National Agricultural Marketing Council

Promoting market access for South African agriculture

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SA Fruit Trade Flow

SOUTH AFRICAN FRUIT TRADE FLOW

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South Africa's diverse weather and climatic conditions allow for the cultivation and production of 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 table grapes, cherry and guavas. The main focus is on 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 table grape season 2014/2015

2.1. Global table trade production and exports

The USDA (2015) estimates a total crop of 20.5 million metric tons of table grapes for the 2014/2015 season, which is an increase of 2% from the previous season. The USDA (2015) furthermore reports that both production and consumption growth in the global market are driven by China. **Figure 1** shows the world top producers of table grapes over the past five seasons, with China as the leading producer of table grapes among the producing countries. In the current season, China is estimated to produce a total of 9 million metric tons, which is equivalent to a 44% of the global production share. The growth is mainly attributed to favourable weather conditions, low labour costs and high input levels, allowing for an increase in grape plantations in China. India was the second largest producer of table grapes in the 2014/2015 season, with steady growth reaching a total volume of 2.5 million metric tons. Turkey, the EU and Brazil are among the top five producers of table grapes, with a share of 9%, 8% and 6% respectively for the 2014/2015 season.

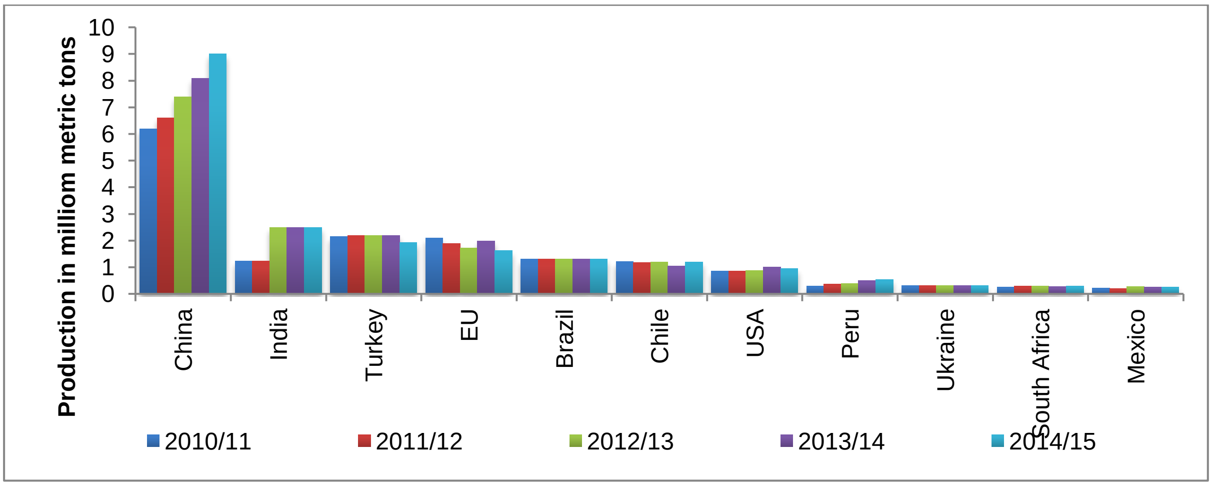

Figure 1: Main global producers of table grapes
Source: USDA (2015)

Global exports of approximately 2.7 million tons are estimated for the 2014/2015 season, equivalent to 14% of the world's table grape production. Global grape exports show an increase of 3% compared to the previous season, fuelled by an increase in exports originating from Chile, Peru and South Africa. **Figure 2** shows Chile as the largest exporter of table grapes, with a total of 825 000 metric tons for the 2014/2015 season. The USA is listed as the second largest exporter with a total volume of 400 000 metric tons, followed by Peru with a total volume of 290 000 metric tons and South Africa with total a volume of 275 000 metric tons for the 2014/2015 season.

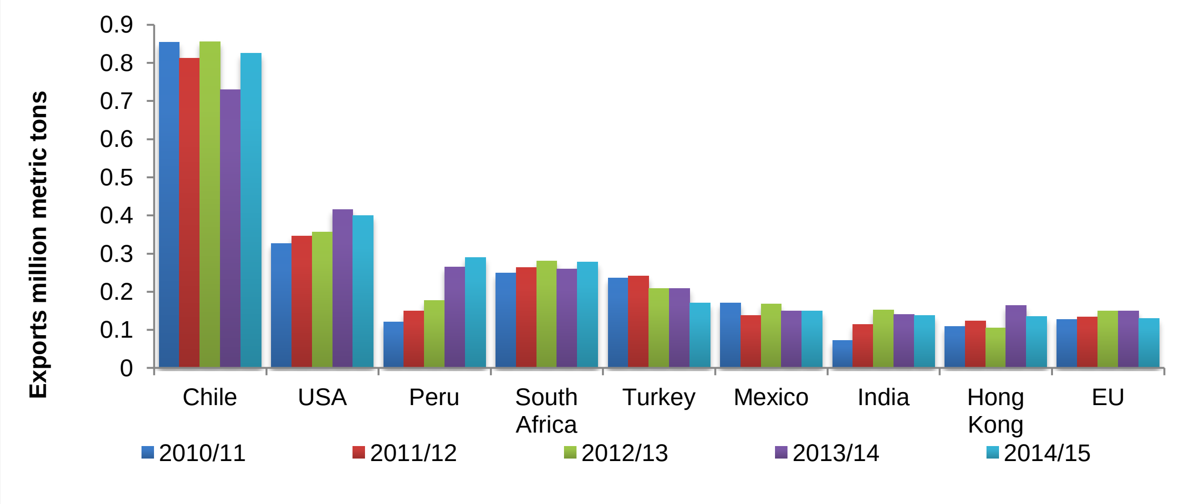

Figure 2: Main global exporters of table grapes
Source: USDA (2015)

2.2. South Africa's table grapes season 2014/2015

The current South African table grapes season commenced in November 2014 and will run until April 2015. By mid-February 2015, the industry had inspected and passed about 44 million equivalent cartons (1 carton =4.5 kg) for export markets. By the same time in the previous season, the industry had only inspected and passed 32 million cartons. The significant difference is attributed to the early-season harvest and better crop yield in the 2014/2015 season, which has seen the industry pushing more than 10 million cartons more in the first part of the season.

Table 1: Table grapes inspected and passed for export

	1 carton =4.5 kg			
Production region	**2011/12**	**2012/13**	**2013/14**	**2014/15**
Northern Province	4 117 314	3 915 904	3 903 660	4 353 431
Orange River	16 786 435	16 256 210	15 045 391	17 902 151
Olifants River	2 012 585	2 225 425	2 331 167	3 210 409
Berg River	8 532 649	8 534 202	6 145 518	10 449 468
Hex River	5 303 353	6 665 715	3 856 398	8 567 725
Total	**36 752 336**	**37 597 456**	**31 282 134**	**44 483 184**

Source: SATI (2015)

Figure 3 shows the export trends for table grapes to the global market over the past four seasons. It can be noted that the growth in exports of table grapes for the current season is mainly driven by improved production compared to the previous two seasons.

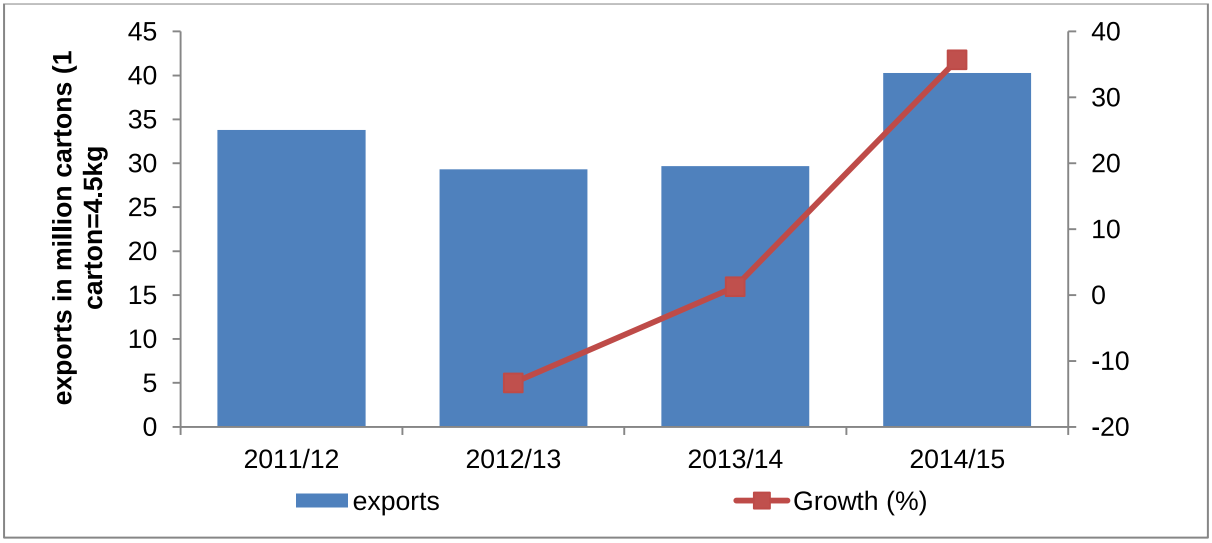

Figure 3: Export trends for table grapes
Source: SATI (2015)

Figure 4 highlights South Africa's export market destinations for table grapes for the 2014/2015 season. The bulk of South African table grapes are exported to the European Union and the United Kingdom. By the end of week five, these markets had absorbed about 19.5 million cartons and 8 million cartons respectively. The Middle East is the third on the list of top market destinations for South African table grapes, with a total of 1.2 million cartoons for the current season.

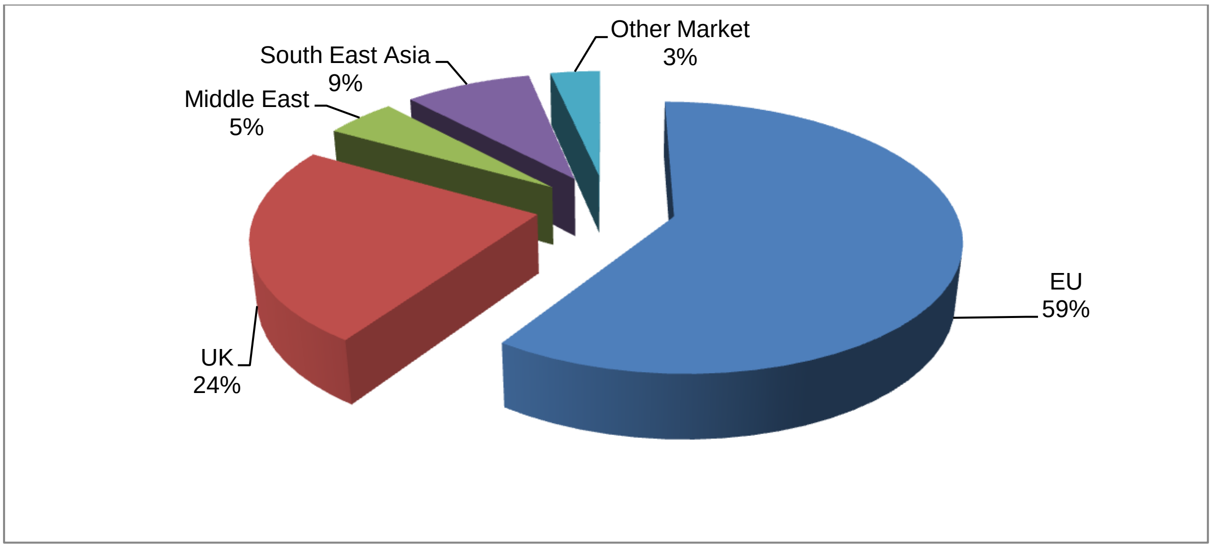

Figure 4: Main export destinations for South African table grapes
Source: SATI (2015)

Figure 5 shows South African domestic consumption (2013-2014) and price trends (2013-2014) in respect of table grapes. Domestic consumption dropped in 2014, while prices were higher in 2014 compared to 2013. October 2014 recorded the highest price for table grapes in the local market, mainly due to off-season higher demand and anticipation of the new domestic season. Consumption was low between June and October, pointing to the fact that table grapes are a seasonal crop. During this part of the season, the local South African market depends on the imports originating from northern hemisphere countries, which may be the reason for the extremely high prices, because consumers pay a price inclusive of the import tariff.

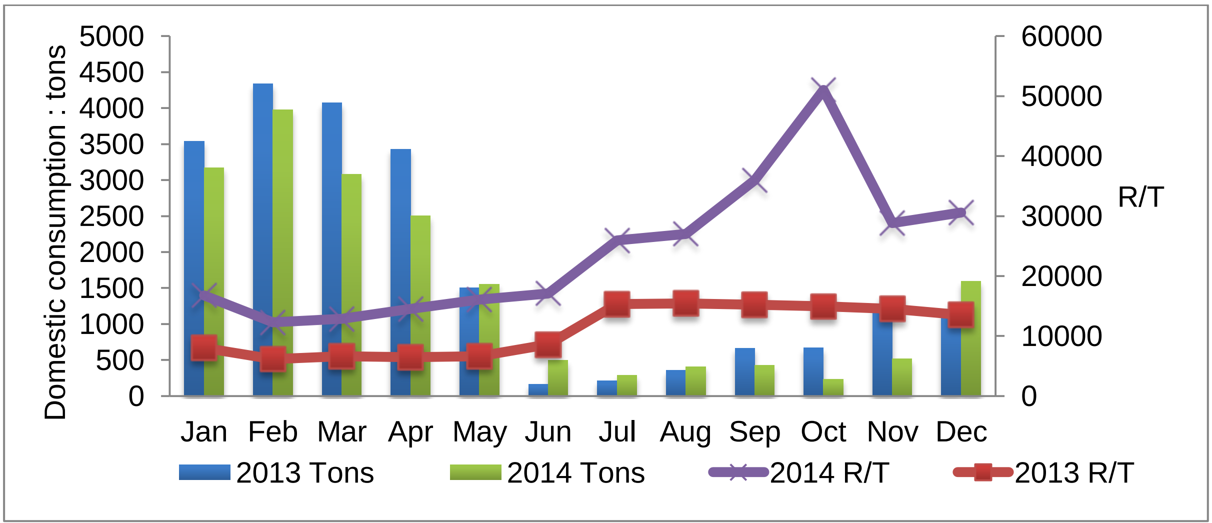

Figure 5: Sales of table grapes in the domestic market
Source: DAFF (2015)

3. Preview of the cherry season 2014

3.1. Global cherry production

During the period under review, global cherry production showed a decrease of 2%, due to a drop in cherry production by the EU and Turkey, by 4% and 18% respectively. The EU has long been a leading producer of cherries in the world market and continues to hold this position in the global rankings. In the 2013/2014 season, the EU produced a total of 675 000 metric tons, which accounts for more than a 27% share of global production for the 2014/2015 season. The slight decline in EU cherry production in recent years is due to unfavourable climatic conditions, higher labour costs and recurring disease outbreaks in producing countries. Turkey was the second largest producer of cherries in the world market for the 2014/2015 season, producing a total of 500 000 metric tons. The USA, China and Ukraine round out the list of top five cherry-producing countries, with a collective volume totalling 835 000 metric tons for the 2014/2015 season. **Figure 6** shows the leading global producers of cherries, from the 2010/2011 season to the 2014/2015 season.

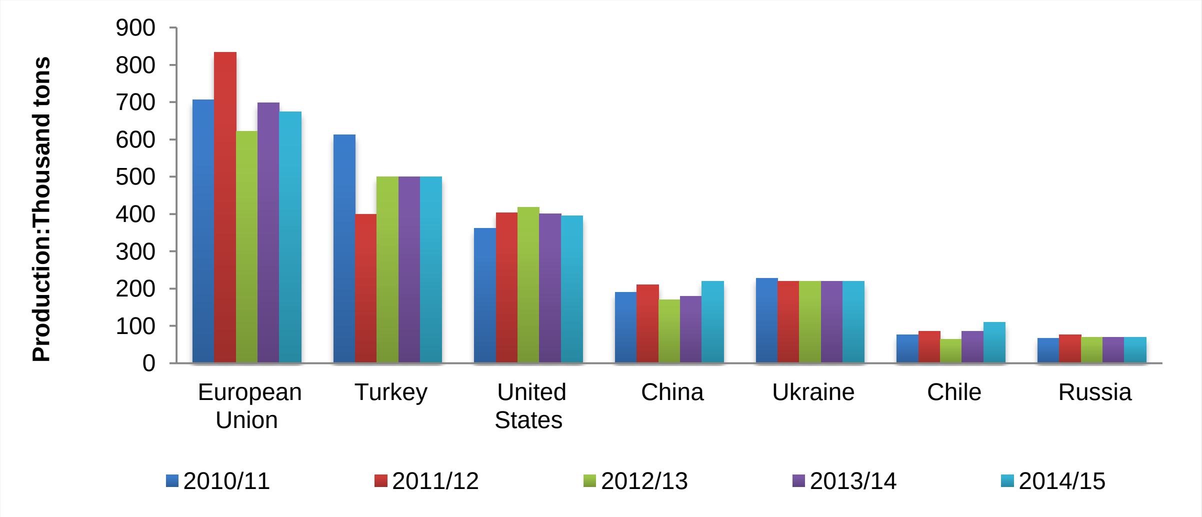

Figure 6: Global production of cherries
Source: USDA (2015)

3.2. Global cherry trade

Figure 7 shows the global exports of cherries from the 2010/2012 season to the 2014/2015 season. Chile is a largest exporter of cherries, with a total of 90 000 metric tons for the 2014/2015 season. It can be noted that Chile's exports improved by 55% between the 2011/2012 and 2014/2015 seasons, mainly due to the improvement in quality and safety standards in meeting foreign consumer demands, as well as an educational campaign conducted by the Chilean fruit industry in the Asian market. The USA was the second largest exporter with a total of 89 000 metric tons, followed by Turkey with total of 50 000 metric tons and the EU with 30 000 metric tons.

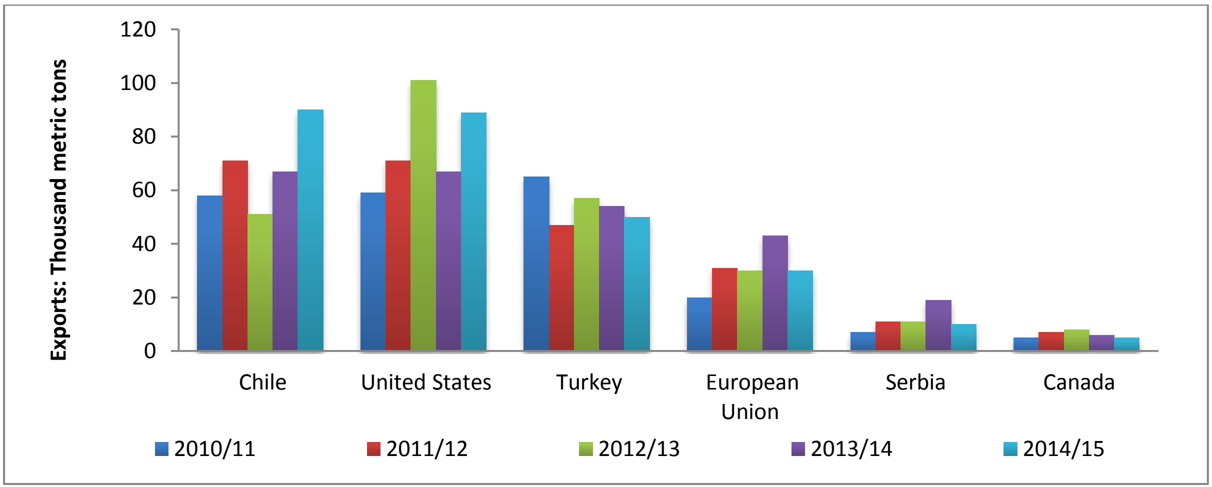

Figure 7: Global exports of cherries
Source: USDA (2015)

Figure 8 shows the global importers of cherries between the 2010/2011 and 2014/2015 seasons. Global cherry imports increased from 223 000 metric tons in 2010/2011 to 309 000 metric tons in 2014/2015, fuelled by the increasing demand for imports in the Chinese market during this period. Russia, Hong Kong and China were the top three importers for the 2014/2015 season, with a share of 25.9%, 17.8% and 16.2% respectively. It is noteworthy that the EU is among the top five importers, indicating that production does not meet the overall domestic demand.

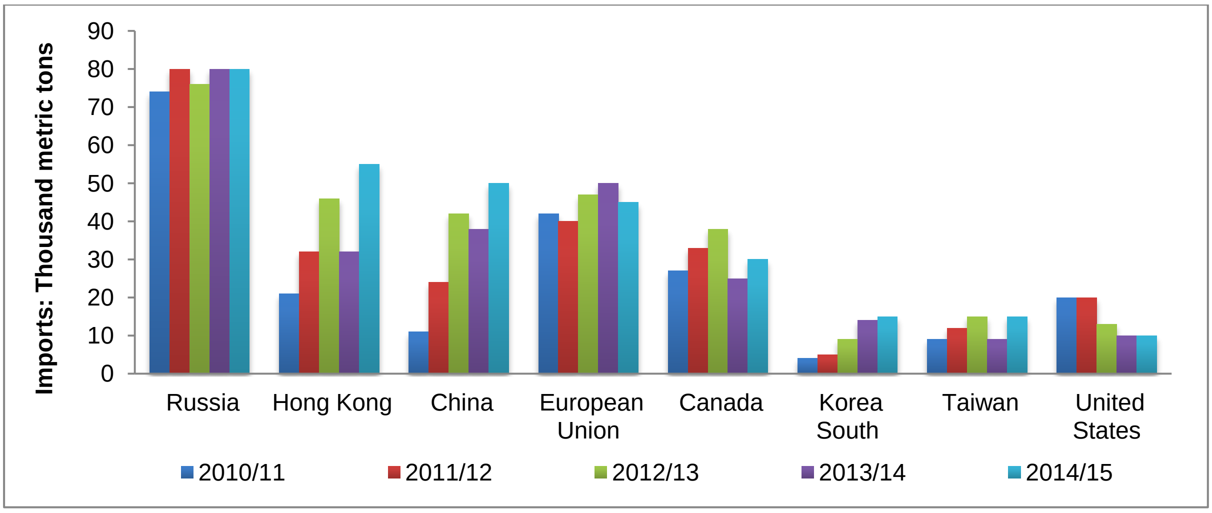

Figure 8: Global imports of cherries
Source: USDA (2015)

3.3. South African cherry production for the 2014/2015 season

According to the FAO (2014), South Africa is among the largest cherry-producing countries in Africa with a total of 676 000 kg for the 2013/2014 season. It can be noted that the production of cherries declined during 2013/14 season, which may be due to insufficient winter chilling and late spring frosts leading to poor fruit maturity. **Table 1** indicates the production of cherries per producing region in the country between the 2012/2013 and 2013/2014 seasons. The Western Cape was the largest producer of cherries with a share of 74%, followed by the Free State with a share of 16% and the North West Province with a share of 8% for the 2013/2014 season.

Table 2: Cherry production in South Africa

Province	**Values in Kilograms**		**% change**
	2012/2013	**2013/2014**	
Western Cape	691 804	49 9634	-28
Free State	216 664	105 360	-51
North West	196 66	509 65	159
Mpumalanga	8 111	20 800	156
Total	**936245**	**676759**	**-28**

Source: Hortgro (2015a)

Of the total South African production of cherries, 2% is exported to the international market. **Figure 9** shows the export trends for South African cherries over a period of six years. The 2012/2013 season recorded the highest export volume at 72 000 kg, followed by a 23% decline in exports for the 2013/2014 season.

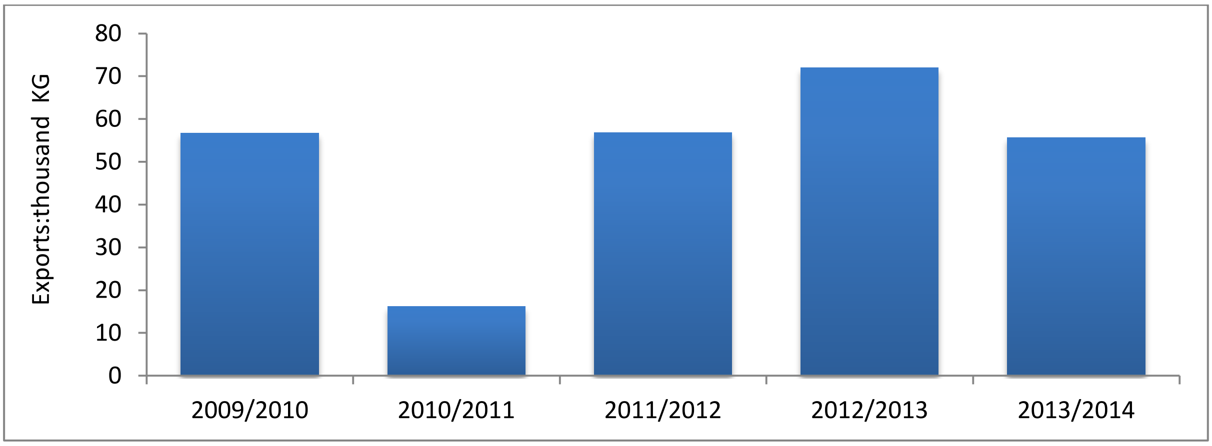

Figure 9: Export trends for South African cherries
Source: Hortgro (2015a)

3.4. South Africa's cherry exports and domestic sales

Figure 10 shows the main destinations for South African cherry exports for the 2013/2014 season. The Middle East was the largest destination for South African cherries, accounting for 54% of exports for the 2013/2014 season. The UK was second with a 35% share, followed by Africa with a share of 6% and the Far East with a share of 5% for the 2013/2014 season.

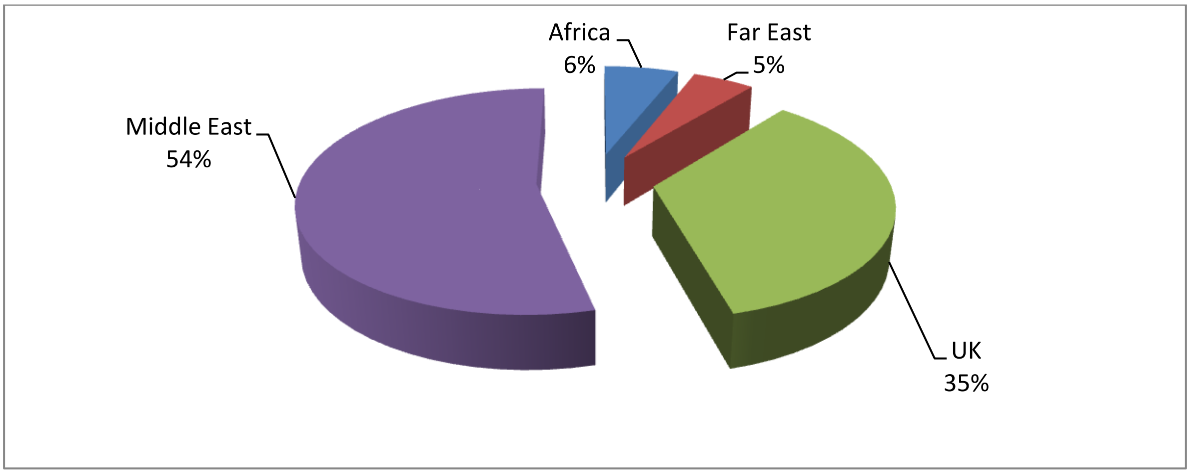

Figure 10: Export trends for South Africa's main cherry export destinations
Source: Hortgro (2015a)

Figure 11 illustrates the domestic consumption of cherries between the 2006/2007 and 2013/2014 seasons. Cherry prices have been unstable due to inconsistency in the supply of cherries in the local market. During the 2013/2014 season, the consumption of cherries in the local market totalled 167 000 tons, at an average price of R65 729 per ton.

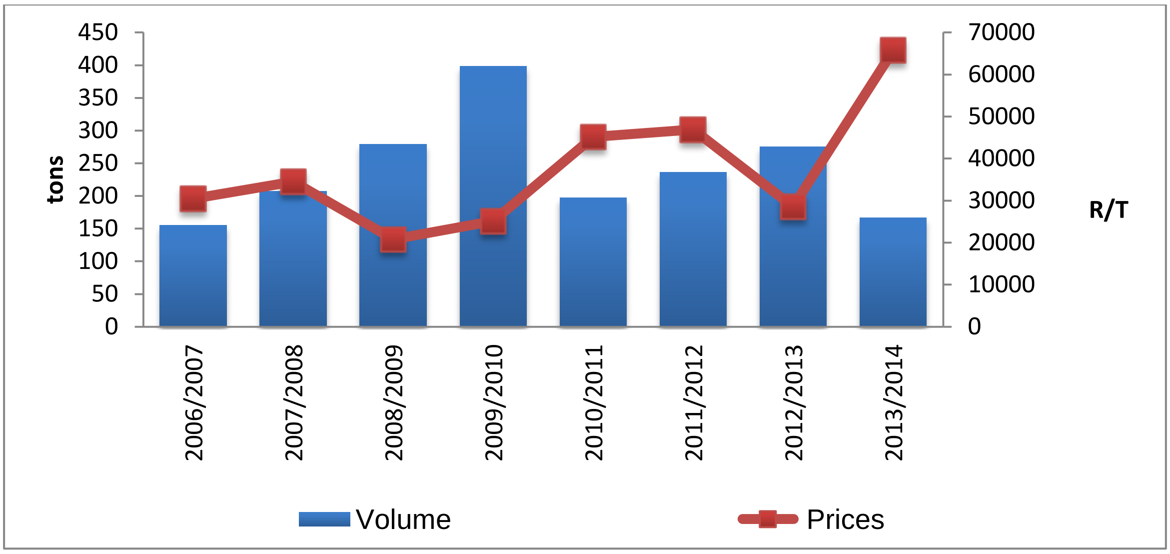

Figure 11: Price trends for cherries
Source: Hortgro (2015a)

4. Preview of the guava season 2014/2015

4.1 South African guava production

Figure 12 shows South African guava production from the 2010/2011 season to the 2014/2015 season. Hortgro (2015b) reported a total guava production volume of 25.1 thousand tons for the 2013/2014 season. It can be noted that guava production has been increasing in recent years, which may be due to the improved control of diseases, as well as invasive species. For the currently season, an estimated decline of 17% is expected in comparison to the previous season.

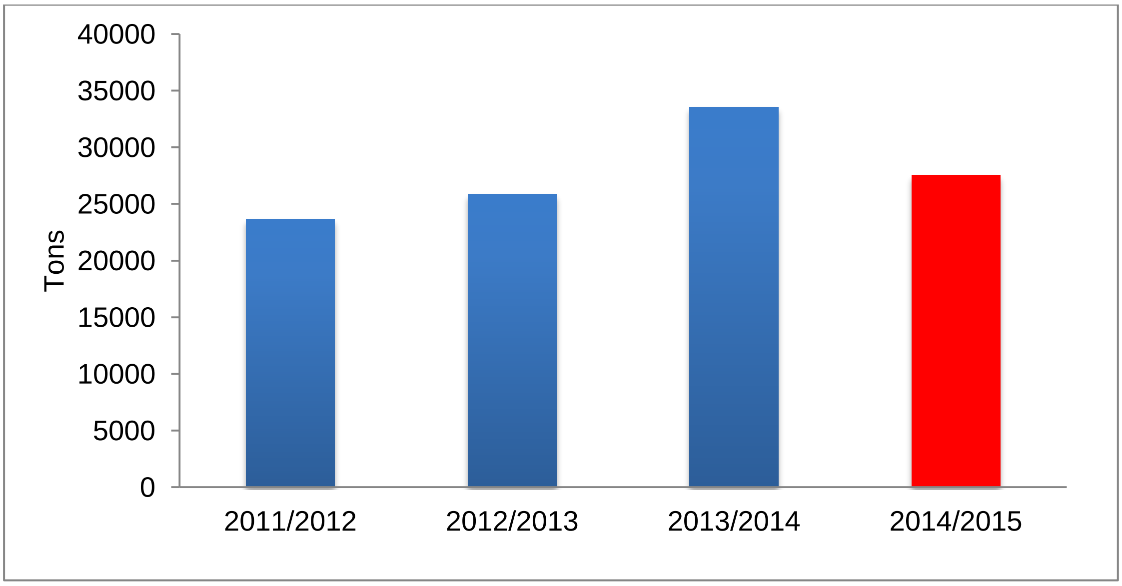

Figure 12: Guava production
Source: Hortgro (2015b)

South African guava producers are reportedly not exporting their products into the international market due to phytosanitary concerns. However, guavas are sold on the local market as fresh produce and also processed into juice, canned and dried fruit. During the 2013/2014 season approximately 75% of guava production was processed, with 25% sold in the local market as fresh produce (**see Figure 13**).

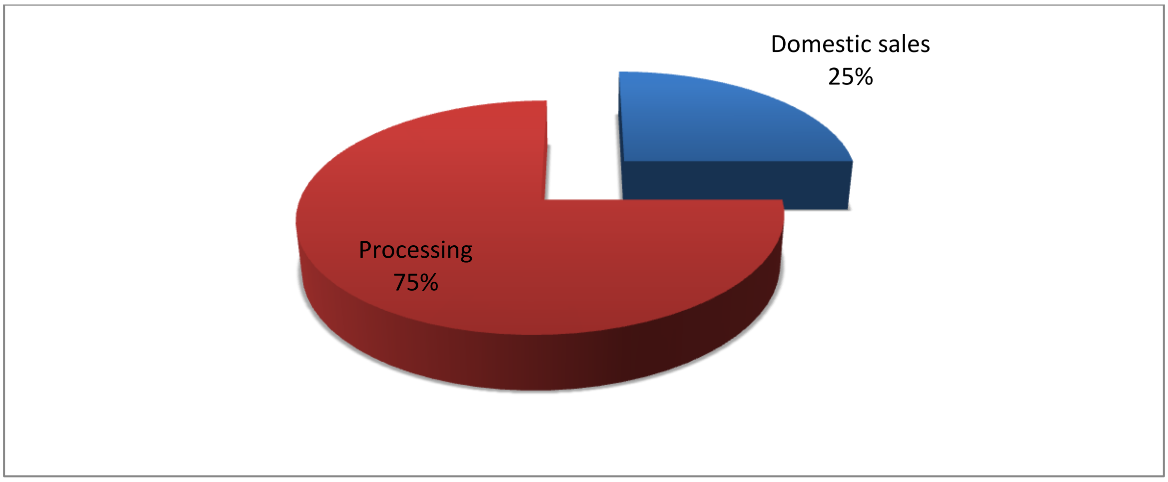

Figure 13: Guava production distribution
Source: Hortgro (2015b)

4.2 Domestic guava sales

Figure 14 shows the volumes of guavas consumed in the domestic market between 2013 and 2014. Between January and December 2013, South Africa sold 2 265 tons more than during the same period in 2012. Prices during 2013 were higher than the prices during the previous year, mainly due to a reduced supply of guavas in the market. Guavas sold in the local market record the highest sales price in January due to the reduced supply. Between May and August, guava prices are lower, indicating that the consumption of guavas is seasonal.

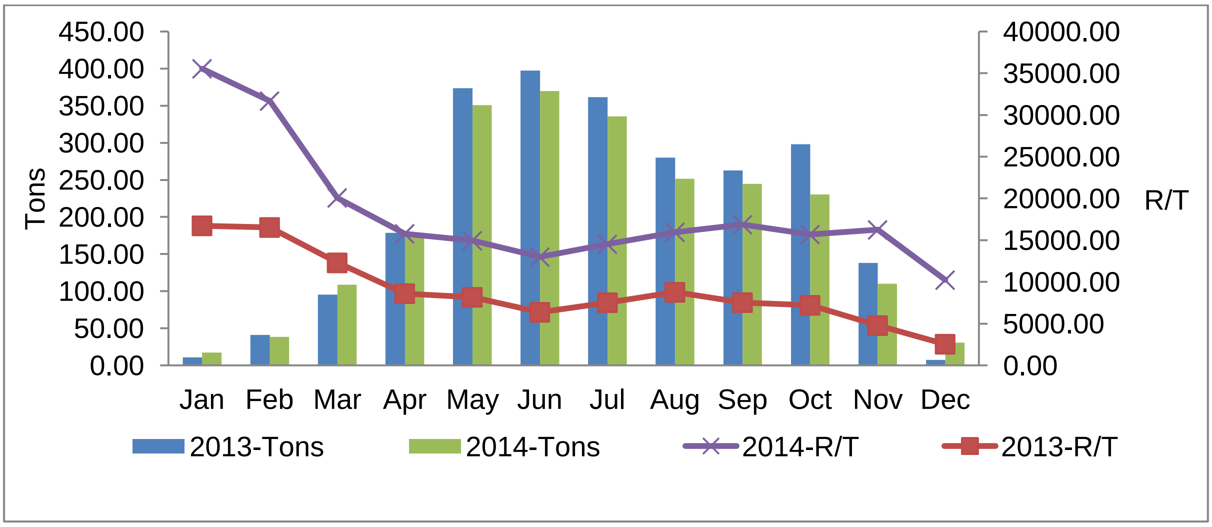

Figure 14: Guava consumption and price trends**Source**: DAFF (2015)

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Hortgro. 2015a. *Cherry production and export data*. Paarl: SATI, Information and Market Intelligence Division.

Hortgro, 2015b. *Guava production and export data*. Paarl: SATI, Information and Market Intelligence Division.

SATI (South African Table Grape Industry). 2015. *Table grapes production and export data*. Paarl: SATI, Information and Market Intelligence 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 (SATI):	*www.satgi.co.za*

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