



United States Department Of Agriculture Southern Africa Region Trade And Investment Mission

October 31-November 4, 2005

From October 31 to November 4, 2005, the U.S. Department of Agriculture's Foreign Agricultural Service (USDA/FAS) will conduct a Trade and Investment Mission to the Southern Africa Region. Participant countries include Angola, Botswana, Lesotho, Madagascar, Mauritius, Mozambique, Namibia, South Africa and Swaziland.

The main objective of this mission is to promote U.S.–Africa agribusiness cooperation, trade and investment. The Southern Africa Region mission will focus on the following sectors: **dry grocery products, food processing, beer and spirits, seafood, livestock genetics, and production inputs**. Up to 15 American companies will participate in this mission.

With the passage of the African Growth Opportunity Act (AGOA), the opportunities for American agribusinesses looking to enter or expand their presence in Africa are increasing. The economic, political and social climate varies among the countries in the region, but there are abundant trade and investment opportunities in all countries.

The Republic of South Africa is the largest economy on the African continent, with a 2004 GDP of US\$160 billion. South Africa has a well-developed physical and financial infrastructure, which is crucial for a successful U.S. presence and investment. South Africa has a market-oriented economy and is a net exporter of agricultural products. It has a highly diversified agribusiness sector and is self-sufficient in staple foods with the exceptions of wheat, oilseeds and rice.

U.S. exports to South Africa currently consist mostly of bulk and intermediate agricultural commodities. There are, however, substantial opportunities for export growth in planting seeds, animal and plant genetics, seafood, and several other consumer-oriented food products including some frozen items for the food service sector. Packaged foods account for 45 percent of South African food expenditures, and the demand for these products is expected to increase as the desire for convenience and quality increases. The key factors to success in South Africa are understanding consumer needs and effective target marketing.

Angola, Botswana, Lesotho, Madagascar, Mauritius, Mozambique, Namibia and Swaziland are all food-deficit countries in varying stages of development that are interested in facilitating U.S. investment and involvement in production agriculture. Leading economists expect Mozambique's GDP to increase 10 percent annually for the next ten years, and they estimate that other countries in the region will have similar growth in GDP in the near future. Basic agricultural technology improvements are needed, and there is potential for U.S.

agribusinesses to be fundamental partners in the process of increasing productivity and trade. Specific opportunities for growth include seed, fertilizer, storage facilities, low-cost products and staple foods with long shelf life.

High-quality bulk and consumer-oriented products are needed to boost domestic agricultural production efficiency and meet consumer demand. There are opportunities for agribusinesses to gain exposure in these regions by direct marketing or cooperating with local distributors. South African grocery chains have begun to distribute throughout the African continent, and there is potential for U.S. agribusinesses links with these retailers to supply products throughout Southern Africa. Investment and trade opportunities in agriculture are worth further investigation by growth-oriented agribusinesses. The company that takes the time to create partnerships will reap the rewards of this growing region.

HERE IS HOW USDA WILL SUPPORT YOU:

- Briefing on macroeconomic situation, legal/regulatory environment, banking sector, investment climate/promotion and U.S. government business assistance programs.
- One-on-one meetings with appropriate African companies interested in doing business with U.S. companies.
- Ground transportation, hotel room, meals and meeting facilities will be paid by USDA. Participants will be responsible for their own travel costs to and from Johannesburg, South Africa.

Please contact USDA as soon as possible—space is limited, and participants will be selected on a first- come, first-served basis. To apply, or for more information, please contact:

Mr. Darrell Upshaw
USDA/FAS
darrell.upshaw@usda.gov
Telephone: 202 690-1786