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Beautiful country, beautiful fruit

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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 raisins (dried grapes). The main focus is an analysis of the performance of these fruits on both export and domestic markets in the current season, 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 raisin (dried grape) season

2.1 Global raisin production season 2012/2013

Figure 1 shows the top 12 raisin producing countries. The United States of America (US) remains the largest producer of raisins despite a decline of 10.5% in the 2012/13 season. The decline in raisin production was due to cool, wet weather conditions during the summer seasons. According to the 2013 report of the United States Department of Agriculture (USDA), total production of raisins amounted to 1.15 million metric tons in the 2012/13 season, with a growth increase of 1.65% compared to the previous season.

The US is estimated to produce about 300 thousand metric tons in the current season, which is equivalent to 26% of global raisin production. Over the past few years production of raisins has been increasing in China and Turkey. Turkey showed an 8% increase in the current season, which can be attributed to favourable weather conditions in recent years. China also showed an expected improvement of 6% in growth after recovering from the damage caused by windstorms during the previous season. Chile's raisin production dropped by 2.44% in the 2012/13 season, due to the stagnant state of grape production in the country over the past three years (USDA, 2012).

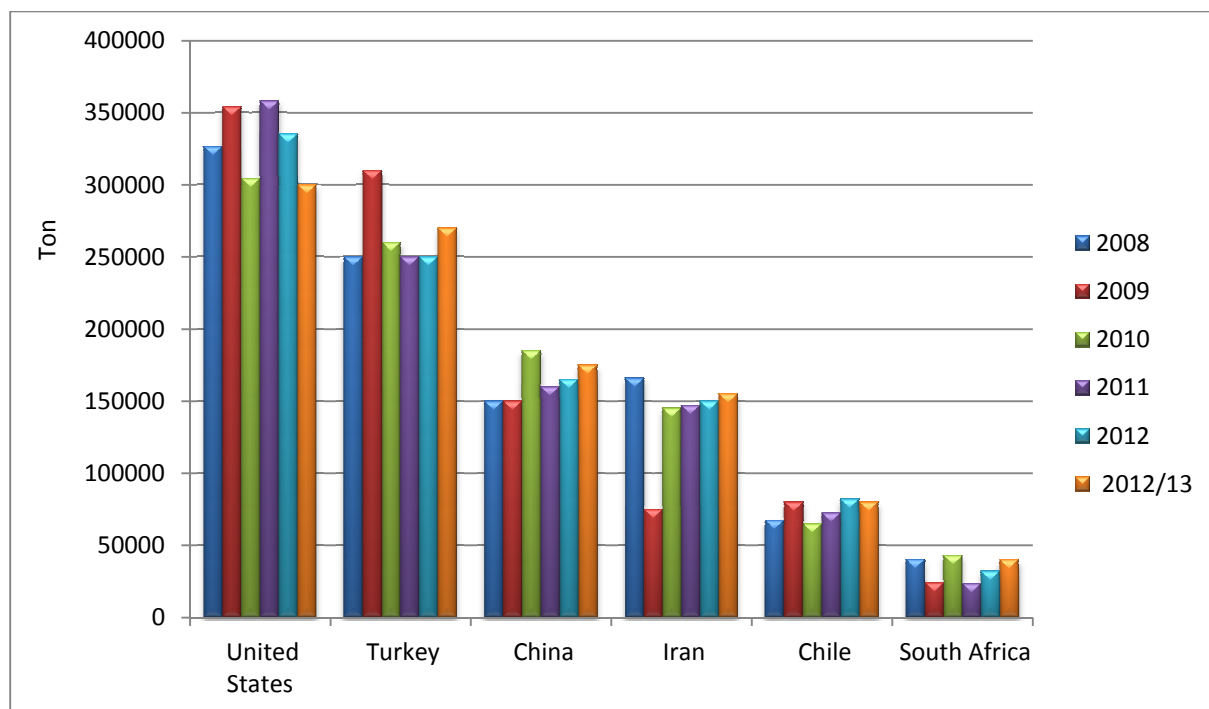


Figure 1: Global raisin production trends
Source: USDA FAS, 2013

2.2 Global raisin trade

Figure 2 shows the leading exporters of raisins in the world. Global raisin exports are estimated to increase by 4.56% in the current season, compared to the decline of 0.4% in the previous season. The increased export demands can be attributed to an increased consumption of raisins in the global market.

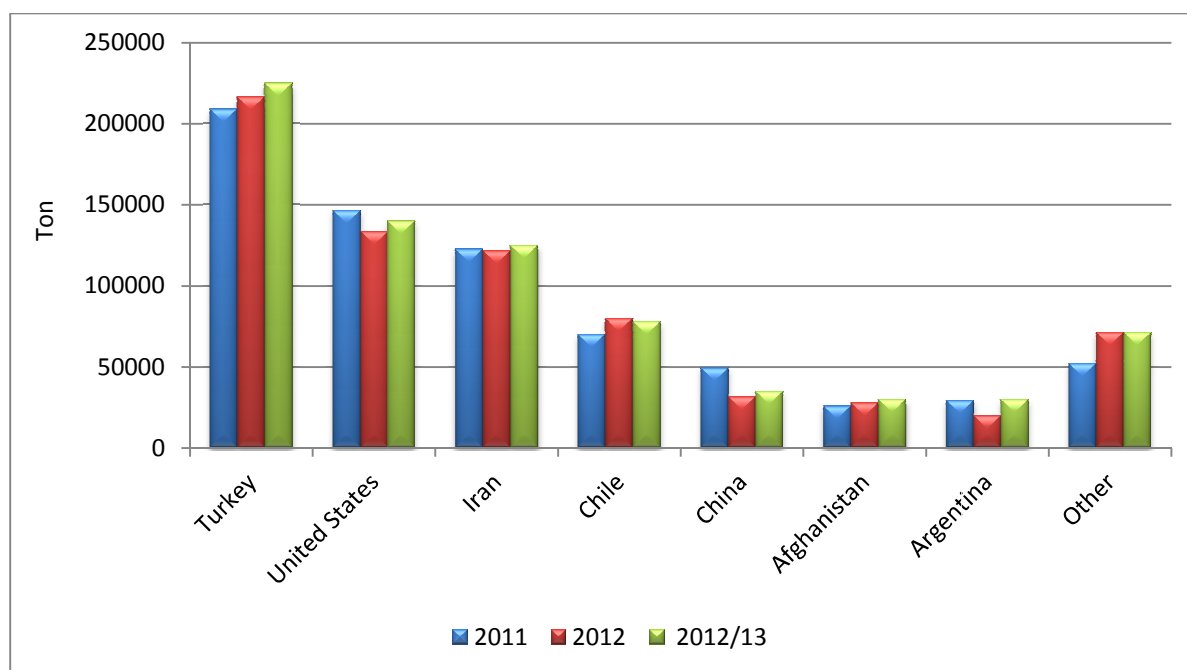


Figure 2: Global raisin export trends
Source: USDA FAS, 2013

2.3 South Africa's raisin production in the 2012/2013 season

South Africa is ranked as the world's sixth largest raisin producer and is regarded as a producer of high-quality raisins for the export market. About 70% of grapes for drying are grown in the Northern Cape along the Upper and Lower Orange River. Other production areas include Namaqualand and some parts of the Western Cape. Seventy per cent of the Sultana grapes grown in the Lower Orange region are used for vine fruit products. South Africa's total raisin production for the 2012/13 season was estimated at 37 826 tons.

Table 1 indicates the different varieties of raisins in production and shows a significant increase of 32% compared to the decline in the previous season. This increase is the result of a slow recovery from flood damage in early 2011. Flooding from December 2010 to February 2011 caused a decline of 43% in South Africa's raisin production (excluding currants) in the 2010/11 season. The Goldens raisin variety showed the greatest increase from 7 000 tons in the 2011 season to 15 000 tons in 2012.

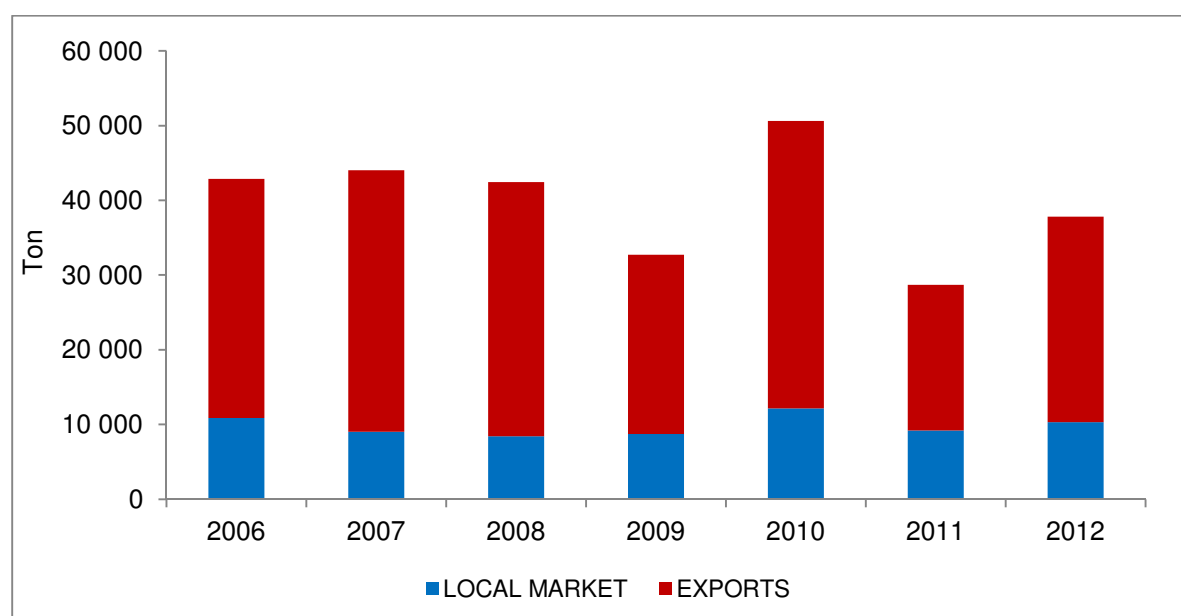
Table 1: South Africa's production of raisins

	2006	2007	2008	2009	2010	2011	2012
Raisins	(Ton)	(Ton)	(Ton)	(Ton)	(Ton)	(Ton)	(Ton)
Sultanas	1 696	4 435	8 790	1 800	7 269	3 637	4 479
Goldens	9 209	13 054	12 210	12 800	17 734	7 021	15 774
Thompson seedless	29 815	24 270	19 121	15 315	23 273	15 507	14 758
Currants	2 080	2 200	2 239	2 740	2 300	2 500	2 802
Raisin muscat	60	73	80	64	52	35	13
TOTAL	42 860	44 032	42 440	32 719	50 628	28 700	37 826
% CHANGE (YEAR-ON-YEAR)	-	3%	-4%	-23%	55%	-43%	32%

Source: Hortgro, 2013, and author's calculations

2.4 South Africa's raisin export and domestic market sales

Figure 3 shows the distribution of raisin production over seven years. South Africa exports more than 50% of its raisin production to international markets. The total export of raisins showed an increase that can be attributed to the increased production of grapes during the 2011 season.

**Figure 3:** Global raisin export trends

Source: Hortgro, 2013

Figure 4 represents South Africa's raisin exports to various markets. European countries and the United Kingdom remain key markets for raisin exports. This demand is due to the high consumption in these markets, estimated to be one-third of global raisin consumption. In the 2012 season these two markets accounted for 63% of the total South African export of raisins. The WTA (2013) indicates that South Africa is a net exporter of raisins with an estimated trade balance of 24 478 tons in the 2012 season. Local production satisfies local consumption, hence the larger quantities being exported.

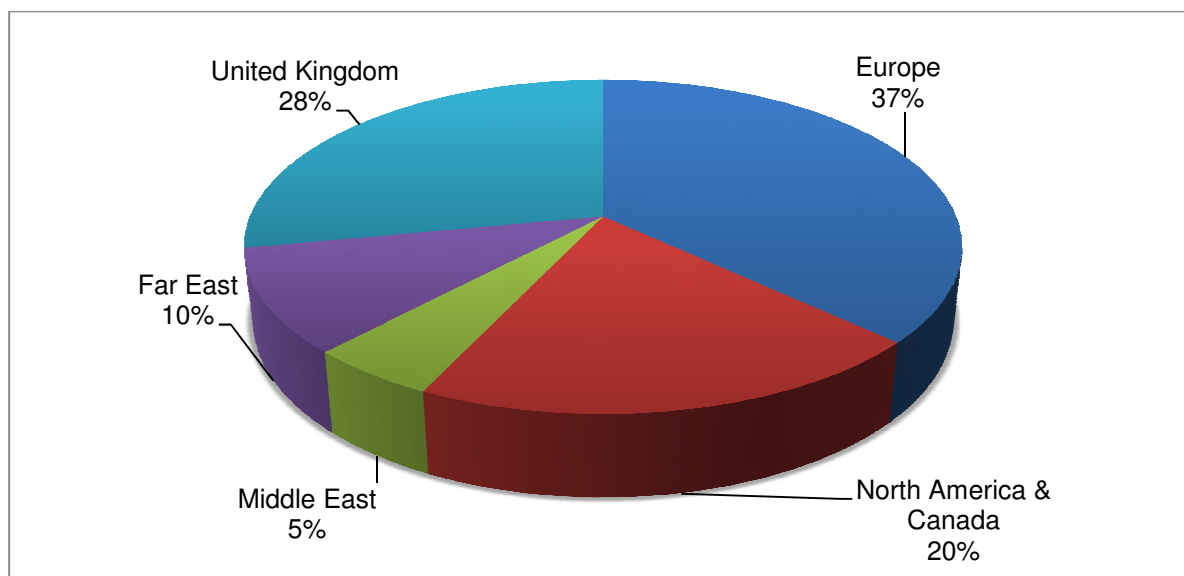


Figure 4: South Africa's total exports of raisins per market in the 2012/2013 season

Source: Hortgro, 2013

Figure 5 illustrates the historical price trend and the production of raisins between 2006 and 2012. Raisin prices have been unstable because of inconsistency in the supply of dried grapes by producers. During the 2010 season prices dropped due to sufficient production in the 2010 season. In 2012 prices were higher due to increased production costs

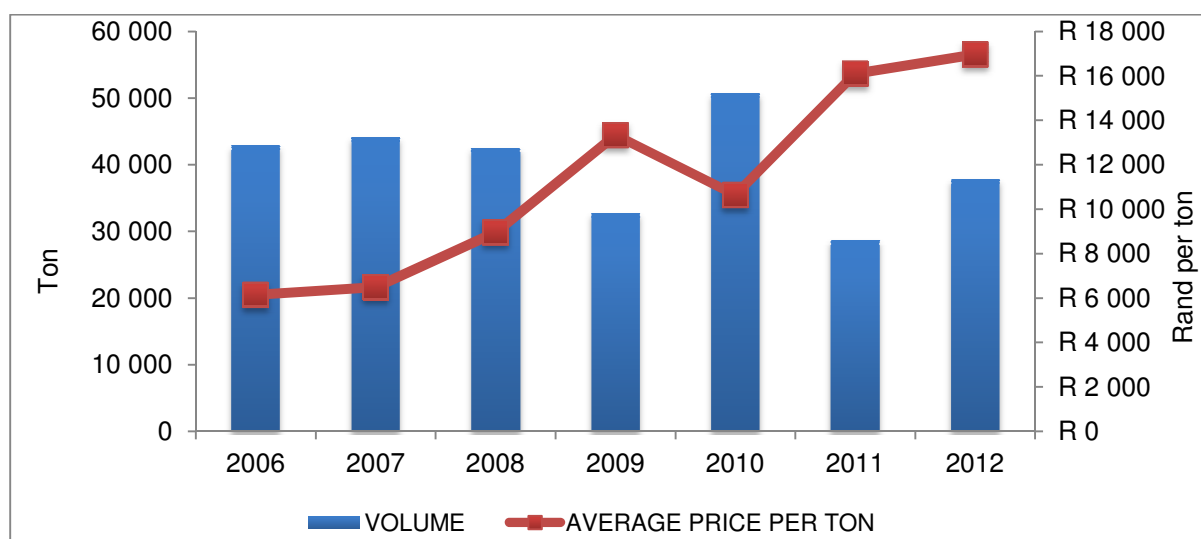


Figure 5: Price trend of raisins for the period 2006 – 2012

Source: Hortgro, 2013

3 Preview of the Litchi fruit season

3.1 Global Litchi production

The major litchi growing countries are China, Israel, Australia, Thailand, Taiwan, India and Vietnam, as well as parts of Africa and at higher elevations in Mexico and Central and South America. World litchi production is estimated to be around 2.11 million tons, with more than 95% of the area and production share belonging to Asia. A relatively small amount of litchi is produced in the United States, Mexico and Central and South America. The top five world litchi producing countries are China, India, Taiwan, Thailand and Vietnam. India and China account for 91% of global litchi production, but this is mainly for their domestic markets. India enjoys a prominent position both in terms of litchi production and productivity. South Africa is rated number eight with Mauritius being the main cultivar.

Table 2: Major Litchi producing countries and major cultivars

S.No	Country	Major cultivars
1	China	Bah Lup, Baitang-ying, Fay Zee Siu, Haak Yip, Kwai May (Red), Lanzhu, No Mai Chee and Wai Chee
2	Australia	Fay Zee Siu, Kwai May Pink, Salathiel, Souey Tung, Tai So and Wai Chee
3	India	Bedana, China, Culcuttia, Late Bedana, Longia and Shahi
4	Indonesia	Local selection
5	Israel	Mauritius
6	Madagascar	Madras and Mauritius
7	Philippines	Sinco, Tai So and ULPB Red
8	South Africa	Mauritius, McLean's Red
9	Thailand	Chacapat, Haak Yip, Kom, Tai So, Wai Chee
10	USA	Brewster, Haak Yip, Kwai Wai, No Mai Chee, Shan Chi
11	Vietnam	Vaithieu

Source: <http://www.fao.org/docrep/>

3.2 South Africa's Litchi production season

The litchi industry in South Africa is well established with a gradual rise in new plantings and output. Current production is about 7 000 tons, with nearly half sold locally as fresh fruit on the Johannesburg and other markets (Subtrop, 2009).

Litchi is mainly produced in the Mpumalanga province because of the favourable climate and the development of a cultivar suitable for production. The main cultivar produced in Mpumalanga is the Mauritius group with good quality and satisfactory yields. A small percentage of Red Macleans are grown in the Limpopo province, with newer cultivars like Fay-Zee Sue and Wai Chee being planted in order to extend the season in the different

areas. The balance is grown in Limpopo, KwaZulu-Natal and the Eastern Cape, representing 24%, 5% and 1% of the total production areas respectively (Subtrop, 2010).

Figure 6 shows Litchi production for the past 13 years, over the year's production has been gradually decreasing. Year 2003 marks the highest production of 12 102 tons in this period. 2005 shows a sharp 57% decrease from 2004. 2012 shows a positive growth rate, 25% up from the 2011 season.

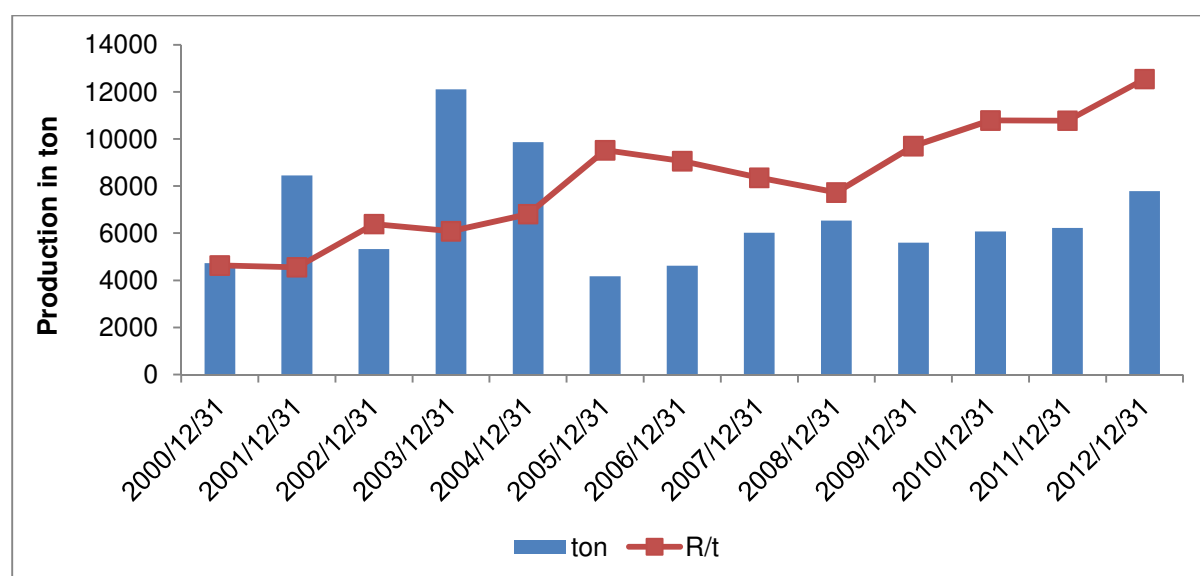


Figure 6: South Africa's litchi production
Source: DAFF, 2013

Figure 7 shows South Africa's litchi passed for export from week 48 to week 6 in the 2013 season, compared to the two previous seasons. The Mauritius cultivar is normally harvested in South Africa from week 51-3 (December to January), Wai Chee from week 3-7 (January to February) and Fay-Zee Sue from week 48-51 (December). The 2012/2013 season's Litchi passed for export are down 36% from 2011/2012 and 12% higher than the record exports of the 2010/2011 season.

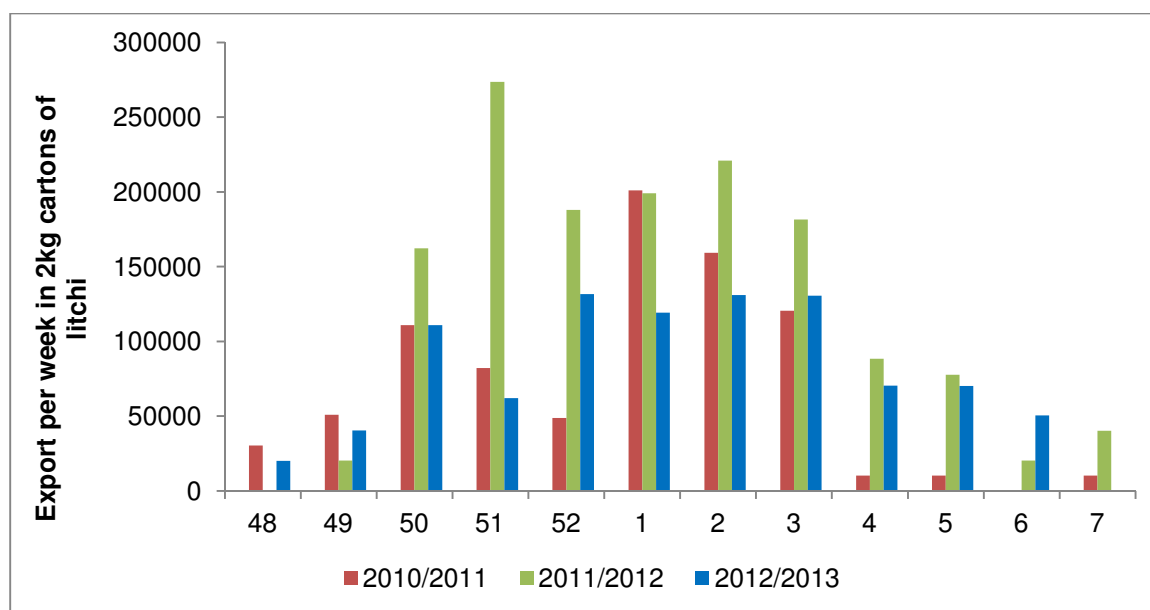


Figure 7: South Africa's litchi exports to all markets in the 2013 season
Source: Subtrop, 2013

Figure 8 shows South Africa's litchi exports to the top five markets in the 2012 season compared to the two previous seasons. The Netherlands is the largest destination market for South Africa, accounting for 49% of exports in 2012. France is in the second position with a 23% share, followed by United Kingdom with a share of 17% in the 2012 season.

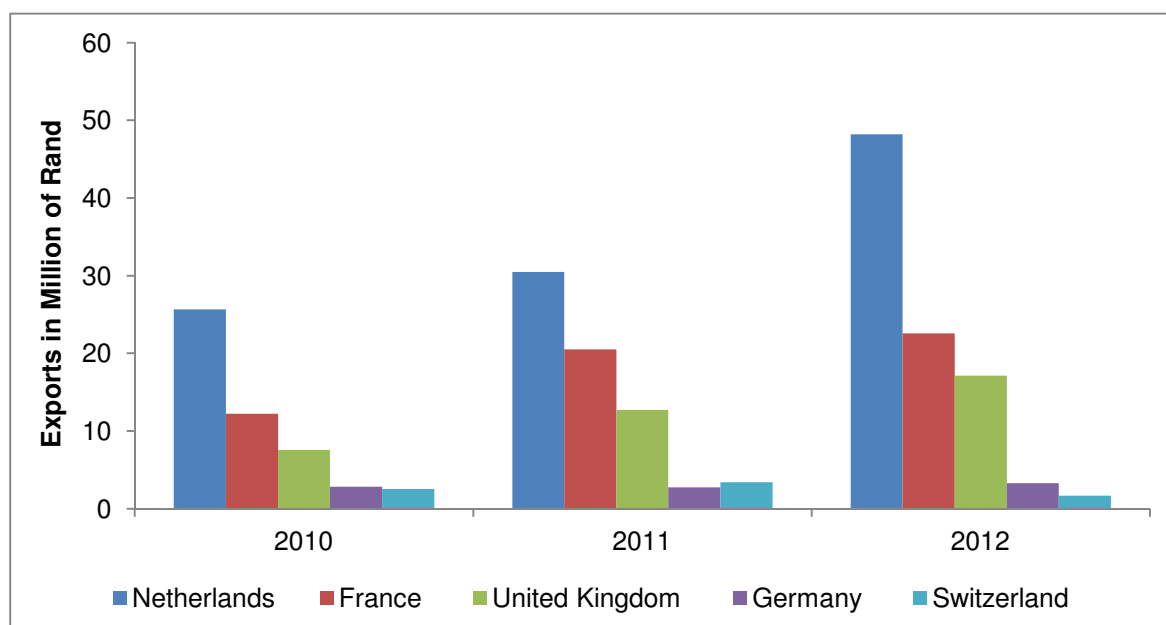


Figure 8: South Africa's litchi and Granadilla (Hs 08109010) exports per market
Source: World Trade Atlas, 2013

3.3 Litchi fruit sales in the domestic markets

Figure 9 is a comparison of the two seasonal price trends for litchi. Litchi sold in local markets recorded the highest price in October because of the high demand at the beginning of the harvesting period. In October of 2011/2012 one ton of litchi were sold for the highest price of R31 016 per ton, while in season in 2012/2013 one ton of litchi were sold for R43 902 per ton.

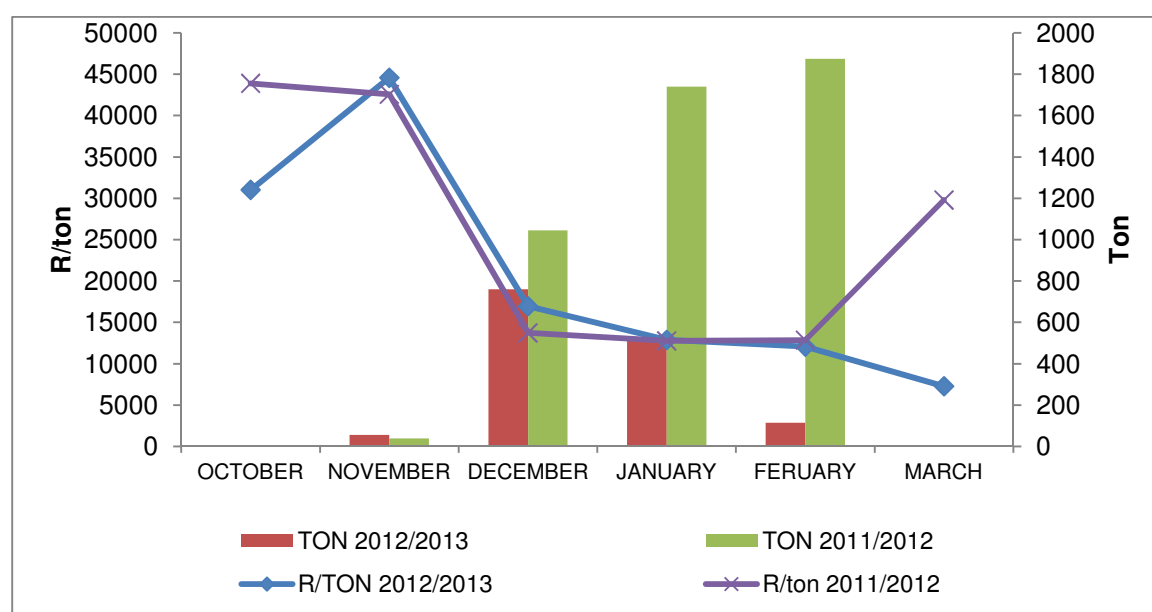


Figure 9: South African sold in local markets in the 2011/2012 and 2012/2013 seasons
Source: Subtrop, 2013

4 Overview of the cherry season

4.1 Preview of the cherry season

The world's largest cherry producer is Turkey, producing a total of 438 550 MT in 2011 followed by the USA, Iran, Italy and Spain (FAO Stats, 2013).

Figure 10 highlights total tons of cherries consumed in South Africa and market prices in 2012 and January to August 2013. Cherries are a temperate product that is harvested during warmer seasons. In January 2013, 56.95 tons of cherries were sold in the South African market, compared to January 2012 when only 44.34 tons were sold at much higher prices. In March and April 2013 there were minimal sales, compared to no sales in the same period the previous year. Due to lower availability on the local market, the price per ton between July and August 2013 was higher than during the corresponding period in 2012. A greater

availability of cherries in 2012 pushed prices down. Between January and August 2012 there were 3.28 tons more cherries available on the South African market than during the same period in 2013.

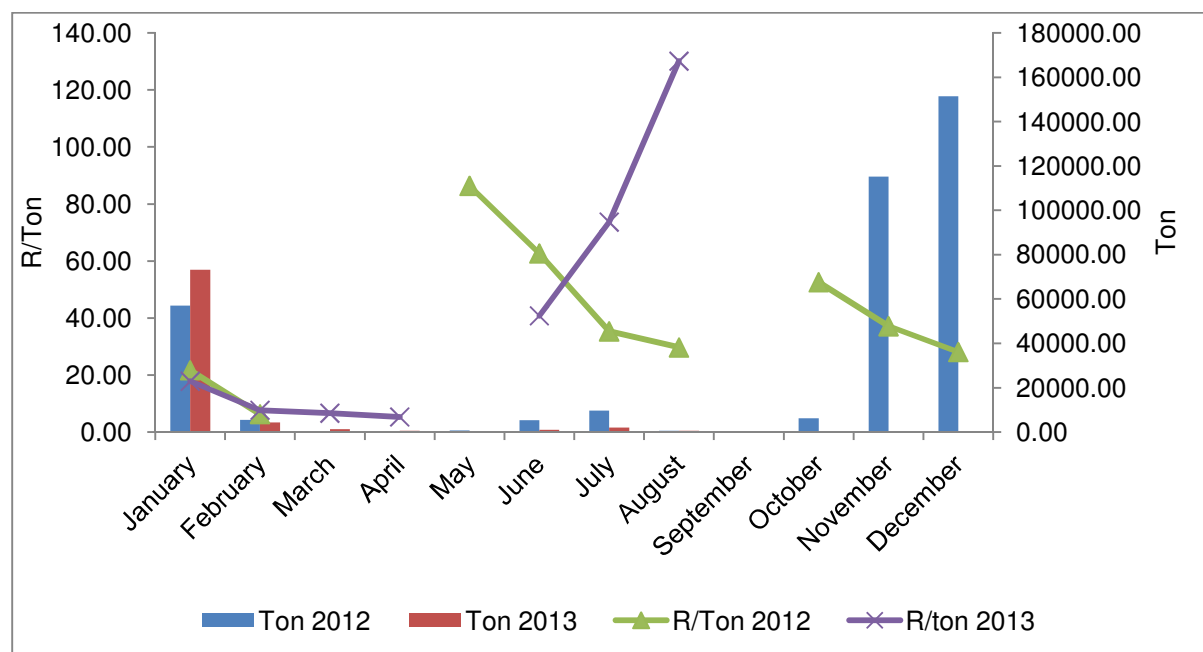


Figure 10: South Africa's cherry market trend, 2013

Source: DAFF, 2013

4.2 South Africa's cherry trade in the 2012/2013 season

The leading global exporter of cherries in 2012 was the Republic of Moldova (48%) followed by the Ukraine (22%) and the Syrian Arab Republic (18%). In 2012 global exports amounted to R131 billion. Chinese Taipei was the leading importer, importing an 81% share value of global imports, followed by Egypt (6.8%) and the Republic of Moldova (5.6%). Since 2008 South African cherry exports have grown between by 434% to R3 billion in 2011, a clear indication of growth in this sector.

Figure 11 shows the South African growth in exports from 2006/07 tot 2012/12. South African cherry exports have increased significantly in the seven years from 2006 to 2013, with the highest volumes of cherry exports being recorded in 2009/10 and 2010/11 and the highest export volume growth of 341% being recorded between 2008/09 and 2009/10. Exports have grown at an average annual rate of 104% in the period under review in Figure 11. In 2013 South Africa recorded negative growth of 42%.

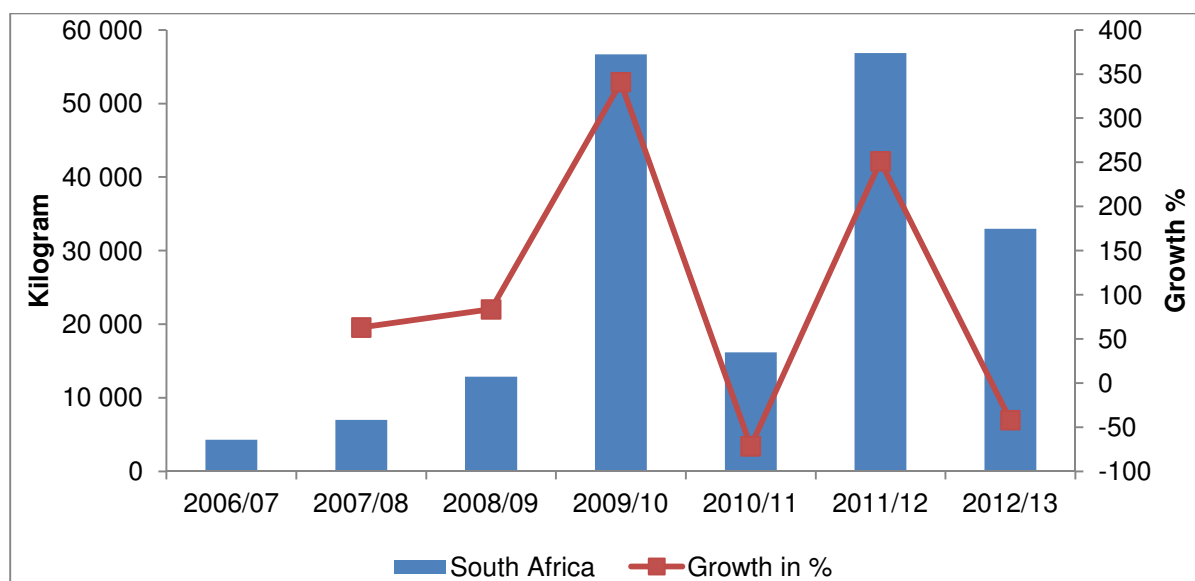


Figure 11: South African export trends
Source: Hortgro, 2013

Figure 12 indicates that the UK was the leading export destination for South African cherries up to 2011/12, but currently the Middle East is a rising market, accounting for 54% of exports in 2013, followed by the UK (34%) and Africa (6%).

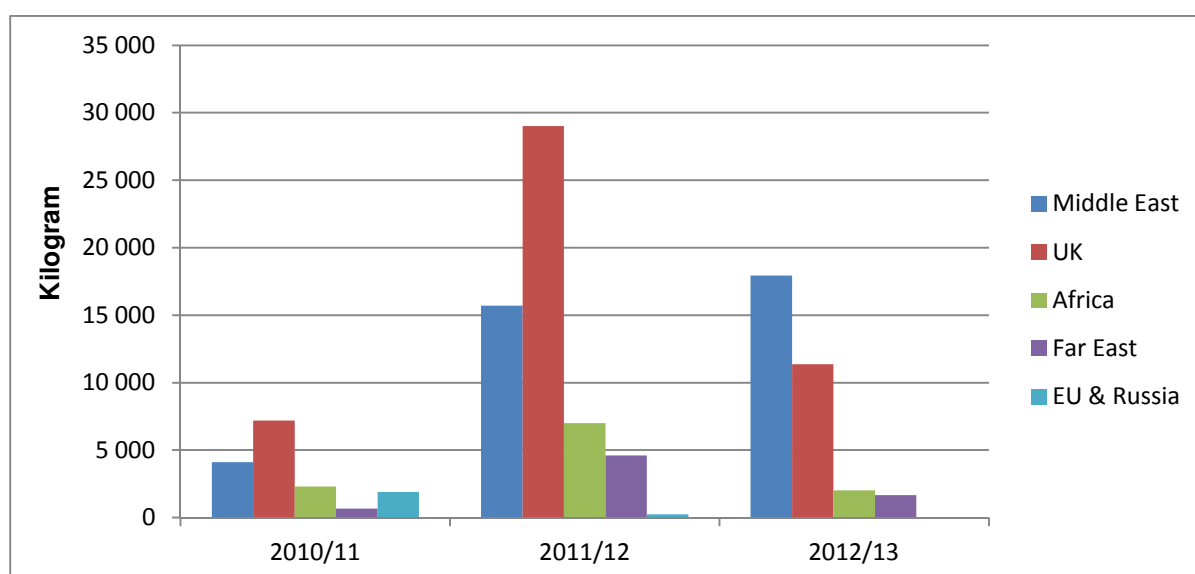


Figure 12: South African cherry exports per market in 2013
Source: Hortgro, 2013

Figure 13 shows cherries shipped for export from week 43 of 2012 up to week 9 of 2013. Week 49 marks the highest volume exported cherries in the 2012/2013 season.

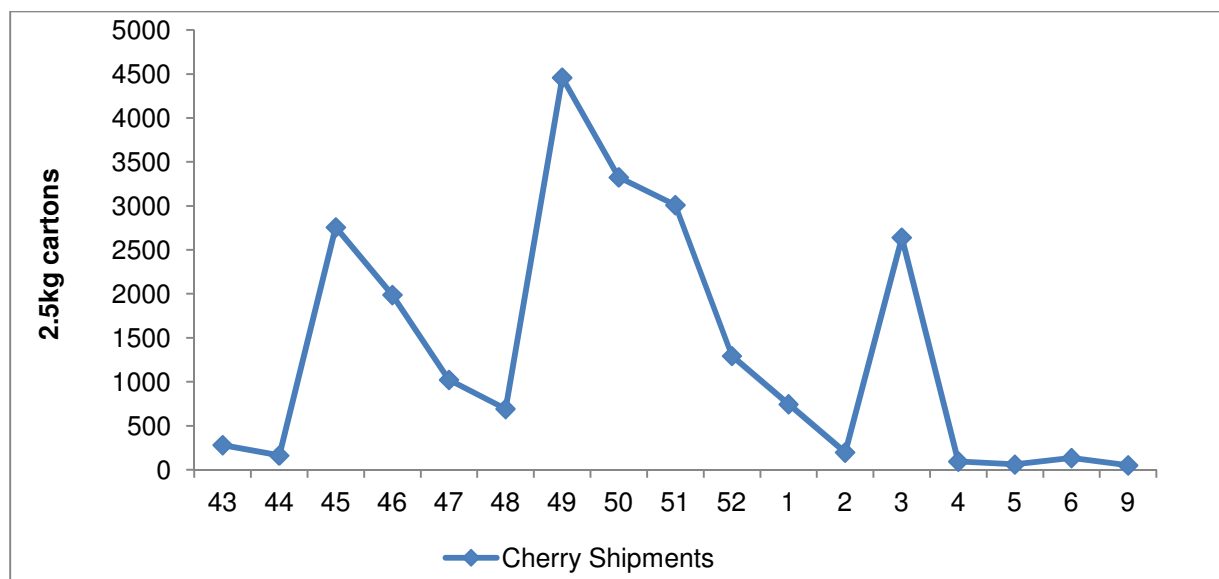


Figure 13: South African weekly cherry export trends
Source: Hortgro, 2013

Figure 14 highlights regions in South Africa that supply cherries for exports from week 43 to week 9 in 2012/13. The Vaal Triangle was a leading exporter followed by Ceres. During the peak export period (week 49-51), Ceres accounted for 50% of the exports while the Vaal Triangle and Warm Bokkeveld accounted for 27% and 17% respectively. The Vaal Triangle was the only region that was able to export throughout the season.

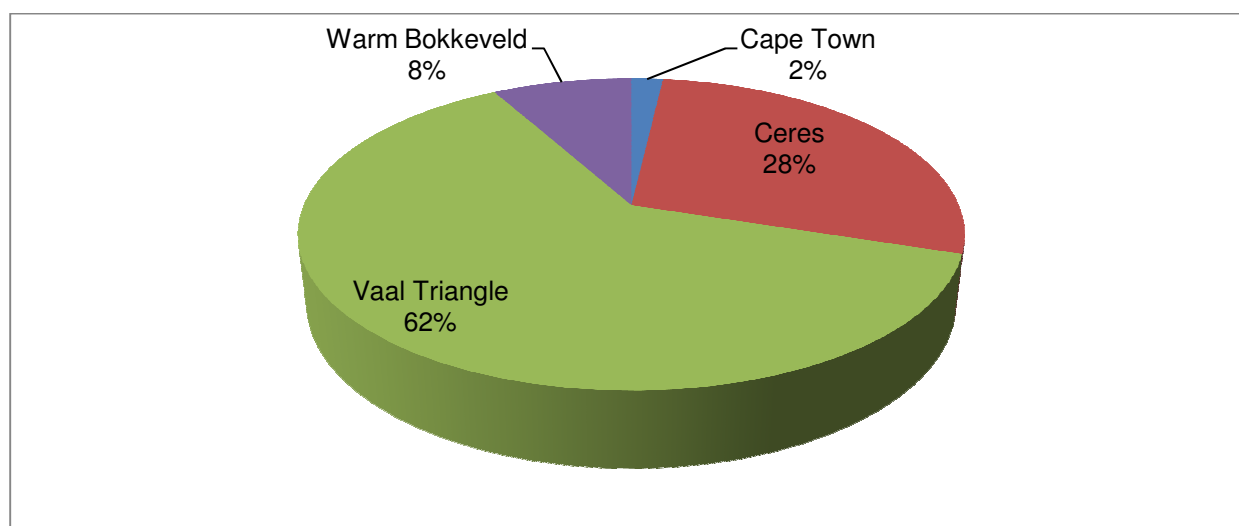


Figure 14: South African cherry export regions
Source: Hortgro, 2013

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- Department of Agriculture, Forestry and Fisheries (DAFF). 2012. *Local market fruit sales data*. Directorate of Agricultural Statistics, Pretoria.
- Hortgro Services. 2013. *Raisins and cherry fruit export data*. Information and Value Chain Division, Paarl.
- South African Subtropical Growers' Association (Subtrop): 2013. *Litchi seasonal & export data*, Tzaneen.

USEFUL LINKS:

<i>Citrus Growers' Association (CGA):</i>	www.cga.co.za
<i>Department of Agriculture, Forestry and Fisheries (DAFF):</i>	www.daff.gov.za
<i>Fresh Produce Exporters' Forum (FPEF):</i>	www.fpef.co.za
<i>Hortgro Services:</i>	www.hortgro.co.za
<i>National Agricultural Marketing Council (NAMC):</i>	www.namc.co.za
<i>Perishable Products Export Control Board (PPECB):</i>	www.ppecb.com
<i>South African Subtropical Growers' Association (Subtrop):</i>	www.subtrop.co.za
<i>South African Table Grape Industry (SATI):</i>	www.satqi.co.za
<i>Quantec</i>	www.quantec.co.za
<i>Food and Agriculture Organisation</i>	http://www.fao.org/docrep/

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