OUTCOMES OF THE MINISTER’S VISIT TO BRICS MEETING OF AGRICULTURE MINISTERS IN INDIA

Minister Senzeni Zokwana, the Minister for Agriculture Forestry and Fisheries attended the 6th BRICS meeting of Agriculture Ministers in New Delhi, India from 22 to 23 September 2016. As part of the BRICS processes, there have been on-going discussions among BRICS member countries to improve intra-BRICS trade, with South Africa already granted an opportunity of exporting pigeon peas (Cajanus Cajan), pork, mango and persimmons to India. India also expressed an interest to import pickled sheep skins from South Africa and an official announcement will be made once the negotiations and required protocols have been concluded.

The seeds of pigeon peas are a common food grain in Asia, Africa, and Latin America. The crop is consumed on a large scale mainly in South Asia and is a major source of protein for the population of that subcontinent. India is a big consumer as well as a net importer of pigeon peas. Pigeon Pea crop is one of the drought tolerant legume crops with a range of rainfall tolerance. Free on Board (FOB) prices documented by pigeon pea buyers in India have fluctuated heavily in the past three years due to major instabilities in India pigeon pea production and prices can range from US$450/ton to US$ 900/ton with the average price recorded as US$600 in 2015.

Currently, pigeon peas can be imported into India free of duty and this tariff dispensation is a key enabler for those willing to take advantage of this trade opportunity.
It is anticipated that South Africa will have market access opportunity to export 1000 tons of pigeon peas per annum once the Memorandum of Understanding between the two countries on pigeon peas trade has been concluded, possibly in 2018.

Between 2010 and 2015, Indian imports of pig meat increased by an average of 11% driven mainly by demands from the hotels, restaurants, institutional sector as well as high end retailers. However, the high proportion of Muslims and vegetarians in the Indian population had a depressing effect on the per capita consumption of pork causing the decline. The range of imported pork based products included pork belly, chops, loins, tenderloin, neck, spare ribs, bacon, ham, salami, and sausage.

It is estimated that the FOB price for processed pork is above US$4.00/kg. If South Africa were to export a minimum of 100 tons from 2017 onwards, the value of pork exports will easily reach U$400,000. The Custom Base Duty for processed pig meat is 30%.

India produces about 18 million tons of Mangos per year and exports 3 million tons and it is estimated that between 20% and 40% of total production is counted as post-harvest losses. Domestic consumption of Mangos during the summer season, from mid-April to mid-October is between 8 and 11.4 million tons. Mango prices during peak season can range between US$12.05 and US$14.55 per 20kg cartoon on average. Custom Based Duty for importation of mangoes is 45%.

The other product that has a huge market access opportunity to India is Persimmons specifically dried persimmons during August and September when India is out of season for this product. The Custom Based Duty for fresh and dried persimmons is 28.85%.

We will continue to work hard to open markets for South African produce in the world and making use of relations we have in BRICS to further grow the agriculture industry in our country.

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