



INTERNATIONAL *TradeProbe*

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The *TradeProbe* is a joint initiative by the NAMC and the Department of Agriculture, Forestry and Fisheries, Directorate International Trade. The aim of this initiative is to create knowledge of trade-related topics by discussing/reporting trade statistics, to invite perspectives from people working in related sectors, and to report on trade-related research and stimulating debate.

THIS ISSUE OF THE TRADEPROBE COVERS THE FOLLOWING TOPICS:

- Trade profiles:
 - Sheep meat (HS code – 0204)
 - Cotton (HS code – 52)
 - Wood and particles of wood (HS code – 44)
 - Beef (HS code – 0201)
- Export promotion to the EU by Swedish open trade gate: Why and how does it work?
- Pineapple canning industry recovers from “cadmium contamination” disaster
- Changing consumer behaviour restores popularity of ancient fruit product.

1. SHEEP MEAT (HS CODE: 0204)¹

South Africa is a net importer of sheep meat. Sheep numbers have declined from over 30 million in 1970 to approximately 24 million in 2009. The main reason for this decline can be attributed to the high levels of stock theft and significant losses due to predation, which forced many farmers to switch to cattle and game farming.

Within the ambit of the aforementioned this section provides insight into the international trade in sheep meat and by South Africa. **Table 1** shows the world's leading exporters of sheep meat in 2009. These countries are ranked according to their market share and value of exports.

World exports amounted to US\$4.87 billion. New Zealand (US\$1.82 billion), Australia (US\$1.21 billion), the United Kingdom (UK) (US\$486 680) was the three largest exporters of sheep meat during 2009. Other countries making up the top ten included Ireland, India, Belgium, the Netherlands, Spain, Uruguay and France.

Table 1: World's leading exporters of sheep meat: 2009

Exporter	Export value, US\$ thousand	World share in exports, (%)
World Estimation	4 879 913	100
New Zealand	1 820 693	37.3
Australia	1 210 830	24.8
UK	486 680	10.0
Ireland	222 579	4.6
India	182 508	3.7
Belgium	180 229	3.7
Netherlands	93 820	1.9
Spain	91 025	1.9
Uruguay	81 660	1.7
France	73 473	1.5

Source: ITC TradeMap, 2010

Table 2 shows that the total value of world imports amounted to US\$4.86 billion in 2009. The leading importers were France (US\$755 million), the UK (US\$593 million), and the United States of America (USA) (US\$489 million). Interesting to note is that the UK and France was also on the list of top 10 exporters. South Africa ranked number 39 on the list of importers according to the value of world imports.

Table 2: World's leading importers of sheep meat: 2009

Importer	Import value, US\$ thousand	World share in imports, %
World Estimation	4 869 182	100
France	755 364	15.5
UK	593 550	12.2
USA	489 133	10.0
Belgium	302 913	6.2
Germany	288 739	5.9
United Arab Emirates	215 340	4.4
Saudi Arabia	207 647	4.3
Italy	170 330	3.5
China	139 271	2.9
Japan	119 356	2.5

Source: ITC TradeMap, 2010

¹ This article was compiled by Mr. Lindikhaya Myeki (of the NAMC).

Table 3 lists the top ten countries that imported sheep meat from South Africa in 2009. These exports amounted to US\$2.87 million. Australia² commanded the largest share and the value of imports were US\$903 000; it should be noted that this is not a regular export destination. This was followed by Ship stores and bunkers (US\$463 000), Nigeria (US\$381 000) and the Democratic Republic of Congo (DRC) (US\$350 000).

Other countries making the top ten list include Mozambique, Gabon, Angola, Seychelles, Congo and Vietnam. The largest share of South Africa's exports was destined for other countries in Africa.

Table 3: Top ten importers of sheep meat from South Africa: 2009

Importers	Exported value, US\$ thousand	Share in SA's Markets, %
South Africa (total)	2 872	100
Australia	903	31.4
Ship stores and bunkers*	463	16.1
Nigeria	381	13.3
DRC	350	12.2
Mozambique	168	5.8
Gabon	165	5.7
Angola	132	4.6
Seychelles	115	4
Congo	66	2.3
Vietnam	36	1.3

* Meat recorded as exports, but not yet arrived in destination country

Source: Trade Map, 2010

Table 4 shows that Australia and New Zealand was the main sources of sheep meat imports into South Africa (this is generally the case). In 2009, Australia commanded the largest import market share (61.8 %) followed by New Zealand with a 37.8 % share in South Africa's import market in terms of the value of sheep meat imports.

Table 4: Top four exporters of sheep meat to South Africa: 2009

Exporters	Imported value, US\$ thousand	Share in SA's markets, %
South Africa (total)	14 171	100
Australia	8 759	61.8
New Zealand	5 354	37.8
Singapore	45	0.3
Areas not elsewhere specified	12	0.1

Source: ITC TradeMap, 2010

2. COTTON (HS CODE: 52)³

A report on "Agriculture's contribution to ASGI-SA" by the Monitor Group showed that the cotton industry is an attractive industry to contribute towards South Africa's socio-economic growth objectives.

This section highlights the global and South African trade in cotton. **Table 5** identifies the world's leading exporters of cotton in 2009. The total value of world exports amounted to US\$41.2 billion. The world's leading cotton exporters in 2009 were China (US\$9.6 billion), the USA (US\$4.9 billion) and Hong Kong (US\$3.5 billion). South Africa contributed 0.1 % to the value of global exports in 2009.

Table 5: World's leading exporters of cotton: 2009

Exporter	Export value, US\$ thousand	Share in global exports, (%)
World estimation	41 266 736	100
China	9 600 864	23.3
USA	4 924 276	11.9
Hong Kong (SARC)	3 561 158	8.6
Pakistan	3 203 792	7.8
India	3 194 769	7.7
Italy	2 047 694	5.0
Turkey	1 278 471	3.1
Germany	1 083 301	2.6
Brazil	844 674	2.0
Spain	723 481	1.8

Source: ITC TradeMap, 2010

According to **Table 6** the total value of world imports amounted to US\$39 billion in 2009. The leading importer of cotton during 2009 was China, with an import value of US\$6.1 billion, followed by Hong Kong (US\$3.4 billion) and Turkey (US\$2 billion). Italy, China, Hong Kong and Turkey were both leading importers and exporters.

Table 6: World's leading importers of cotton: 2009

Importer	Import value in US\$ thousand	Share in global exports, (%)
World estimation	39 050 664	100
China	6 180 050	15.8
Hong Kong (SARC)	3 445 749	8.8
Turkey	2 097 946	5.4
Bangladesh	1 930 449	4.9
Indonesia	1 476 117	3.8
Italy	1 341 247	3.4
Viet Nam	1 333 190	3.4
Republic of Korea	1 211 443	3.1
Mexico	978 334	2.5
Germany	917 246	2.3

Source: ITC TradeMap, 2010

Table 7 shows the top ten markets for South African cotton exports in value terms. The total value of South Africa's exports amounted to US\$28.1 million in 2009. South Africa's leading export destinations in 2009 were Thailand (US\$4.2 million), Bangladesh (US\$3.8 million) and the UK (US\$3.0 million). The top three importers jointly contributed 39.8 % to the value of South Africa's cotton exports.

² It must be noted that Australia was a leading destination of South Africa's exports of sheep meat only in 2009 not the previous two years.

³ This article was compiled by Mr. Nico Scheltema (of the NAMC).

Table 7: Top ten export markets for South African cotton: 2009

Exporter	Export value in US\$ thousand	Share in South Africa's exports, (%)
South Africa (total)	28 119	100
Thailand	4 265	15.2
Bangladesh	3 850	13.7
UK	3 065	10.9
China	2 841	10.1
Indonesia	2 273	8.1
Chinese Taipei	1 484	5.3
Portugal	1 303	4.6
Mauritius	1 269	4.5
Italy	1 245	4.4
Viet Nam	1 041	3.7

Source: ITC TradeMap, 2010

During 2009, the import value of cotton into South Africa amounted to US\$134.5 million (**Table 8**). Net cotton imports were therefore close to US\$106.4 million. The most prominent source of foreign cotton was Zimbabwe, valued at US\$34 million. China and Zambia were the second and third largest suppliers of cotton, supplying cotton to the value of US\$29.6 million and US\$16.6 million, respectively. These countries contributed 60.1 % to the total value of South Africa's cotton imports.

Table 8: Top ten import markets of South African cotton: 2009

Importer	Import value in US\$ thousand	Share in South Africa's exports, (%)
South Africa (total)	134 514	100
Zimbabwe	34 452	25.6
China	29 676	22.1
Zambia	16 643	12.4
Pakistan	14 789	11
India	11 452	8.5
Malawi	5 046	3.8
Germany	4 721	3.5
Mauritius	2 941	2.2
Chinese Taipei	1 827	1.4
Thailand	1 429	1.1

Source: ITC TradeMap, 2010

3. WOOD AND PARTICLES OF WOOD (HS CODE: 44)⁴

Forestry was another industry that was identified by the Monitor Group to contribute towards South Africa's socio-economic growth objectives. Forestry is a labour-intensive industry that could play a critical role in creating job opportunities.

Table 9 shows the world's leading exporters of wood and particles of wood in 2009. The total value of world exports in 2009 was around US\$88.7 billion. The world's leading wood exporters in 2009 were China (US\$7.7 billion), Germany (US\$7.5 billion) and Canada (US\$6.5 billion). South Africa contributed 0.3 % to the value in global exports in 2009.

Table 9: World's leading exporters of wood and particles of wood: 2009

Exporter	Export value in US\$ thousand	Share in global exports, (%)
World estimation	88 727 848	100
China	7 713 472	8.7
Germany	7 568 487	8.5
Canada	6 541 287	7.4
Russia	5 573 371	6.3
USA	5 451 492	6.1
Austria	4 397 031	5.0
Sweden	3 959 942	4.5
Malaysia	3 766 794	4.2
France	2 571 938	2.9
Belgium	2 361 085	2.7

Source: ITC TradeMap, 2010

Table 10 presents the top ten importers of wood and particles of wood in 2009. The total value of world imports amounted to US\$91.3 billion. The leading importer of wood during 2009 was the USA, with an import value of US\$10.5 billion, followed by Japan (US\$8.6 billion) and China (US\$7.2 billion). Several countries were both leading importers and exporters.

Table 10: World's leading importers of wood and particles of wood: 2009

Importer	Import value in US\$ thousand	Share in global exports, (%)
World estimation	91 354 456	100
USA	10 501 017	11.5
Japan	8 673 825	9.5
China	7 255 434	7.9
Germany	5 647 981	6.2
France	4 294 172	4.7
UK	4 237 470	4.6
Italy	4 163 275	4.6
Belgium	2 658 412	2.9
Netherlands	2 643 383	2.9
Canada	2 533 543	2.8

Source: ITC TradeMap, 2010

Table 11 shows the top ten markets for South African wood exports. The total value of South Africa's exports amounted to US\$302 million. South Africa's leading export destinations in 2009 were Japan (US\$173.7 million), the UK (US\$26.5 million) and Mozambique (US\$17.3 million). The top three importers jointly contributed 71.9 % of all South Africa's exports.

Table 12 indicates that during 2009, the import value of wood and particles of wood into South Africa amounted to US\$244 million. Net wood exports were therefore close to US\$58 million. The most prominent source of foreign wood originated from Malaysia, which was valued at US\$45 million. China and France were the second and third largest suppliers of wood, supplying US\$36 million and US\$25 million, respectively. The top three importers jointly contributed 43.7 % of all South Africa's wood imports.

⁴ This article was compiled by Mr. Nico Scheltema (of the NAMC).

Table 11: Top ten export markets for South African wood: 2009

Exporter	Export value in US\$ thousand	Share in South Africa's exports, (%)
South Africa (total)	302 975	100
Japan	173 797	57.4
UK	26 594	8.8
Mozambique	17 301	5.7
Netherlands	8 464	2.8
Republic of Korea	6 236	2.1
Zambia	6 105	2.0
Zimbabwe	6 010	2.0
Australia	5 131	1.7
Ethiopia	3 588	1.2
Mauritius	3 413	1.1

Source: ITC TradeMap, 2010

Table 12: Top ten markets that exported wood and particles of wood to South African: 2009

Importer	Import value in US\$ thousand	Share in South Africa's imports, (%)
South Africa (total)	302 975	100
Malaysia	45 202	18.5
China	36 261	14.8
France	25 380	10.4
Germany	15 509	6.4
Brazil	15 208	6.2
Indonesia	14 231	5.8
USA	11 666	4.8
Gabon	10 365	4.2
Argentina	9 306	3.8
Zimbabwe	8 182	3.4

Source: ITC TradeMap, 2010

4. MEAT OF BOVINE ANIMALS – FRESH OR CHILLED (HS CODE: 0201)⁵

Another sector identified by the Monitor Group was the beef sector (i.e. fed cattle and calves slaughtered). The beef industry plays an important role in South Africa's agricultural economy. It contributed on average 10.7 % to the gross value of agricultural production between 2002/03 to 2008/09. The section highlights global and domestic trade in meat of bovine animals (fresh or chilled). In the next TradeProbe trade in meat of bovine animals (frozen) will be explored. Cognisance should be taken that the import and export mix is considerably different between frozen and fresh or chilled meat of bovine animals.

Table 13 shows the world's leading exporters of meat of bovine animals (fresh or chilled) in 2009. The total value of world exports for 2009 was US\$17.4 billion. The world's leading exporters were the Netherlands (US\$2.3 billion), Germany (US\$1.7 billion), Ireland (US\$1.6 billion) and the USA (US\$1.6 billion). South Africa's share of world exports of meat of bovine animals (fresh or chilled) only accounted for 0.1 %.

Table 13: World's leading exporters of meat of bovine animals (fresh or chilled): 2009

Exporters	Exported value, US\$ thousand	Share in global exports (%)
World	17 422 360	100.0
Netherlands	2 377 783	13.6
Germany	1 737 976	10.0
Ireland	1 631 863	9.4
USA	1 610 041	9.2
Australia	1 510 374	8.7
France	1 268 814	7.3
Canada	877 747	5.0
Poland	728 611	4.2
Argentina	711 297	4.1
Belgium	616 415	3.5

Source: ITC TradeMap, 2010

Table 14 provides the world's leading importers of meat of bovine animals (fresh or chilled) in 2009. The value of world imports for 2009 amounted to US\$16.3 billion. The world's leading importers were Italy (US\$2.5 billion), France (US\$1.3 billion), Germany (US\$1.3 billion) and the Netherlands (US\$1.2 billion). The share of South African imports for 2009 was insignificant at 0.06 %.

Table 14: World's leading importers of meat of bovine animals (fresh or chilled): 2009

Importers	Imported value, US\$ thousand	Share in global imports, (%)
World	16 301 326	100.0
Italy	2 520 079	15.5
France	1 353 409	8.3
Germany	1 343 229	8.2
Netherlands	1 234 696	7.6
Japan	1 157 259	7.1
USA	1 086 023	6.7
UK	889 187	5.5
Mexico	808 133	5.0
Venezuela	622 494	3.8
Spain	614 807	3.8

Source: Trade Map, 2010

Table 15 shows the top ten markets for South African exports of meat of bovine animals (fresh or chilled) in 2009. The total value of South African exports of meat of bovine animals (fresh or chilled) for 2009 was US\$9.5 million. South Africa's leading export destinations during 2009 were the United Arab Emirates (US\$2.5 million), Angola (US\$2.0 million), Kuwait (US\$0.83 million) and Lebanon (US\$0.79 million).

Table 15: List of importing countries for meat of bovine animals (fresh or chilled) exported by South Africa: 2009

Importers	Exported value, US\$ thousand	Share in SA's exports, (%)
South Africa (total)	9 593	100.0
United Arab Emirates	2 517	26.2
Angola	2 002	20.9
Kuwait	839	8.7
Lebanon	795	8.3
Mozambique	643	6.7
Gabon	420	4.4
DRC	415	4.3
Mauritius	377	3.9
Ship stores and bunkers	366	3.8
Nigeria	330	3.4

Source: ITC TradeMap, 2010

⁵ This article was compiled by Ms. Londiwe Thabethe (of the NAMC).

Table 16 shows South Africa's imports of meat of bovine animals (fresh or chilled). The total value of South African imports of meat of bovine animals (fresh or chilled) in 2009 was US\$0.41 million. South Africa's leading import markets were Area's Not Elsewhere Specified (Area Nes) (US\$0.22 million), Namibia (US\$0.16 million) and Australia (US\$0.026 million).

Table 16: List of markets that exported meat of bovine animals (fresh or chilled) to South Africa: 2009

Importer	Imported value, US\$ thousand	Share in SA's imports, (%)
South Africa (total)	412	100.0
Area Nes*	225	54.6
Namibia	162	39.3
Australia	26	6.3

* These are countries not specifically specified in the ITC database

Source: ITC TradeMap, 2010

5. EXPORT PROMOTION TO THE EU BY SWEDISH OPEN TRADE GATE: WHY AND HOW DOES IT WORK⁶?

• Overview

The Swedish government is promoting imports into its market and the EU market at large. In order to fulfill this objective, it has established the Open Trade Gate initiative. Open Trade Gate is a one-stop information centre with many institutions providing information on standards, requirements and regulations etc. It was established by the Swedish Government to assist exporters from developing countries interested to export to the Swedish market and the EU. It is financed by the Swedish Department of Foreign Affairs.

The Open Trade Gate initiative is placed at the National Board of Trade, a governmental agency for international trade and trade policy and their services are *free of charge*. Why Open Trade Gate (imports promotion)? Sweden believes in free trade and trade liberalisation and it also depends on trade for its economy as it imports raw material and re-exports it after manufacturing. One of the reasons for Sweden to promote imports is to provide its consumers with a wide range of products.

Open Trade Gate's main objective is to provide information on Non-tariff Barriers (NTBs) (on request), such as standards, rules and requirements, and to also provide information on product codes, custom duties, VAT etc. Open Trade Gate also provides technical assistance, such as capacity building, for example building a contact point within a country, which helps exports to Sweden. One of its major global policy objectives is to promote equitable and sustainable development, promote open and legitimate conditions and market access for developing countries and to persuade the EU to remove trade barriers.

Some of its partners in South Africa include the dti, DAFF, SA Embassy (in Sweden), Swedish Embassy in South Africa and Swedish Chambers. Furthermore, Sweden has established a Swedish Trade Council, situated in Pretoria, to help exporters and potential exporters. It also conducts export promotion seminars in various countries on request.

• Export promotion seminar in Grahamstown: Sweden as an export market for citrus

South Africa and Sweden have a number of economic co-operations. In terms of the value of imports into Sweden, South Africa occupies the 15th position; of all exports from Africa half is from South Africa. Within the ambit of the aforementioned representatives from Sweden conducted a seminar on export promotion in South Africa, on the 23 November 2010, in Grahamstown, Eastern Cape.

The main focus of the presentation/workshop was on the citrus export market, as citrus fruit is one of the major fruits produced in the province. All the stakeholders involved in citrus were represented, including the farmers themselves, Sunday River Citrus Cooperation (SRCC), Fresh Produce Export Forum (FPEF), the dti and the Eastern Cape Department of Agriculture. The presentation was conducted by various experts from Swedish entities, such as the Swedish Open Trade Gate in conjunction with Swedish Agric Marketing, Swedish Chambers and Grolink.

During the seminar presentation, it was indicated that Sweden is a good market for citrus for the following reasons:

- Sweden has a population of 9 million people which is 2 % of the European Community.
- It is one of the countries in the EU with a relatively high GDP per capita.
- The Swedish market is one of the sustainable markets for citrus in EU, because 90 %⁷ of fresh fruit is sold at retail, compared to 50 % in Italy, and this gives a market guarantee for fresh fruit exports.
- This is strengthened by the fact that Sweden has a big middle class, and its market is driven by consumer preferences, so there is less protectionism (less trade barriers).

Within the ambit of the aforementioned it is important to note that South Africa is the second largest citrus exporters to the EU (with a share of 11.1 % in 2009) after Spain, followed by Argentina (9 %) and Morocco (3.7 %). South Africa exported R727.98 million⁸ of citrus fruit over the last five years to the EU. On average, South Africa exported 17.1 % (i.e. R727.98 million of R4 252.13 million) of its total world citrus exports to the EU, and the Swedish share in South African total citrus exports to the EU is 2% on average (i.e. R14.72 million of R727.98 million).

⁶ Zithulele Balindlela: Marketing Officer, Directorate Economics and Marketing-Amathole District Municipality, Eastern Cape Department of Agriculture and Rural Development.

⁷ Charl du Plessis, company witness from Sunday River Citrus Co.

⁸ Statistics on trade have been adopted from International Trade Center (ITC) TradeMap, 2009.

South Africa's leading citrus fruit export products to the EU are oranges, with a large share (far above 50 % of South Africa's total citrus exports to EU), followed by mandarins and grape fruit. The aforementioned citrus fruits constitute 90 % of South Africa's total citrus fruit exports in value terms to the EU. South Africa's top three citrus export market destinations in Europe were the Netherlands (37.2%)⁹, the UK (25.3%) and Belgium, with a share of 9.2%. Sweden was in position 14 in 2009. The Open Trade Gate initiative could prove to be a valuable tool to increase citrus exports to Sweden.

• Discussion and conclusion

Open Trade Gate is an important tool as it provides information on NTBs where most of the time, the stringent NTBs measures and lack of access to such information compound the difficulties in accessing the market. Thus, it is an important initiative that is likely to assist in mitigating the problem of marketing information inaccessibility, particularly on standards and requirements.

Therefore, exporters and potential exporters are advised to utilise the Open Trade Gate initiative in order to obtain relevant information that will enhance their export opportunities to the EU. By utilising this initiative one can expect exporters and potential exporters to benefit from increased compliance with standards and regulations required by the EU. This will also improve our export performance (not only for citrus but also for other products) in EU markets such as Sweden and other EU countries.

The following are useful addresses that may help exporters and potential exporters to fully utilise Swedish Open Trade Gate initiative.

- ✓ Market information: www.swedishchambers.se
- ✓ Business partners: www.chambertrade.co
- ✓ Company contact: www.kompass.com
- ✓ Trade fairs: www.stofair.se
- ✓ Info on Open Trade Gate-Sweden: www.opentradegate.se
- ✓ Trade agreements: www.krav.se
- ✓ Specification and tariffs for the EU: <http://exporthelp.europa.eu>

6. PINEAPPLE CANNING INDUSTRY RECOVERS FROM "CADMIUM CONTAMINATION" DISASTER¹⁰

During the 1980s, more than 200 000 tons of fresh pineapples were grown and supplied to five canneries in the Eastern Cape. However, between 1983 and 1993, South East Asian pineapple producers increased their production of pineapples threefold and flooded the world market, causing a sharp decline in prices. This, together with sanctions against South Africa at that time, fluctuating exchange rates and the compulsory purchase by the South African Govern-

ment of large areas of land under pineapple production for incorporation into the Ciskei homeland, contributed to the near collapse of the pineapple industry in the Eastern Cape.

By 1993, only three canneries remained in operation and in 1995, one of these closed down. In 2000, Summerpride Foods and Collondale Cannery were the only two canneries remaining in the Eastern Cape. In 2008, the two canneries merged and all processes of Collondale Cannery were incorporated into Summerpride Foods. At present, Summerpride Foods together with Swaziland Fruit Canners (located in Swaziland) are the only two factories processing pineapples in the South African Customs Union (SACU).

• Effect of cadmium contamination on canned pineapple production

In 2006, the pineapple industry in South Africa was hard hit by cadmium contaminated fertilisers. The problem was detected in a 120 000 can consignment exported to Switzerland in 2006. Before the cadmium problem, 110 000 to 120 000 tons of fresh pineapples per annum were available in the Eastern Cape for processing into both canned pineapples and pineapple concentrate. Figure 1 shows the effect of cadmium contamination on canned pineapples production from South Africa and SACU.

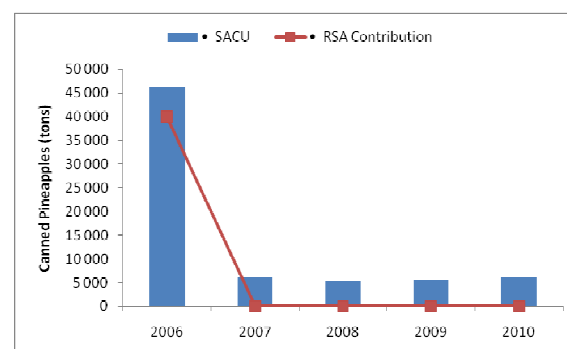


Figure 1: SACU production of canned pineapples
Source: South African Fruit & Vegetables Canners' Association, 2010

Prior to the contamination, Summerpride Foods processed about 120 000 tons of fresh fruit a year (i.e. 1.8 million cartons of canned slices, pieces and pineapple crush, and 7 000 tons of concentrate). These products were sold on the domestic market and exported, with exports representing about 85 % of annual sales. The company employed about 1 400 people in the Eastern Cape Province.

Due to the contamination pineapple farmers were unable to supply the factory with fresh pineapples suitable for processing into canned pineapples and concentrates, which resulted in a shortage of pineapples for canning. Summerpride Food had to reduce its production capacity, leaving 500 workers out of work.

The sharp decline in canned production provided an opportunity for cheap imported canned pineapples

⁹ Of the EU's total citrus imports from South Africa, ITC TradeMap, 2009.

¹⁰ This article was compiled by Mr. Sifiso Ntombela (of the NAMC).

from South East Asian countries. Figure 2 shows the rapid increase in imports from China, Thailand, Indonesia and Philippines over the last three years. South Africa's total canned pineapple imports increased from 360 tons in 2006 to over 2 307 tons in 2009, registering an alarming 541 % growth within just three years. At country level, China's exports to South Africa increase from zero tons in 2005 to over 1 506 tons in 2009.

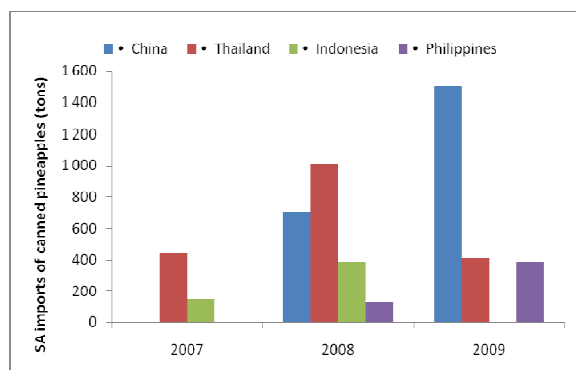


Figure 2: South African imports of canned pineapples
Source: World Trade Atlas and South African Fruit & Vegetables Canners' Association, 2010

• Current industry situation and control measures in place

The cadmium contamination experienced in 2006 has now slowly worked its way out of the system and it was reported that Summerpride Foods received around 72 000 tons of fresh pineapples for processing in the 2010 season. A total production of 95 000 tons is expected in 2011 and it is anticipated that within a year or two, the tonnage available for processing could once again be in the region of 110 000 to 120 000 tons.

The canning factory has put some control measures in place in order to avoid the recurrence of the 2006 disaster. The factory has implemented new testing procedures to measure the cadmium levels and other heavy metals. The testing of heavy metals begins at the farms that supply the factory with fresh fruits.

Once the fruits have left the farm, they are tested again before they enter the factory. The canned products and pineapple concentrates are also tested after processing. Another measure taken by the factory, together with the Pineapple Association, is to ban chemical agents (i.e. zinc-sulphate fertiliser) manufactured by Chinese companies.

7. CHANGING CONSUMER BEHAVIOUR RESTORES POPULARITY OF ANCIENT FRUIT PRODUCT¹¹

Consumer taste and preferences are constantly changing throughout the globe. Consumers are always in search for new products with better taste, appealing appearance and easier eating character. More recently, consumers have showed a significant

shift towards food products that are considered anti-oxidant-rich, exotic and beneficial to health. This transformation has challenged producers to diversify their traditional products with healthy products in order to maintain their domestic and international competitive position.

Within the fruit sector, the pomegranate is an ancient fruit that is rapidly gaining popularity due to its health benefits and versatile usage. Pomegranates can be consumed as fresh fruit or used in fruit juices or wine spirits. They can also be used as a decoration agent as well as cattle feed due to their richness in fibre and antioxidants. The fruit is a very rich source of minerals (e.g. sodium, iron, calcium and phosphorus); vitamins (e.g. Vitamin C, B-6, thiamine, niacin and riboflavin); energy; protein; fiber and carbohydrates. In addition, pomegranates have a natural sun protective factor, and are increasingly being used in face and hand creams products (HBL, 2009, RIRDC 2008 and Crites et al, 2004).

The pomegranate is thought to have been first cultivated in Iran about five to six thousand years ago (DAF, 2005). Historic knowledge and growing research on the health benefits of pomegranates have inspired its cultivation from Iran (i.e. its native region) to Northern India as well as throughout the Mediterranean regions of the USA, Africa and Europe. In 2008, the world's pomegranate production stood around 2.5 million tonnes, of which India produced approximately 48 %, followed by Iran with 31 %, the USA with 5 %, Turkey with 4 % and Spain with 3 % (see Table 17).

Table 17: Global production and plantation of pomegranates: 2008

Country	Production (Tons)	Land (Ha)	Popular Cultivar
India	1 200 000	90 000	Bhagwa, Arakta & Ruby
Iran	650 000	50 000	Malas, Saveh & Sara
USA	100 000	6 000	Wonderful & Early Foothill
Turkey	75 000	8 000	Hicaz & Fella-hyemez
Spain	60 000	3 000	Mollar de Elche & Tendral
Israel	20 000	1 600	Wonderful
*South Africa	4 000	1 300	Bagwa, Ruby, Mollar & Wonderful
*Australia	1 000	250	Wonderful, Rosavaya & Azerbaijan
*Argentina	2 000	800	Wonderful
Others	400 000		

Source: Eccles, 2009; Citrogold, 2009; Weusthuis, 2009; Ernest, 2010; HBL, 2009

Note: * Young industry that has started producing pomegranates within the last 8 years.

In terms of annual global fruit consumption, pomegranates are currently ranked 18th. As a result of health benefits, technology development of aril extraction machines, availability in convenient pre-packed aril form as well as in juices packs, pomegranates are

¹¹ This article was compiled by Mr. Sifiso Ntombela (of the NAMC).

expected to move to tenth place on the fruit consumption list within the next decade (Brodie, 2010).

The international rise in the prominence of pomegranates in the commercial fresh produce sector is also making its mark on South African shores and the past five years has seen a considerable growth in the interest and commitment to the production of pomegranates amongst South African fruit producers.

At present, South Africa produces around 4 000 tons of pomegranates per annum, of which 500 tons are exported and the rest goes to the local market and processing. However, going forward, exports are expected to account for 80 % of the total domestic production. Based on interactions with producers and exporters, production is expected to reach 12 000 tons by 2014. The total land under pomegranate production is expected to increase from the current 1 300 hectares to 1 800 hectares by 2014.

The young pomegranate industry in South Africa is largely aimed at the production of fresh fruit with particular emphasis on aril extraction. There are currently two aril extraction plants in operation in the Western Cape and as production increases, it is likely that the packing and extraction infrastructure will also expand.

Table 18 shows the availability of pomegranate fruit from major producing countries. It is evident that South Africa will face less competition if they export to Northern Hemisphere markets, as South Africa will be counter-seasonal to the major producers of pomegranates. Some Indian pomegranate exports will compete with South African exports. However, South Africa should have a competitive edge over Indian exports because of South Africa's reputation of being a preferred supplier of quality fruits.

Table 18: Global pomegranate seasonality

Country	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
India												
Iran												
USA												
Turkey												
Spain												
Israel												
*RSA												

Source: Weusthuis, 2009

Figure 3 shows the growing imports of exotic fruits into the EU and USA markets. Since 2002, the import value of exotic fruits into the EU increased significantly (154 % growth rate between 2002 and 2008), with major growth recorded in the last five years. The same trend is seen for imports into the USA, with the value of imports growing from US\$34 million in 1999 to over US\$90 million in 2009.

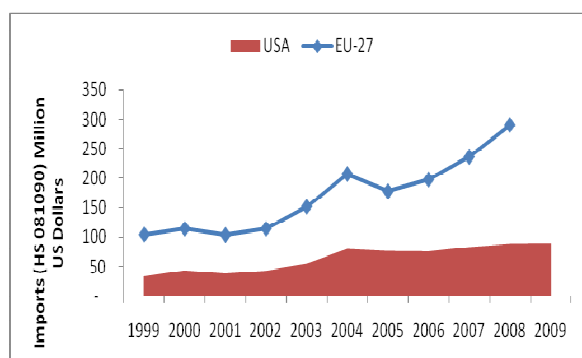


Figure 3: Growing exotic fruits imports into EU-27 and USA markets

Source: World Trade Atlas, 2009

Note: HS 081090 includes pomegranate, tamarind, currant and passion fruit data.

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