

**Analysing the Relationship between Agricultural Production and
Exports Diversification in South Africa:
A Granger Causality Approach for Apple, Avocado,
Mango and Orange from 1994 to 2012**

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ABSTRACT The study analysed the relationship between agricultural production and exports diversification of avocado, apple, mango and orange exports in South Africa from 1994 – 2012. The main objective of the study was to investigate the relationship between agricultural production and diversified exports of apple, avocado, mango and orange in South Africa. To test this the study used time series data to analyse the causality between agricultural production and exports diversification using a granger causality test and tested correlation between each enterprise in a form of correlation matrixes. The correlation matrixes showed positive relationship among all produce indicating that agricultural export moves in the same direction as the agricultural production. Based on the empirical analyses avocado, mango and orange production and diversified exports showed both unidirectional and bidirectional relationship which implied that agricultural production and exports push each other to different directions. Future policies aimed at securing the adoption of modern agricultural technology which will improve agricultural production and increase exports need to be developed.