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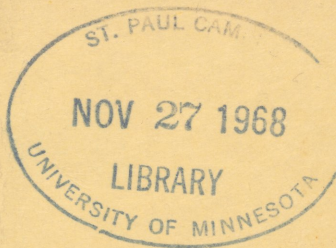
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## The agricultural export trade of South Africa

The Agricultural Economic Society of South Africa each year considers at its annual congress a subject which is of special importance to agriculture and in the past some of these papers have been published in "Agrikon". In future one issue of "Agrekon" will be devoted to the publication of these papers.

At its sixth annual meeting during October 1967 the Society paid particular attention to the Republic's export trade in agricultural products. Mindful of the increasing exportable surpluses of agricultural products which have appeared during recent years with resulting disposal problems, the likelihood of Britain joining the European Economic Community and the growing competition on world markets, a more appropriate subject for this meeting could hardly have been chosen.

It has thus been decided to publish the papers of the meeting in this issue of "Agrekon". Two papers have, however, already appeared in the January and April issues.

Although, according to several criterions South Africa may be deemed to be a developed country, it is in terms of its export trade behind the generally recognised industrial countries and at this stage it has to depend in large measure on its primary sectors - mining and agriculture - in earning foreign exchange.

South African exports of agricultural products may be grouped under four headings:

1. Products produced specially for export, like fresh and preserved fruits, wool, mohair, Karakul pelts and wattle extract.
2. Products of which a substantial proportion is exported, such as sugar, maize, groundnuts and oil, Kaffircorn, dried fruit and hides and skins.
3. Products also exported regularly but the bulk is intended for the domestic market, such as eggs, tobacco and wine.
4. Products of which exports are mostly insignificant, such as meats, dairy products, cotton, dried beans and potatoes.

Fisheries are frequently included with agriculture and the export of preserved fish and fish oils is important.

Notwithstanding the gradual expansion of the domestic market as a result of population growth and rising standards of living, production of agricultural products shows a tendency to increase more rapidly than domestic demand and hence the volume of exports is increasing. Although climatic factors influence exports, the index of processed and unprocessed agricultural exports increased from 1958-60=100 to 157 in 1966. For 1967 the figure is not yet available, but it is known that as a result of very favourable weather conditions in practically all parts of the country, that a much greater volume of agricultural output had to be exported. This applies in particular to field crops where several record crops were harvested.

It is very clear from the available export statistics that the two primary branches of production - agriculture and mining - fulfil a much more important role in the foreign trade of the Republic than the industrial sector. Furthermore a considerable percentage of the latter sector's exports consists of processed agricultural products which further raises the importance of the agricultural sector's share in international trade.

An indication of the relative importance attached to the export of agricultural products as well as the degree of competition, appears from a report published in the U.S.A. during October 1967, which shows the funds used by the State and quasi-state organizations in these countries for overseas advertising of agricultural products.

According to this study the amounts shown below (in U.S.A. dollars) were spent during 1965/66 in advertising specific products.

Country	Advertising expenses	Value of agricultural exports	Advertising expenses as a percentage of export value
	Million dollars		
Israel	2.0	126	1.58
South Africa	7.3	490	1.48
New Zealand	12.8	928	1.38
Australia	23.5	2,031	1.15
Denmark	11.3	1,000	1.13
Holland	5.3	1,800	0.29
U.S.A.	15.2	6,700	0.22
Canada	1.2	1,482	0.08

Of the eight countries, South Africa is a comparatively small exporter of agricultural products but it spends relatively much (1.48% of the value of exports in 1965/66) on overseas advertising, while some of the large exporters of agricultural commodities, such as Holland, Canada and the U.S.A. spend relatively less.

This table shows the advertising expenses in relation to total exports of agricultural products while advertising is mostly confined to a few products. Thus in 1965/66 the Republic devoted most of the advertising overseas to wool and fruit, namely R3 million on wool and R2,351 million on fruit while the promotion of Karakul pelts required R675,000. These payments for advertising represent about 2.08 per cent of the export values of the commodities. Unfortunately the data are not available for the calculation of comparable comparisons for the other countries.

With growing competition on world markets the problems relating to successful marketing of agricultural products in international trade are becoming greater and greater.

The purpose of the congress referred to was not to elaborate solutions to these questions, but rather to elucidate the various facets of the related problems and to attempt to circumscribe the effect of probable developments particularly on agriculture in the Republic.

To ensure the Republic's position in world markets and to develop it, it is essential that new export markets are found and developed. Although the quality of our export products and the efficiency of our export organizations have already contributed a great deal in this respect, the attainment of these objectives will require ever greater effort.

It is trusted that the exchange of ideas on this subject at the latest congress of the Agricultural Economic Society will contribute towards a better understanding of the nature and magnitude of the problems we have to face in the export trade, particularly of agricultural products, and to find possible solutions.