



What has BRICS done thus far to serve the agribusiness and agriculture communities?

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In May 2023, the Business Councils of the BRICS grouping gathered virtually to discuss a range of priorities for the year, in preparation for the 15th BRICS Summit in August 2023.

The BRICS Business Council (BBC) works collaboratively with the political heads and primarily focuses on commercial opportunities within BRICS.

Having assumed the BRICS Chairship this year, South Africa led the meeting and proposed the areas of focus for the year ahead. Within the Agribusiness Working Group, which I chair, there are five priority areas, namely:

- **Best practices on agriculture sustainable development among BRICS countries** - all the BRICS countries are major agricultural countries, and agricultural production faces significant challenges in tackling climate change. This BBC workstream is crucial and will build on the work already started by the China chapter in 2022.
- **Improve fertilizer availability to use amongst BRICS countries and the broader African continent** - this theme will explore ways of boosting fertilizer production and trade among BRICS countries.
- **Agricultural finance** - the drive towards smart climate agriculture and the adoption of new farming methods, such as the EU's Green Deal, requires new ways of production and investments in global agriculture. This requires innovative ways of financing. Given that some BRICS members are more advanced in their agricultural sectors than others, information sharing about agricultural finance and domestic experiences is critical. This could be through virtual seminars and reports.
- **Trade and investment** - although the BRICS countries are primarily agricultural powerhouses, there is still room to improve trade, with a specific focus on market access issues.
- **Academic interactions for private sector benefit** - the working group will explore the academic programmes to align research and collaboration between academic and private sector role-players.

These focal points were adopted by the global BBC Chapters and will inform the main programme of work of the agriculture and agribusiness sectors. The expected outcome or model of delivery in each of the said priorities will include business facilitation, seminars, and research papers.

Importantly, BRICS is a political grouping, not a free trade agreement; therefore, there will remain some limitations in facilitating trade, although the group offers the opportunity to highlight the barriers that each country experiences regarding trade. The South African agricultural role-players will be represented in these discussions.

Of all these priority areas, the most urgent for South Africa are trade and investment, as well as the improvement of fertilizer availability. On trade, the main interest for South Africa is advancing agricultural exports, specifically to China and India. These countries have relatively



solid economic growth prospects and large populations (and therefore markets). Brazil tends to be a competitor with South Africa in major agricultural commodities, while Russia is an important market for South African fruit and in turn, a major supplier of wheat. Still, since the Russia - Ukraine conflict, advancing commerce with the country is generally risky.

As things stand, BRICS countries account for a relatively small share of South Africa's agricultural exports – an average of 8% over the past ten years in total agricultural exports of US\$9,9 billion. These calculations are based on data from Trade Map. China is the leading market, accounting for an average of 5% of South Africa's agricultural exports worldwide. The top products were wool, citrus, beef, nuts and grapes. The second largest market within BRICS was Russia, accounting for an average of 2%, with citrus, apples, pears, grapes and wine as some of the top products; while India and Brazil were negligible importers of South African agricultural products.

While the BRIC (with South Africa excluded in this calculation) countries imported an average of US\$764 million of agricultural products from South Africa, a small share in the nearly US\$10 billion South Africa exported over the past decade annually, the grouping imported an average of US\$196 billion worth of agricultural products from the world market. This data excludes South Africa, to provide a view of the size of the agricultural market that South Africa is part of within BRIC(S). The US\$764 million imported by BRIC from South Africa over the past ten years makes South Africa a small player in the agricultural trade of this grouping. China is the largest importer accounting for 67% of the total BRIC agriculture import of US\$196 billion, followed by Russia (16%), India (12%), and Brazil (5%).

These realities imply that within the agribusiness stream of the BRICS Business Council and the broader political grouping, the South African representatives should continue to advocate for lowering import tariffs for agricultural products, specifically within India and China. At the same time, the business community will have to actively promote the "proudly South African" agriculture (and broadly food, fibre and beverages) products within the bloc.

Overall, there is progress within BRICS regarding identifying critical areas of focus, which the five BBC chapters have now adopted. The next step will be to drill down on the delivery methods in these focal areas and ensuring that each partner country benefits. The coming months will be seized with work on these issues, ahead of the BRICS annual meetings in August, which will see the BRICS Business Council handing over recommendations to the BRICS Heads of State at the BRICS Business Forum ahead of the flagship Meeting of the Heads of State.

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