National Agricultural Marketing Council

Promoting market access for South African agriculture

Markets and Economic Research Centre

SA Fruit Trade Flow

SOUTH AFRICAN FRUIT TRADE FLOW

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1. Background

South Africa's diverse weather and climatic conditions enable the country to cultivate and produce a variety of fruits. The country is known globally as a producer and exporter of citrus, deciduous and subtropical fruits. This issue of the Fruit Trade Flow looks at pineapples, watermelon and pawpaw. The main focus is the current season's analysis of the performance of these fruits on both export and domestic markets, compared to the previous season. This report also assesses the global production of these fruits and offers a perspective on South Africa's production and export rankings (as a share of global production and exports).

2. Overview of the pineapple season

2.1 Global pineapple production in the 2012/2013 season

Figure 1 shows the top ten pineapple producing countries (or producers), expressed in values and volumes. Pineapple production represents about 20 per cent of the world's production of tropical fruits. It is vital to note that about 70 per cent of pineapple production is consumed as fresh. Brazil, Thailand, Philippines and China produce about 50 per cent of world production. Over the last 50 years, world pineapple production has risen by 400 per cent (FAO, 2013). Over the past ten years of production, Brazil has been the largest producer, but in 2011 Thailand was the largest producer of pineapples. In South Africa, the production of pineapples has been on the decrease over the past ten years and 2011 experienced the lowest production, at 98 511 tons (which might be linked to fertiliser contamination). From 2011 to 2012, production increased by 10 %.

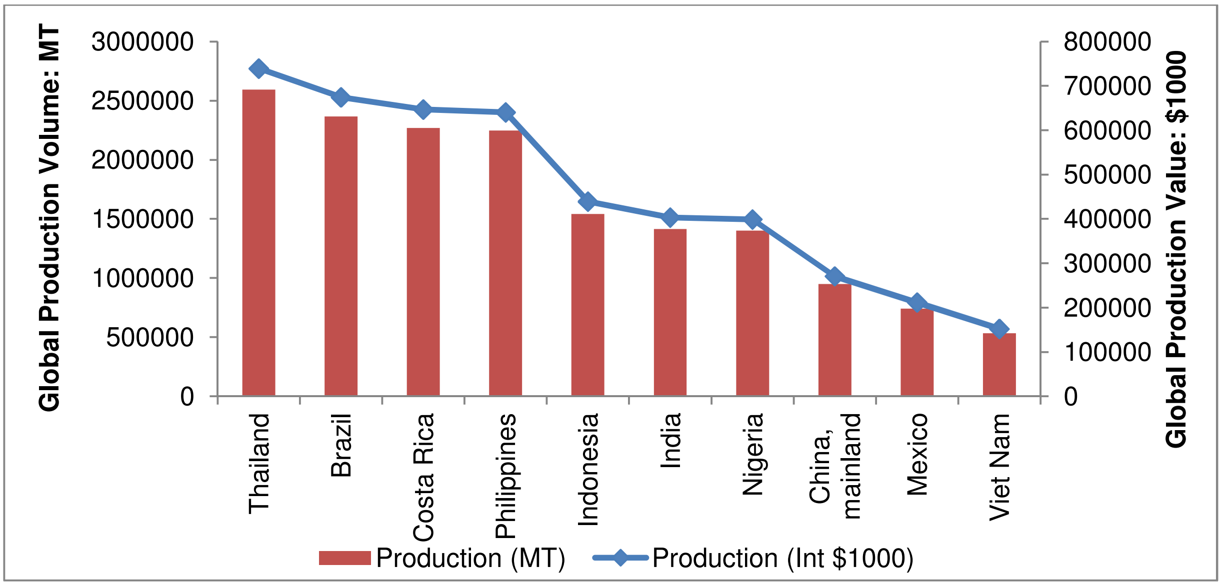

Figure 1: Global pineapple production trends

Source: FAO, 2013

2.2 Global pineapple trade

Figure 2 shows the leading exporters of pineapples in the world. Costa Rica is by far the largest world exporter of pineapples, followed by the Netherlands and Belgium. The leading African exporter of this product is Cote d'Ivoire, as indicated in Figure 2. This is interesting, considering that Costa Rica is the 3rd biggest producer. According to Costa Rica's Foreign Trade Corporation (Procomer), exports have increased by 650 per cent since 2000, when they amounted to $121 million. The increased export demands can be attributed to a replacement of the pineapple variety, increased per capita consumption at the national and international levels, which led producers with crops that were unprofitable to begin replacing them. According to Procomer, statistics reveal that the country exported pineapple to 16 nations in the year 2000, a number that had increased to 32 different destinations by the year 2006 and to 42 countries in 2012. Costa Rican pineapple industry figures reveal that, with over $791 million income from the sale of fresh pineapples in 2012, Costa Rica is the largest exporter of this fruit in the world.

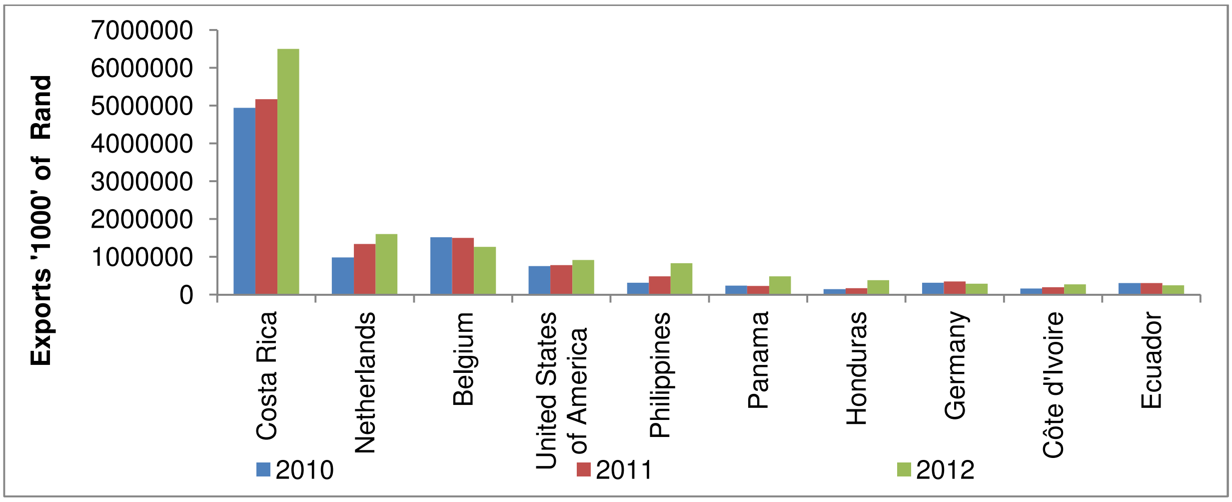

Figure 2: Global pineapple export trends
Source: ITC, trade map 2013

Figure 3 shows the world's leading importers of pineapples. The United States of America is the largest pineapple importer (26% share of world imports), followed by the European Union (mostly the Netherlands, Belgium, Germany, the United Kingdom, Italy, and France), Japan, Canada, and France.

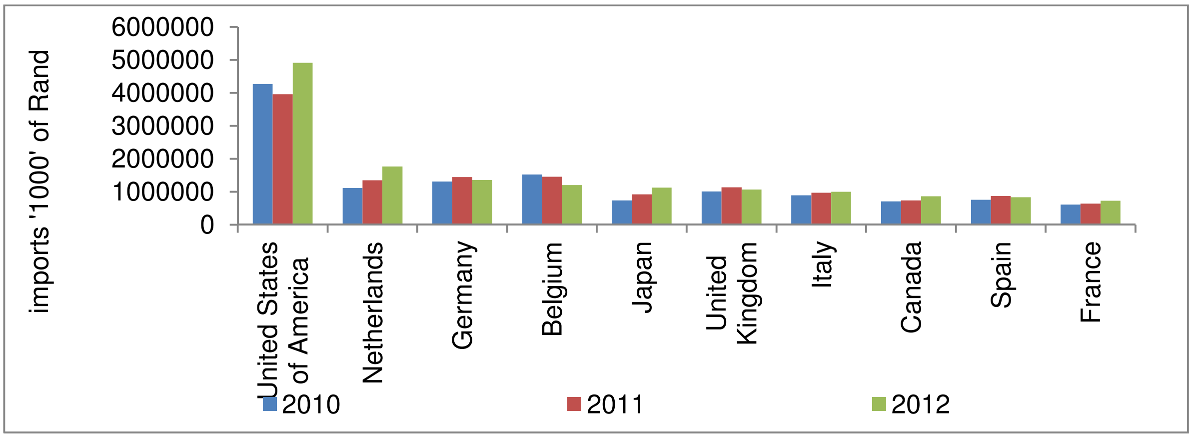

Figure 3: Global pineapple import trends
Source: ITC, trade map 2013

2.3 South Africa's pineapple production in the 2012/2013 season

The main producing areas of pineapples in South Africa are the northern KwaZulu-Natal and the Eastern Cape and, on a smaller scale, the Limpopo Province. It is one of the most important subtropical crops cultivated in the country. Smooth Cayenne is the main pineapple variety produced in South Africa (mainly in the Eastern Cape) for canning, and the Queen variety (mainly in Hluhluwe) is also produced for the local and fresh fruit export market. The Smooth Cayenne is used for both canning and fresh fruit. About 75% of the production goes to the export market. Production of the Queen variety is relatively more costly and accordingly there is shift towards the Smooth Cayenne variety. In addition, the new MD2 variety is planted in small quantities in both regions and is aimed at fresh fruit markets, as well as ready to eat products for export. According to DAFF (2011), 99% of the fresh pineapples sold in South Africa are the Queen variety.

Figure 4 shows the production trend of the pineapples in South Africa for the past 12 years. Following the cadmium contamination experienced in 2006, production decreased from 2006 to 2012 by 5.9% Compound Annual Growth Rate.

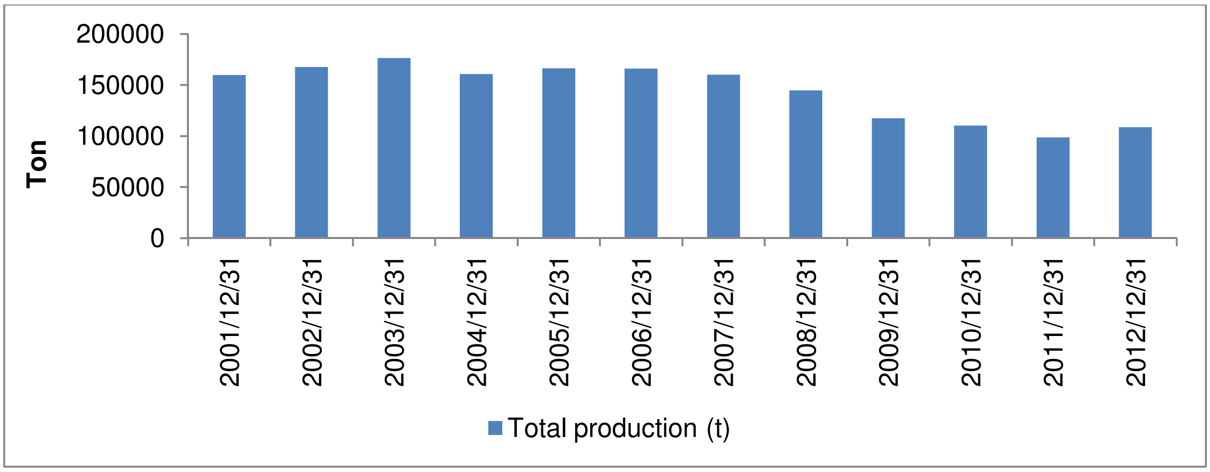

Figure 4: South Africa's pineapples production
Source: DAFF, 2013.

2.4 South African pineapple export and domestic market sales

Figure 5 shows the distribution of pineapple production over ten years. South Africa exports more than 9% of its pineapple production to international markets. The cadmium contamination experienced in 2006 has now slowly worked its way out of the system and it is evident that exports increased by 8% from 2006 to 2012. Processing also increased by 4.7% from 2006 to 2012 CAGR.

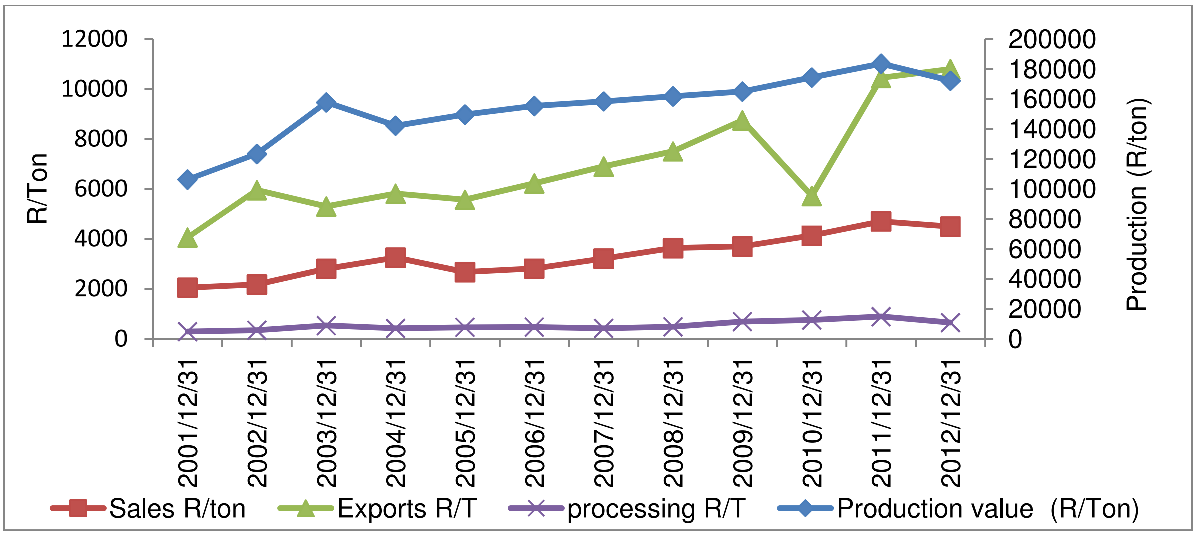

Figure 5: South Africa's domestic market trends
Source: DAFF, 2013

Figure 6 shows South African price trends for pineapples sold at the Johannesburg Fresh Produce Market from January to October in the 2013 season, compared to the two previous seasons as at the month of October. The 2013 season's price for pineapples sold is higher than that in 2012 by 12%, and lower than the record sales of the 2011 season by 5.4%.

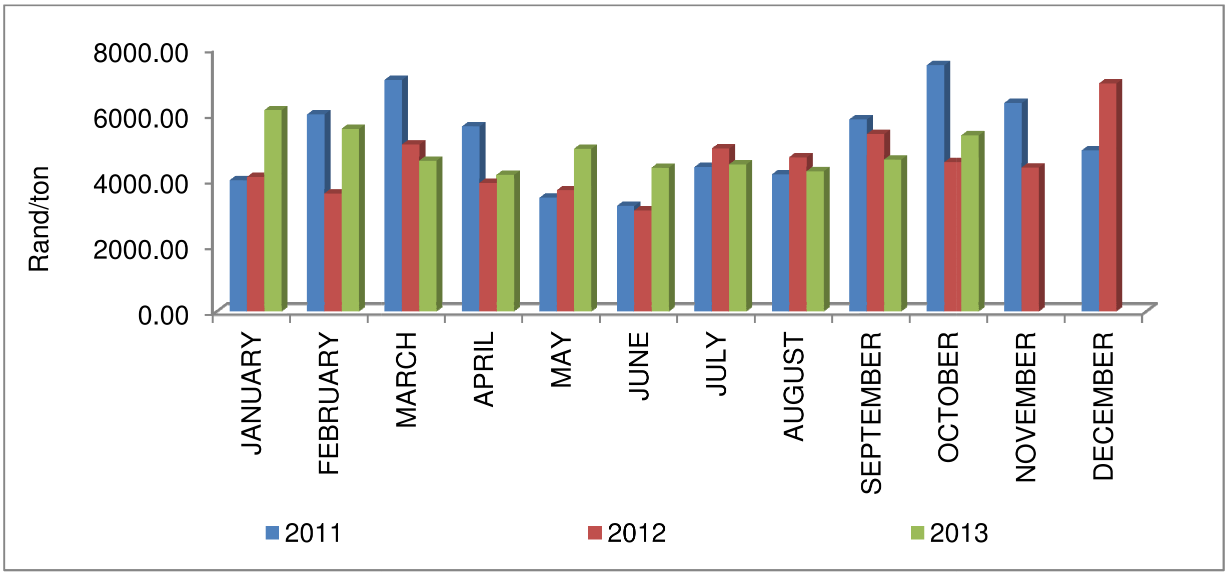

Figure 6: Comparison of price trend of pineapples for the period 2011 – 2013
Source: DAFF, 2013.

Figure 7 represents South Africa's pineapple exports to various markets. The European countries and the Middle East regional markets are the key markets for pineapple exports. In the 2012 season, the European markets accounted for 52% of the total South African export of pineapples.

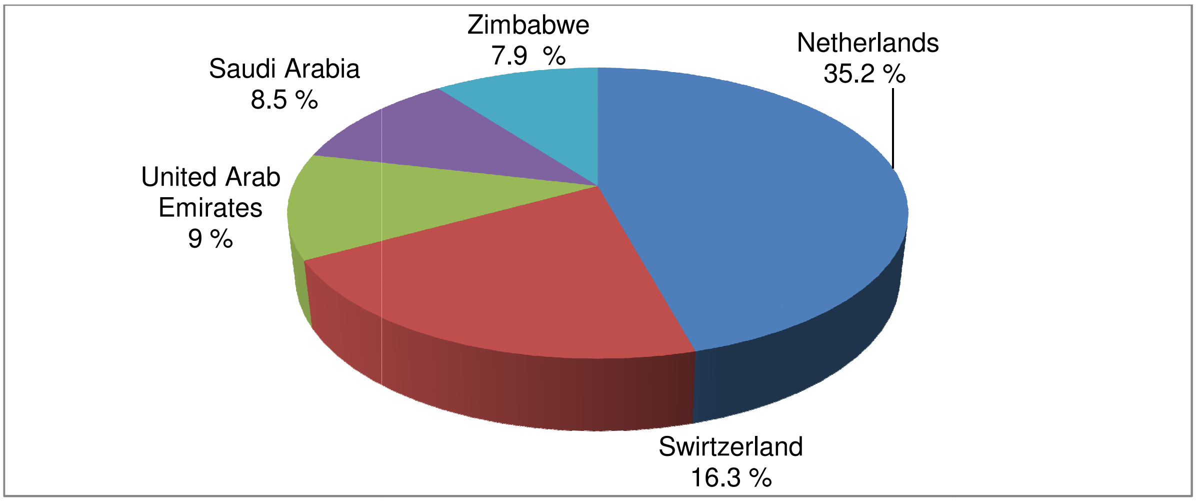

Figure 7: South Africa's total exports of pineapples per market in the 2012/2013 season
Source: ITC, trade map 2013

3 Preview of the watermelon fruit season

3.1 Global watermelon production

According to FAO Stats (2011), China is the world's leading producer of watermelon. The top twenty leading producers of watermelon produced a collective volume of approximately 92.7 million metric tons in 2011, of which China produced 75%. Turkey, Iran and Brazil commanded a production share (of the 20 leading producers) of 4.7%, 3.5% and 2.4%, respectively, in 2011.

Table 1: World's leading producers of watermelon

Countries	2011		
	Production (Int $1000)	**Production (MT)**	**Production (Volume% share**
China	7 453 542	68 893 000	74.33
Iran (Islamic Republic of)	370 236	3 250 000	3.51
Turkey	307 566	3 864 489	4.17
Brazil	250 465	2 198 624	2.37
United States of America	179 987	1 688 040	1.82
20 Leading producers of watermelon total	9 801 595	92 690 817	86.19

Source: FAO, 2011

3.2 South Africa's watermelon production season

Watermelons are a warm season horticultural crop. South Africa yielded 69 304 tons in 2012, which is declined from 76 631 tons produced in 2011. **Figure 8** shows watermelon produced by South Africa between 2010 and 2013. This trend shows that the highest volume of watermelons are produced during the Oct-Dec quarter, while the least are produced during Jul-Sept, and this is largely attributed to the warmer temperature requirements of the fruit. South African watermelon production has been declining over the years, with 2010 showing the leading production volumes. Between Jan – Sep 2010 and 2013, production declined by 32% (declining by 8% year-on-year).

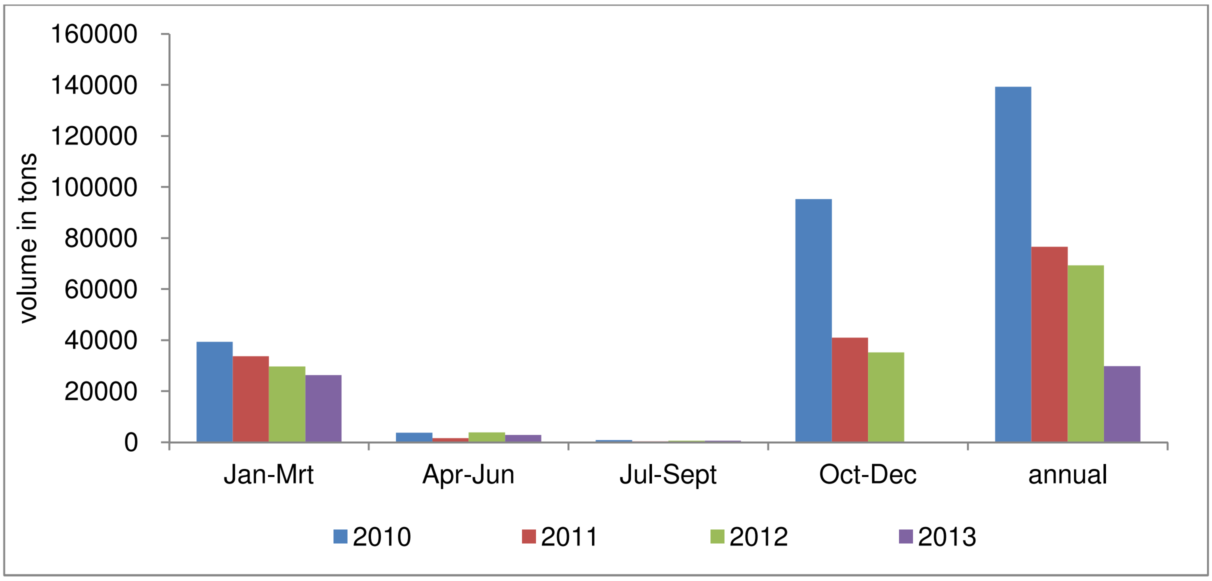

Figure 8: South Africa's watermelon production trend
Source: DAFF, 2013

3.3 Global watermelon trade

Global demand for watermelons (imports expressed in value terms) increased by 9.3%, with the USA and Germany leading in the importation of the product. China's demand for the fruit increased the fastest between 2011 and 2012, while the Netherlands declined by 2%. Global exports grew by 19%, with Mexico being the main supplier of watermelon, accounting for 23% of world exports.

Table 2: Leading importers and exporters of watermelon in 2011 and 2012

Importers	**Value in R'000**		**Exporters**	**Value in R'000**	
	2011	**2012**		**2011**	**2012**
World	8 339 407	9 113 754	World	8 176 153	9 729 823
USA	1 685 383	2 145 347	Mexico		2 320 420
Germany	1 074 516	1 250 662	Spain	1 847 574	2 189 577
Canada	731 425	944 419	USA	833 380	1 031 220
France	449 260	561 901	Italy	490 296	657 690
Netherlands	543 190	530 291	Netherlands	556 212	575 682
China	349 433	486 919	Greece	231 673	382 698
UK	297 898	348 609	Viet Nam	626	378 829

Source: Global Trade Atlas, 2013

3.4 South African watermelon exports

South African watermelon exports increased significantly by 251% between 2010 and 2012 (**See figure 9)**, even though South African production volume of this product has declined. The Netherlands is South Africa's main watermelon destination, commanding 45 % share of South African exports in 2012, followed by the UK (31%) and Switzerland (9.5%). South Africa exported a value of R19.9 million to its 5 leading export destinations in 2012.

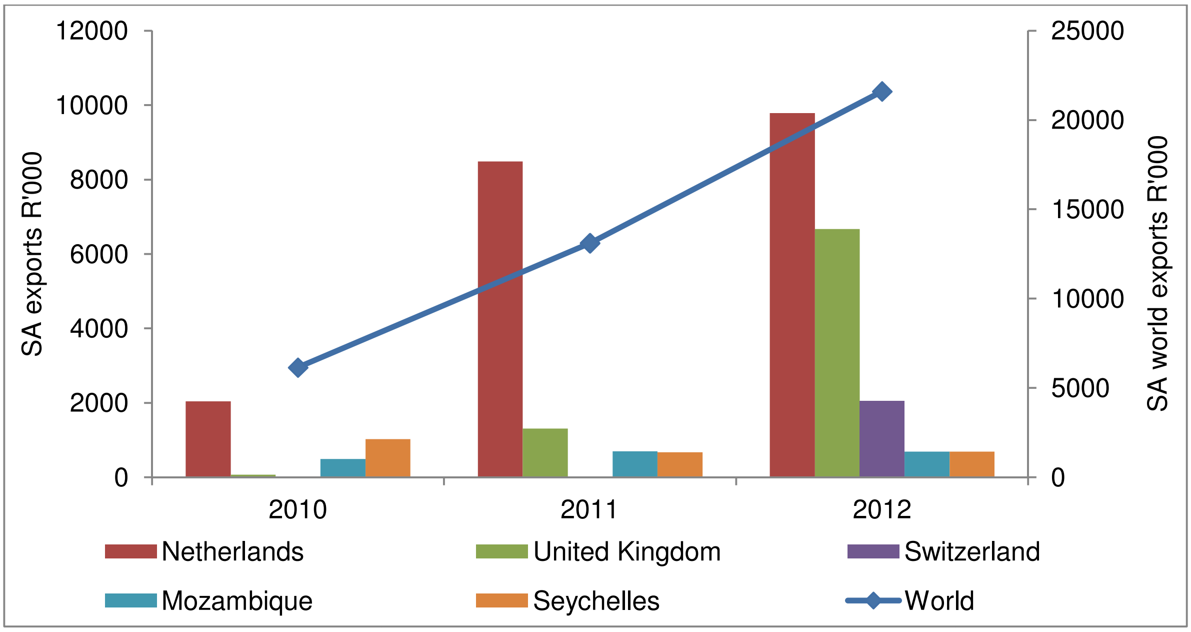

Figure 9: South Africa's watermelon export destinations
Source: Global Trade Atlas, 2013

Figure 10 shows the provinces in South Africa that were accountable for total watermelon exports in 2012. Mpumalanga is the leading South African province, exporting watermelon to the value of R17.2 million.

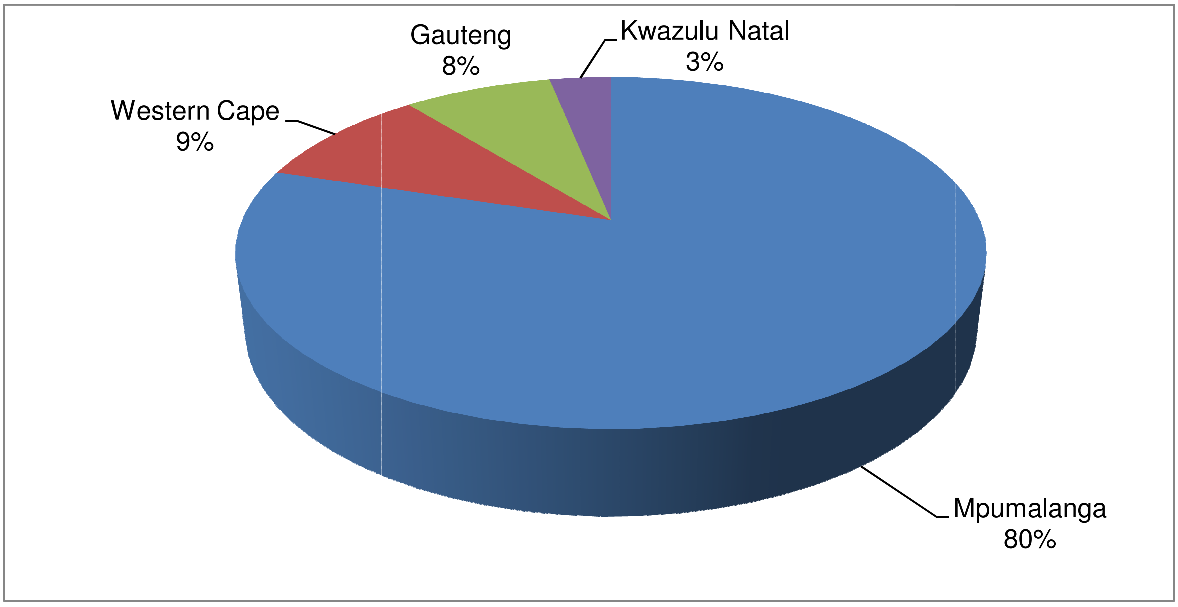

Figure 10: South African Export regions of watermelon: 2012
Source: Quantec, 2013

3.5 Watermelon fruit sales in the domestic markets

Figure 11 highlights the volumes of watermelon sold in national fresh produce markets of South Africa in 2012 and 2013 (Jan-Aug: 2013). Between January – August 2012 and 2013, South Africa sold 1355.7kg less than it did in 2012. Sales during 2012 (Jan-Aug) grew by

6.3% month-on-month, while in 2013 during the same months, sales declined by 30% month-on-month. In 2012, sales grew the fastest in the last quarter of the year, compared to the first three quarters of the year. Local sales grew on average by 219.9% in the last quarter, while between January and September sales grew on average by 0.88%.

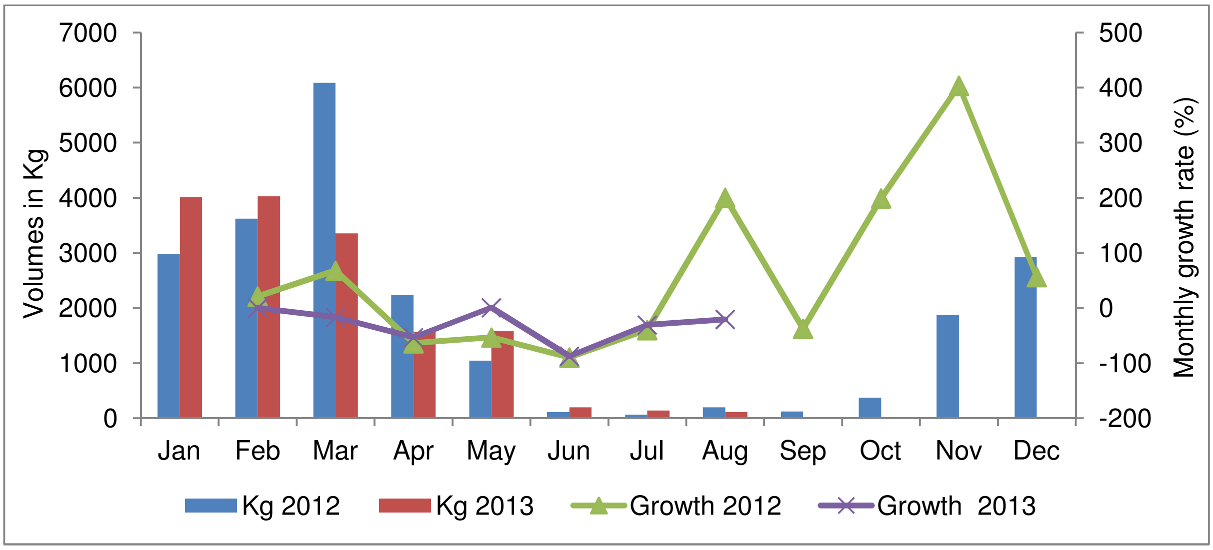

Figure 11: South African watermelon domestic sales trend: 2012-2013
Source: DAFF, 2013

4. Overview of the Pawpaw/Papaya season

4.1 Global production of the pawpaw season

Pawpaw is estimated to be produced in 60 countries across the globe and large quantities are produced in developing countries. According to FAO, Asia is the leading producing region, followed by South America, Africa, Central America, North America and Oceania. **Figure 12** shows the production trends of Papaya/Pawpaw from 2000 to 2011. Pawpaw has gained popularity worldwide and is now ranked as third largest (15.36%) in total subtropical fruit production, behind mango and pineapple. India remains the largest producer of pawpaw, with a total amount of 418 million tons in 2011. The second largest producer is Brazil, with a 16.1% share, and then Indonesia with a share of 8.2% in 2011. Over the past few years the production of pawpaw has been rising, with a 44.3% growth increase between 2006 and 2012. Global pawpaw production has grown significantly over the last few years, mainly as a result of increased production in Asia.

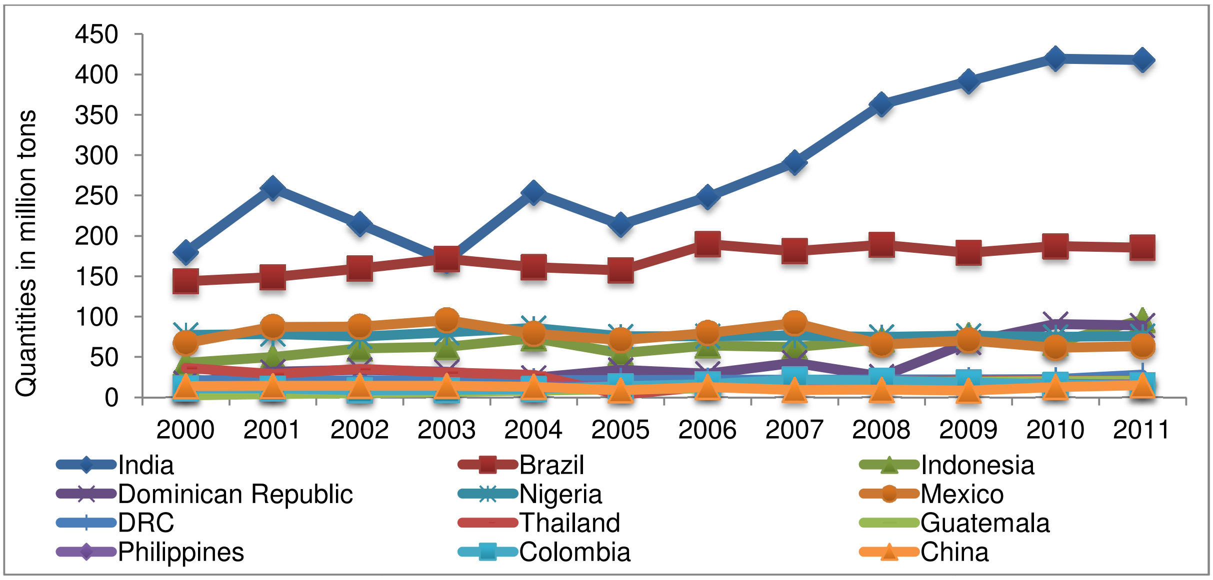

Figure 12: Production trends of the leading global producers of papaya (2000 – 2011)
Source: FAO, 2013

4.2 Global pawpaw trade

Figure 13 shows the leading exporters of pawpaw in the world. Global pawpaw exports are currently estimated to show a significant increase of 21.79%, compared with the 3% of the previous season. The growing trend of pawpaw exports is attributed to the increasing demand for healthy food products and consumer concern over healthy products.

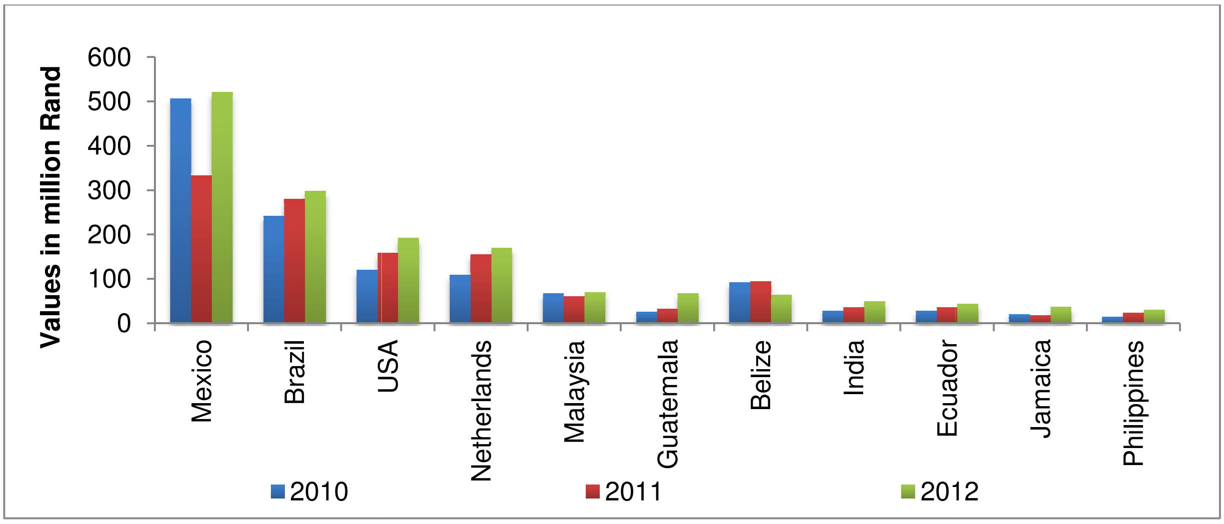

Figure 13: Global leading exporters of papaya (2000 – 2011)
Source: FAO, 2013

4.3 South Africa's pawpaw production

South Africa is ranked 30th in the production of pawpaw globally. South Africa's total production for the 2012/13 season was estimated at 14 767 tons. **Figure 14** shows the production trends of pawpaw for a period of seven years and the 2012/13 season showed a significant increase of 16.1%, compared to the previous season. This increase was attributed to the favourable weather conditions and low pest/disease incidence. During the recession, pawpaw production showed a decline of 21%, which was due to rising input costs.

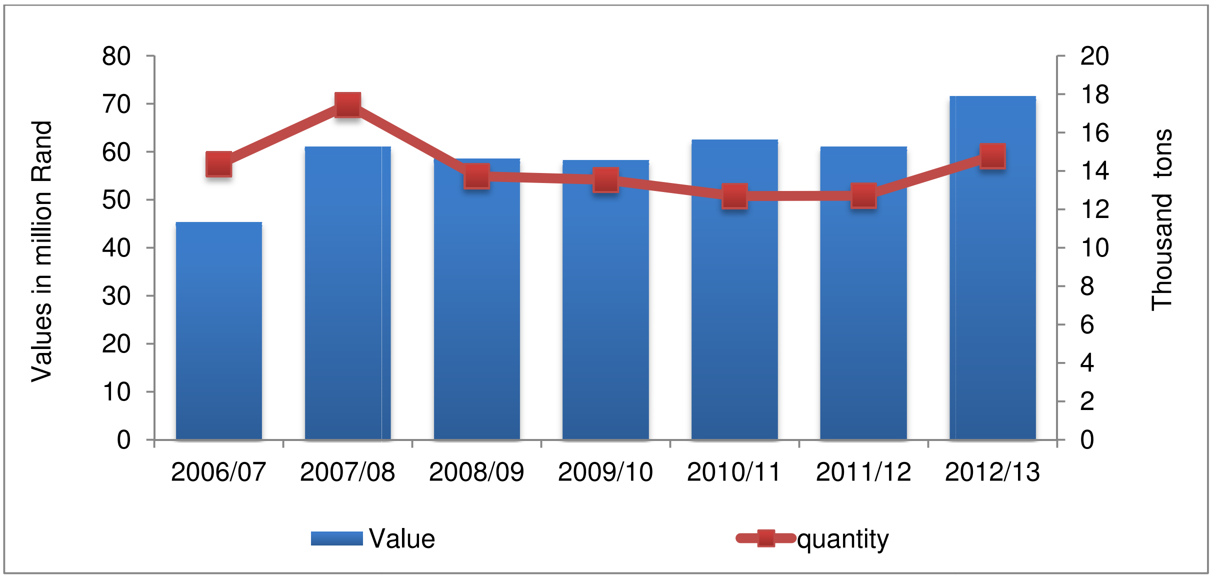

Figure 14: South African papaya production trends
Source: DAFF, 2013

4.4 South Africa's domestic market and exports of pawpaw

Figure 15 shows that 62% of South Africa's pawpaw production is sold in the local market, leaving only 5% for export markets. According to the Global Trade Atlas, South African imports decreased from 4 000 kg in 2010 to 0 kg in 2012, making the country a net exporter of pawpaw fruit products. Only 33% of fresh pawpaw is processed into secondary products, such as fruit juice and jam.

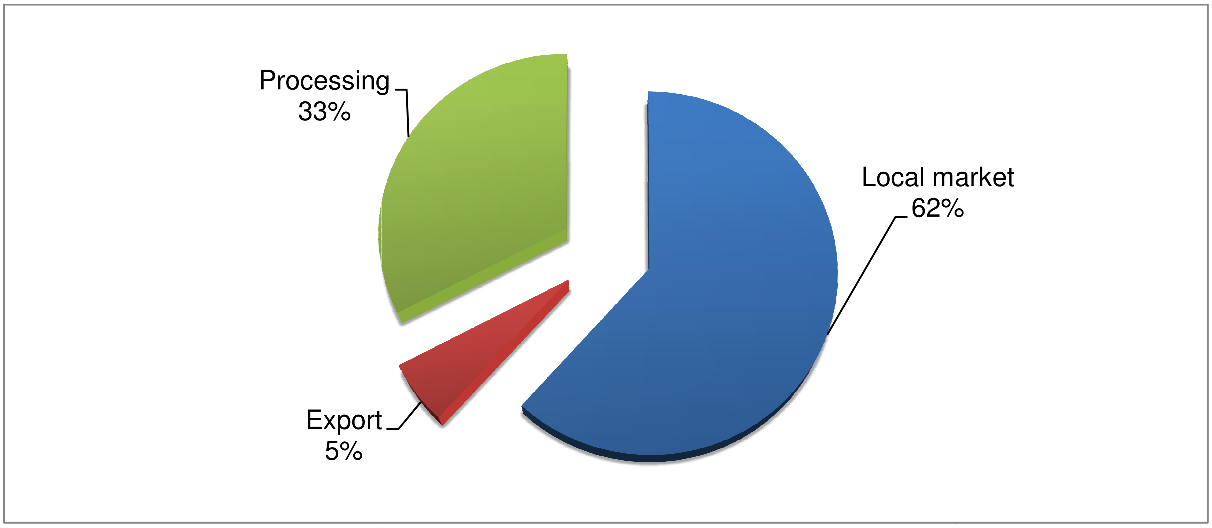

Figure 15: South African Papaya fruit distribution pattern
Source: DAFF, 2013 and author's calculations

Figure 16 represents South Africa's pawpaw exports to various markets. The exported quantities to Saudi Arabia increased from 23 406 kg in the 2011/12 season to 40 356 kg in the 2012/13 season. Zimbabwe and the United Kingdom showed significant declines of

36.6% and 44.26%, respectively, for 2012/13 season in comparison with the previous season. The total value of the main markets for South Africa exports was valued at R2 million for 2012/13 season.

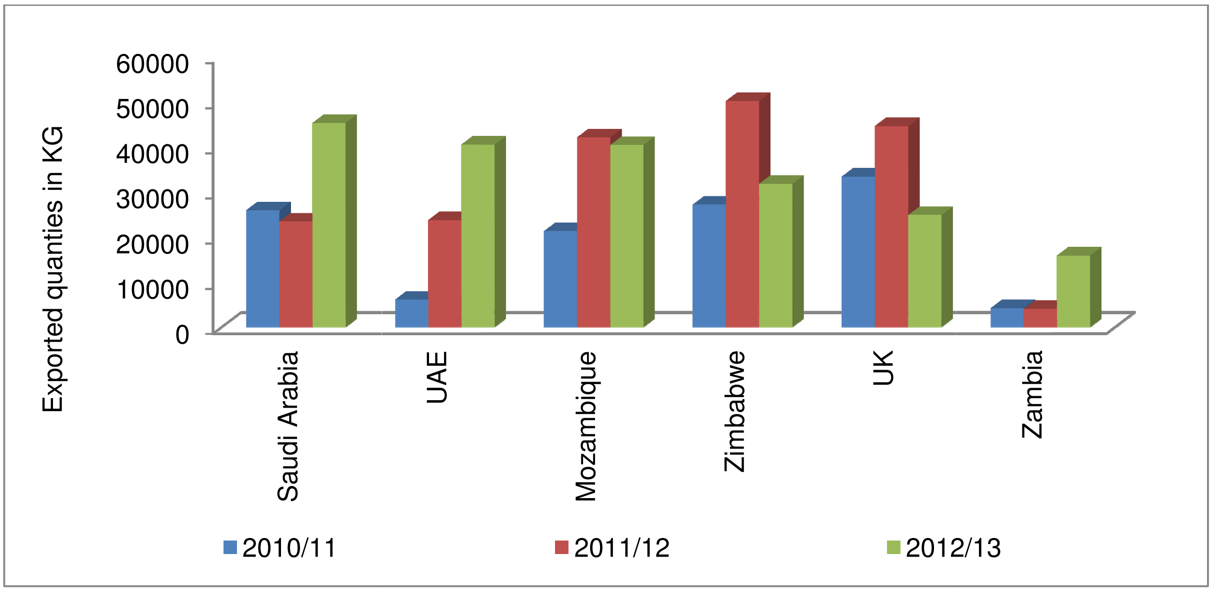

Figure 16: South African Papaya exports per market in 2013 season
Source: Trade map, 2013

Figure 17 shows a comparison of two seasonal price trends for pawpaw. Pawpaw sold in local markets recorded the highest price in October because of the commencement of the harvesting period. In October of 2011/12, one ton of pawpaw sold for R5 992.89, while in the 2012/13 season, one ton of pawpaw sold for R6 938.53.

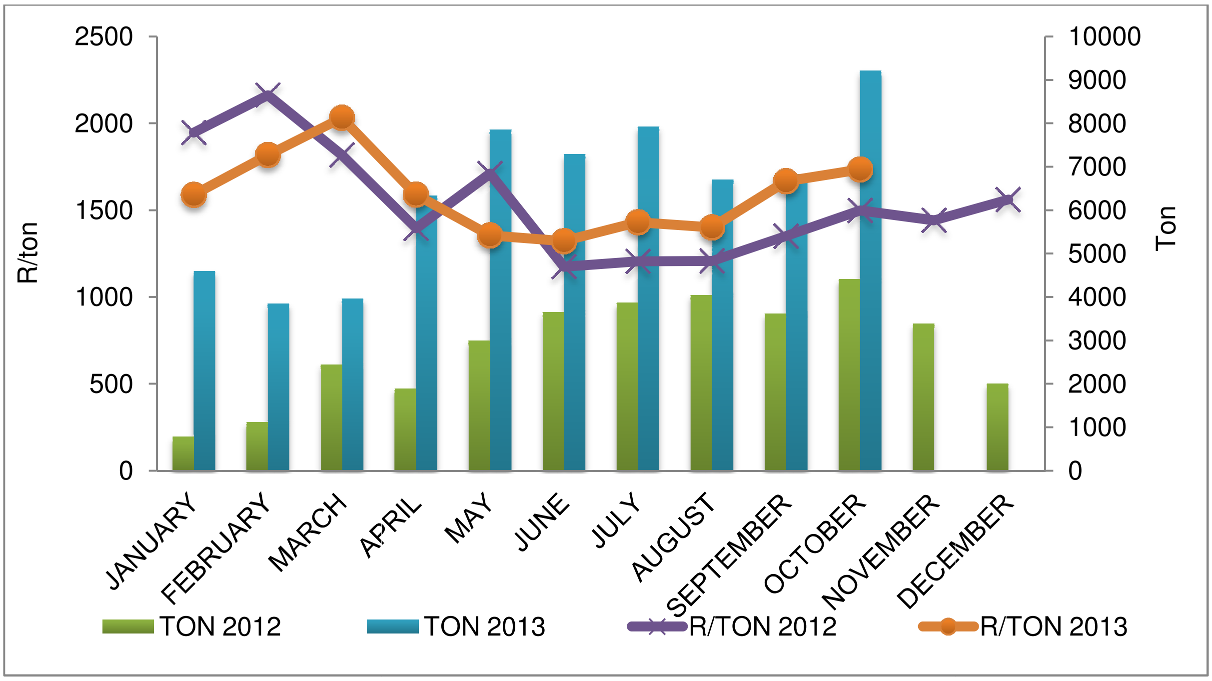

Figure 17: South African papaya sold in local markets in the 2011/2012 and 2012/2013 seasons.
Source: DAFF, 2013

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Department of Agriculture, Forestry and Fisheries (DAFF). 2012. *Local market fruit sales data*. Directorate of Agricultural Statistics, Pretoria.

Hortgro Services. 2013. *Raisins and cherry fruit export data*. Information and Value Chain Division, Paarl.

South African Subtropical Growers' Association (Subtrop): 2013. *Litchi seasonal & export data*, Tzaneen.

USEFUL LINKS:

Citrus Growers' Association (CGA):	*www.cga.co.za*
Department of Agriculture, Forestry and Fisheries (DAFF):	*www.daff.gov.za*
Fresh Produce Exporters' Forum (FPEF):	*www.fpef.co.za*
Hortgro Services:	*www.hortgro.co.za*
National Agricultural Marketing Council (NAMC):	*www.namc.co.za*
Perishable Products Export Control Board (PPECB):	*www.ppecb.com*
South African Subtropical Growers' Association (Subtrop):	*www.subtrop.co.za*
South African Table Grape Industry (SATI):	*www.satgi.co.za*
Quantec	*www.quantec.co.za*
Food and Agriculture Organisation	http://*www.fao.org/docrep/*

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