National Agricultural Marketing Council
Promoting market access for South African agriculture

MARKETS & ECONOMIC RESEARCH CENTRE (MERC)

South African Fruit Trade Flow

March 2013

SOUTH AFRICAN FRUIT TRADE FLOW

Issue No. 9, March 2013

Compiled by: Sifiso Ntombela, Masego Moobi and Yolanda Potelwa

Table of Contents

1. Background

South Africa has diverse weather and climatic conditions that 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 focuses on plum fruits, pome fruits (apples and pears) and avocados. The performance of these fruits on both export and domestic markets is compared to that of the previous season. Furthermore, the global production of these fruits is analysed in terms of South Africa's production and export rankings (as a share of global production and exports).

2. Overview of the plum fruit season

2.1. South African plum season 2012/2013

The 2012/2013 plum season commenced in week 46 of 2012 and reached its peak in weeks 5 and 6 of 2013. The 2012/2013 crop estimates for plums show an increase of 18 % compared to the previous 2011/2012 season, which is equivalent to 11.206 million cartons (one carton is equivalent to 5.25 kg). **Figure 1** shows the six-year trend for plum fruit volumes passed for export. During this period, plum production showed significant growth, increasing by an average rate of 4 % per annum. The increase in volumes passed for export can be attributed to (i) consumer educational campaigns conducted in European markets which enhanced sales of South African plums, (ii) improving production techniques and technology, (iii) better yielding varieties and (iv) growing export markets.

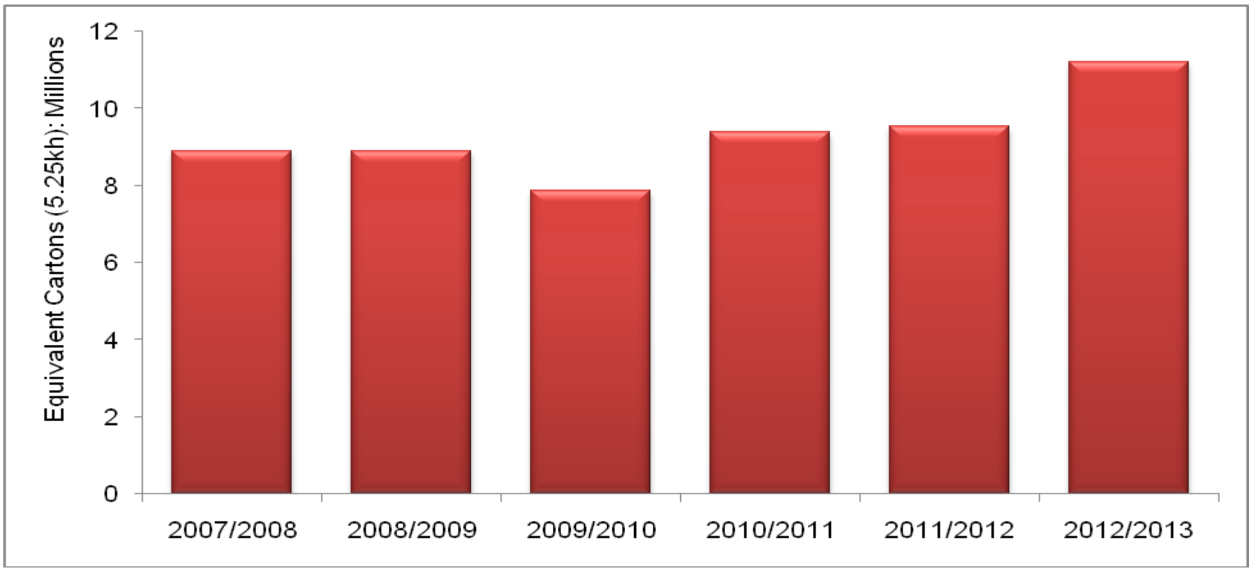

Figure 1: Plums passed for export per season
Source: Hortgro Services, 2012

Table 1 shows the main plum varieties planted in South Africa and that contributed most to the volumes exported in the past six years. In 2012/2013, total volumes of 1.96 million cartons of Laetitia variety are expected, which is 13 % larger than volumes registered in the previous season (see Table 1). Other cultivars such as Songold, Southern Belle and African Delight are also expected to register a positive growth when compared to the previous season.

Table 1: South Africa plum inspection volumes per variety

Cultivar	2009/2010	2010/2011	2011/2012	2012/2013[Est]
LAETITIA	1,566,481	1,857,367	1,740,415	1,960,818
SONGOLD	1,542,956	1,716,031	1,407,833	1,525,352
ANGELENO/SUPLUMSIX	647,794	729,204	771,995	995,821
FORTUNE	556,817	554,736	781,194	905,978
SOUTHERN BELLE	564,157	622,773	668,070	865,607

Source: Hortgro Services, 2012

2.2. South Africa's plum export and domestic market sales

Figure 2 shows South African plum exports to the various markets for 2012/2013 season. It is clear that the bulk of plum volumes are exported to the European Union (EU), accounting for 53 % of total exports. The United Kingdom (UK) was the second leading destination market for South African plum exports in the 2012/2013 season, holding an import share of 25 %. The South African plum export share to emerging markets such as Middle East and Far East is showing a steady rise, indicating a willingness from South African exporters to start diversifying their markets. The middle East market accounted for 15% of plum exports in 2012/2013 season.

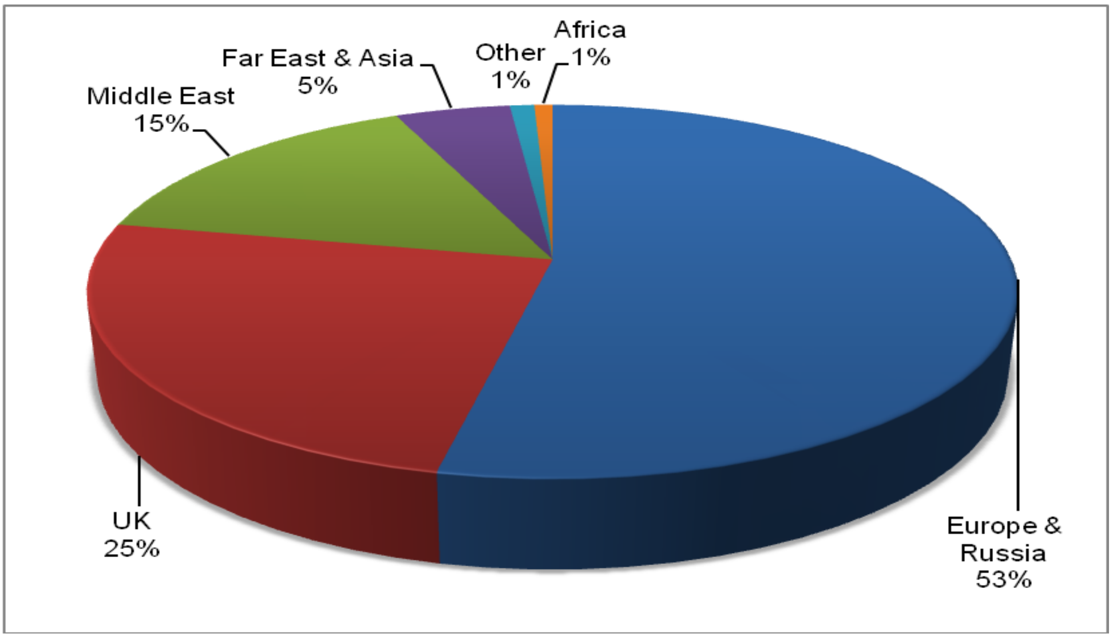

Figure 2: Plum export volumes per market, 2012/2013 season
Source: Hortgro Services, 2012

Figure 3 shows South African trade in plums between 2007 and 2012. It is clear from the graph that the country is a strong net exporter of plums. Its export value increased from R251 million in 2007 to over R521 million in 2012. In the last two years alone, i.e. between 2010 and 2012, plum exports showed a 25.2 % growth rate in value. Credit should be given to a very successful consumer education campaign that was conducted by the Hortgro Services in the European markets during this period.

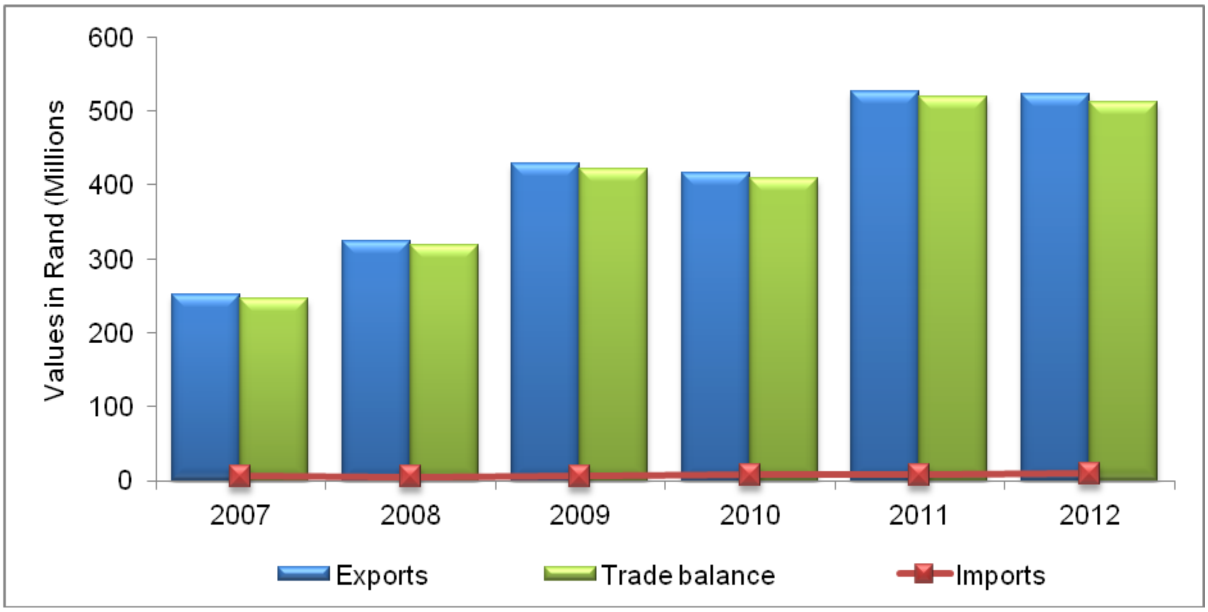

Figure 3: South African plum trade, 2007–2012
Source: Global Trade Atlas, 2013

Figure 4 shows the volumes of plums sold on the National Fresh Produce Markets (NFPMs) between 2012 and 2013. It appears that consumption of plums in South Africa is very seasonal and volumes are available during the months of harvest (i.e. December to April). The NFPM had minimal volumes of plums in December 2012 and this could be attributed to the farm workers' strike that affected the supply of fruit. The volumes of plums then flooded into the domestic market in January and February. During these two months volume were respectively 14 % and 18 % larger than the volumes sold in January and February of 2012.

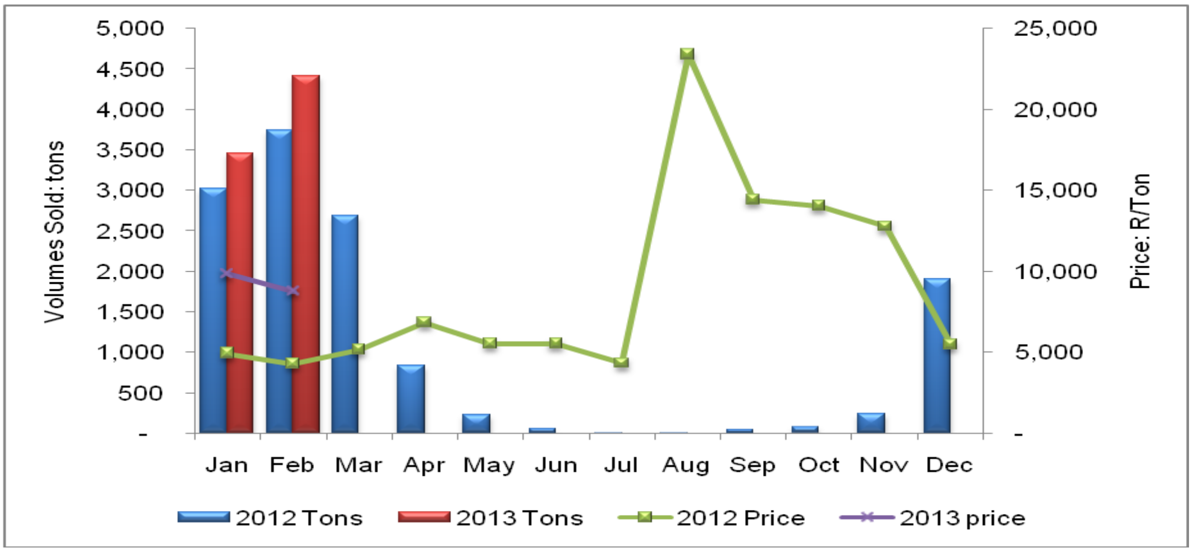

Figure 4: Plum volumes sold on domestic market, 2012–2013
Source: DAFF, 2013

3. Preview of the pome fruit season, 2013

3.1. Global pome fruit crop estimates: 2013 season

Figure 5 shows global production of pome fruits from the 2008/2009 to the 2012/2013 season. Global pome production increased by 12.6 % and this was due to an increase in the production of both pears and apples by 14.1 % and 12.1 % respectively between 2008/2009 and 2012/2013. Pome production had an annual average production proportion of 75.4 % to 24.6 % for apples and pears respectively between 2008/2009 and 2012/2013. This suggests that more apples are produced globally than pears, or that three apples are produced for every pear produced,.

China is a leading producer of apples, accounting for more than half of the global share (56 %) in 2012/2013. China increased its global share from 49 % in 2008/2009, growing by 27.5 % between the 2008/2009 and 2012/2013 seasons. Collectively, the EU 27 is the second largest producer of apples followed by the United States of America, which accounted for a global production share of 18.5 % and 6.7 % respectively in 2012/2013. The EU 27's global share has been declining through the past years, due to a decline in its pome production. Apple production in the EU 27 fell by 11 % between 2008/2009 and 2012/2013 while there was a negative annual average growth of −3 % for pears. The United States of America's global production share of pome fruit fell from 7 % to 6.7 % and this was caused by increasing competition from other producing countries, which increased their production volume. China, EU 27 and the United States of America collectively account for 81.2 % of the apples produced in the world, with South Africa having a share of 1.2 % in 2012/2013.

China, the top producer of pears in the world, accounted for an average global share of 72.1 % from 2008/2009 to 2012/2013. During this period, production grew by an average rate of 5.1 % annually. It can thus be said that China also leads in the production of aggregated pome fruits, accounting for an annual average global share of 57 % from 2008/2009 to 2012/2013. Second to China is the **EU 27**, producing 9.6 % of the world's pears and **Argentina** producing 3.7 % in 2012/2013. **South Africa** has a global production of 1.7 %, while in collective pome production it accounted for 1.3 % in the world in 2012/2013.

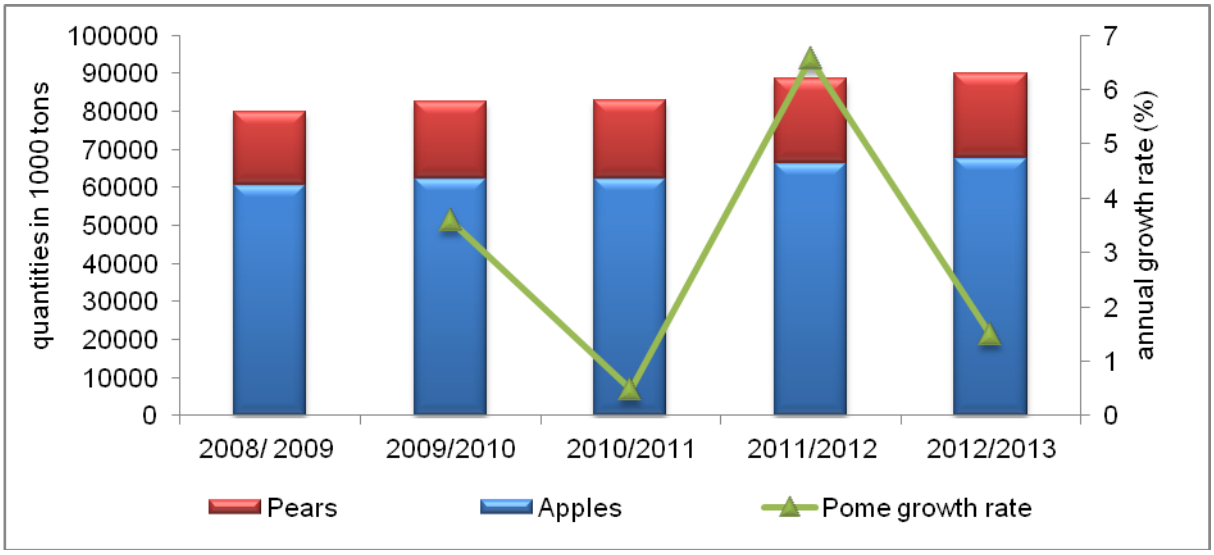

Figure 5: Global pome fruit production trends
Source: USDA, 2013

Figure 6 highlights global export trends for both apples and pears for 2008/2009 and 2012/2013. Over the measured period, apples accounted for 75.4 % and pears for 24.6 % of total pome fruit exported. China is the leading supplier of pome fruit to the world, exporting a total quantity of 1 495 000 tons, which was equivalent to a global export share of 22.1 % in 2012/2013. Second to China is the EU 27, which is also the second largest producer of pome fruits. South Africa ranks 4th in world pome fruit exports, having a global aggregate pome export share of 7.9 % in 2012/2013 (**see Figure 6**). The top 5 leading exporters of pome fruits account for 75.7 % of the world's exported pome fruits (China – 22.1 %, EU 27 – 19.9 %, USA – 15.2 %, Argentina – 10.6 % and SA – 7.9 %).

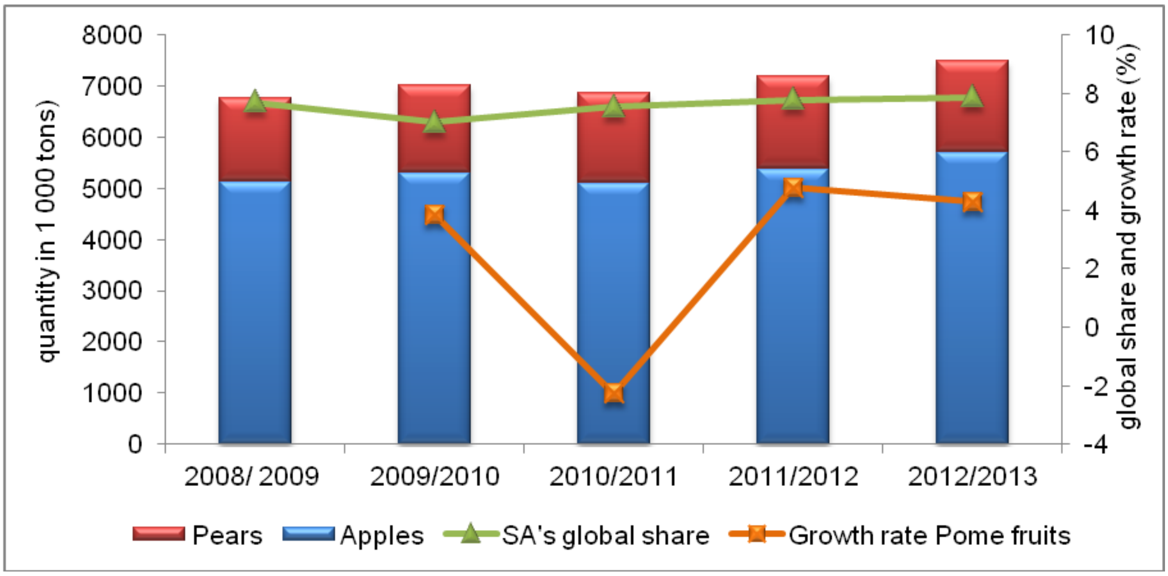

Figure 6: Global pome fruit exports trend
Source: USDA, 2013

Global imports have not grown much (averaging a growth rate of 4 % per annum) over the past 5 years. Interestingly, the EU 27 as the second biggest producer and exporter of pome fruits is also ranked second in importing pome fruits, having imported 240 000 tons and 700 000 tons of pears and apples in 2012/2013 respectively. This can be attributed to the fact that not all countries in the EU 27 are producers of pome fruits. Russia is a leading importer of pome fruits, importing 1 530 000 tons in 2012/2013. Russian imports have been increasing over the past five years. Figure 7 shows the global pome fruit trend between the 2008/2009 and 2012/2013 seasons.

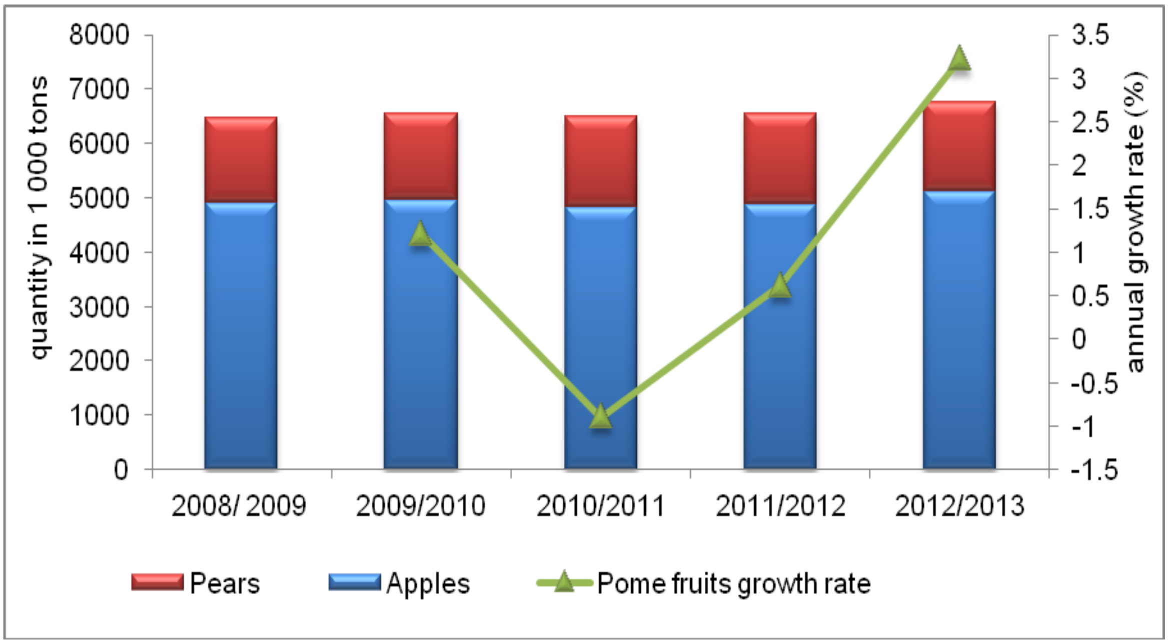

Figure 7: Global pome fruit import trend
Source: USDA, 2013

3.2. South Africa's pome fruit inspection and exports in 2013 season

The bulk of South African pome fruit production is destined for export as fresh produce (accounting for 47 % of total production). The rest of production is destined for domestic consumption as fresh produce and for processing into juice and other secondary pome products.

The analysis of South African pome fruit exports shows that Africa is now the biggest importer of apples accounting for 31% of total apple volumes exported between Week 1 and 13 of 2013 season (see Figure 8). The United Kingdom and Far East markets each accounted for 21% of total South African apple exports during the same period.

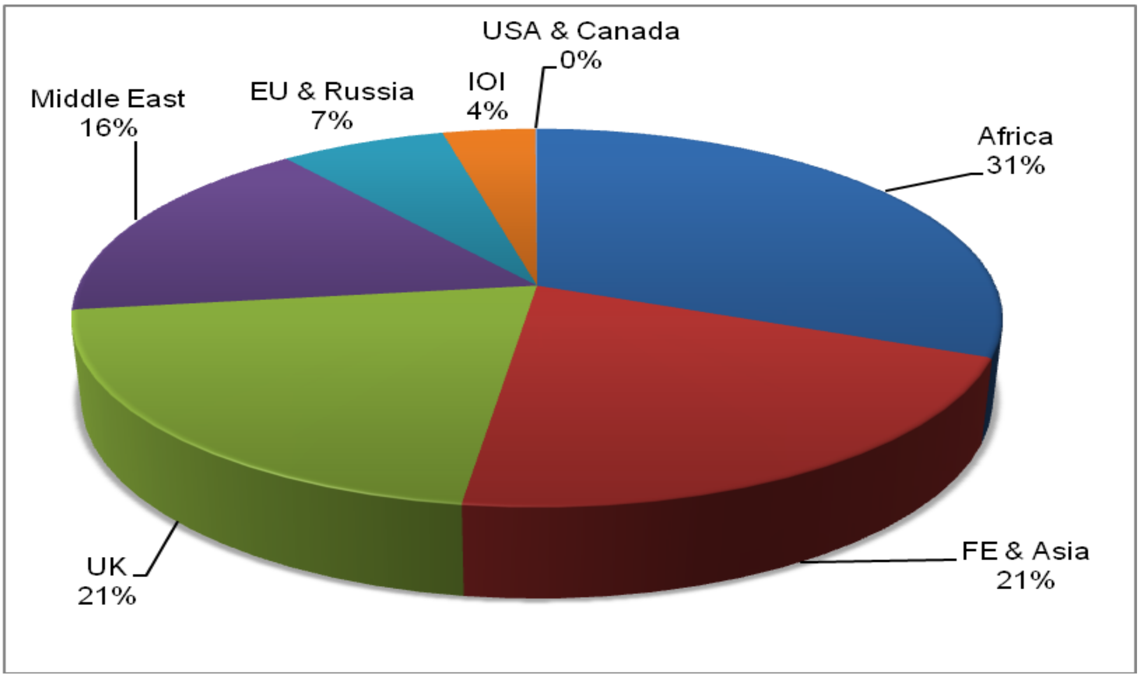

Figure 8: Apple export volumes per market in the 2012 season
Source: Hortgro Services, 2013

Figure 9 further shows the distribution of South African pear exports. Europe, Russia and the United Kingdom are the leading destination markets while Africa absorb very minimal volumes of South Africa pears (see Figure 9).

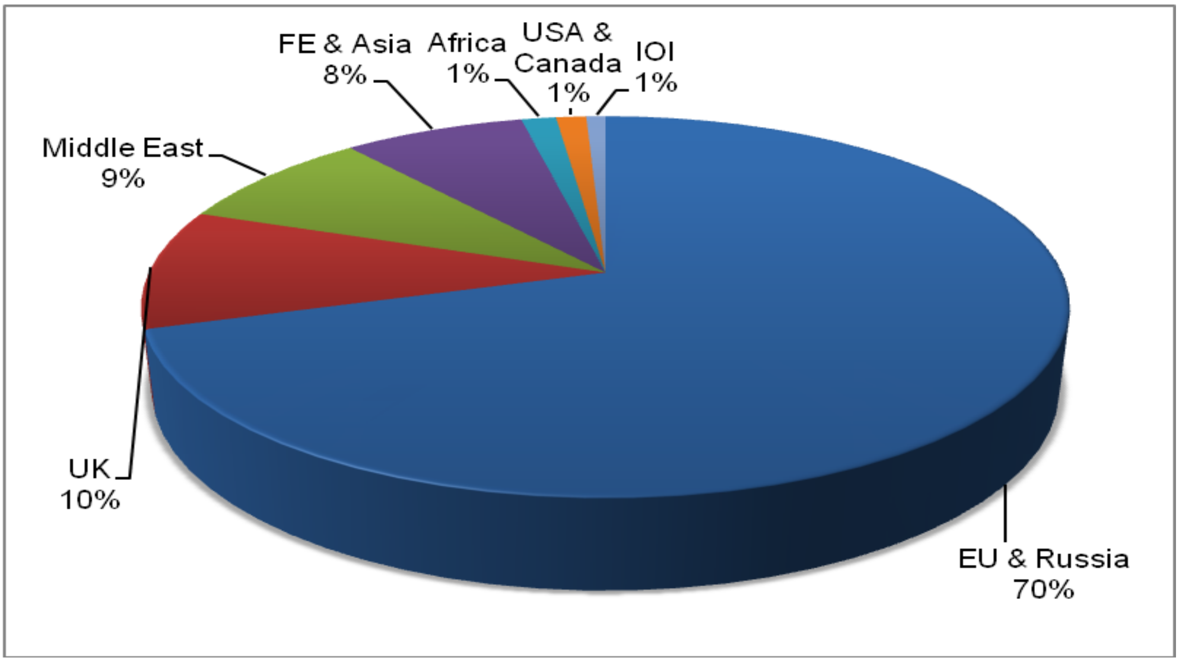

Figure 9: Pear export volumes per market in the 2012 season
Source: Hortgro Services, 2013

Figure 10 shows pome cartons that were passed for export in 2012 and the first two months of 2013. This figure illustrates that in 2013 exports are more than those recorded in the first two months of 2012. In 2012 the bulk of cartons were exported between weeks 8 and 20, even though there was an up and down movement of these volumes.

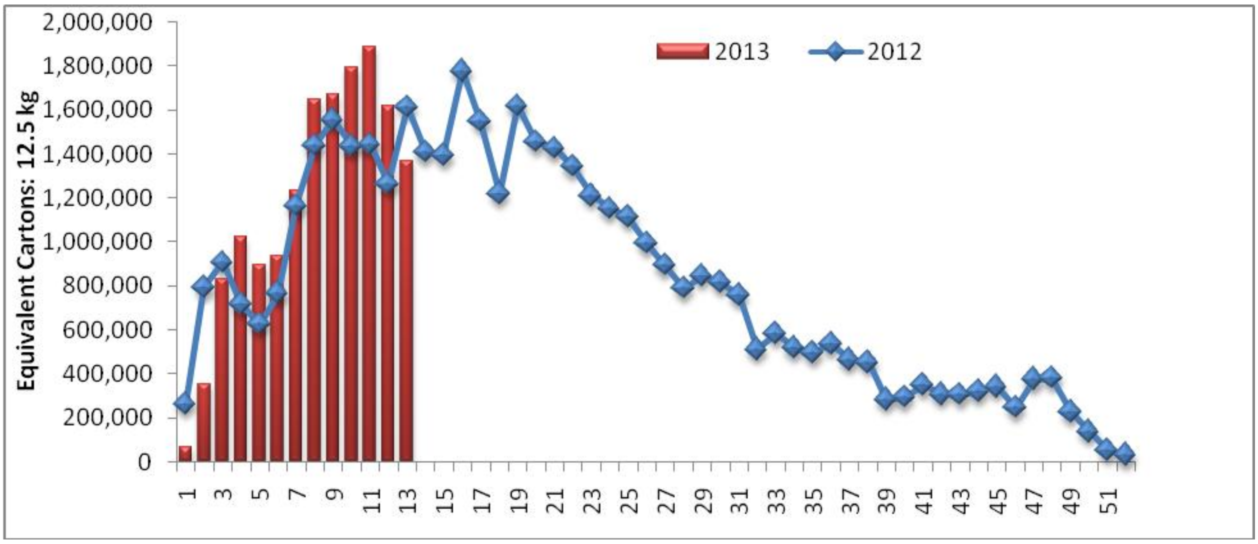

Figure 10: Weekly number of pome cartons passed for export
Sources: Hortgro Services, 2013

3.3. Pome fruit sales on the domestic markets

Figure 11 outlines domestic consumption of pome fruits in 2012 and the average monthly price per ton. From April to December 2012, the price per ton of pears was more expensive that price per ton of apples. Cumulatively in 2012, apples were R1 562.04/ton more expensive than pears, with the relative average domestic consumption of apples exceeding consumption of pears by 4 224.25 tons. Domestic consumption of apples reached a peak in October, while the most pears were consumed in February 2012. This figure also shows an inverse relationship between the amount of pome consumed and the relative prices per ton thereof, i.e. as volumes increase the price declines.

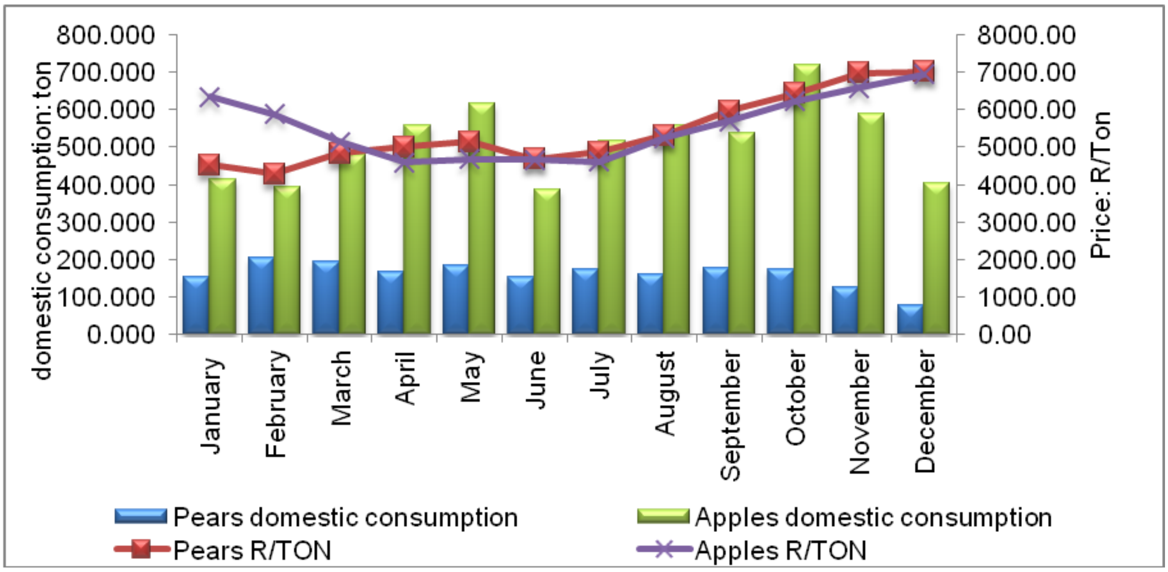

Figure 11: Monthly local markets sales of pome fruits in 2012.
Source: Hortgro, 2013

4. Overview of the avocado season

4.1. Global avocado production and exports

Mexico is the largest producer of avocados in the world, followed by Chile, Indonesia, Dominican Republic and USA. According to FAO data, Mexico produced 1.1 million metric tons, Indonesia 224 thousand metric tons, Chile 330 thousand metric tons, the USA 149 metric tons and the Dominican Republic a total of 275 metric tons in 2010. **Figure 12** represents the leading exporters of avocados in the world. South Africa is ranked low in terms of production; however, it is among the top five exporters of avocados when measured in quantity terms. Mexico and Chile are the world biggest and second biggest exporters of avocados.

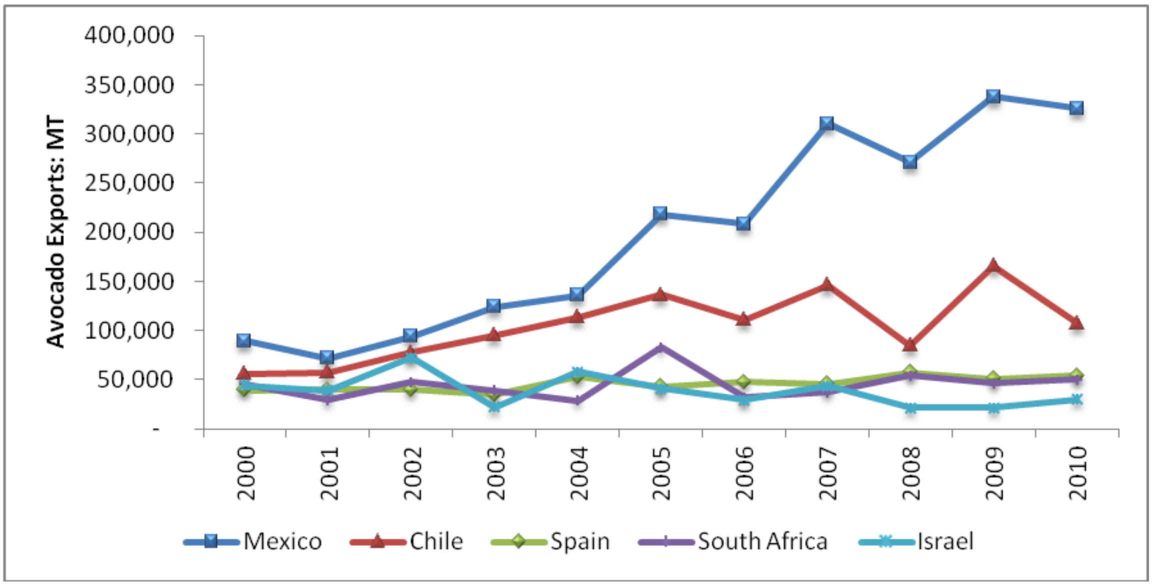

Figure 12: World top five exporters of avocados
Source: FAO, 2011

4.2. South Africa's avocado production and exports.

Avocados are one of the important fruits in the subtropical fruit industry. According to the latest statistics from the subtropical industry body[1], about 110 000 tons of avocados are produced yearly in South Africa. About 45 % of total production is exported, 15 % is processed, 25 % is destined for local markets and 15 % is sold on the informal markets (popularly known as *bakkie* sales). In the 2012 season, a total of 11.75 million cartons (4 kg) were passed for exports. **Figure 13** shows the trend of South African avocado volumes inspected and passed for export over the past five years.

[1] Information provided by South African Subtropical Growers Association. www.subtrop.co.za

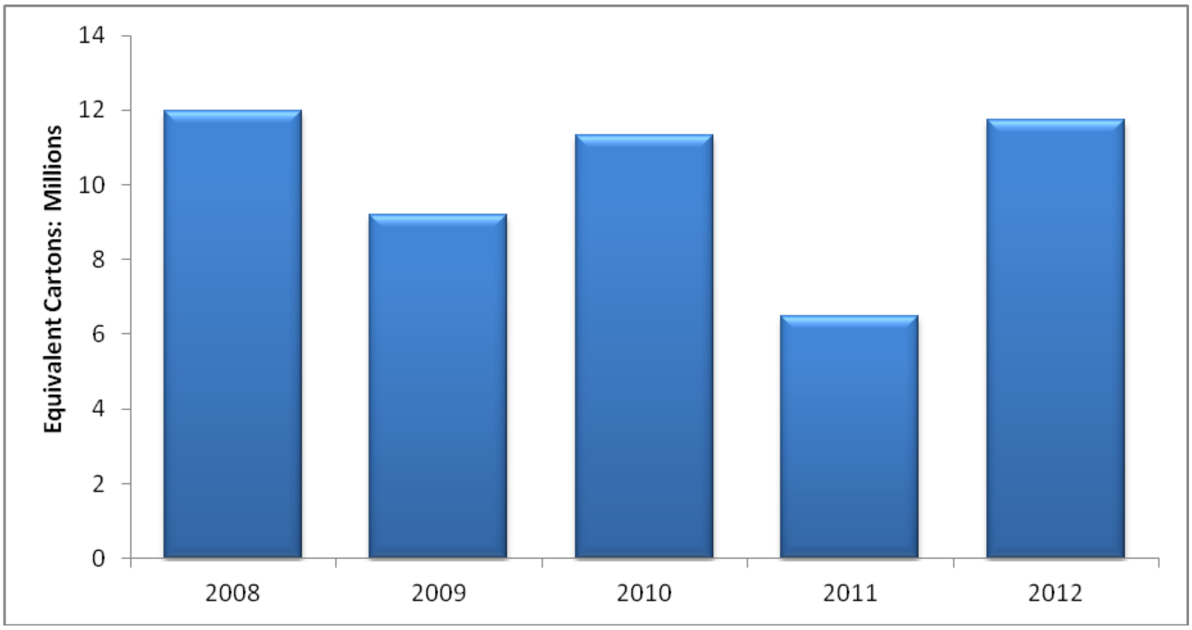

Figure 13: South African avocado volumes passed for exports
Source: PPECB, 2013

Figure 14 presents the avocado exports to each market in 2012 season. The Eurozone region remains the leading destination market for South African avocados, absorbing about 79 % of total exports in the 2012 season. The UK market is the second leading importer of avocados, accounting for 19 % of total exports.

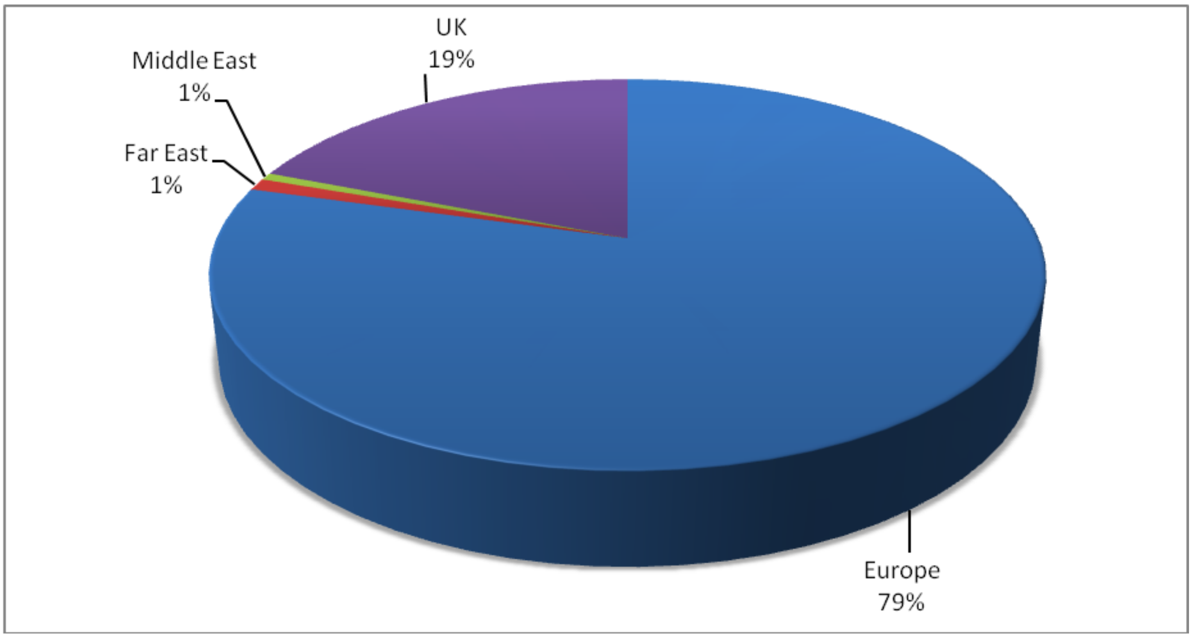

Figure 14: South African avocado exports per market
Source: PPECB, 2013

4.3. Avocado sales on the domestic markets

Figure 15 shows avocado sales in the National Fresh Produce Markets (NFPMs) between

2012 and 2013. It is evident that large volumes of avocados become available between March and October. In the first two months of 2013, avocado volumes were slightly higher than in the previous year and the price was also relatively higher than the prices of 2012.

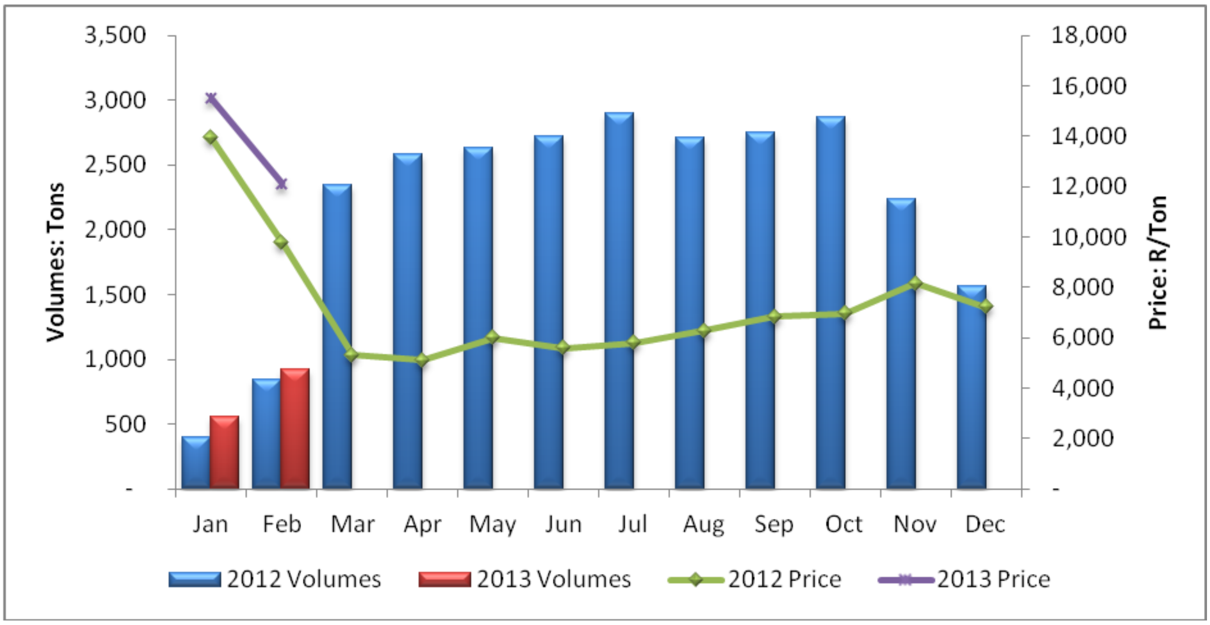

Figure 15: Avocado sales in the domestic market
Source: DAFF, 2013

REFERENCES

Citrus Growers' Association (CGA). 2012. *Citrus fruit data*. Information and Market Intelligence Division, Hillcrest.

Department of Agriculture, Forestry and Fisheries (DAFF). 2012. *Local market fruit sales data*. Directorate of Agricultural Statistics, Pretoria.

Hortgro Services. 2010. *Pome and stone fruit export data*. Information and Value Chain Division, Paarl.

South African Table Grape Industry (SATI). 2010. *Table grape fruit export data.* Information and Market Intelligence Division, Paarl.

USEFUL LINKS

Citrus Growers' Association (*CGA*)*:*	www.cga.co.za
Dept of Agriculture, Forestry and Fisheries (*DAFF*)*:*	www.daff.gov.za
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
South African Subtropical Growers' Association (*Subtrop*)*:*	www.subtrop.co.za
South African Table Grape Industry (*SATI*)*:*	www.satgi.co.za

DISCLAIMER

Information contained in this document results from research funded wholly or in part by the NAMC acting in good faith. Opinions, attitudes and points of view expressed herein do not necessarily reflect the official position or policies of the NAMC. The NAMC makes no claims, promises, or guarantees about the accuracy, completeness, or adequacy of the contents of this document and expressly disclaims liability for errors and omissions regarding the content thereof. No warranty of any kind, implied, expressed, or statutory, including but not limited to the warranties of non-infringement of third party rights, title, merchantability, fitness for a particular purpose or freedom from computer virus is given with respect to the contents of this document in hardcopy, electronic format or electronic links thereto. References made to any specific product, process, and service by trade name, trade mark, manufacturer or another commercial commodity or entity are for informational purposes only and do not constitute or imply approval, endorsement or favouring by the NAMC.

For correspondence:

Mr Sifiso Ntombela

+27 (0) 12 341 1115

sifiso@namc.co.za

National Agricultural Marketing Council

Private Bag X953

Pretoria

001