A PROFILE OF THE SOUTH AFRICAN PORK MARKET VALUE CHAIN

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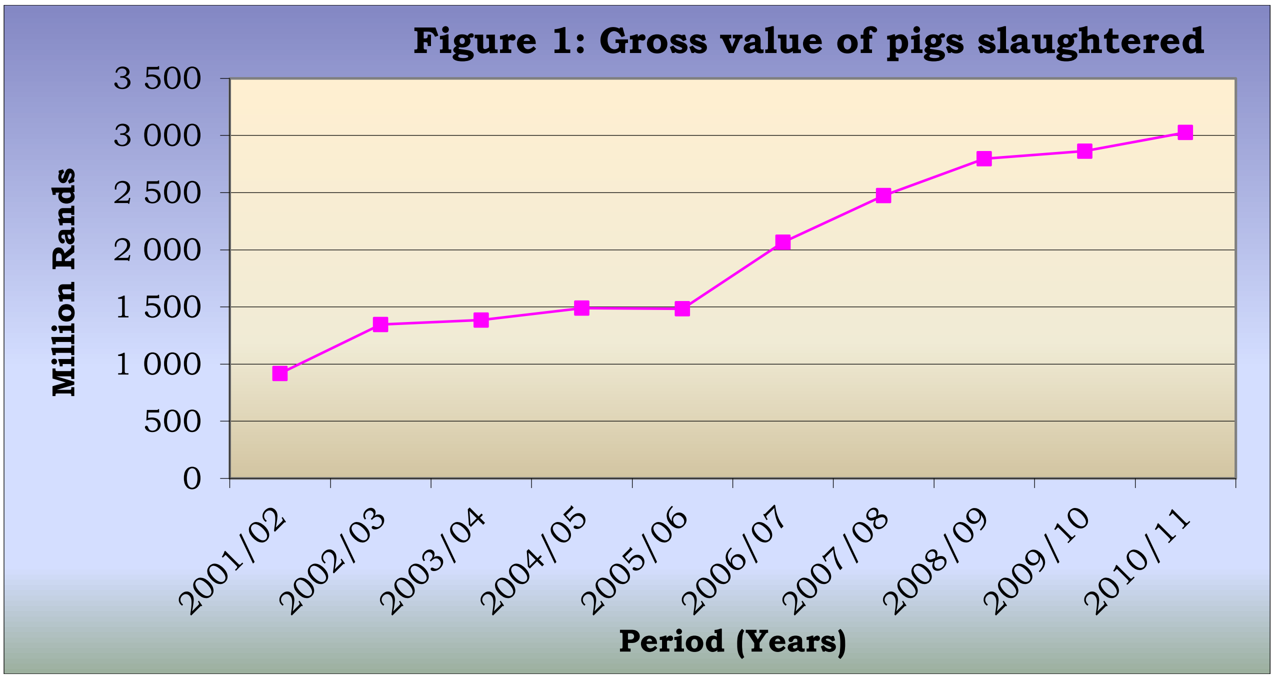
1. DESCRIPTION OF THE INDUSTRY

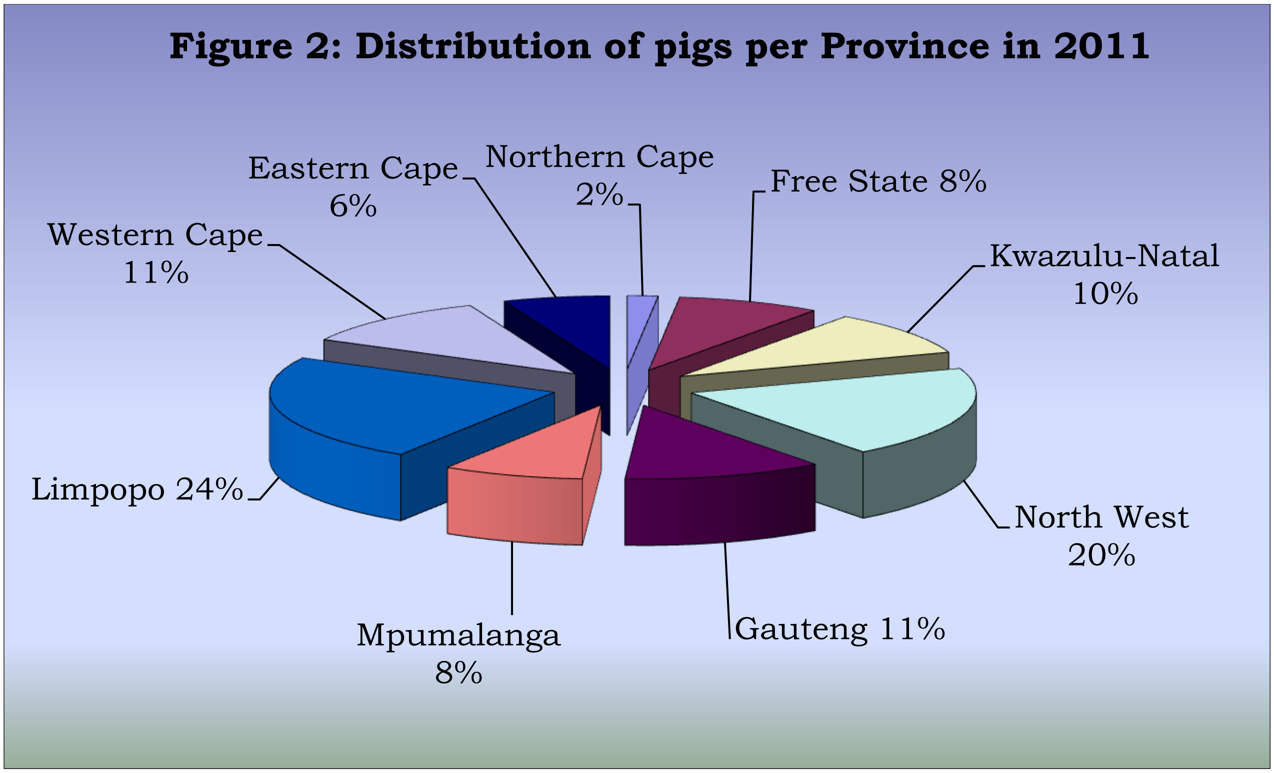
South African pork industry is relatively large in terms of overall South African agricultural sector. It contributes around 2.15% to the primary agricultural sector. The gross value of production of pork is dependent on the quantity produced and the price received by farmers. The trend in gross value follows a pattern of prices since the industry is characterized by volatile prices. The average gross value of pigs slaughtered over the past 10 years amounted to R 19.8 billion. The contribution of pork to the gross value of agricultural production increased steadily from 2001/02 to 2005/06. From 2006/07 to 2010/11 there were substantial increases in gross value due to an increase in prices. Gross value of pigs slaughtered experienced a drastic increase of 230% compared to 2001/02.



Source: Statistics and Economic Analysis, DAFF

1.1 Production areas

Pork is produced throughout South Africa with Limpopo and North West provinces being the largest producers accounting for 44% of total production. Figure 2 below shows the production of pork per province during 2011. The lowest pork producing provinces are Northern Cape (2%) and Eastern Cape (6%).

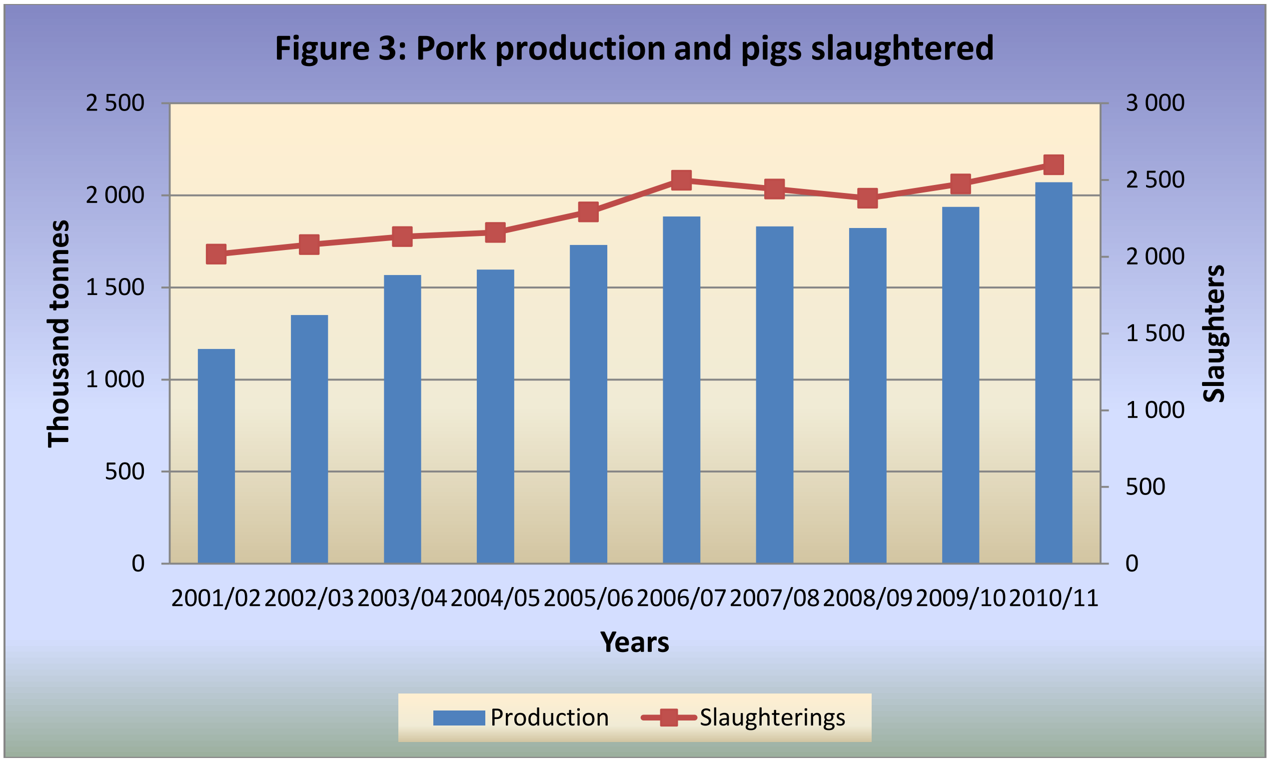


Source: Statistics and Economic Analysis, DAFF

There are approximately 400 commercial producers and 19 stud breeders in South Africa. Pig numbers are estimated at 1 573 million, this is a decrease of 1.3% compared to 2010. During 2011, Limpopo province produced 24% of all pork produced in South Africa followed up by North West with 20% then Western Cape and Gauteng by 11% each.

1.2. Production trends

It is estimated that over 2.4 million pigs were slaughtered during 2011 yielding over 2 million tons of pork. Figure 3 below shows the number of pigs slaughtered and pork production from the period between 2001/02 and 2010/11.

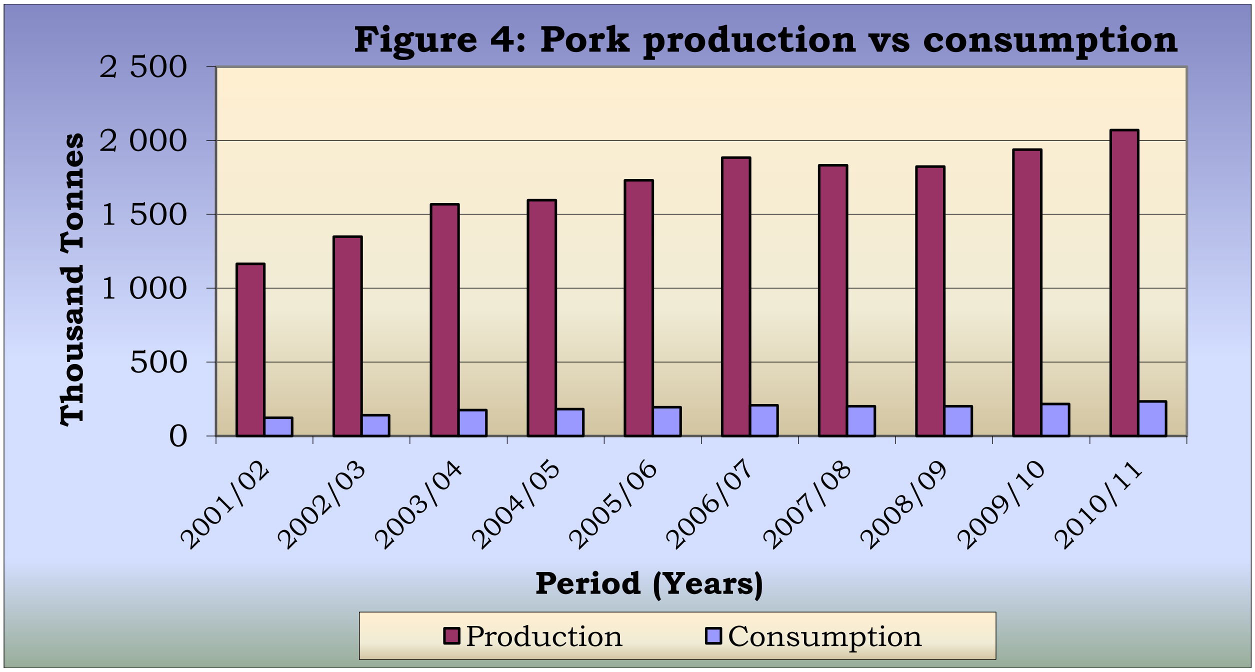


Source: Statistics and Economic Analysis, DAFF

Figure 3 shows that pork production fluctuated slightly during the period under review and pigs slaughtered was almost stable but slightly increasing from 2001/02 to 2006/07 and decrease a bit in 2007/08 to 2008/09 before increasing again in 2010/11.

1.3. Local consumption

Figure 4 below depicts local consumption of pork comparing it to the total production for each year to determine if the country is self-sufficient in terms of pork production.



Source: Statistics and Economic Analysis, DAFF

Figure 4 indicates that South Africa produced over 2 million tons of pork during the 2010/11 season. This is in comparison with just less than 250 tons consumed locally during the same year. As can be seen in Figure 4, South Africa's production of pork is far higher than its consumption. This makes South Africa to be self-sufficient in pork. As will be seen in the sections that follow South Africa still imports more pork than it exports because of the high need of the processed pork products food like ribs. During the period under review, production volumes have been increasing while the volumes consumed in South Africa have been relatively stable.

1.3. Employment

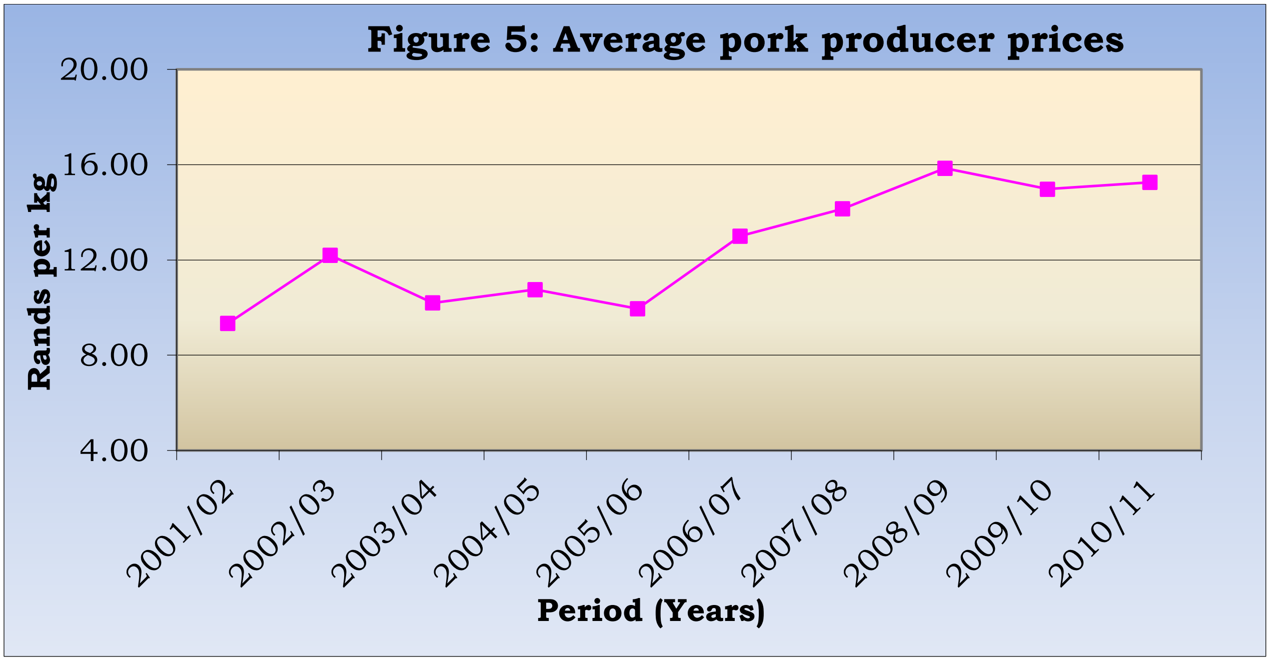
Commercial pig farmers are estimated at 4000, stud farmers at 19 and smallholder farmers at 100. The total number of sows is estimated at 125 000 sows (100 000 sows commercial and 25 000 smallholder farmers). The industry is estimated to employ about 10 000 workers, comprising of about 4 000 farm workers and 6 000 workers in the processing and abattoir sectors.

2. MARKET STRUCTURE

2.1. Domestic market

The local market is split at almost 50:50 between the fresh meat market and the processing meat market. The pork industry evolved from a highly regulated environment to one that is totally deregulated today. Various policies, such as the distinction between controlled and uncontrolled areas, compulsory levies payable by producers, restrictions on the establishment of abattoirs, the compulsory auctioning of carcasses according to grade and mass in controlled areas, the supply control via permits and quotas, the setting of floor prices, removal scheme, etc., characterised the pork industry before deregulation commenced in the early 1990s. Since the deregulation of the agricultural marketing dispensation in 1997, the prices in the red meat industry are determined by demand and supply forces.

Average producer prices of pork from 2001/02 to 2010/11 are illustrated in Figure 5.

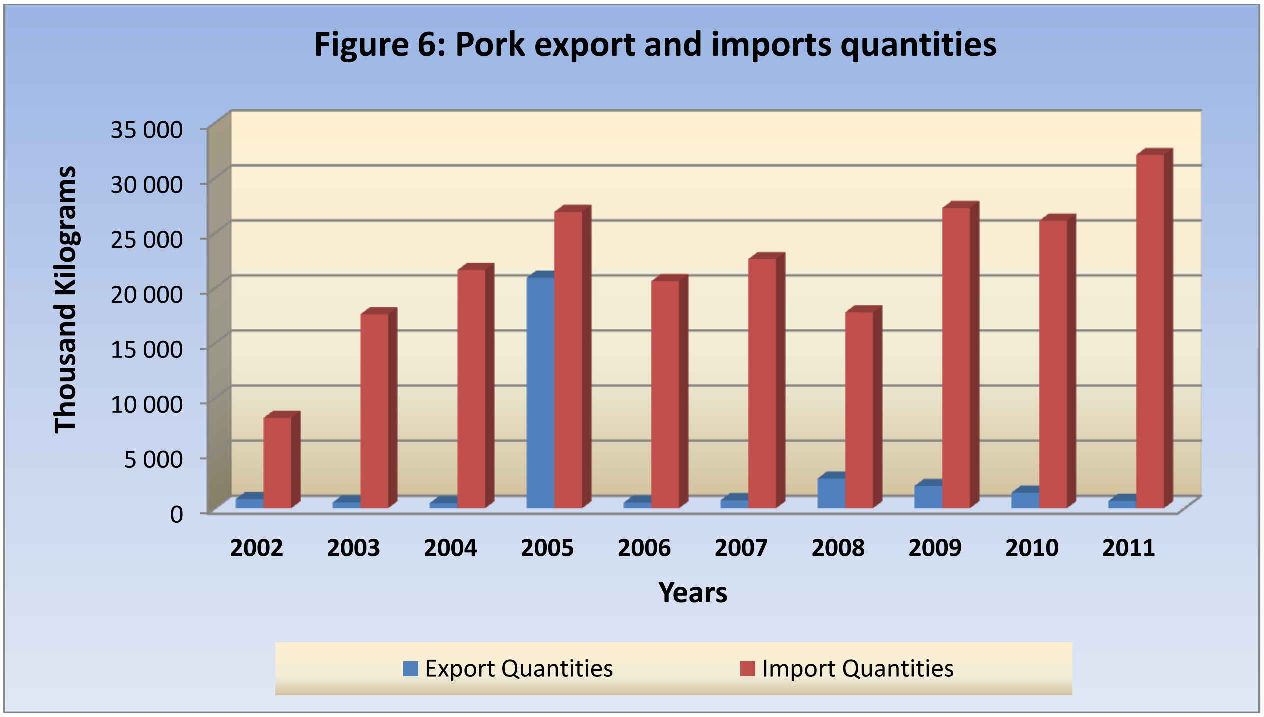


Source: Statistics and Economic Analysis, DAFF

The average producer price of pork slightly fluctuated during 2001/02 to 2005/06 and experienced an increasing trend from 2006/07 to 2008/09 before decreasing slightly in 2010 and increasing again in 2011. The peak price of R 15.86 per Kg was reached in 2008/09 and the lowest price of R 9.34 was experienced in 2001/02. There is an increase of R 5.92 in 2010/11 compared to 2001/02 and a decrease of R0.59 compared to 2008/09 which was the peak.

2.2. Import-export analysis

Figure 6 compares volumes of imports and exports for pork (pork included) from 2002 to 2011.

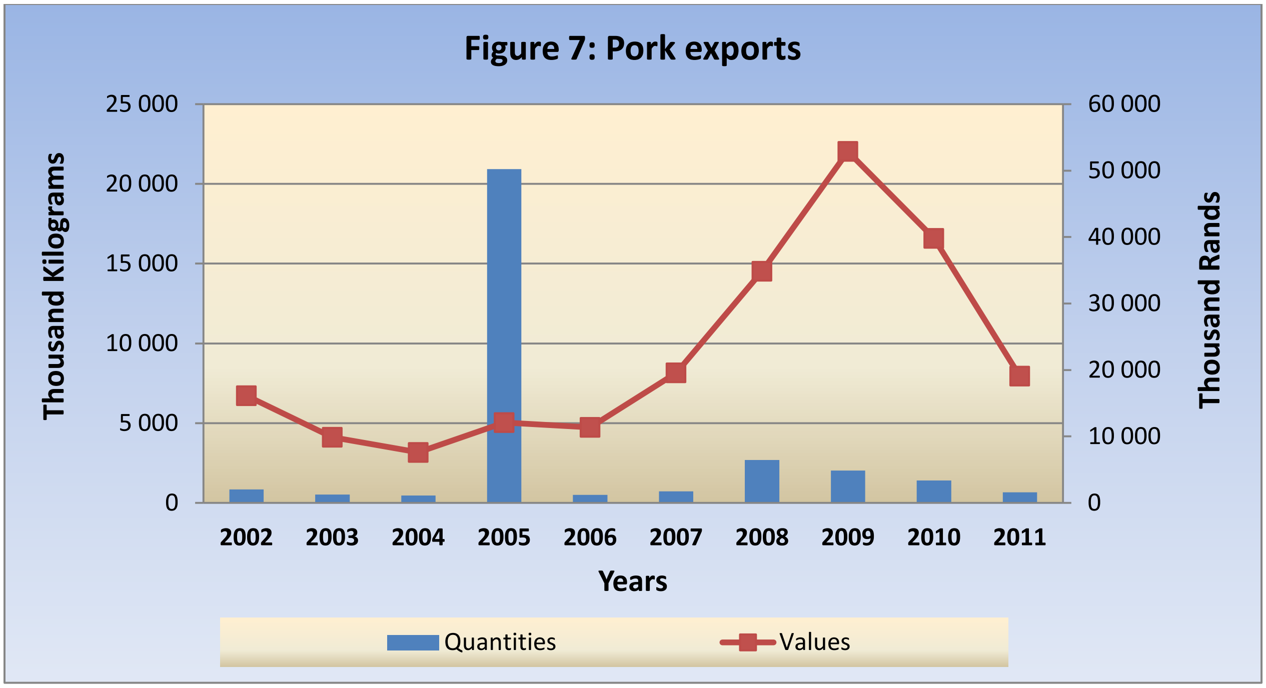


Source: Quantec EasyData

Figure 6 indicates that from 2002 to 2011, South Africa's pork exports were far less than the imports. It was only in 2005 were exports increased substantially above 20 million kilograms. This means that South Africa is a net importer of pork.

2.2.1. Export for pork

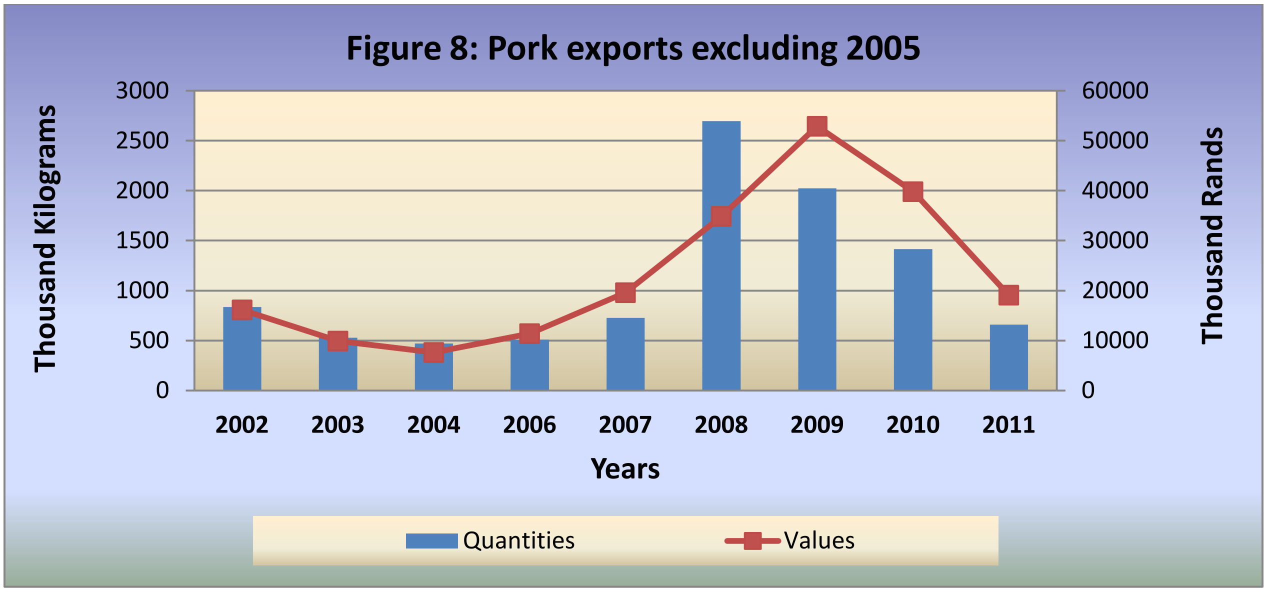
South Africa exported approximately 30.8 million kilograms of pork from 2002 to 2011, yielding an export value of R 223 million over the same period. The quantity and the value for exports of pork are shown in Figure 7 below.



Source: Quantec EasyData

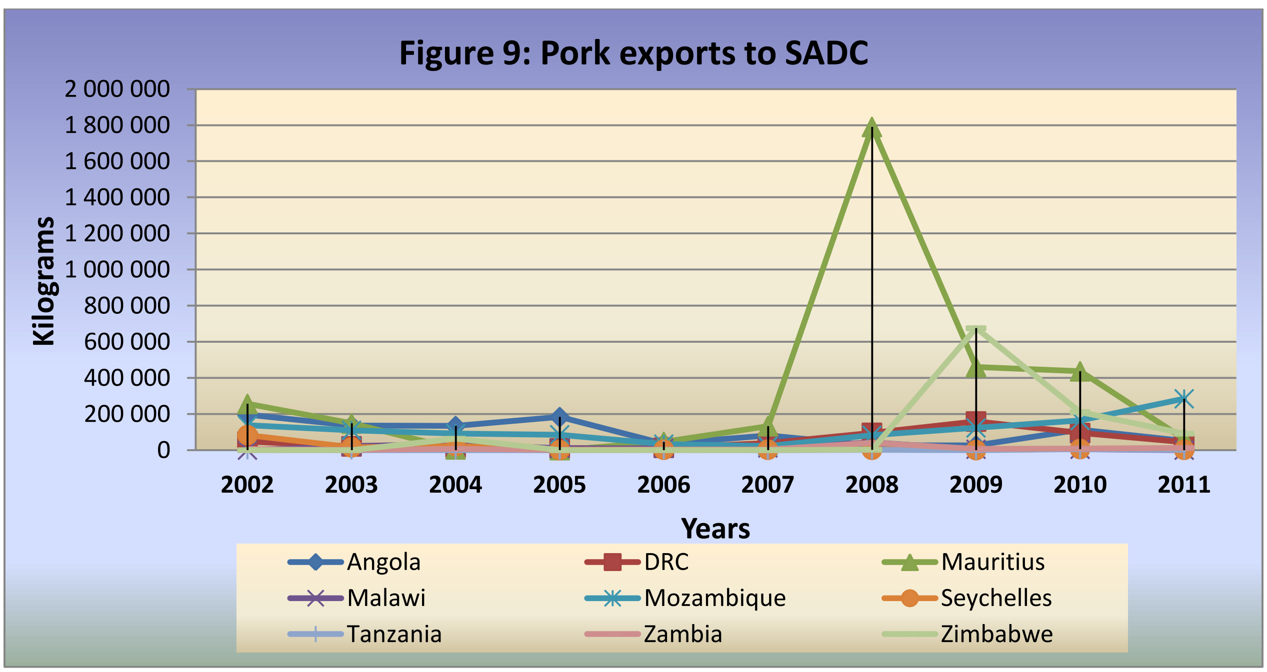
It can be seen in Figure 7 that pork exports remained lower over the past decade excluding the year 2005, which displayed an outlier of more than 20 million kilograms. During 2005 when the export quantity was very high the export value remained low which indicates that it was less profitable to export pork in 2005 than any other years.

Exports value of pork was slightly fluctuating started at a decreasing trend from 2002 to 2004 and increased slightly in 2004 and then experienced a sharp increase from 2007 to 2009 before decreasing substantially from 2010 to 2011. The export value of pork increased by over R 2,951,145 in 2011 compared to 2002 and decreased by R 34 million compared to 2009 which was the peak. Figure 8 presents export quantities and values of pork during the same period but excludes data for 2005.



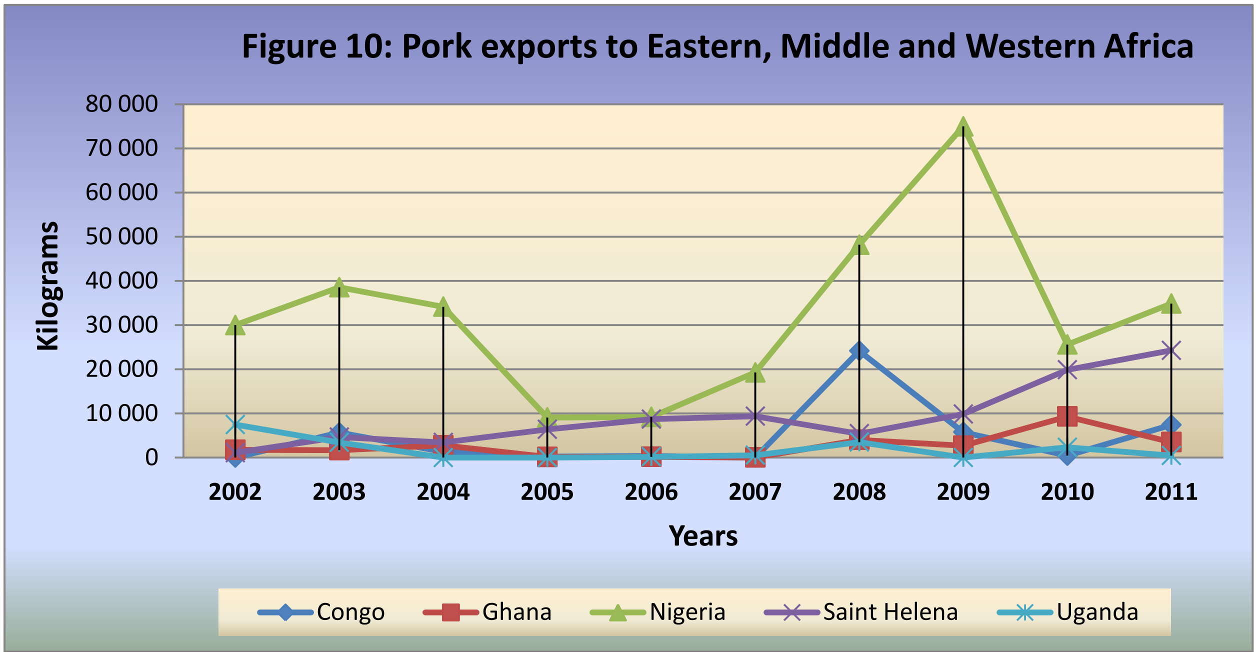
Source: Quantec EasyData

Figure 8 shows that export quantities of pork were generally low from 2002 to 2007 and experienced a sharp increase in 2008 before declining between 2009 and 2011. Figure 9 presents volumes of pork exports to SADC during the past ten years.



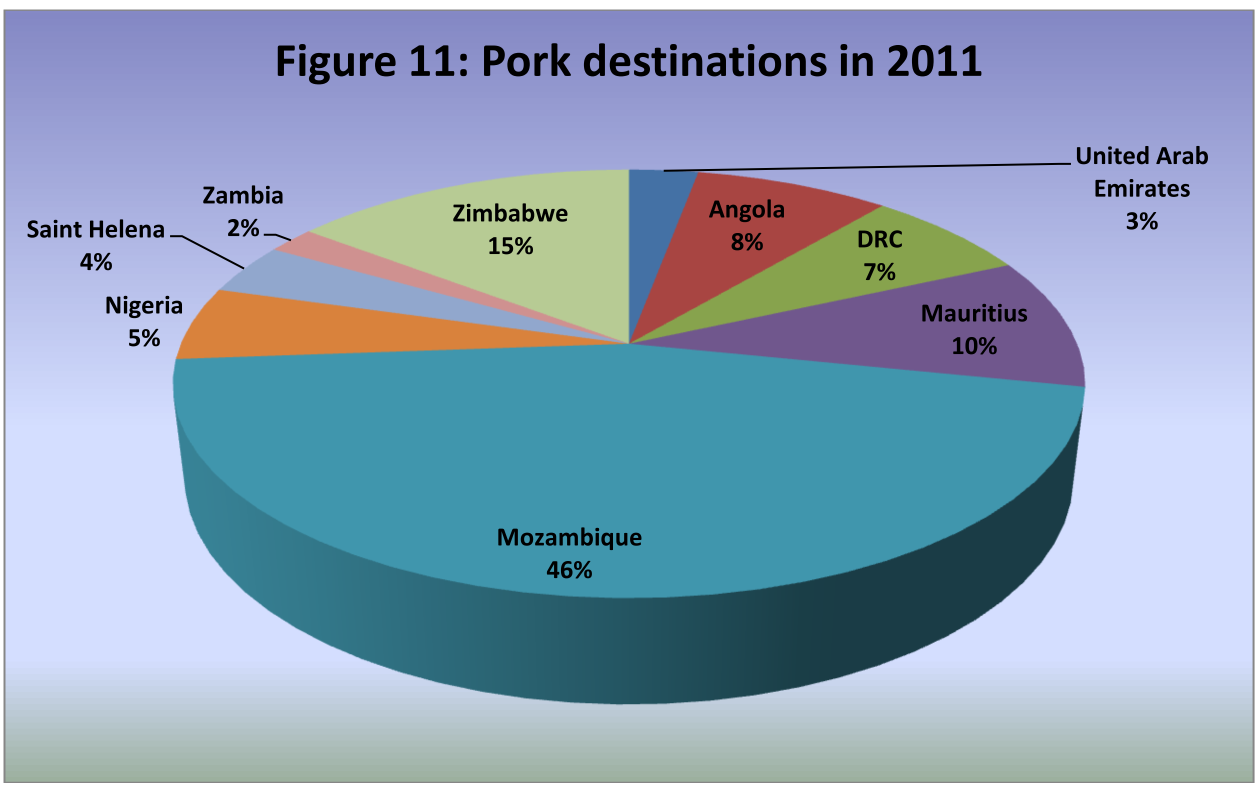
Source: Quantec EasyData

South African pork is mainly exported to SADC countries. Mauritius commanded the greatest shares of pork exported from South Africa during the period under analysis followed by Mozambique and Zimbabwe. Tanzania, Zambia and Democratic of Congo (DRC) received the lowest shares of South Africa during the period under review. Mauritius commanded the highest share of South African pork of in 2008 & 2010, Zimbabwe was the highest in 2009 and Zimbabwe in 2011.



Source: Quantec EasyData

Figure 10 displays that pork produced in South Africa was mainly exported to Nigeria in Western Africa. It commanded the greatest share of South African pork from 2002 to 2011 followed by Saint Helena and Congo. Ghana was the least importer of South African pork.

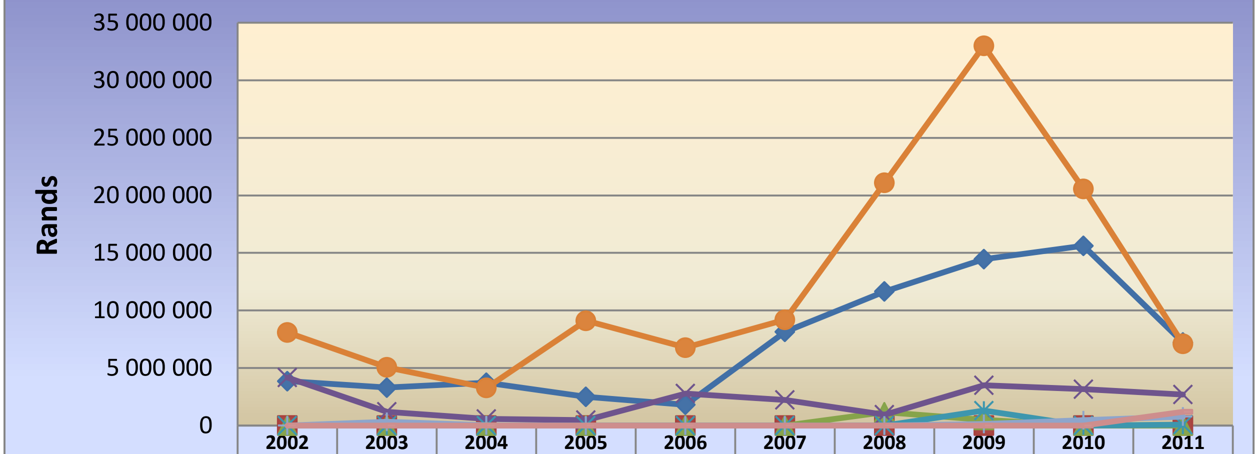


Source: Quantec EasyData

It is noted that South African pork is exported within the continent, mostly to SADC countries, which constitutes 88% of the total pork exported. Mozambique is the greatest commander South African pork, leading by 46% followed at a distance by Zimbabwe with 15%. United Arab Emirates from Asia, Nigeria and Saint Helena from Western Africa commanded 4%, 5% and 7% respectively.

Values of pork exports from various provinces of South Africa are presented in Figure 12.

Figure 12: Value of pork exports by Provinces

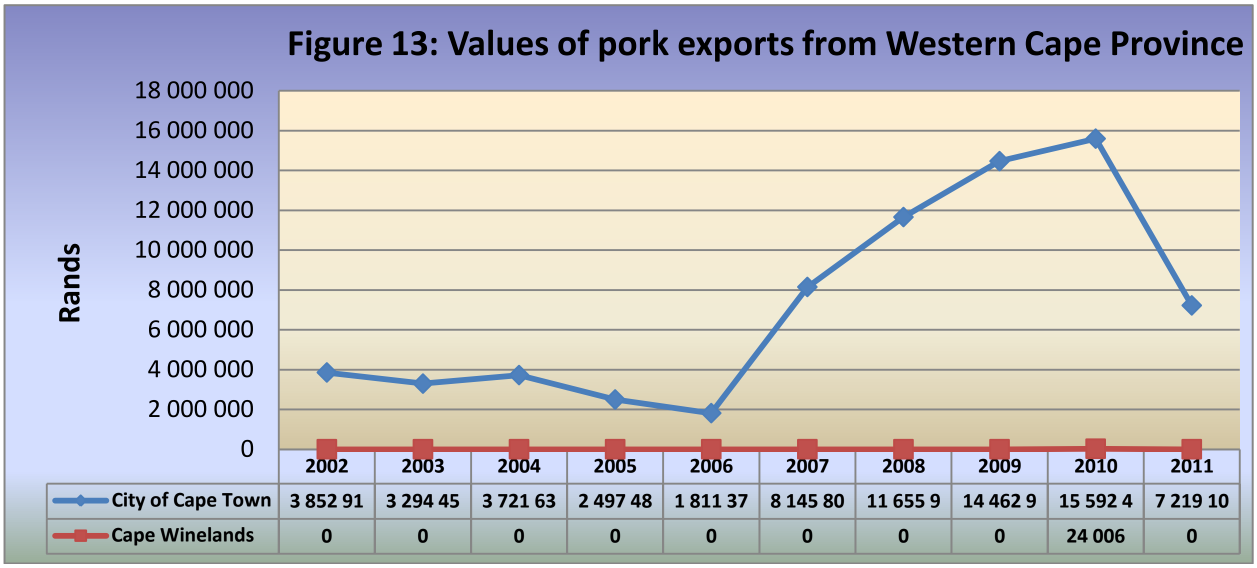


	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Western Cape	3 852 914	3 294 452	3 721 637	2 497 482	1 811 376	8 145 799	11 655 96	14 462 94	15 616 45	7 219 100
Eastern Cape	3 671	0	0	0	0	0	0	0	0	0
Free State	0	0	0	0	0	0	1 150 809	489 352	0	0
Kwazulu-Natal	4 176 774	1 201 492	575 993	481 413	2 789 554	2 234 132	951 569	3 503 560	3 159 822	2 702 479
North West	0	0	0	0	0	0	0	1 298 033	3 576	69 793
Gauteng	8 090 825	5 063 571	3 277 092	9 104 713	6 768 696	9 194 006	21 101 42	33 002 90	20 566 25	7 106 520
Mpumalanga	6 071	320 580	18 882	2 285	0	257	0	140 694	460 204	786 567
Limpopo	0	0	0	0	0	0	0	0	2 073	1 196 940

Source: Quantec EasyData

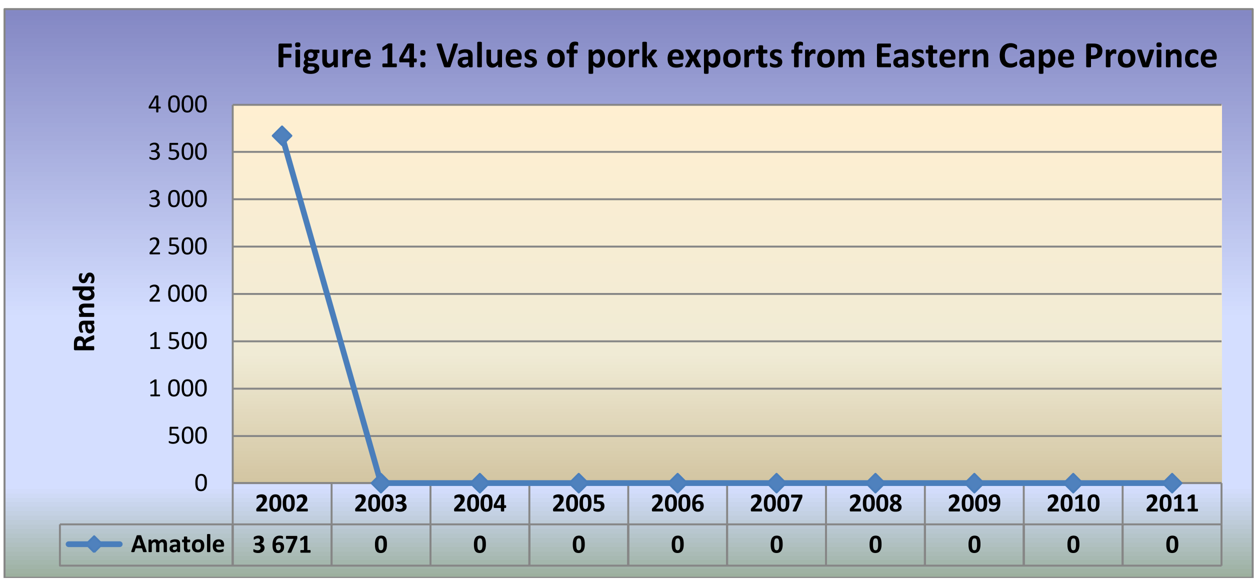
Gauteng province dominated pork exports from 2002 to 2011 followed Western Cape and KwaZulu–Natal Provinces. This is due to the fact that these provinces are main exit points for pork and due to infrastructure developments that facilitate trade. Gauteng and Western Cape Provinces experienced their greatest exports during 2009.

The following figures (Figures 13 - 20) show the value of pork exports from the various districts within 8 (eight) provinces of South Africa.



Source: Quantec EasyData

Figure 13 indicates that City of Cape Town metropolitan municipality was a regular exporter during the past decade and experienced sharp increases from 2007 to 2010. This might be due to the fact that City of Cape Town district is the main exit point in the Western Cape. Cape Winelands district municipality recorded exports during 2010 only.



Source: Quantec EasyData.

From Eastern Cape Province, Amatole district municipality is the only municipality which recorded exports in 2002 and diminished for the other years.

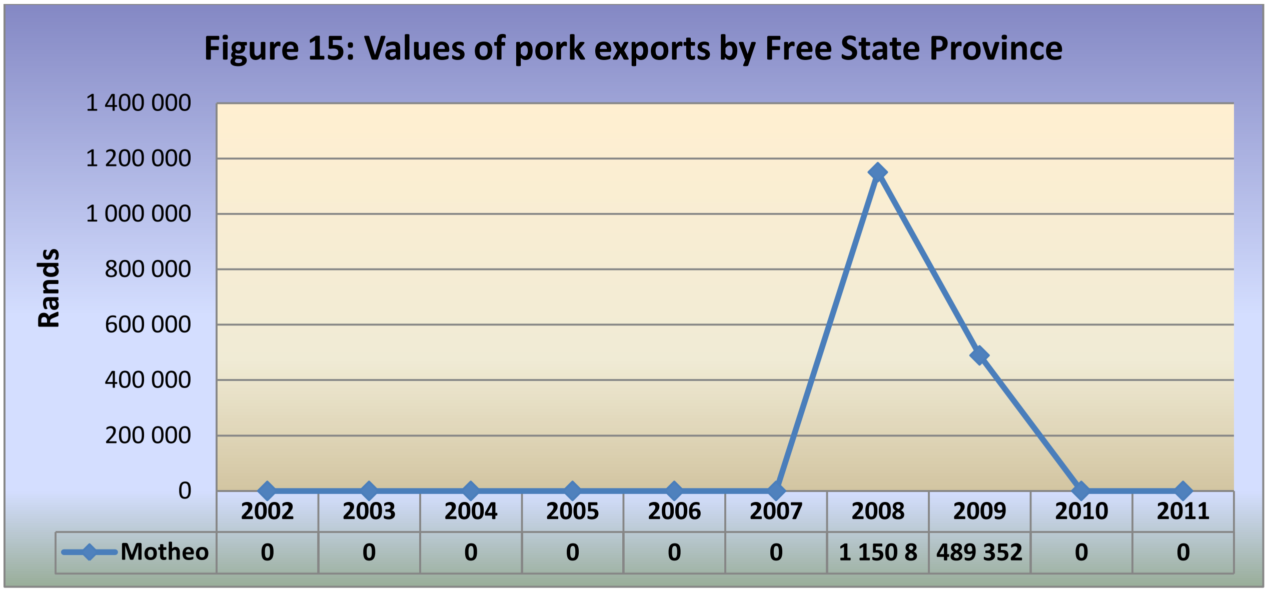


Figure 15: Values of pork exports by Free State Province

Source: Quantec EasyData

From Free State Province, Motheo district municipality recorded exports of pork during the period 2008 to 2009 only.

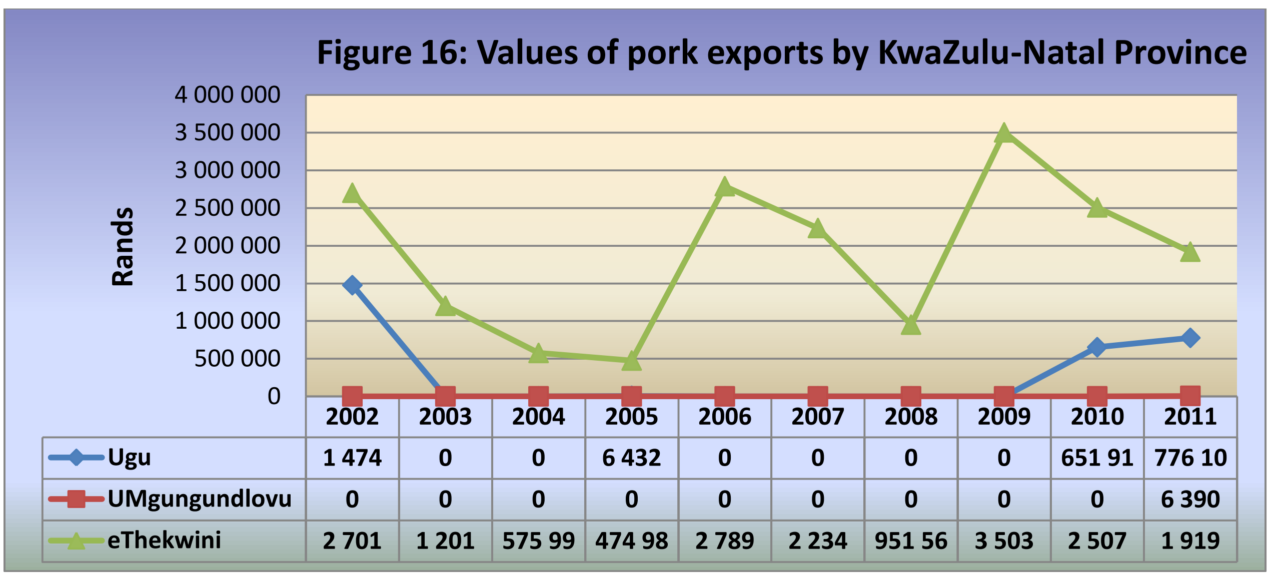
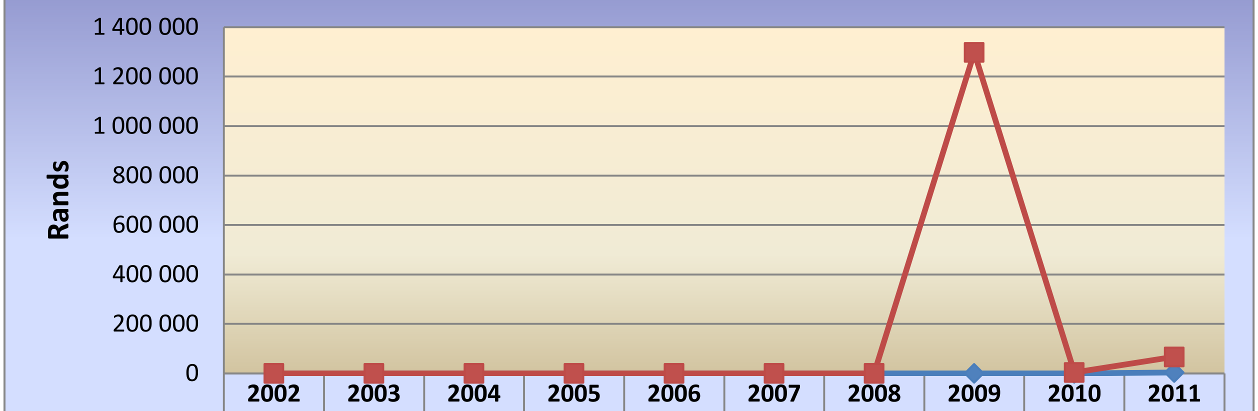


Figure 16: Values of pork exports by KwaZulu-Natal Province

Source: Quantec EasyData

From Figure 16, exports for pork occurred mainly in eThekwini and Ugu district municipalities. eThekwini district municipality dominated the trend with the highest values recorded in 2002, 2006 and 2009. This is due to the fact that eThekwini district is the main exit point in KwaZulu–Natal Province. Ugu and Umgugundlovu district municipalities recorded fractional exports of pork. Umgugundlovu district municipality recorded exports in 2011 only while Ugu district municipality exported during 2002, 2005, and 2010-2011.

Figure 17: Values of pork exports from North West Province

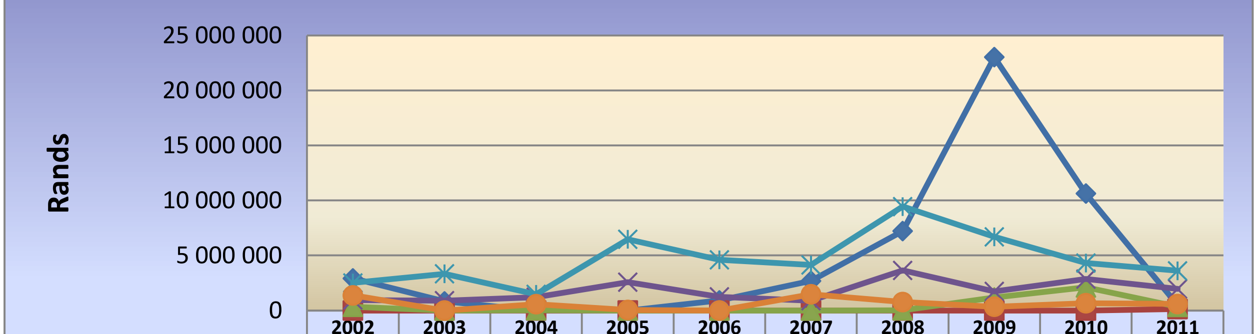


	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Bojanala	0	0	0	0	0	0	0	0	0	3 406
Southern	0	0	0	0	0	0	0	1 298 0	3 576	66 387

Source: Quantec EasyData

From North West Province, Bojanala and Southern district municipalities recorded intermittent exports for pork during the period under analysis. Bojanala district municipality recorded exports of pork during 2011 only and Southern district municipality exported from 2009 to2011.

Figure 18: Values of pork exports from Gauteng Province

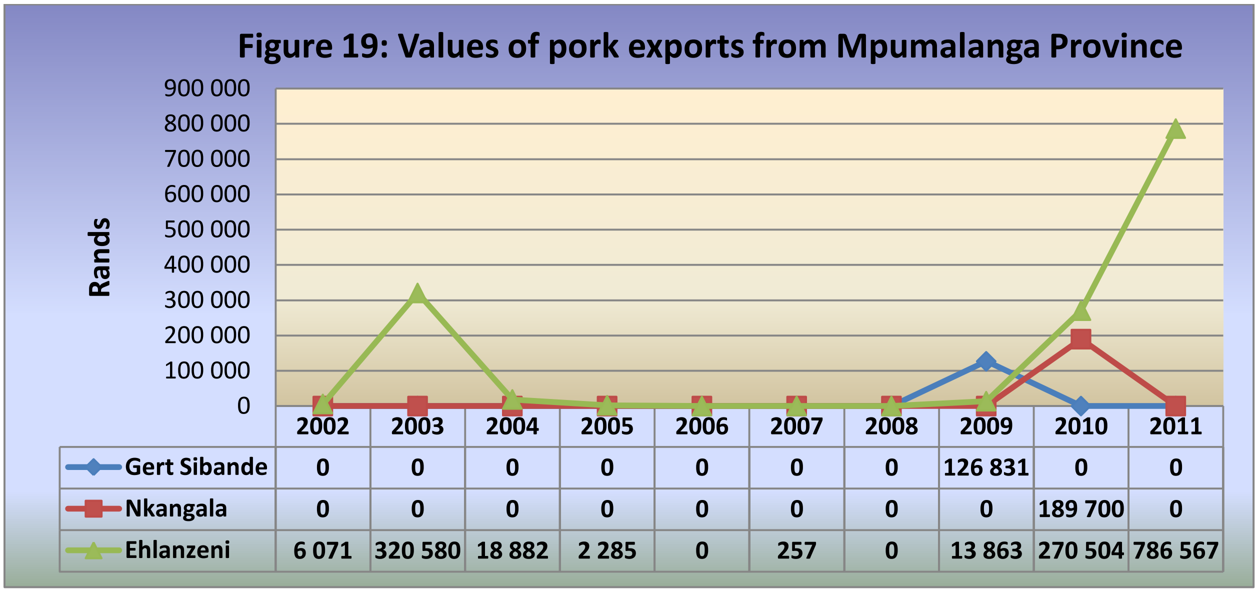


	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sedibeng	2 916 728	826 856	0	0	915 224	2 687 111	7 222 512	23 035 15	10 633 74	490 040
Metsweding	0	0	0	0	0	0	0	0	0	132 757
West Rand	341 673	0	20 050	0	0	58	22 630	1 186 204	2 097 897	334 624
Ekurhuleni	956 191	897 440	1 209 244	2 577 761	1 245 088	891 254	3 644 025	1 738 066	2 856 138	1 955 196
City of Johannesburg	2 504 069	3 339 274	1 470 193	6 476 515	4 608 384	4 141 151	9 444 431	6 695 627	4 314 701	3 605 655
City of Tshwane	1 372 163	0	577 606	50 436	0	1 474 432	767 828	347 850	663 774	588 249

Source: Quantec EasyData

From Gauteng Province, pork exports occurred mainly in City of Johannesburg and Ekurhuleni district municipalities. City of Johannesburg dominated the trend but experiences low exports from 2002 and 2004. It recorded the highest exporter during the periods 2003 to 2008. This is due to the fact that City of Johannesburg is the main exit point to neighbouring countries of South Africa.

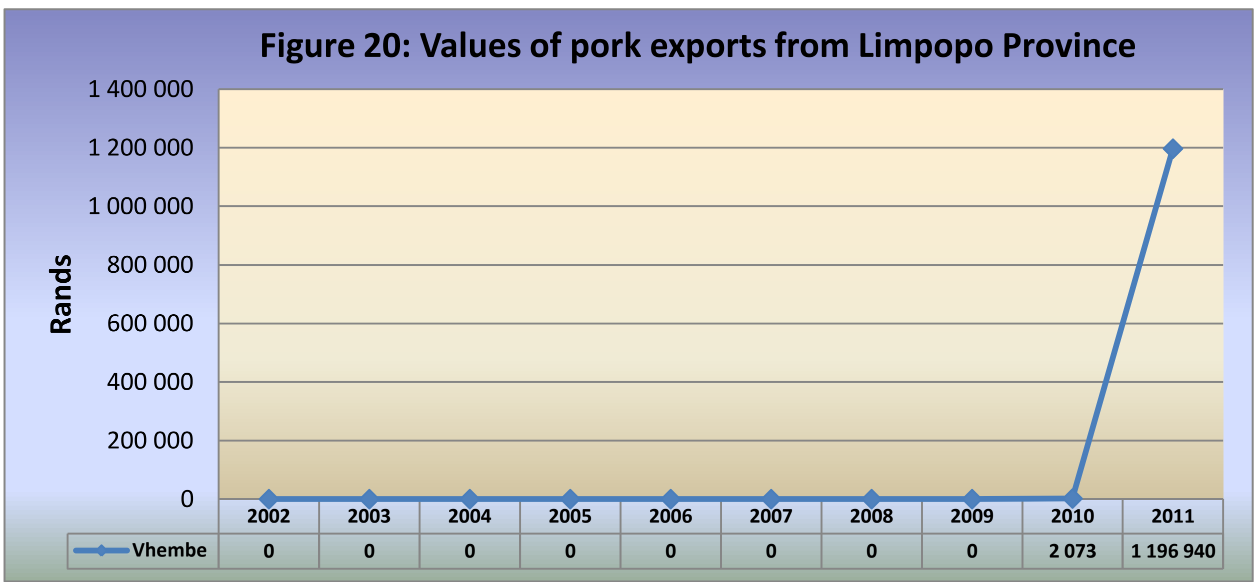
Sedibeng broke the record in 2009 with an export value of R 23 million and decreased to R 490 040 in 2011. City of Tshwane, West Rand and Sedibeng recorded intermittent exports of pork throughout the period under analysis.



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Gert Sibande	0	0	0	0	0	0	0	126 831	0	0
Nkangala	0	0	0	0	0	0	0	0	189 700	0
Ehlanzeni	6 071	320 580	18 882	2 285	0	257	0	13 863	270 504	786 567

Source: Quantec EasyData

Figure 19 show that, all districts in Mpumalanga Province participated in pork exports during the past decade. All districts recorded fractional exports but Ehlanzeni district municipality dominated the export market. Gert Sibande and Nkangala district municipalities recorded exports in 2009 and 2010 respectively.



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Vhembe	0	0	0	0	0	0	0	0	2 073	1 196 940

Source: Quantec EasyData

Vhembe district municipality from Limpopo Province, recorded small exports of pork during 2010 to 2011 only.

2.2.2. Share Analysis

Table 1: Share of provincial pork exports to the total RSA pork exports (%).

Years Province	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Western Cape	23.89	33.34	49.01	20.66	15.93	41.61	33.44	27.34	39.23	37.83
Eastern Cape	0.02	0	0	0	0	0	0	0	0	0
Free State	0	0	0	0	0	0	3.30	0.93	0	0
KwaZulu-Natal	25.89	12.16	7.59	3.98	24.54	11.41	2.73	6.62	7.94	14.16
North West	0	0	0	0	0	0	0	2.45	0.01	0.37
Gauteng	50.16	51.25	43.16	75.33	59.53	46.97	60.53	62.39	51.66	37.24
Mpumalanga	0.04	3.24	0.25	0.02	0	0	0	0.27	1.16	4.12
Limpopo	0	0	0	0	0	0	0	0	0.01	6.27
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec EasyData

Table 1 indicates that Gauteng province commanded the greatest share in the export of pork followed by Western Cape and KwaZulu–Natal provinces. This is mainly due to the fact that these provinces are the main exit points for pork. Fractional exports for pork were recorded in Eastern Cape, Free State, North West, Mpumalanga and Limpopo provinces.

Table 2: Share of district pork exports to the total Western Cape provincial pork exports (%).

Years District	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
City of Cape Town	100	100	100	100	100	100	100	100	99.85	100
Cape Winelands	0	0	0	0	0	0	0	0	0.15	0
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**1000**

Source: Calculated from Quantec EasyData

From Table 2, City of Cape Town Metropolitan municipality commanded 100% share in the export for pork from 2001 to 2009. This may be due to the fact that City of Cape Town is the main exit point for meat in the province. Cape Winelands recorded small exports value during 2010 and 2011.

Table 3: Share of district pork exports to the total Eastern Cape provincial pork exports (%).

Years District	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Amatole	100	0	0	0	0	0	0	0	0	0
Total	**100**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

Source: Calculated from Quantec EasyData

In the Eastern Cape Province exports for pork occurred only in 2002 from Amatole district municipality.

Table 4: Share of district pork exports to the total Free State provincial pork exports (%).

Years District	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011

Years District	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Motheo	0	0	0	0	0	0	100	100	0	0
Total	**0**	**0**	**0**	**0**	**0**	**0**	**100**	**100**	**0**	**0**

Source: Calculated from Quantec EasyData

Motheo district municipality commanded 100% share of pork exports value in 2008 and 2009. There were no exports records during other years.

Table 5: Share of district pork exports to the total KwaZulu–Natal provincial pork exports (%).

Years District	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Ugu	35.31	0	0	1.34	0	0	0	0	20.63	28.72
Umgugundlovu	0	0	0	0	0	0	0	0	0	0.24
eThekwini	64.69	100	100	98.66	100	100	100	100	79.37	71.05
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec EasyData

In KwaZulu–Natal Province, eThekwini metropolitan municipality commanded the greatest share of exports of pork from 2002 to 2011. Intermittent exports were recorded from Ugu and Umgugundlovu district municipalities.

Table 6: Share of district pork exports to the total North West provincial pork exports (%).

Years District	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Bojanala	0	0	0	0	0	0	0	0	0	4.88
Southern	0	0	0	0	0	0	0	100	100	95.12
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**100**	**100**

Source: Calculated from Quantec EasyData

In North West Province, Southern and Bojanala district municipalities recorded exports of pork during the last three years of the decade. Bojanala district municipality recorded exports during 2011 only and Southern district municipality recorded exports during the periods 2009 to 2011.

Table 7: Share of district pork exports to the total Gauteng provincial pork exports (%).

Years District	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Sedibeng	36.05	16.33	0	0	13.52	29.23	34.23	69.80	51.70	6.90
Metsweding	0	0	0	0	0	0	0	0	0	1.87
West Rand	4.22	0	0.61	0	0	0.00	0.11	3.59	10.20	4.71
Ekurhuleni	11.82	17.72	36.90	28.31	18.39	9.69	17.27	5.27	13.89	27.51
City of Johannesburg	30.95	65.95	44.86	71.13	68.08	45.04	44.76	20.29	20.98	50.74
City of Tshwane	16.96	0	17.63	0.55	0	16.04	3.64	1.05	3.23	8.28
Total	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**	**100**

Source: Calculated from Quantec EasyData

Table 7 indicates that City of Johannesburg metropolitan municipality commanded the greatest share in the export of pork followed by Ekurhuleni metropolitan municipality. Intermittent exports of pork were recorded in Sedibeng, West Rand and City of Tshwane district municipalities during the periods 2002 to 2011.

Table 8: Share of district pork exports to the total Mpumalanga provincial pork exports (%).

Years District	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Gert Sibande	0	0	0	0	0	0	0	90.15	0	0
Nkangala	0	0	0	0	0	0	0	0	41.22	0
Ehlanzeni	100	100	100	100	0	100	0	9.85	58.78	100
Total	**100**	**100**	**100**	**100**	**0**	**100**	**0**	**100**	**100**	**100**

Source: Calculated from Quantec EasyData

From Mpumalanga province, Ehlanzeni district municipality commanded 100% share of the export of pork during the periods 2002 to 2005, 2007 and 2011. During the periods 2009 to 2010 exports were shared among the three district municipalities (Gert Sibande, Nkangala and Ehlanzeni).

Table 9: Share of district pork exports to the total Limpopo provincial pork exports (%).

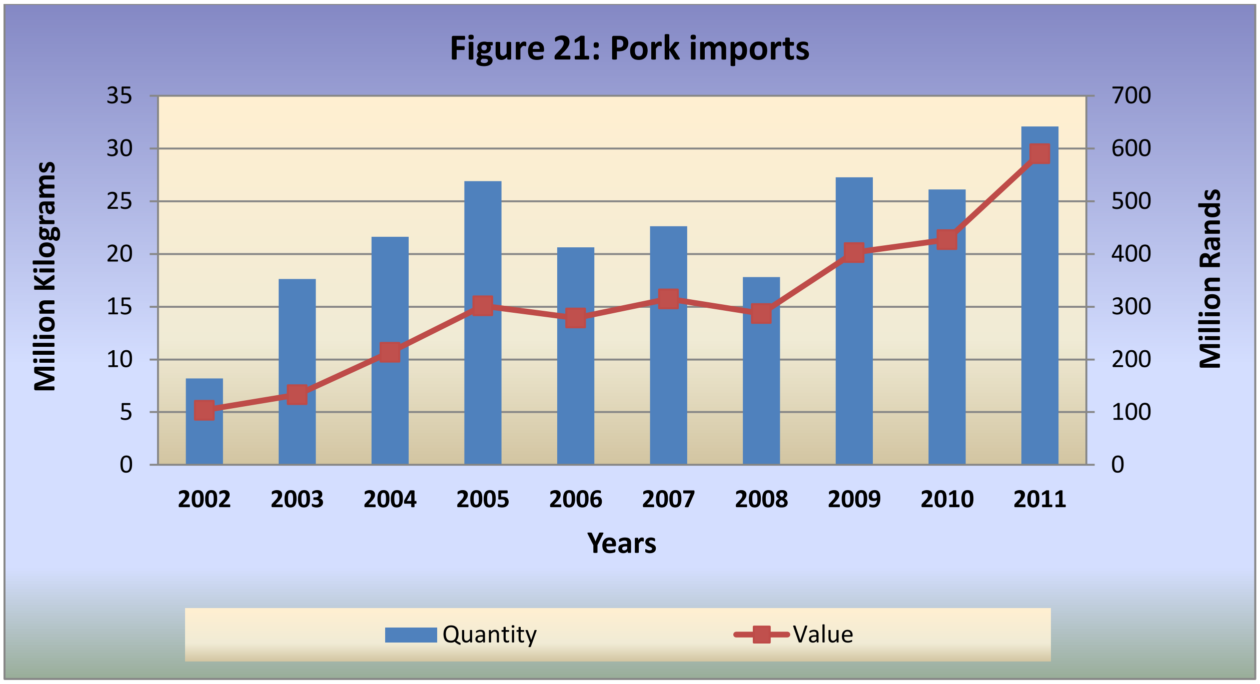
Years District	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Vhembe	0	0	0	0	0	0	0	0	100	100
Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**100**	**100**

Source: Calculated from Quantec EasyData

Vhembe district municipality is the only municipality in Limpopo Province which participated on pork exports and commanded the greatest share in 2010 and 2011.

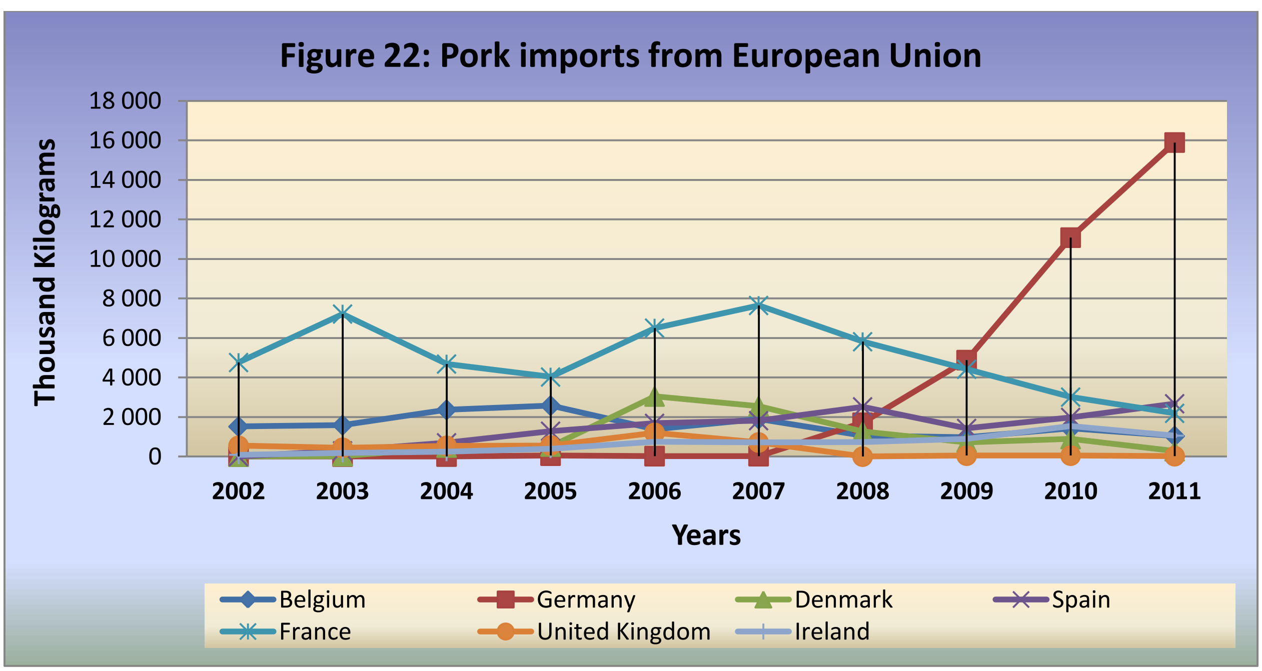
2.2.3. Imports

South Africa imported approximately 32 million kilograms of pork in 2011 at an estimated value of R 590 million. Figure 21 below show the imports of pork from 2002 to 2011.



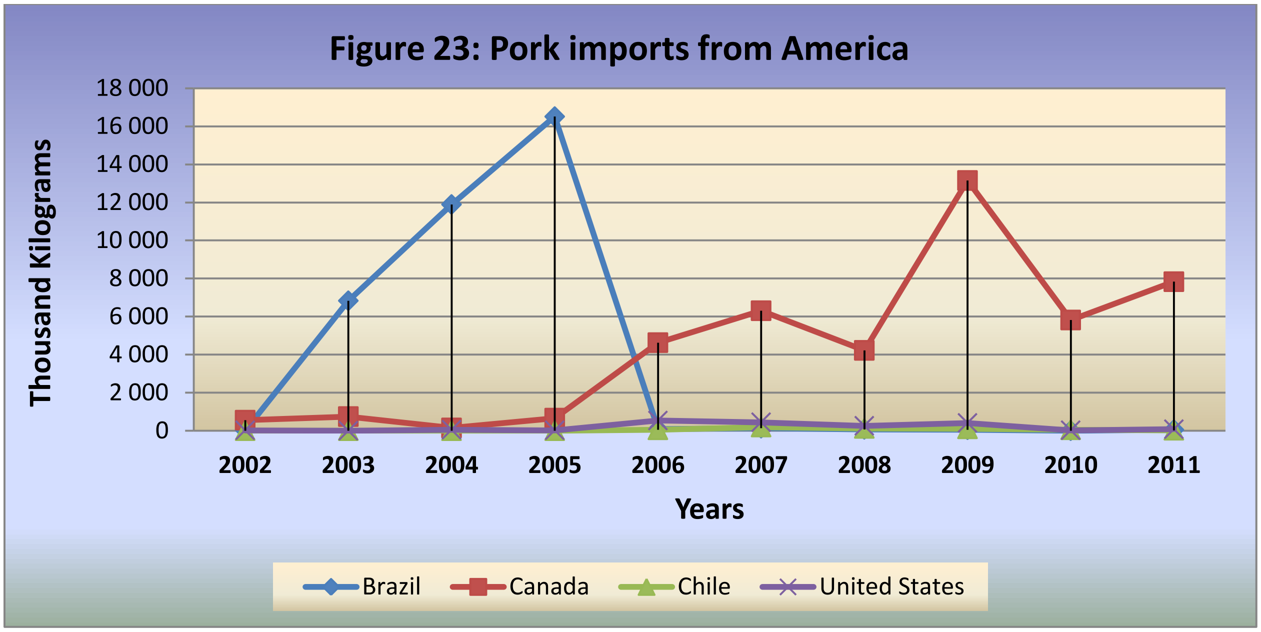
Source: Quantec EasyData

Figure 21 shows that pork imports (quantity & value) increased during the previous decade. The most imported product is frozen ribs which commanded 141 million Kilograms at a value of R 2 billion during the period under analysis. The highest imports were recorded during the periods 2005, 2009 and 2011. This is mostly driven by the increased demand of pork ribs in South Africa. Figure 22 presents pork imports from the European Union member states during the last decade.



Source: Quantec EasyData

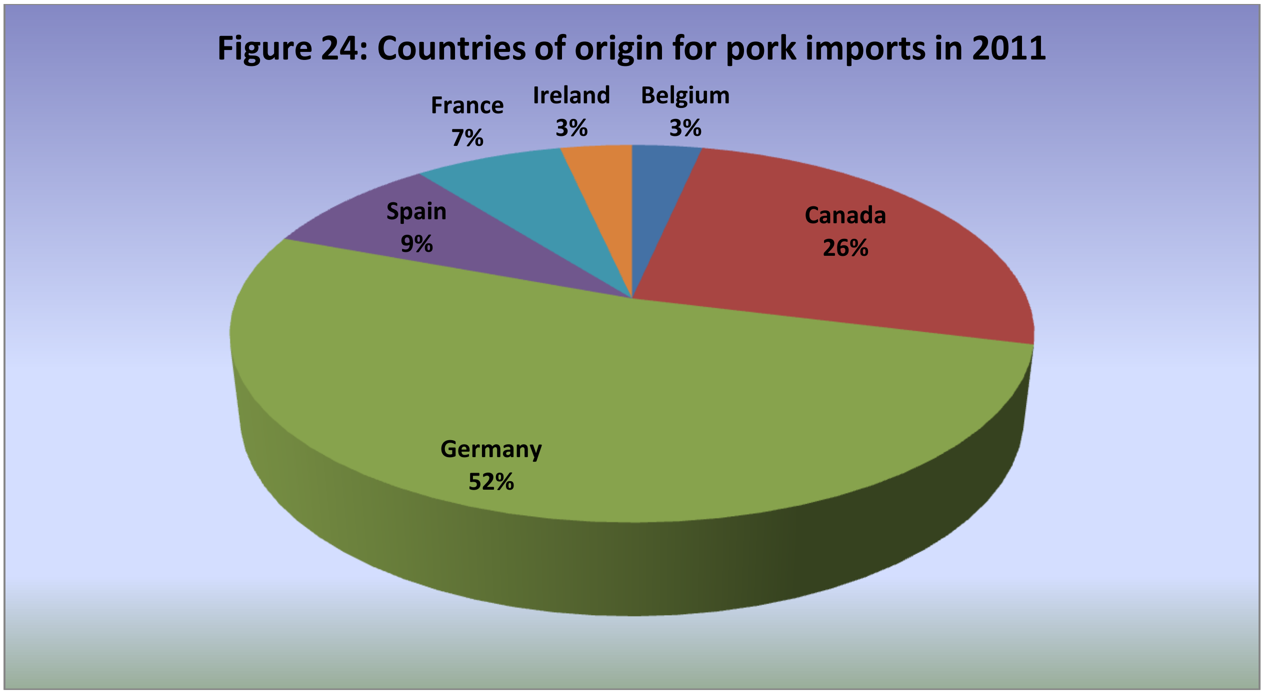
Imports for pork in South Africa during the past decade were dominated by France, which remained the biggest supplier from 2002 to 2008. Germany took over as the main supplier from 2009 to 2011. Belgium was the second greatest supplier from 2002 to 2005 and it was replaced by Denmark from 2006 to 2007. Figure 23 presents imports of pork for America.



Source: Quantec EasyData

It can be observed from Figure 23 above that Brazil and Canada commanded the highest share of pork imports during the period under analysis. Brazil commanded the highest shares during the periods 2003 to 2005 while Canada commanded the highest shares during the period between 2006 and 2011. Intermittent imports of pork were recorded from Chile and United States.

Figure 24 presents the various sources of South Africa's pork imports during 2011. The figure indicates that in 2011, Germany commanded the greatest shares of pork imports to South Africa accounting for 52% followed by Canada, which obtained 26%, and Spain by 9%. It is clear that most of pork imports are from the European Union, which accounted for 74%.

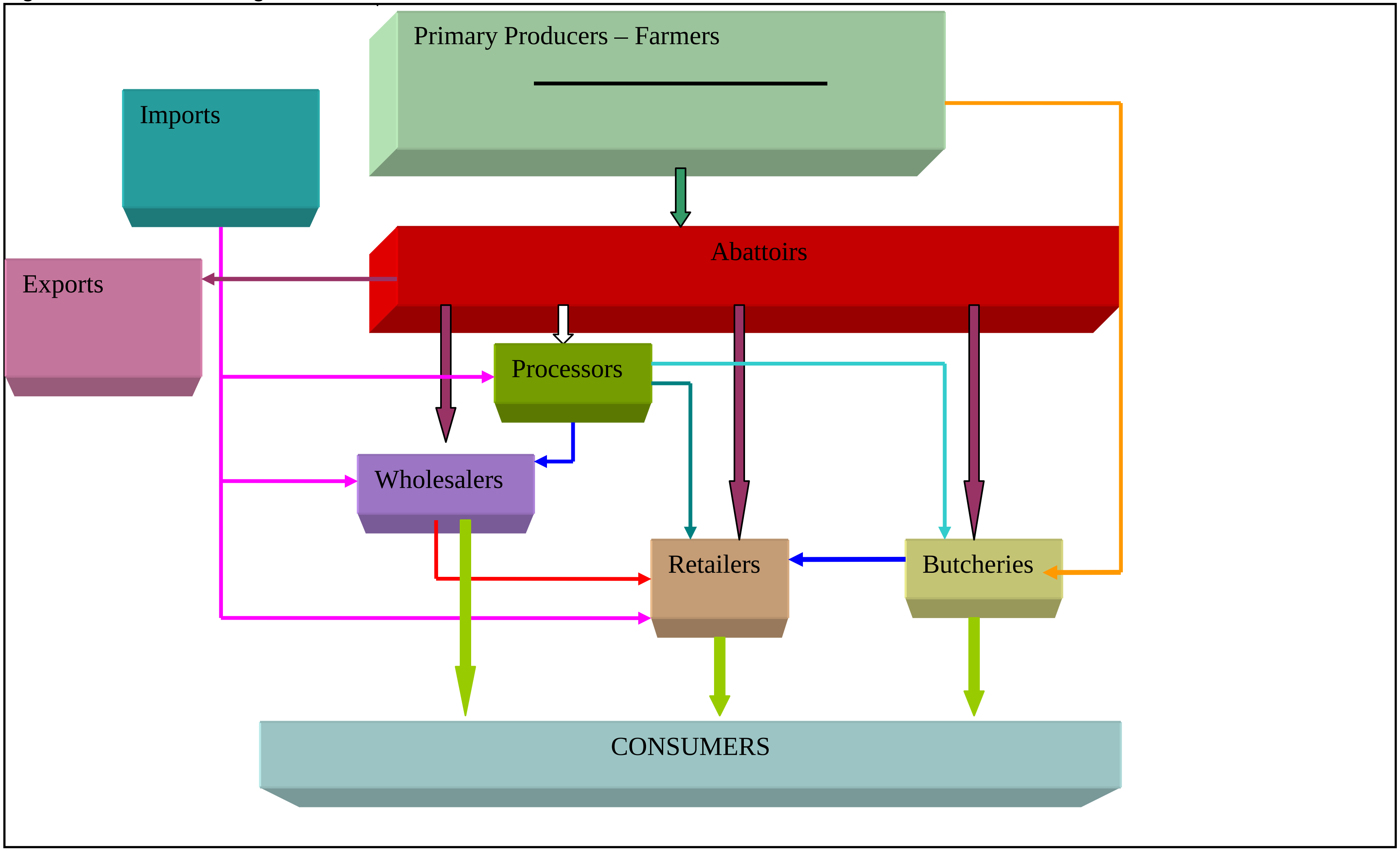


Source: Quantec EasyData

3. MARKETING CHANNELS / VALUE CHAIN

The pork value chain is presented in Figure 25. The value chain starts at the primary producer level. The pigs are slaughtered at abattoirs. The meat is sold to the butcheries/wholesalers/retailers/processors. The meat can be bought by consumers directly from abattoirs and/or butcheries and/or wholesalers and/or retailers. In some cases the consumer buys live pig and perform abattoir and processing activities him/herself.

Figure 25: Pork Marketing Channels



4. OPPORUNITIES AND CHALLENGES

Table 10 presents opportunities and challenges applicable to the pork industry in South Africa.

Table 10: Opportunities and Challenges

OPPORTUNITIES	CHALLENGES
Important supplier of quality protein for human health	Very susceptible to world conditions and cheap imports
Industry with tremendous Growth Potential	Stiff competition both nationally and internationally
Pro-active in addressing consumer requirements and doing promotions	Health and safety issues
Dedicated social development training programme	Phytosanitary issues
	Outbreak of diseases such as swine fever

5. STRENGTHS AND WEAKNESSES

Strengths

- The turnaround production time is quicker than red meat production. It is becoming a meat of choice.
- Piggeries can be established in relatively small areas.
- Feed costs are much lower than other meat production costs.
- The demand for pork meat has increased significantly over the years due to the high prices and unavailability of red meat substitutes.

Weaknesses

- The industry is susceptible to diseases. Health, safety and phyto-sanitary issues can be inhibitive in terms of growth.
- Shortage of water could affect the cleaning of pens and this could be a challenge in terms of meeting the safety requirements.
- It is more labor intensive than the red meat industry.

6. MARKET INTELLIGENCE

6.1. Export tariffs

Tariffs that different importing countries applied to pork originating from South Africa in 2010 and 2011 are shown on Table 11.

Table 11: Pork export tariffs

Country	Product Code	Trade regime description.	2010		2011	
			Applied tariffs	Total ad valorem equivalent tariff (estimated)	Applied tariffs	Total ad valorem equivalent tariff (estimated)
Angola & Democratic Republic of Congo	02031100; 02031200; 02031900; 02032100; 02032200; 02032900	MFN Applied	10.00%	10.00%	10.00%	10.00%
Mauritius			0.00%	0.00%	0.00%	0.00%
Mozambique	02031190; 02031200; 02031900; 02032200; 02032190; 02032900; 02032900	Preferential tariff for SA	15.00%	15.00%	15.00%	15.00%
	02031110 & 02032110	MFN duties			7.50%	7.50%
Nigeria	0203110000; 0203120000; 0203190000; 0203210000; 0203220000; 0203290000	MFN duties			20.00%	20.00%
Zimbabwe	02031100; 02031200; 02031900; 02032100; 02032200; 02032900	MFN Applied	40.00%	40.00%	40.00%	40.00%

Source: Market Access Map

Table 11 indicates that most of the applied tariffs in 2011 remained the same as in 2010. South Africa received preferential tariff rate of 15% for pork exports in Mozambique. Mauritius applied the lowest MFN tariff of 0.00%, while Angola and Democratic Republic of Congo (DRC) applied a tariff rate of 10.00%. Zimbabwe applied the highest MFN tariff rates of 40% to pork originating from South Africa. Nigeria applied the MFN duties of 20% to pork originating from South Africa in 2011.

6.2. Import tariffs

Tariffs that South Africa applied to imports of pork originating from all possible countries in 2010 and 2011 are shown on Table 12.

Table 12: Pork import tariffs

Country	Product Code	Trade regime description	2010		2011	
			Applied tariff	Total ad valorem equivalent tariff (estimated)	Applied tariffs	Total ad valorem equivalent tariff (estimated)
EU and NAFTA Countries (Belgium, Canada, France, Germany, Ireland & Spain)	02031100; 02031200; 02031990; 02032100; 02032200; 02032910; 02032990 02031910;	MFN Applied	15.00% or 170.31/Ton whichever is the greater	15.00%	15.00% or 156.00/Ton whichever is the greater	15.00%
		MFN Applied	0.00%	0.00%	0.00%	0.00%

Source: Market Access Map

Table 12 shows that South Africa applied the same MFN tariff rates to all exporting countries. During 2011 the top exporting countries of pork to South Africa were Belgium, Canada, France, Germany, Ireland and Spain. South Africa applied the maximum MFN tariff of 15% to HS codes 02031100; 02031200; 02031990; 02032100; 02032200; 02032910 & 02032990 during 2010 and remained the same in 2011 and 0.00% to 02031910.

7. PERFORMANCE ANALYSISOF SOUTH AFRICAN PORK INDUSTRY IN 2011

7.1. Exports

Table 13: List of importing markets for pork, fresh, chilled or frozen exported by South Africa in 2011

Importers	Trade Indicators												Tariff (estimated) faced by South Africa (%)
	Exported value 2011 (USD thousand)	Trade balance 2011 (USD thousand)	Share in South Africa's exports (%)	Exported quantity 2011	Quantity unit	Unit value (USD/unit)	Exported growth in value between 2007-2011 (%, p.a.)	Exported growth in quantity between 2007-2011 (%, p.a.)	Exported growth in value between 2010-2011 (%, p.a.)	Ranking of partner countries in world imports	Share of partner countries in world imports (%)	Total import growth in value of partner countries between 2007-2011 (%, p.a.)	
World	2740	-78490	100	725	Tons	3779	-1	-9	-51		100	6	
Mozambique	878	878	32	308	Tons	2851	56	75	59	113	0	35	14.9
Nigeria	325	325	11.9	35	Tons	9286	15	6	83	121	0	14	20
Angola	264	264	9.6	47	Tons	5617	-12	-20	-28	35	0.4	26	10
Mauritius	261	261	9.5	62	Tons	4210	-5	-25	-85	95	0	6	0
Zimbabwe	248	248	9.1	92	Tons	2696	236	149	-62	136	0	12	40
Democratic Republic of the Congo	207	207	7.6	90	Tons	2300	23	16	-50	61	0.1	19	10
United Arab Emirates	179	179	6.5	18	Tons	9944	53	33	-4	53	0.1	6	5

Source: ITC calculations based on COMTRADE statistics.

South Africa's exports represent **0.01%** of world exports for this Pork, fresh, chilled or frozen, its ranking in world exports is **46**.

Table 13 shows that during 2011 South Africa exported a total of 725 tons of pork (fresh, chilled or frozen) at an average value of US$ 3 779/unit. The major export destinations for pork (fresh, chilled or frozen) originating from South Africa during 2011 were Mozambique, Nigeria and Angola. The greatest share of South African pork (fresh, chilled or frozen) exports were exported to Mozambique which commanded 32% followed by Nigeria which commanded 11.9% and Angola with 9.6%.

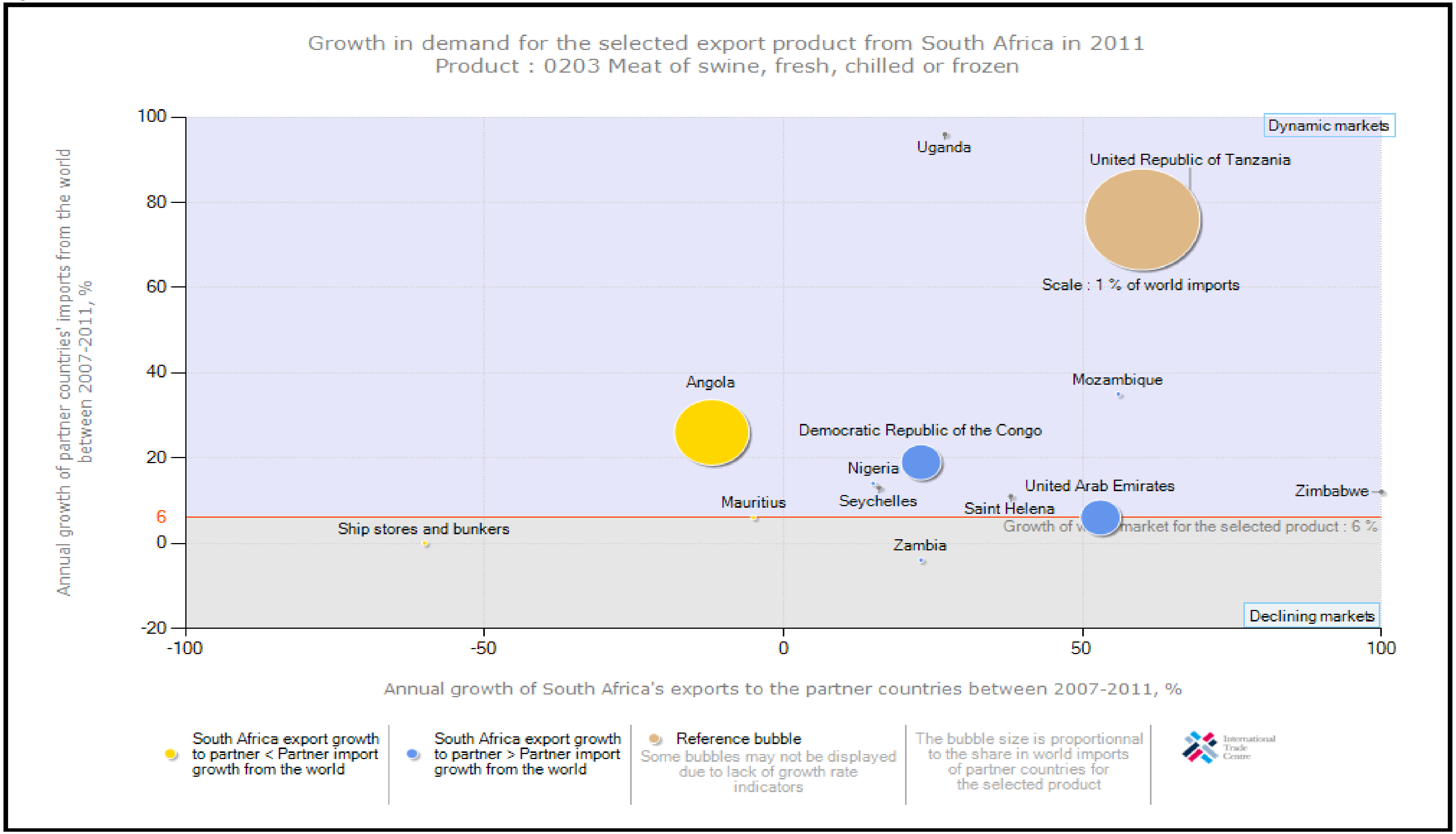
South Africa's pork (fresh, chilled or frozen) exports decreased by 1% in value and decreased by 9% in quantity between the periods 2007 and 2011. During the same period, exports of pork (fresh, chilled or frozen) to Nigeria increased by 56% in value and 75% in quantity. Between the period 2010 and 2011, South African exports of pork (fresh, chilled or frozen) decreased by 51% and exports to Mozambique increased by 59% while those to Nigeria increased by 83% in value.

Growth in demand for South African pork in 2011 is depicted in Figure 26. The figure illustrates that between 2007 and 2011; South Africa's pork (fresh, chilled or frozen) exports to Angola, Uganda and Mauritius were growing at a rate that is less than their import growth from the rest of the world. Angola experienced an annual growth decrease of 12% and Mauritius decreased by 5% while Uganda showed a positive increase of 27% of South African pork exports.

At the same time, South Africa's pork (fresh, chilled or frozen) exports to United Arab Emirates (UAE), Democratic Republic of Congo (DRC), Mozambique, Saint Helena, Zambia, Seychelles, Nigeria and Zimbabwe were growing at a rate that is greater than their imports from the rest of the world. UAE, DRC, Mozambique, Saint Helena, Nigeria, Seychelles and Zimbabwe represent gains in dynamic market. Zambia represents losses in the declining market of South Africa pork (fresh, chilled or frozen) exports.

Countries that experienced the most growing demand of pork are Zimbabwe and Mozambique with the annual export growth of South Africa exports of 236% and 56% respectively.

Figure 26: Growth in demand for pork, 2011

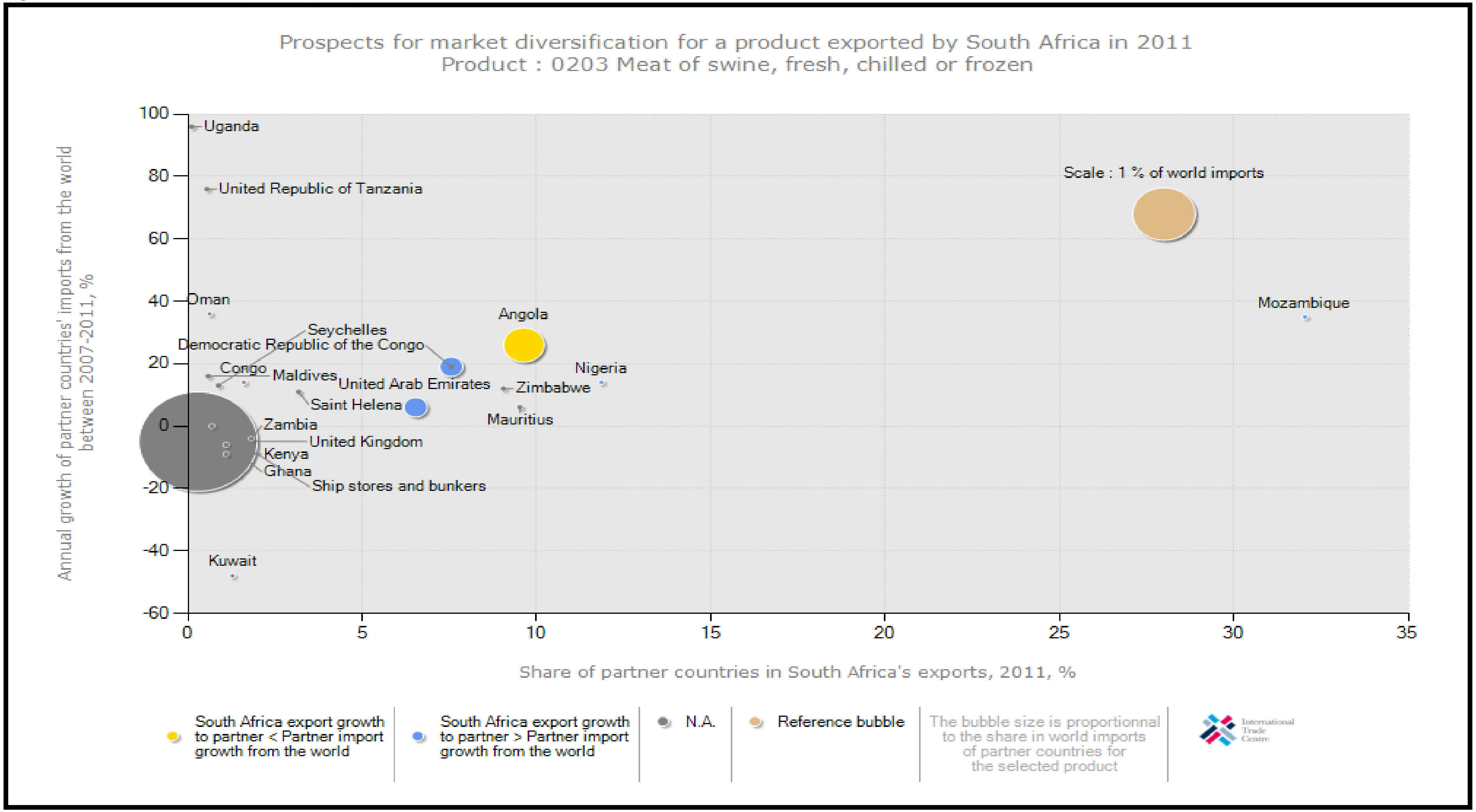


Source: ITC Trademap

Figure 27 shows the prospects for market diversification for pork (fresh, chilled or frozen) exports by South Africa in 2011. The analysis on the figure above shows that Mozambique (32.04%) commanded the greatest shares of South Africa's pork (fresh, chilled or frozen) exports during the year 2011, followed by Nigeria (11.86%).

If South Africa is to diversify its pork (fresh, chilled or frozen) exports, the biggest market exists in United Kingdom (UK) as this country commanded the greatest shares of world pork (fresh, chilled or frozen) imports of 3.9% but its annual growth of pork import decreased by 5% rate per annum. The fastest growing market exists in Uganda and United Republic of Tanzania with the annual import growth of 96% and 76% respectively. This makes Uganda and United Republic of Tanzania to be the biggest prospective market for South African pork exports.

Figure 27: South African pork's prospects for market diversification in 2011



Source: ITC Trademap

7.2. Imports.

Table 14: List of supplying markets for the Pork (fresh, chilled or frozen) imported by South Africa in 2011

Exporters	Trade Indicators												Tariff (estimated) applied by South Africa (%)
	Imported value 2011 (USD thousand)	Trade balance 2011 (USD thousand)	Share in South Africa's imports (%)	Imported quantity 2011	Quantity unit	Unit value (USD/unit)	Imported growth in value between 2007-2011 (%, p.a.)	Imported growth in quantity between 2007-2011 (%, p.a.)	Imported growth in value between 2010-2011 (%, p.a.)	Ranking of partner countries in world exports	Share of partner countries in world exports (%)	Total export growth in value of partner countries between 2007-2011 (%, p.a.)	
World	81230	-78490	100	32096	Tons	2531	19	12	39		100	6	
Germany	38248	-38248	47.1	15896	Tons	2406	431	339	51	1	16.4	10	13
Canada	20181	-20181	24.8	7856	Tons	2569	15	8	84	5	8.9	9	13
Spain	7143	-7143	8.8	2677	Tons	2668	11	6	34	4	9.7	11	13
France	6994	-6994	8.6	2192	Tons	3191	-20	-27	-11	9	4.1	1	13
Ireland	2751	-2751	3.4	1055	Tons	2608	36	16	-19	14	1.1	7	13
Belgium	2232	-2232	2.7	1037	Tons	2152	-4	-8	-17	7	5.7	2	13
Hungary	2118	-2118	2.6	760	Tons	2787	178	78	813	12	1.5	12	13
Denmark	572	-572	0.7	278	Tons	2058	-32	-38	-72	3	12	-1	13
United States of America	240	-240	0.3	80	Tons	3000	-43	-44	789	2	15.7	13	13
Netherlands	185	-185	0.2	75	Tons	2467				6	6.9	1	13
Iran (Islamic Republic of)	179	-179	0.2	74	Tons	2419			-17	49	0	157	13
Brazil	147	-147	0.2	49	Tons	3000	-48	-17		8	4.3	1	13
United Kingdom	109	-101	0.1	23	Tons	4739	3	-58	-26	17	0.9	9	13

Source: ITC calculations based on COMTRADE statistics.

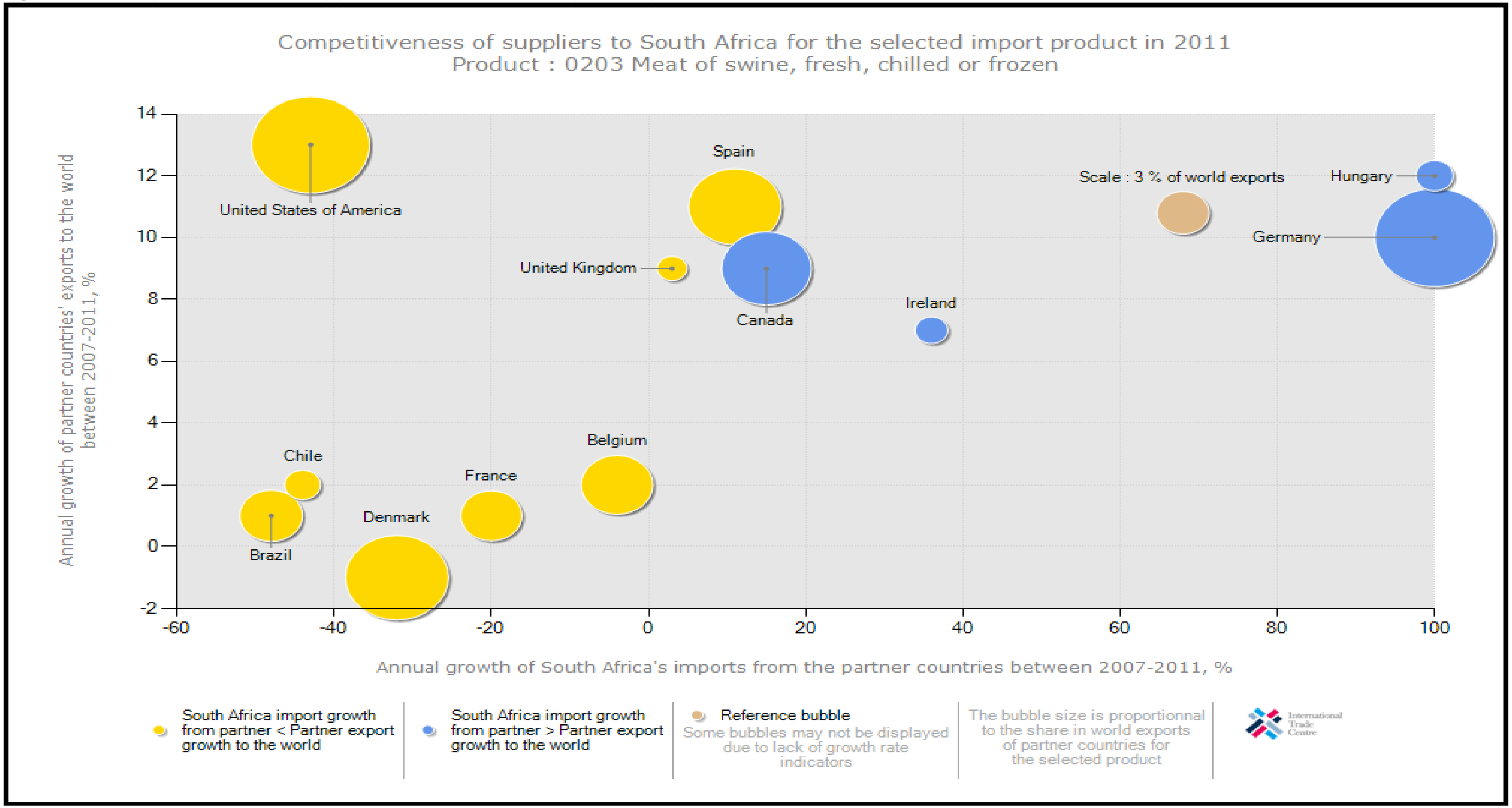
Table 14 provides a list of supplying nations for pork imported by South Africa in 2011. South Africa's imports represent **0.28%** of world imports for pork (fresh, chilled or frozen) and its ranking in world imports is **39**. Table 14 shows that during 2011 South Africa imported a total of 32 096 tons of pork (fresh, chilled or frozen) at an average value of US$ 2 531/unit. The major origins for pork (fresh, chilled or frozen) imported by South Africa during 2011 were Germany, Canada and Spain. The greatest shares of South African pork (fresh, chilled or frozen) imports were from Germany which commanded 47.1% followed by Canada which commanded 24.8% and Spain which commanded 8.8%. These three countries constituted 81% of South African pork imports during 2011.

South Africa's pork (fresh, chilled or frozen) imports increased by 19% in value and 12% in quantity between the periods 2007 and 2011. During the same period, imports for pork (fresh, chilled or frozen) from Germany increased by 431% in value and 339% in quantity and imports from Canada also increased by 15% in value and 8% in quantity. Between the period 2010 and 2011, South Africa's imports of pork (fresh, chilled or frozen) increased by 39% in value. During the same period, imports of pork (fresh, chilled or frozen) from Germany increased by 54% while those from Canada decreased by 84% in value.

Figure 28 depicts the competitiveness of suppliers to South Africa for pork in 2011. The figure illustrates that between 2007 and 2011 South Africa's pork (fresh, chilled or frozen) imports from the United States of America (USA), United Kingdom (UK), Spain, Belgium, France, Denmark, Chile and Brazil were growing at a rate that is less than their export growth to the rest of the world. It can also be noticed that the annual growth of imports from USA, Belgium, France, Denmark, Chile and Brazil has been deteriorating by 43%, 4%, 20%, 32%, 44% and 48% respectively but the annual growth of imports from Spain and UK has increased by 11% and 3% respectively.

At the same time, South Africa's pork (fresh, chilled or frozen) imports from Germany, Canada, Hungary and Ireland were growing at a rate that is greater than their exports to the rest of the world. The most competitive market is Germany due to its world biggest share of 16.4% and its annual growth of 431%.

Figure 28: Competitveness of suppliers of South Africa's pork imports in 2011

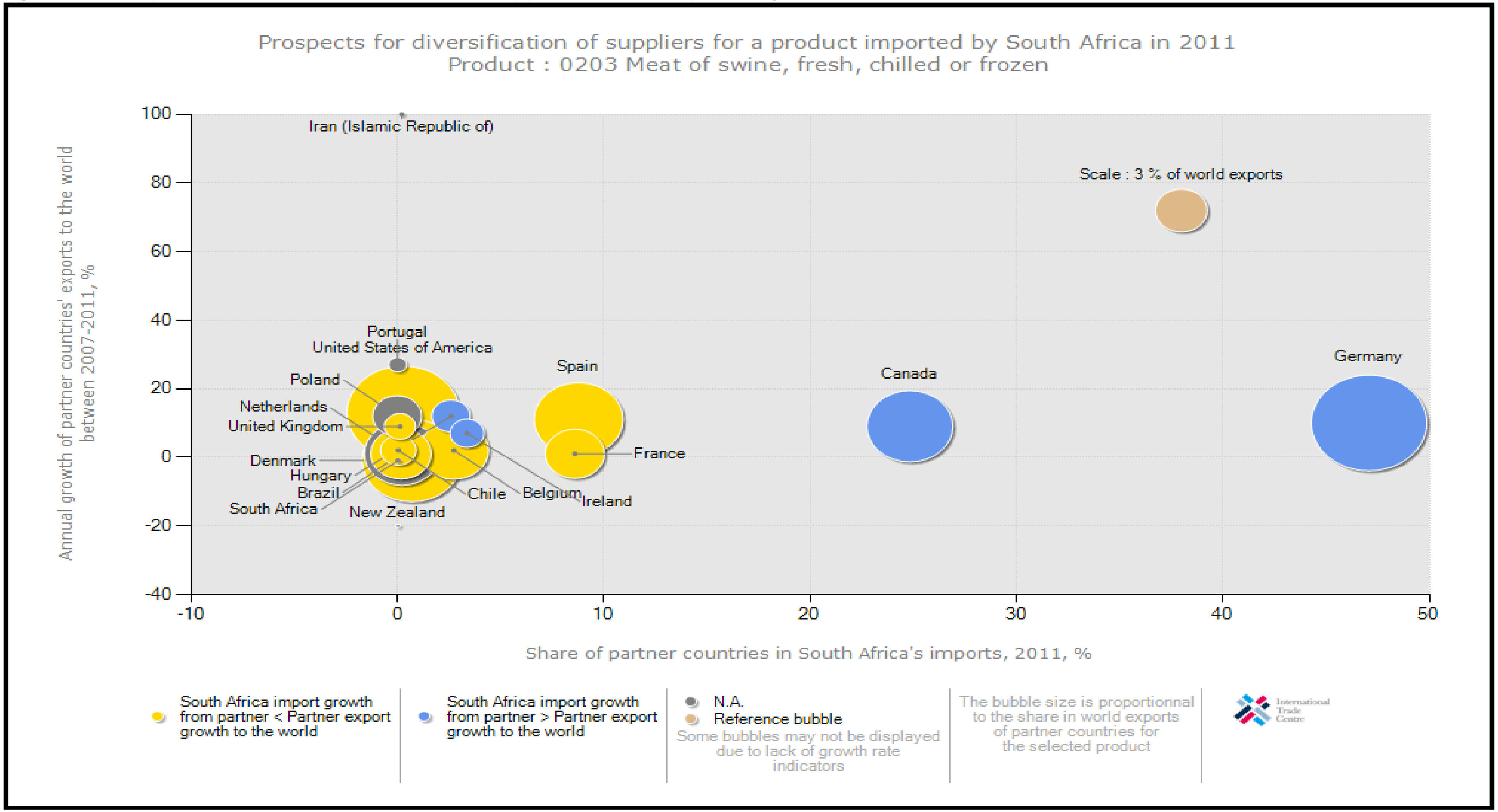


Source: ITC Trademap

Figure 29 illustrates prospects for diversification of suppliers of pork imported by South Africa in 2011. The analysis shows that Canada and Germany commanded the greatest shares of South Africa's pork (fresh, chilled or frozen) imports during the year 2011. Germany is the biggest supplier of pork (fresh, chilled or frozen) with a share of 47.09% in South African import market followed by Canada with an annual growth of 24.84%.

Germany remains the biggest market of pork imports but if South Africa is to diversify its pork (fresh, chilled or frozen) imports, the second biggest supplier is USA with world import market share of 15.7% and it has share of 0.3% share in South African imports. Therefore South Africa can develop an import market in the USA. Another opportunity lies in Iran due to its export growth of 157%. This makes Iran the fastest growing market in the world and it can be a target for South African pork imports.

Figure 29: Prospects for market diversification of suppliers of pork imported by South Africa in 2011



Source: ITC Trademap

8. ACKNOWLEDGEMENTS

The following organizations are acknowledged:

- **Directorate: Statistics and Economic Analysis.**
  www.daff.gov.za

- **Quantec Easydata**
  www.easydata.co.za

- **ITC Market Access Map**
  http://www.macmap.org/SouthAfrica

- **ITC Trade Map**
  http://www.trademap.org.