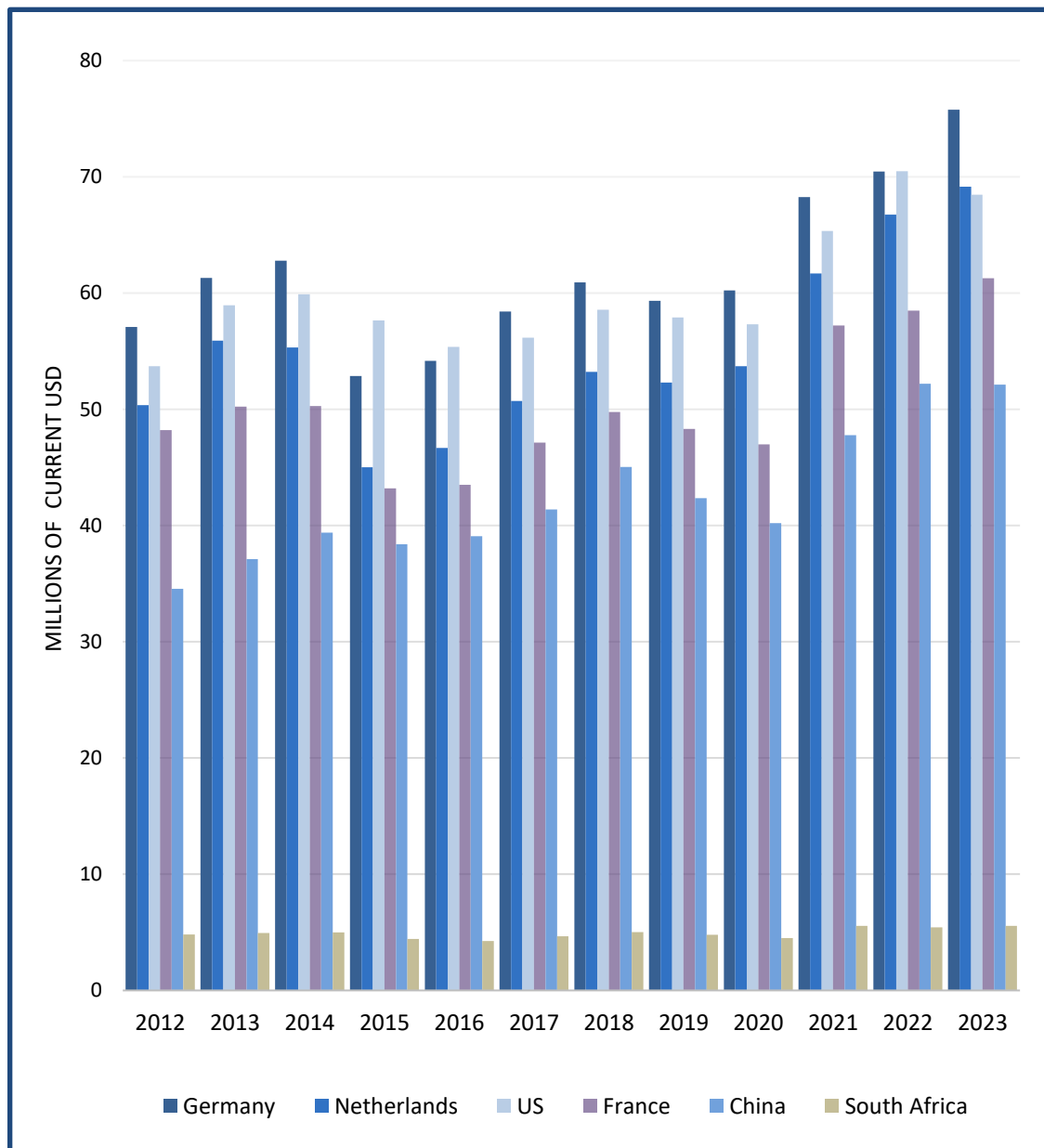
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Context

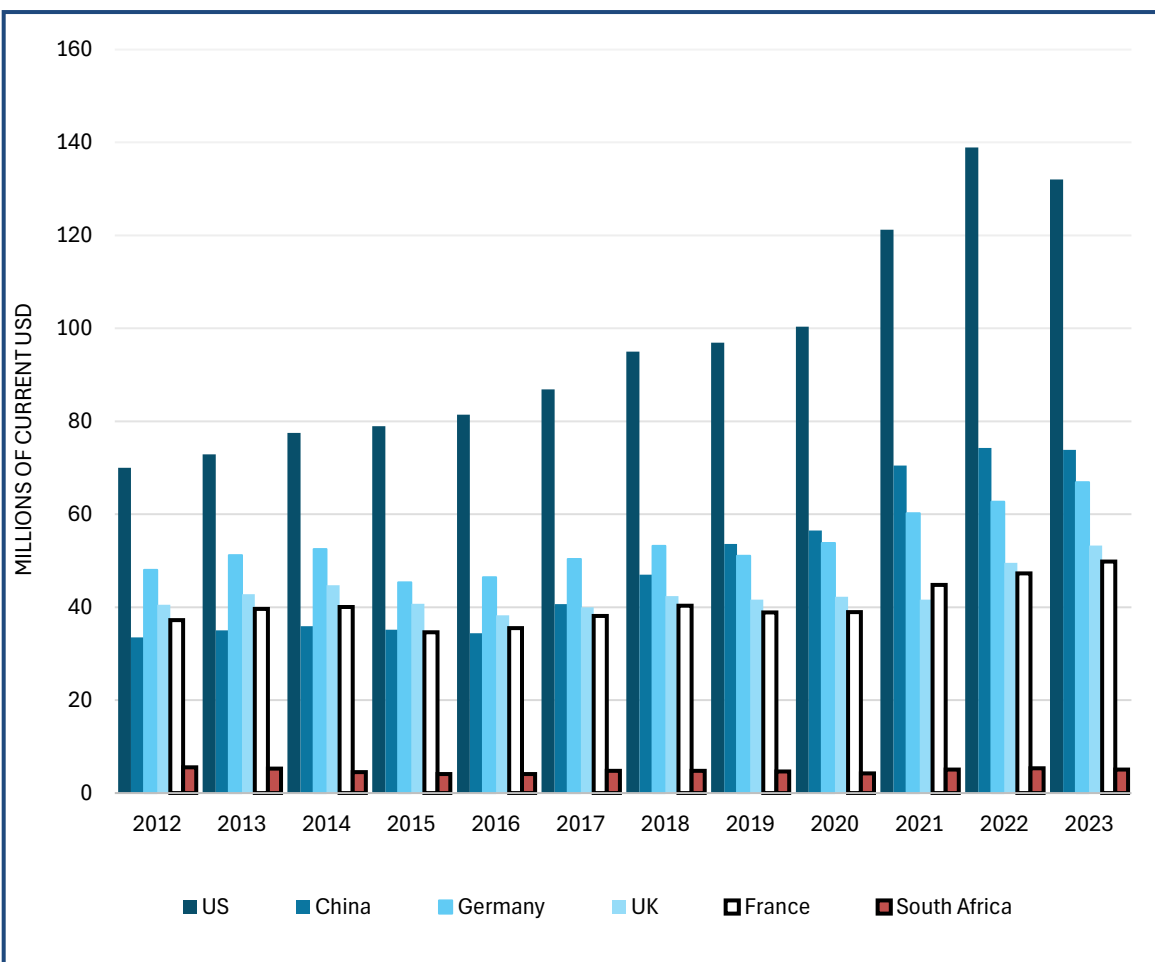
- Food processing is important to the South African agro-processing sector
 - Transforms agricultural inputs into final food products
 - Acts as manufacturing link between farms and markets
- R131 million GVA in 2023, 35% from meat, fish and fruit
- Employs around 320 000 people (Based on Q2 2024 data)
- Top 10 companies generating more than 80% of the industry's production revenue.
 - Compared to other manufacturing sectors, the food processing industry is notably more concentrated, dominated by a few large firms

Global Export Trends

- Global exports reached US\$ 1.12 billion in 2023
- Top exporters: Germany, Netherlands, US, France, China – accounting for nearly 30% of global exports
- South Africa's exports remain relatively low – under 1%
- Top five products: meat, cereals, fruit and nuts, fish, and dairy



Trends in Global Imports



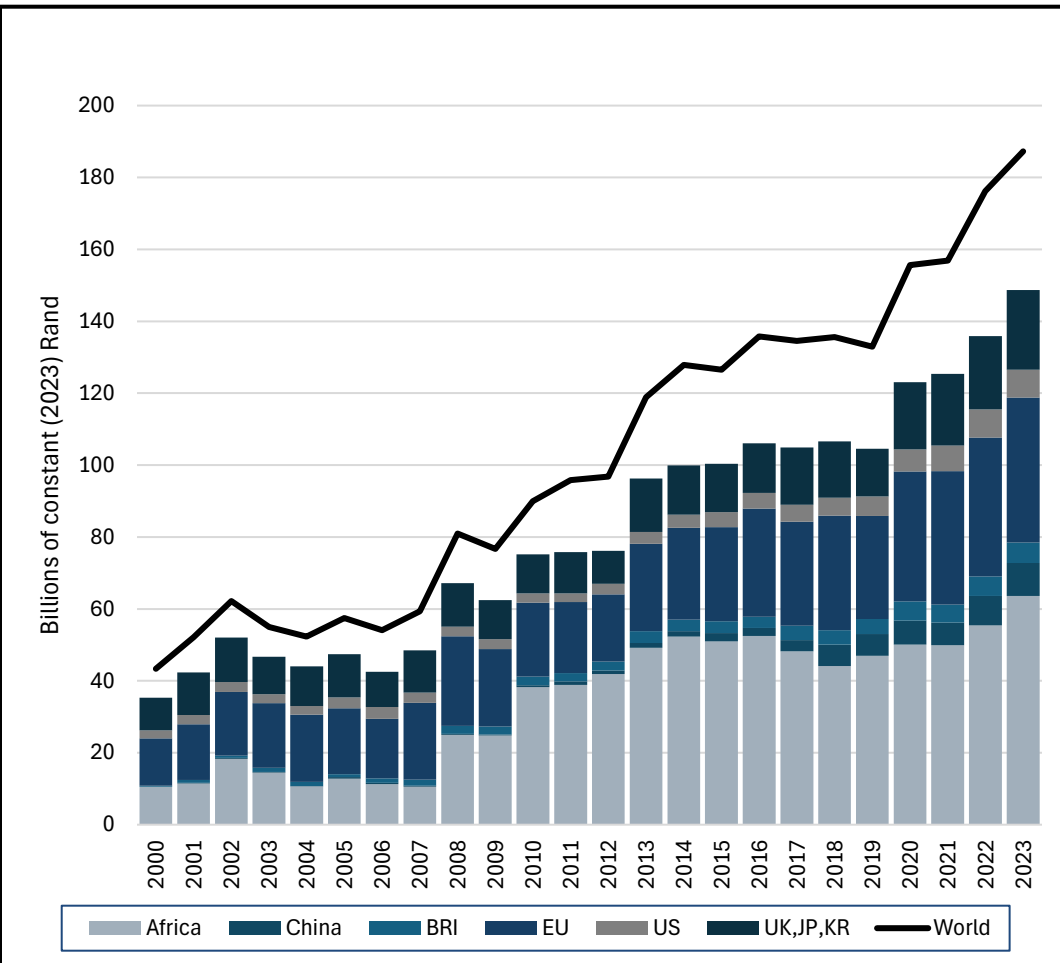
- Global imports reached US\$ 1.14 billion in 2023
- Top importers: US, China, Germany, UK, France
- South Africa's share remains below 1% of importers

Food Processing as share of SA trade

Food exports: 8%
of manufacturing
exports (R85bn) in
2023

Food imports: 5%
of manufacturing
imports (R81bn)

South Africa's Food Export Markets

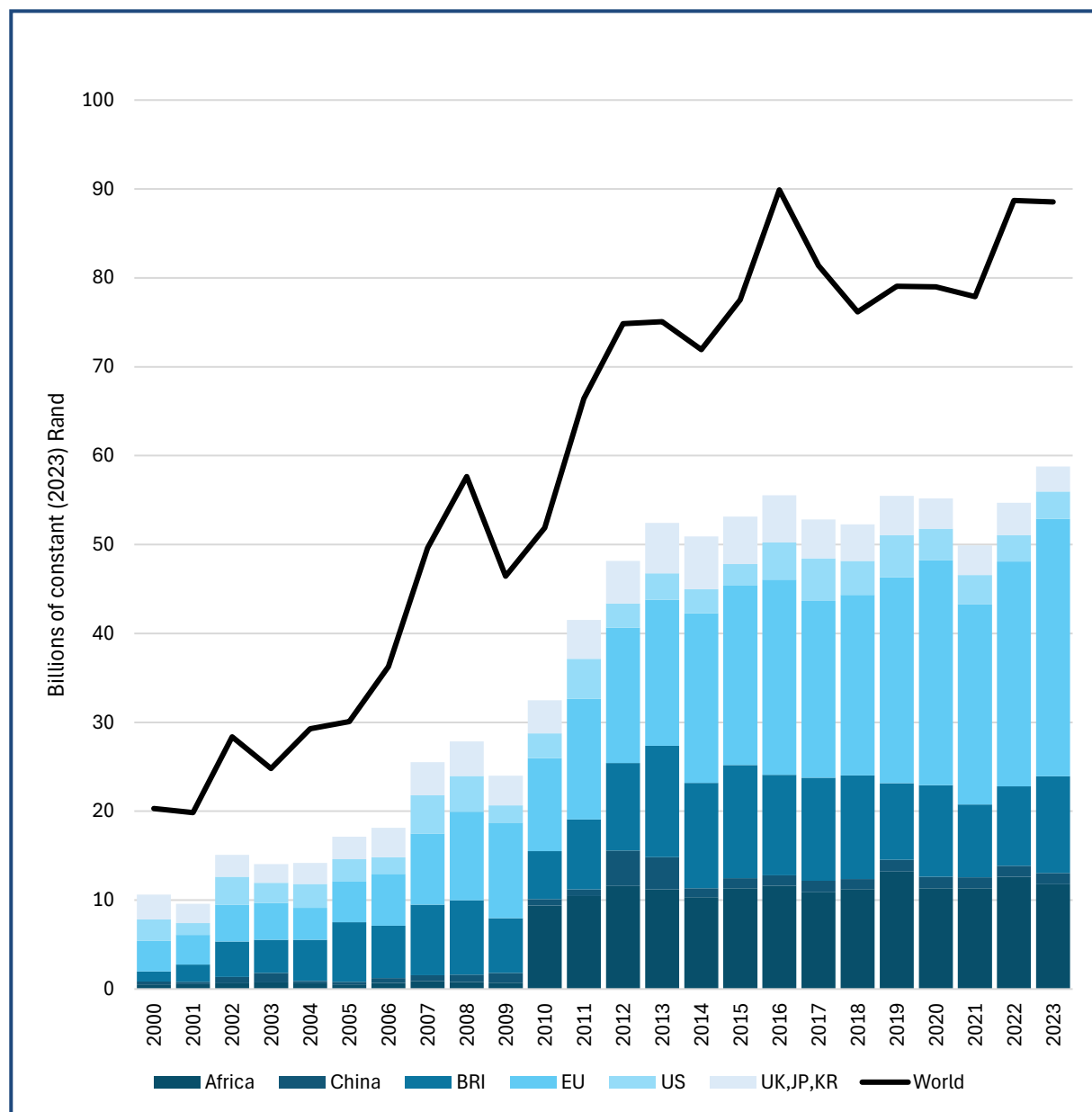


- Total exports: R187bn in 2023
- Africa: 34% (R63bn) - Mainly SADC (45%) and SACU (48%)
- EU: 22%
- China: 5%
- US: 4%
- Top export products: Fruit and nuts, milling and baking, sugar and confectionery, preserves

Source: Calculated from Quantec, EasyData. Series on RSA National Trade in International Trade Service.
Accessed at www.easydata.co.za in October 2024. Deflated using CPI

South Africa's Food Imports

- Total imports: R88bn in 2023
- Key import partners: EU (R29bn) and China (R1.3bn)
- Top import products: Milling and baking, sugar, confectionary and preserves
- Imports from Africa declining, while EU and BRI countries increasing



Foreign Direct Investment

- Major investors in 2023: SAB, PepsiCo, Nestle, Lactalis, Heineken (*see TIPS FDI Tracker for more*)
- As climate change and loadshedding pose significant challenges to the agro-processing sector, investment in climate-resilient technologies and renewable energy solutions has increased
 - Tiger Brands has initiated a clean energy strategy, incorporating onsite solar power across 35 of its manufacturing facilities
 - RFG Foods has added seven new solar installations to its plants, while Clover invested R360 million in a solar energy system at its Queensburgh factory in KwaZulu-Natal
 - McCain Foods has invested in regenerative farming practices in South Africa through its Farm of the Future project

Conclusion

- South Africa is a small player globally, but growing regionally
- Africa is a key market for South Africa's food processing sector
- Investment in climate-smart agriculture and renewable energy in the sector is growing
- Impact of US tariff: Recent “modifications” of tariff scope
 - SA exports various products to US (mostly agri-products) – citrus, table grapes, macadamia nuts, wine, ostrich products
 - “It appears that oranges, macadamia nuts and fruit juices will benefit from the exemption” (Sihlobo, 2025)
 - Provides some short term relief for products such as canned fruit, fruit juices, spices, beef
 - Concern remains, but SA's exports to other parts of the world remain positive



Thank you

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