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. 18, June 2015

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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 stone fruits (i.e. peaches, nectarines, plums and apricots) and subtropical fruit (i.e. mangoes, avocados and litchis)****. The main focus is on the current season's analysis of the performance of these fruits, on both export and domestic markets, compared to the previous seasons. 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 stone fruit season 2014/2015

The stone fruit industry is made up of four different fruit types, namely apricots, peaches, nectarines and plums. The name derives from their hard-like-stone seed. In South Africa, stone fruits are dominated by plums, which account for a 77 % share in total stone fruit production, followed by nectarines with a 12 % share in production. **Table 1** shows the total stone fruit volumes inspected and passed for exports in the past four seasons. Apricots are the only stone fruit industry that has experienced significant decline in production amounting to 37 % in 2014/2015. It appears production is shifting from apricots in favour of peaches, which saw a 66 % growth between 2011/2012 and 2014/2015 seasons. Nectarine and plum production experienced only marginal growth of 12 % and 21 % respectively during the measured period. The Western Cape Province is still the main producer of stone fruits, favoured by the Mediterranean weather conditions that are characterised by hot, dry summers and cool, wet winter seasons.

Table 1: Stone fruit volumes passed for export (inspection statistics)

Fruit type	**Carton size**	**2011/2012**	**2012/2013**	**2013/2014**	**2014/2015**	**Growth rate %: 2011–2015**
Apricots	4.75	1 283 656	1 111 097	971 581	810 620	−37 %
Peaches	2.5	1 196 982	1 382 637	1 570 040	1 991 149	66 %
Nectarines	2.5	3 357 655	3 099 945	2 932 319	3 766 702	12 %
Plums	5.25	9 526 529	11 351 014	10 512 857	11 502 604	21 %

Source: Hortgro, 2015

Table 2 gives an indication of the export capacity of South Africa in the stone fruit industry. A total of 75 thousand tons was exported to various international markets in the 2014/2016 season, which is 15 % higher compared to the previous season.

Table 2: Stone fruit volumes exported (shipping statistics)

Fruit type	Carton size	2011/2012	2012/2013	2013/2014	2014/2015	Growth rate %: 2011–2015
Apricots	4.75	1 113 222	1 017 723	847 653	707 964	−36 %
Peaches	2.5	1 118 113	1 379 466	1 581 468	1 973 341	76 %
Nectarines	2.5	3 262 331	3 090 178	2 960 085	3 650 225	12 %
Plums	5.25	8 355 681	10 106 494	9 402 070	10 871 420	30 %

Source: Hortgro, 2015

Figure 1 presents the stone fruit destination markets in two periods, i.e. 2007/2008 and 2014/2015 seasons. The clear picture derivable from **Figure 1** is that EU and UK markets are slowly losing their share of South Africa's stone fruit exports. The export volumes traditionally destined for EU and UK markets are relocated to Middle East and Far East markets. Interestingly, South Africa's exports are increasing, having grown from 57 thousand tons in 2007/2008 to 75 thousand tons in 2014/2015 season. The additional volumes put into the export markets were all shipped to emerging markets.

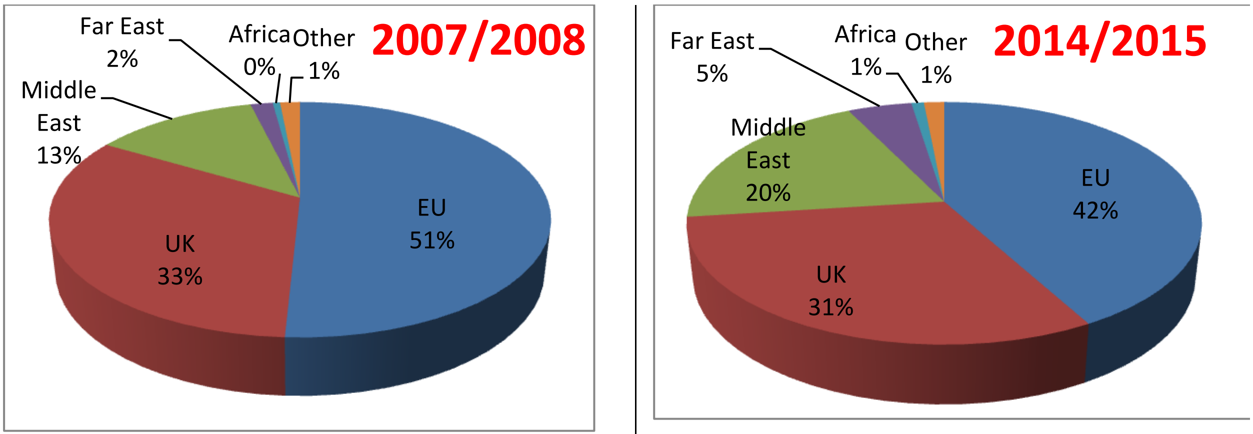

Figure 1: Stone fruit market destination in 2007/2008 and 2014/2015 season
Source: Hortgro, 2015

3. Previews of the subtropical fruit season 2014/15

The subtrops industry is largely dominated by avocado, mango, litchi, pineapple, guava and other subtropical fruit products. This issue focuses on avocado, mango and litchi fruits.

3.1. Preview of the 2014/15 avocado season

Figure 2 highlights the global production of avocado fruit from 2009 to 2013 season. Global avocado production amounted to a total of 4.8 million tons in 2013 with significant increase of 19 % under the reviewed period. Of the world's production, Mexico produced a total of 1.5 million tons and was ranked as the largest producer in the global markets. It has been noted that Mexico contributed towards an increase in the global production under the reviewed period. The USDA (2014) reported that the significant growth in Mexican avocado production was due to the implementation of phytosanitary pest control programmes, which also improved their quality of the fruit. The Dominican Republic was the second largest producer of avocadoes in the world market, producing a total of 387 thousand tons for the 2013 season, followed by Colombia, Peru and Indonesia with a share of 6.3 %, 6 % and 5.7 % respectively.

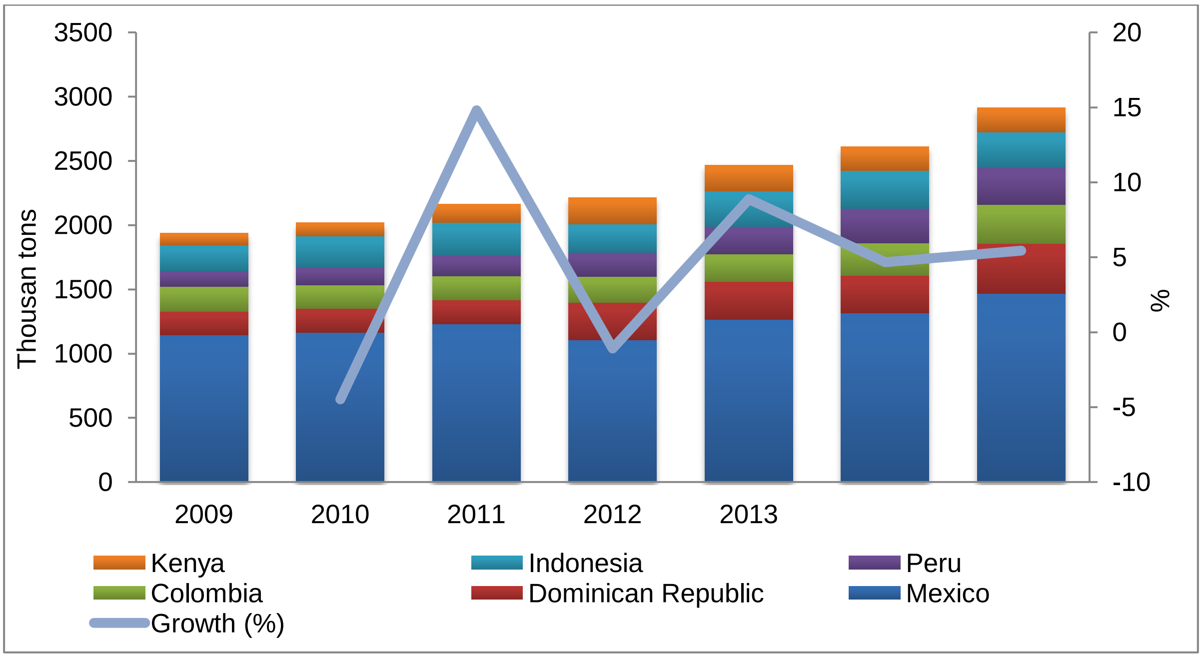

Figure 2: Global production of avocados
Source: FAOSTAT, 2015

Figure 3 illustrates the global exports of avocadoes between 2009 and 2013. Global exports amounted to total volume of 1.2 million tons, with Mexico as the largest exporter. Mexico was estimated to export a total of 563 thousand tons which is equivalent to 38.4 % of their production. Furthermore, the increase was mainly attributed to quality and safety that meets foreign consumer demands. Peru was the second largest with a total of 115 thousand tons, followed by Chile with total of 96 thousand tons and Netherlands with 90 thousand tons

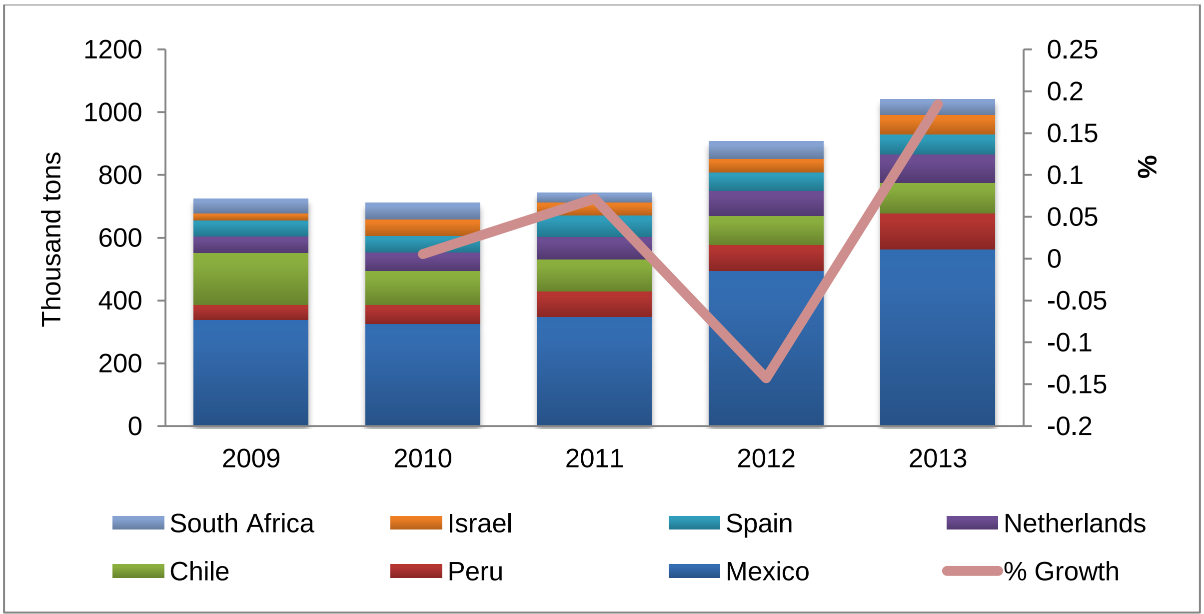

Figure 3: Global exports of avocado
Source: FAOSTAT, 2015

3.2. South African avocado production in the season 2014

FAOSTAT (2015) reported that South Africa was ranked at 16th place among countries producing avocadoes in the global market with a total of 97 thousand tons in 2014/15 season. It has been noted that South African avocado production has not been stable under the reviewed period. The fluctuation in production is mainly attributed to unfavourable weather conditions and the occurrence of disease in avocado producing regions.

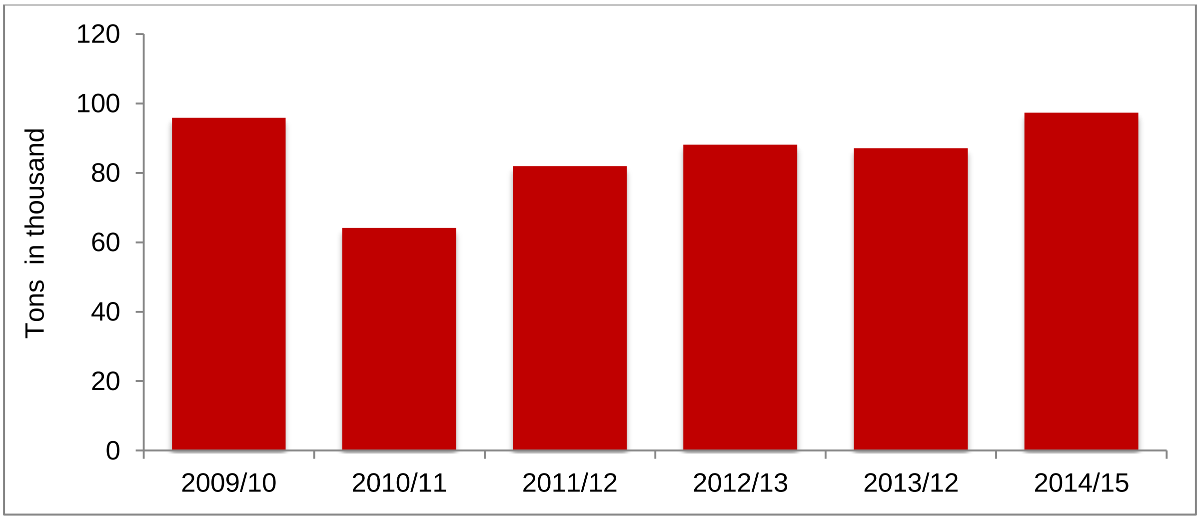

Figure 4: Avocado production in South Africa
Source: DAFF, 2015

About 62 % of total South African avocado production is exported to the international market and about 28 % is destined for the local market as fresh avocadoes and the remainder is directed to processing. **Figure 5** shows the South African export trend for the past six years. The season of 2012/2013 recorded highest exports of 15 million cartons (1 carton is equivalent to 4kg). The 2014/15 season is estimated to reach lower exports of 13 million as compared to the 15 million cartons achieved in 2012/2013 season. The European Union was the largest market destination for South African avocado commanding a market share of 97 % for the past seasons, and the remaining volumes are exported to Middle East, Far East and Africa (Subtrops, 2015).

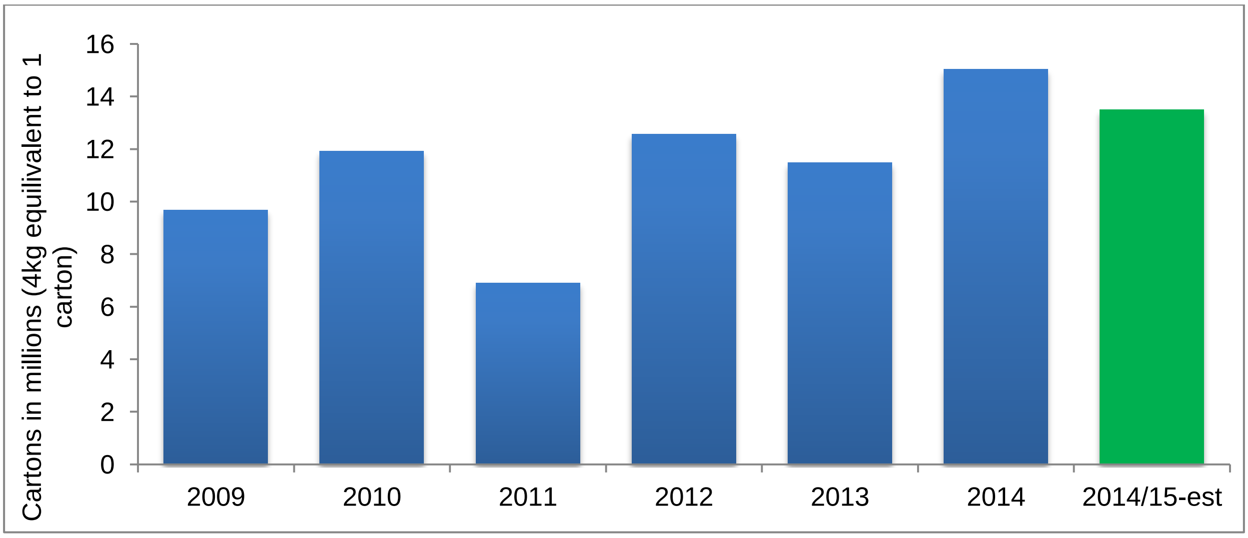

Figure 5: South African export trend of avocadoes
Source: Subtrops, 2015

Figure 6 highlights the monthly trend of avocado consumption prices on the national fresh produce markets. In 2014, South Africa sold a total of 29 727 tons at an average monthly price of R6 919 per ton. In April 2014, about 3 081 tons were sold on the NFMPs, which is much higher than the volume of 2 080 tons sold on the market in April 2015. It is very clear that current local avocado sales are much lower than in the previous season, which also supports the estimated lower exports in the current 2014/2015 season.

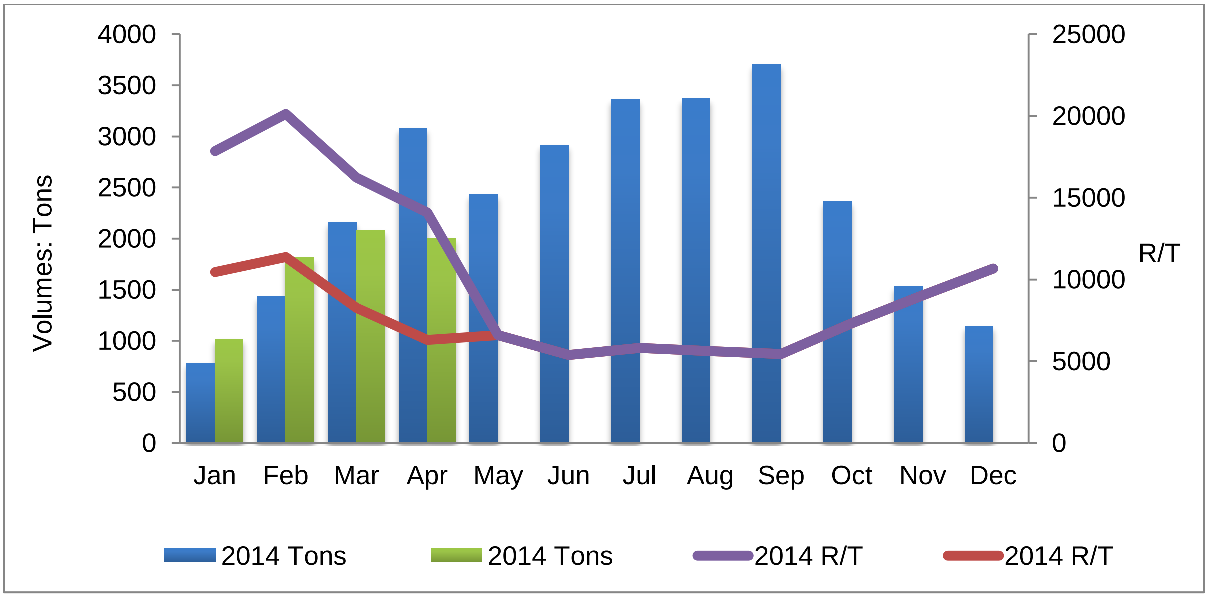

Figure 6: Domestic market sales per month for avocado in NFPMs
Source: DAFF, 2015

3.3. Preview of the 2014/2015 mango season

Figure 7 shows South African production of mangoes from 2009 to 2014. It was reported that the total production for 2014 was 54.3 thousand tons. It has been noted that mango production has been not stable under the reviewed period. In 2013 mango production showed a substantial increase growth of 7 % in comparison with the decline of 22 % the previous year. The improvement of mango production was mainly due to favourable weather conditions and measures put in place to control disease.

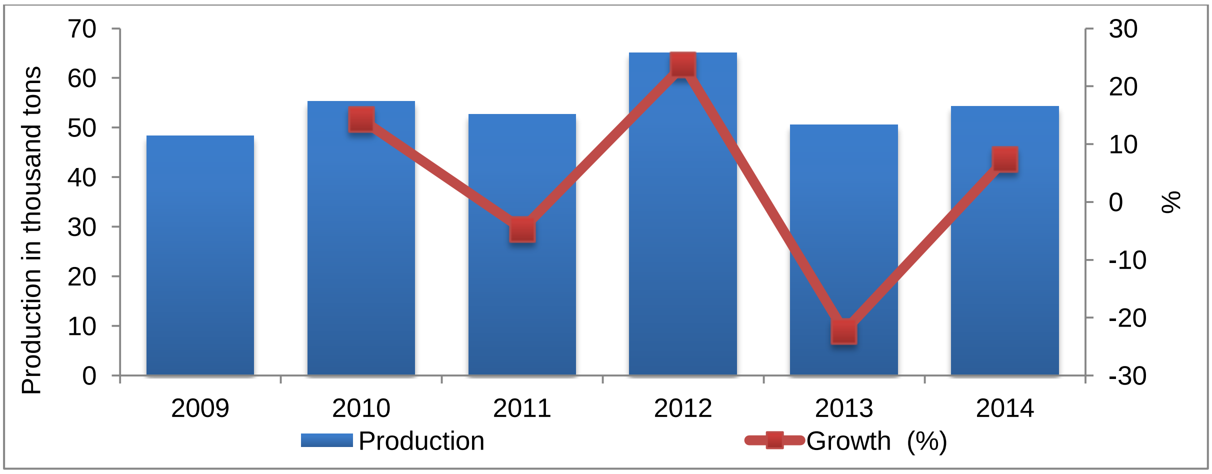

Figure 7: South African mango production
Source: Quentec, 2015

About 66.6 % of the produced mangos are directed for processing into juice, achar and dried fruit, about 5 % is exported, and 28 % is sold on the local market. In 2014, mango producers were estimated to have exported a total of 376 thousand cartons (1 carton is equivalent to 4 kg) to world markets. Since 2003, South African mango exports have been declining, mainly due to phytosanitary regulations imposed by international countries. For example, in recent years, Egypt no longer imports mangoes from South Africa due to the occurrence of fruit fly, among other diseases.

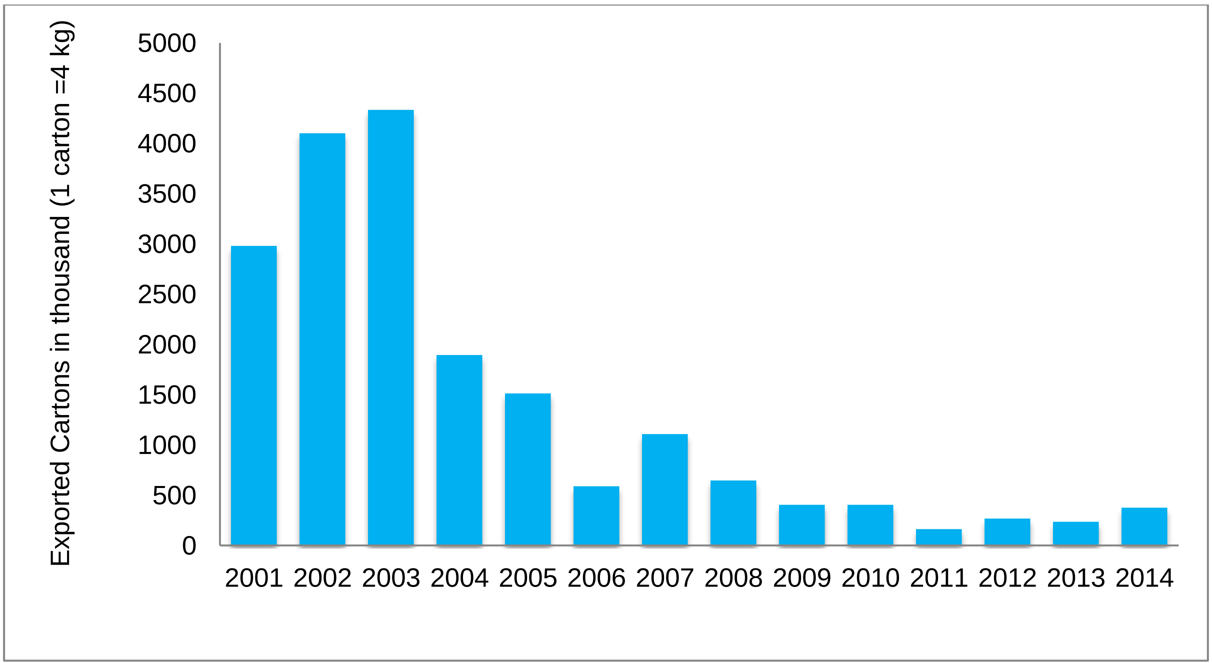

Figure 8: Mango exports trend
Source: Subtrops, 2015

Figure 9 indicates the market destinations for South African mango exports in the 2014 season. Of the total exported mangoes into the global market, a 52 % share was absorbed by Ghana, followed by the Middle East, with a share of 31 %, and the Far East, with share of 14 %, for the 2014 season.

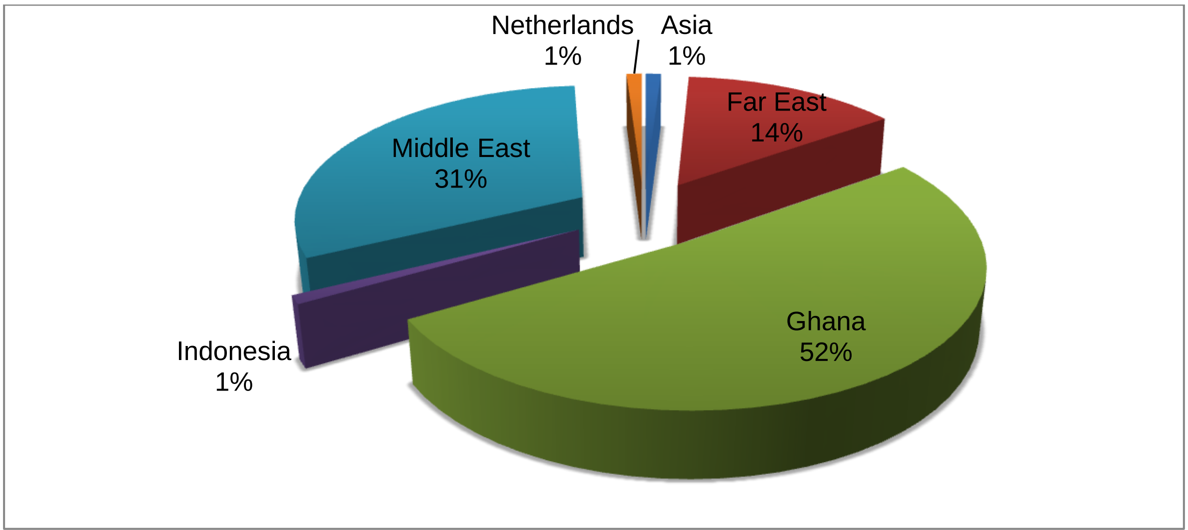

Figure 9: Market destinations for South African mangoes
Source: Subtrops, 2014

Figure 10 shows the volumes of mangoes consumed on the domestic market between 2013 and 2014. It was recorded that about 15 481 tons were sold on the local market and the average price was R9 184 per ton in 2014. The average price for March 2015 was valued at R9 025 per ton, which was much lower than R9 509 per ton recorded in March 2014

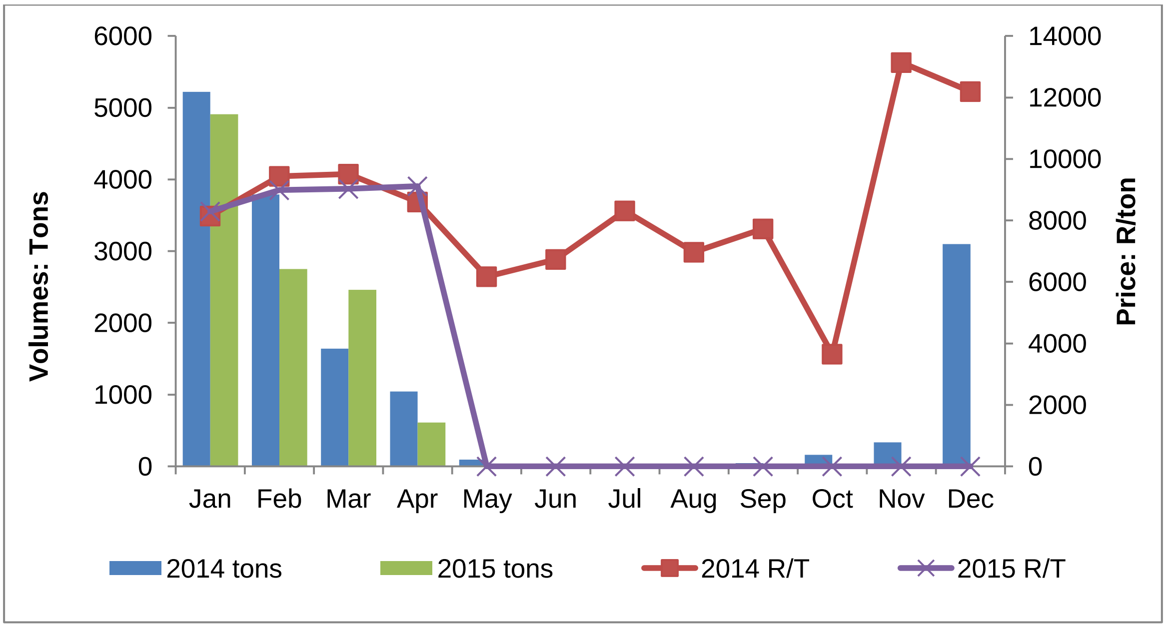

Figure 10: Mango consumption and price trends
Source: DAFF, 2015

3.4. Preview of the 2014/2015 litchi season

Figure 11 shows South African production of litchis from 2010/11 to the 2014/15 season. It was reported that about 8 321 tons was produced during 2014/15 season, with an increase of 47 % in comparison with the previous season. The improvement in production practices including implementation of irrigation systems, disease control and other orchard management systems are among the factors contributing to the growth in production. The number of young plantations coming into bearing stage has also contributed to greater volumes of litchis on the market. Of the total litchis produced, about 60 % was directed for the processing sector, 26.4 % was exported and 13 % was sold in the local market in the 2014/15 season.

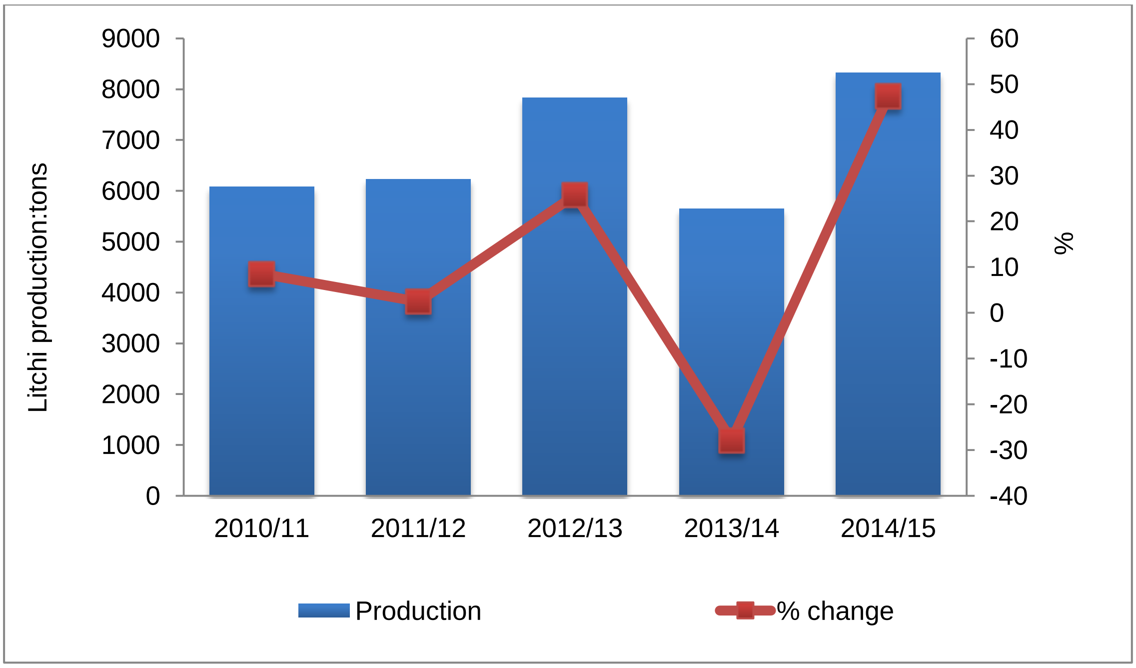

Figure 11: Litchi production
Source: Hortgro/2014

Figure 12 shows weekly litchi exports for the market between week 44 and week 9 for the 2014/2015 season. Of the total produced mangoes, about 1.1 million cartons (1 carton = 2 kg) were exported to the international market. The highest number of cartons was exported during weak 51, which tallied up to 145 thousand cartons.

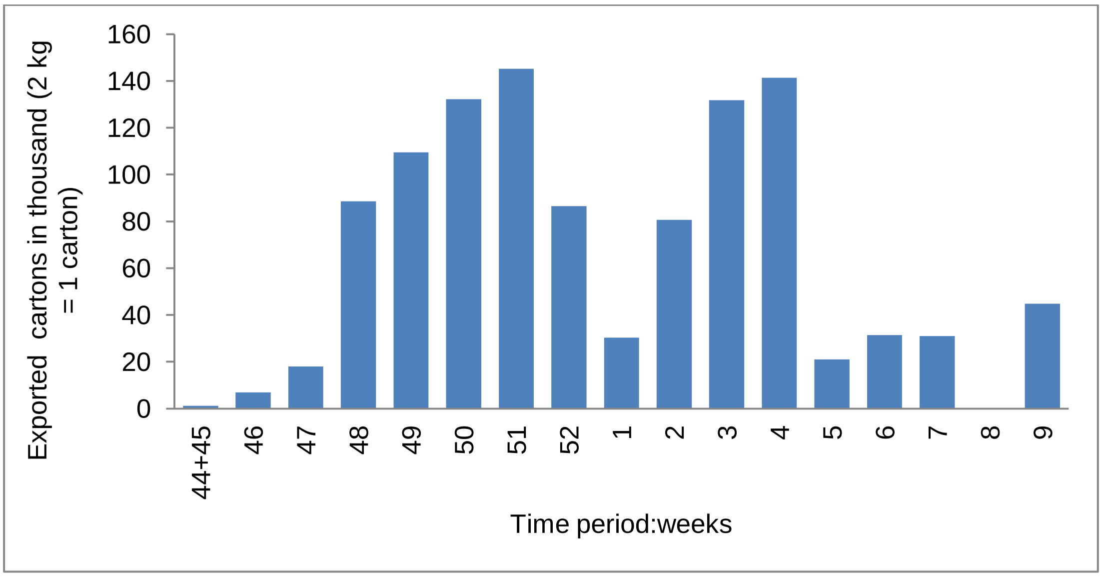

Figure 12: Litchis exported during the 2014/15 season
Source: Subtrops, 2015

Figure 13 shows the volumes of litchis consumed in the domestic market and local price trends for the 2014/15 season. DAFF (2015) reported that a total of 777 tons was sold in the local market, which was lower that the volume of 1 553 tons sold in 2013. This is the seasonal that runs from the end of September until the beginning of March; figure 13 prevails in the beginning and end of the season prices are higher due to insufficient supply in the local market. It is clear that highest volume of 512 tons was sold in December at a price of R22 647 per ton

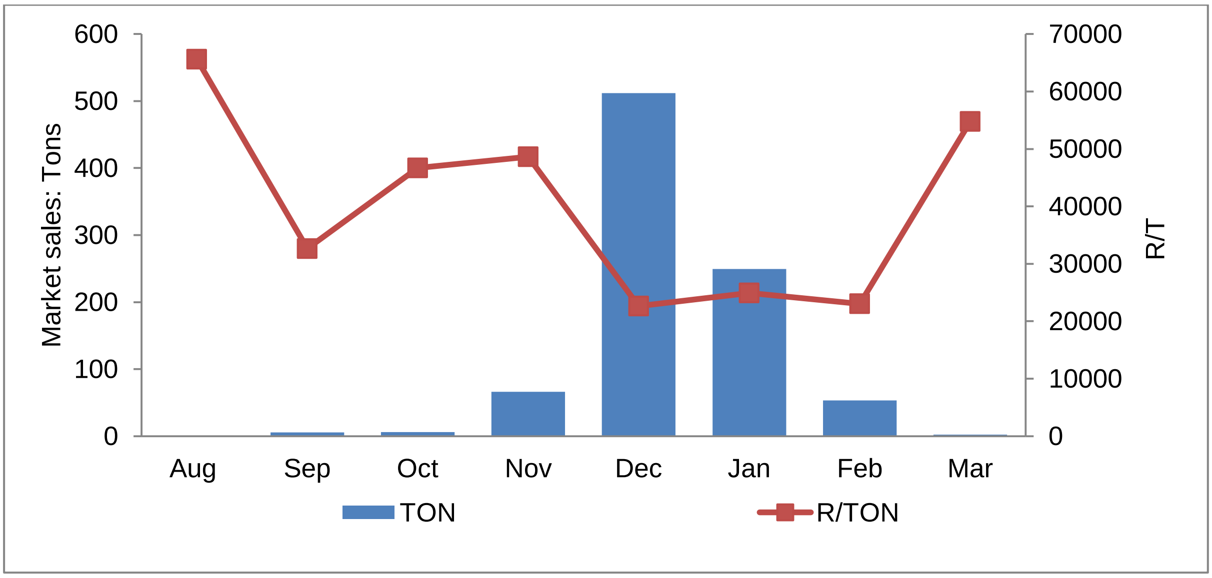

Figure 13: Litchi consumption and price trends

Source: DAFF, 2015

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

Hortgro, 2015. *Stone production and export data*. Information Division, Paarl, Western Cape, South Africa

Subtrops. 2015. *Subtrops production and export data*. Information Division, Limpopo, South Africa.

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	*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 (SATI)	*www.satgi.co.za*

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