SA Fruit Trade Flow

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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. The report is released on a quarterly basis by the trade unit of the markets and Economic Research Centre.

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In this issue we cover the following topics:

Overview of pome fruit production during 2016/17

Overview of citrus fruit production for 2016/17

Overview of subtropical fruit production for 2016/17

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SOUTH AFRICAN FRUIT TRADE FLOW

Issue No. 27: September 2017

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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 report looks at pome fruit (apples and pears), citrus fruit (lemons and grapefruit), and subtropical fruit (avocadoes).*** *The main focus is on an analysis of the current season's performance of these fruits, on both the export and domestic markets, compared with the previous season. This report also assesses the global production of these fruits, giving a perspective on South Africa's production and export rankings (as a share of global production and exports).*

2. Overview of Pome fruit production for the 2016/17 season

Pome fruits consist of different fruit types including apples, pears and quinces. The focus of this report is on the 2016/17 production season for apples and pears. The next sections provide a detailed performance analysis of the aforementioned products from a global and national perspective.

2.1 Preview of pome production for the 2016/2017 season

2.1.1 Global production of pome fruit for the 2016/17 season

Figure 1 highlights the total production of pome fruits (apples and pears) produced in the world, over the past five (5) years. World apple and pear production in 2016/17 amounted to a total of 77.2 million and 25.3 million metric tons respectively. China was the world's largest producer and consumer of apples, at 43. 5 million metrics and 37.8 million tons in 2016/17 with notable production growth of 2.1% from the previous season. The increase was attributed to additional bearing trees. The European Union was the second largest producer with 12.3 million metric tons, followed by United States and Turkey with a volume of 4.6 million metric tons and 2.7 million tons respectively.

With regards to pear production in the world market, China was ranked at first place in terms of production and consumption for the 2016/17 season. China estimated to produced 19.3 million metrics, followed by EU and US with value of 2.2 million metrics tons and 707 thousand metric tons for the current season.

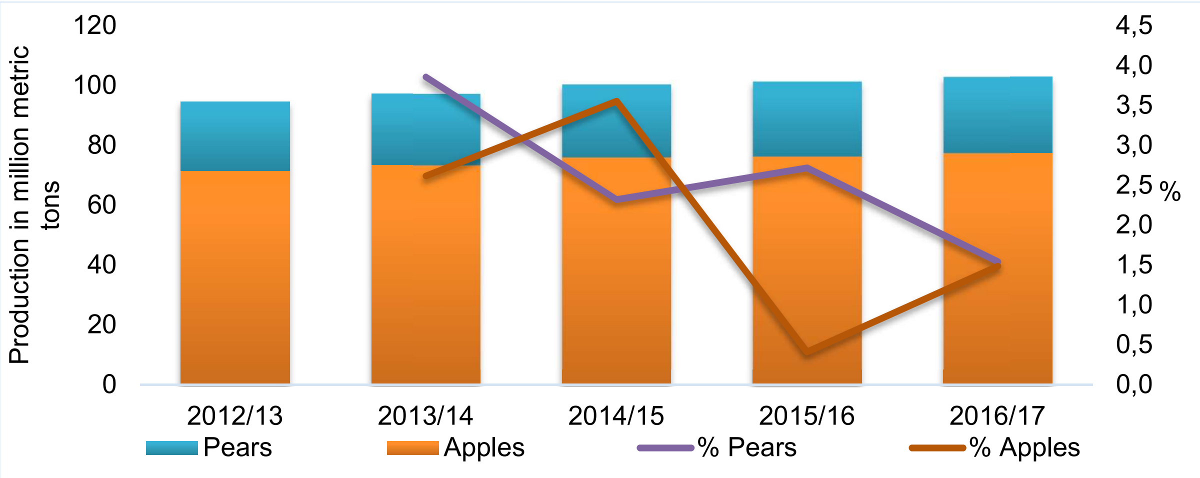

Figure 1: Global production of pome fruit between 2012/13 and 2016/17
Source: USDA (2017)

2.1.2 Global Pome fruit trade for the 2016/17 season

Figure 2 presents the world exports of pome fruits (apples and pears), over the past five years. The world exports of pome fruits in the 2016/17 period was about 8.3 million metric tons, while apples and pears constituted about 6 589 tons and 1.7 million metric tons, respectively. The European Union was the largest exporter of apples, at 1.5 million metric tons, while China was the largest exporter of pears, at a volume of 480 thousand metric tons, in 2016/17. South Africa was ranked fifth in world exports of apples (34%) and ranked fourth in world exports of pears (54%).

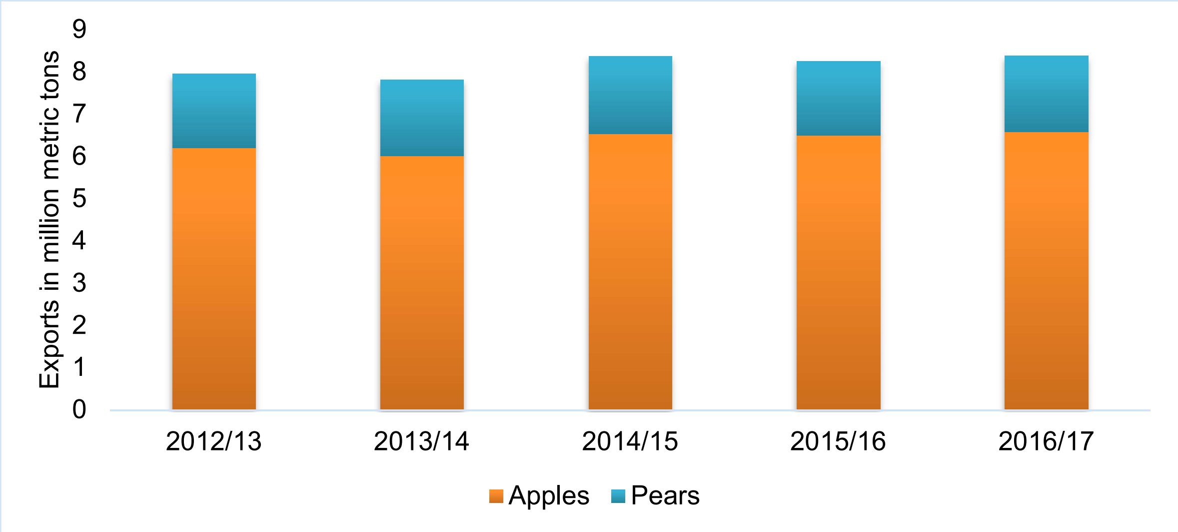

Figure 2: Global exports of Pome fruit
Source: USDA (2017)

Figure 3 highlights the world imports of pome fruits, over the past five (5) years. World imports of pome fruits increased from 7.6 million metric tons in 2012/13 to 7.8million metric tons in 2016/17. Russia and Belarus were the largest importers of apples, with share volumes of 11.6% and 8.8%, respectively. On pear imports, the European Union and Russia were ranked as the world's largest importers, with share volumes of 16.4% and 14.6%, respectively.

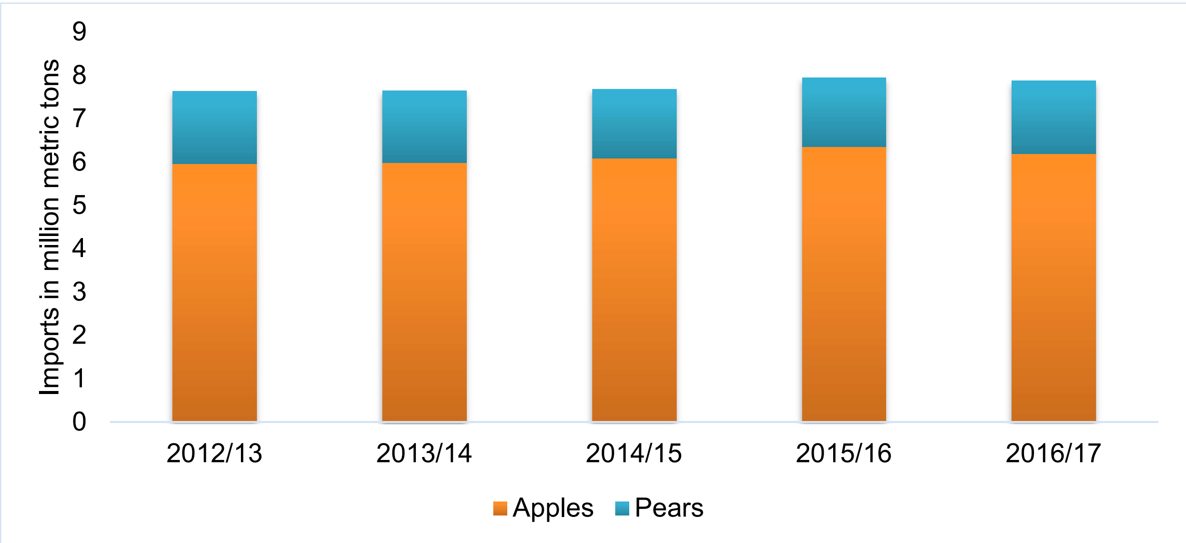

Figure 3: Global imports of Pome fruit
Source: USDA (2017)

2.1.3 South Africa's Pome industry overview, 2016 season

Figure 4 shows the production trend of pome fruits (apples and pears) over the past ten years. It can be observed that the volume of pome fruit production was dominated by apples, with a volume share of 67.6%, while pears constituted about 32.4% of production during the 2016 season. The production of both apple and pears has been fluctuating under reviewed period, and apples achieved large production volume in 2015, at 924 thousand tons, while 432 tons of pears were produced in 2016. Between 2007 and 2016, South Africa's apple production had a positive growth by volume of 27%, while pear production had a growth by volume of 24.9%.

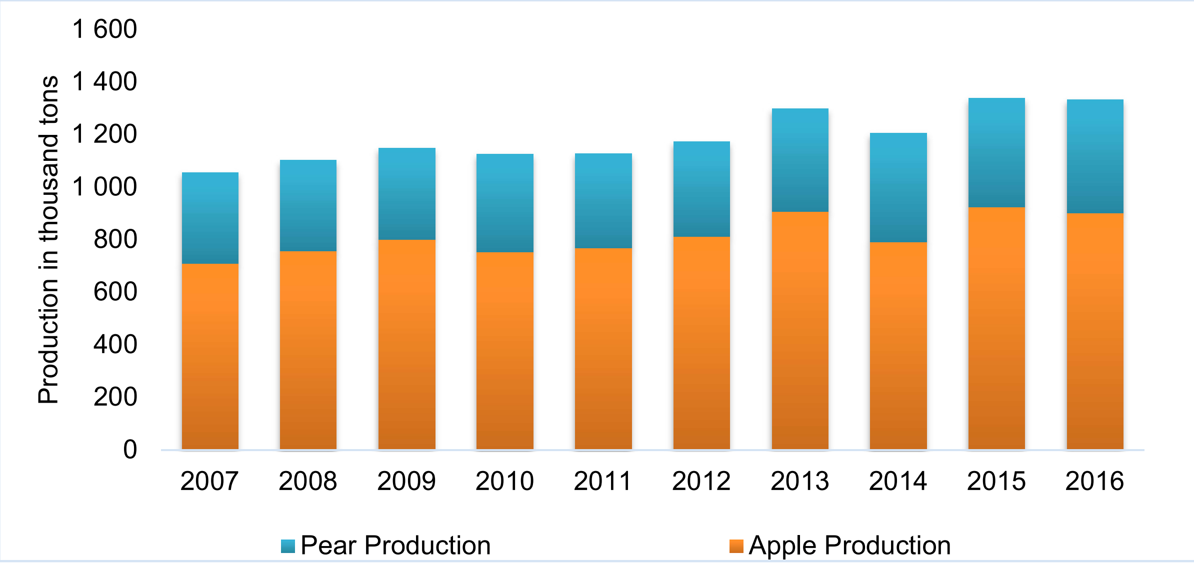

Figure 4: South Africa's pome production
Source: Hortgro (2017)

Table 1 highlights the pome fruit inspected and passed for exports between 2014 and 2017. It has been reported that the 2017 estimates of apples and pears are 31 million cartons (1 carton = 12.5 kg) and 17 million cartons, respectively. It has been observed that both estimates have declined comparing with the 2016 inspection and fruit passed for exports in 2016. The decline is mainly attributed to the unfavourable weather conditions that contributed towards water shortage in the Western Cape where pears and apple production are predominant.

Table 1: South Africa pome fruit inspected and passed for exports

	2014	2015	2016	2017 estimates	2016 inspection vs 2017 estimate
Apples	27 127 687	33 063 328	34 063 266	31 574 378	-7%
Pear	16 248 989	15 360 718	17 775 364	17 121 185	-4%
Total	43 376 676	48 424 046	51 838 630	48 695 563	-6%

Source: Hortgro, 2017

Figure 5 shows the main export destinations for South Africa's apples exported in 2017. It can be seen that the larger share of South Africa's exports was destined for the Africa, with a 30% and Nigeria dominates most of apples were destined to africa (ITC, 2017). The Far East & Asia was second largest market, with a share of 29%, followed by the United Kingdom (19%) and Middle East (8%) .

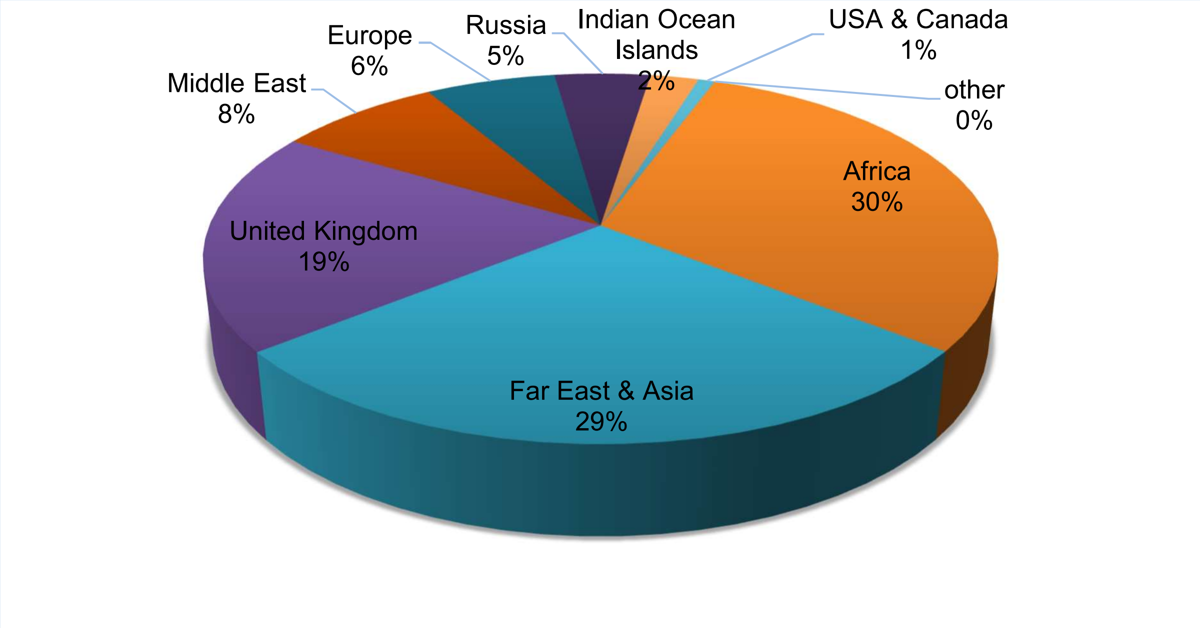

Figure 5: South Africa's main destinations for apples
Source: Hortgro (2017)

Figure 6 highlights South Africa's main export destinations for pears during the 2017 production season. Of the total pears exported to the global markets, 38% was exported to Europe, followed by Middle East with a 19% share, and the Far East and Asia with an 16%.

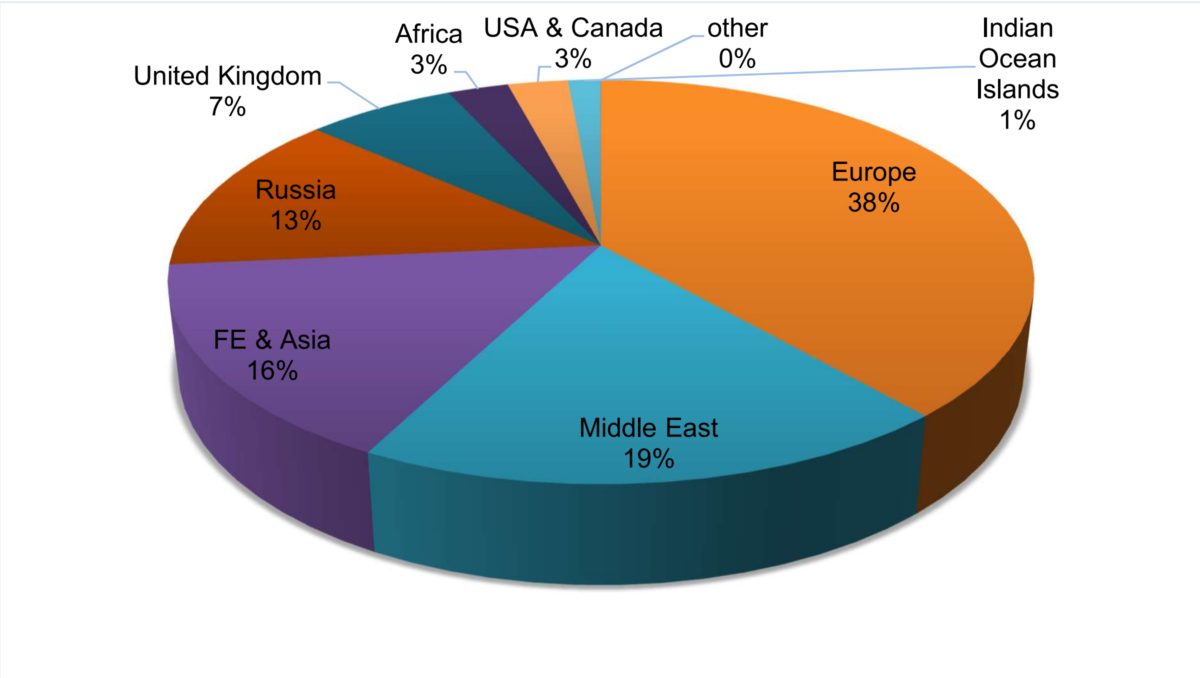

Figure 6: South Africa's main destinations for pears
Source: Hortgro (2017)

Figure 7 highlights the quantities and price trends of South Africa's apples sold in the national fresh produce markets (NFPMs) for 2016 and 2017. In 2016, about 159 296 tons were sold in the NFPMs, with the highest monthly figure of 15 007 tons being recorded in April, and in 2017 (Jan–Sep) 103 503 tons were sold in the national fresh produce markets, with a peak of 15 507 tons sold in May. However, the average prices for 2016 and 2017 have been almost the same, with a total average price for 2016 (Jan-Sep) of R52 201 per ton, as compared with R51 967 per ton in 2017.

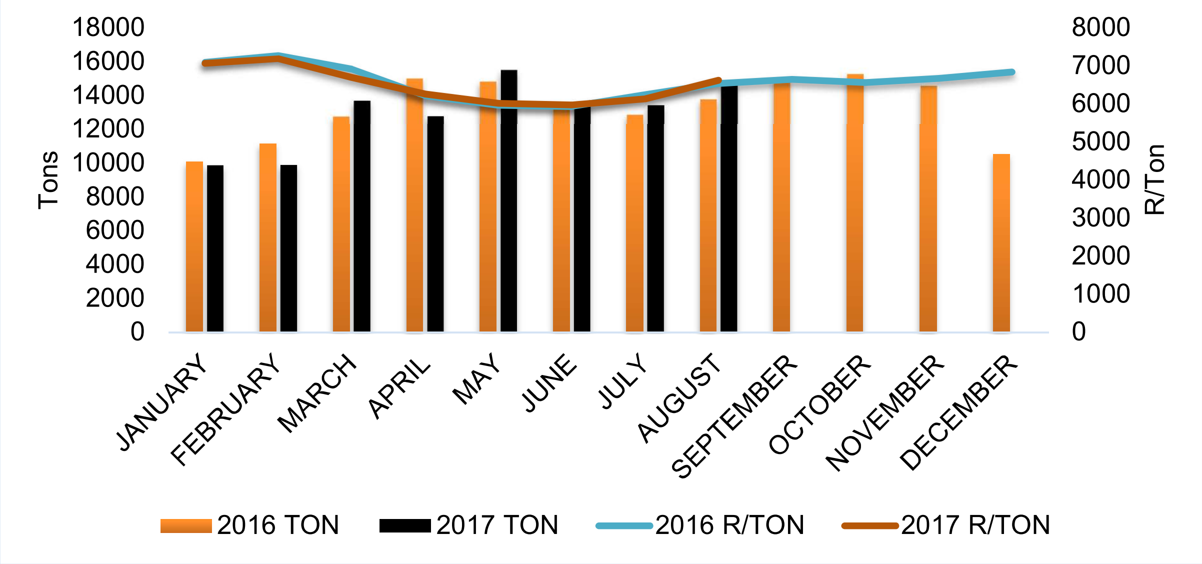

Figure 7: Domestic market sales of apples, 2016–2017
Source: Hortgro (2017)

Figure 8 highlights the domestic consumption of pears and the price trends for 2016 and 2017 (Jan–Aug). About 42 723 tons were sold in the national local markets in 2016, while 31 180 tons were sold in 2017 (Jan–Aug). The highest volume of pears sold in the NFPMs was achieved in May 2016, at a volume of 4 865 tons, and 4 974 tons were sold in March 2017. The price trends for 2016 and 2017 followed the same trends, although the 2017 price trends were slight higher. The total average price for 2016 (Jan–Sep) was R3 161 per ton, as compared with R3 291 per ton in 2017

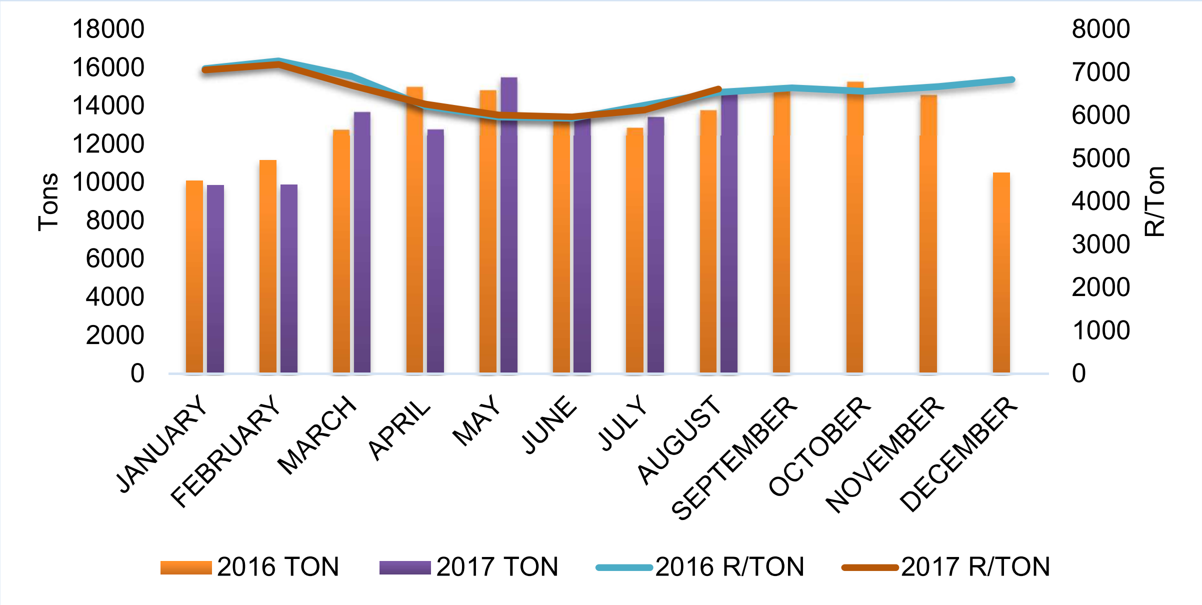

Figure 8: Domestic market sales of pears, 2016–2017
Source: Hortgro (2017)

3. Overview of citrus fruit production for the 2016/17 season

The citrus fruit industry comprises the production of fruits such as oranges, lemons, grapefruit and soft citrus. The focus of this report is on the lemon and grapefruit production seasons. The next sections provide a detailed performance analysis of the aforementioned products from a global and national perspective.

3.1 An overview of global of the 2016/17 production season for citrus fruit

Figure 9 shows the global production of lemons and grapefruit between the 2012/13 and 2016/17 seasons. Both fruit products are currently holding shares of 7.8% and 6.5%, respectively, of the total global citrus production. Estimated production of lemons and limes was at 7.2 million metrics tons in 2016/17 season, with Mexico as the largest producer. For the 2016/17 season, Mexico produced a total of 2.4 million metric tons, with 57% being consumed in the local market. The European Market was ranked as the second largest producer and the largest consumer of lemons and limes during 2016/17. The EU produced a total of 1.5 million metric tons, followed by Argentina, the United States and Turkey, with shares of 18%, 10% and 10%, respectively, for the 2016/17 season.

Globally, about 5.9 million metric tons of grapefruit were produced, with China being the leading producer in 2016/17. China produced a total of 4 million metric tons, followed by the United States, Mexico and South Africa, with shares of 10%, 7% and 6%, respectively, during 2016/17 season.

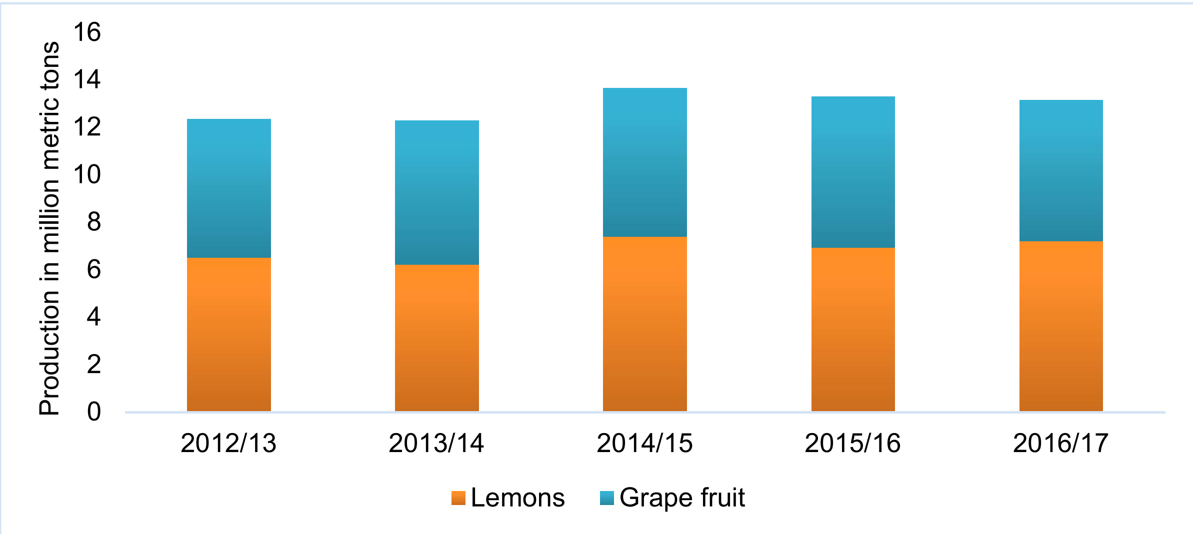

Figure 9: Global production of grapefruit, lemons &limes
Source: USDA (2017)

Figure 10 shows global exports of grapefruit and lemons, with totals of 756 thousand metric tons and 1.9 million metric tons, respectively, during the 2016/17 season. In terms of exports of lemons and limes, Mexico was the leading exporter with the total of 680 thousand metric tons, followed by the EU and South Africa, with totals of 494 thousand metric tons and 270 thousand metric tons, respectively, in the 2016/17 season. For grapefruit, South Africa was the leading exporter with a total of 235 thousand metric tons, followed by China and Turkey with totals of 170 thousand metric tons and 126 thousand metric tons, respectively.

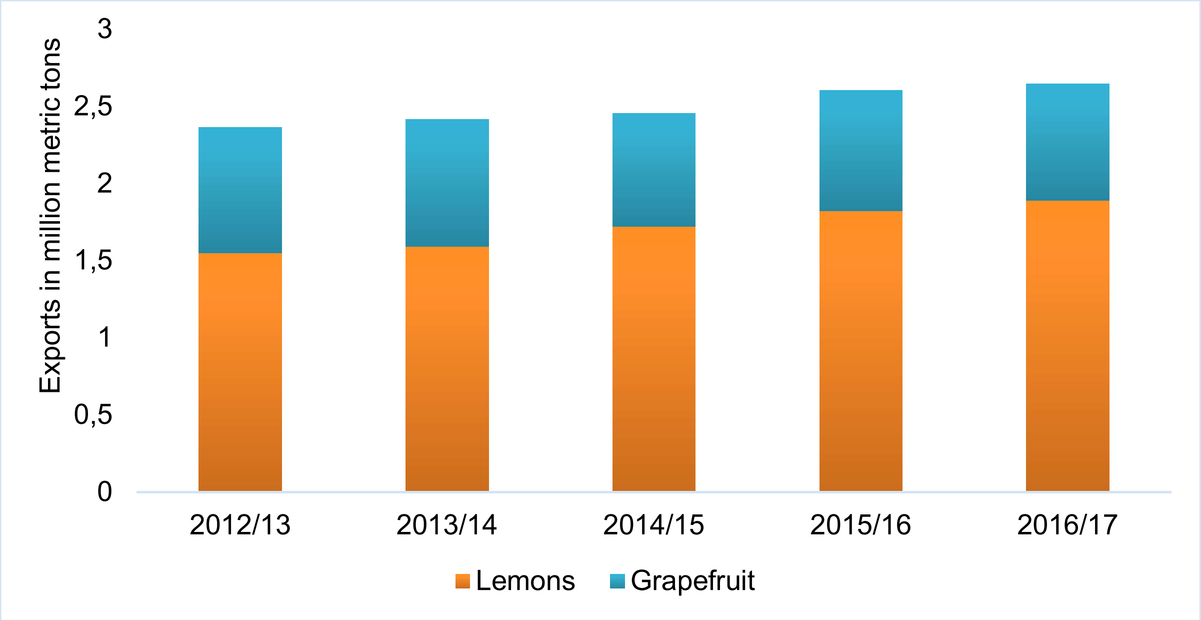

Figure 10: Global exports of grapefruit, lemons & limes
Source: USDA (2017)

Figure 11 shows global imports of grapefruit and lemons & limes, with totals of 688 thousand metric tons and 1.8 million metric tons during 2016/17. In terms of lemons & limes exports, the United States was the leading importer with the total of 685 thousand metric tons, followed by the EU and Russia, with totals of 450 thousand metric tons and 210 thousand metric tons, respectively, in 2016/17. For grapefruit, the EU was the leading importer with the total of 350 thousand metric tons, followed by Russia and Japan with totals of 110 thousand metric tons and 75 thousand metric tons, respectively.

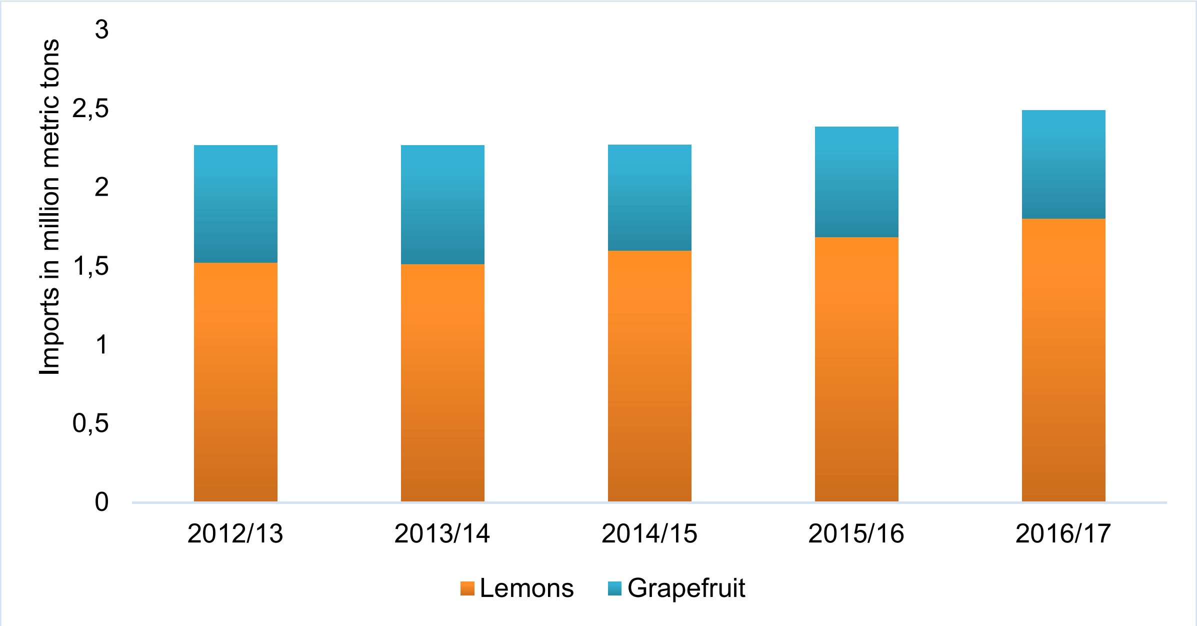

Figure 11: Global exports of grapefruit and lemons & limes
Source: USDA (2017)

3.2 An overview of the South African 2016/17 production season for citrus fruit

Table 2 shows production estimates for lemons and grapefruit for the 2017 season, which started by the end of March. Lemons and grapefruit production was estimated at about 17.5 million cartons and 15.6 million cartons, respectively, by the end of March. It is observed that lemons production has improved slightly from the latest projection to the amount of 18.8 million cartons. This was mainly attributed to improvements resulting from favourable weather conditions, as well as from managing post-harvest losses. The grapefruit production remained the same, compared with the original estimate.

Table 2: South Africa's inspected fruit estimates of Lemons and Grapefruit per region

	Original Estimate		Latest Projection	
	Lemons	**Grapefruit**	**Lemons**	**Grapefruit**
S R valley	8 000 000	226 667	7 750 000	226 667
Senwes	3 610 000		3 651 000	
Letsiteale	220 000	4 533 333	359 788	4 307 347
Western Cape	700 000		724 856	
Hoedspruit	830 000	4 129 867	1 326 409	4 046 000
Patensie	720 904	226 667	900 000	226 667
Nelspruit	600 000		838 912	
Limpopo	370 000	1 275 000	432 200	1 355 467
Boland	1 200 000		1 220 000	
Onderberg	40 000	2 582 396	40 000	2 550 898
E. Cape Midlands	490 000		518 000	
Orange River	172 810	1 199 342	172 810	1 331 667
Nkwalini	230 000	809 200	301 744	931 600
S. KZN	222 000		290 000	
Pongola	95 000	210 800	113 000	228 933
Vaal harts	30 000		43 360	
Other				
Zimbabwe		164 333		164 333
Swaziland		312 313		292 400
Total	**17 530 714**	**15 669 917**	**18 682 079**	**15 661 979**

Source: Citrus Growers' Association

Figure 12 represents fruits inspected and passed for exports between 2015 and 2017 for all the markets. It is observed that from week 12 of 2017, the grapefruit inspected and passed for exports increased until week 21, as compared with the instabilities of 2016 and 2015. Week 21 registered the highest volume of 1.3 million cartons (1 carton= 17kg), rising from 1.2 million cartons in 2016 and 1.1 million cartons in 2015. Overall, the weekly fruit inspected and passed for exports in 2017 amounted to 11.6 cartons, which was much lower than in the previous years. This lowest volume of grapefruit inspected and passed for exports is mainly attributable to the drought that affected citrus production, that hit the country's 2015 production season. The effects were only reported in the 2016 season in terms of the crop harvested during the 2016 season.

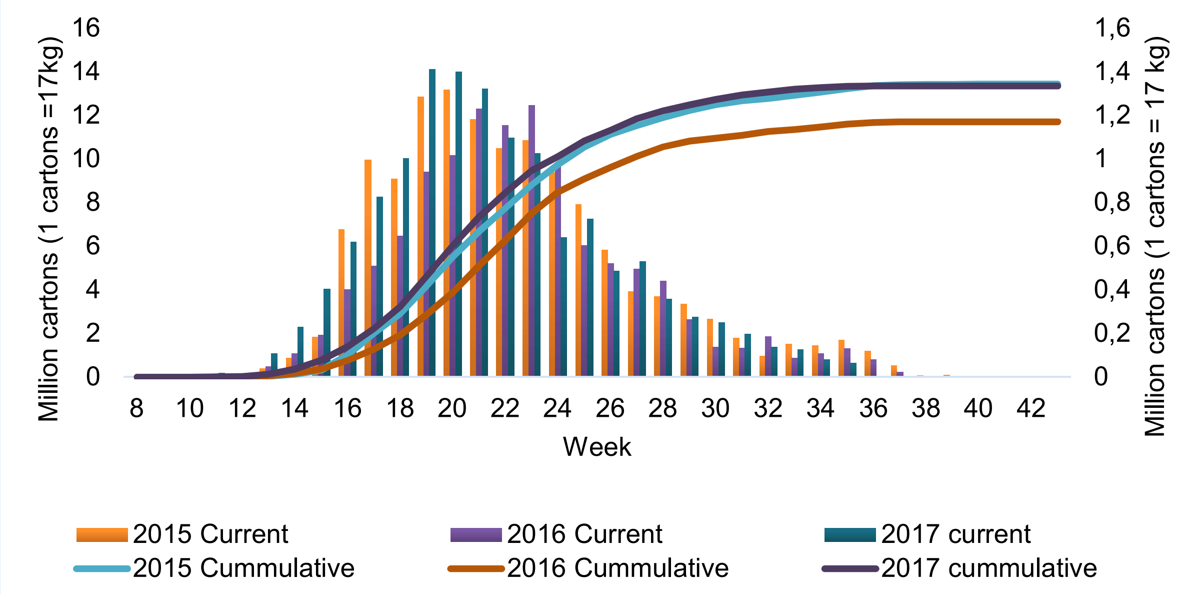

Figure 12: Grapefruit inspected and passed for current and previous seasons
Source: PPCEB (2017)

Of its total production, South Africa is estimated to export a total of 62% to world markets. According to **Figure 13**, for the current season, the volumes of grapefruit were distributed in different markets, with the Europe Union holding a large share of 42%. Asia market comprised the second largest market destination, with a share of 23%, followed by South East Asia, the Russia Federation and the United Kingdom, with shares of 14%, 8% and 5%, respectively, for the 2017 season.

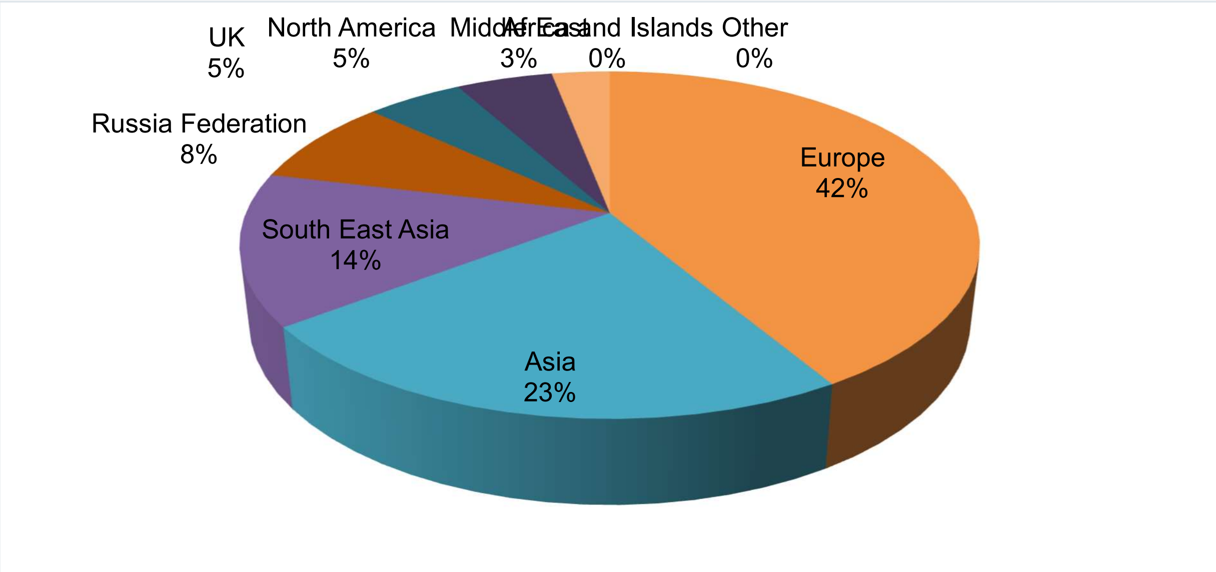

Figure 13: Main destination of grapefruit for 2017 season (YTD)
Source: PPCEB (2017)

Figure 14 reflects the lemons inspected and passed for exports between 2015 and 2017. It is observed that the lemons passed for exports amounted to 18.4 million cartons, and this was an improvement, compared with previous season. In looking at the lemons passed for export on a weekly basis, instability is seen, although performance is seen to be better when comparing the two seasons. Week 22 of 2017 registered the highest lemon crop passed for exports of 1.3 million cartons, compared with 755 thousand cartons in the 2016 season and 910 thousand in 2015.

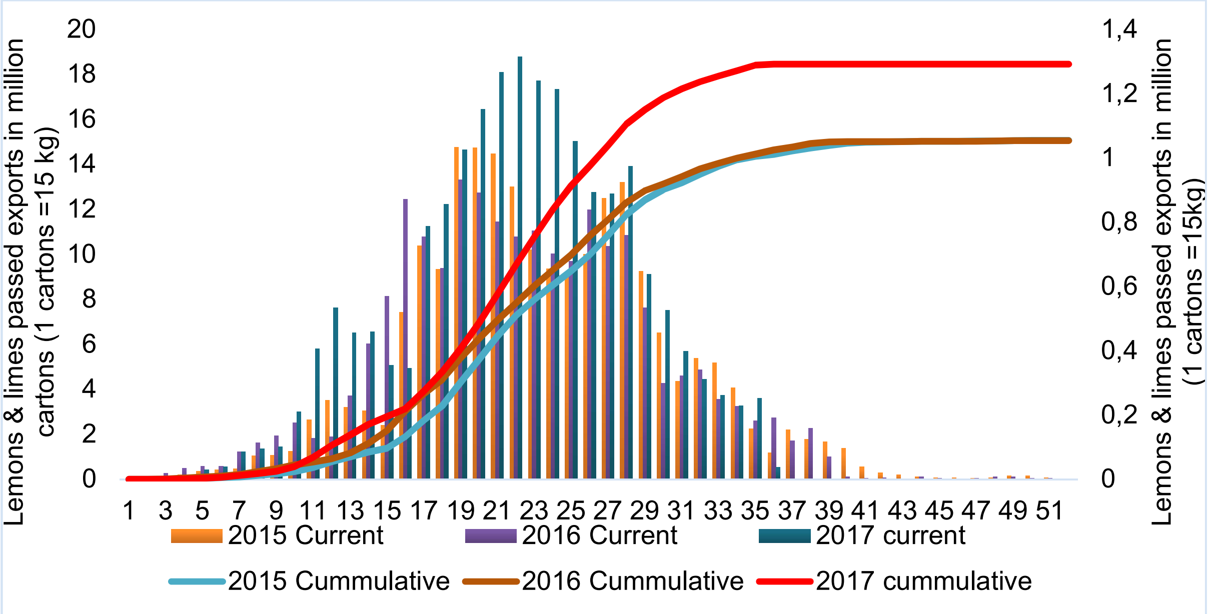

Figure 14: Lemons and limes inspected and passed for current and previous seasons
Source: PPCEB (2017)

Of its total production, South Africa estimated to export a total of 70% to world markets. According to **Figure 15**, of the 18.6 million cartons exported, the Middle East held the largest share of 39% for 2017. The EU was the second largest market destination with the share of 21%, followed by South East Asia, the Russian Federation and the United Kingdom, with shares of 15%, 11% and 8%, respectively, for the 2017 season.

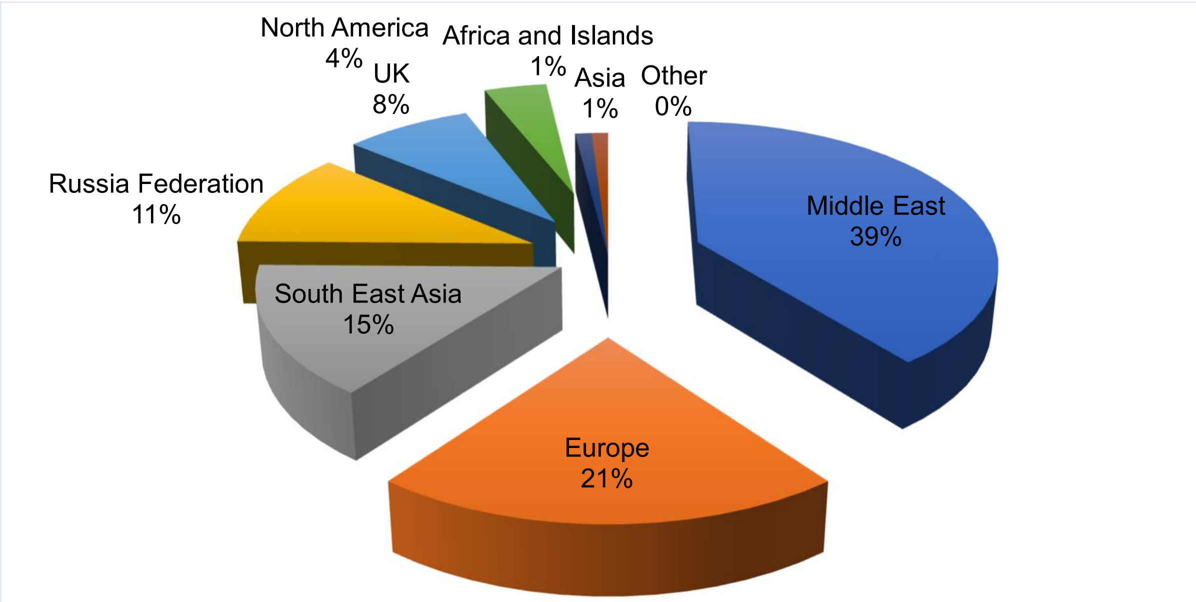

Figure 15: Main destination of Lemons and limes for 2017 season (YTD)
Source: PPCEB (2017)

Figure 16 shows quantities supplied to, and price movements in, the National Fresh Produce Markets (NFPMs) between 2016 and 2017. DAFF reported that about 3 613 tons were supplied to NFPMs in 2016, which amount was lower than the 7 757 tons supplied in 2017. It is noted that the supply to the local market has improved, as compared with previous supplies, and this is mainly attributable to improvements in the production of grapefruit. In the terms of price movement, July 2017 registered the lowest price of R3 079 per ton, and this was lower than the price for the year by 15 cents. The decline in the price resulted from the highest supply to the local market of 1 885 tons.

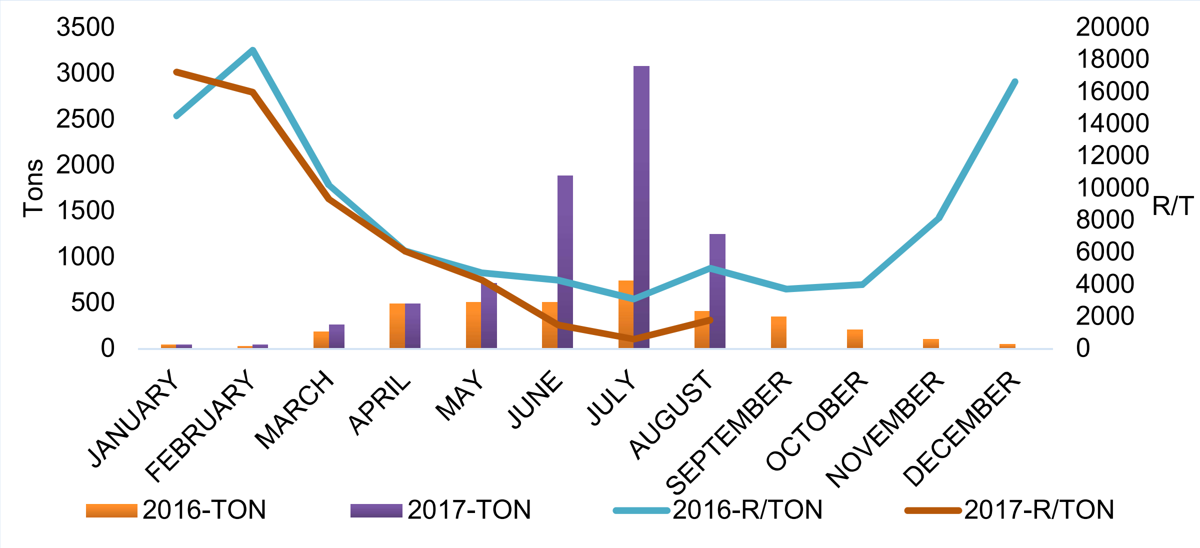

Figure 16: Grapefruit sold in the local market
Source: DAFF (2017)

Figure 17 reflects the quantities supplied and price trends of lemons between the 2016 and 2017 season. DAFF reported that about 15 355 tons were supplied to NFPMs in 2016, which was higher than the 11 202 tons in 2017. In terms of price movement, July 2017 registered the lowest price of R5 550 per ton, which was lower than the price for the year by R2 346 per ton.

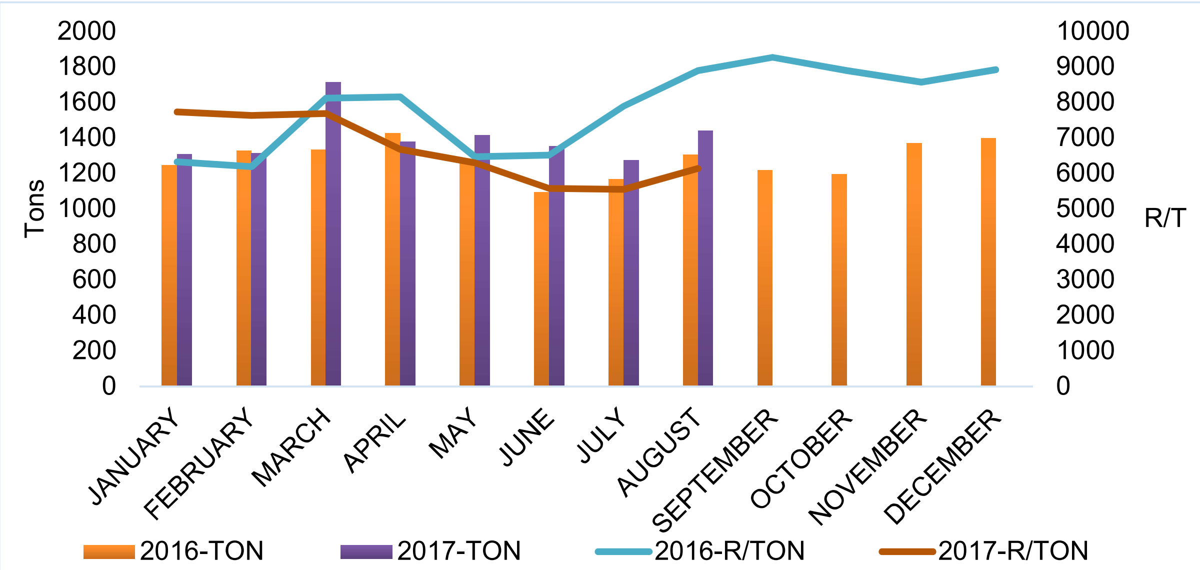

Figure 17: Lemons and limes sold in the local market
Source: DAFF (2017)

4. Overview of subtropical fruit production for the 2016/17 season

The subtropical fruit industry comprises the production of fruits such mangos, avocados, macadamia nuts and litchis. The focus of this report is on the avocado production from a global and national perspective.

4.1 A preview of South Africa avocado production for 2016/17 season

Avocado production in South Africa is concentrated mainly in the warm subtropical areas of the Limpopo and Mpumalanga provinces in the north east of the country, between latitudes 22^0 S and 25^0 S. South Africa's avocado season extends from mid-March to September. Due to climatic variability between growing regions, most of the major cultivars are available over an extended period during the season (SAAGA, 2017).

Figure 18 depicts the production trends for avocado over a period of eleven years (2005–2016). The production of avocado during the period under review was reflected as irregular, with the highest value attained in 2015, at 98 thousand tons, and the lowest value in 2011, at 64 thousand tons. The Avocado Growers' Association has reported that of the total production of avocadoes, about 45% is exported to world markets, 21% is sold in the local fresh produce markets, and the rest is sold informally to retailers such as Guacamole oil.

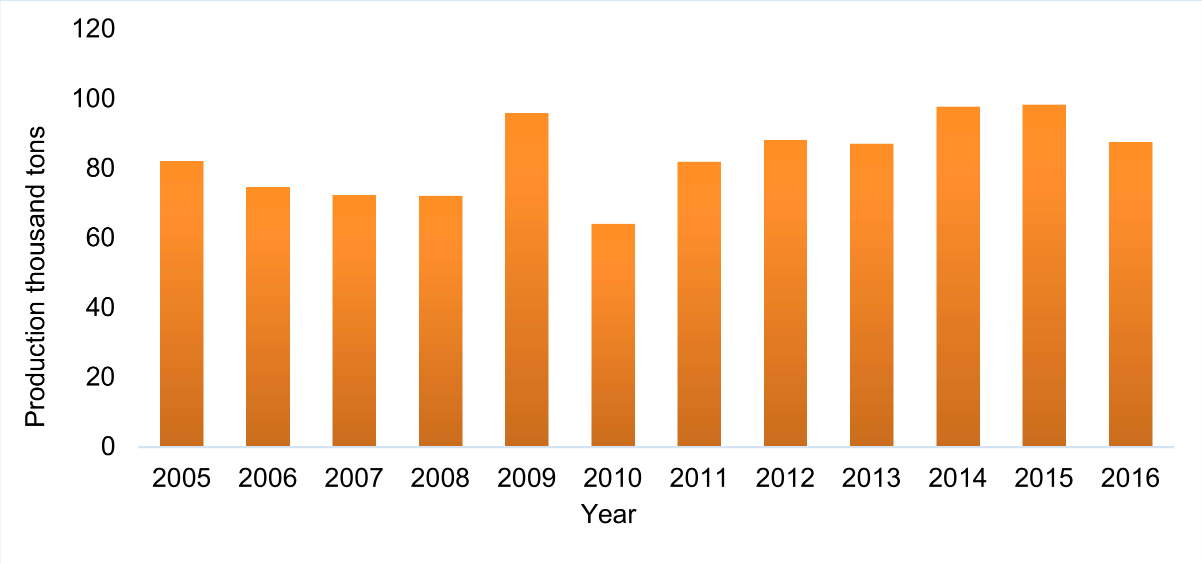

Figure 18: South Africa's avocado fruit production in tons
Source: Subtrops (2017)

Figure 19 shows South Africa's avocado fruits which were passed for exports in the seasons between 2005 and 2015. The highest export quantities were achieved in the 2014 season, at 150 million cartons. The lowest quantities were reported in the 2011 season, at 6.9 million cartons.

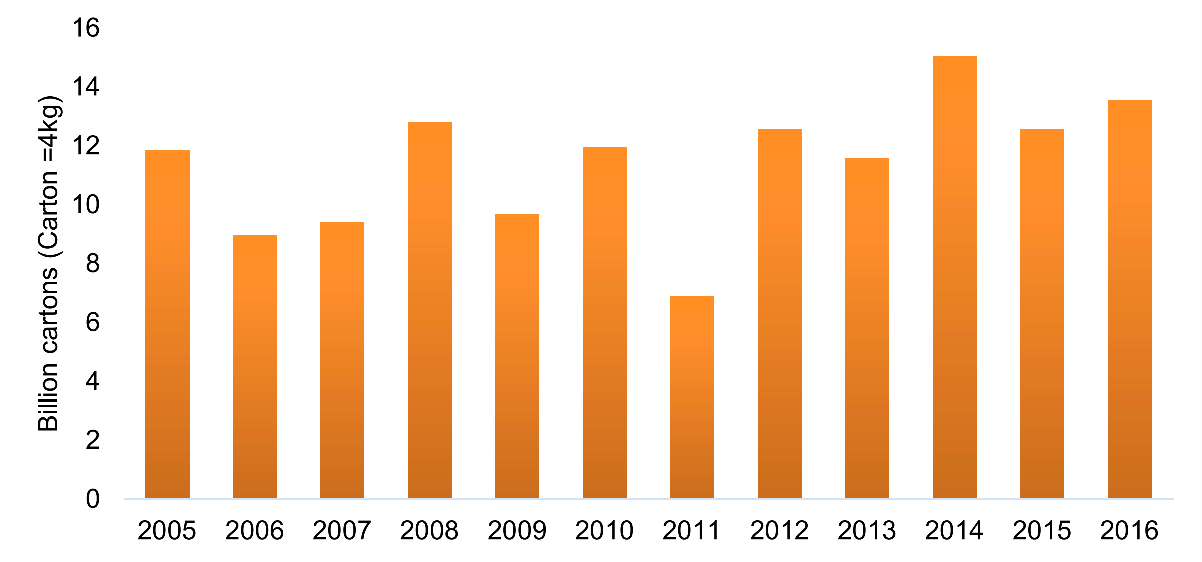

Figure 19: South African avocados passed for exports
Source: Subtrops (2017)

Of the avocadoes passed for exports, the European market held a share of 74%, thus being South Africa's largest export destination for 2016/17. According to **Figure 20**, the United Kingdom was ranked as the second largest market for avocadoes, with a share of 21%, followed by Asia and Russia, both with a 1% share for the 2016/17 season.

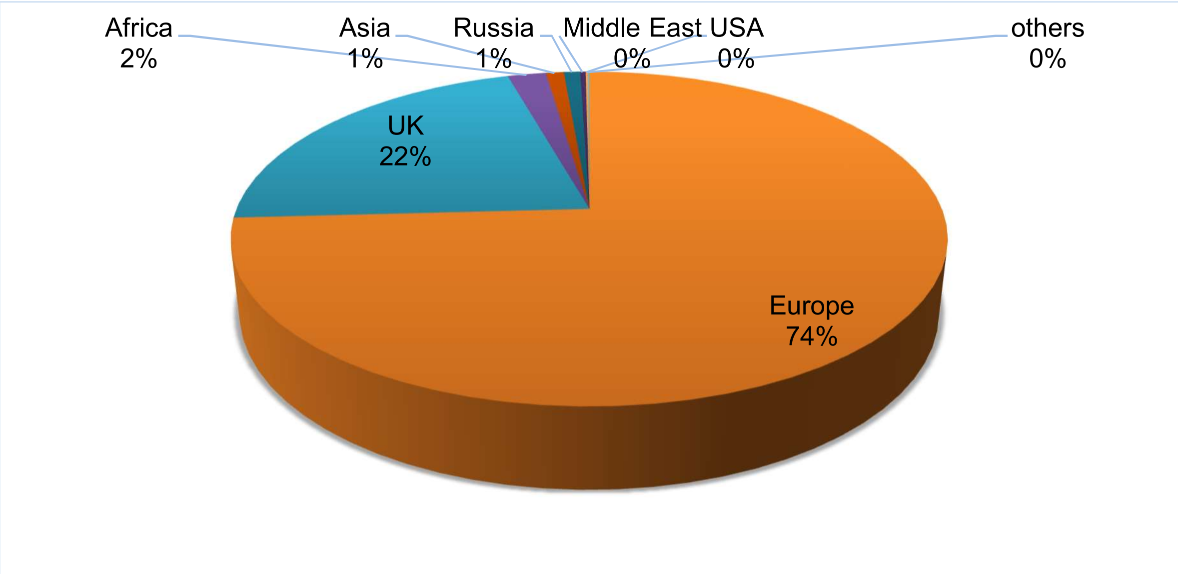

Figure 20: Market destination for avocadoes
Source: Trademap, 2017

Figure 21 shows the price trends and the quantities supplied of avocadoes to the NFPMs between 2016 and 2017. In August 2016, a total of 18 948 tons was supplied to the local markets, which was much higher than 14 815 tons supplied by August 2017. In terms of price movements, the lowest occurred during March (R 9 110 per ton), which was much lower than the price of 2016. It is observed that prices were not stable in the local market, as determined by quantity supplied in the local market. To substantiate this statement, the prices of avocadoes after July in the local market are seen to increase, due to a decrease in the supply of avocadoes.

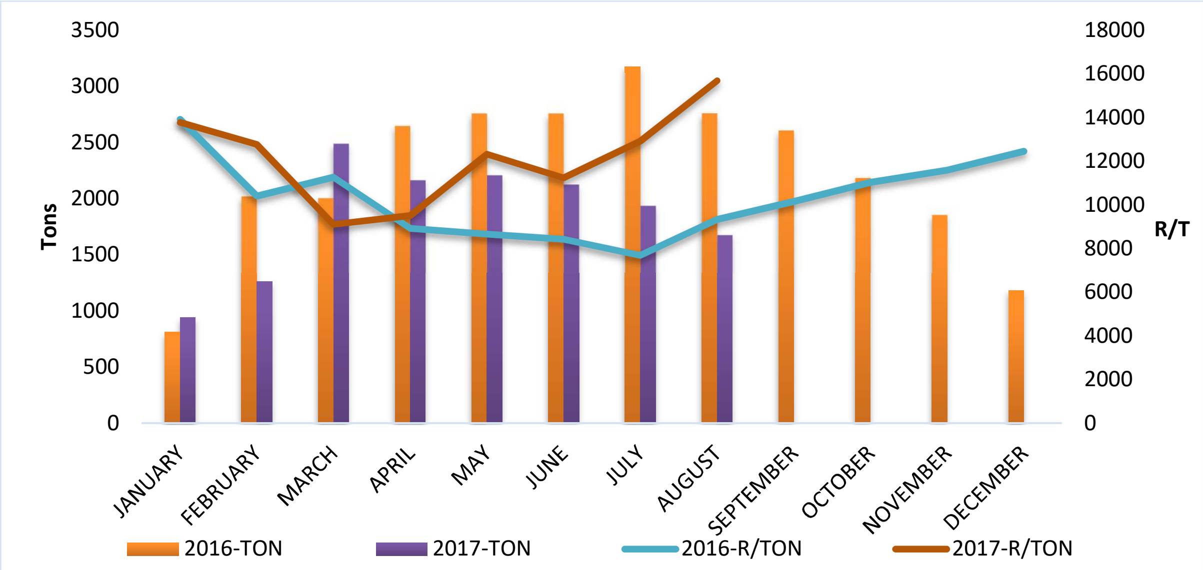

Figure 21: Avocadoes sold in the local market
Source: DAFF (2017)

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Hortgro. 2017. *Pome fruit production and export data*. Paarl: Information and Market Intelligence Division.

Subtrops. 2017. *Avocado production and export data*. Tzaneen: Information and Market Intelligence Division.

USDA. 2017. World markets and Trade: Citrus fruit and Deciduous fruit) Washington D.C: Research division

USEFUL LINKS

Bureau for Food and Agricultural Policy (BFAP)	www.bfap.co.za
Citrus Growers' Association (CGA)	*www.cga.co.za*
Department of Agriculture, Forestry and Fisheries (DAFF)	*www.daff.gov.za*
Food and Agriculture Organisation (FAO)	*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 (SATGI)	*www.satgi.co.za*

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