National Agricultural Marketing Council

Promoting market access for South African agriculture

Markets and Economic Research Centre

SAFruit 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 stone fruits (peaches, nectarines, plums and apricots) and deciduous fruit (grapes)****. The main focus is on the 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 stone fruit season 2014/2015

South Africa is the largest producer of stone fruits, which include apricots, peaches, nectarines and plums in Africa. Globally, South Africa is ranked 20th in the production of stone fruits (FAOSTAT, 2015). The stone-fruit harvesting season starts at the beginning of November and runs until mid-March. The current season's production of stone fruits showed a slight growth from the previous season's 110 million cartons, led by peaches with a notable increase from 73 million cartons in 2012/13 to 83 million cartons in 2014/15, followed by plums with a total of 13 million cartons and apricots with a total of 12 million cartons. It is estimated that the total production of stone fruits for the current season will improve slightly by 0.6% due the estimated increase in the production of peaches and nectarines, despite there being no predicted increase in the production of plums and apricots (**Table 1**).

Table 1: South African stone fruit production, in cartons (C)

Production	2012/13	2013/14	2014/15	2015/16 Est[1]
Peaches and Nectarines (1 C = 2.5 kg)	73 470 243	62 056 649	83 546 240	86 888 090
Plums (1 C = 5.25 kg	14 425 407	13 301 523	14 292 920	13 292 415
Apricots (1 C = 4.75 kg)	12 805 005	10 268 009	12 185 920	10 479 891
Total	**100 700 655**	**85 626 181**	**110 025 080**	**110 660 396**

Source: Hortgro (2016)

Table 2 presents a comparison of the volume of stone fruits passed for export during the previous and current seasons, but with the inspection figures recorded up to week eight of the current season. The volume of peaches and nectarines passed for export in the current season surpassed that of the previous season, pointing to an improvement in the production of these fruits. As shown in Table 1, the estimated shortfall in the production of apricots and plums is reflected in the volume of fruit passed for export.

[1] Estimate (Est.)

Table 2: Stone fruits passed for export, in cartons (C)

Inspection (YTD[2] week 8)	2014/2015	2015/2016
Apricots (1 carton = 4.75 kg)	810 619	699 840
Nectarines (1 carton = 2.5 kg)	3 275 674	3 823 120
Peaches (1 carton = 2.5 kg)	1 758 053	2 043 582
Plums (1 carton = 5.25 kg	10 719 426	9 839 952
Grand Total	**16 563 771**	**16 406 494**

Source: Hortgro (2016)

For the 2015/16 season, South Africa's exports of stone fruits to the world markets are estimated to total 17 million cartons. The variety of stone fruits exported depends on the consumer preferences in the particular market. **Figure 1** presents the market destinations for South African apricots during the current season, with the majority of apricots destined for the Middle East, with a market share of 49%, followed by Europe (25%) and the UK (24%).

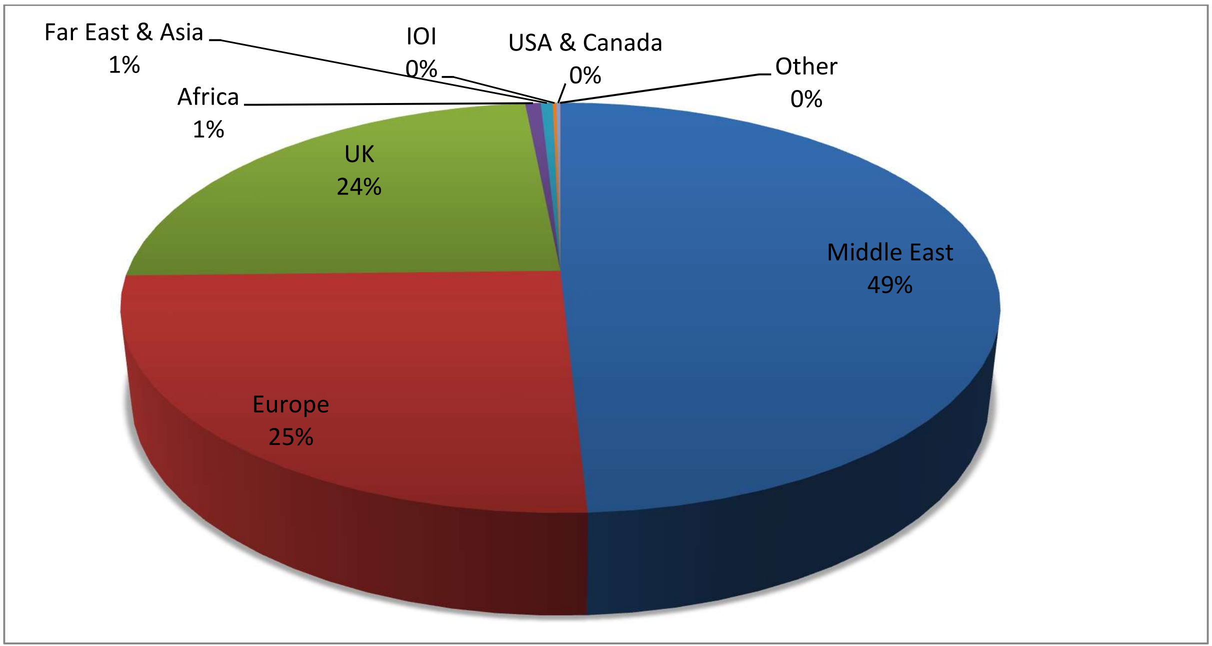

Figure 1: Market destinations for apricots[3]
Source: Hortgro (2016)

Figure 2 presents the market destinations for South African peaches during the current season (2015/2016). As in the case of apricots, the Middle East assumed the largest share (40%) of all export destinations for peaches, followed by the UK (14%), Europe (14%) and others.

[2] Year-To-Date (YTD)
[3] Indian Ocean Islands (IOI)

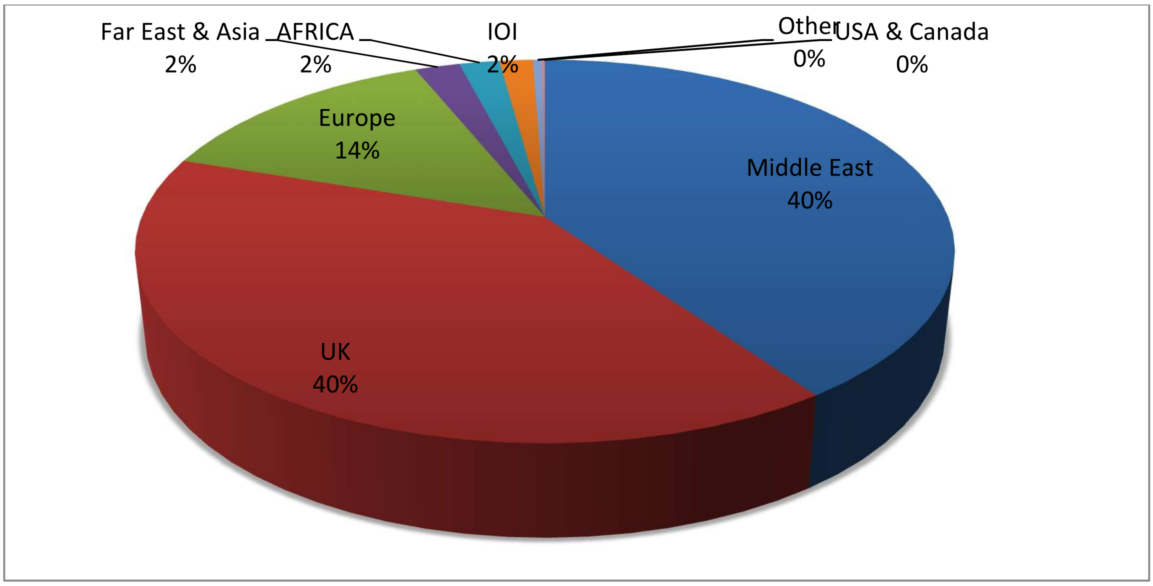

Figure 2: Market destinations for peaches
Source: Hortgro (2016)

Figure 3 presents the different market destinations for South African nectarines during the current season, with the majority of exports destined for the UK, accounting for a market share of 50%, followed by Europe and the Middle East with 26% and 17% respectively.

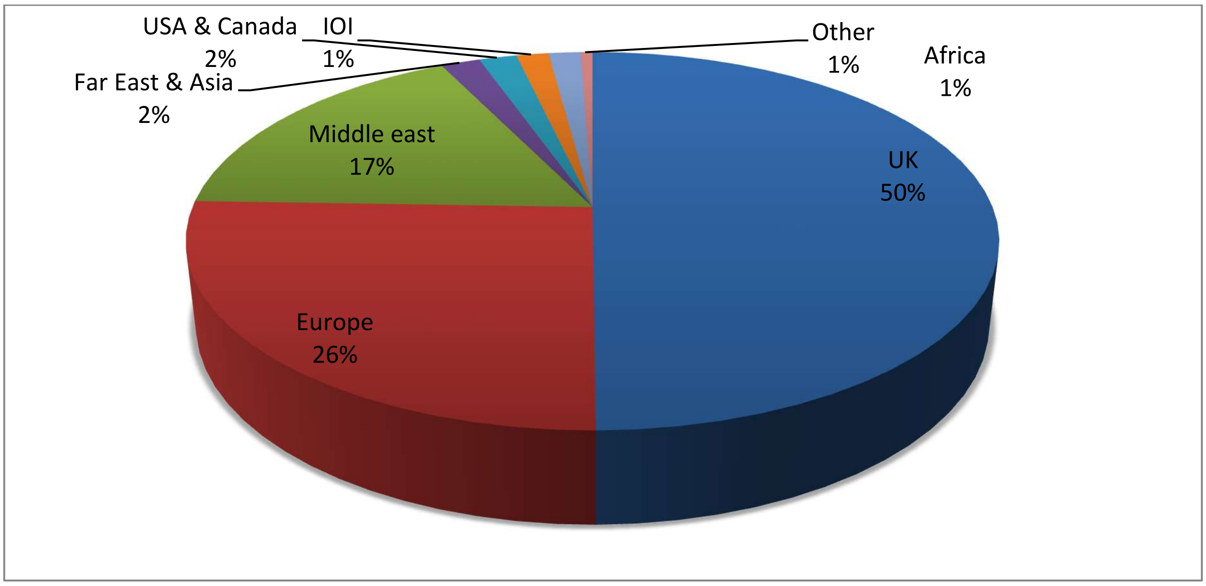

Figure 3: Market destinations for nectarines
Source: Hortgro (2016)

Figure 4 presents the different market destinations for South African plums during the current season, with the majority of exports destined for Europe, accounting for a 58% market share, followed by the Middle East (25%), and the Far East and Asia (7%).

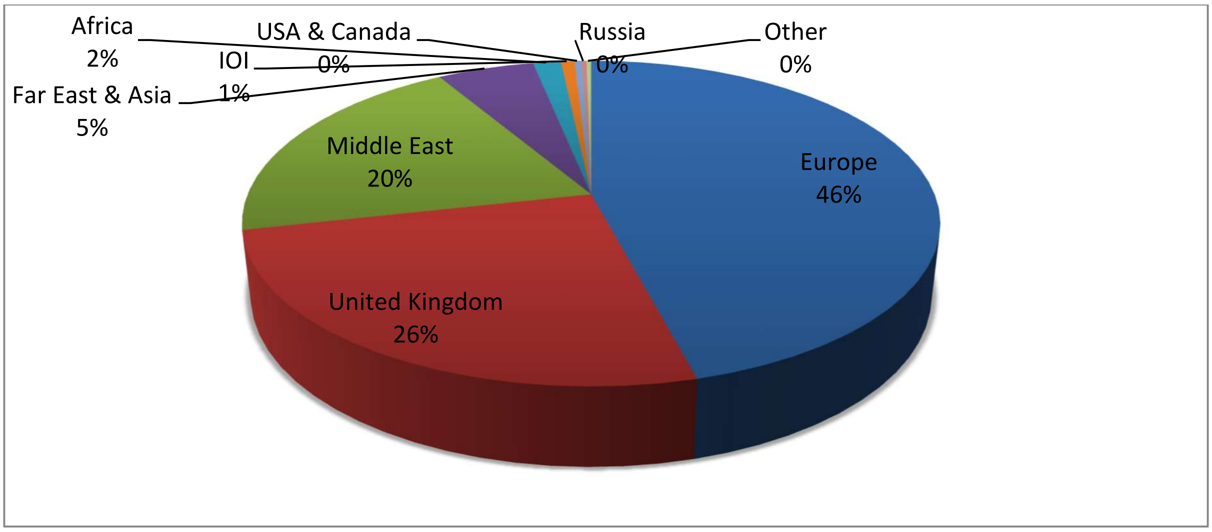

Figure 4: Market destinations for plums
Source: Hortgro (2016)

3. Overview of the table grape season 2015/2016

3.1 Global production, imports and exports

The total production rate of table grapes has increased over the past six seasons from 15% in 2010/11 to 18% in 2015/2016. During the 2015/16 season, total global production of table grapes amounted to 21 million metric tons, translating into a slight increase from the 20.5 million metric tons produced during the 2014/2015 season. **Figure 5** shows the top 10 producers of table grapes in the world, led by China with an ongoing growth in production over the six seasons in question (2010/11 – 2015/16). The steady increase in production can be mainly attributed to the country's cheap labour, favourable weather conditions for production, and the high use of inputs like fertiliser. For the current season, China's estimated production stands at 9.6 million metric tons, accounting for a 46% share of global table grape production, followed by India with 12% of global production, Turkey with 10%, the EU with 8%, and Brazil with 7% of global production.

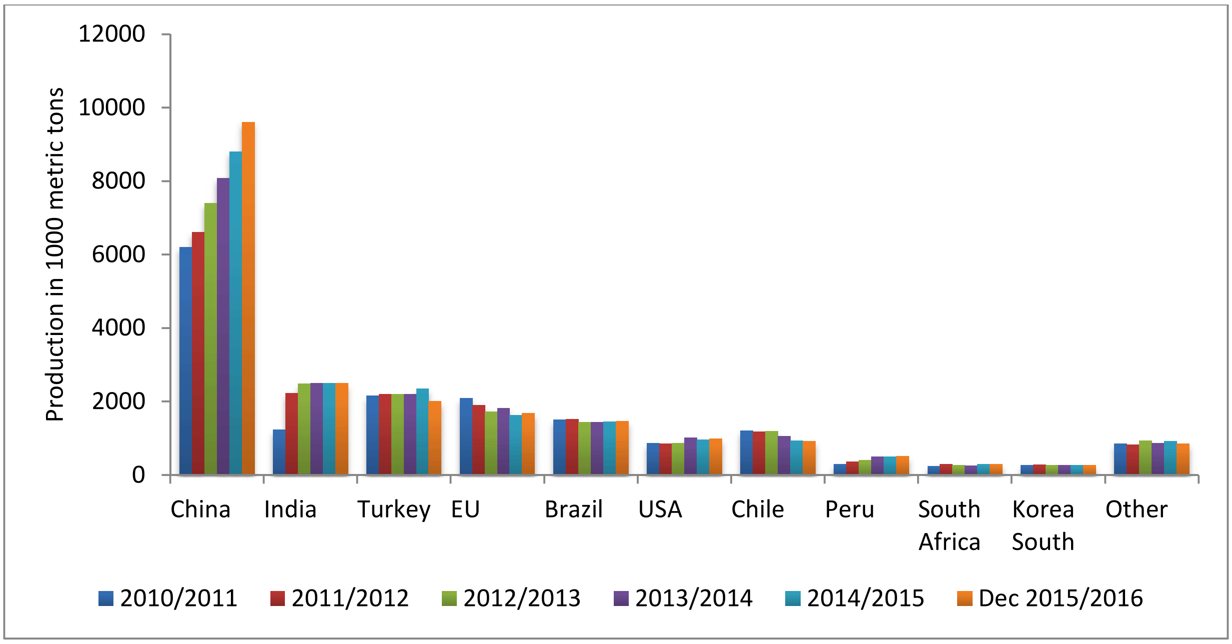

Figure 5: Global production of table grapes
Source: USDA (2015)

Global imports for the 2015/16 season are estimated at 2.6 million metric tons, equivalent to 12% of the world's total table grape production. **Figure 6** shows the European Union (EU) as the leading importer of table grapes, with 600 thousand metric tons imported by December 2015, followed by the USA with 540 thousand metric tons, China and Russia each with 250 thousand metric tons, and Hong Kong with 220 thousand metric tons.

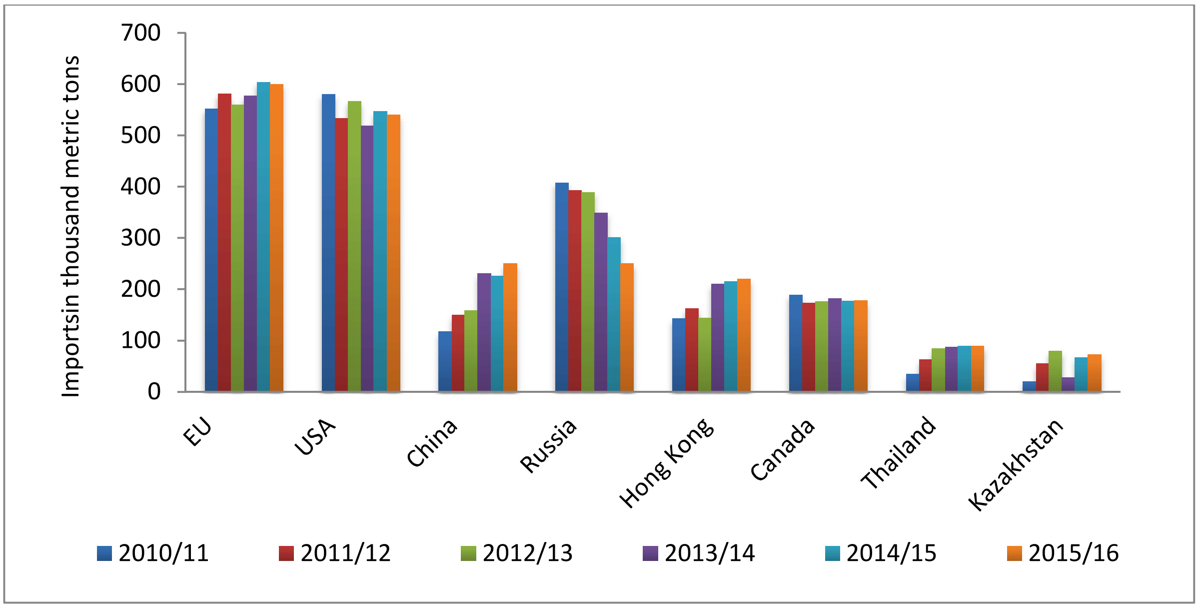

Figure 6: Global importers of table grapes
Source: USDA (2015)

Global exports of table grapes amounted to 2.7 million metric tons for the 2015/16 season, which is equivalent to 13% of the world's total table grape production. **Figure 7** shows Chile as the leading exporter of table grapes with 740 thousand metric tons, followed by the USA with 390 thousand metric tons, Peru with 295 thousand metric tons, South Africa with 266 thousand metric tons, and Turkey with 179 thousand metric tons.

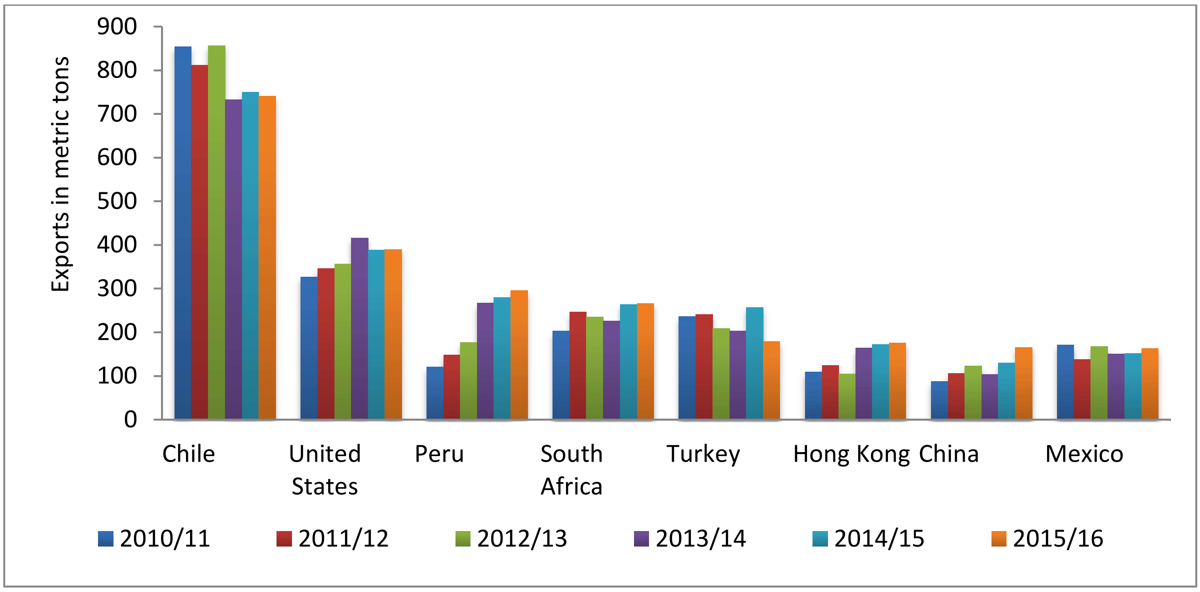

Figure 7: Global exporters of table grapes
Source: USDA (2015)

3.2 South Africa's table grapes for the season 2015/2016

The production of table grapes occurs mainly in mild Mediterranean and arid subtropical climates. More than 80% of South Africa's table grape production occurs in the Western Cape region, followed by the Northern Cape, Eastern Cape, Limpopo, Free State and Mpumalanga (DAFF, 2012). The current table grape production season commenced in November 2015 and will end in April 2016. SATI (2015) estimated the mean production over a 10-year span (2005/6-2014/15) to be 0.265 million tons. **Figure 8** indicates the total production of table grapes in tons, as well as the percentage growth in production. It is clear that South Africa's production has been fluctuating over the aforementioned 10-year period, with the highest peak in 2014/15 at 291 thousand tons total production, showing a 16% growth during the period under review.

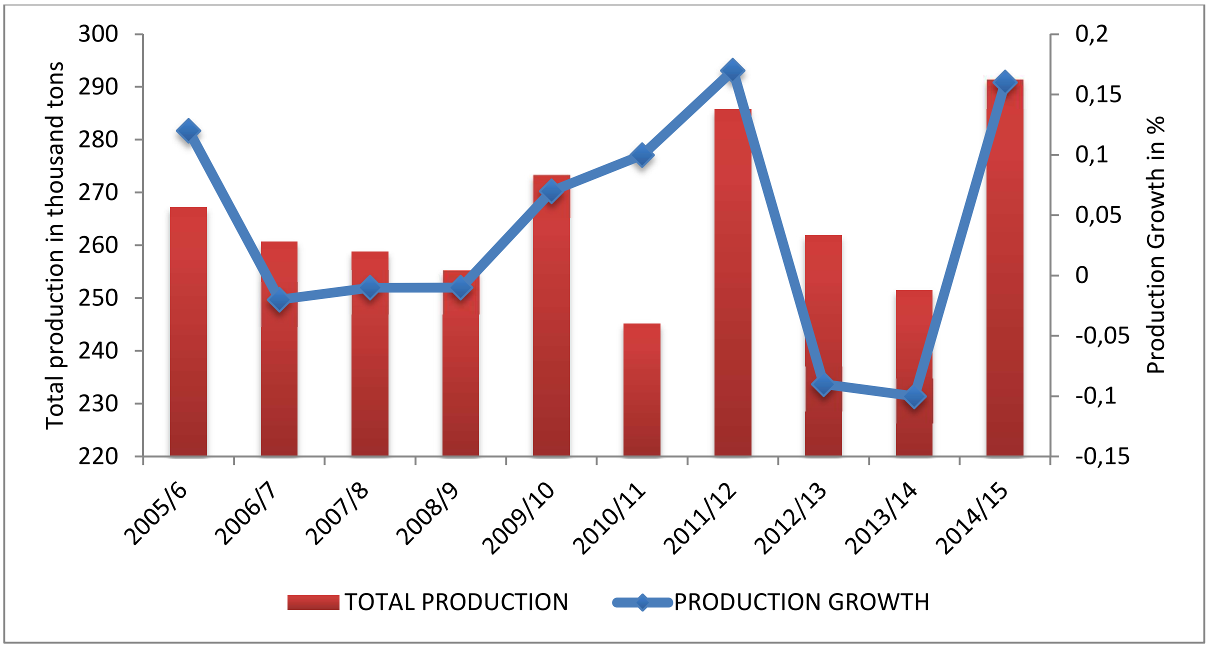

Figure 8: South Africa's total production and production growth
Source: SATI (2015)

Table 3 shows the volume of table grapes passed for the export market from different regions in the country. By the end of the season, it is estimated that between 56 and 57 million cartons will qualify for inspection for the export market, which is less than the 59 million cartons of the previous season. This shortfall may be associated with the unfavourable weather conditions that occurred during the winter season. According to the estimates for the current season, the Orange River region will take the lead with have the 18.5 million cartons approved for export, followed by the Hex River and Berg River regions with 17-18 million cartons and 12.25-12.75 million cartons respectively.

Table 3: Table grapes approved for export, in cartons (1 carton =4.5 kg)

REGION	2012/2013	2013/2014	2014/2015	2015/2016 Est. in millions
Northern Province	4 155 648	4 083 599	4 510 726	4.3 - 4.5
Orange River	16 039 382	15 118 961	17 686 725	19.5 - 20.0
Olifants River	2 725 942	3 121 056	3 788 287	3.8 - 4.0
Berg River	12 672 168	11 379 002	13 062 449	13.8 - 14.3
Hex River Valley	18 286 725	16 846 196	20 331 091	19.9 - 20.4
TOTAL	**53 879 865**	**50 548 814**	**59 379 279**	**61.3 - 63.2**

Source: SATI (2015)

Figure 5 below shows South Africa's total exports in comparison with the domestic market. It is clear that there are more South African table grape exports to the international market compared to what is sold on the domestic market. During the 2014/2015 season, approximately 263 thousand tons were exported to the world market, representing a 14% increase from the previous season.

Figure 5: Total South African exports and domestic market
Source: SATI (2015)

Figure 6 illustrates South Africa's export markets for table grapes for the 2015/16 season, with the European Union as the largest market destination with a share of 54%, followed by the UK and Asia with a share of 27% and 12% respectively for the season.

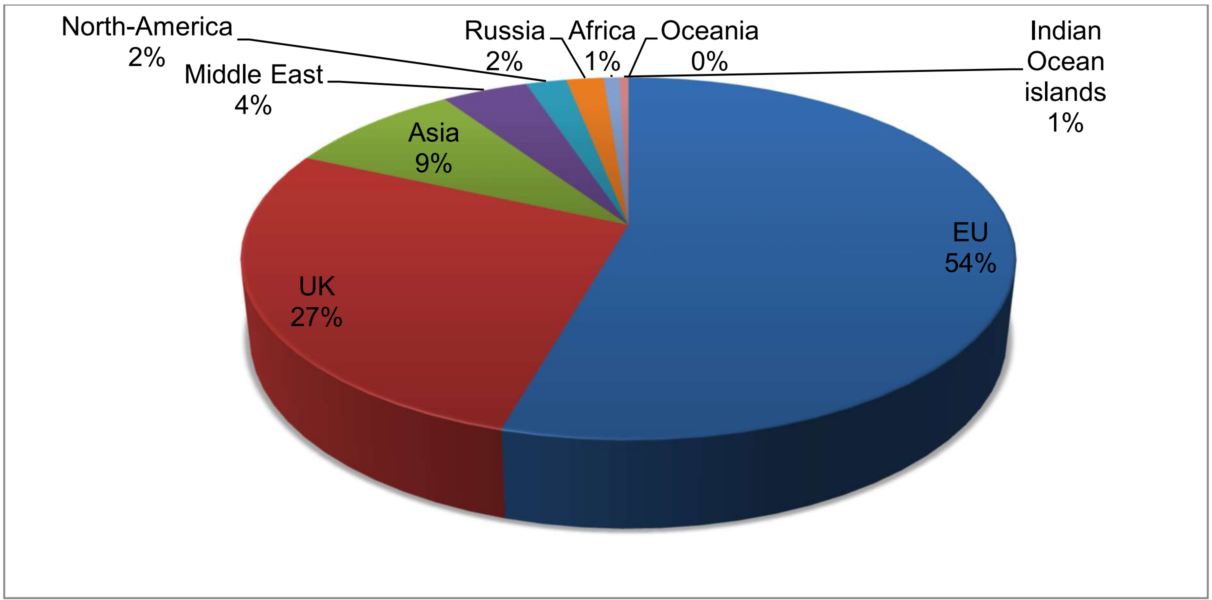

Figure 6: Main export destinations for South African table grapes
Source: SATI (2015)

3.3 Domestic sales

Figure 7 shows the volumes of table grapes sold at national fresh produce markets, as well as their market price trends, from January to December 2015. The volumes of grapes sold reached a peak during the period January to March, being the harvesting season, with the highest volume (3 959 tons) being sold in March. The market prices were on average lower during the period January to April, compared to July with the highest prices.

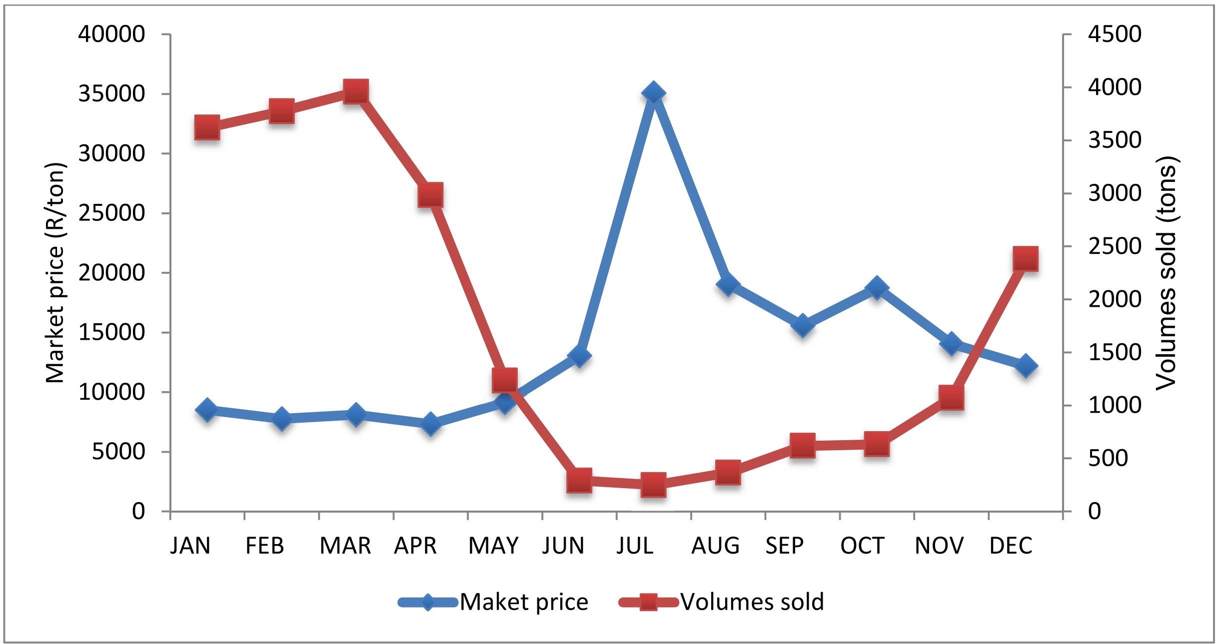

Figure 7: Volumes of grapes sold at fresh produce markets and their market price trends
Source: DAFF (2015) and Own Calculations

REFERENCES

DAFF (Department of Agriculture, Forestry and Fisheries). 2015. *Local market fruit sales data*. Directorate of Agricultural Statistics, Pretoria.

Hortgro. 2016. *Stone production and export data*. Information and Value Chain Division, Paarl.

SATI (South African Table Grape Industry). 2016. *Table grapes production and export data*. Information and Market Intelligence Division, Paarl.

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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