

# PERFORMANCE OF SOUTH AFRICAN AGRO-PROCESSING SECTOR

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**UNIVERSITY OF LIMPOPO STUDENTS TOUR**

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Department  
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REPUBLIC OF SOUTH AFRICA

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# Introduction

- ❖ **Agro-processing** refers to a set of activities involved in the **transformation of primary agricultural products** into value added products, e.g. transformation of **grapes** into **juice or wine**, **milk** into **cheese**, etc.
- ❖ **Value addition** - includes processes that do not necessarily change the form of the product but improves its value, e.g. **cleaning, storage, grading, packaging**, etc.



# Legislative frameworks

- Constitution of RSA - Chapter 2: Bill of rights
- Foodstuffs, Cosmetics and Disinfectants Act
- International Trade Administration Act
- Agricultural Products Standard Act
- National Industrial Policy Framework
- BBBEE
- Competition Act
- Trade policy



# INDUSTRIAL COMPETITIVENESS AND GROWTH DIVISION

## INDUSTRIAL DEVELOPMENT

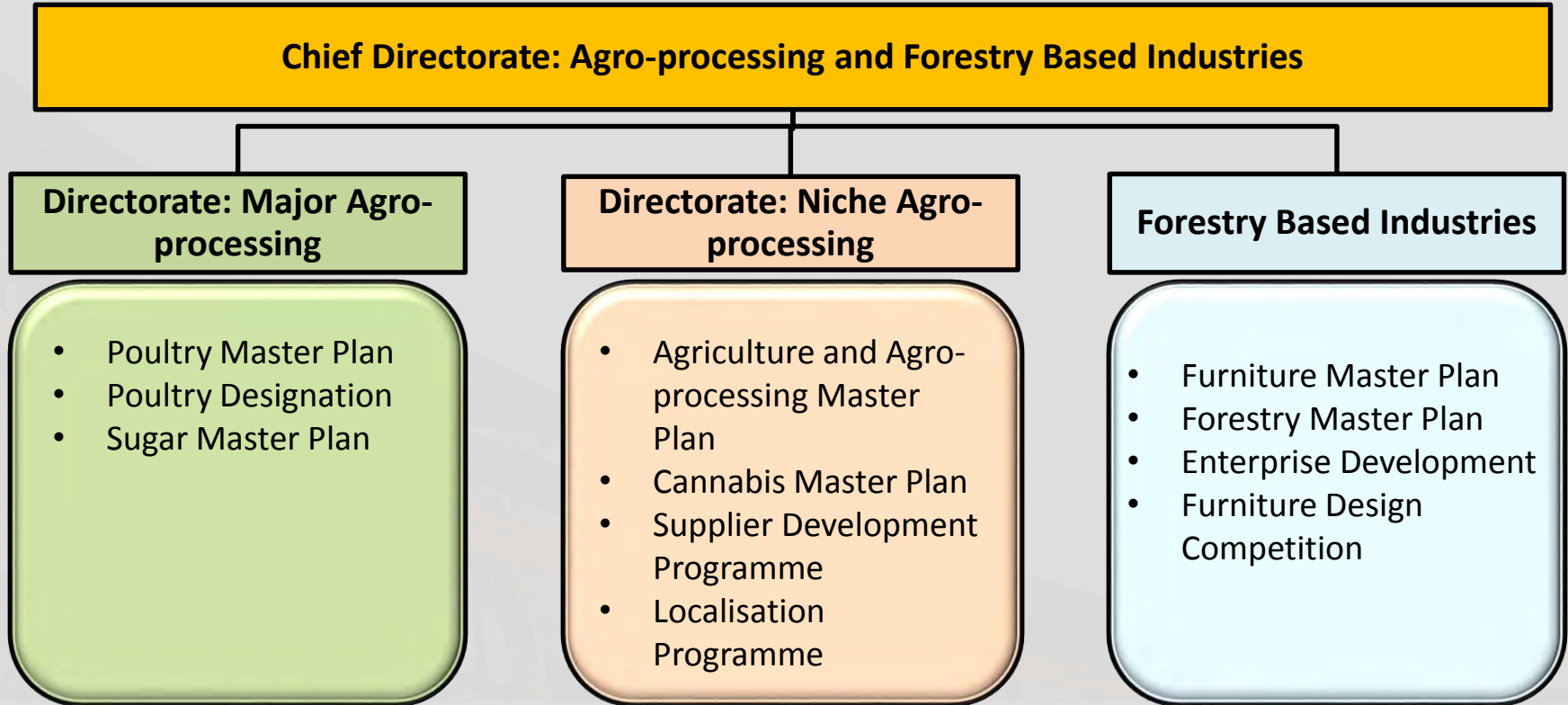
- CD: Industrial Policy
- CD: Industrial Participation
- CD: Technical Infrastructure

## CUSTOMIZED SECTOR PROGRAMMES (CSP)

- CD: Metal Fabrication, Capital and Transport Equipment
- CD: Automotives, Components, Medium and Heavy Commercial Vehicles
- CD: Plastics, Pharmaceuticals and Chemicals
- CD: Advanced Manufacturing
- CD: Agro Processing
- CD: Industrial Procurement
- CD: Textiles, Clothing, Footwear & Leather
- Business Processes & Services Sector (BPS)
- CD: Green Industries & Energy Efficiency
- CD: Primary Minerals Processing & Construction



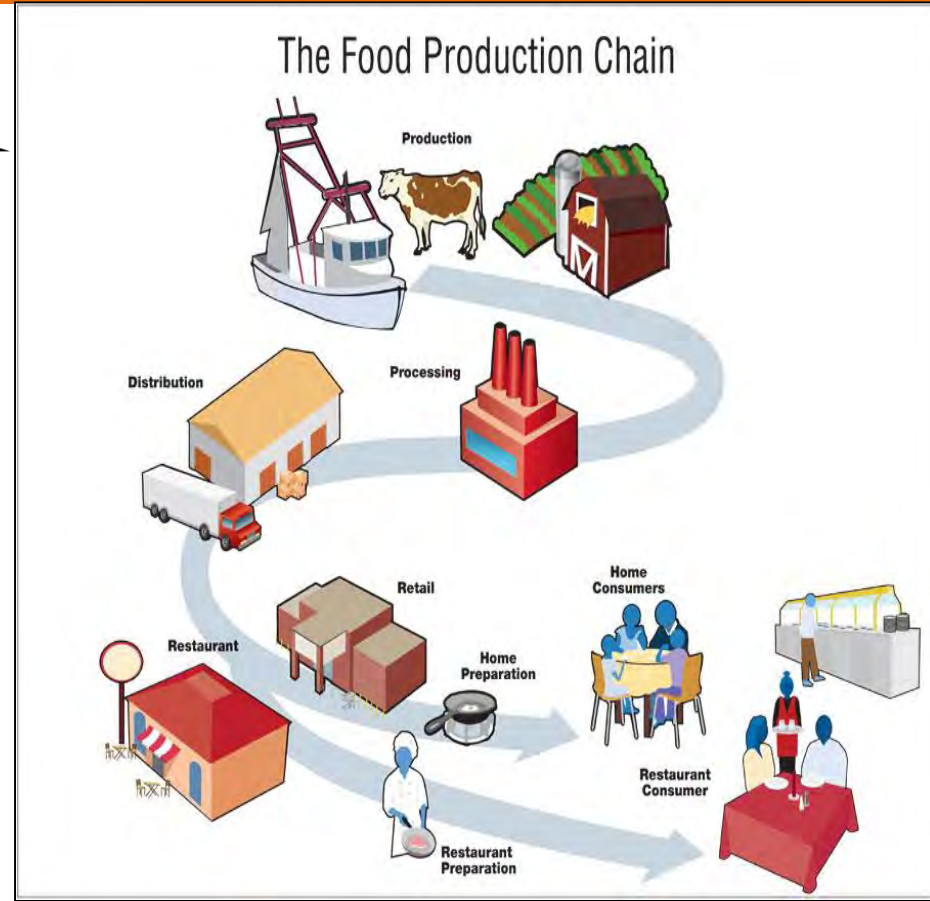
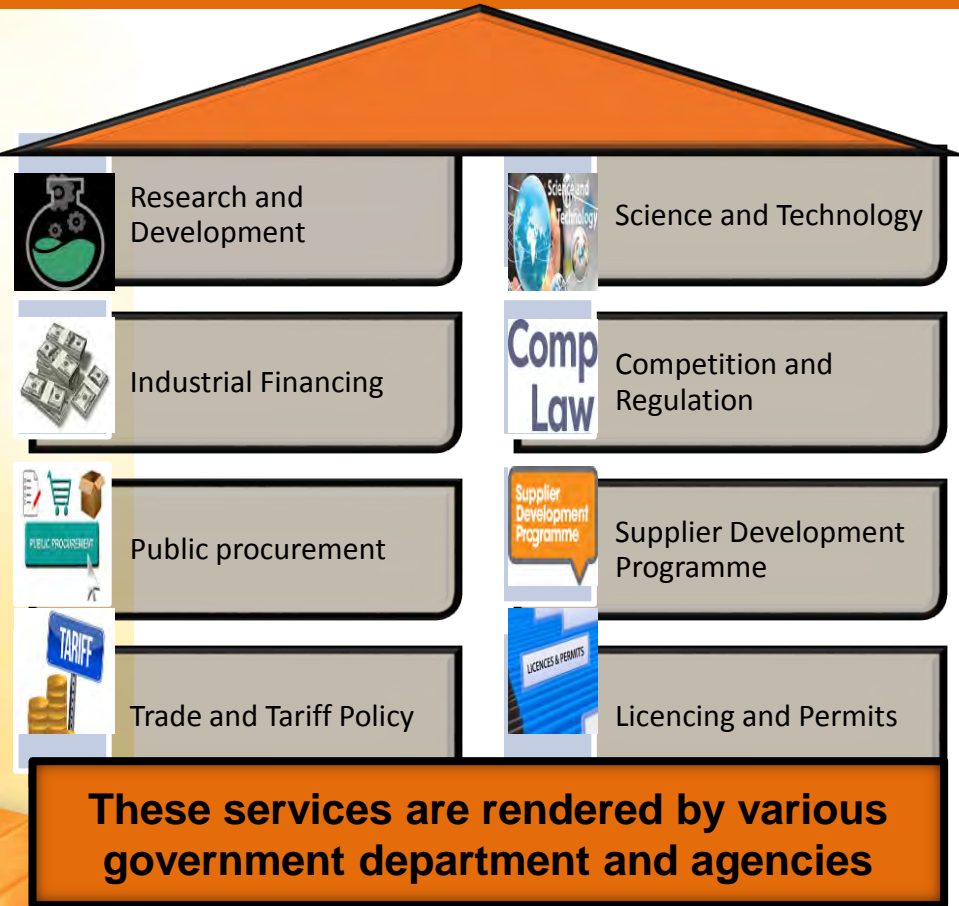
# Structure of agro-processing sector desk



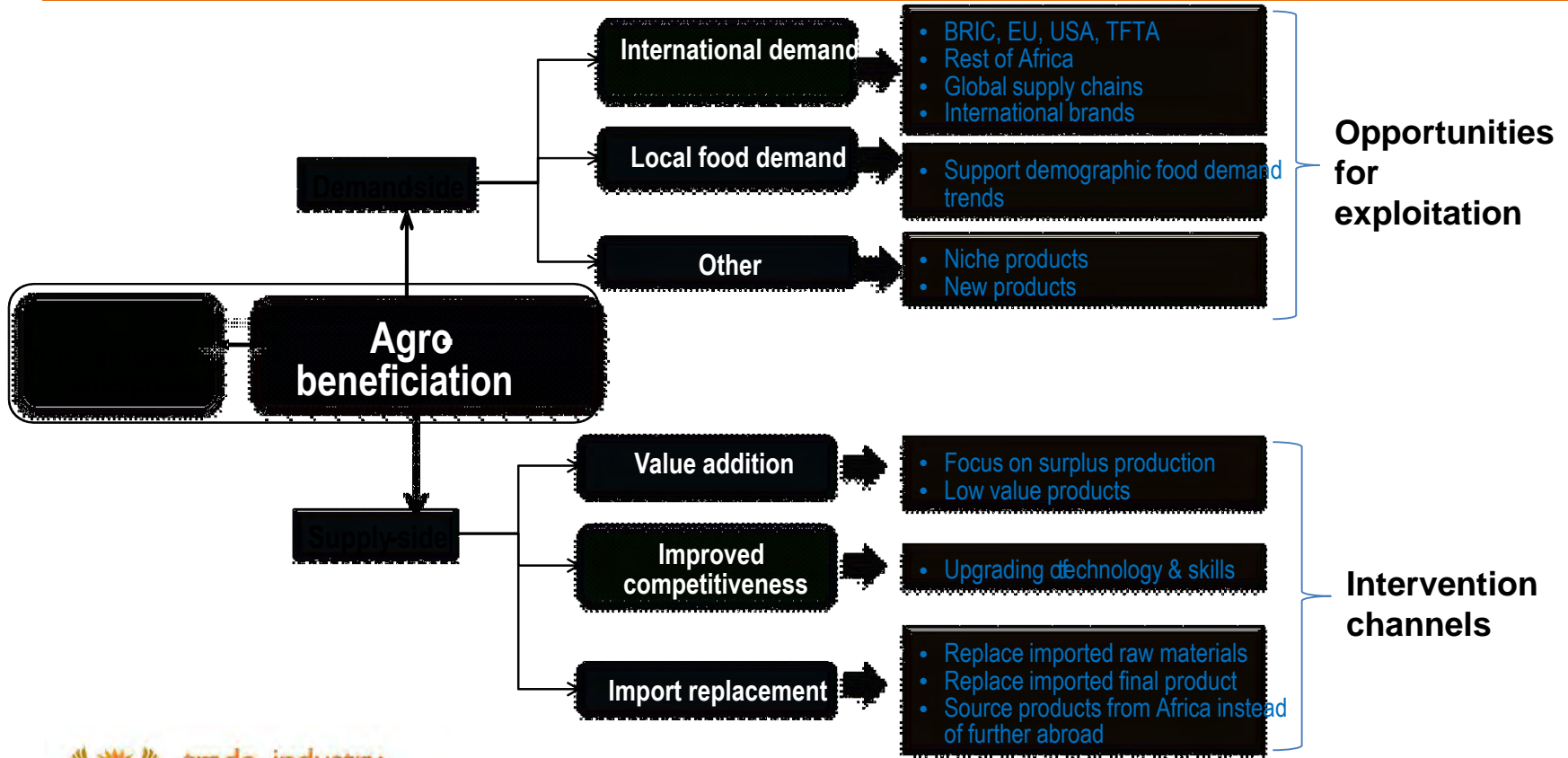
# Responsibilities of the agro-processing sector desk

- To understand the agro-processing institutional support system, and actively align and build the capacity of key stakeholders across the various spheres of government.
- Support the mature agro-processing subsectors to higher growth paths through critical interventions along the value-chain
- Identify and facilitate investments by the private sector and the state in critical market-enabling agri-infra-structure that unlocks opportunities for agglomeration and rural development.
- Facilitate the development of high opportunity/ high growth niche sectors that have significant export potential
- Facilitate strategic mega-investments which are transformative to the sector, create jobs and unlock value-chain potential
- Develop high potential food processing suppliers on scale through facilitating upgrading programmes in partnership with the retailers and large agri-business players.

# Policy levers



# Agro processing growth and opportunities

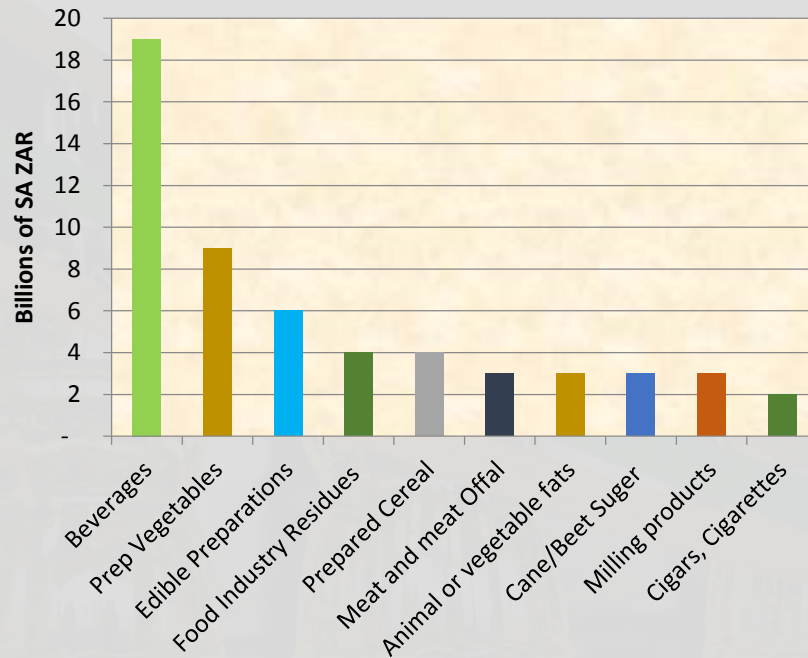


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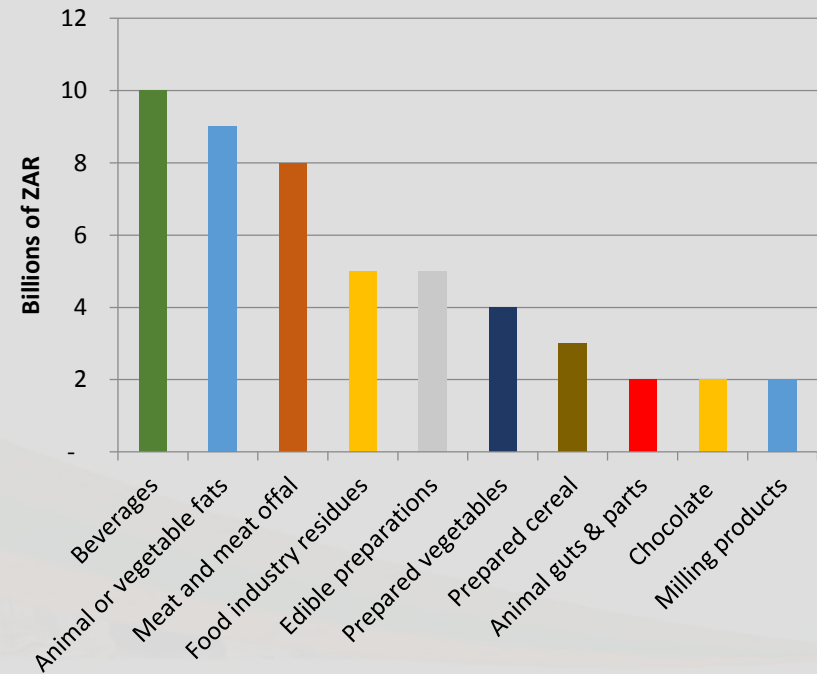
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# Agro-processing trade trends in 2019

## Top 10 agro-processed exports

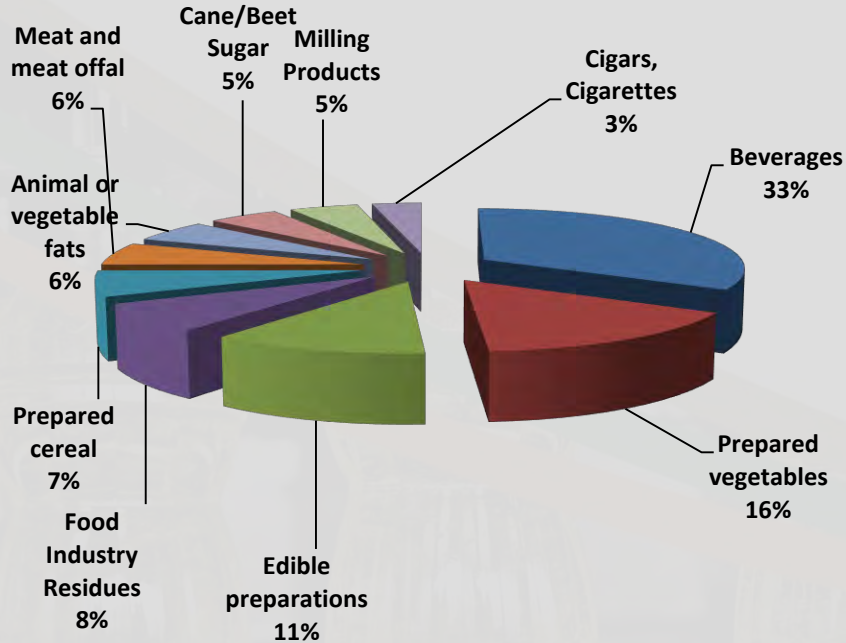


## Top 10 agro-processed imports

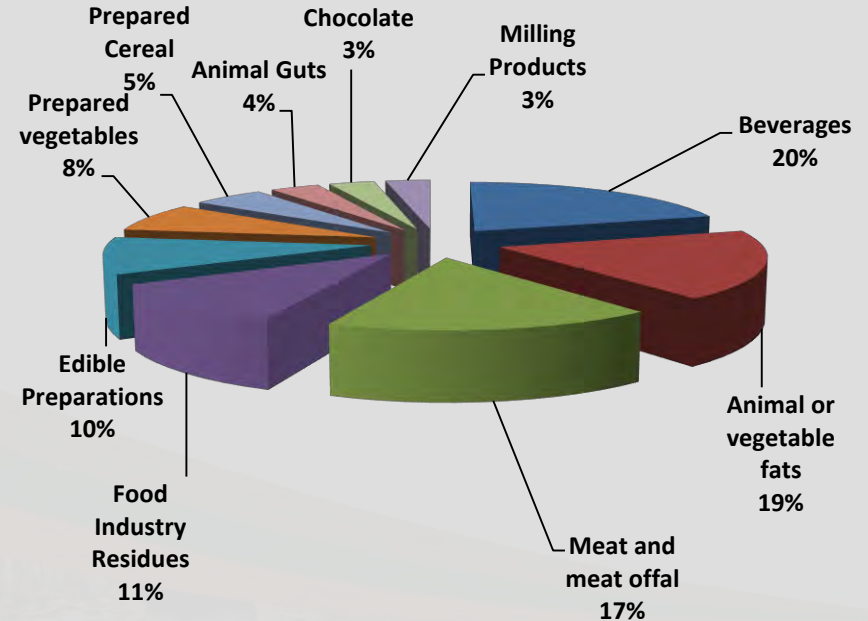


# Agro-processing trade percentage share

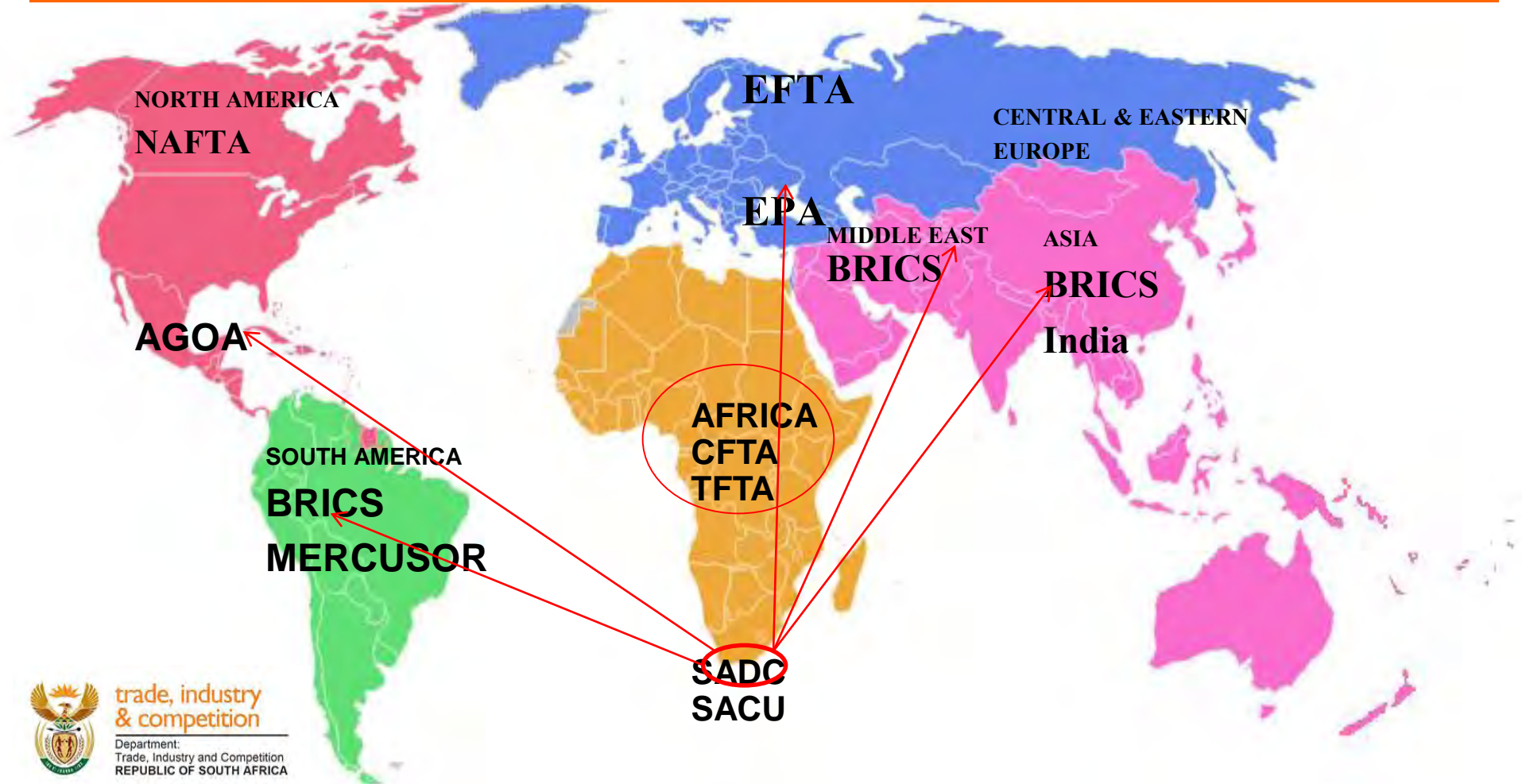
## Exports in percentage



## Exports in percentage



# Opportunities by Region



# Sector opportunities and constraints

## Opportunities

- Import replacement (localisation)
- New product development
- Untapped Markets (Africa and Asia)
- Trade agreements
- Strategic partnerships

## Constraints

- High utility prices and inconsistent supply (electricity, water) disrupting manufacturing and productivity
- Climate change
- COVID-19 pandemic
- Security of raw material supply
- Lack of continuous investments in plant, machinery and equipment
- Rising cheap imports of agro products

# Conclusion

**Demand** for agro-processing products is buoyed by:

- population growth,
- growing middle class,
- increased awareness to food safety issues, and
- taste, preference and convenience



# Thank you

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