

SA Fruit Trade Flow

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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. The report is released on a quarterly basis by the trade unit of the markets and Economic Research Centre.

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In this issue we cover the following topics:

Preview of citrus production for 2016/17 season

Preview of South Africa's dried fruit production for 2016/17 season

Preview of the exotic production for 2016/17 season

Publication



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SOUTH AFRICAN FRUIT TRADE FLOW

Issue No. 28: December 2017



Beautiful country, beautiful fruit

Compiled by Xolisiwe Yolanda Potelwa and Lucius Phaleng

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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 citrus fruit (oranges and soft citrus), dry fruit (dried grapes), as well as exotic fruit (strawberries).** 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 Citrus fruit production for the 2016/17 season

The citrus fruit industry comprises the production of fruits such as oranges, lemons, grapefruit and soft citrus. The focus of this report is on the orange and soft citrus production seasons. The next sections provide a detailed performance analysis of the aforementioned products from a global and national perspective.

2.1 Preview of global Citrus production for the 2016/2017 season

Figure 1 highlights the global production of oranges and soft citrus during the period under review, measured in thousand metric tons. The global production of oranges and soft citrus was estimated to amount to 50.2 million and 28.5 million metric tons respectively for the 2016/17 season. The figures were down slightly compared to the previous season, and the decline was mainly attributed to the large decline in China (USDA, 2017). Brazil was ranked as the world's leading producer of oranges with a total of 19.2 million metric tons, with production share further processed into dried fruit and juice and the rest sold on the local market and exported. China was the second largest producer of oranges with a share of 12.4%, followed by the European Union (EU) and the United States of America (USA) with a share of 12% and 9.1% respectively. Of the 28.5 million metric tons of soft citrus produced globally, China was the largest producer with a total of 19.3 million metric tons for the 2016/17 season. The EU was ranked second with a share of 11.3%, followed by Morocco and Turkey with a share of 4.5% and 4.3% respectively. South Africa was ranked eighth and tenth on the list of the world's largest producers of oranges and soft citrus respectively.

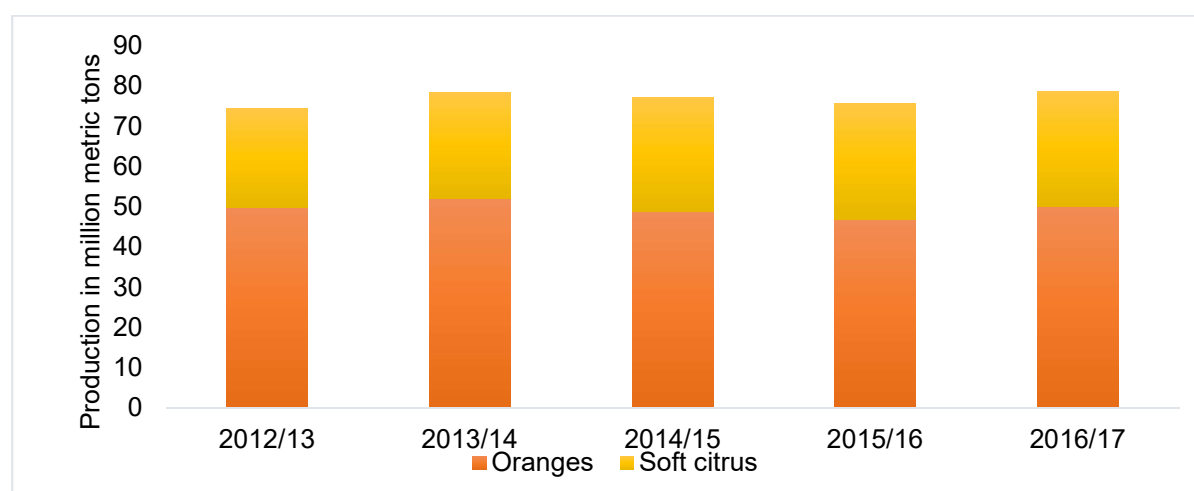


Figure 1: World production of oranges and soft citrus, 2016/17

Source: USDA (2017)

Figure 2 highlights the volume of oranges and soft citrus exported globally, measured in thousand metric tons. The volume of oranges exported during the 2016/17 season was 4.6 million metric tons, which is an increase of 740 thousand metric tons from the 2012/13 season. Egypt was ranked as the largest exporter of oranges with a share of 32.8%, followed by South Africa, the USA and Turkey with a value of 1.1 million tons, 635 thousand tons and 395 thousand tons respectively. On the other hand, 2.4 million tons of citrus fruit were exported in 2016/17, an increase of 20 thousand tons from the 2012/13 season. Turkey was ranked as the largest exporter of soft citrus with a volume of 705 thousand tons, followed by China, Morocco and the EU with a share of 24.1%, 20.9% and 9.8% respectively. South Africa was ranked fifth with a volume of 210 thousand tons exported globally. According to the USDA (2017), soft citrus exports and fruit for processing are expected to increase by over 5% while the consumption of fresh fruit is expected to decline slightly.

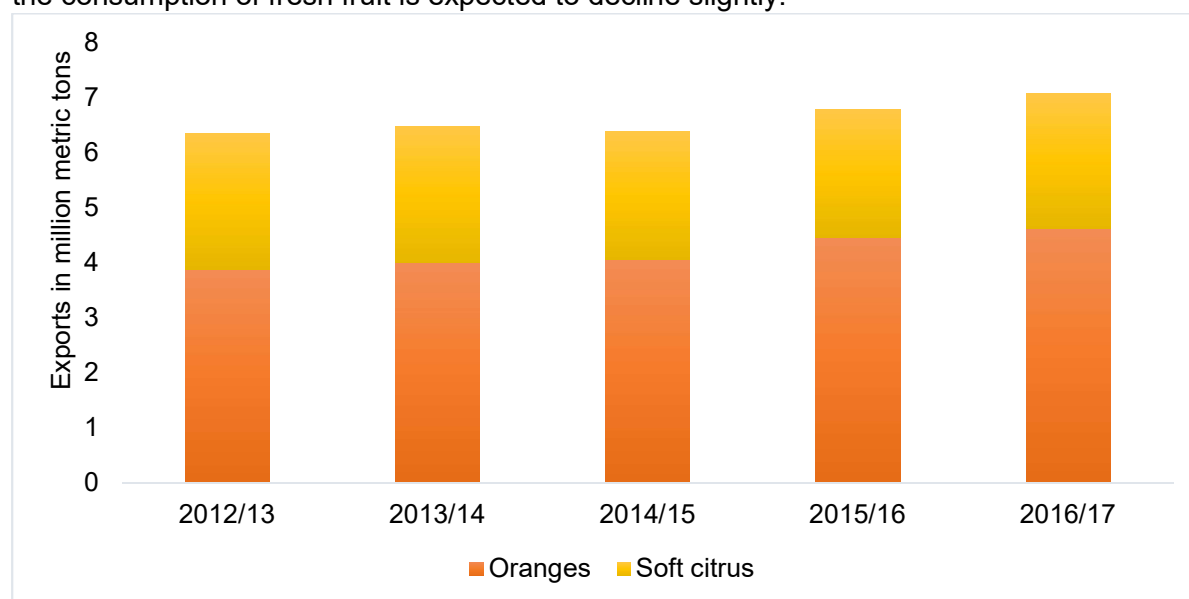


Figure 2: Global exports of oranges and soft citrus, 2016/17

Source: USDA (2017)

Figure 3 highlights the global imports of oranges and soft citrus during the 2016/17 season, measured in thousand metric tons. It can be observed that the global imports of oranges and soft citrus increased by 487 thousand tons and 175 thousand tons respectively between 2012/13 and 2016/17. The EU was ranked as the world's largest import destination for oranges with a share of 23.8%, followed by Russia, Saudi Arabia and Hong Kong with an import volume of 440 thousand metric tons, 435 thousand metric tons and 320 thousand metric tons respectively. On the other hand, the volume of soft citrus imported showed a positive growth rate of 8.3% between 2012/13 and 2016/17. Russia was ranked as the world's largest importer of soft citrus during the 2016/17 season with an import volume of 820 thousand metric tons, followed by the EU, the USA and Canada with a share of 18.8%, 10.3% and 6.5% respectively.

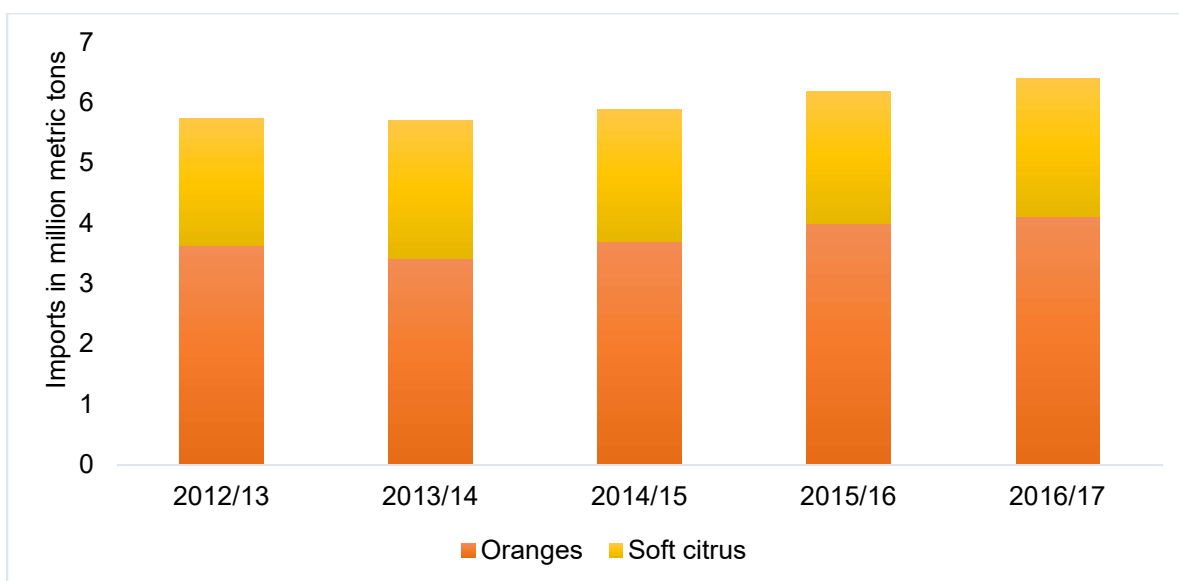


Figure 3: Global imports of oranges and soft citrus, 2016/17

Source: USDA (2017)

2.2 Preview of South Africa citrus production season for 2016/2017

Table 1 provides the production estimates for South African oranges (Valencia and navels) and soft citrus in the 2017 season. According to the Citrus Growers' Association (CGA), production in 2017 will improve slightly compared to the previous season. Although the overall estimate remains steady, there are some changes to the estimates. For example, orange production is estimated to increase by 12% compared to the previous season, while soft citrus production is set to improve by 9%. Overall the estimated and actual volumes for 2016 for both oranges and citrus were about 98% accurate.

Table 1: South Africa's estimates and the actual volume achieved (15kg equivalents)

Type	2016	2017	% Difference
	Actual	Estimated	(Actual vs. Est)
Oranges	68 239 301	76 381 879	12%
Valencia	42 066 556	50 056 049	19%
Navels	26 172 745	26 325 830	1%
Soft citrus	12 179 202	13 222 340	9%
Total	80 418 503	89 604 219	11%

Source: CGA (2017)

Figure 4 represents the oranges inspected and passed for export between 2015 and 2017 in South Africa. It can be observed that oranges passed for export started increasing from week 17 in 2017, while in the previous seasons (2016 and 2015) the volume initially increased in week 9 and week 18 respectively. The highest volume of oranges inspected and passed was reached in week 36 at 5.2 million cartons (1 carton = 15kg) in 2017, whereas during 2016 and 2015 the highest volume was reached in week 36 (5.5 million cartons) and week 34 (5.3 million cartons) respectively. The volume of oranges inspected and passed for export during the period under review (2015, 2016, 2017) declined starting from week 39, and it can be observed

that the oranges passed for export in 2015 dominated as compared to the 2016 and 2017 periods.

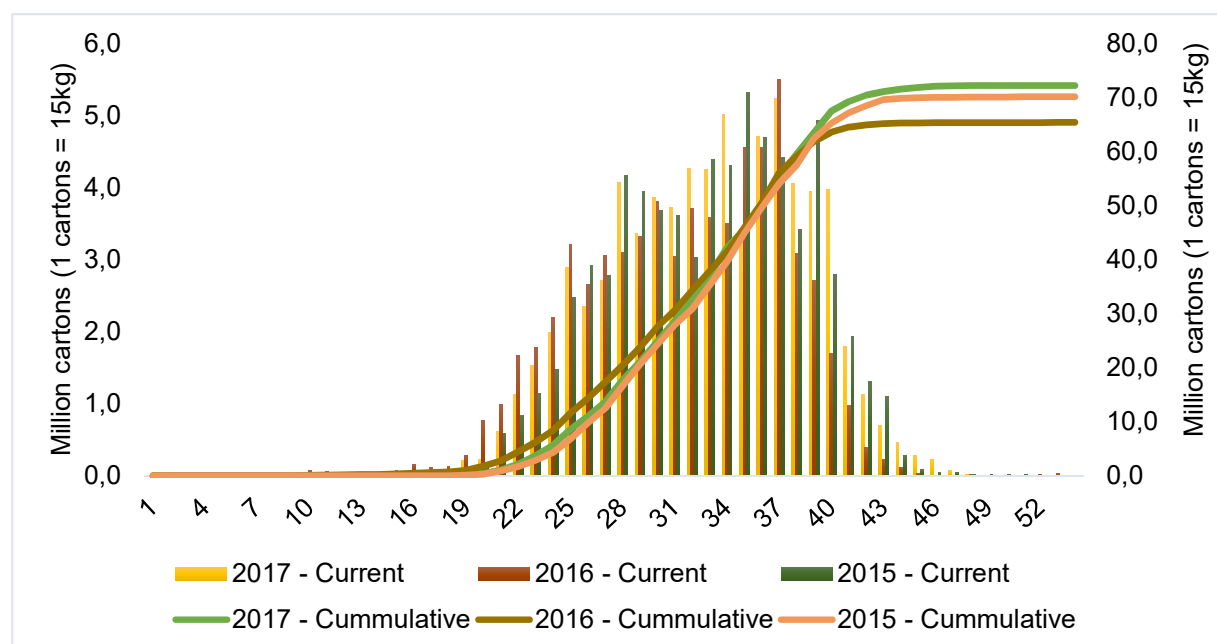


Figure 4: Oranges inspected and passed for current and cumulative season
Source: PPECB (2017)

Figure 5 highlights the main destinations for oranges exported by South Africa during the 2017 production season. The current drought in the Western Cape growing region is only expected to impact the 2017/18 crop if insufficient winter rainfall is received. As presented in the figure below, Europe was regarded as the largest importer of oranges from South Africa with a total share of 35%, followed by the Middle East, Southeast Asia and Russia with a share of 20%, 18% and 7% respectively.

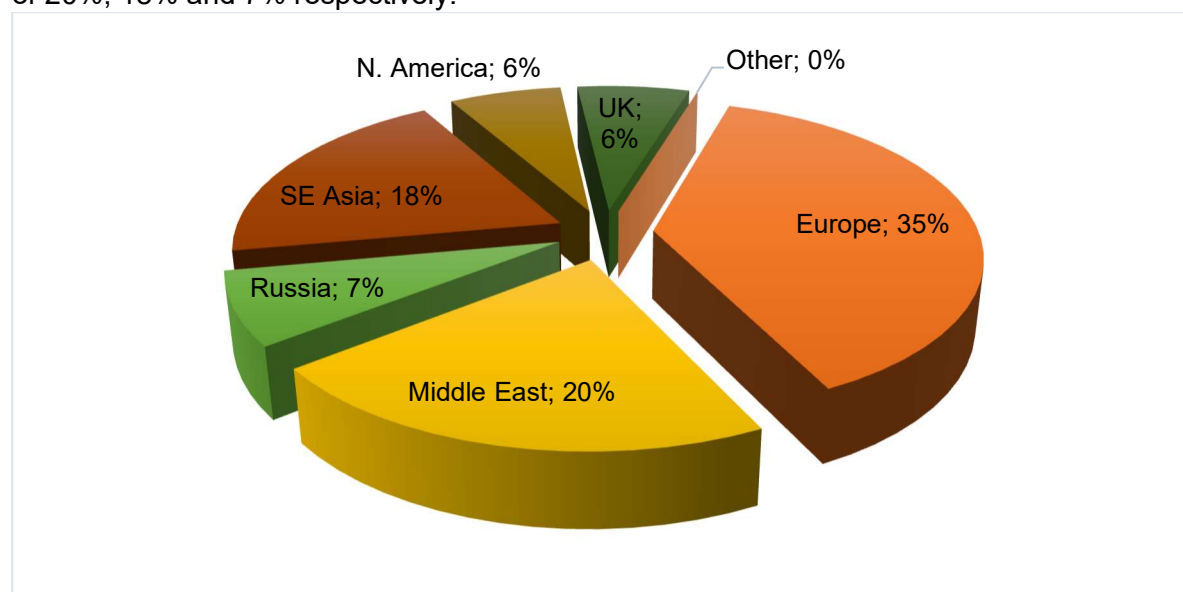


Figure 5: Main destination of oranges exported by South Africa, 2017
Source: CGA (2017)

Figure 6 presents the quantity of soft citrus inspected and passed for export between 2015 and 2017. It can be observed that the volume of soft citrus passed for export increased in 2017 compared to the previous seasons; however, between week 16 and week 21 more soft citrus was passed for export in 2016. During week 12, South Africa usually experiences an initial exportation of soft citrus passed. Therefore, a high volume of soft citrus passed for export was experienced in week 24 during the 2017, 2016 and 2015 periods with a volume of 1.0 million cartons, 0.7 million cartons and 0.6 million cartons (1 carton = 15kg) respectively.

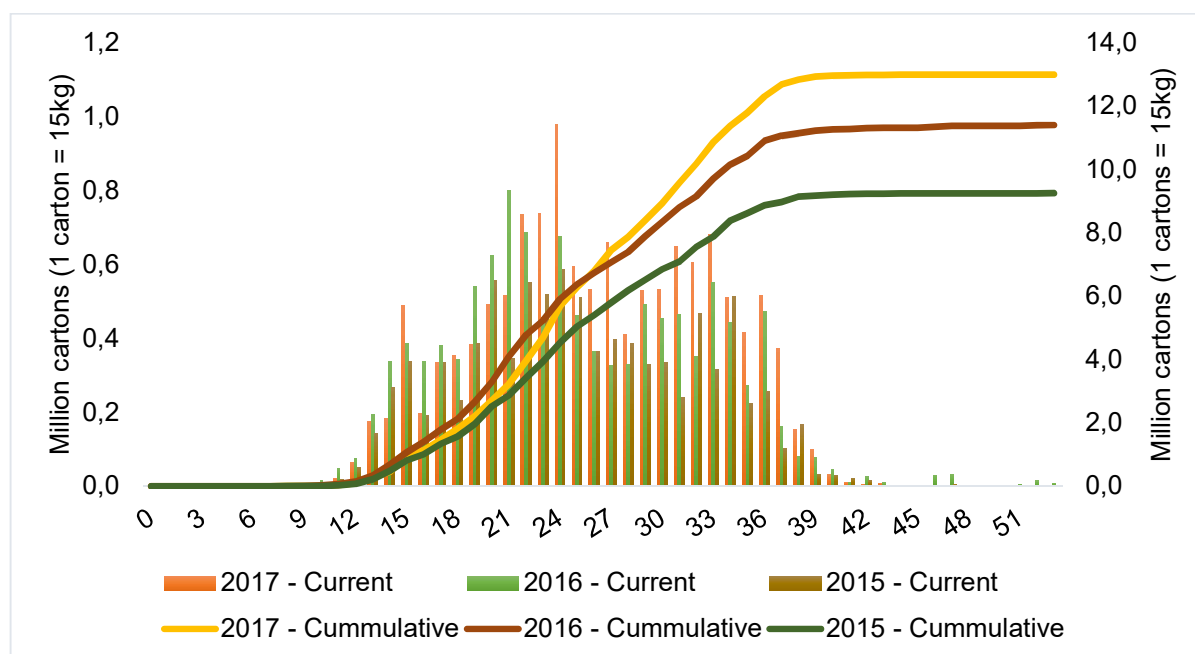


Figure 6: Soft citrus inspected and passed for current and cumulative season

Source: PPECB (2017)

Figure 7 represents the share of South Africa's soft citrus exports to the various regions during the 2017 period. In Europe, the bulk of South African exports of soft citrus went to the EU. The UK was the largest importer of soft citrus with a share of 35%, while Europe imported 30% of soft citrus. Of all South Africa's exports of soft citrus to Europe in 2017, the bulk was absorbed by the EU, followed by North America, Southeast Asia and Russia with a share of 10%, 9% and 7% respectively.

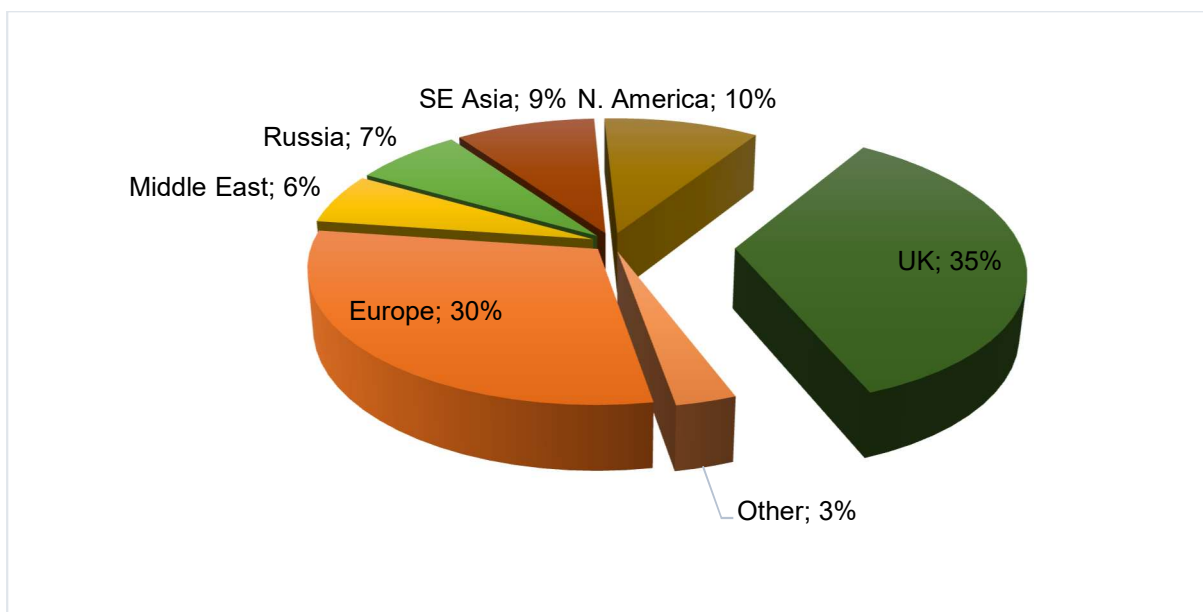


Figure 7: Main destination of soft citrus exported by South Africa, 2017
Source: CGA (2017)

Figure 8 highlights the quantities supplied to, and the price movements in, the National Fresh Produce Markets (NFPMs) during the 2016 and 2017 periods. It can be observed that the quantity of oranges sold was slightly higher in 2016 compared to the 2017 period, while the price of oranges sold in the NFPMs was slightly higher in 2017 compared to 2016 trends. In 2016, 89 thousand metric tons were sold in the local market at a value of 59 thousand rand per ton, while 83 thousand metric tons were sold in 2017 (Jan-Oct) at a value of 47 thousand rand per ton. The highest quantity sold was reached in June (2016 and 2017) at 22 thousand metric tons (3 thousand rand per ton) and 4 thousand metric tons (3 thousand rand per ton) respectively.

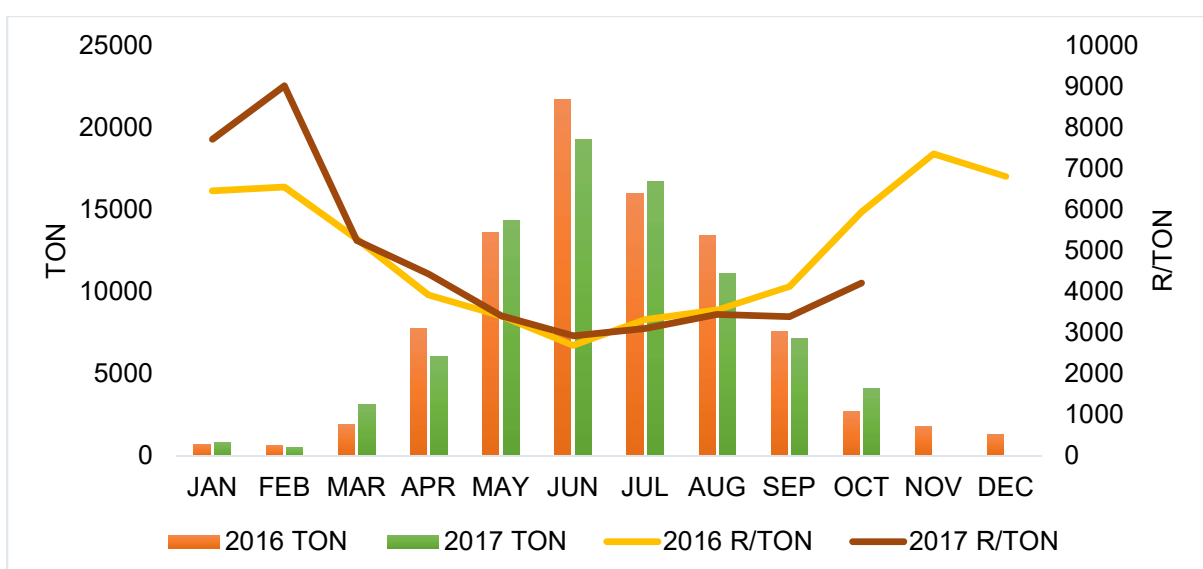


Figure 8: Oranges sold in the local market, 2016 and 2017
Source: DAFF (2017)

Figure 9 highlights the quantity of soft citrus sold in the NFPMs at an indicated price value during 2016 and 2017. The Johannesburg and Tshwane markets were the largest sellers of soft citrus in South Africa. It can be noted that soft citrus volumes sold in the local market were higher in 2017 compared to the 2016 season while the price was vice versa. Twelve thousand tons of soft citrus were sold in 2016 at a value of 96 thousand rand per ton (in 2017, 16 thousand tons were sold at a value of 66 thousand rand per ton). High sales were experienced in May for both 2016 and 2017. It is important to note that the production season for soft citrus is from March to October, as represented in the figure.

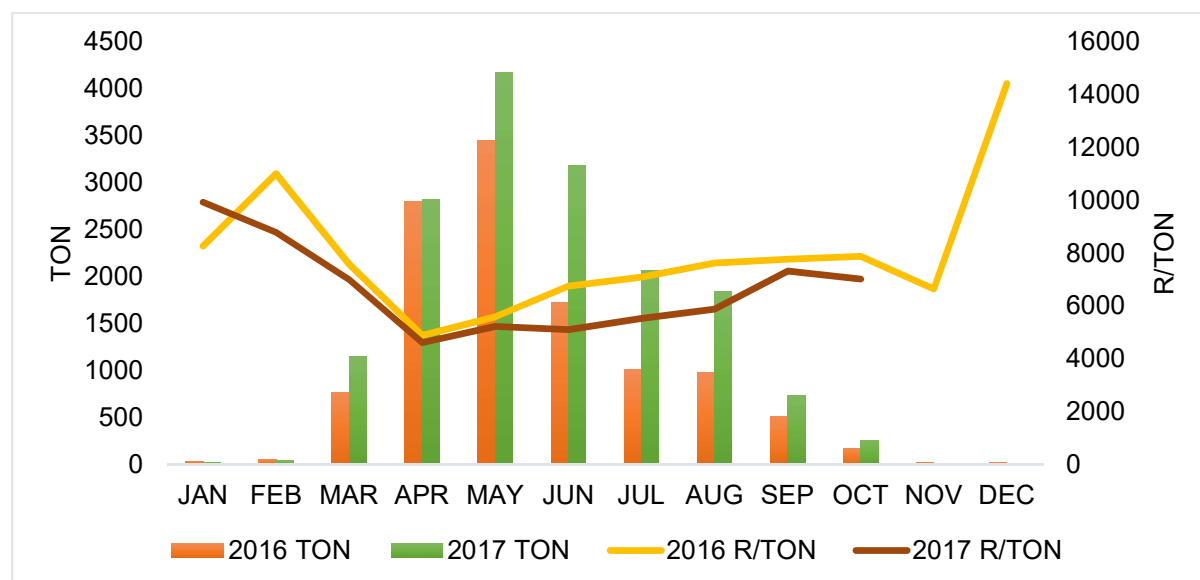


Figure 9: Soft citrus sold in the local market, 2016 and 2017
Source: DAFF (2017)

3. Overview of dried fruit production for the 2016/17 season

The dried fruit industry is comprised of different types of fruit that are dried such as apricots, plums, peaches, grapes etc. The focus of this section is on the dried grapes production season. The next sections provide a detailed performance analysis of the aforementioned products from a global and national perspective.

3.1 An overview of global of 2016/17 production season for dried grapes

The global production of dried grapes for the period 2012/2013 to 2017/2018 is highlighted in **Figure 10**. Turkey was the world's largest producer of dried grapes with a total of 295 thousand metric tons produced in the 2017/18 season. The production of dried grapes showed a decline of 15 thousand metric tons for the 2017/18 season compared to an increase of 90 thousand metric tons in the 2016/17 season. The decline was mainly due to sporadic frost and hail damage during the spring in some growing regions such as Manisa and Izmir. The USA and China were among the top three producers with a production of 275 thousand metric tons and 190 thousand metric tons respectively compared to the previous season. South Africa was ranked in seventh place with a total production of 55 thousand metric tons.

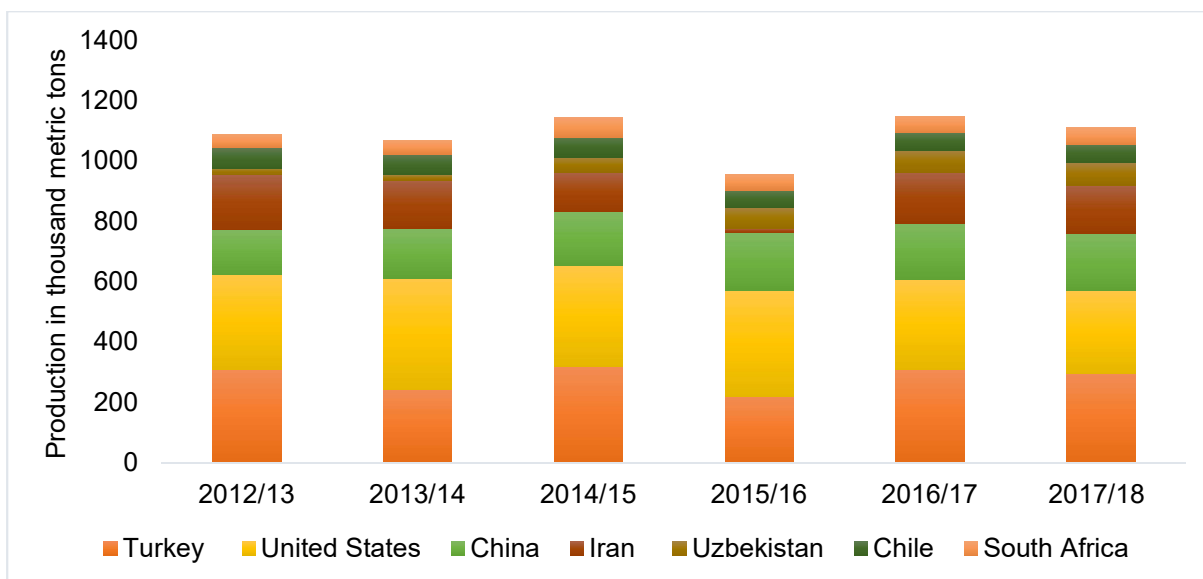


Figure 10: Global producers of dried grapes

Source: USDA (2017)

In terms of exports, Turkey was also ranked as the largest exporter into the world market with a total of 240 thousand metric tons. This market currently exports about 81% of their production, with the EU as the main destination. The USDA (2017) reported that their shipment will be reduced due to a decline in the production of dried grapes. Iran, the USA, Uzbekistan and Chile were among the top five exporters with a share of 18%, 15%, 9%, and *% respectively in the 2017/18 season.

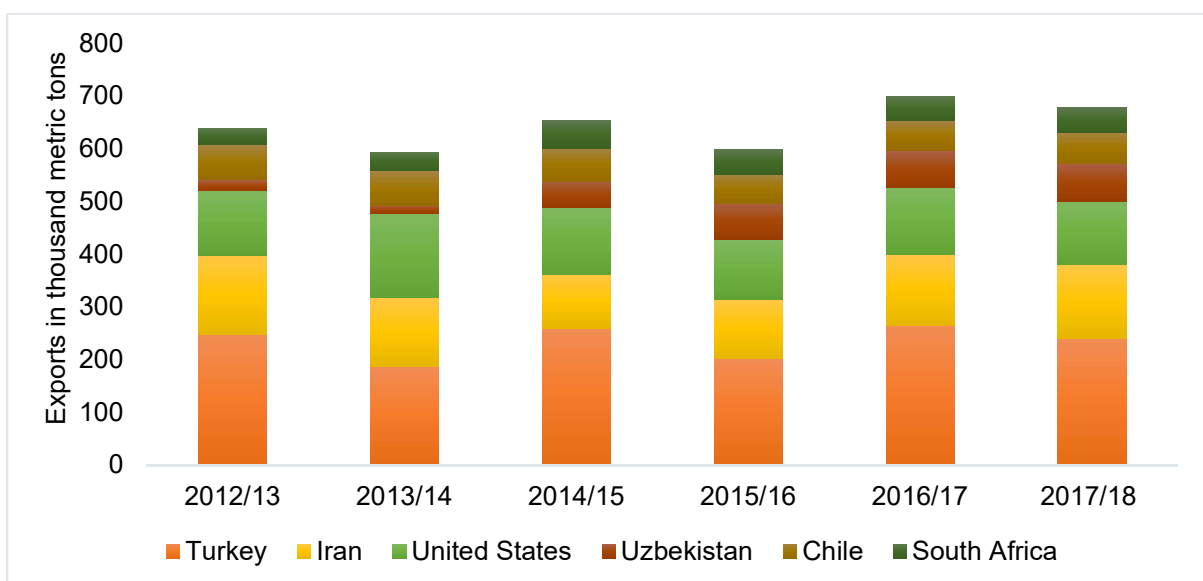


Figure 11: Global exporters of dried grapes

Source: USDA (2017)

The EU market is reported to be the largest consumer of dried grapes, and the region does not produce sufficient quantities to meet the local demand. Therefore, the EU imports large volumes of dried grapes to meet the local demand. In the 2017/18 season, the EU imported a total volume of 335 thousand metric tons – a decline of 2 thousand metric tons compared to

the previous season. Kazakhstan, Japan, China and Russia were among the top five importers of this product with a share of 7%, 5%, 5% and 4% respectively.

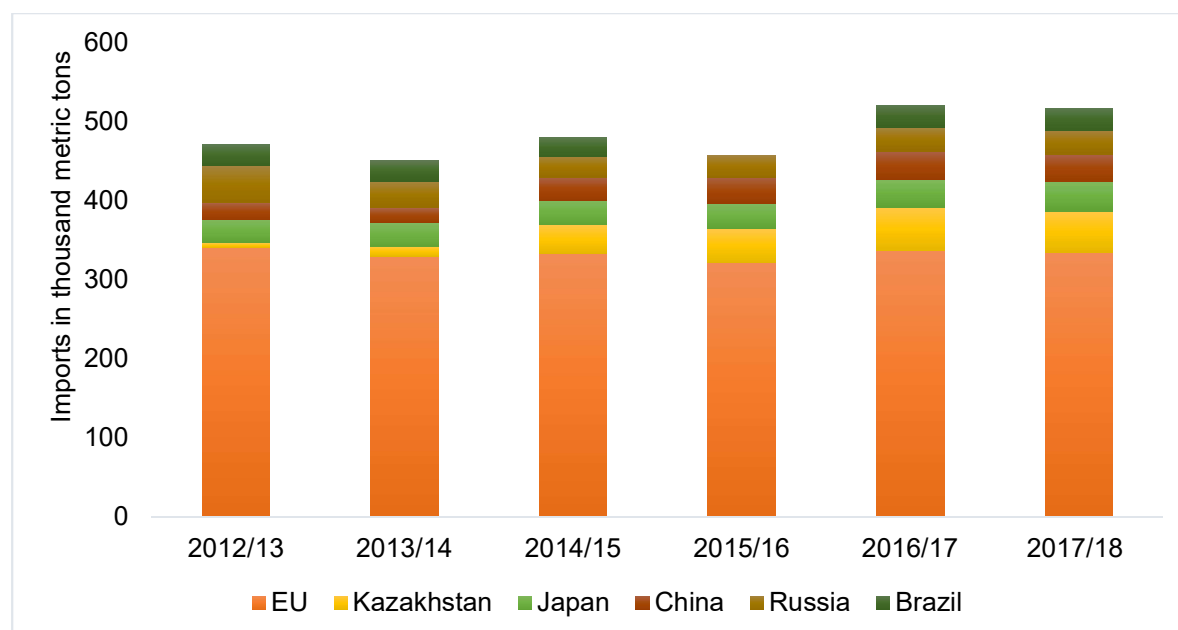


Figure 12: Global importers of dried grapes

Source: USDA (2017)

3.2 An overview of South African of 2016/17 production season for dried grapes

Table 2 shows the production of dried fruit and the production estimate for dried grapes. It has been estimated that the production of dried grapes will increase for the current season with an estimated growth rate of 20% compared to a decline in the previous season. Among the varieties produced, sultana and raisin Muscat showed a significant decline of 76% and 100% respectively for the current season. The decline was mainly attributed to a decrease in the land under cultivation for the production of the sultana variety, as well as raisin Muscat.

Table 2: Production estimates of dried fruit in South Africa in tons

Fruit variety		2016	2017 estimate	%changes
Sultana	5368	12 237	2 993	-76%
Goldens	20 028	11 593	14 987	29%
Thompson Seedless	31 502	28 364	43 128	52%
Currants	3 625	2 400	4 481	87%
Raisin muscat	14	35	0	-100%
Total vine fruit	60 537	54 629	65 589	20%

Source: Hortgro

Figure 13 shows the export performance of dried grapes over the past ten years. It has been noted that the export trend follows the production trend of dried grapes. As a result of the decline in production, exports showed a declining trend from 52 thousand metric tons to 46 thousand metric tons sold in the international market. Overall, although production was not stable during the observed period, between 2012 and 2015 exports showed a positive growth trend favoured by the production of fresh grapes in the local market.

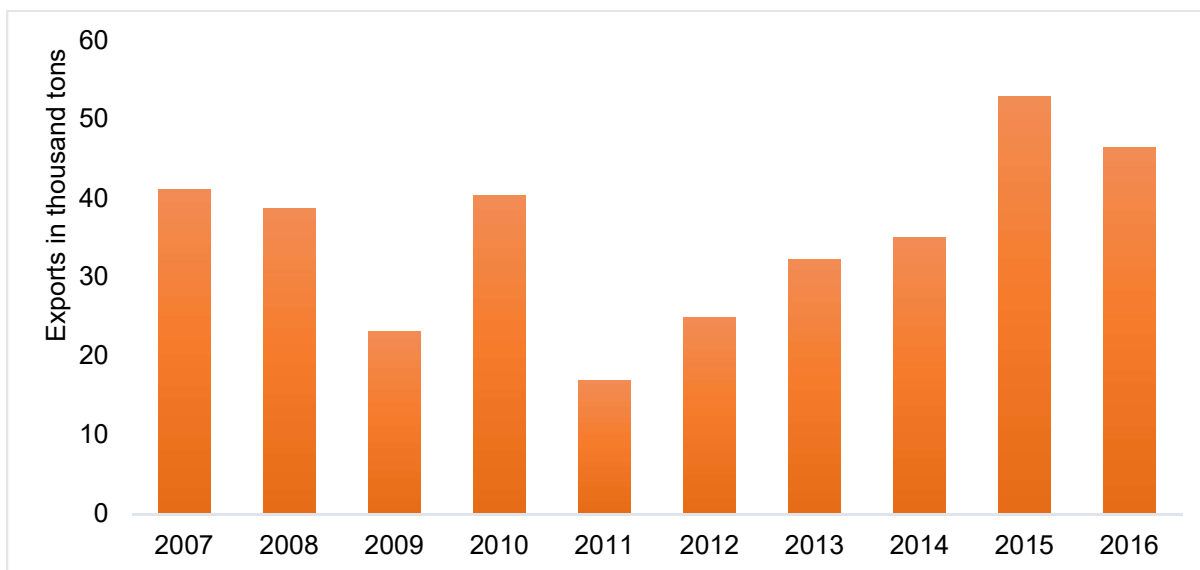


Figure 13: Dried grapes export performance

Source: Hortgro (2017)

Of the total exported fruit, the EU and Russia currently command the largest share of 62% of dried grapes supplied from South Africa. The previous report presented by National Agricultural Marketing Council (NAMC) indicated this market was the largest market given the demand in terms of consumption, accounting for 27% of the global market. The USA and Canada were the second largest market destinations with the share of 16%, followed by Africa and the UK with a share of 9% and 7% respectively.

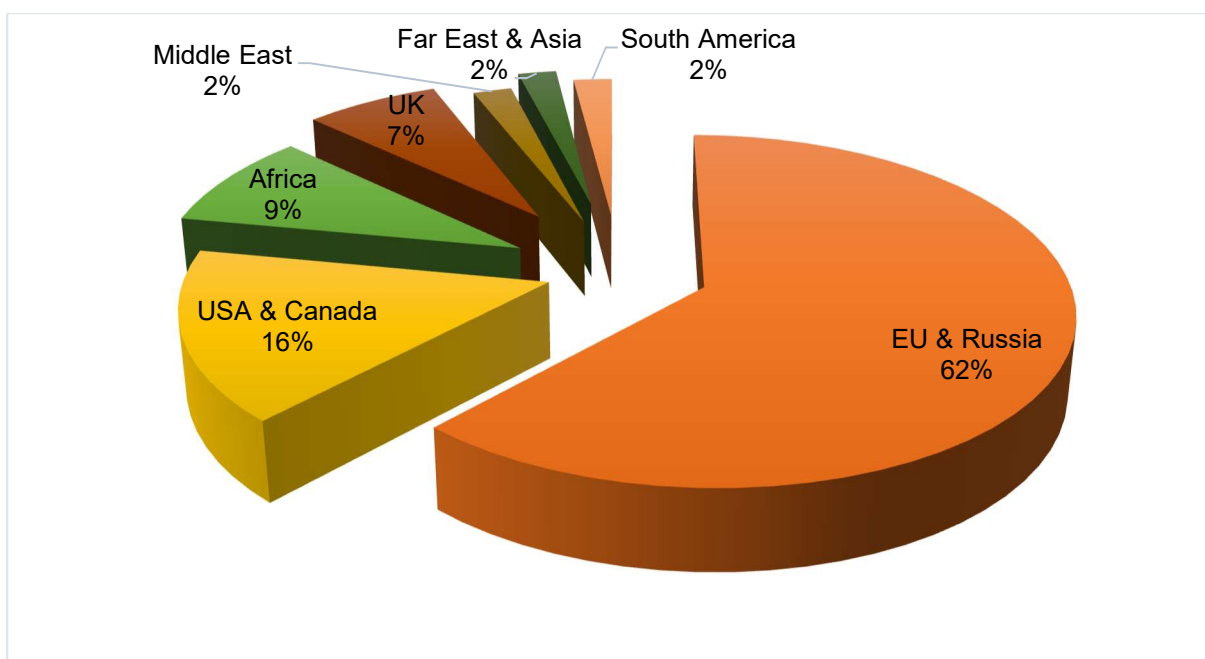


Figure 14: Market destination for Dried grapes

Source: Hortgro

4. Overview of exotic fruit production for the 2016/17 season

The exotic fruit industry is comprised of fruits such as figs, berries, cherries, etc. The focus of this report is on the strawberry production season. The next sections provide a detailed performance analysis of the aforementioned products from a national perspective.

4.1 Preview of South Africa strawberry production for 2016/17 season

The strawberry is one of the most important exotic fruits in the country, produced in areas where winters are very cold followed by mild summers. In South Africa, the bulk of strawberries are produced in the Western Cape Province given the favourable climatic conditions for the production of this fruit. **Figure 15** shows the production of strawberries between 1981 and 2016, with instability over the years. In 2016, South Africa produced a total of 7.2 thousand metric tons of strawberries – a significant increase of 8.9% from the previous season. Prior to 1994, production was considered a progressing industry; however, large volumes of fresh strawberries have recently been sold on the local market with a share of 45%, with the rest going to the processing industry (29%) and exports (26%) respectively in 2016.

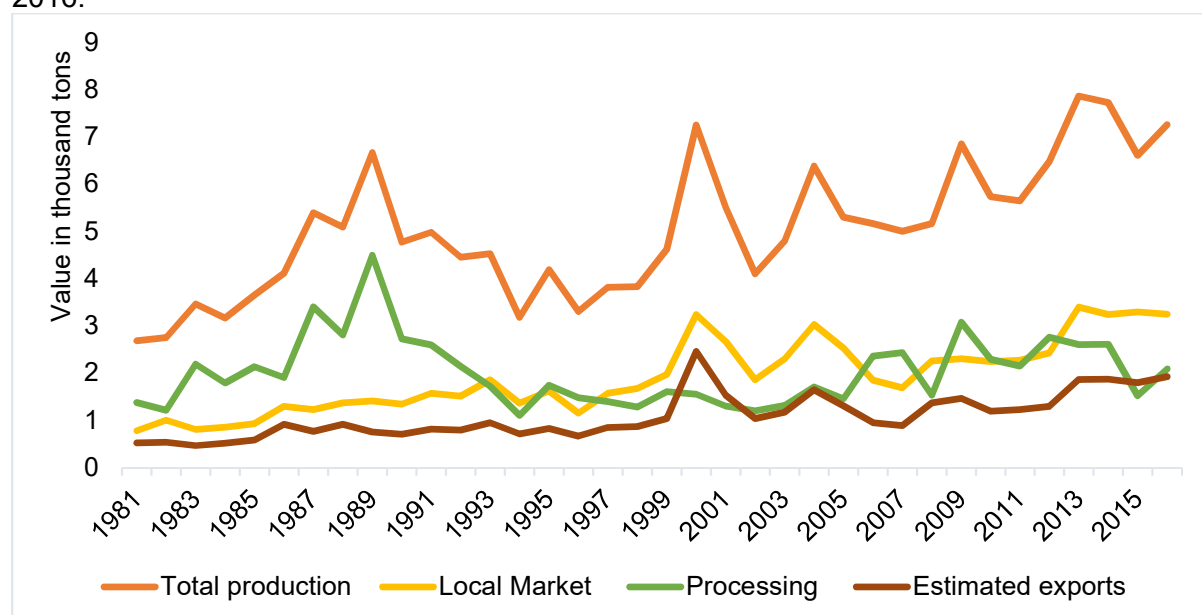


Figure 15: South Africa production of strawberries and crop distribution

Source: DAFF, 2017

Of the total 1.9 thousand tons exported into the global market during the period under review, Africa was the destination for 100% of South Africa's exports, with Swaziland holding a share of 92%, followed by Namibia (4%) and Mozambique (1%)

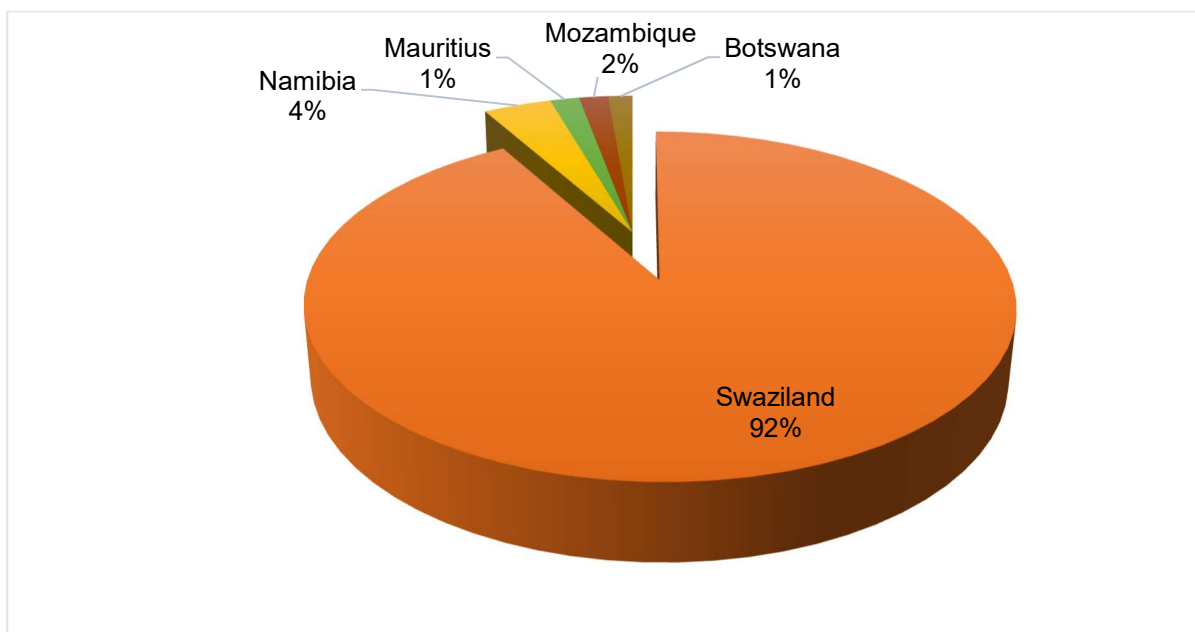


Figure 16: Market destination for Strawberries
Source: Trademap

Figure 17 highlights the quantities and price trends of South African strawberries sold in the NFPMs for 2016 and 2017. In 2016, about 3 412 tons were sold in the NFPMs, with the highest monthly figure of 679 tons being recorded in September. In 2017 (Jan–Oct), 3 179 tons were sold in the NFPMs, with a peak of 651 tons sold in September. However, the average prices for 2016 and 2017 have remained almost the same, with a total average price for 2016 (Jan–Sep) of R29 917 per ton, compared to R30 548 per ton in 2017.

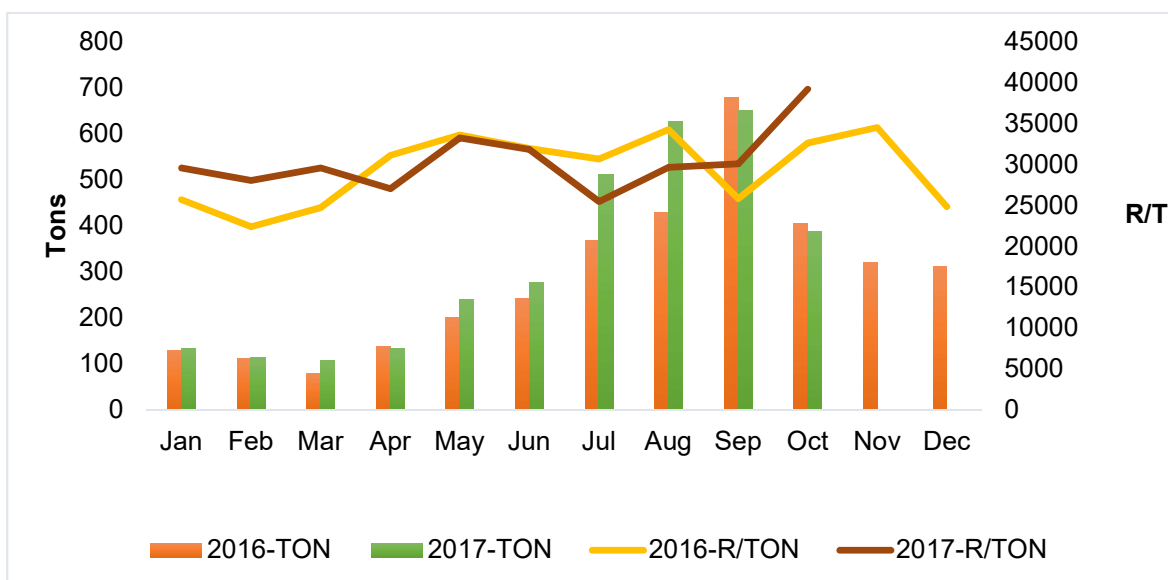


Figure 17: Local sales and price trend of strawberries
Source: DAFF

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Hortgro. 2017. *Dried fruit production and export data*. Paarl: Information and Market Intelligence Division.

CGA (Citrus Grower Association). 2017. Citrus production and export data. Hillcrest, Durban: Information and Market Intelligence Division.

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.satqi.co.za

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