

AN ASSESSMENT OF SOUTH AFRICA'S NON-GENETICALLY MODIFIED MAIZE EXPORT POTENTIAL

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INTRODUCTION

Maize accounts for approximately 40% of South Africa's crop production value and around 15% of the total agricultural production .

Since first introduction in 1998, the national Genetically Modified (GM) maize area has gradually increased, reaching a level of around 90% of total maize area in 2016/17 (BFAP, 2018).

The study seeks to quantify South Africa's maize export potential to non-GM maize markets with the aim of establishing whether there are opportunities for non-GM maize production expansion as well as economic benefits for farmers to increase the supply of non-GM maize .

STUDY OBJECTIVES

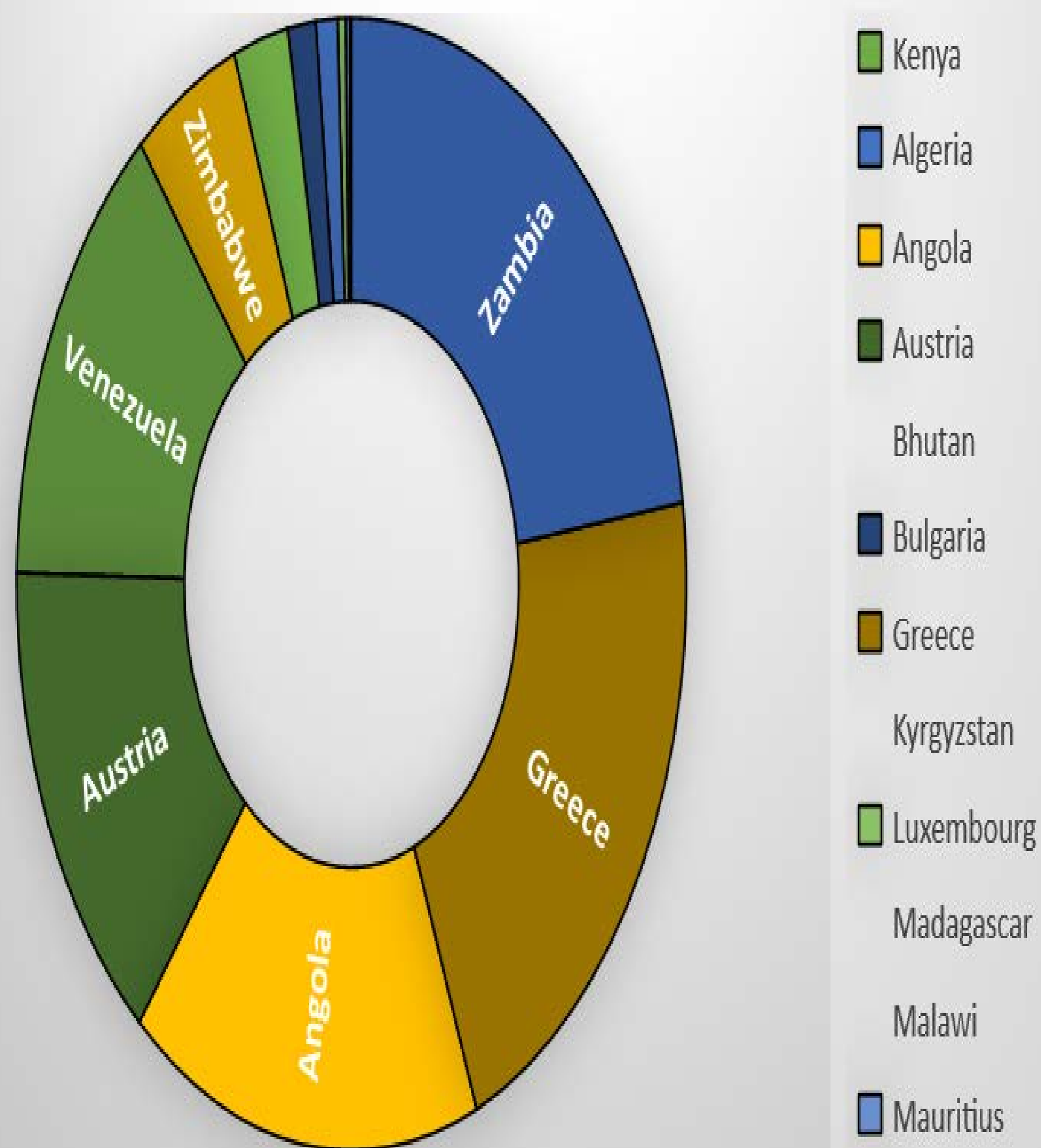
The overall objective: To determine whether South Africa can benefit from increased non-GM maize production, to export into markets where a premium can be earned on non-GM maize.

Specific objectives;

- To explore South Africa's potential non-GM markets
- To estimate South Africa's maize export potential in the non-GM markets
- To examine the forces that stimulate or restrain South Africa's maize exports in non-GM markets

RESEARCH FINDINGS

Trade Potential Analysis



Regressors	Coefficients
South Africa's GDP	8.96*** (1.72)
South Africa's population	6.73*** (4.71)
Distance	0.007*** (7.54)
Tariff applied	-3.30*** (6.42)
Nominal exchange rate	4.33*** (1.61)
Population in the importing country	5.64*** (1.14)
Importing country GDP	-2.64*** (6.58)
Landlocked	-0.46*** (3.73)
Adjusted R ²	0.32
Prob > chi2	0.0000
Log pseudo likelihood	-1.69

CONCLUSION AND RECOMMENDATIONS

- Angola, Zimbabwe , Greece, Venezuela, Zambia and Austria had a high export potential for South Africa's non-GM maize.
- South Africa can explore these market opportunities by designing relevant country specific export promotion and diversification strategies.
- It was recommended that non-GM maize farmer export support programs and non-GM cultivar development research should be prioritized to encourage non-GM maize production by farmers to take advantage of the niche non-GM maize export market