



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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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 the deciduous industry, specifically plums, table grapes and pome fruits. The main focus is the current season's analysis of the 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. Preview of the plum fruit season, 2013/2014

The current South African plum fruit season commenced in November 2013 and it will run until April 2014, yielding a projected total of 10.8 million equivalent cartons (1 carton = 5.25 kg). **Figure 1** shows the trend for plum fruits that were inspected and passed for export in the past three seasons. The graph also shows the total crop estimated for the current season. The total numbers of plum fruit passed for export have been increasing at an average rate of 4% per annum over the past four seasons. As a result, plum volumes grew from 9.3 million cartons in 2010/2011 season to a total of 11.3 million cartons in 2012/2013 season. A slight decline (5%) is expected in the current season, as compared to the previous season, owing to weather-related effects.

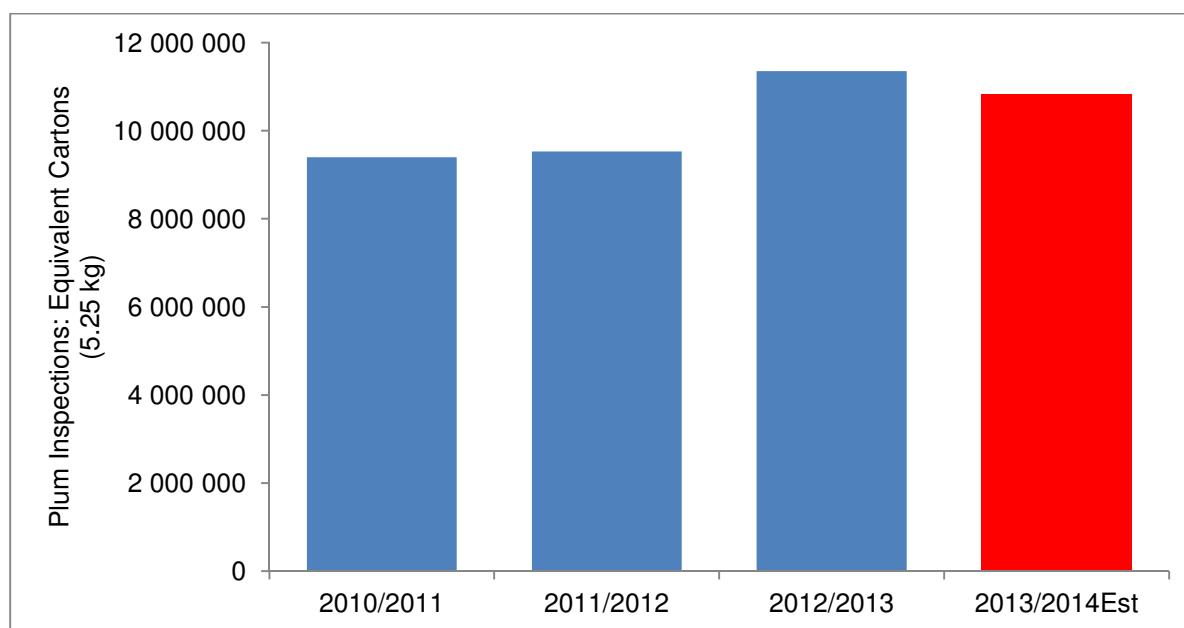


Figure 1: South African plum fruit inspected and passed for export

Source: Hortgro, 2014

Figure 2 shows the weekly intake of plum fruit in the current season. The graph indicates that the current volumes are slightly lower than the previous season's volumes. According to Hortgro seasonal data, a similar situation is projected for the remainder of the season. The

main plum cultivars (i.e. Sapphire; Fortune and African Pride) have yielded lesser volumes than those recorded in 2012/2013 season.

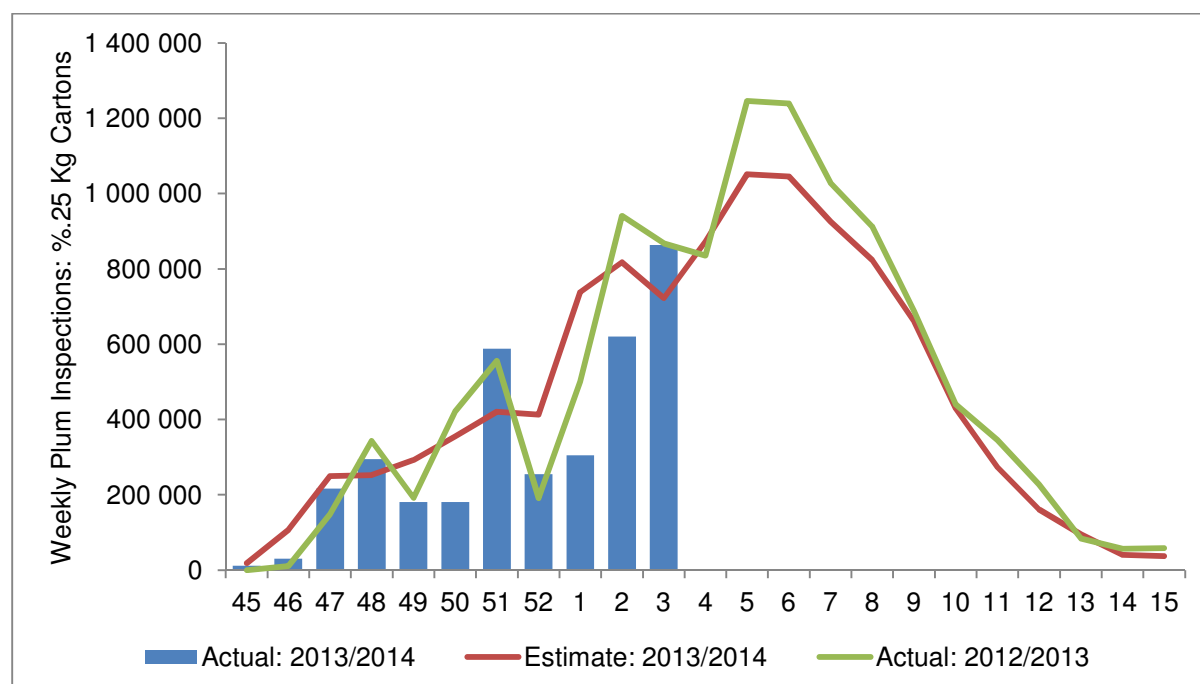


Figure 2: Weekly plum volumes inspected in the current 2013/2014 season

Source: Hortgro, 2014

At the end of Week 3 of the 2013/2014 season, a total of 2.38 million plum cartons were exported to global market. **Figure 3** provides the distribution of the plum volumes into various export markets. The United Kingdom and the rest of European regional markets accounted for 82% of plum exports, indicating a high concentration of plum exports. The rest of plum volumes were destined for the Far East and Middle East regional markets, accounting for 6% and 11%, respectively.

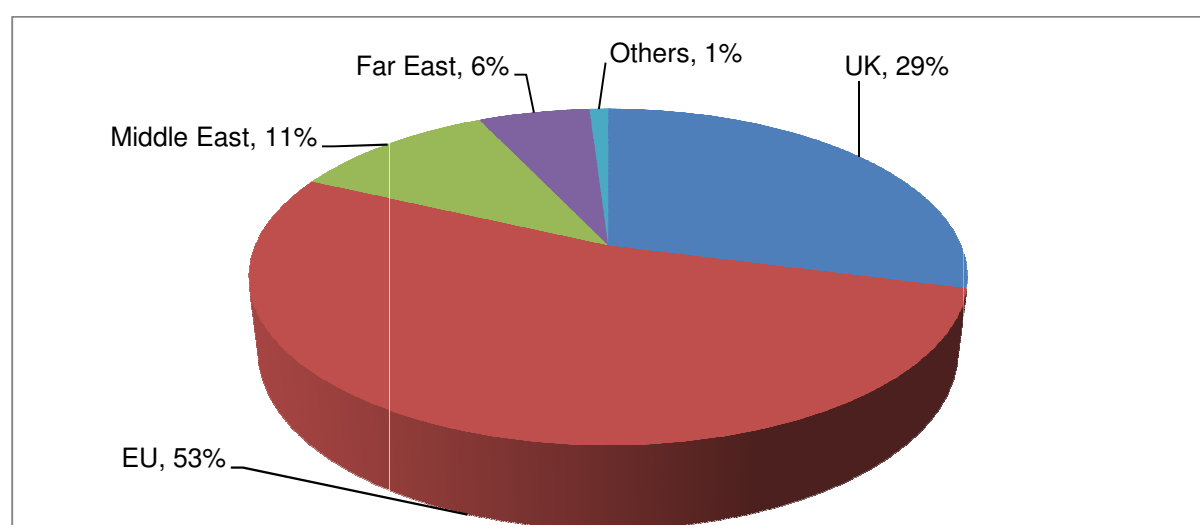


Figure 3: Main destination markets for South African plum export in 2013/2014 season

Source: Hortgro, 2014

3. Preview of the table grape season, 2013/2014

3.1. Global table grape production and exports

Figure 4 show the global production of table grapes from the 2008/09 to 2012/13 seasons. USDA (2014) reported that the total production of table grapes was 17.15 million metric tons, which is an increased growth of 3.71% from the 2011/12 season. China has been the largest producer of table grapes in the world over the years. The Chinese positive growth in table grape production can be attributed to favourable growing conditions and better production techniques management, which both result in an increased vineyard plantation. Turkey, EU-27 and Brazil are among the top producers of table grapes in the world and collectively they produce a total of 5.4 million metric tons, which is equivalent to 32% of global production share.

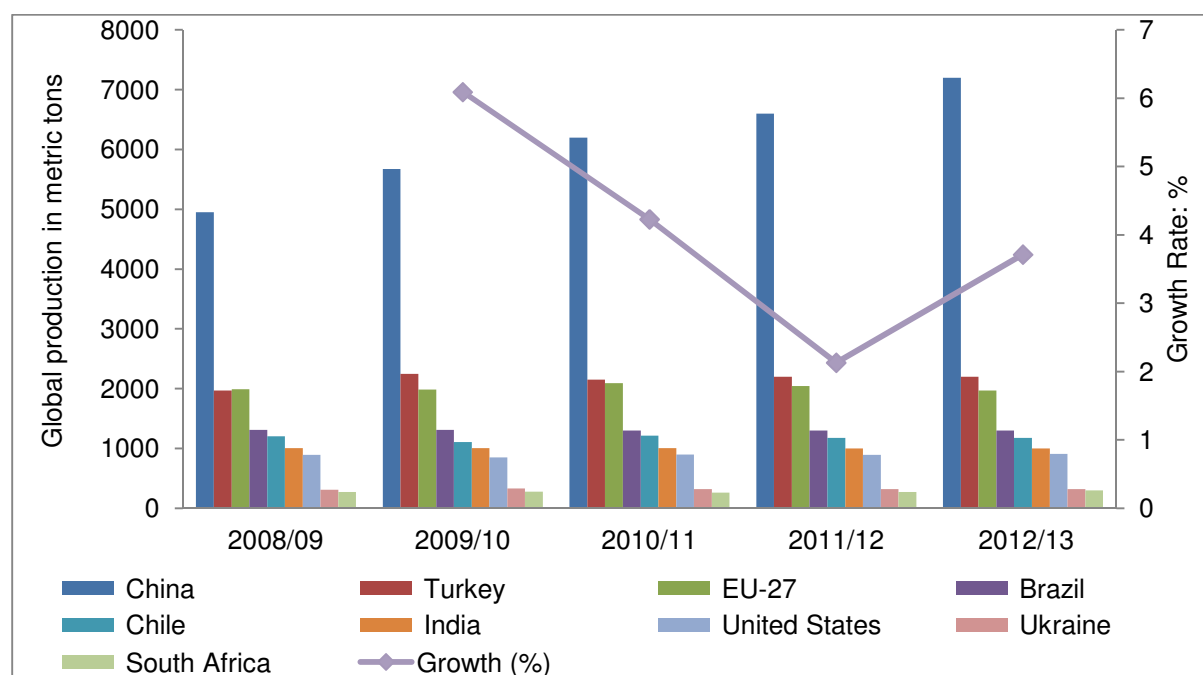


Figure 4: Global production of table grapes between 2008/09 and 2012/13 season

Source: USDA FAS, 2014

Figure 5 shows the global exports trends of table grapes over the indicated period of five years. The total global exports of table grapes were 2.5 million metric tons in the 2012/13 season. Noteworthy, as indicated in **Figure 4**, China is the largest producer of table grapes in the globe, although it only exports 125 thousand metric tons, which are equivalent to 1.7% of its production. Chile was the biggest exporter of table grapes, with a global share of 31.2%, followed by the USA with a 14.2% share, and South Africa with an 11% share in the 2012/13 season.

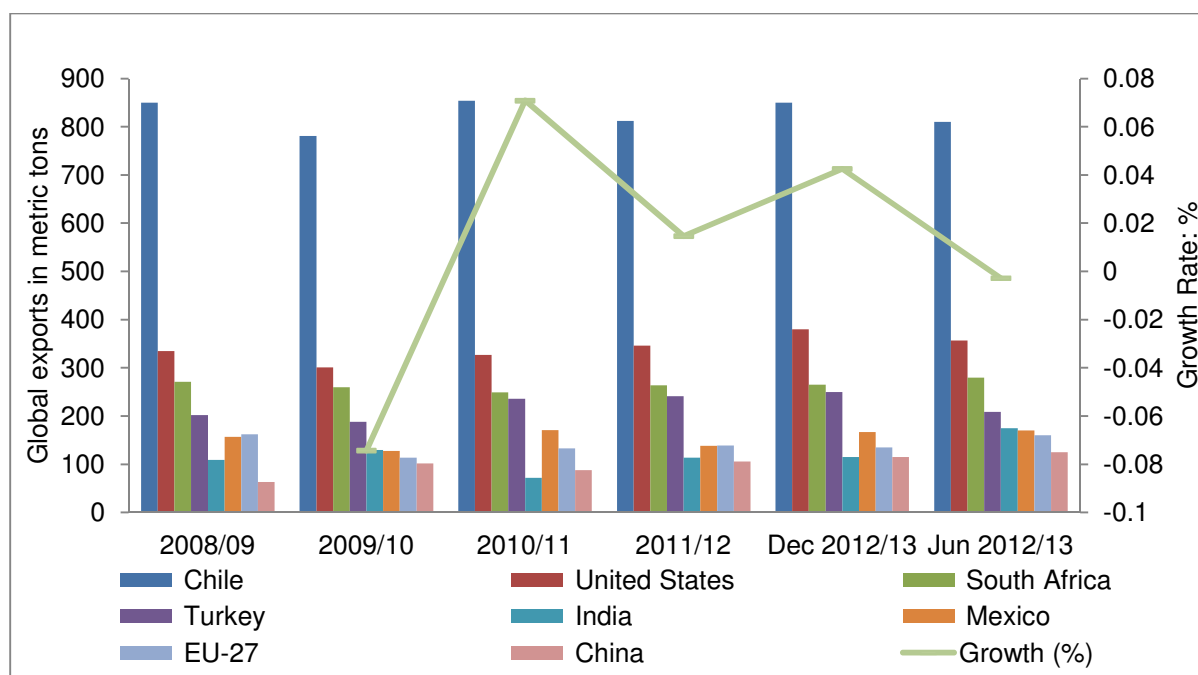


Figure 5: Global exports of table grapes between 2008/09 and 2012/13 season

Source: USDA FAS, 2014

3.2. South Africa's table grape season for 2013/2014

Table grape crop estimates for the 2013/2014 season in South Africa are ranging between 52–54 million equivalent cartons (1 carton = 4.5 kg). The forecast indicates a small decline, relative to the previous season. At regional level, the Olifants River would produce slightly more volumes than the previous season, owing to the cooler conditions which have not affected the vine growth and development (see **Table 1**). The estimated decline for other production regions is attributable to unpredictable weather conditions and other production factors.

Table 1: First crop estimate from the production region for 2013/2014

Production Region	2013/2014 : Estimate in millions	2012/2013: Actual in millions	2012/2013: Estimate in millions
Northern Province	4.0-4.2	4.08	4.2-4.4
Orange River	14.6-15.6	16.09	16.6-16.9
Olifants River	3.2-3.5	2.7	2.3-2.5
Berg River	12.0-12.5	12.3	12.5-12.8
Hex River	18.0-18.3	18.3	18.2 -18.5
Total	52.0-54.0	53.47	53.8-55.1

Source: SATI, 2013

At the end of January 2014, a total of 24.5 million cartons of table grapes were inspected and passed for export. At the same stage in the previous seasons, a total of 28 million cartons had been inspected from all the production regions (see **Table 2**). This indicates that the numbers of table grapes inspected for export in the current season are lower in comparison to the previous season, owing to weather conditions.

Table 2: The total inspected table grapes production between 2010/11 and 2013/14 season

Production Region	2010/11	2011/12	2012/13	2013/14
Northern Province	3 462 805	3 836 599	3 795 599	3 783 450
Orange River	13 767 449	16 651 079	15 864 893	14 541 732
Olifants River	1 331 626	1 647 691	1 544 862	1 616 112
Berg River	6 065 779	5 579 555	5 037 916	3 180 873
Hex River	3 978 556	2 819 734	2 624 432	1 432 097
Total	28 606 215	30 594 468	28 867 702	24 554 264

Source: SATI, 2014

Figure 6 presents South African table grapes exports to the various markets during the current season, with total exports of 27.83 million equivalent cartons (1 Carton = 4.5 kg). Northern European states and the United Kingdom remained the key markets for table grapes exports. By the end of week 4, both markets had absorbed about 19.3 million equivalent cartons (1 Carton = 4.5 kg) of South African table grape exports.

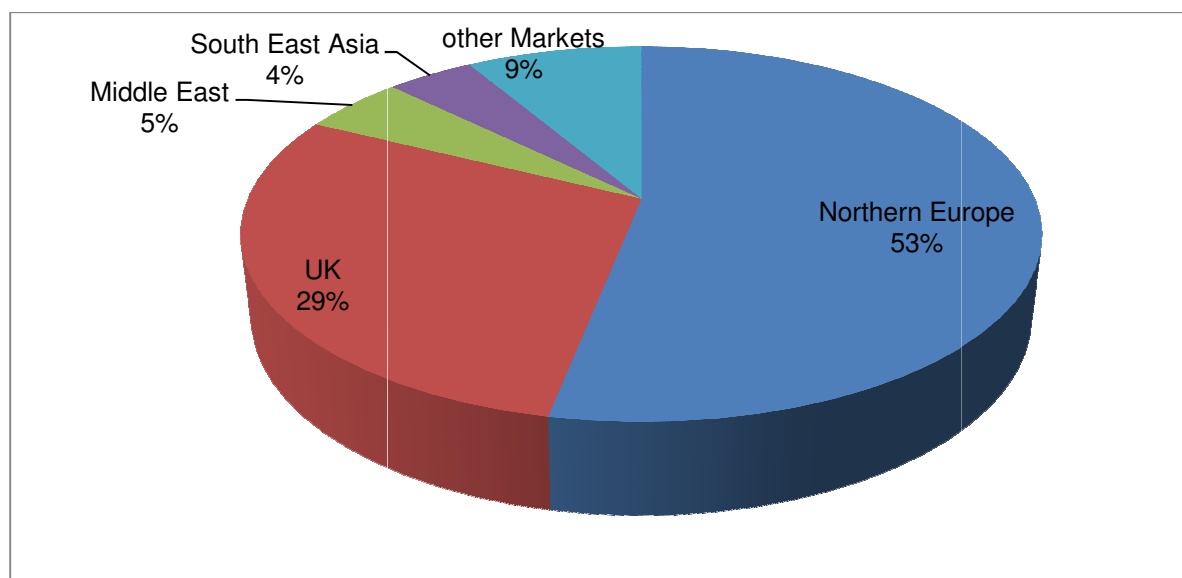


Figure 6: Main destinations for South African table grapes exports

Source: SATI, 2014

Figure 7 shows the volumes of table grapes consumed in the domestic market between 2012 and 2013, with prices per ton for 2012 and 2013. Domestic consumption decreased by 11% between 2012 and 2013. Between January and December 2012 and 2013, South Africa sold 42 832 tons less than it did in 2012. The prices during 2013 were higher than the prices for 2012, except between October and December. Table grapes sold in the local markets recorded the highest price sold in November because of the high demand at the beginning of the harvesting period. Between July and December, prices of table grapes are higher, indicating that the consumption of table grape is seasonal.

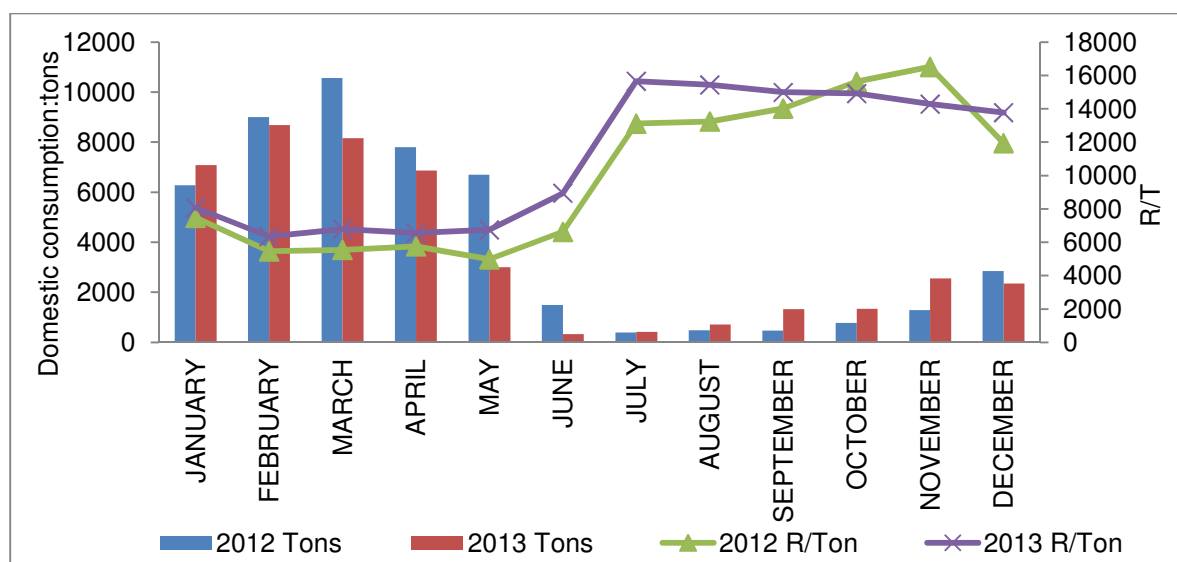


Figure 7: South African table grapes domestic sales trend: 2012-2013
Source: DAFF, 2014

4. Overview of Pome fruit Season

4.1. Global pome production and trade

Pome fruits include apples and pears, which are among the most consumed fruit products in the world. **Figure 8** highlights global production trends for pome for the season 2008/09 to 2012/13. The bulk of pome production is dominated by apples, with an average total pome production of 75.4%. Between the 2008/09 and 2012/2013 seasons, global pome production increased by 12.6%. This growth rate translates to an increase of an average annual growth rate of 3%. It is noteworthy that pear production growth rate increased by 14% between seasons 2008/09 and 2012/13, exceeding that of apple production by 2%.

Of the global apple producers, China commands the first place, accounting for an average of 53% of global world production, followed by the EU 27 (18.4%) and the United States of America (6.7%) between 2008/09 and 2012/13. China is also the world's leading producer of pears, producing an average global share of 72% between 2008/09 and 2012/13, followed by the EU 27 (11.9%).

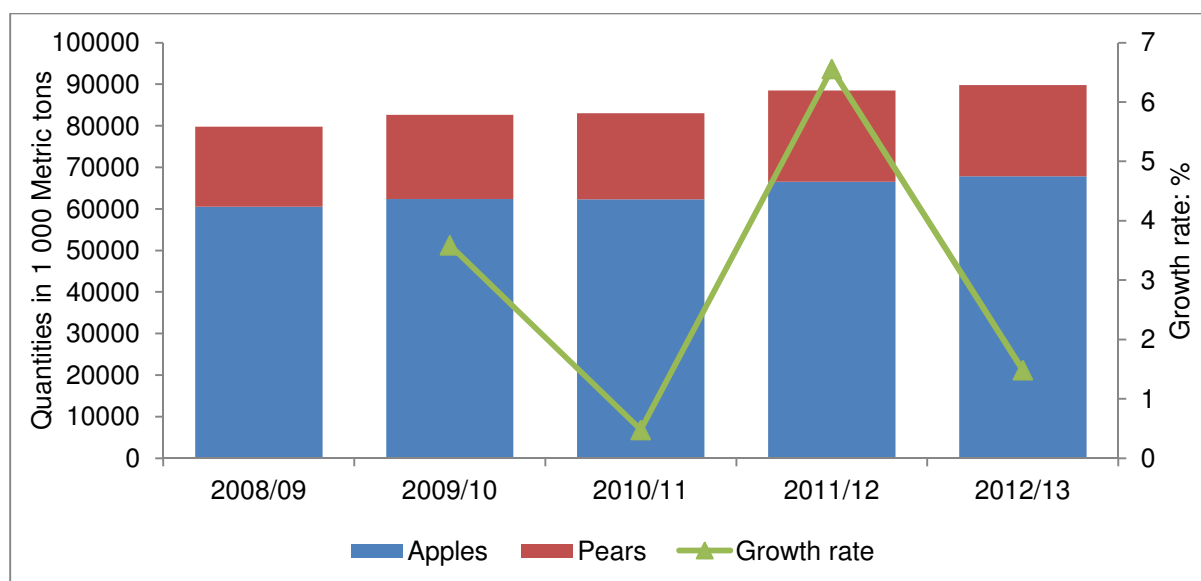


Figure 8: Global Pome production trends

Source: USDA FAS, 2014

Global pome exports peaked at 7.5 billion metric tons in 2012/13, increasing by 11% between 2008/09 and 2012/13. Of the 7.5 billion tons exported, apples constituted 76%, while pears accounted for 24%. As shown in **figure 9**, pome exports had a negative growth rate (2%) between seasons 2010/11 and 2011/12.

Global apple exports were valued at 5.7 billion metric tons in 2012/13. The EU 27 is the world's leading apple exporter, commanding an average global export share of 24% over the reviewed period, although apple exports from the EU 27 declined by 4% between 2011/12 and 2012/13. Second and third to the EU27 are China and the USA, respectively: China accounted for an average apple export share of 20%, with the USA commanding an average share of 15%. China, however, lost its export share between 2008/09 and 2012/13, declining in value of exports by 9%.

Global pear exports were valued at 1.7 million metric tons in 2012/13, of which Argentina had a leading export share of 25%, followed by China and the EU 27 (24% and 20%, respectively).

To keep consistency you must also state the same for apples i.e. apple export in quantity terms and the leading exporters of apple.



Figure 9: Global pome exports: 2008/09 and 2012/13
Source: USDA FAS, 2014

Figure 10 shows the global import of pome fruits between the 2008/09 and 2012/13 seasons. The growth rate curve takes a shape similar to that for exports growth rates between 2008/09 and 2011/12; both the curves are shaped by global production growth rates. Between the 2008/09 and 2012/2013 seasons, global pome imports amounted to an average of 6.6 million tons per season. (See **Figure 10**).

Russia is the world's leading importer of apples, importing a total volume of 1.2 million metric tons in 2012/13, while the EU 27 is the second-largest exporter of pome fruits, accounting for an average import share of 13%. Noteworthy is the fact that the EU 27 is a leading exporter of apples and also the second-largest importer of apples and this might be because of the seasonality of the product and a need for other varieties. However, the demand of apples by the EU 27 has declined by 10% between 2008/09 and 2012/13. India is a growing market for apple imports, with the volume of this product increasing by an average of 32% between the 2008/09 and 2012/13 seasons.

Russia is a leading importer of pears, making this country a leading importer of pome fruits. Russia commanded an average global imports share (for pears) of 21%, and the volume of imports increased by 10% between the 2008/09 and 2012/13 seasons. EU 27 is the second-largest importer of pears, although imports have been declining by 9% year-on-year between the 2008/09 and 2012/13 seasons.

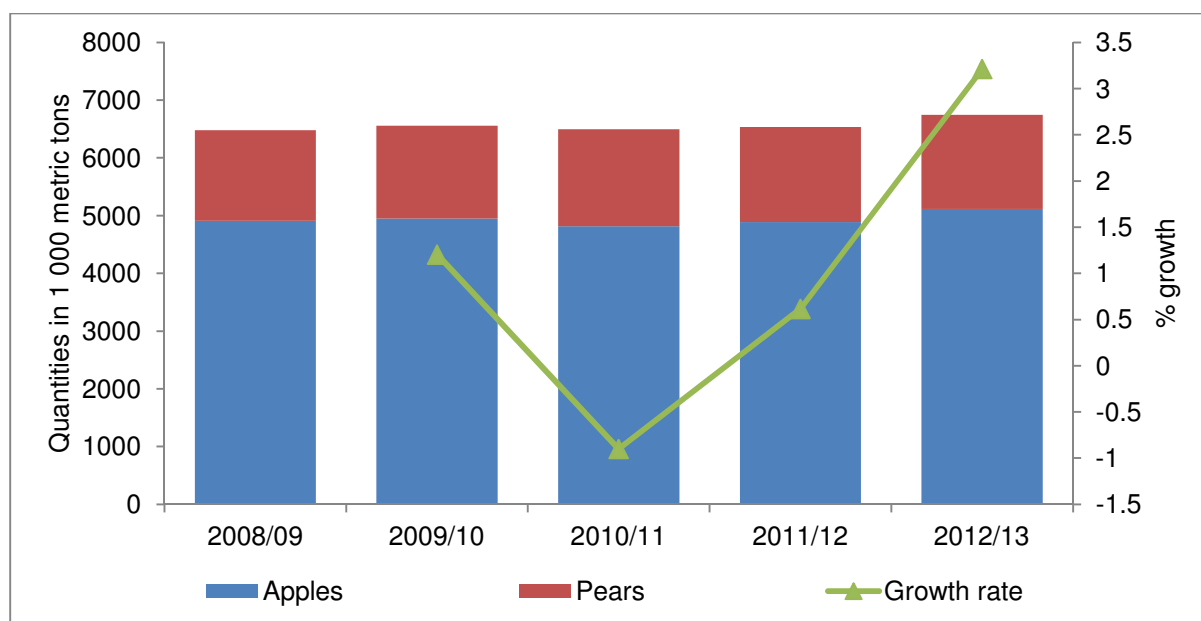


Figure 10: Global pome imports: 2008/09 and 2012/13

Source: USDA FAS, 2014

4.2. South Africa's pome industry overview, 2013 season

With regard to South African pome production in world terms, it had a production share of 1.3 % in 2012/13, compared to 1.4% in 2008/09. As concerns South African pome production, the composition of apples and pears, on average between 2008/09 and 2012/13, was 68.3% and 31.7%, respectively. South African apple and pear production peaked at 791 thousand tons and 437 thousand tons, respectively, in 2012 (see Figure 11). Pome production increased by 3% between 2008 and 2012, while individually pears and apples increased by 0.2% and 1.2% year-on-year, respectively, for the period under review.

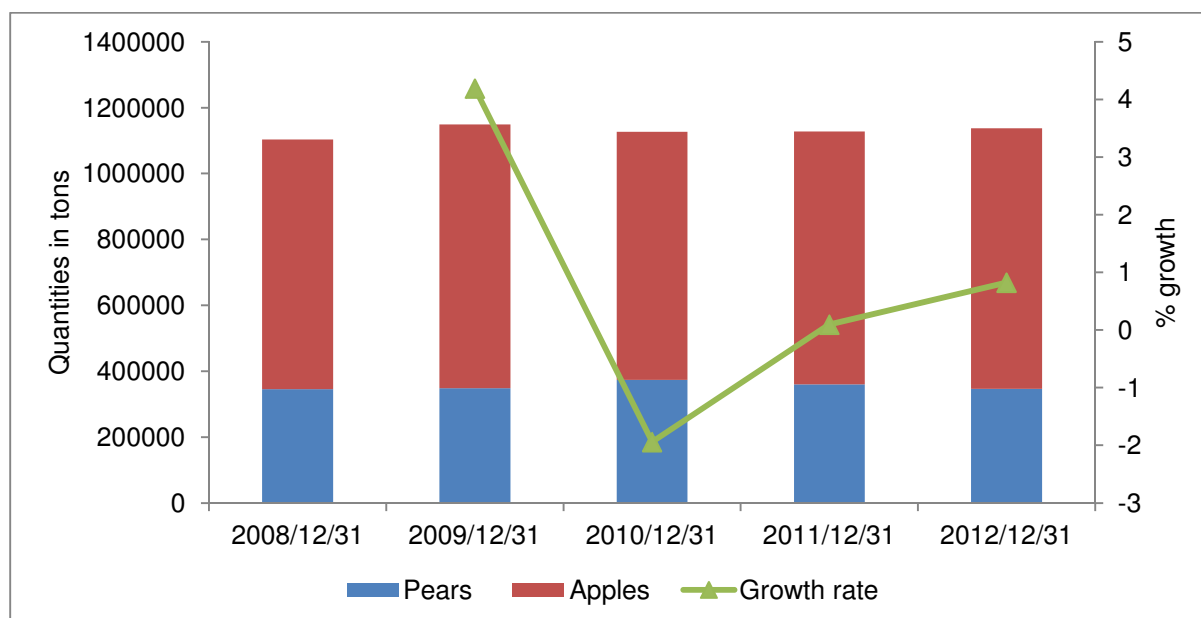


Figure 11: South African pome production trends

Source: Quantec, 2014

Figure 12 highlights the distribution of pome fruits produced in South Africa. Almost half of the country's produced pome is destined for exports, while the smallest share is consumed locally. **Figure 12** suggests that more returns are generated from exporting pome, as compared to processing and local market consumption.

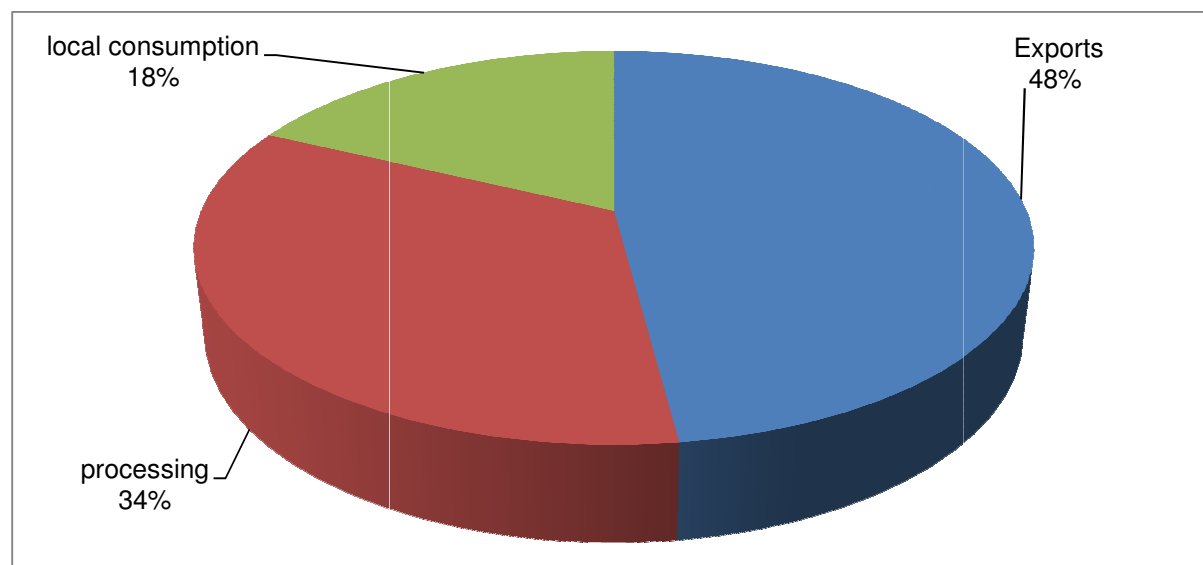


Figure 12: Distribution of South African pome: 2008-2012
Source: Quantec, 2014

4.3. South African pome trade

South Africa accounted for 7.6% of world pome exports between 2008/09 and 2012/13, and of these exports, apples amounted to an average export share of 66%. As highlighted in **Figure 12**, the largest share of pome produced in South Africa is sold on the international market. In 2012, South Africa exported 336 thousand tons and 164 thousand tons of apples and pears, respectively.

Figure 13 highlights South African apple importing markets, of which the UK commands a leading share of 39%, followed by Asia and Far East markets. For all the listed regions, Granny Smith is the most demanded variety, with Australia importing only this variety from South Africa.

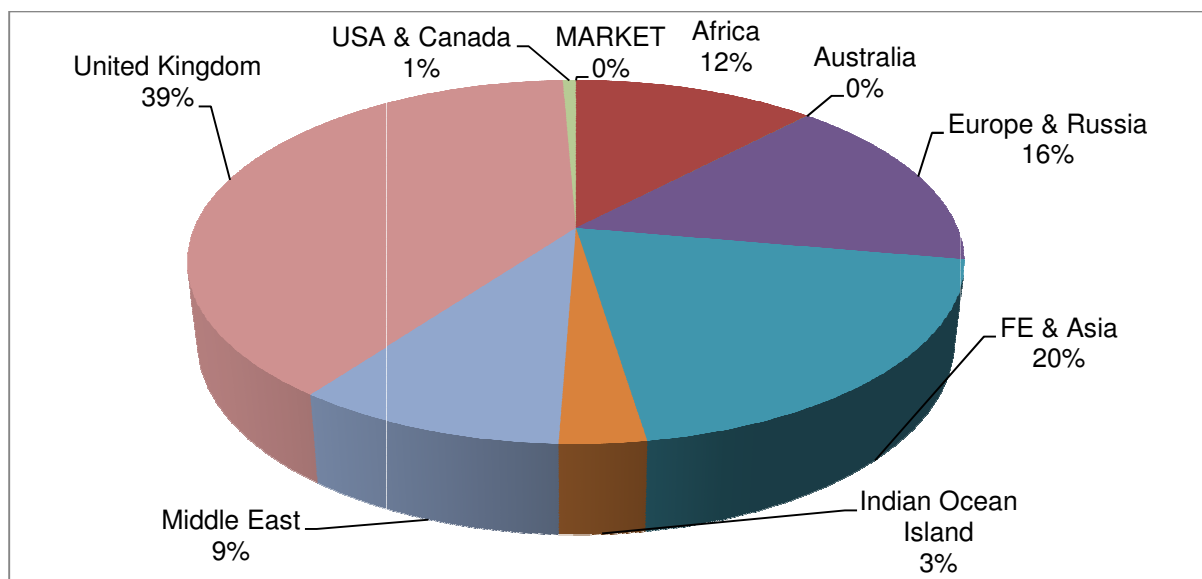


Figure 13: Apple export volume per market in the 2013 season
Source: Hortgro, 2014

Figure 14 highlights South Africa's pear export market destinations in 2013. The bulk of South African pears are exported to Europe and Russia. The main pear varieties exported from South Africa are green pears, accounting 80% of pear export quantities, and blush pears, accounting 20% of pear total export quantities. The Middle East is a prime market for blush pears, as compared to other listed regions.

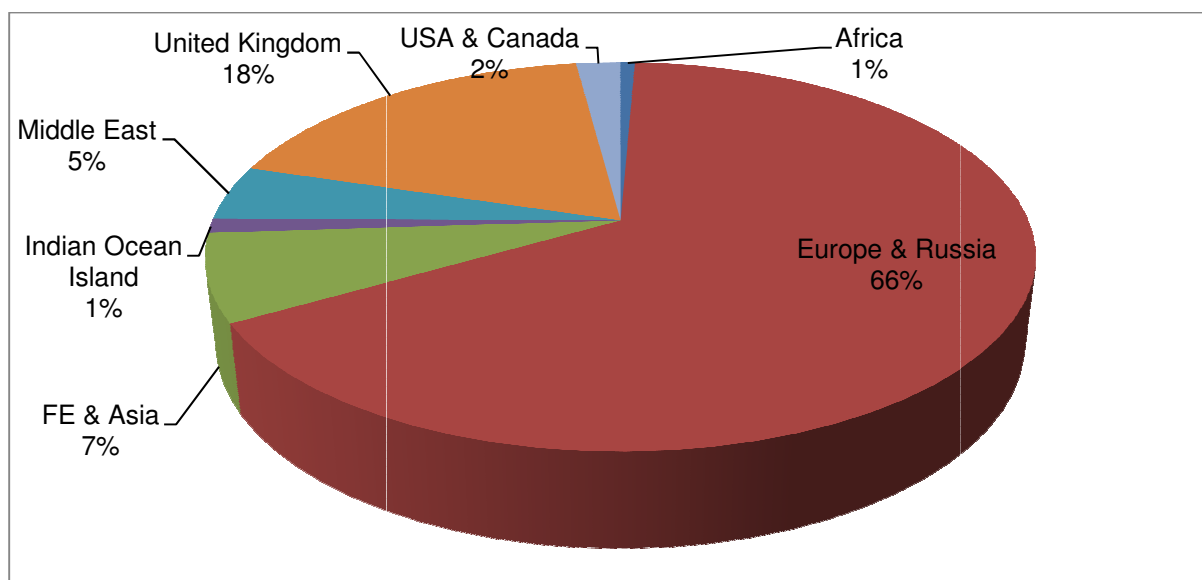


Figure 14: Pear export volume per market in the 2013 season
Source: Hortgro, 2014

Figure 15 highlights South African pome fruits inspected and passed for export in the 2013 season. Weeks 1 – 3 of 2013 exceeded volumes exported in same period as in the 2014 season by 380 639 tons. This difference in volumes might be an indication of seasonal

difference, with 2014 season commencing later than the previous season owing to weather variations.

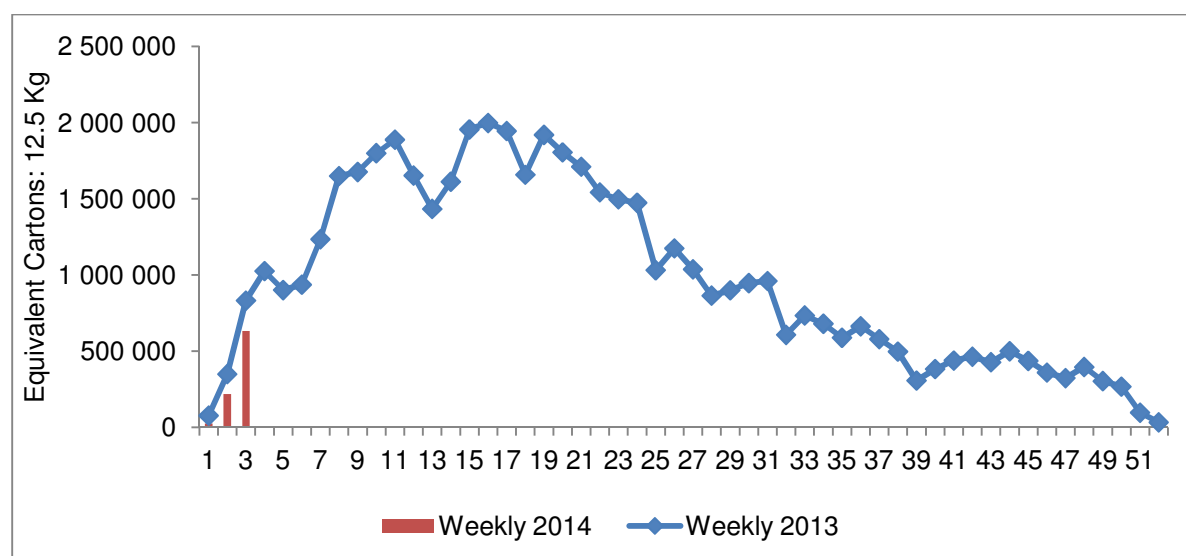


Figure 15: Weekly numbers of pome cartons passed for export

Sources: Hortgro, 2014

4.4. Pome fruit sales on the South African domestic markets

Figure 16 highlights the domestic consumption of apples and the prices thereof for the period 2012 to 2013. In 2013, South Africa sold 4 226 tons of apples more than it did in 2012, with total prices for 2013 being R3 010.10 more expensive. Between Sept – Dec 2013, apple prices were lower than that for Sept – Dec 2012. Apple prices for both 2012 and 2013 were more expensive between Nov – Feb, and this is driven by the volumes of apples available during those periods (higher volumes lead to declining prices).

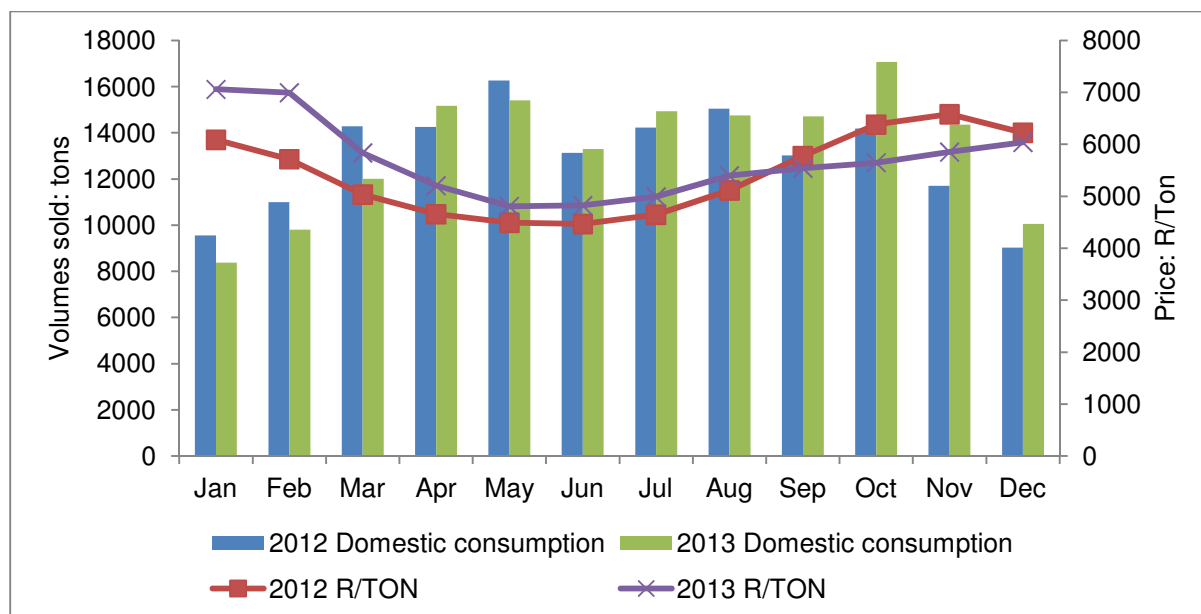


Figure 16: Monthly local markets sales of apples: 2012 – 2013
Source: DAFF, 2014

Figure 17 highlights local market trends for pears in 2012 and 2013. Trends in **Figure 17** suggest that pear prices are lower between Jan – Sept, with the lowest prices being in March of both 2012 and 2013. In 2013, total apples sold on the market declined by 4 924 tons and were R11 204/ton more expensive than in 2012. For all the months, the volumes of apples sold in the local market in 2012 exceeded those sold in 2013, except for April.

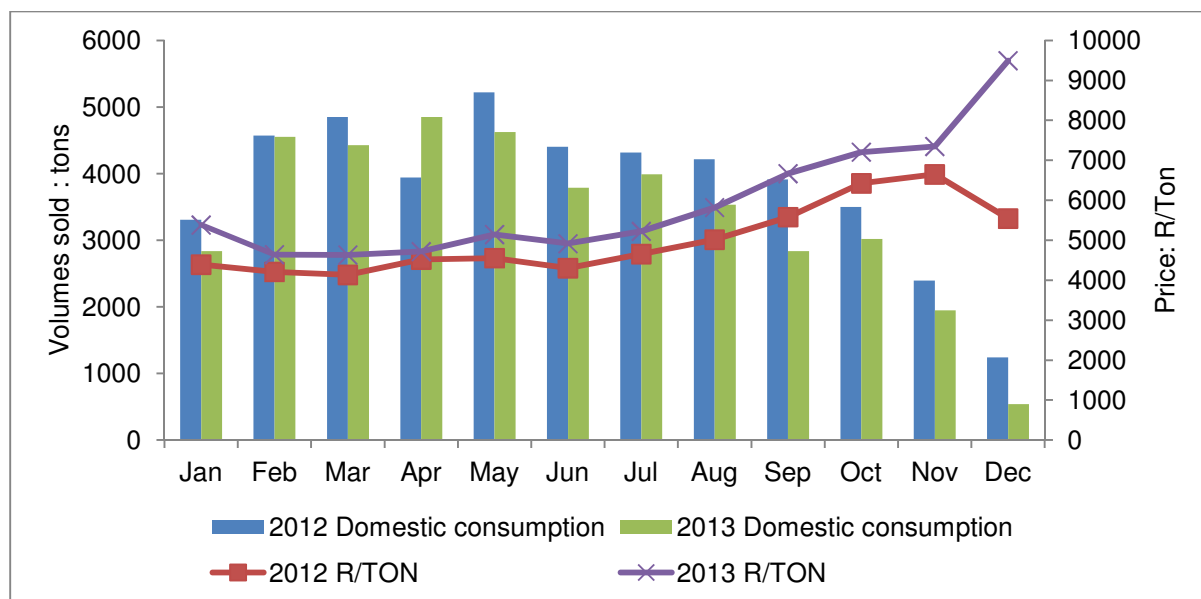


Figure 17: Monthly local markets sales of pears: 2012 – 2013

Source: DAFF, 2014

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

Hortgro Services. 2014. *Pome and Plum fruit export data*. Information and Value Chain Division, Paarl.

South African Table Grape Industry (SATI). 2014. *Table grape fruit export data*. Information and Market Intelligence Division, Paarl.

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>Food and Agriculture Organisation</i>	www.fao.org/docrep/
<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>Quantec</i>	www.quantec.co.za
<i>South African Subtropical Growers' Association (Subtrop):</i>	www.subtrop.co.za
<i>South African Table Grape Industry (SATI):</i>	www.satqi.co.za

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