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

Issue No. 14, May 2014

Compiled by Ms Yolanda Potelwa, Ms Masego Moobi and Mr Sifiso Ntombela

Contents

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 the citrus and subtropical industries. The main focus is an analysis of the current season's 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 citrus fruit season 2013

2.1 Global citrus production

Figure 1 highlights global citrus production between seasons 2008/09 and 2012/13. The bulk of citrus produced globally is dominated by oranges, which account for an average volume share of 81 %, followed by lemons and limes (10 %). Global citrus production followed a declining trend between seasons 2010/11 and 2012/13. A decline in overall citrus production was mainly attributed to declining production volumes for both oranges and lemons and limes.

Globally, Brazil leads the production of oranges, producing an average volume share of 36 % between 2008 and 2012. Notably, Brazil's production share has been in decline since 2010/11. Of the oranges produced by Brazil, only 31 % volume share is consumed as fresh fruit, while 69 % is further processed into juice. The United States ranks as the second largest producer of oranges at 8 million metric tons in 2012/13, with China and Europe ranking third and fourth respectively.

China is the world's leading producer of grapefruit, accounting for over half the world's production between 2008 and 2013. Of the grapefruit produced by China, an average of 97 % is consumed in the local market as fresh fruit, while the remainder is destined for the export market. The United States is the second largest producer of grapefruit, although its production share of the product declined from 21 % in 2010/11 to 16 % in 2012/13.

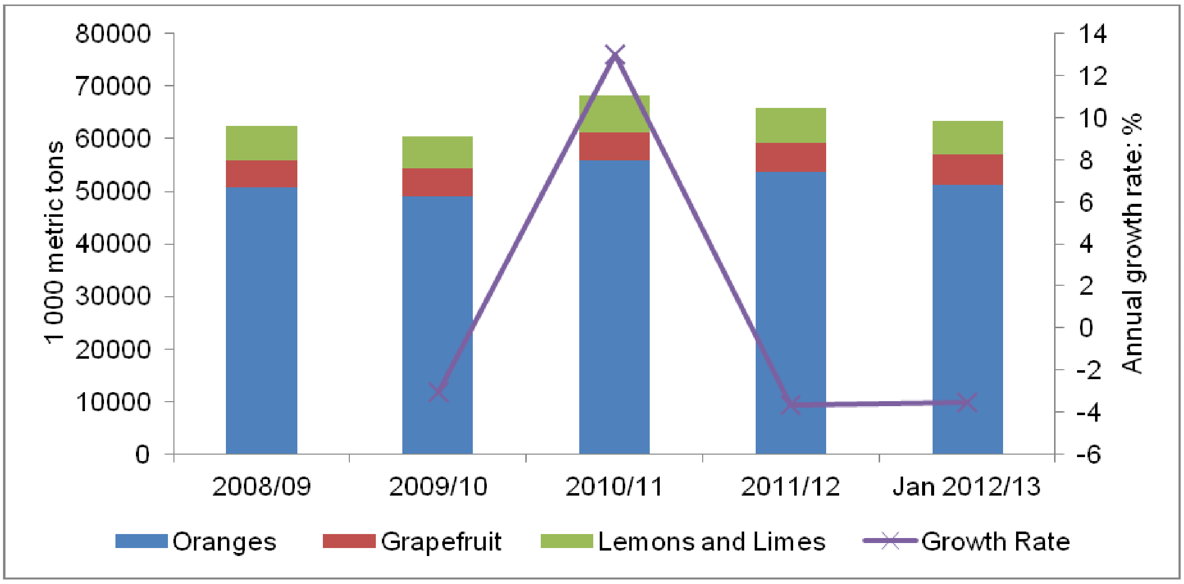

Figure 1: Global citrus production trends
Source: USDA FAS (2014)

2.2 Global citrus trade

Figure 2 highlights global citrus export trends from 2008/09 to 2012/13, during which period there was a 10 % increase, amounting to 6.3 million metric tons in 2012/13. The leading citrus export product is oranges, accounting for an average share of 62 %, followed by lemons and limes at 24 %.

South Africa is a leading exporter of oranges globally, supported by the fact that oranges lead South Africa's total agricultural exports. South Africa accounts for a quarter of globally exported oranges, maintaining an average export share of 25 % over the period under review. Egypt ranks second in respect of orange exports, accounting for an average of 24 %. Of the leading orange-exporting countries, Morocco saw a decline from 9 % to 4 % and China a decline from 4 % to 3 % in their export market share between 2008/09 and 2012/13. During this same period, both South Africa and Egypt saw an increase in their market share.

South Africa is also noted as a leading exporter of grapefruits, increasing its volume of exports by 15 % between 2008/09 and 2012/13. South Africa successfully increased its global export volume share of grapefruit from 25 % in 2008/09 to 30 % in 2012/13, indicating vibrant growth in the country's grapefruit production and exports. China ranks second with regard to grapefruit exports, followed by Turkey and the United States respectively. Notably, the global export share of the Unites States declined by 3 % from 247 000 metric tons in 2008/09 to 184 000 metric tons in 2012/13.

The global demand for lemons and limes increased by 13 % between 2008/09 and 2012/13. Mexico is the leading exporter and the leading producer of lemons and limes. The EU 27 saw an 11 % decline in lemon and lime exports between 2008/09 and 2012/13.

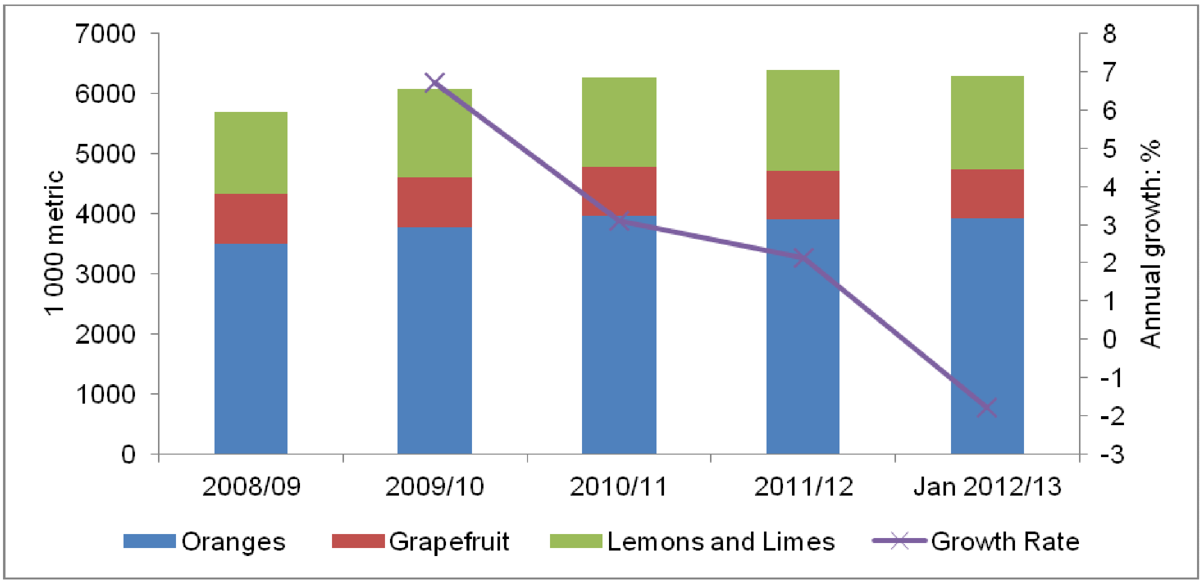

Figure 2: Global citrus export trends
Source: USDA FAS (2014)

Figure 3 shows the citrus fruits import trends over the past five seasons. Global citrus imports increased by 11 % between 2008/09 and 2012/13. The EU 27 is the world's top importer of both oranges and grapefruit, while the USA leads in lemon and lime imports.

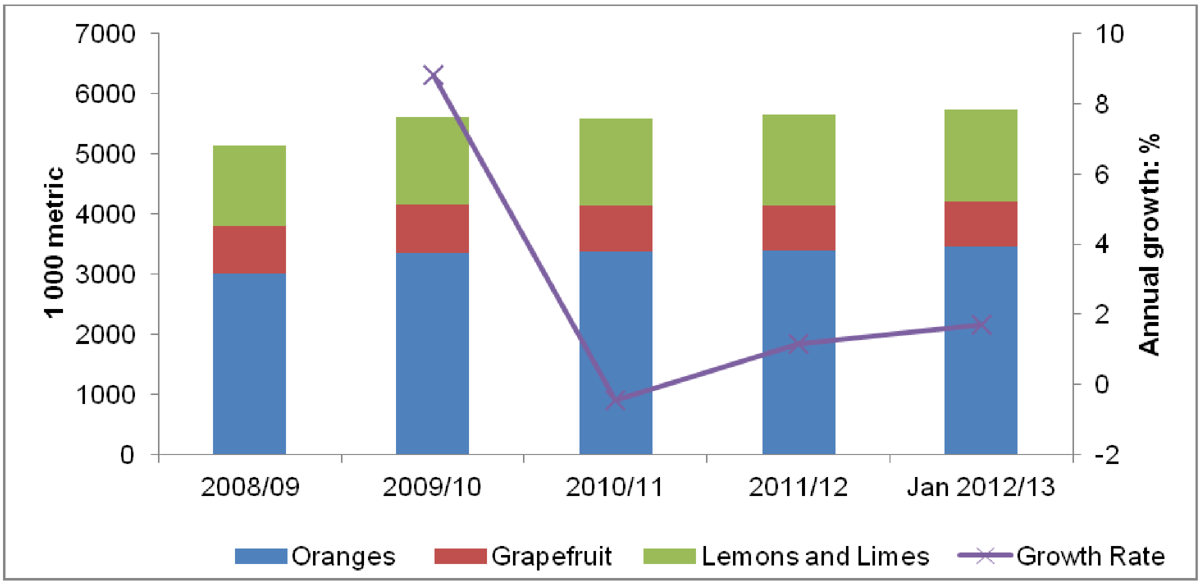

Figure 3: Global citrus import trends
Source: USDA FAS (2014)

2.3 Citrus fruit industry 2014 season preview

Citrus fruits contribute the largest share to South Africa's total fruit exports, measured in terms of both quantity and value. Figure 4 shows the export trends of citrus fruits and all other fruits to global markets between 1996 and 2013. Throughout the period under review, citrus' share of total exports remained between 38 % and 42 %, indicating a strong comparative advantage in terms of growing citrus and exporting it to the world. The value of South Africa's citrus exports increased from R 659 million in 1996 to over R 9.3 billion in 2013, with this positive growth being attributed to various factors such as improved quality, a better supply chain, and improved transportation systems and post-harvest handling techniques.

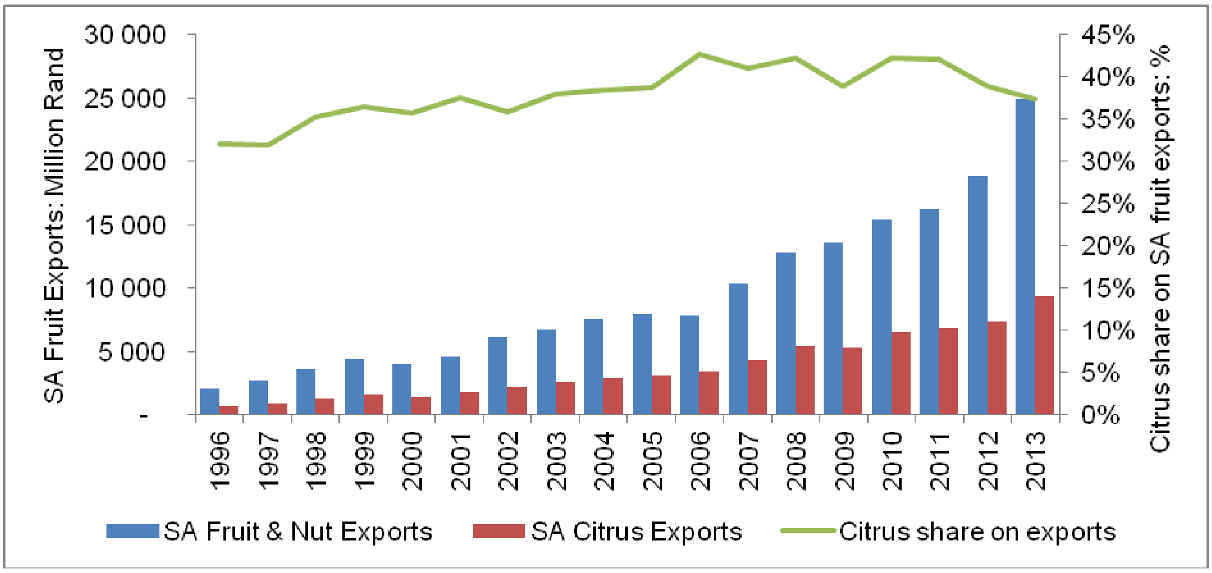

Figure 4: South African fruit export trends
Source: WTA (2014)

2.4 Citrus production estimates for 2014 season

Table 1 provides the production estimates for South African citrus in the 2014 season. According to the Citrus Growers' Association (CGA), production in 2014 will remain relatively the same as in the previous season. Although the overall estimate remains steady, there are some changes to the estimates in certain citrus sub-industries. For example, lemon production is estimated to increase by 14 % compared to the previous season, while grapefruit production is set to decline by 6 %. The production of soft citrus is projected to increase by 7 % compared to the production figures achieved in the 2013 season, while the orange sector is predicted to remain stable, with navel production increasing by 2 % and Valencia production dropping by 4 %.

Table 1: South African citrus production estimates for 2014 season

Crop estimates: 15 kg equivalent cartons				
Citrus Sub-industries	**2012**	**2013**	**2014 est.**	**Change**
Grapefruit	12 765 149	17 849 159	16 755 244	-6 %
Lemons	10 512 106	10 626 934	12 134 692	14 %
Navel oranges	24 554 405	25 418 888	25 813 680	2 %
Soft citrus	7 640 712	8 442 205	9 069 354	7 %
Valencia oranges	47 289 860	51 407 688	49 530 000	-4 %
Total	**102 762 232**	**113 744 874**	**113 302 970**	**-0.4 %**

Source: CGA (2014)

Table 2 presents the largest citrus production regions measured in volumes passed for export. S.R. Valley is the leading producer and exporter of citrus overall, and the leading producer and exporter of lemons (49 %) and navel oranges (26 %). Letsitele ranks second in terms of citrus production, producing large volumes of grapefruit and Valencia oranges.

Table 2: Top 10 citrus production regions by volume

	CGA Region	**2012**	**2013**	**2014 est.**	**% Change**
1	S.R. Valley	18 853 813	19 300 666	20 539 389	6.4
2	Letsitele	14 650 958	16 258 777	16 438 698	1.1
3	W. Cape	8 936 061	8 629 472	9 493 775	10.0
4	Senwes	6 893 134	9 747 990	8 464 694	-13.2
5	Limpopo River	5 463 457	6 443 417	6 511 340	1.1
6	Hoedspruit	4 938 229	5 220 745	5 370 000	2.9
7	Onderberg	4 794 277	5 480 123	4 850 000	-11.5
8	Nelspruit	4 712 128	4 963 797	4 785 000	-3.6
9	Boland	2 953 186	3 021 789	3 053 611	1.1
10	Patensie	2 463 328	2 416 927	2 400 000	-0.7

Source: CGA (2014)

Figure 5 presents South African domestic consumption and price trends of oranges for 2013 and for January and February 2014. South African domestic consumption of oranges for January and February 2014 exceeds those of the same period in 2013 by 457 tons (January) and 32 tons (February). Thus, the price per unit in January and February 2014 was more expensive than the price per unit in January and February 2013. Domestic orange consumption was as its peak in May – July 2013, with a similar trend expected for 2014.

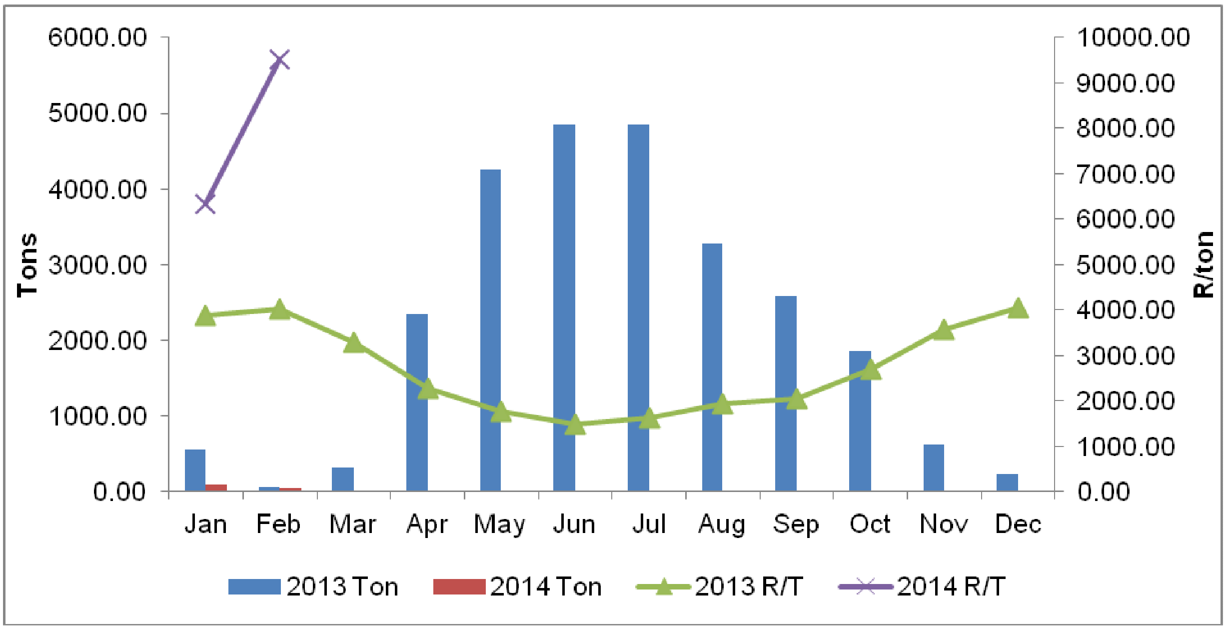

Figure 5: Orange sales in the domestic market
Source: DAFF (2014)

Figure 6 presents South African domestic consumption and price trends of lemon for 2013 and for January and February 2014. Total domestic lemon consumption in 2013 amounted to 25 801 tons, with peak consumption in March. The January 2014 consumption of lemons exceeded that of January 2013 by 43 tons.

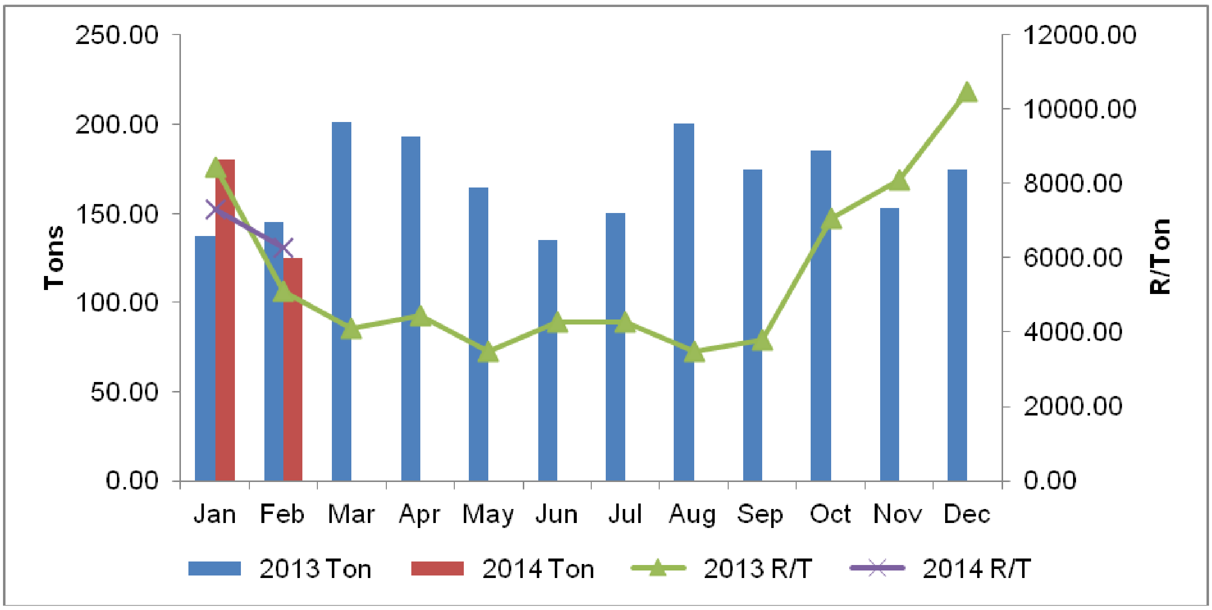

Figure 6: Lemon sales in the domestic market
Source: DAFF (2014)

Figure 7 presents South African domestic consumption and price trends of grapefruit for 2013 and for January and February 2014. Grapefruit consumption in January and February 2014 far exceeded that in January and February 2013.

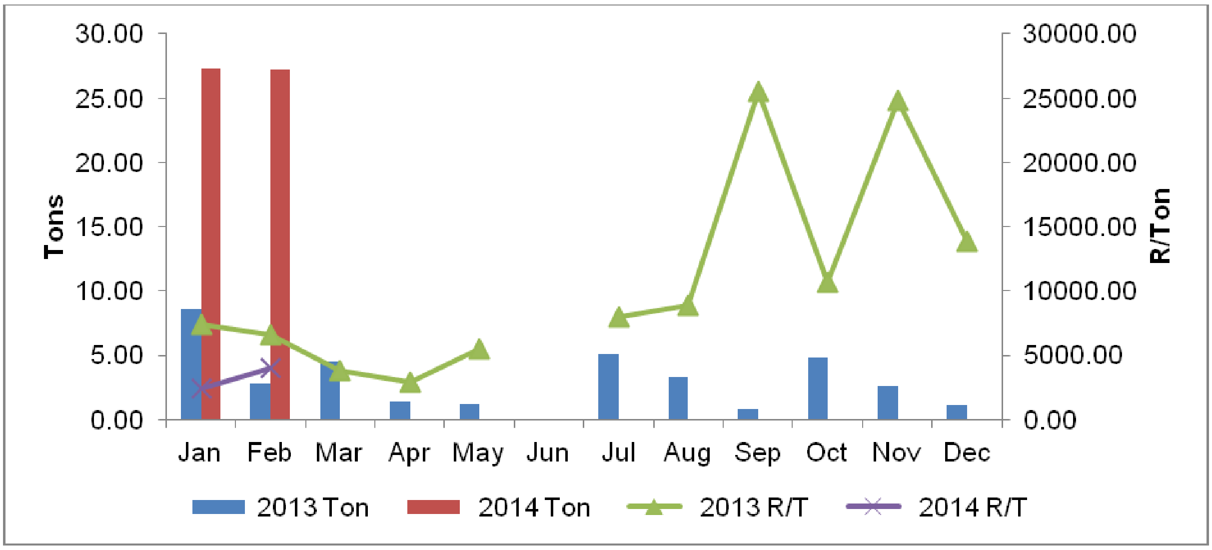

Figure 7: Orange sales in the domestic market
Source: DAFF (2014)

3 Subtropical 2013 production season overview

The subtropical fruit industry is largely dominated by avocado, mango, litchi and other subtropical fruits. This report focuses on avocado and mango fruits.

3.1 Avocado fruit production performance in 2013 season

Figure 8 shows the global production of avocado fruit over the past 10 years. Global avocado production increased by 46.1 % over the period under review, with this increase being due to the expansion of plantations intended for the export market. Mexico is the leading producer of avocado fruit, accounting about one third of global production. In 2012, Mexico showed significant growth, increasing production by 4.15 % compared to the previous year. Mexico produced 1.3 million tons, Indonesia 294 000 tons, the Dominican Republic 290 000 tons, the USA 245 000 tons and Colombia about 219 000 tons of avocados in 2012. As expected, Mexico, the world's leading producer of avocado fruit, was also the world's leading exporter of avocado fruit in the 2013 season.

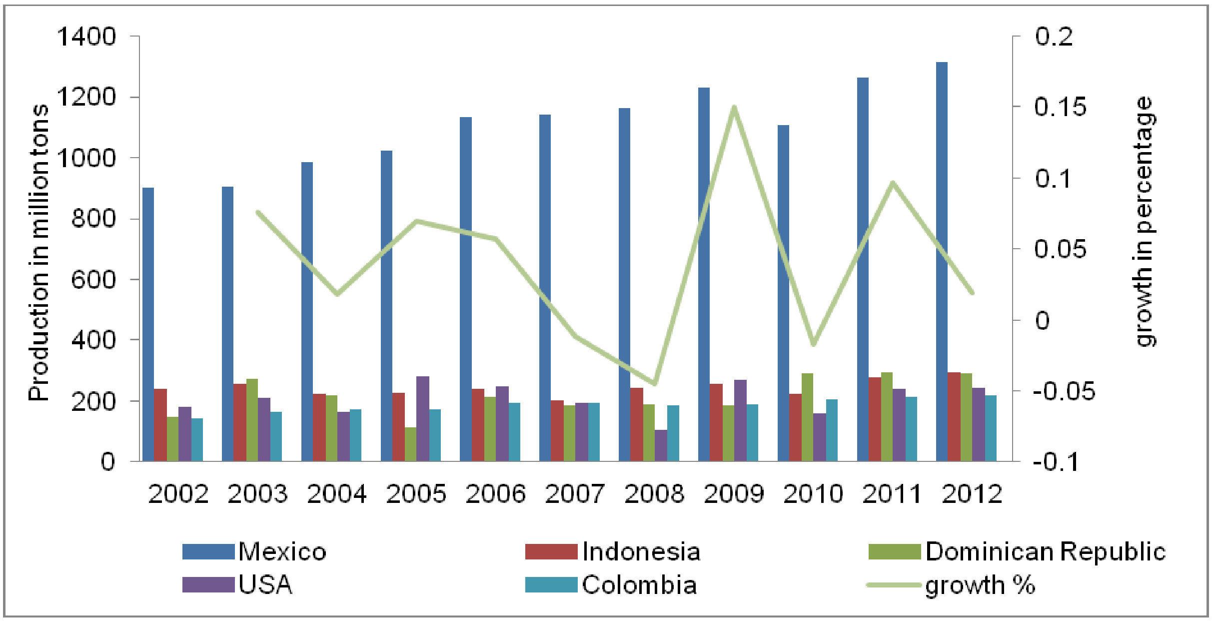

Figure 8: World production trends of avocado
Source: FAOSTAT (2013)

Figure 8 indicates that although South Africa is not a major producer of avocado in the world, it still produces large quantities of avocado fruits. The country's avocado production season commences in March and runs until October every year. On average the country produces between 110 and 130 million tons of avocado fruit per season. The 2013/2014 season is expected to produce 125 million tons (**see Figure 9**). Furthermore, **Figure 9** shows the avocado production trends over the past seven years. The production of avocado was not stable during the period under review, with a significant increase of 25.1 % in 2013 compared to the previous year.

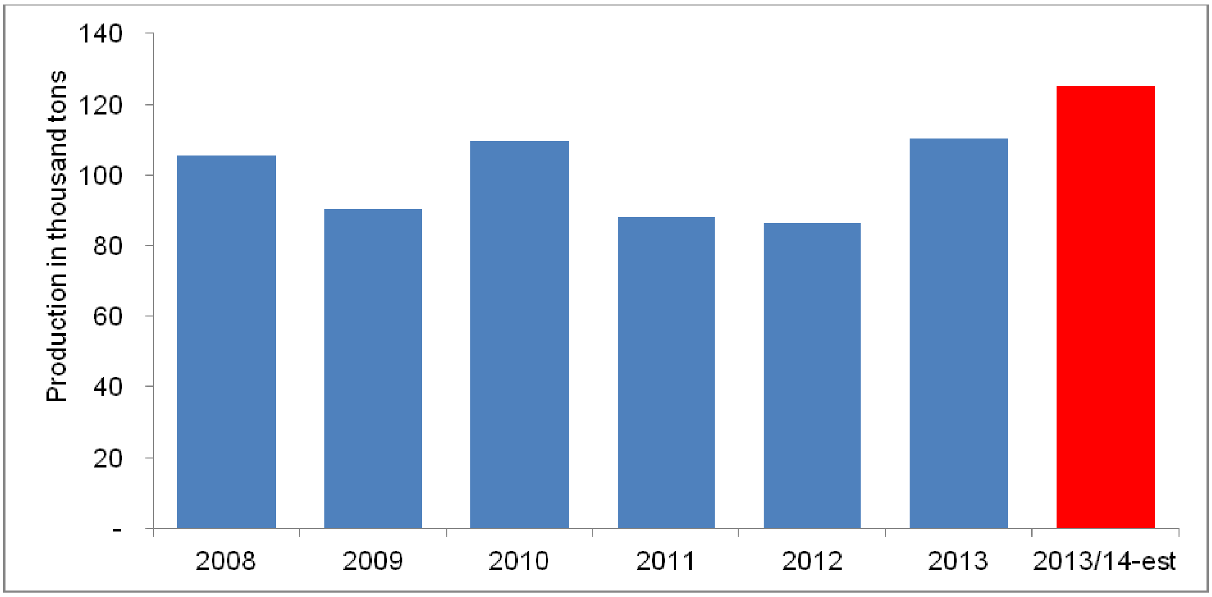

Figure 9: South African production trends of avocado
Source: Subtrops (2014)

Figure 10 indicates the trends in avocado volumes inspected and passed for export over a period of four years. In the 2013 season, a total of 11.5 million cartons (with one carton being equivalent to four kilograms) were inspected and passed for export. The 2013 seasonal volumes were slightly (about 2 %) below those achieved in 2012, with this decline being attributed to diseases and high temperature in the northern region of the country. Of the total volume of avocado fruit inspected and passed for export, 99.3 % was exported to the EU 27 and the remainder to other markets, including the Middle East.

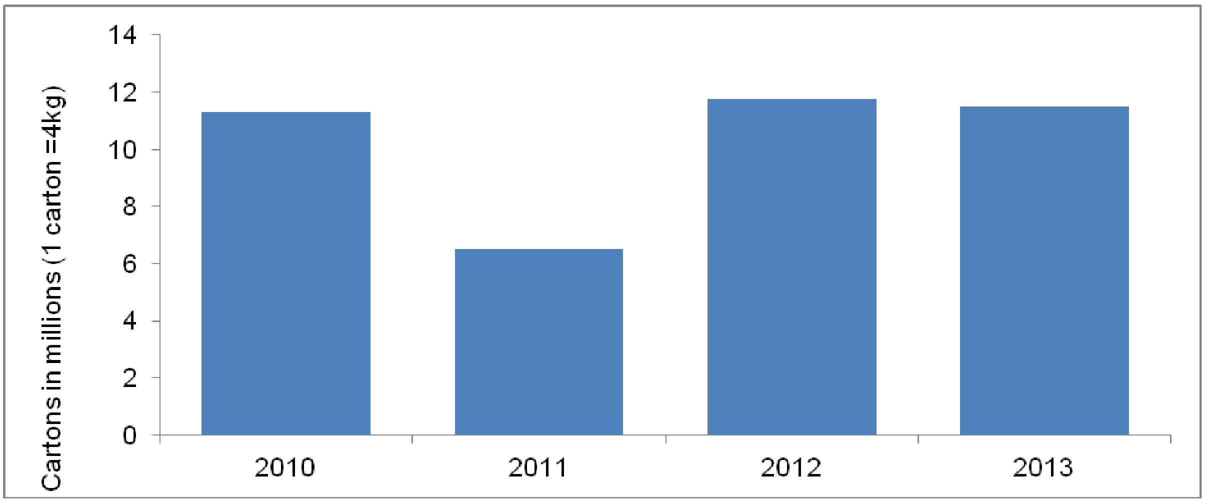

Figure 10: Avocado passed for export between 2010 and 2013
Source: PPECB (2014)

Figure 11 highlights the consumption of avocado and the prices received at the national fresh produce markets. In 2013, South Africa sold 26 594 tons of avocado at a monthly average price of R 6 500 per ton. The higher price was driven by the fact that domestically there were lower quantities available for sale in comparison with the previous year. The monthly volumes for 2014 are appearing to be lower than those of the same period in 2013 (see **Figure 11**).

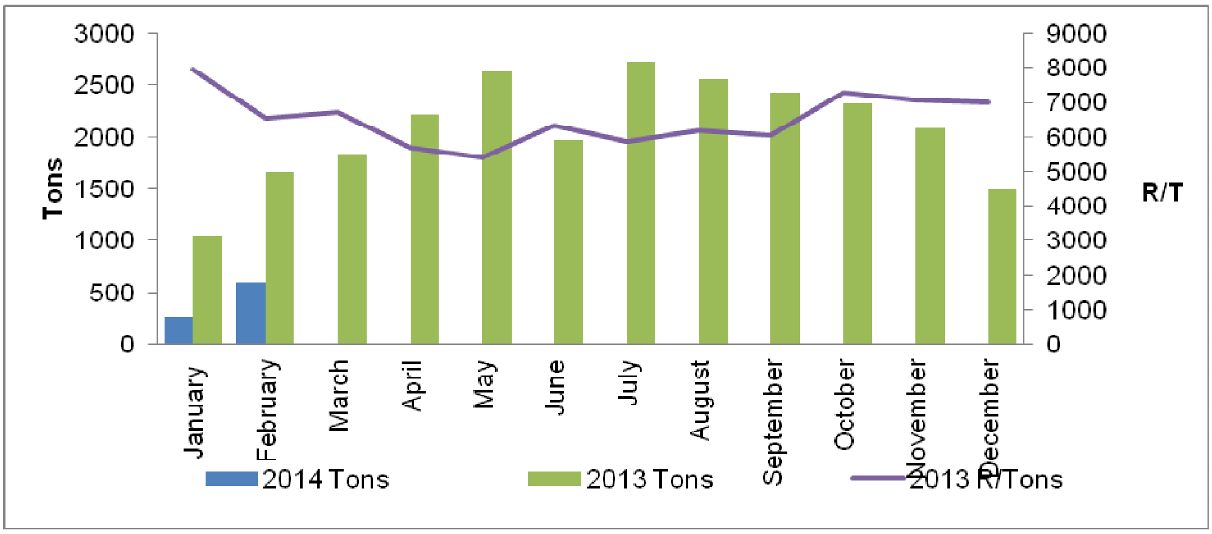

Figure 11: Domestic sales of avocado in NFPMs
Source: DAFF (2014)

3.2 Mango fruit production performance in 2013 season

Mango is one of the most important subtropical crops that is either consumed as fresh fruit or processed into fruit juice and achar. South Africa also exports mango fruit to international markets; however, the export component accounts for a very small share that is less than 5 %. **Figure 12** shows the production trend of mango fruit over a period of six years. A total volume of 48 372 tons of mangoes was produced during the 2013 production season, representing a 25 % decline from the 2012 volume of 65 131 tons. Over the past six years, mongo production has been fluctuating owing to changing weather condition. It is estimated that about 64 % of total mango production is processed, while 34 % of crop production is sold in the local market and 4.5 % is exported.

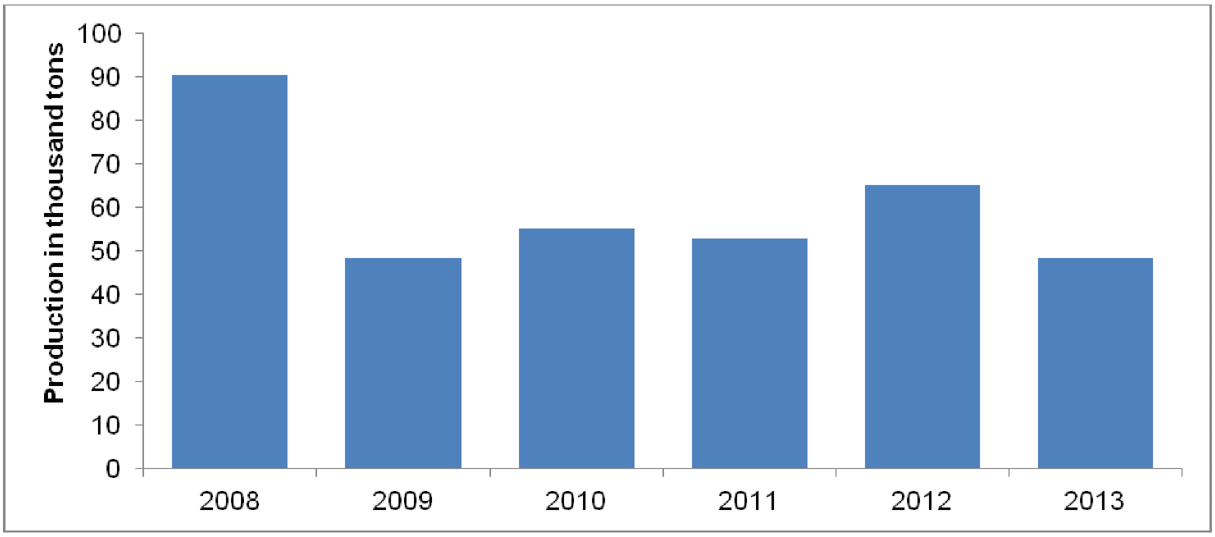

Figure 12: Mango production trends
Source: Subtrops (2014)

Figure 13 indicates the market destinations for South African mango exports in the 2013/14 season. Of the 800 tons of mangoes exported to the global market, a 59 % share went to Africa, followed by the Middle East with a 38 % share and the Indian Ocean Island with a 3 % share of total exports for the 2013/14 season. Exports to Middle Eastern markets showed a significant decline (PPECB, 2014), mainly attributed to stricter border regulations in the Middle East.

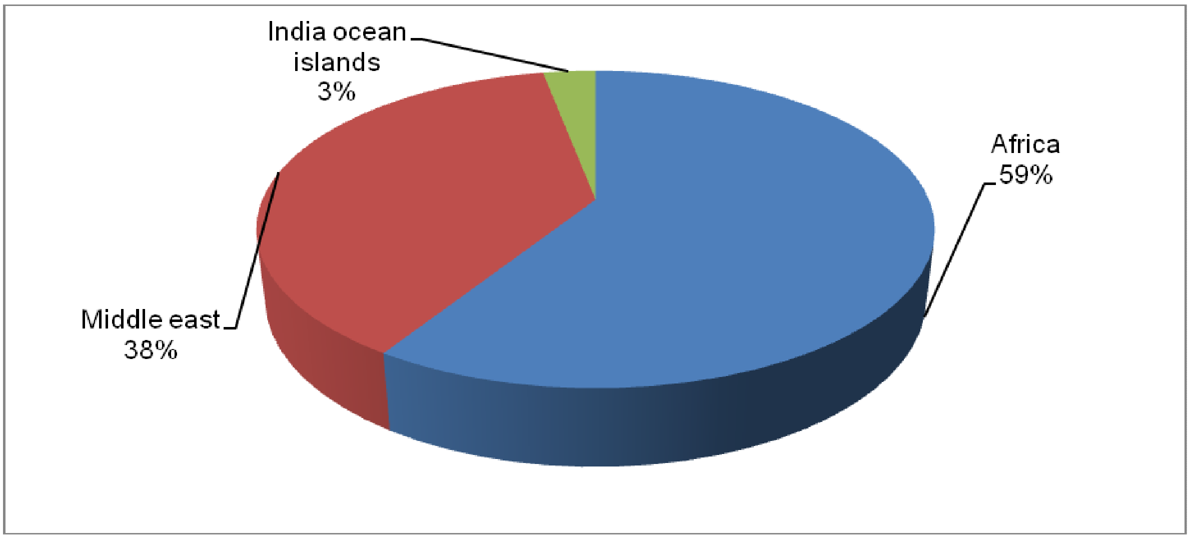

Figure 13: Market destinations for mango exports in the 2014/13 season
Source: PPECB (2014)

Figure 14 shows the quantity of mangoes consumed in the domestic market between 2013 and 2014, with prices per ton for 2013 and 2014. The domestic mango prices received in February 2014 showed a significant increase in comparison to the prices recorded in February 2013. The strong price incline in 2014 may be explained by declining volumes anticipated in 2014. The volumes received during the first two months of 2014 were far lower than the volumes received during the same months in the previous season.

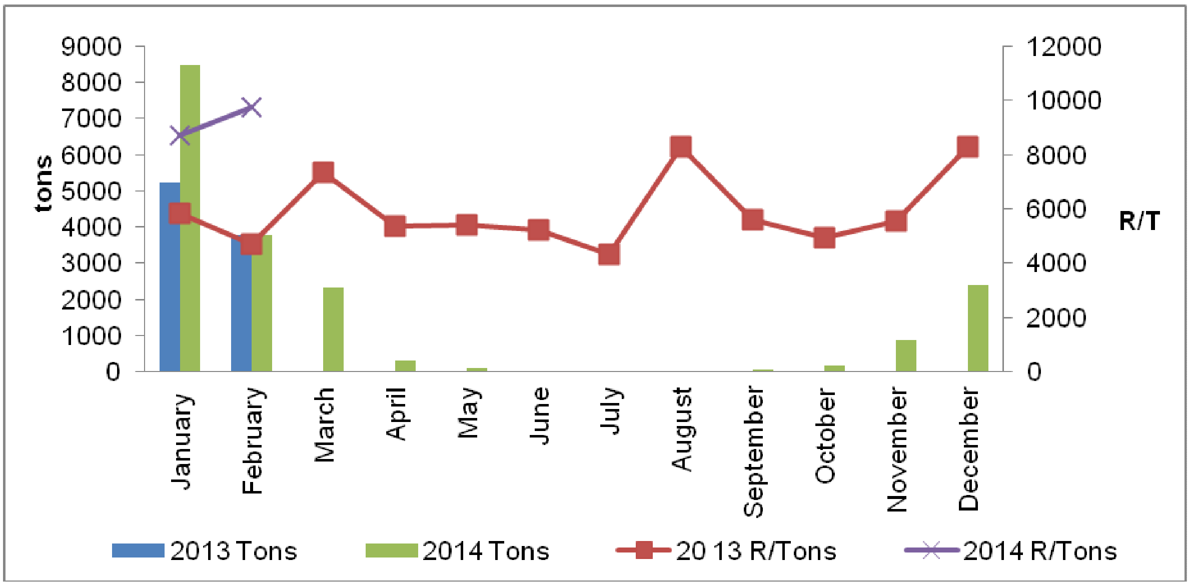

Figure 14: Domestic market sales for mangoes between 2013 and 2014
Source: DAFF (2014)

REFERENCES

CGA (Citrus Growers' Association). 2014. *Citrus fruit production and export data*. Hillcrest: Information and Market Intelligence Division.

DAFF (Department of Agriculture, Forestry and Fisheries). 2014. *Local market fruit sales data*. Pretoria: Directorate of Agricultural Statistics.

PPECB (Perishable Products Export Control Board). 2014. *Perishable product inspection and shipping seasonal data*. Cape Town: PPECB.

Subtropical Fruit Industry. 2014. *Subtropical production and export data*. Tzaneen: Information and Market Intelligence Division.

USEFUL LINKS:

Citrus Growers' Association (CGA):	www.cga.co.za
Department of Agriculture, Forestry and Fisheries (DAFF):	www.daff.gov.za
Food and Agriculture Organisation	www.fao.org/docrep/
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
Quantec	www.quantec.co.za
South African Subtropical Growers' Association (Subtrop):	www.subtrop.co.za
South African Table Grape Industry (SATI):	www.satgi.co.za

DISCLAIMER

Information contained in this document results from research funded wholly or in part by the NAMC acting in good faith. Opinions, attitudes and points of view expressed herein do not necessarily reflect the official position or policies of the NAMC. The NAMC makes no claims, promises or guarantees regarding the accuracy, completeness or adequacy of the contents of this document and expressly disclaims liability for errors and omissions regarding the content thereof. No warranty of any kind, implied, expressed or statutory, including but not limited to the warranties of non-infringement of third party rights, title, merchantability, fitness for a particular purpose or freedom from computer virus is given with respect to the contents of this document in hard copy, electronic format or electronic links thereto. References made to any specific product, process and service by trade name, trade mark, manufacturer or another commercial commodity or entity are for informational purposes only and do not constitute or imply approval, endorsement or favouring by the NAMC.

For Correspondence:

Mr Bonani Nyhodo
+27 (0) 12 341 1115
bonani@namc.co.za

Private Bag X935
Pretoria
0001