

The impact of Russia's invasion on Western Cape agricultural trade

On Monday, 7 March 2022, Minister Ivan Meyer met with Agri Western Cape, Vinpro, WOSA, the Fresh Producers Exporters Forum, GrainSA, the South African Table Grapes Industry, Citrus Growers Association, and the Wool Growers Association.

In a report on the meeting, he said: "I did so because I am concerned about the impact of the Russian invasion of Ukraine on the Western Cape's agricultural trade."

"The Russian and Ukraine markets contribute to South Africa's foreign income derived from exports of agricultural products, with a significant share of these products coming from the Western Cape. South Africa's agricultural exports to Russia and Ukraine combined were valued at R4.1 billion in 2020."

"The horticultural products, oranges, pears, apples, mandarins, lemons, fresh grapes and wine containers holding 2 litres or less collectively contributed a share of R3.4 billion."

"About 88% of this value is attributable to the Western Cape, a dominant player in the horticultural sector. Statistics show that about 70% to 80% of all wheat flour produced is used for bread baking, attracting an estimated annual consumer expenditure of R6,7 billion in 2020."

- Disruption in shipping, production and security concerns already resulted in a 50% increase in the price of wheat.
- Russia alone is responsible for 14% of global fertiliser exports, while the inability to export and increase in the price of oil will largely impact fertiliser, fuel, and agrochemical prices.
- Prices of primary agricultural inputs in South Africa are already up by more than 100% compared to January 2021.
- Fertilisers (35% of production costs), fuel (12%) and agrochemicals (8%) are all more expensive than in 2021.

"Industry role-players highlight that the most significant challenges currently facing the sector are logistics, financial losses and the diversion of fruit to other markets."

"Major shipping lines are not accepting any bookings or commodities, not the only fruit. Ports in Rotterdam, Antwerp, Bremerhaven are extremely congested due to the time-consuming scanning of containers for explosives."

"The implications are that a 23-day journey of fruit from Cape Town to St Petersburg can be accompanied by various diversions and take up to 93 days to reach its final destination, resulting in the fruit being completely non-edible."

[Click here to read the full press release.](#)

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