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

Issue No. 25: March 2017

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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 report looks at deciduous fruit (table grapes, nectarines, peaches and apricots) and citrus fruit (pomegranates and pineapples).*** *The main focus is on the analysis of the current season's performance of these fruits, on both the export and domestic markets, compared to the previous season. This report also assesses the global production of these fruits, giving a perspective on South Africa's production and export rankings (as a share of global production and exports).*

2. Overview of deciduous fruit production for the 2016/2017 season

The deciduous fruit industry is comprised of fruits such as grapes, apples, pears, pome fruit, apricots, peaches, nectarines and plums. The focus of this report is on grapes, nectarines, peaches and apricots. The following sections provide a detailed performance analysis of the aforementioned products from a global and national perspective.

2.1 Preview of table grape production for the 2016/2017 season

2.1.1 Global preview of the table grape production season

The global production and consumption of table grapes for the period 2011/2012 to 2016/2017 is illustrated in **Figure 1**. Consumption has followed the same trend as production throughout the years, growing consistently during the period under review. It can be observed that production and consumption have increased by 20.4 % and 19.6 % respectively between the 2011/2012 and 2016/2017 seasons. The highest production and consumption was during the 2016/2017 season at a value of 21.9 million and 21.8 million metric tons respectively.

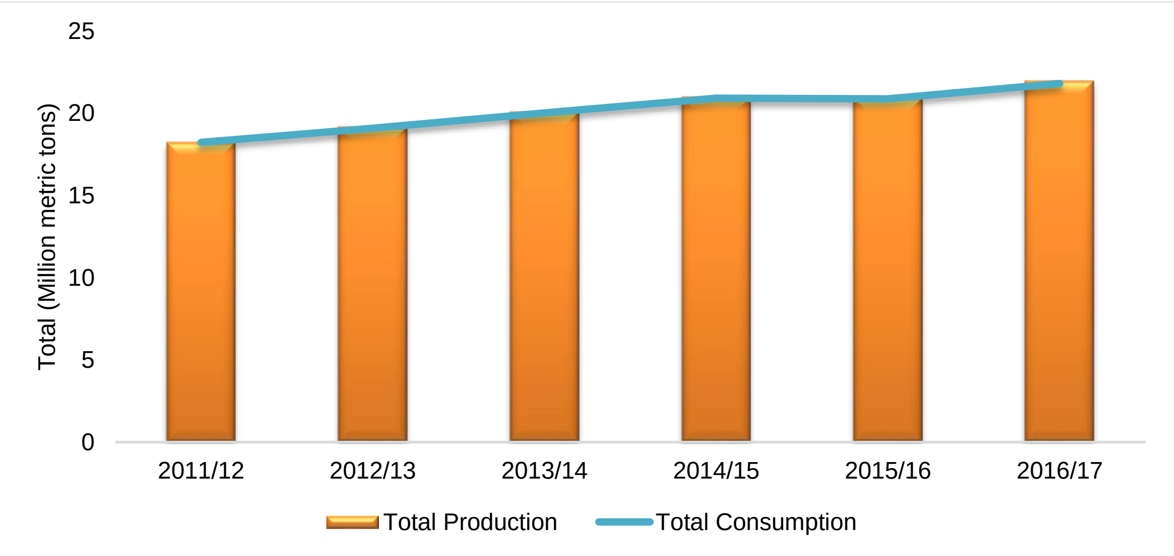

Figure1: Global production and consumption of table grapes
Source: USDA (2016)

Figure 2 below depicts the top producers of table grapes in the world. China is in the lead producer with continuous growth throughout the reviewed seasons, which can mainly be attributed to low labour costs, favourable weather conditions for growing the crop, and high input levels. In the current season, China is estimated to produce 10 million metric tons, which is 46 % of global production. The country is cited as the largest consumer of this product with 10.15 million metric tons for the 2016/2017 season. India is the second largest producer for the 2015/2016 season, followed by Turkey, the European Union (EU) and Brazil, with a global production share of 13 %, 11 %, 8 % and 4 % respectively.

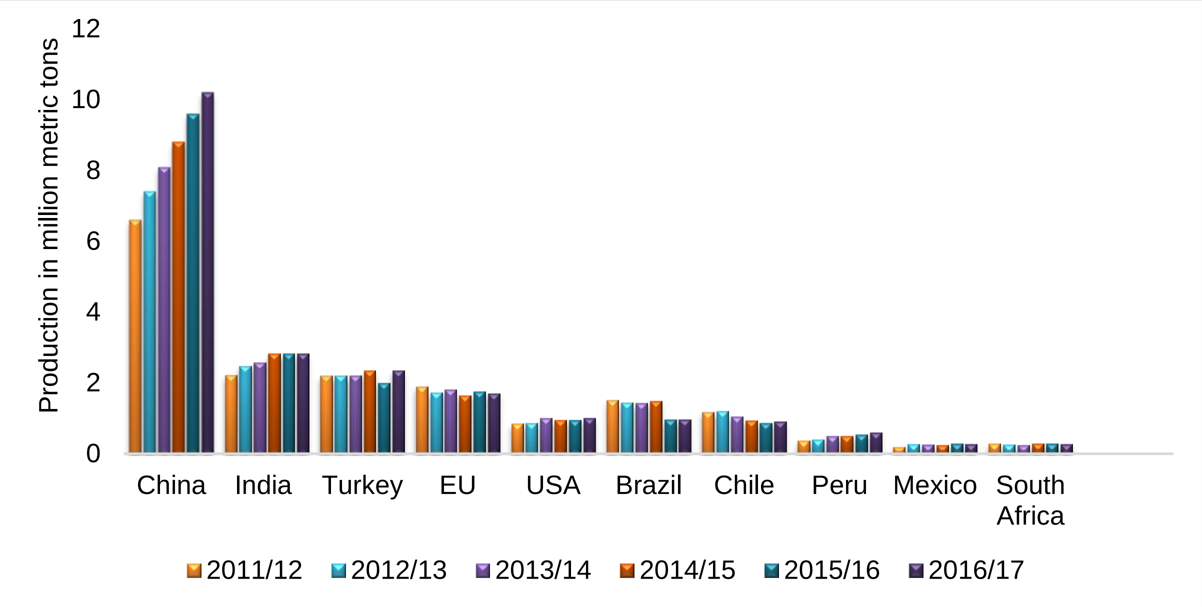

Figure 2: Global production of table grapes
Source: USDA (2016)

Global imports for the 2016/2017 season were estimated to be approximately 2.8 million metric tons. **Figure 3** illustrates that the highest importer of table grapes is the EU with 610 thousand metric tons, followed by the United States of America (USA), China, Hong Kong and Russia (*the remaining top five*) with 545 thousand, 300 thousand, 250 thousand, and 230 thousand metric tons respectively for the 2016/2017 season.

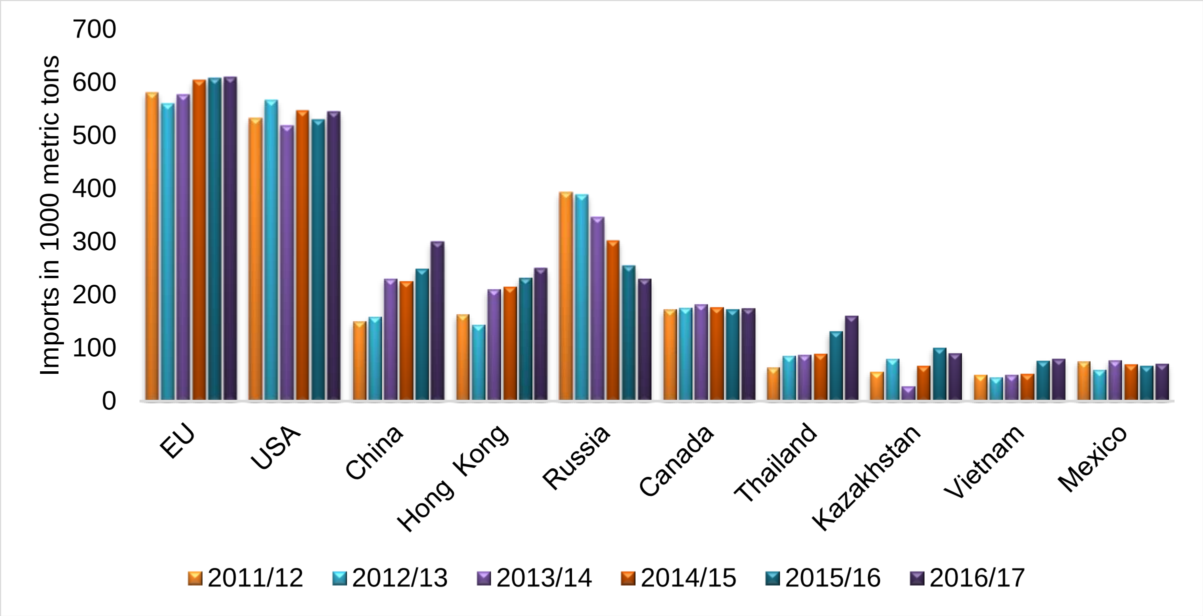

Figure 3: Global imports of table grapes
Source: USDA (2016)

Global exports of table grapes amounted to 3 million metric tons during 2016/2017, which is equivalent to 14 % of the total global production of table grapes. **Figure 4** below shows Chile as the leader in terms of table grape exports, followed by Peru, over the past two seasons. With regard to the top five exporters in the world for the 2016/2017 season, total exports for Chile amounted to 730 thousand metric tons, followed by Peru with 370 thousand, the USA with 365 thousand, Turkey with 350 thousand, and South Africa with 255 thousand metric tons.

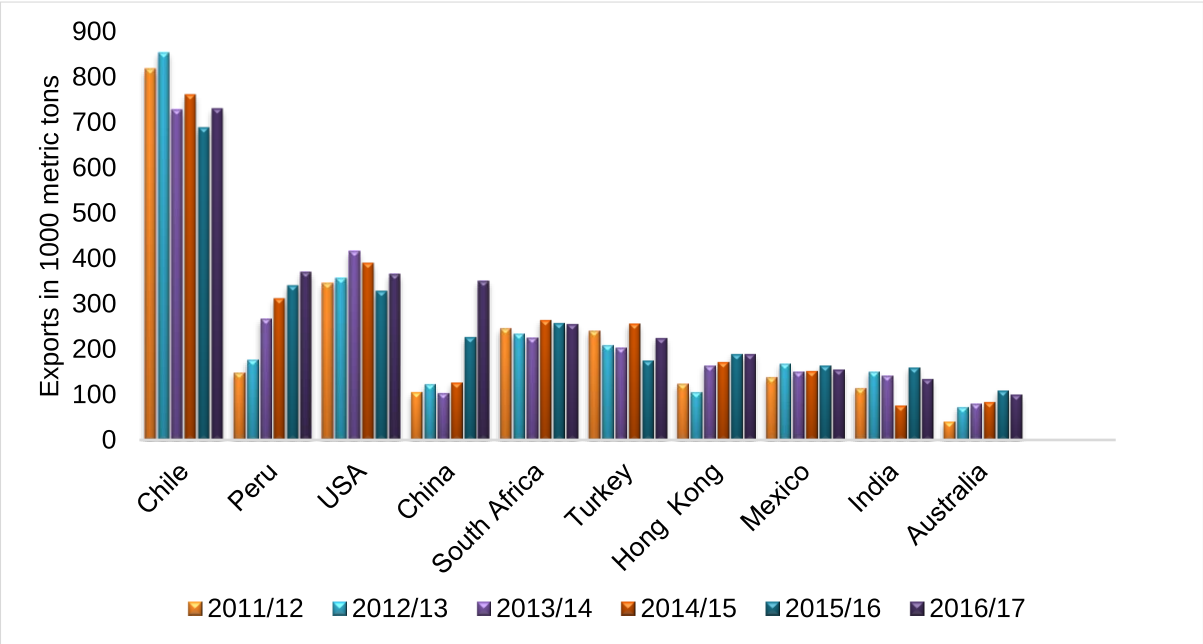

Figure 4: Global exports of table grapes
Source: USDA (2016)

2.1.2 South Africa's table grape production for the 2015/2016 season

South Africa's table grape production is situated in mild Mediterranean and arid subtropical climates. More than 80 % of table grape production in South Africa occurs in the Western Cape region. Other production areas include the Northern Cape, Eastern Cape, Limpopo, Free State and Mpumalanga provinces (DAFF, 2012). **Table 1** shows the table grapes inspected during the 2014/2015 and 2015/2016 seasons, as well as the estimation for 2016/2017, per production region in South Africa, with approximately 59 million cartons in total being inspected in the period 2014/2015, 58 million cartons in 2015/2016, and 63 to 64 million cartons estimated for the period 2016/2017. The high estimate compared to the previous season can be attributed to favourable weather conditions, among other things.

Table 1: Table grapes inspected and estimated

	4.5kg= 1 carton		
Production	**2014/2015**	**2015/2016**	**2016/2017 (estimated, million)**
Northern Province	4 510 726	4 730 931	5.3
Orange River	17 686 725	18 642 605	20.3
Olifants River	3 788 287	3 157 069	4.2
Berg River	13 062 449	12 599 726	13.3-13.8
Hex River	20 331 091	18 849 218	19.7- 20.2
Total	**59 379 279**	**57 979 539**	**62.8- 63.8**

Source: SATGI (2017)

Figure 5 illustrates the destinations for South Africa's table grapes in the 2016/2017 period. The main export market for South Africa's table grapes is the EU with 114 thousand tons, followed by the United Kingdom (UK) with 52 thousand tons. The grand total of exports to all these markets is 224 thousand tons, with the EU and UK accounting for 74% of total exports. Rounding out the top five markets are the Far East with 7 %, the Middle East with 6 %, and South-East Asia with 5 % of total exports.

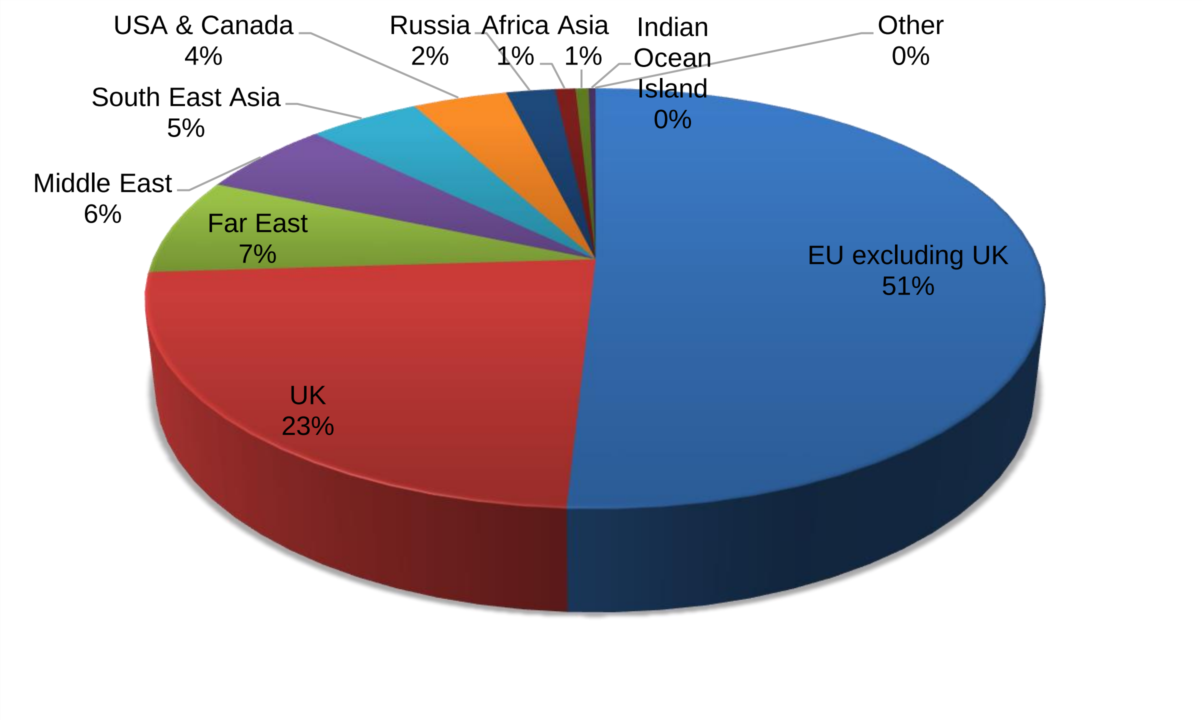

Figure 5: Distribution of export markets for table grapes
Source: SATGI (2017)

Figure 6 shows the table grapes sold on the National Fresh Produce Markets (NFPMs) in terms of quantity and price for 2016. It is clear that South Africa's table grape production declined rapidly through the year, from a peak in January with a total quantity of 126 tons sold on the NFPMs at a price of R 9 298 per ton. The lowest quantity sold was in October at a volume of 1.0005 tons and a price of R203 143.43 per ton. It is noteworthy that grapes fetch a lower price when they are in season compared to when they are not.

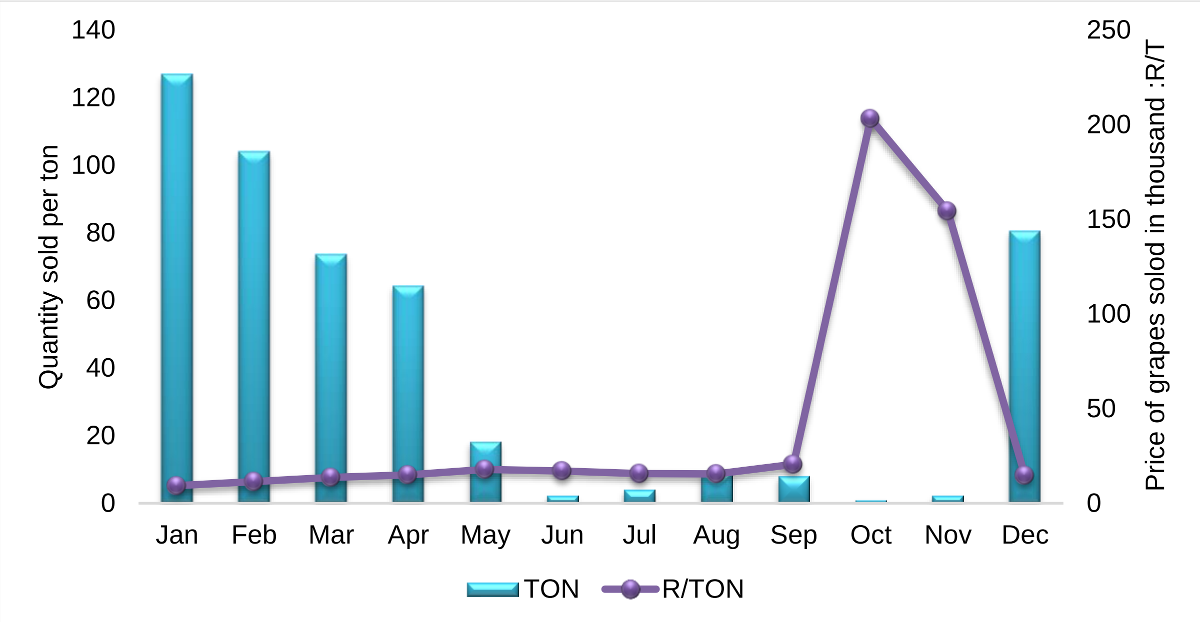

Figure 6: Price and quantity of table grapes sold on the NFPMs in 2016
Source: DAFF (2016)

2.2 Preview of stone fruit production for the 2016/2017 season

This section covers the most recent South Africa's production season of three fruit products, namely apricots, peaches and nectarines. The apricot season has closed, while the peach and nectarine season is due to close at the end of March 2017. The information presented in respect of nectarines and peaches is therefore applicable up to week 8. With the alarming effects of the drought in South Africa, the apricot industry showed positive production growth until week 8 after the season. Although peaches and nectarines have been recovering from the effects of the drought, production showed a 1 % decline compared to the previous season. The data reported here are the estimates for the 2016/2017 season, with the current season expected to run until the end of March. Therefore, the current estimate for apricots is 44 679 tons and for peaches and nectarines 201 675 tons for the 2016/2017 season. With regard to performance during the period under review, apricots as well as peaches and nectarines have shown a decline, mainly attributable to changes in weather conditions.

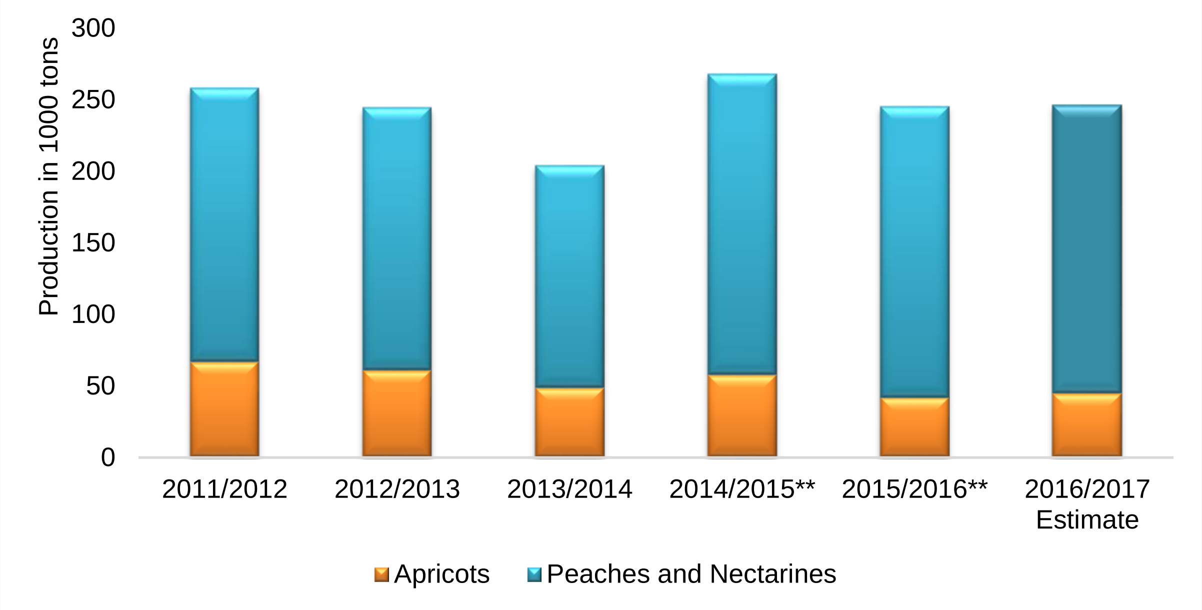

Figure 7: South Africa's production of apricots, and peaches and nectarines
Source: Hortgro (2017)

Table 2 shows the fruit passed for export in different regions of the country. Firstly, it can be observed that nectarines recorded the highest quantity of fruit passed for export, with Ceres commanding a share of 50 % of total fruit passed for export, followed by Berg River (26 %) and Klein Karroo (11 %). Peaches showed a decline compared to the previous season, which can be mainly attributed to the decline in important varieties such as Transvalia, Brittaney Lane, Rich Lady, Jim Dandy and Summertime. Ceres was also the largest production area for peaches passed for export with a share of 34 %, followed by Berg River (31 %) and the North West (11 %) for the 2016/2017 season (YTD week 8). Lastly, apricots showed positive growth in terms of fruit passed for export, increasing from 699 thousand cartons to 774 018 cartons (1 carton = 4.75 kg). The increase in the quantity of apricots passed for export can be mainly attributed to an increase in the volume of Charisma and Imperial/Palsteyn cultivars. Klein Karoo was ranked first in terms of total fruit passed for export with a share of 73 %, followed by Langkloof (9 %) and the North West (4 %).

Table 2: Fruit passed for export per region in cartons

Region	Apricots (1 carton = 4.75 kg) 2015/2016	Apricots 2016/2017 YTD Week 8	Nectarines (1carton = 2.5 kg) 2015/2016	Nectarines 2016/2017 YTD Week 8	Peaches (1carton = 2.5 kg) 2015/2016	Peaches 2016/2017 YTD Week 8
Klein Karoo	459 450	562 492	410 183	409 548	246 874	257 993
Langkloof	85 324	69 423	81 008	51 415	17 760	22 200
North West	33 501	28 974	189 888	150 662	307 568	263 734
Grabouw	32 393	25 683	129 594	86 952	17 915	15 729
Berg River	31 885	4 437	1 037 896	999 917	707 869	628 139
Stellenbosch	27 303	47 181	228 655	194 571	102 400	111 808
Eastern Cape	26 418	23 130	17 206	5 354	1 340	0
Ceres	2 573	12 665	1 904 426	1 903 895	788 151	687 433
Western Cape	1 017	34	18 379	6 828	20 450	17 119
Mpumalanga			2 050	0	2 990	0
Free State	1		1	0	105	0
Total	**699 864**	**774 018**	**4 019 286**	**3 809 143**	**2 213 422**	**2 004 156**

Source: Hortgro (2017)

South Africa exported about 6.5 % of all apricots produced in the country in 2015. **Figure 7** shows the distribution of South Africa's apricot exports to the various market destinations in 2016/2017. Of the 715 121 cartons (1 carton = 4.75 kg) of apricots exported to the global market, the majority (46 %) was destined for markets in the Middle East, followed by the UK with a share of 27 % and Europe with a share of 24 % of total exports.

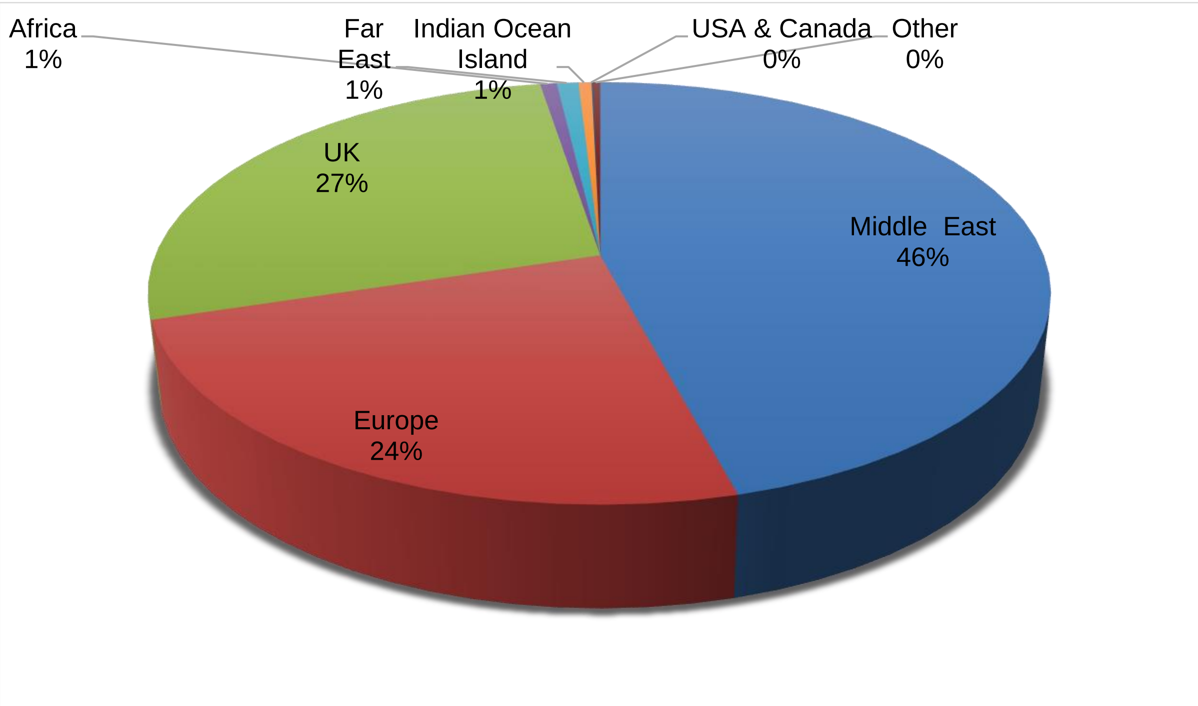

Figure 8: Distribution of export markets for apricots
Source: Hortgro (2017)

Figure 9 shows the distribution of South Africa's nectarine exports to the various market destinations for 2016/2017. Of the 3 611 thousand cartons (1 carton = 2.5 kg) of nectarines exported to the global market, the UK held the largest share with 59 %, followed by Europe with 22 %, the Middle East with 15 %, and the Indian Ocean Islands with 2 %.

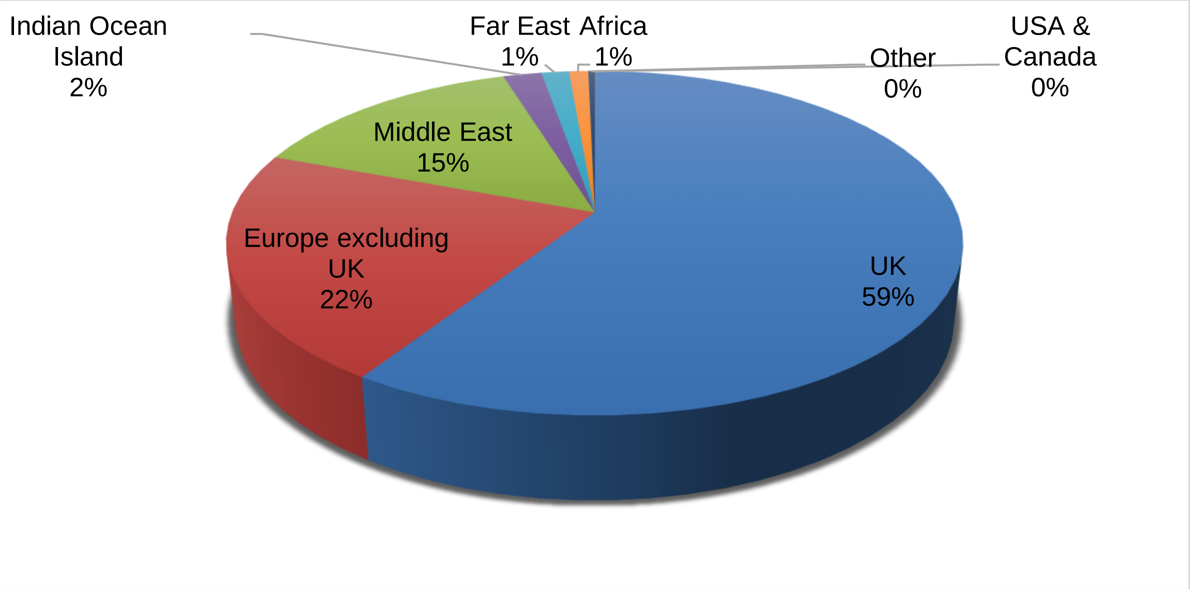

Figure 9: Distribution of export markets for nectarines
Source: Hortgro (2017)

Of the total peaches produced in South Africa, 56.4 % was exported to the global market. **Figure 10** shows the distribution of South Africa's peach exports to the various market destinations, totalling 1.8 million cartons for the 2016/2017 season. The Middle East and UK were the top market destinations for South Africa's peach exports, each holding a share of 38 % for the season, followed by Europe with a share of 17 %, the Far East and Asia with a share of 3 %, and the Indian Ocean Islands with a share of 3 %.

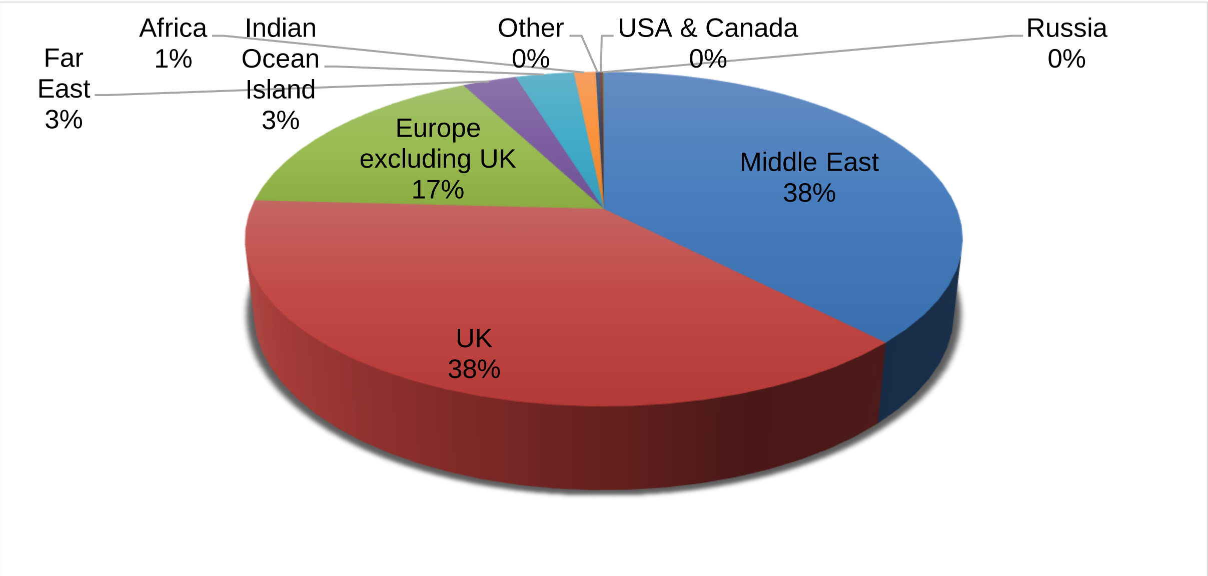

Figure 10: Distribution of export markets for peaches
Source: Hortgro (2017)

Figure 11 shows apricots sold on the NFPMs in terms of quantity and price between 2015 and 2016. The apricot season runs from November until February; therefore, the decline in quantity sold on the NFPMs is an indication of the unavailability of an apricot supply. In terms of monthly prices on the local market, apricot prices were much higher in 2016 compared to 2015 during the off-season. It is important to note that the prices during the harvesting season of 2015 were much higher compared to the same period in 2016 due to a lower supply during the months of November and December 2015.

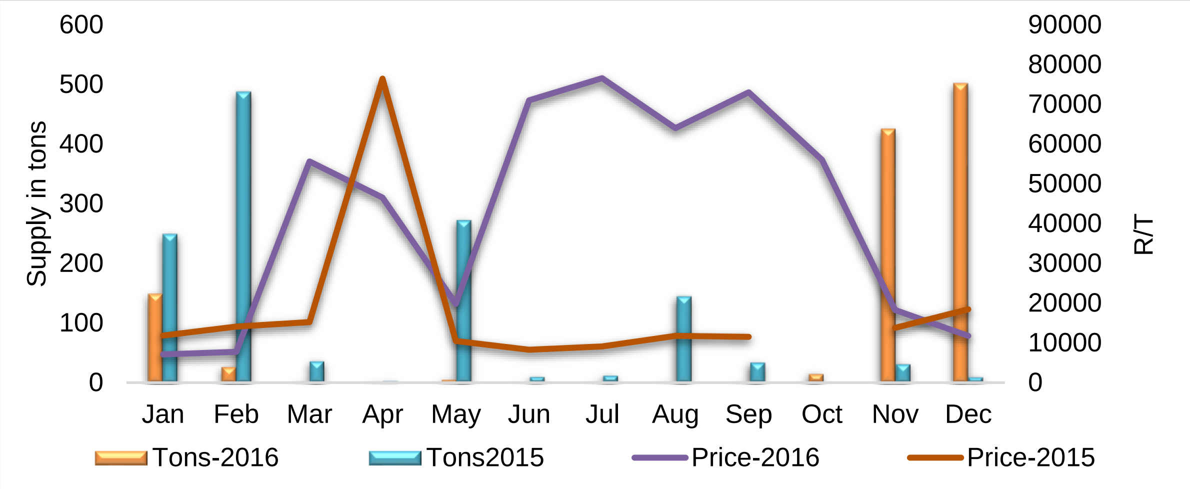

Figure 11: Price and quantity of apricots sold on the NFPMs in 2015 and 2016
Source: DAFF (2016)

Figure 12 shows peaches sold on the NFPMs in terms of quantity and price between 2015 and 2016. Overall, the supply of peaches improved by 3 606 tons (33 %) between 2015 and 2016, with an increase in price on the local market. It is noteworthy that in January and February 2015, there was a higher supply of peaches on the local market compared to January and February 2016.

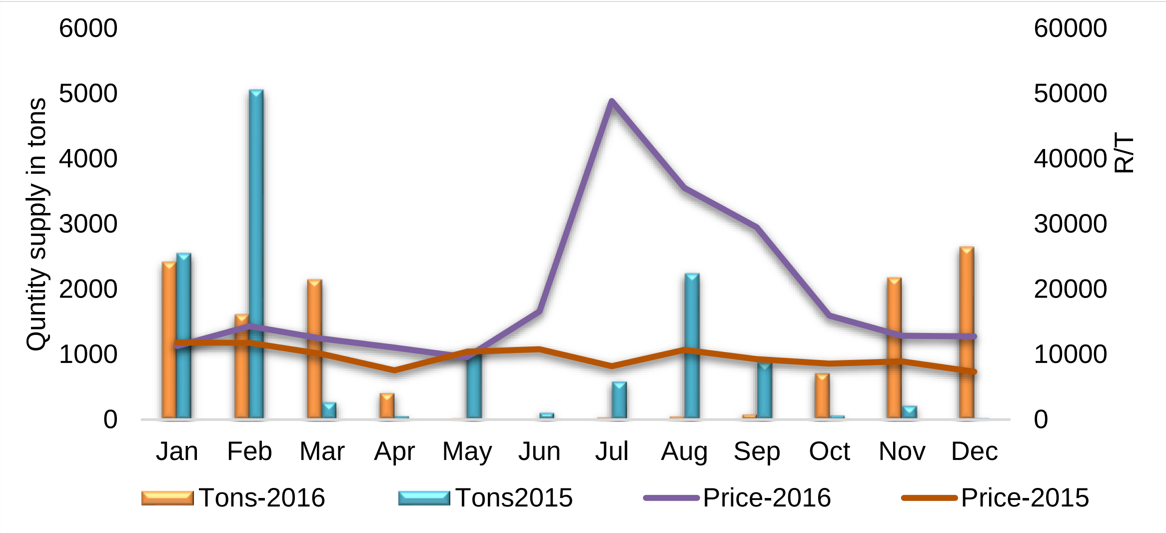

Figure 12: Price and quantity of peaches sold on the NFPMs in 2015 and 2016
Source: DAFF (2016)

Figure 13 shows the quantity of South African nectarines sold on the NFPMs in relation to the price trends for 2015 and 2016. In 2015, about 9 191 tons were sold on the NFPMs, reaching the highest point in February with 4 082 tons. In 2016, the supply decreased by 906 tons (9.9 %) compared to the 2015 supply, reaching the highest point in November with 1 923 tons. The average price for 2016 was higher compared to the 2015 price trend, with a total average price of R12 088 per ton in 2015 (Jan-Sep) compared to R25 502 per ton in 2016.

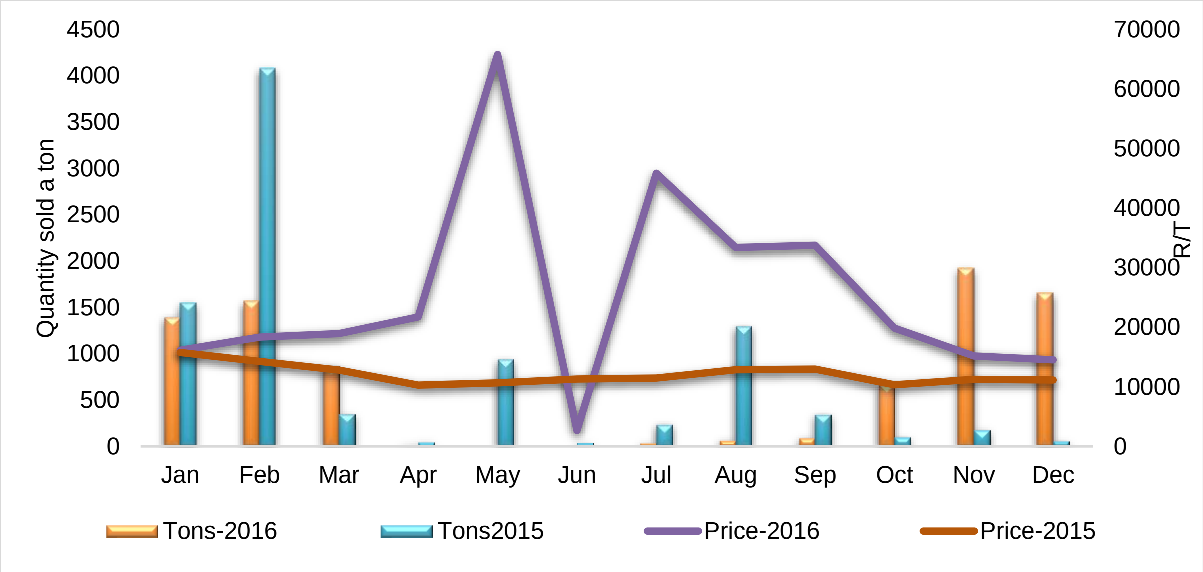

Figure 13: Price and quantity of nectarines sold on the NFPMs in 2015 and 2016
Source: DAFF (2016)

3. Overview of citrus fruit production for the 2016/2017 season

3.1 Preview of soft citrus production for the 2016/2017 season

The bulk of citrus produced globally was dominated by oranges followed by soft citrus, lemons and grapefruit. **Figure 14** shows the global production of soft citrus over the past five years. Global soft citrus production increased by 20.9 % during the period under review. China was the largest producer of soft citrus in the world with a share of 70.3 %, but it has been forecasted to drop by 8 % to 4.0 million tons due to unfavourable weather resulting in a smaller crop. The second largest producer of soft citrus was the EU with a share of 10.6 of global production. South Africa was the ninth largest producer of soft citrus in the world, comprising a share of 0.9 % for the 2015/2016.

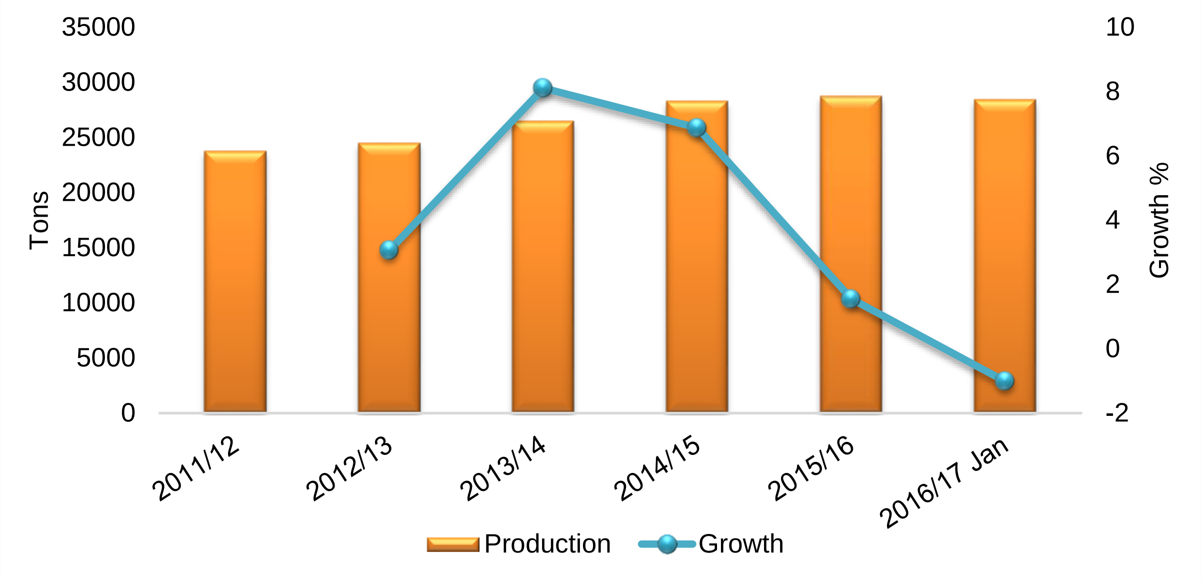

Figure 14: Global production of soft citrus from 2011/2012 to 2016/2017 (January)
Source: USDA (2017)

South Africa is not a major producer of soft citrus in the world, yet it still produces large quantities of soft citrus destined for the international market. **Figure 15** shows the trends in production passed for export and production growth for South Africa's soft citrus over the past 12 seasons. The production of soft citrus passed for export was not stable during the period under review, with a significant increase of 18.7 % between 2006 and 2016. The country's soft citrus production season commences in March and runs until October every year. On average, South Africa produces about 7.9 million tons that are passed for export.

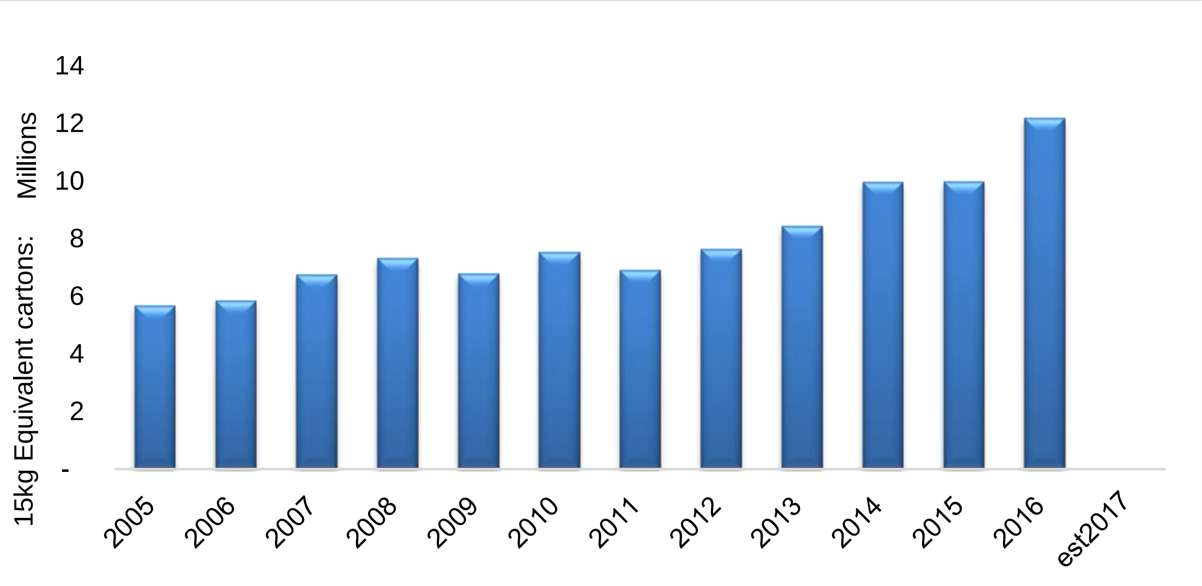

Figure 15: South Africa's production of soft citrus from 2005 to 2016
Source: CGA (2017)

Table 3 presents the largest soft citrus production regions measured in volumes passed for export. Boland is the leading producer and exporter of soft citrus overall, showing a positive growth of 22 %, followed by the Western Cape, Patensie and Sunday's River Valley.

Table 3: Citrus production regions by volume

CGA Region	2016	2015	2014	% Change
Boland	3326127	2585249	2732608	22
Western Cape	2344714	2045988	2234180	5
Patensie	2010494	1553576	1511002	33
Sunday's River Valley	1290634	1092385	1224819	5
Nelspruit	1285980	1218377	1014407	27
Eastern Cape Midlands	1019055	779753	666746	53
Senwes	556264	417261	411554	35
Letsitele	229312	199284	85842	167
Orange River	55019	36290	22845	141
Limpopo River	35974	43723	29853	21
Total	**12153573**	**9971886**	**9933856**	**22**

Source: CGA (2017)

Figure 16 presents the cultivars of soft citrus planted in South Africa between 2005 and 2016. The major soft citrus cultivars planted in South Africa during 2016 were Mandarin, Clementine and Satsuma, with Mandarin representing 59 % (7.2 million cartons of 15 kg each) of total soft citrus cultivars planted in 2016. This was followed by Clementine at 25 % (3.1 million cartons of 15 kg each) and Satsuma at 16 % (1.9 million cartons of 15 kg each).

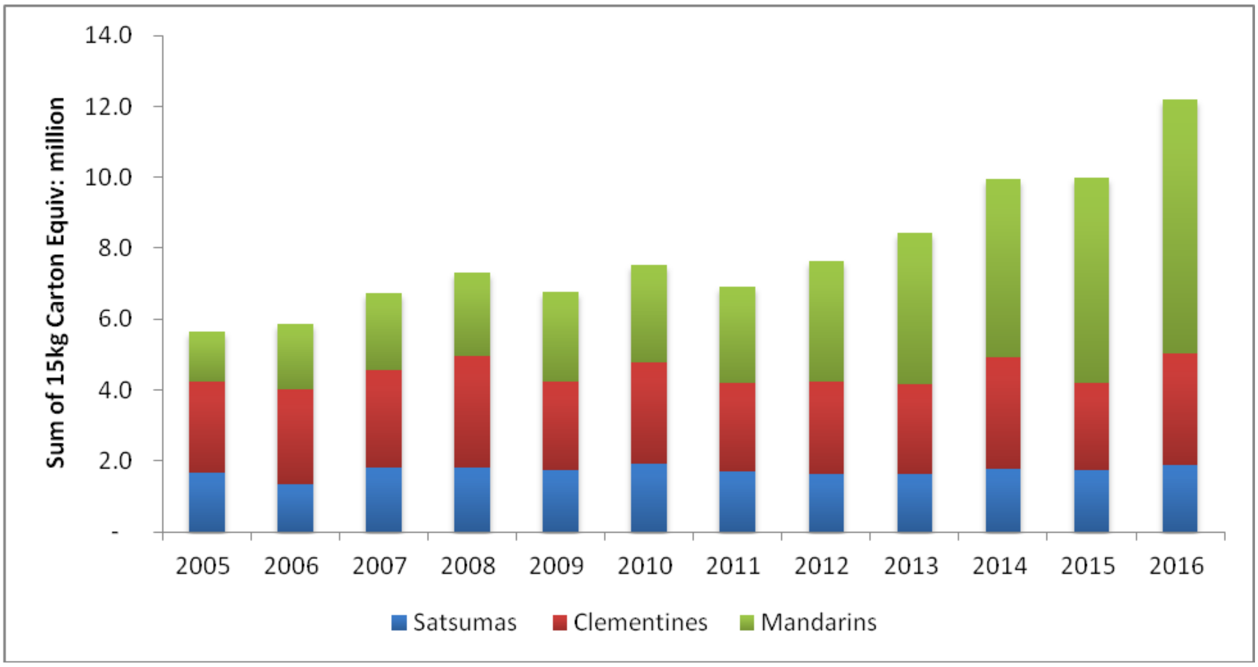

Figure 16: South Africa's soft citrus variety groups
Source: CGA (2017)

Figure 17 depicts the export destinations for South Africa's soft citrus in the 2016 season. The UK was the largest market for South Africa's soft citrus, accounting for 34 % of total exports, followed by Europe with 31 %, North America at 9 % and South-East Asia with 9 %. Accounting for the smallest share was Asia with 1 % and Africa and Islands with 2 % for the 2016 season.

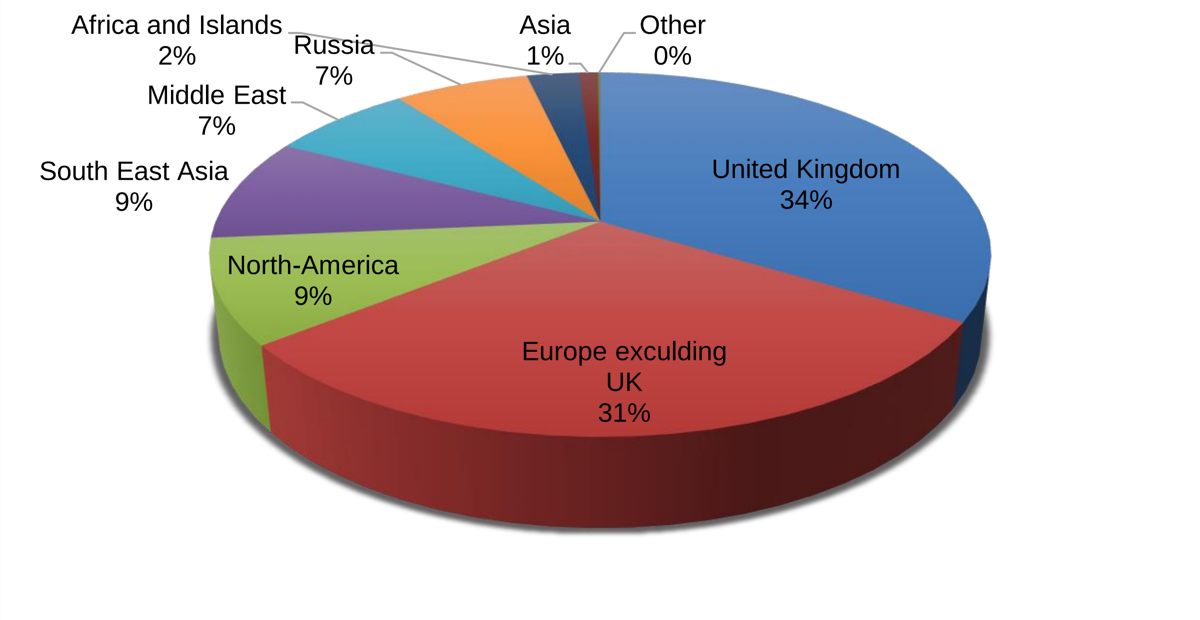

Figure 17: Main export destinations for South Africa's soft citrus
Source: CGA (2017)

Figure 18 highlights the volume of soft citrus sold on the NFPMs and the associated price trends for 2015, 2016 and 2017 (January). In 2015, about 12 266 tons were sold on the NFPMs, peaking in May with 3 305 tons. In 2016 the sale of soft citrus reached 11 548 tons, but with a lower supply compared to the previous season. The sale of soft citrus fell by 718 tons between 2015 and 2016. However, the average price for 2015 was R59 833 per ton, compared to R95 593 per ton in 2016. The current data for 2017 in respect of soft citrus sold on the local market applies to January only, with 25 tons sold on the local market at a value of R9 935.

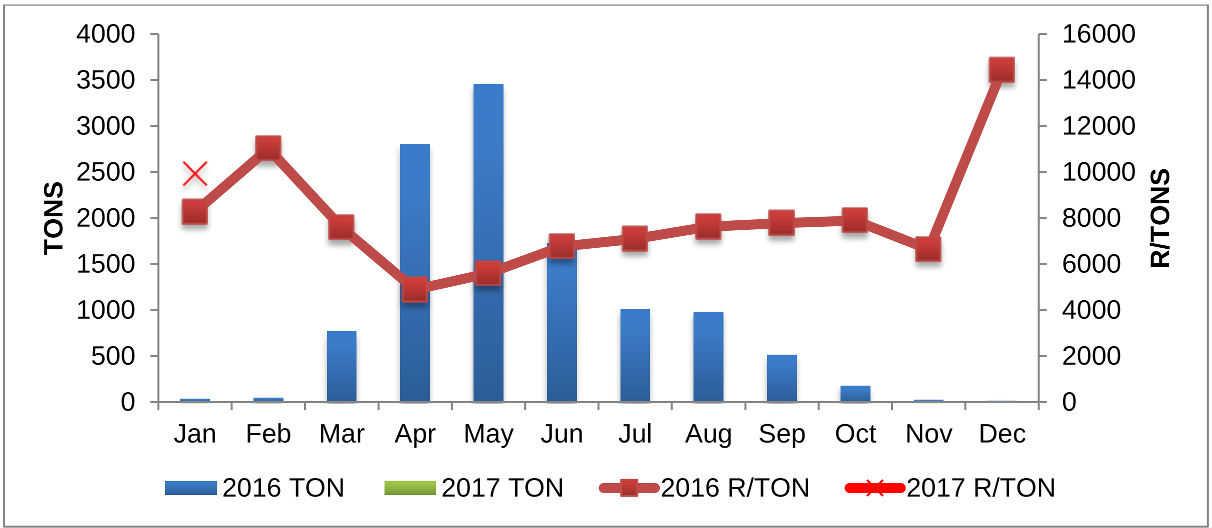

Figure 18: Sale of soft citrus on the domestic market from 2015 to 2017
Source: DAFF (2017)

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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 (FAO)	*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 (SATGI)	*www.satgi.co.za*

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