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 citrus fruits (i.e. oranges, lemons, grapefruit, and soft citrus) and dried fruit (i.e. raisins).*** *The main focus is on the current season's analysis of the performance of these fruits, on both the export and domestic markets, compared with the previous seasons. 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 2014/2015

2.1 Global citrus production season 2014/2015

Figure 1 shows the global production of citrus between the 2010/11 and 2014/14 seasons. The bulk of citrus production is dominated by oranges with 48.3 million (55 %) metric tons produced, followed by soft citrus (31 %) and lemons (8%). Preliminary figures from the 2013/14 season show a decline in citrus, from 91 million metric tons to 88.4 million metric tons in 2014/15 season, which is equivalent to a 3 % decline.

As presented, oranges comprise the largest produced citrus fruit variety, with Brazil being the largest producer of oranges, accounting about for about 33 % of global production of oranges in the 2014/15 season. Of the total produced in this market, about 61 % of the production is processed, 38 % is consumed in the local market, and the remaining is exported to the global market. The country exports only small quantities of oranges because of the issue of the phytosanitary requirements for the international market. China was the ranked as the second largest producer and the largest consumer of oranges, accounting for a share of 14 %, followed by USA with a share of 12 %, and the EU with share of 11 %.

China is the world's leading producer of soft citrus, accounting for more than half of world production between the 2010/13 and 2014/15 seasons. Of the soft citrus produced by China, about 92 % is consumed in the local market as fresh fruit, while the remainder is destined for exports and processing. The EU, Morocco, Turkey and Japan were among the top five producers in the world's market, with shares of 12 %, 4 %, 4 % and 3 %, respectively. Mexico is the largest producer of lemons, commanding a share of about 33 % of global production in 2014/15 season. The EU was ranked as the second-largest producer, with a share of 23 %, followed by Argentina with a share of 17 % and USA with a share of 12 %. South Africa was ranked at 6th place in terms of global lemon producers, with a share of 5 % in the 2014/2015 season.

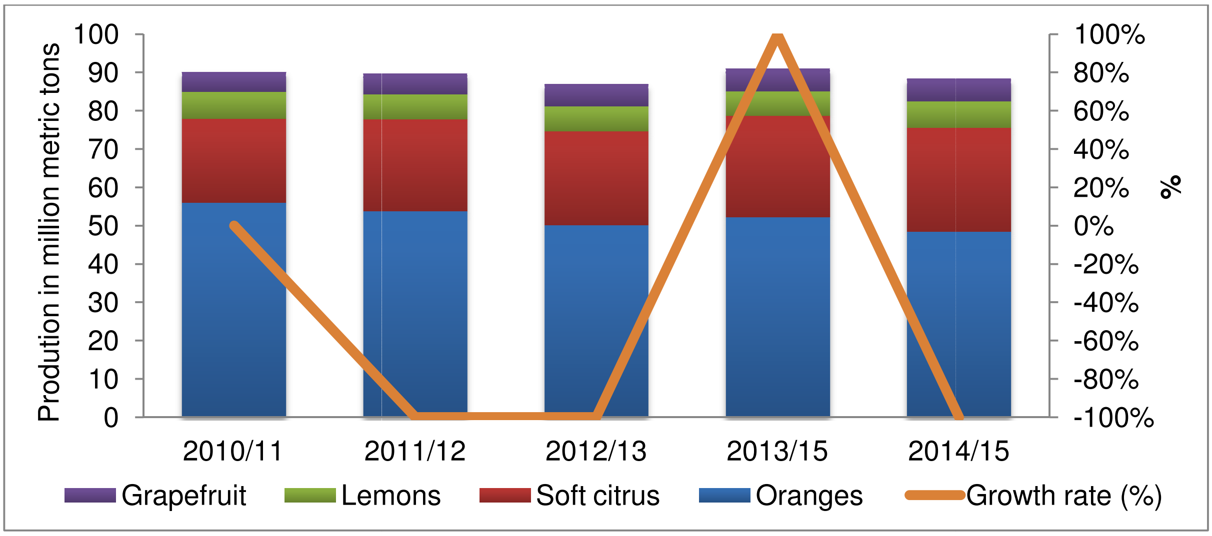

Figure 1: Global Citrus production
Source: USDA, 2015

2.2 Global Citrus Trade

Figure 2 outlines the trend in world exports of citrus, with the total exports amounting to 8.8 million metric tons. The exports showed a 1 % decline for the current season, compared with a 5 % increase of the previous season. Oranges comprised the largest export citrus category, accounting for a share of 45 %, followed by soft citrus (27 %) and lemons (19 %) for the 2014/15 season. During the 2014/2015 season, Egypt was ranked as the largest leading global exporter of oranges with a share of 30.3 %. South Africa was ranked as the second-largest exporter, with a share of 28.7 %, followed by the USA with a share of 13.6 % and Turkey with a share of 7.7 % for the 2013/2014 season.

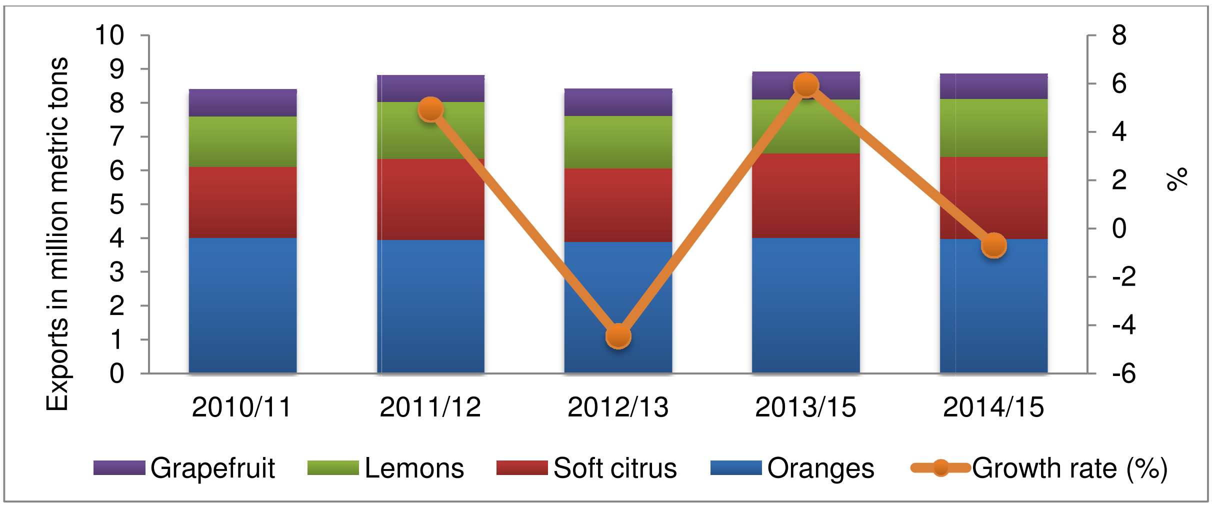

Figure 2: Global citrus exports
Source: USDA, 2015

Figure 3 shows the import trend of citrus fruit in the world markets between the 2010/11 and 2014/15 seasons. The EU was reported to be largest importer of oranges and grapefruit, commanding shares of 23 % and 50 %, respectively, while Russia was the leading importer of soft citrus, with a share of 36 %, and the USA was the largest importer of lemons, with a share of 35 % for the current season. Russia follows as the second leading importer of both grapes and oranges, accounting for 15.5 % and 13 % shares, respectively, of the world's imports.

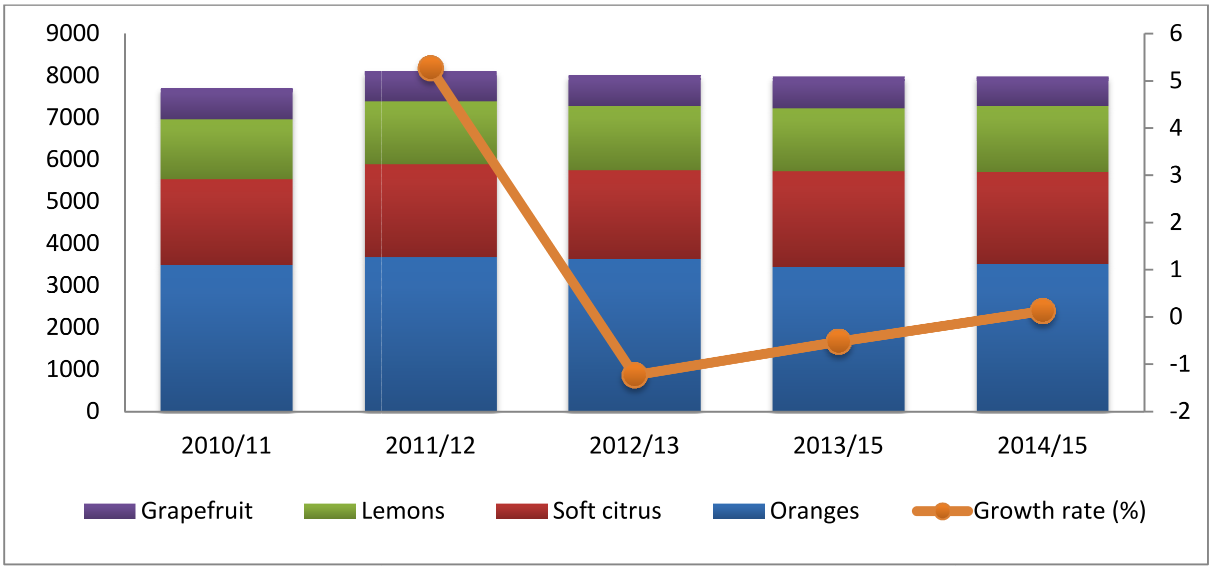

Figure 3: Global citrus imports
Source: USDA, 2015

2.3 South Africa's citrus production season 2014/15

The Citrus Growers Association has confirmed and released crop estimates for the 2015 and 2014 seasons. Table 1 presents the production estimates of the currently running seasons. It estimated that production volumes are expected to increase in about 31 577 tons over the previous season. The increase of the production of citrus in the country was attributable to the application of food safety and quality issues, so as to ensure a risk management system for CBS. Of the total produced citrus in the country, about 65 % was exported, leaving 30 % and 5 % for processing and domestic consumption, respectively.

Table 1 South African citrus production estimates in tons

Production	2014	2015 est
Oranges	1 558 627	1 566 651
Grapefruit	379 031	392 577
Lemons	252 875	261 103
Soft citrus	172 077	173 856
Total	**2 362 610**	**2 394 187**

Source: Citrus Growers Association, 2015

2.4 South Africa's citrus exports

Figure 4 shows South Africa's total oranges passed for export from week 1 to week 34, compared with the two previous seasons (2014 and 2013). It has been noted that oranges for the current season have been performing better, compared with the 2014 season, although declines have been noted in weeks 33 and 34. For example, oranges in the current season passed for export are higher than 2014 by 3 % and the highest record exports passed was 29 % in 2013.

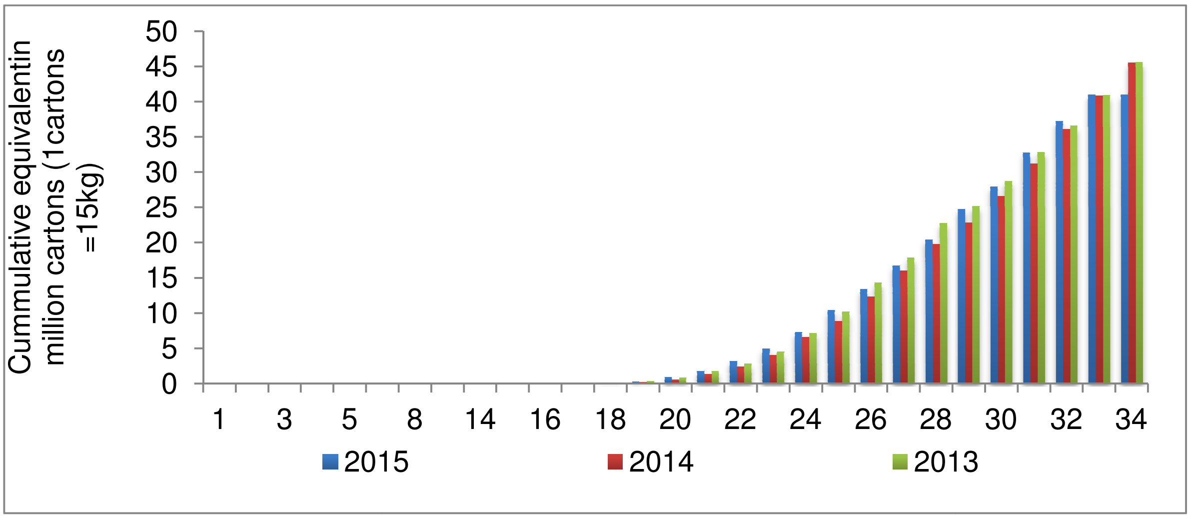

Figure 4: South African oranges passed for export
Source: CGA, 2015

Figure 5 shows South African oranges exports to various markets in the 2015 season. The Northern European market was ranked as the largest market destination for South Africa's orange exports for the current season, absorbing 26 % of total oranges exported. The second-largest destination is the Middle East, with a share of 22 %, followed by other countries located in Asia, with a share of 13 % for the current season.

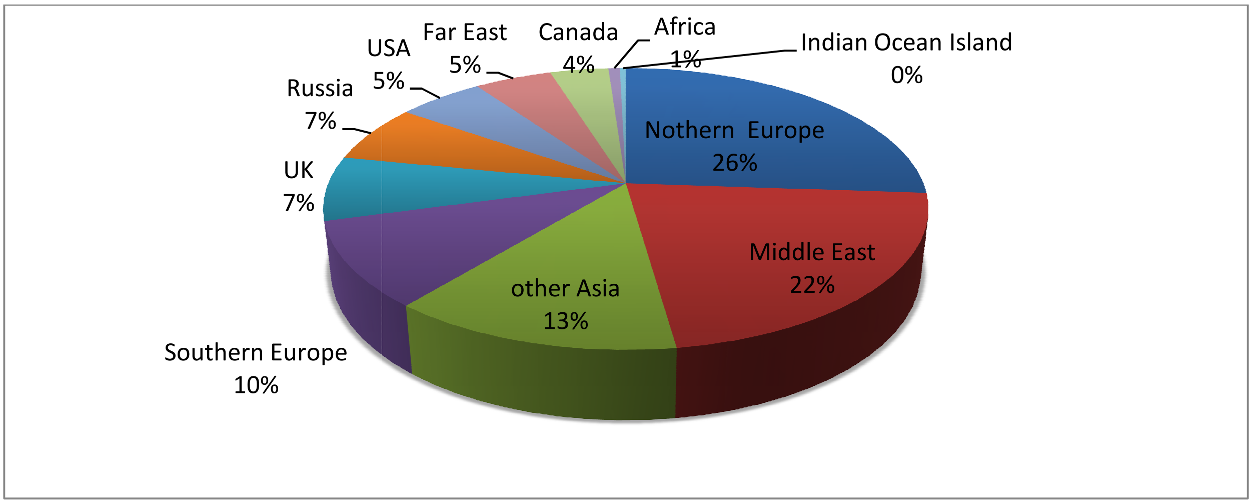

Figure 5: South Africa's main destinations for oranges
Source: CGA, 2015

Figure 6 shows South African total grapefruit passed for export from week 3 to week 33 in the 2015 season, compared with the two previous seasons. The grapefruit passed for export in the 2013 season was higher than 2014 by 1 %, and lower than the record exports of 2013 by 11 %.

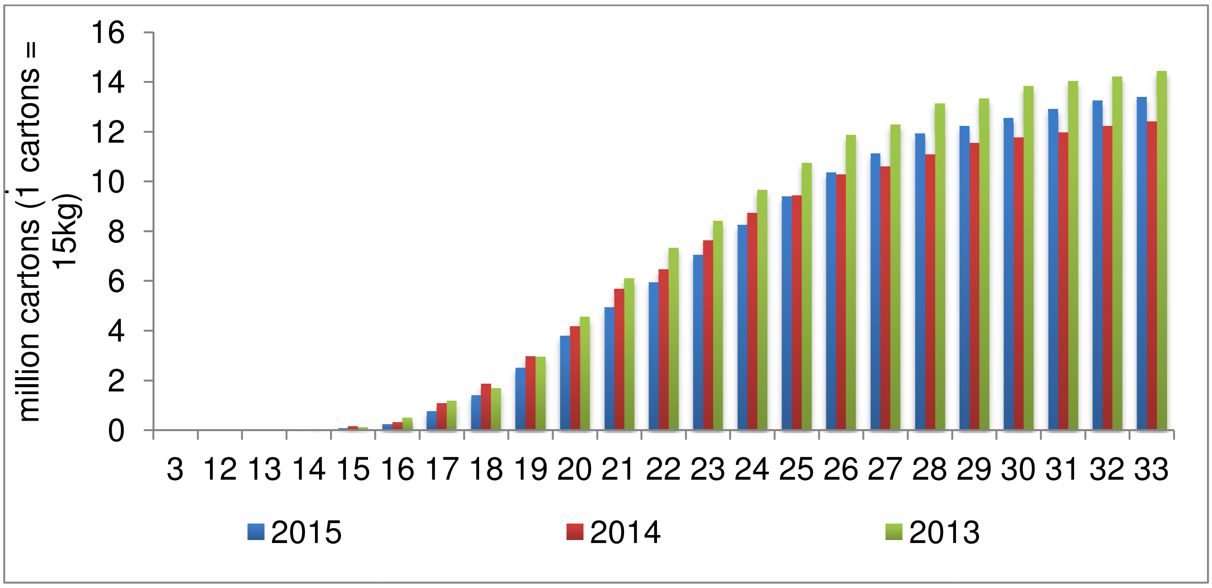

Figure 6: South African grapefruit passed for export
Source: CGA, 2015

Figure 7 shows South African grapefruit exports to various markets for the 2015 season. The Northern European market was the largest destination for South Africa's grapefruit exports, commanding a share of 29 % in 2015. The second-largest destination is Japan, with a share of 22 %, followed by China with a share of 10 % and Southern Europe with a share of 8 % in week 33 of 2015 season.

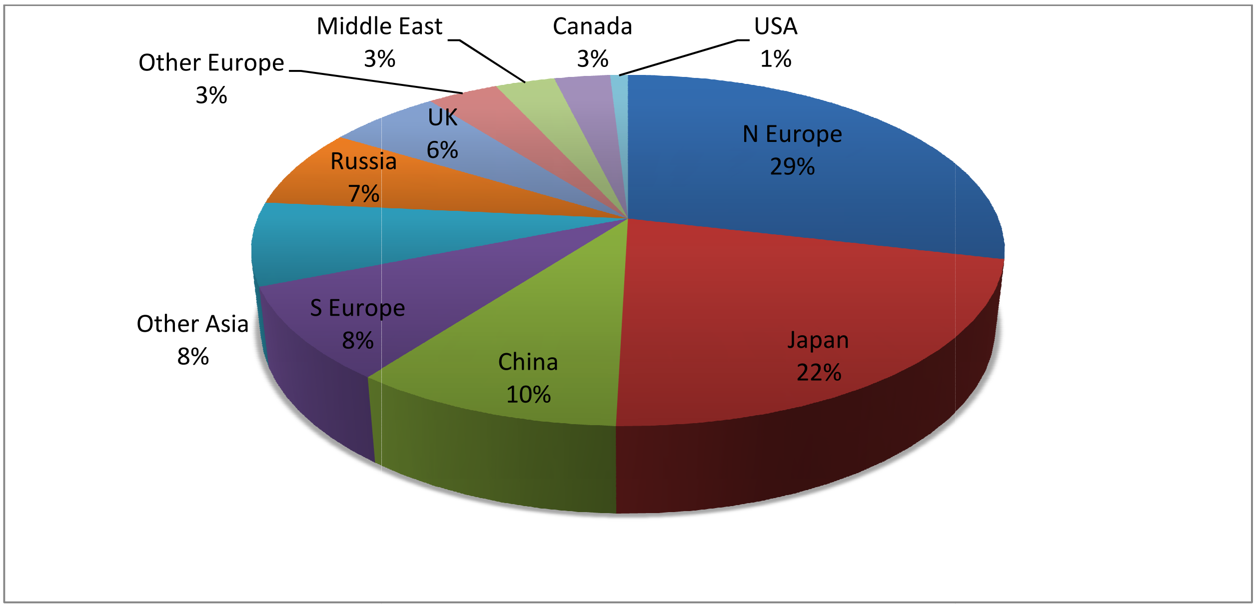

Figure 7: South Africa's main destination for grapefruit
Source: CGA, 2015

Figure 8 presents South African lemons passed for export from week 1 to week 34 in the 2015 season, compared with the two previous seasons. The 2015 season's lemons passed for export were higher than 2014 by 13 % and also higher than the record exports of 2013 by 34 %.

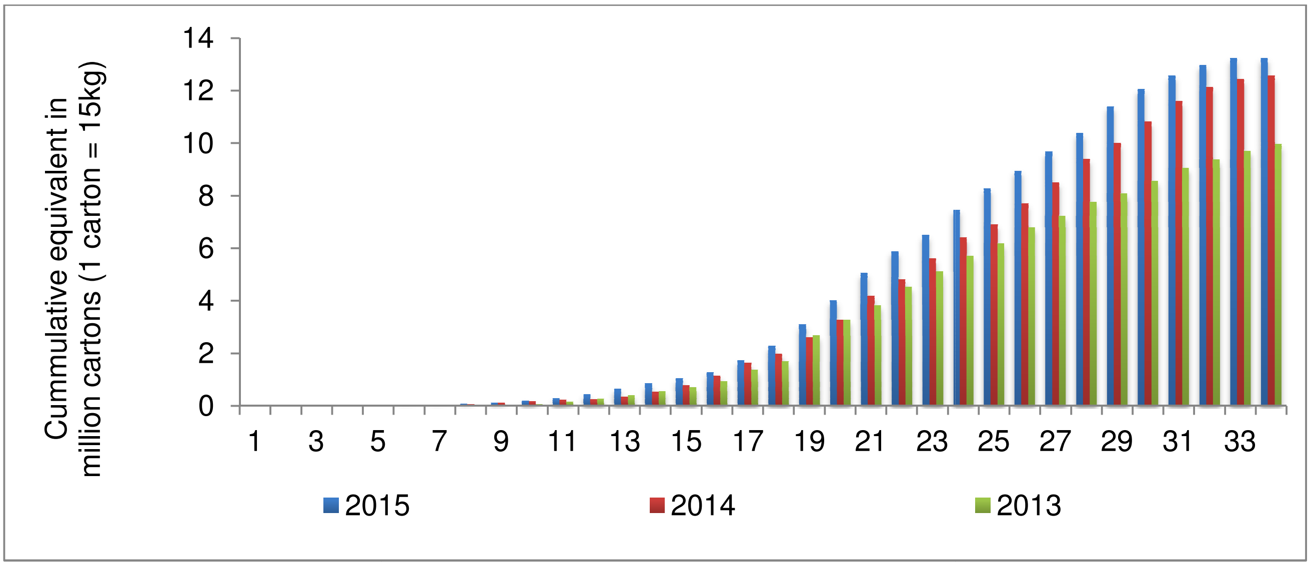

Figure 8: South African lemons passed for export
Source: CGA, 2015

Figure 9 presents South Africa's lemon exports to various markets in the 2015 season. The Middle East was ranked as the largest market for South Africa's lemons, absorbing 41 % of total lemon exports. This market serves as a lucrative market for South African lemons exports owing to Islamic preferences which are different from other consumer preferences in the world market. The second-largest destination is Russia, with a 14 % share, followed by the Far East with a share of 13 % and Northern Europe with a share of 12 %.

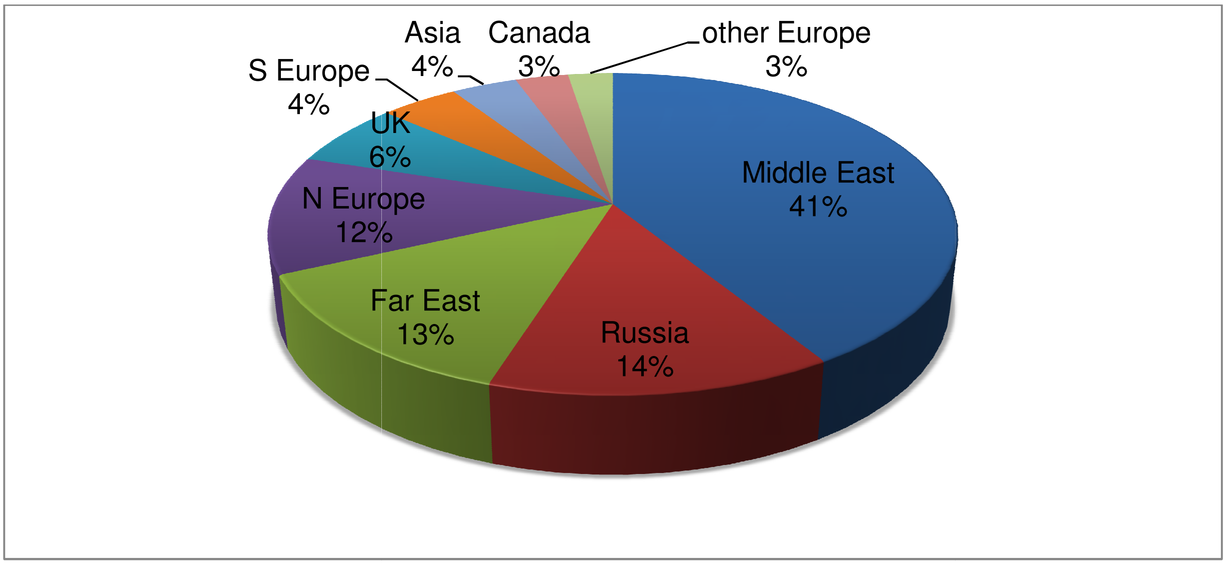

Figure 9: Main destination for lemons
Source: CGA, 2015

Figure 10 shows South African total soft citrus passed for export from week 1 to week 34 in 2015 season, compared with the previous season at week 34. The 2015 season's soft citrus passed for export are higher by 1 % compared with the 2014 season and 15 % higher than the record exports of the 2013 season.

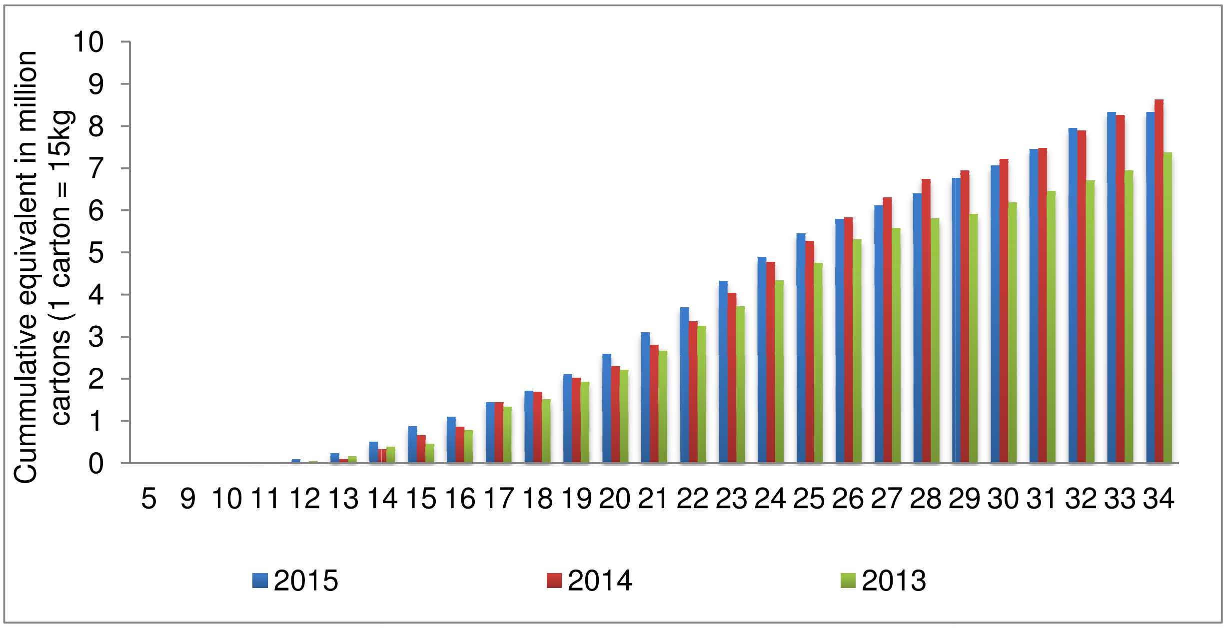

Figure 10: South African soft passed exports
Source: CGA, 2015

Figure 11 shows South African soft citrus exports to various markets in the 2015 season. The United Kingdom was the largest market destination for South African Citrus exports, commanding a share of 40 %. The Northern European market was ranked as the second-largest market destination, with a share of 24 %, followed by Russia with a 9 % share and the Middle East with a share of 8 %.

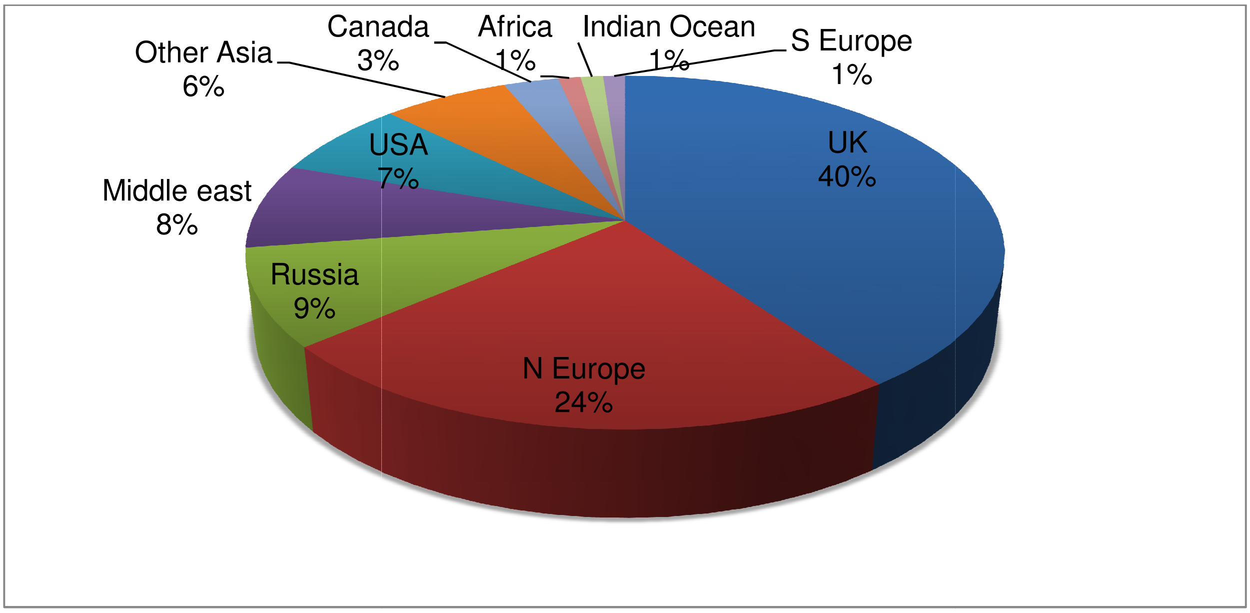

Figure 11: Main markets for soft citrus
Source: CGA

2.5 Domestic sales

Figure 12 shows the volumes of oranges sold on the local market between 2014 and 2015, together with the prices per ton for 2013 and 2014. At the beginning of the 2015 season, the domestic prices were lower than prices of 2014. This was mainly attributed to the sufficient supply of oranges in the domestic market. Furthermore, the domestic market has been receiving larger supplies in comparison to the previous year, although it is noted that prices were almost the same.

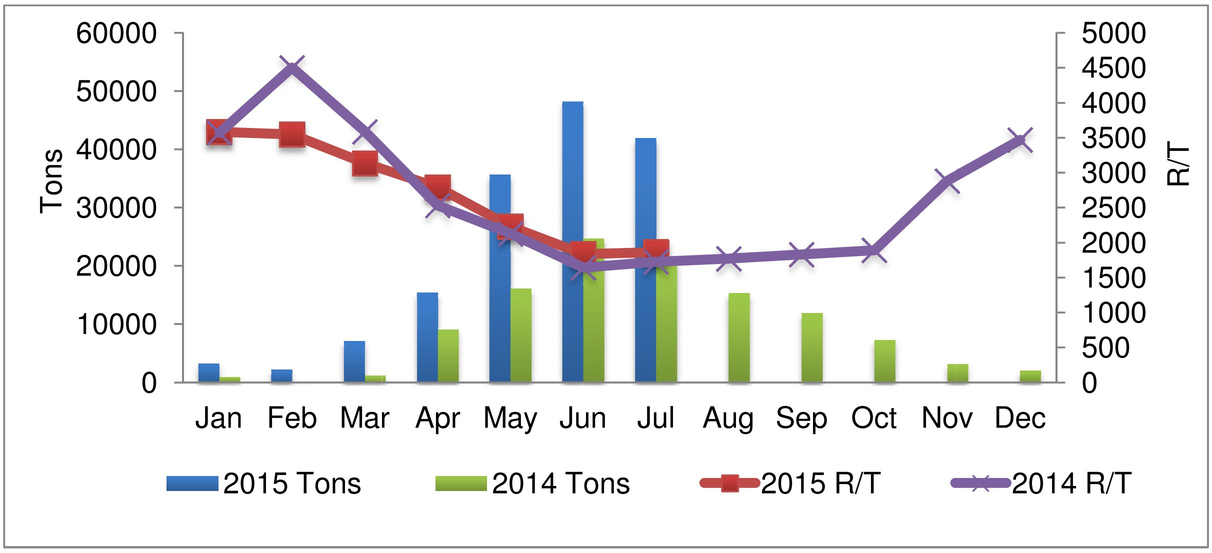

Figure 12: Domestic market sales of oranges between 2014 and 2015
Source: DAFF, 2015

Figure 13 highlights the total volumes of lemons absorbed by the domestic market and the prices received by the national fresh produce market. It appears that prices during 2015 were higher between Jan–Jul, compared with prices during 2014. It is also noted that the supply of lemons was much higher between January and July 2015, compared with the January to July 2014 season.

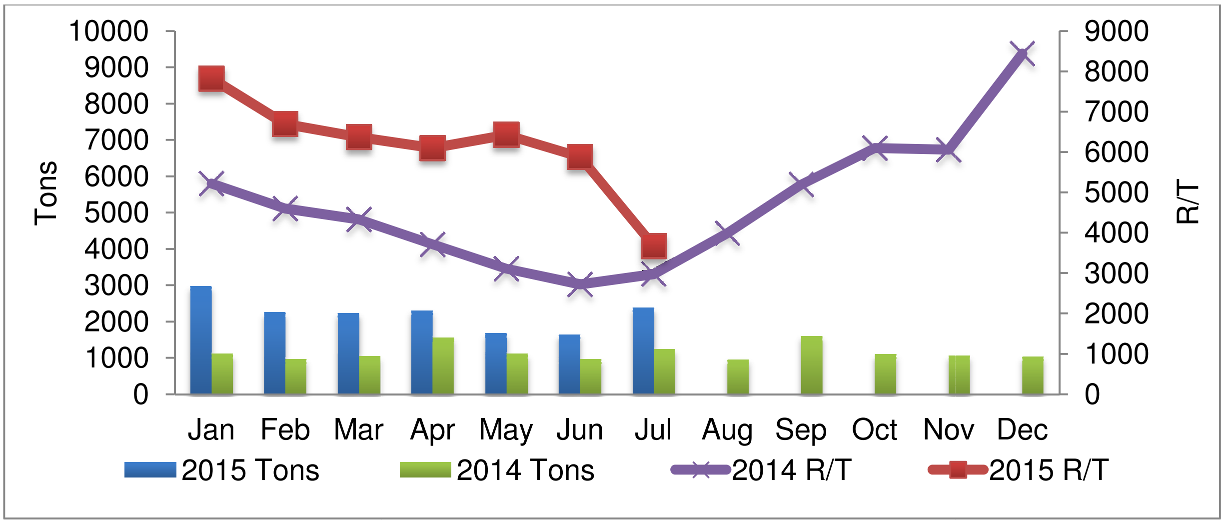

Figure 13: Domestic market sales of lemons between 2014 and 2015
Source: DAFF, 2015

Figure 14 presents South African volumes and prices of grapefruit for 2014 and for January to July 2015. Total volumes sold in the domestic market in 2014 amounted to 4 525, with a price hike in the beginning of the season (in March). It appears that the prices for the 2015 season between January and July were much higher, with less grapefruit quantities supplied in the local market, compared with the previous year.

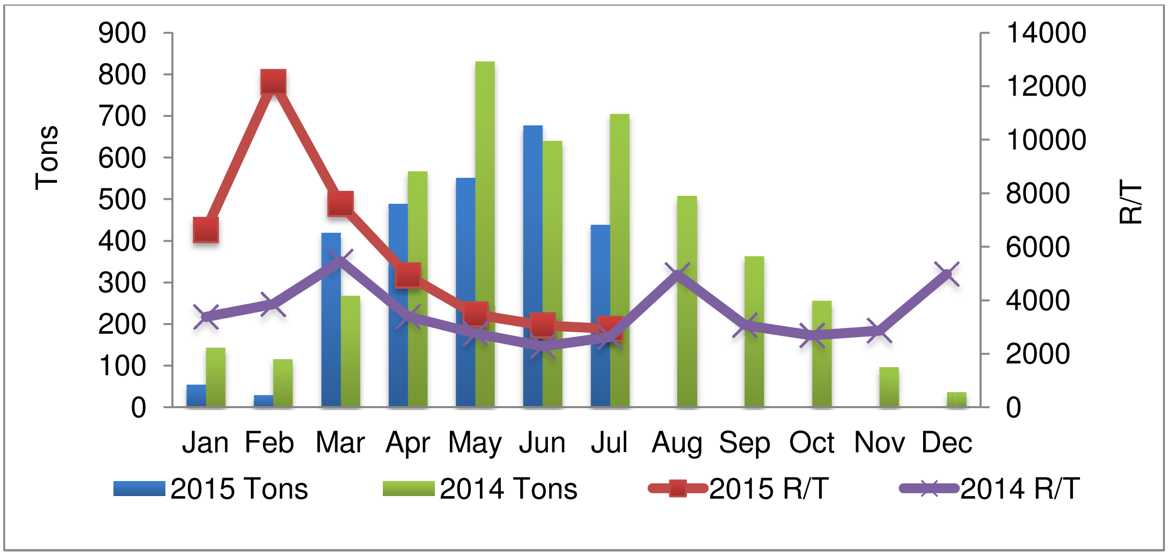

Figure 14: Domestic market sales of grapefruit between 2014 and 2015
Source: DAFF, 2015

Figure 15 presents South African domestic sale for the quantity sold and price trend between 2014 and 2015. It has been noted that prices between January and July of 2015 for soft citrus were much higher than 2014 season, except from the drop in price between May and June of the 2015 season. In terms of quantity sold on the local market, it appears that the 2015 season was much better than the 2014 season for the months January to July.

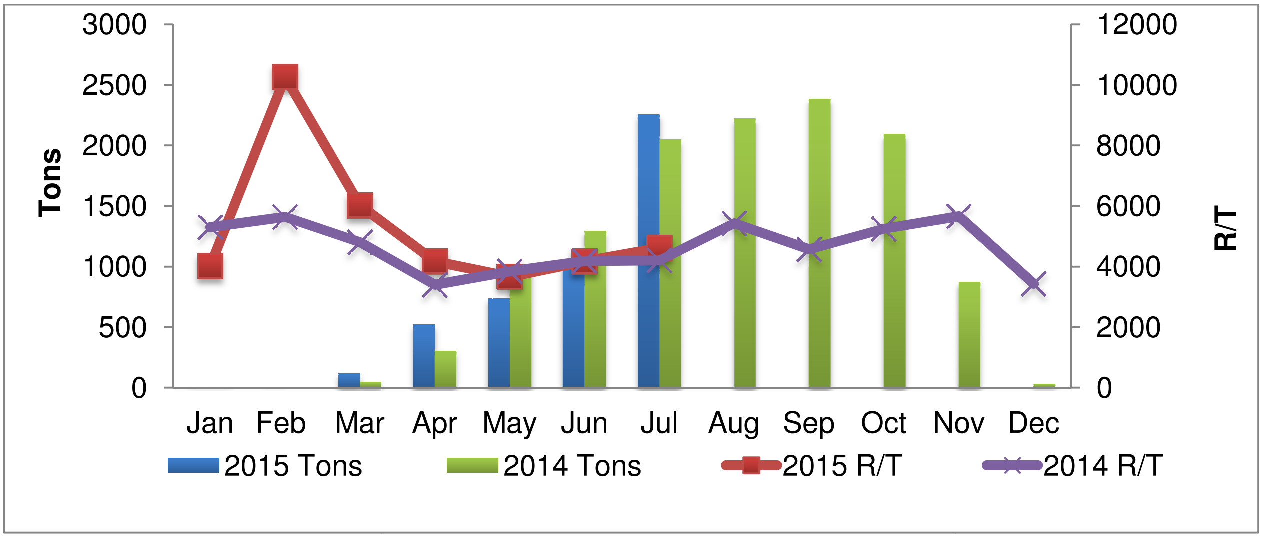

Figure 15: Domestic market sales for oranges between 2014 and 2015
Source: DAFF, 2015

3. Overview of the dried fruit season: 2014/2015

3.1 Dried grapes global production and trade

Figure 16 shows the global production of dried grapes for the periods of the five seasons (2010/11–2014/15). The USDA (2015) reported that the total dried grapes produced amounted to 1.2 million metric tons, with an increase of 8 % between the 2010/11 and 2014/15 seasons. The USA was ranked as the largest producer of dried grapes for the current season, with a notable decline of 11 % between the reviewed seasons. The decline in dried grapes has been mainly attributed to the unfavourable climatic conditions of the current season. Turkey was ranked as the second-largest producer, with a total of 310 thousand metric tons, followed by China with a total of 180 thousand metric tons and Iran with 160 thousand metric tons in the 2014/15 season.

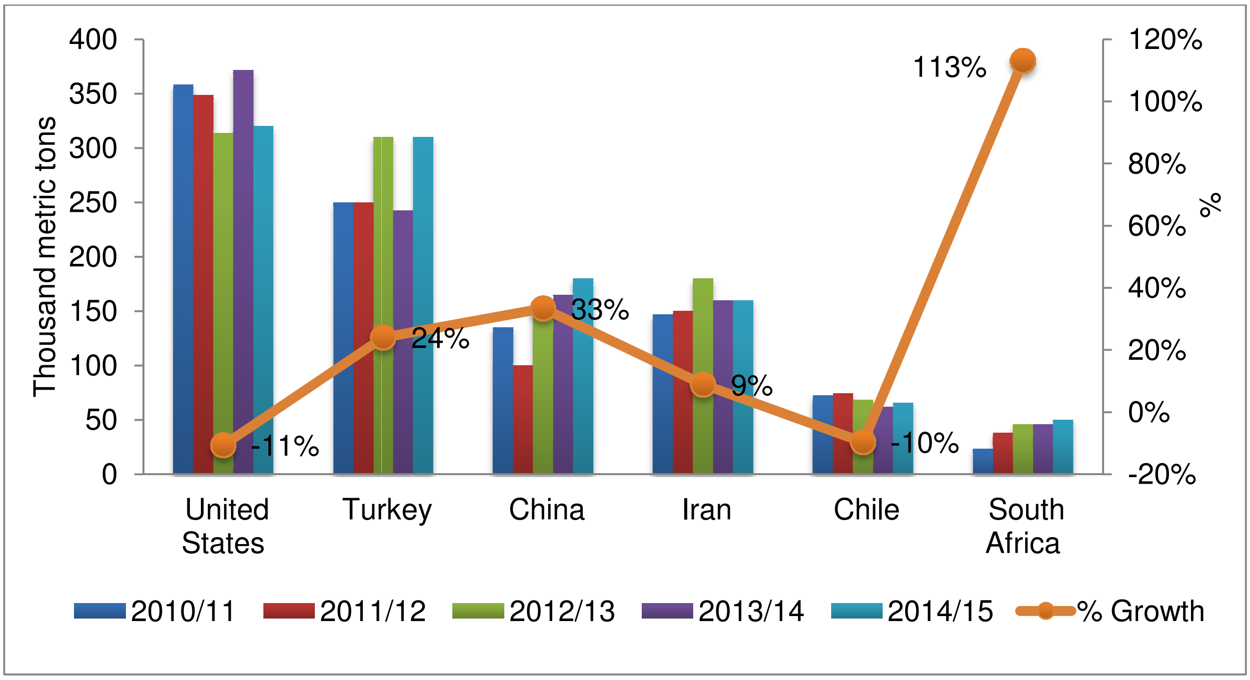

Figure 16: Global production of dried grapes
Source: USDA, 2015

Figure 17 shows global trends of exports of dried grapes for selected countries in the global market. It was reported that a total amount of 715 thousand metric tons was exported in the world, with Turkey being the largest exporter (USDA, 2015). Both Turkey and South Africa showed a significant increase in exports of 12 % and 121 %, respectively, during the reviewed period. The loss of production in the USA market of dried grapes was also attributed to the decline in their exports for the currently season. Iran, Chile and South Africa were ranked among the top 5 exporters, with shares of 17 %, 9 % and 5 %, respectively.

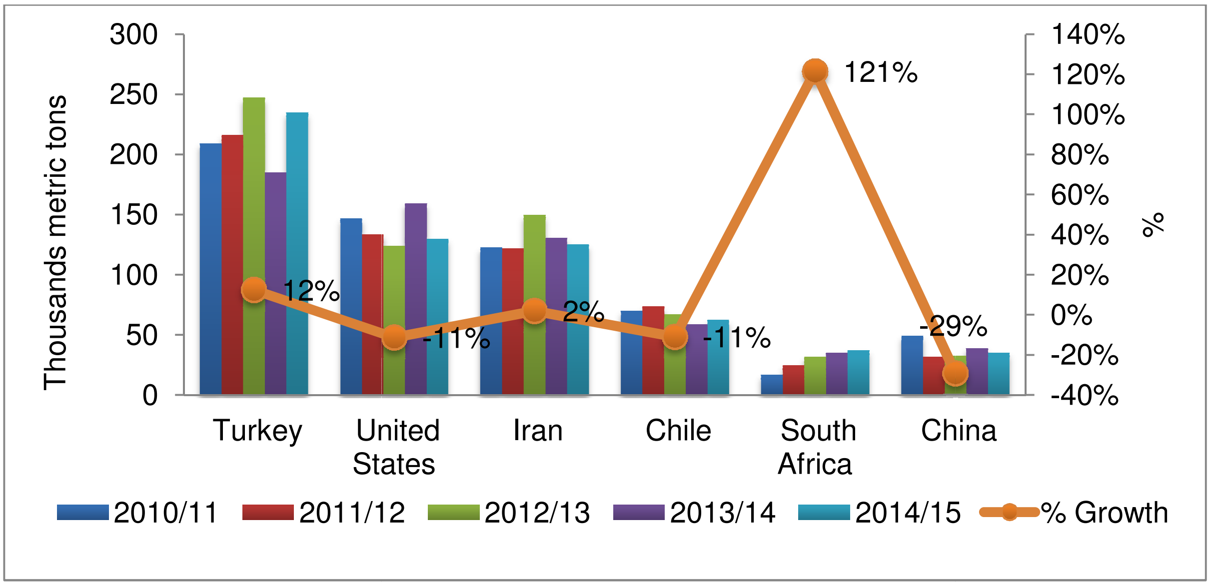

Figure 17: Global exports of dried grapes
Source: USDA, 2015

3.2 Preview of the South African dried season

Table 2 indicates South African production in 2014 for different vines and estimates for the current season. Although the country is not ranked among the top 5 producers of dried grapes, it still produces large quantities for the export market. On average, it is estimated to produce about 40–55 thousand tons per year. The current season is estimated to produce about 60 thousand tons. It has been noted that all the reviewed cultivars are estimated to be producing good fruit for the current season due to favourable weather conditions and additional tree plantation.

Table 2: South African dried grape production and their estimates in tons

Type of cultivar	2014	2015 (Estimate)
Sultana:	3 610	5 368
Golden	12 350	20 028
Thompson Seedless	27 773	31 502
Currants	2 306	3 625
Raisin muscat	12	14
Total vine fruit	**46 051**	**60 537**

Source: Hortgro, 2015

Figure 18 indicates the main destinations for South African dried grapes for the 2014/2015 season. Of the total produced dried grapes, 76 % is exported to the global market, with the EU and Russia being the leading market destinations, with a combined share of 49 %. The USA and Canada are the second-largest market, with a share of 21 %, followed by Africa with a share of 18 %, and the UK with a share of 7 %.

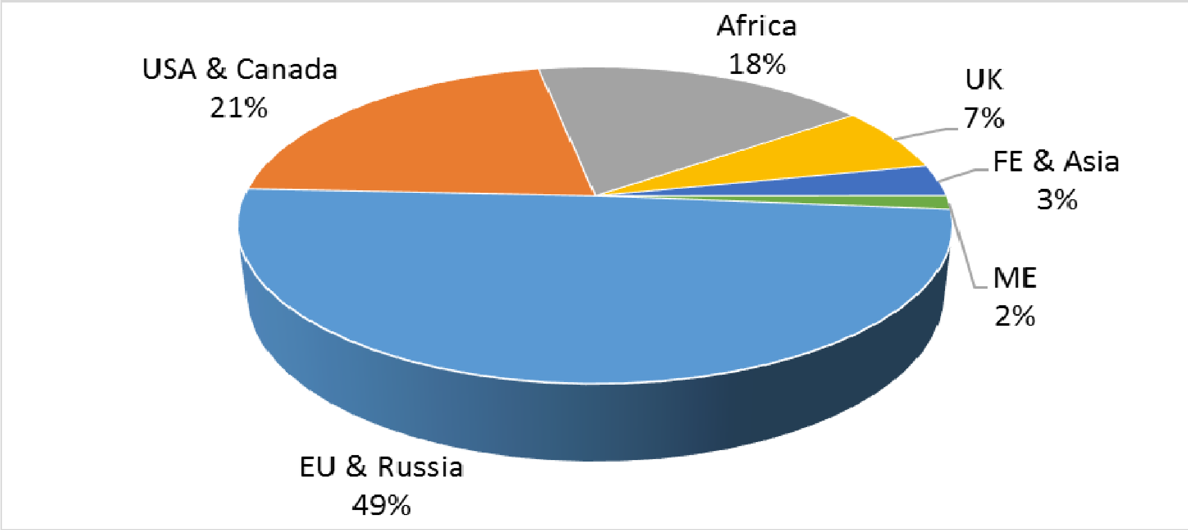

Figure 18: Main destination for dried grapes
Source: Trademap, 2015

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

Hortgro, 2015. *Dried grapes production and export data*. Information Division, Paarl, Western Cape, South Africa

Citrus Growers Association. 2015. *Citrus production and export data*. Information Division, Durban, KZN, South Africa.

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	*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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