

## Market and Trade Trends

# Competitor Snapshot: South Africa

**S**outh Africa, like most agricultural exporting countries, uses a variety of publicly financed export promotion activities to expand sales. These efforts, combined with private sector market development efforts and funding, have helped it become one of the world's leading agricultural exporters with sales of \$4 billion in fiscal 2004.

South African producers and suppliers of agricultural commodities operate under a free-market structure. Tariffs have replaced quantitative controls and imports are freely traded.

DTI (the Department of Trade and Industry) manages the South African government's agricultural export programs, spending close to \$2 million a year for agriculturally related promotional programs. DTI provides assistance and services to South African companies that want to enter the global market, fostering public-private partnerships for trade fairs, trade missions and information sharing and helping exporters make business contacts in major foreign markets.

DTI does export market research, foreign direct investment promotion, outward-selling missions, inward-buying missions, inward-investment recruitment missions and foreign exhibitions. These efforts include trade shows like SIAL in Paris and the Produce Marketing Association Summit in Atlanta, GA. The agency defrays trade show participation costs, matches grants for industry-specific nonprofit trade groups and manages a spe-



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cial fund for small, medium and micro exporters.

Contributing to \$1 billion in fresh fruit exports from January through October 2004, the Fresh Produce Exporters Forum plays an important role in the South African export picture. It is a unique consortium of 70 South African companies that account for nearly 90 percent of all South Africa's fresh fruit exports. It works closely with the Deciduous Fruit Producers' Trust, a growers' cooperative umbrella organization.

WOSA (Wines of South Africa) represents South Africa's 360 wine producers, who exported almost \$500 million worth of wines in 2003 and \$420 million in the first 10 months of 2004. This independent, nonprofit organization promotes wines in traditional South African markets such as the United Kingdom, which takes

half of these exports, Germany, the Netherlands and Belgium. The group also has been working to develop new markets in Scandinavia, the United States, Canada and Japan.

WOSA is funded by two sources: a 1-cent per liter levy on all bottled natural and sparkling wines and a \$621,000 annual contribution from the South African Wine Industry Trust. The organization exhibits at major wine shows, holds marketing seminars and brings international journalists, wine buyers and marketers to South Africa to meet growers and vintners to learn about how they are upgrading vineyards to meet international preferences. ■

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