

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.

For more information contact Bonani Nyhodo at Bonani@namc.co.za

In this issue we cover the following topics:

Preview of cherry production for 2016/17 season

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

Preview of the litchi production for 2016/17 season

Publication



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SOUTH AFRICAN FRUIT TRADE FLOW

Issue No. 26: June 2017



Beautiful country, beautiful fruit

Compiled by Thandeka Ntshangase, Lucius Phaleng and Yolanda Potelwa

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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 (plums, cherries and pomegranates), as well as subtropical fruit (litchis and mangoes).** 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 2016/17 season

Deciduous fruits consist of different fruit types including peaches, nectarines, plums, apples, grapes, pears, berries, cherries and pomegranates. The focus of this report is on the plum, cherry and pomegranate production season. The next sections provide a detailed performance analysis of the aforementioned products from a global and national perspective.

2.1 Preview of cherry production for the 2016/2017 season

2.1.1 Global preview of the cherry production season

The global production and consumption of cherries for the period 2011/2012 to 2016/2017 is highlighted in **Figure 1**. The world produces more cherries than it consumes, with the consumption volume having followed the same trend as production throughout the years, but at less than the volume consumed. The volume of cherries produced and consumed remained stable during the period under review. It can be observed that production and consumption increased by 6.6 % and 7.5 % respectively between 2011/12 and 2016/17. The European Union (EU) ranked as the world's largest producer of cherries with a volume of 655 000 metric tons, followed by Turkey and the United States of America (USA) with a volume of 475 000 metric tons and 419 000 metric tons respectively. China and the EU were the world's largest consumers of cherries with a share of 18.9 % and 17.5 % respectively.

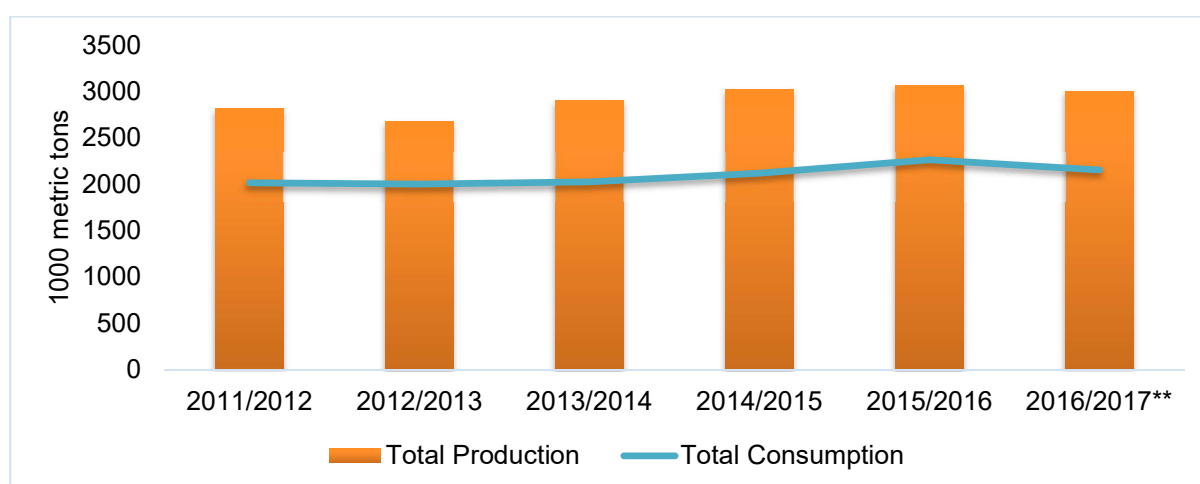


Figure 1: Global production and consumption of cherries

Source: USDA (2017)

Figure 2 depicts the world trade (exports and imports) in cherries over the past six years. It is important to note that the world exports more cherries than it imports (net exporter). The volume of cherries exported and imported by the world fluctuated during the period under review. A total of 412 000 metric tons was exported by the world, while 405 000 metric tons were imported. Chile was ranked as the world's largest exporter of cherries with a share of 26.7 %, followed by Turkey and the USA with a share volume of 21.8 % and 18.7 % respectively. China, Hong Kong and Russia were among the largest importers of cherries with a collective share of 62.9 %.

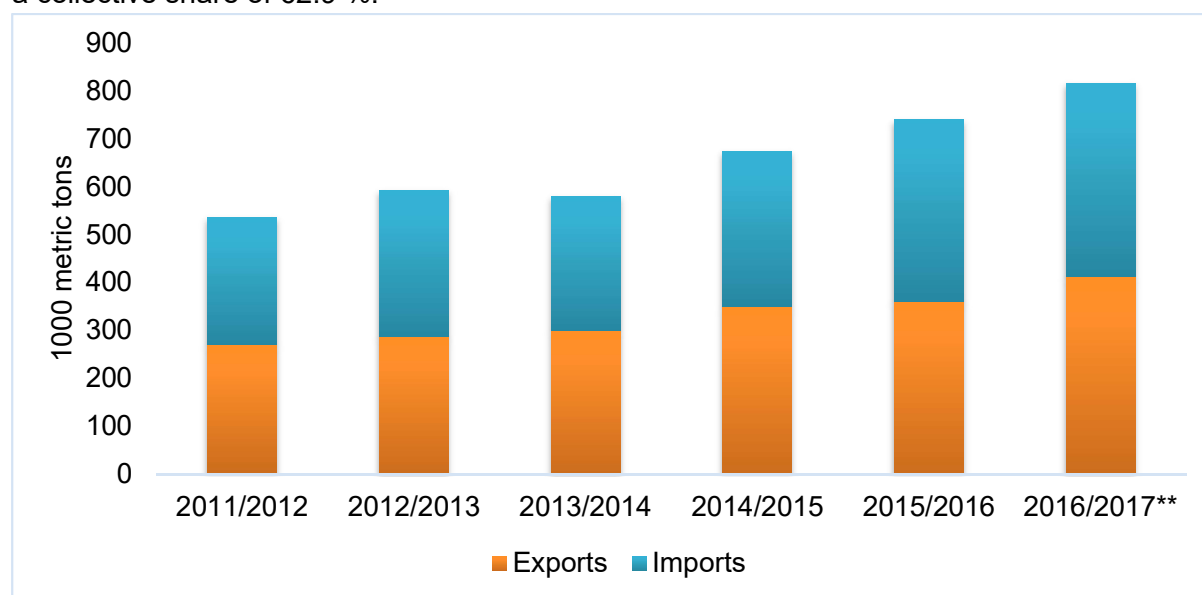


Figure 2: Global exports and imports of cherries

Source: USDA (2017)

2.1.2 South Africa's cherry production

In South Africa, cherry production by commercial and small farms is still rare. Cherries are only grown in the Western Cape, Eastern Cape, Free State and KwaZulu-Natal. Cherries are marketed as fresh fruit and some are canned or processed as cherry jam, cherry brandy, etc.

Table 1 highlights South Africa's crop distribution of cherries between 2012/13 and 2015/16. It can be observed by the volume produced that South Africa is not a major producer of cherries with a total volume of 764 000 in 2015/16. The greatest volume of cherries produced in South Africa was consumed locally, with the remainder having been exported and used for further processing. In the previous season cherry production increased by 68 %, with local consumption constituting 42 % of the total product (50 % exported and 8 % processed) during the 2015/16 season.

Table 1: Cherry crop distribution

Year OCT - SEPT	TOTAL PRODUCTION	LOCAL MARKET	EXPORTS	PROCESSED	CHANGE IN TOTAL PRODUCTION
	(Tons)	(Tons)	(Tons)	(Tons)	%
2012/2013	341	313	7	21	-
2013/2014	442	281	127	34	30 %
2014/2015	456	251	153	52	3 %
2015/2016	764	323	384	57	68 %
AVERAGE CROP DISTRIBUTION (%)		58 %	34 %	8 %	

Source: DAFF (2016)

South Africa exported about 384 tons of the 764 tons produced in the 2015/16 season. **Figure 3** highlights the distribution of South Africa's cherry exports to the various market destinations in the 2015/16 season. The main export market for South Africa's cherries during the season under review was the United Kingdom (UK), with a share of 79 %, followed by the Middle East and Europe with a share of 7 % and 5 %, respectively.

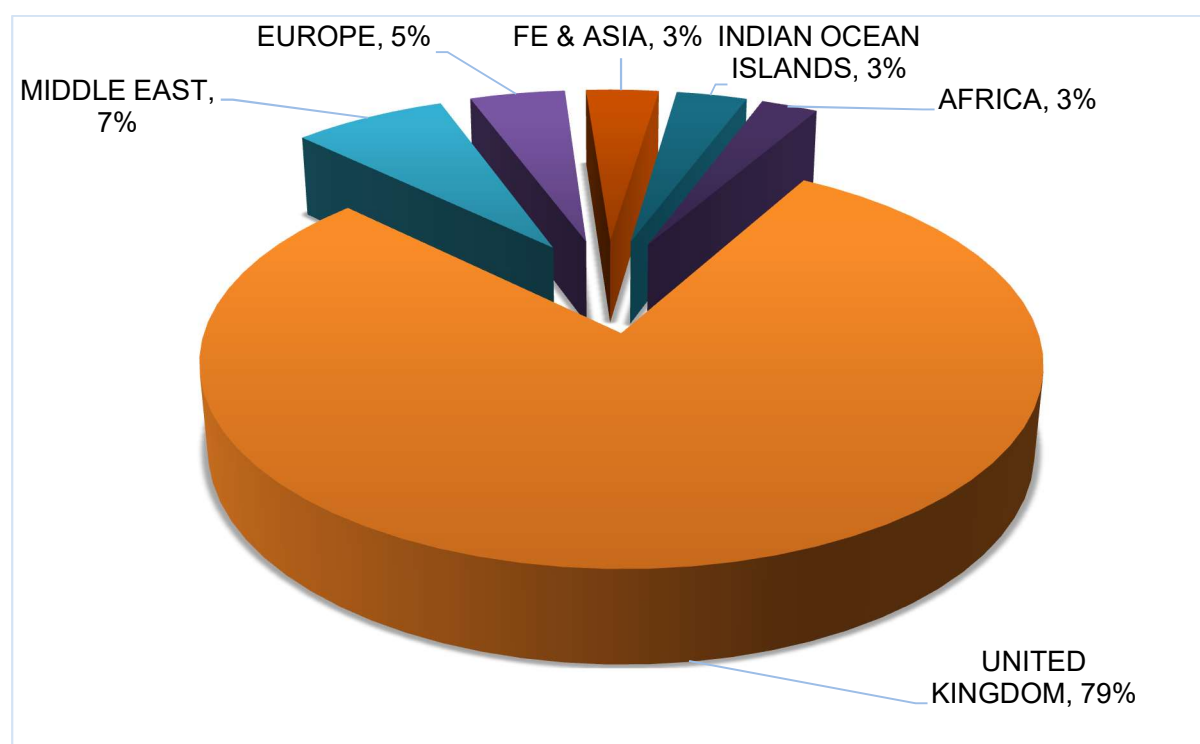


Figure 3: Cherry exports per market segment

Source: Hortgro, (2016)

Figure 4 illustrates the cherries sold on the national fresh produce markets (NFPMs) in terms of quantity and price for 2016 and 2017. Between January and April 2016, South Africa sold 20 tons more than during the same period in 2017. The prices during 2017 were higher than the prices during the previous year, which was mainly due to the decline in the supply of

cherries on the local market. The quantity of cherries sold on the local market recorded the highest sales in November 2016 and the lowest in April 2016.

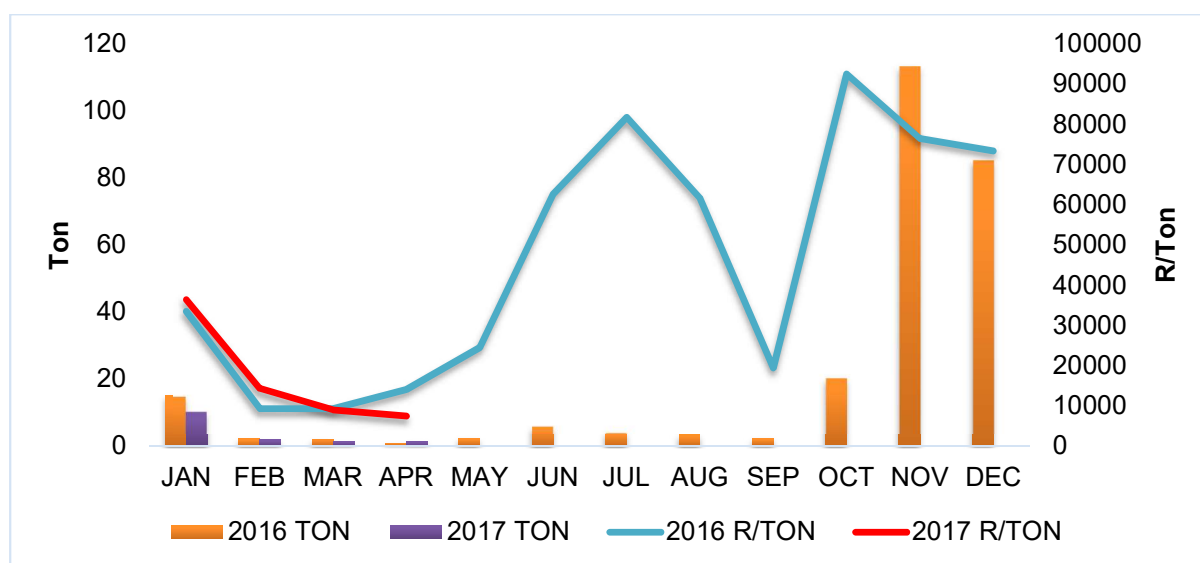


Figure 4: Local market sales of cherries
Source: DAFF (2017)

2.2 Preview of South Africa's pomegranate production season

South Africa's production of pomegranates amounted to approximately 7 337 tons in 2016, with 69 % destined for exports and the remainder for the local market (5.4 %) and processing (25.5 %). **Figure 5** shows the volume of pomegranates exported and consumed by South Africa over the past six (6) years. It is important to note that South Africa exports more pomegranates than it consumes locally. The export of pomegranates increased during the period under review, while consumption remained stable. In 2016, South Africa exported 5 072 tons of pomegranates and consumed 398 tons on the local market.

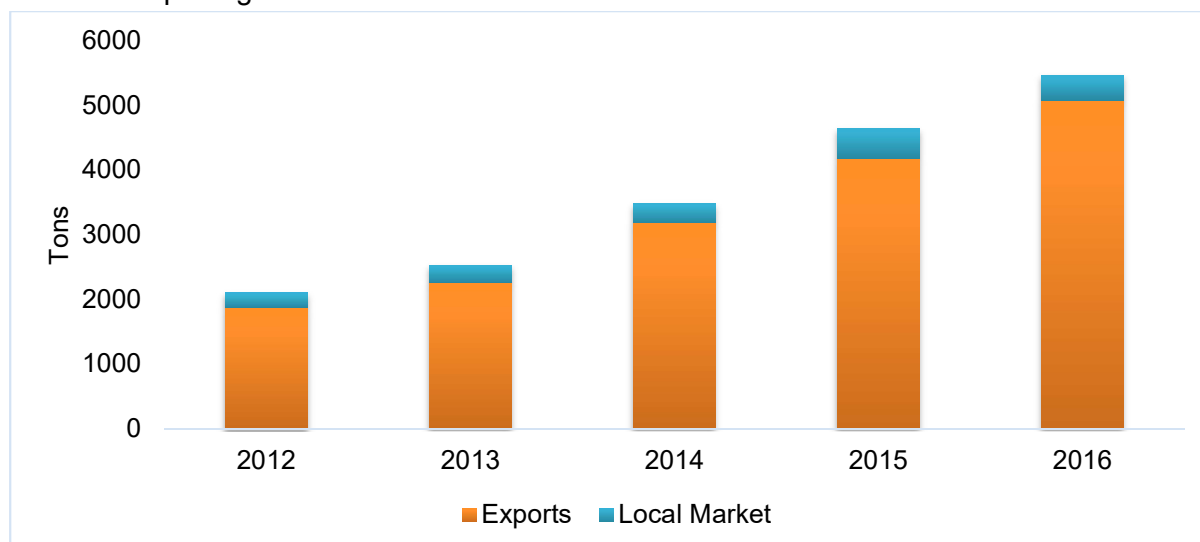


Figure 5: Export and sales trends of South Africa's pomegranates
Source: Hortgro (2017)

Table 2 highlights the export of pomegranates per variety grown in South Africa over the past five years. It is important to note that the largest volume of pomegranates exported was of the Wonderful variety, with a share of 70 %, followed by Hershkovitz and Acco with a share of 19 % and 10 % respectively.

Table 2: South Africa's exports of pomegranates per cultivar

Cultivar	2012	2013	2014	2015	2016
Wonderful	248 400	393 177	520 332	611288	823 782
Hershkovitz	82 326	59 253	134 441	205241	228 115
Acco	35 000	30 927	73 660	134345	113 999
Kessari	15 523	13 100	2 086	520	4 346
Shir	2 093	3 140	3 663	0	2 337
Rosy	0	0	3 684	6 105	1 865
Other	44 033	26 637	2 030	12 739	5 010
Total	427 375	526 233	739 895	970237	1 179 455

Source: Hortgro, (2017)

Figure 6 shows the export destinations for South Africa's pomegranates in the 2016 season. Europe was the largest market for South Africa's pomegranates, accounting for 59 % of total exports, followed by the Middle East with 15 %, the Far East & Asia with 8 % and the UK with 8 %. The Indian Ocean Islands (IOI) was the least export destination for pomegranates exported by South Africa, while Africa and Russia constituted an equal export share of 4 %.

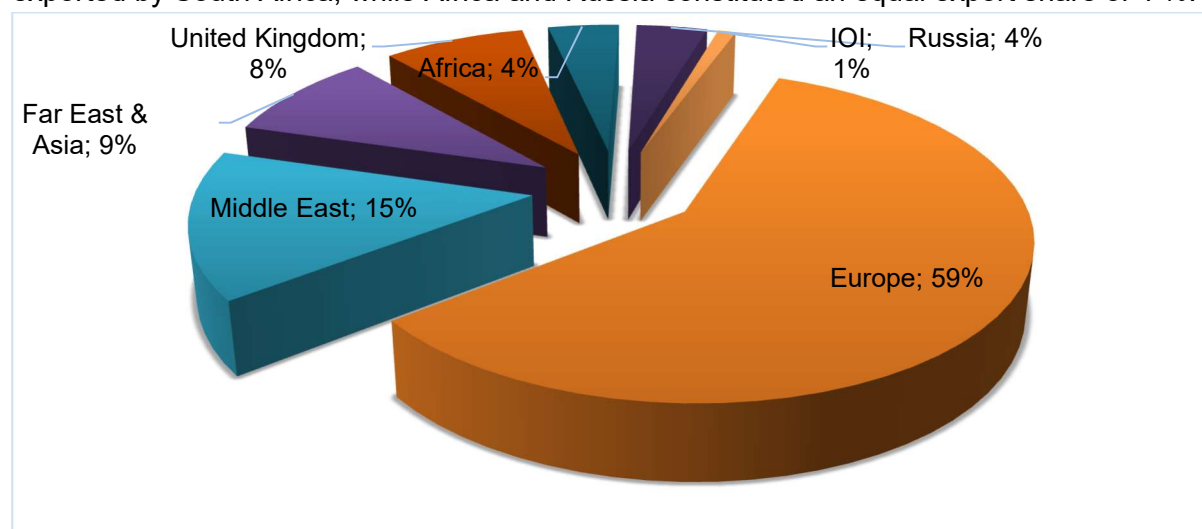


Figure 6: Main export destinations for South Africa's pomegranates

Source: Hortgro, (2017)

Figure 7 indicates the volume of pomegranates sold on the NFPMs and the associated price trends for 2016 and 2017 (January to April). In 2016, approximately 413 tons were sold on the local market, reaching a record high in April with 101 tons. The 2017 season has thus far recorded a volume of 257 tons between January and April, which exceeds the volume sold

during the same period in 2016. The volume of pomegranates sold on the local market between January and March of 2017 also exceeds the volume sold during the same period in 2016. The average price reached a peak in September 2016 at R91 644 per ton.

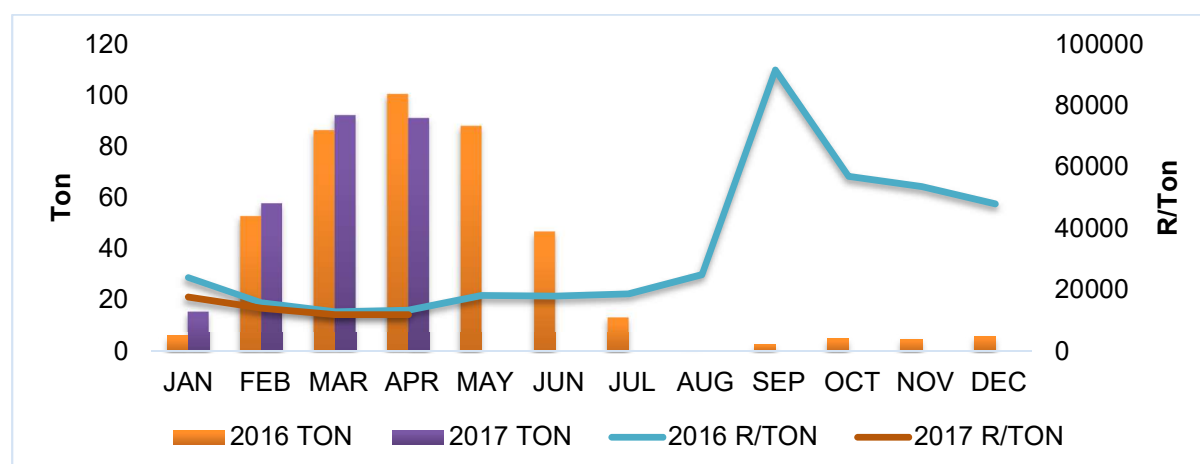


Figure 7: Local market sales of pomegranates

Source: DAFF (2017)

2.3 Preview of plum production for the 2016/17 season

Figure 8 shows the production trends of plums and prunes (dried plums) over a period of ten years (2006/2007 to 2015/2016). In comparison to plums, prunes are not as highly produced. It is noteworthy that the production of plums is not parallel to that of prunes – sometimes, when the production of plums increases, the production of prunes decreases and vice versa. This phenomenon could be driven by demand and consumption. The highest production of plums was observed in the 2012/2013 period with 82 000 tons produced, while the highest production of prunes was recorded in the 2007/2008 period with 3.9 000 tons produced. Production for the season 2015/2016 season decreased by about 3 % in comparison to that of the previous season (2014/2015), dropping from 81 000 tons to 79 000 tons.

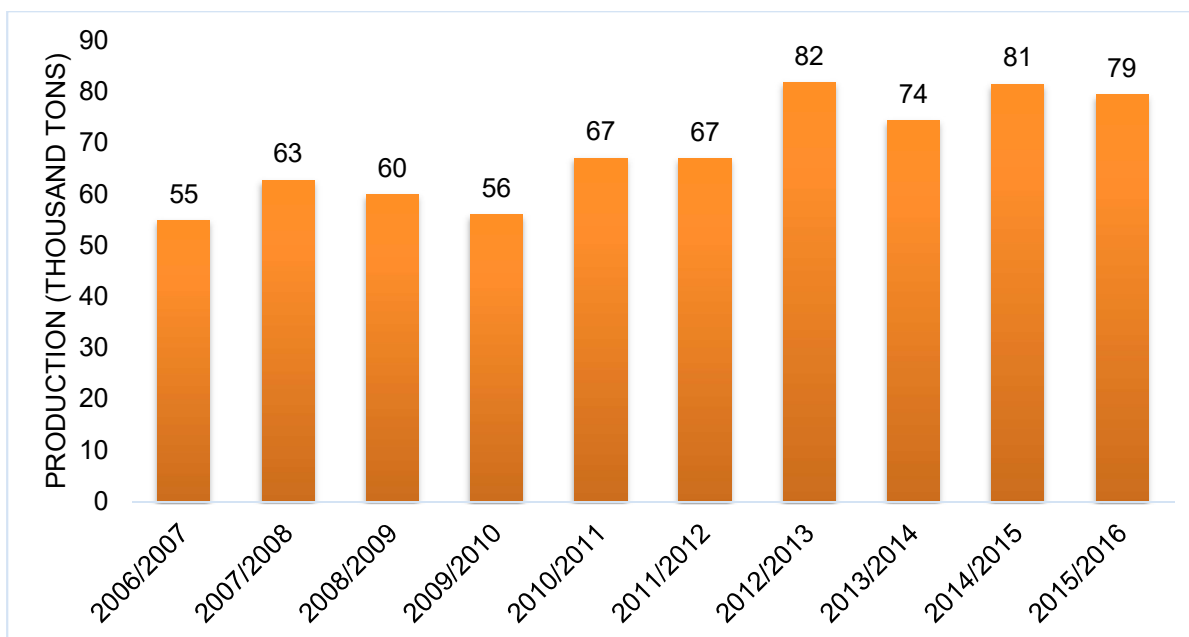


Figure 8: South Africa's production of plums in tons

Source: Hortgro (2017)

Figure 9 highlights the distribution channels for plums between the 2006/2007 and 2015/2016 seasons. Distribution fluctuated during that period, with the highest crop distribution occurring during 2012/2013 – exports constituted 73 % (59 593 tons), local markets 23 % (18 945 tons), and processed plums 4 % (3 322 tons). There was a crop distribution decline in 2015/2016 compared to 2014/2015, mostly due to the drought that affected productivity. The volume of plums consumed in the local market declined by 1.2 % and the volume of plums exported declined by 3.8 %, but surprisingly, the volume of plums processed grew by 19.4 % from the previous period.

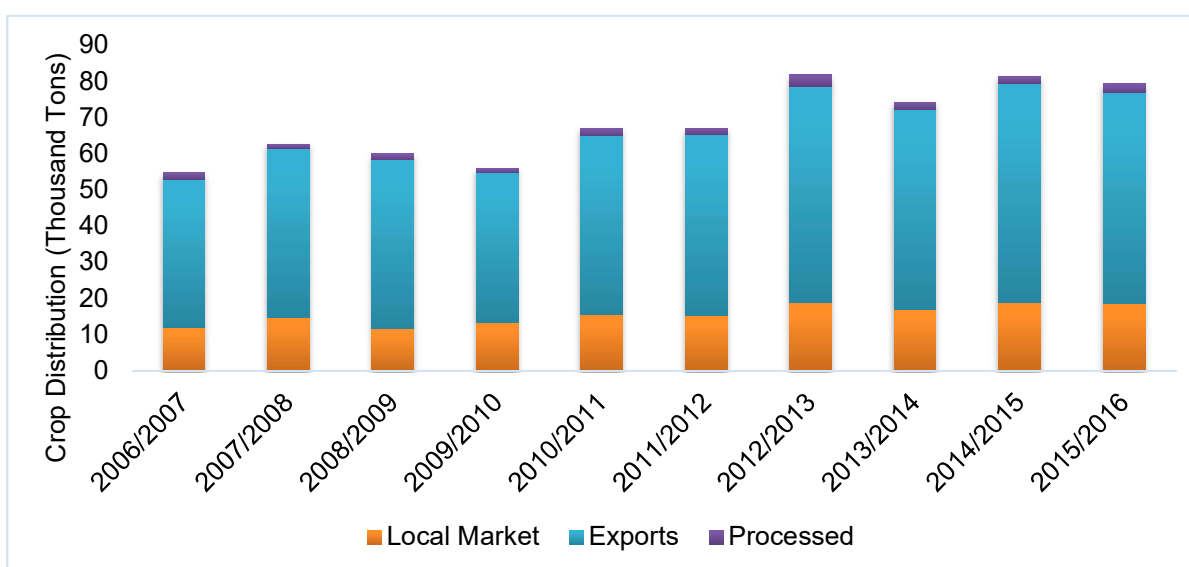


Figure 9: Annual plum crop distribution, 2006/2007 to 2015/2016

Source: Hortgro (2017)

Figure 10 shows South Africa's plums inspected and passed for export in the 2011/2012 to 2016/2017 seasons. The highest export quantity was achieved in the 2016/2017 season with 12.3 million cartons. The lowest quantity was reported in the 2011/2012 season with 9.5 million cartons.

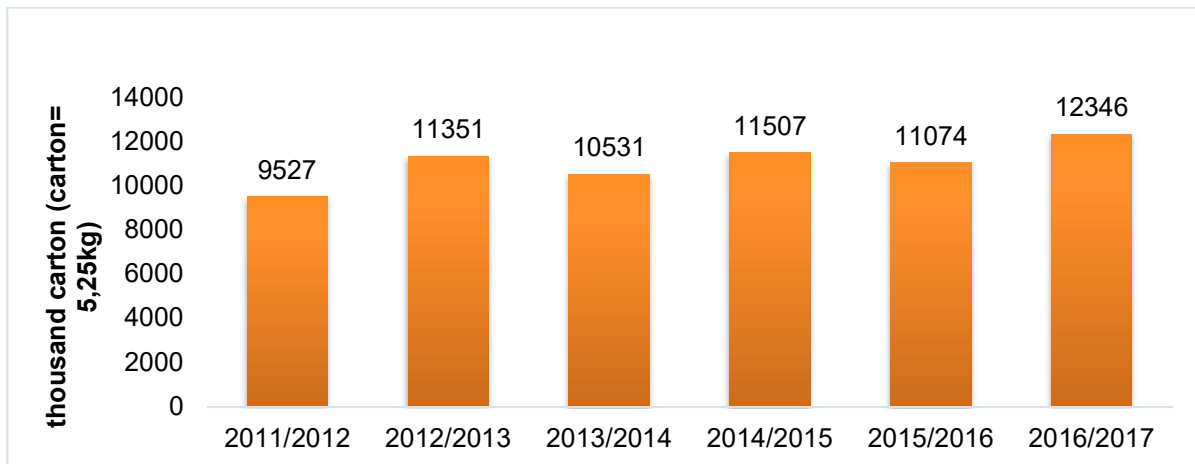


Figure 10: South Africa's plums passed for export
Source: Hortgro (2017)

South Africa's plum distribution consisted mostly of exports in the 2015/2016 season, accounting for 73 %. **Figure 11** highlights the main export destinations for South Africa's plums in 2016. Europe was the largest market for South Africa's plums with a share of 45 %, followed by the UK (26 %), the Middle East with 18 %, Russia with 4 %, and the IOI with a share of 1 % respectively.

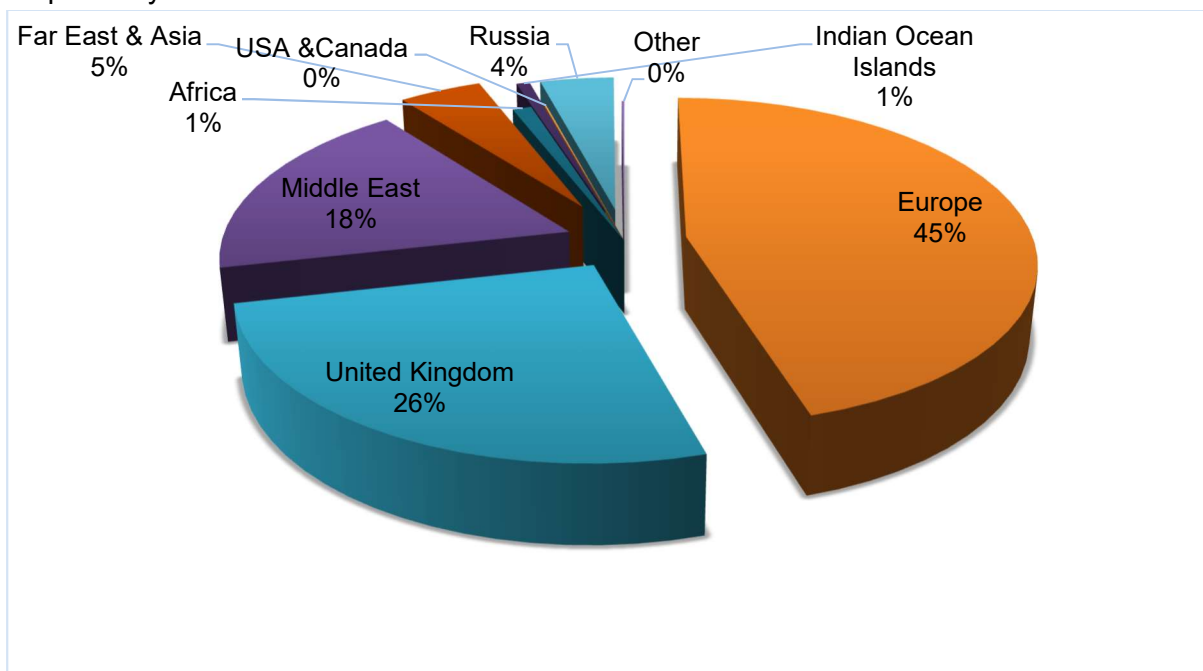


Figure 11: Main export destinations for South Africa's plums
Source: Hortgro (2017)

Figure 12 illustrates the quantity of South Africa's plums sold on the NFPMs in relation to the price trends for the period 2014 to 2016. It is notable that the highest production of plums was recorded in the summer season (December to March), peaking in February during all the years under review, with the highest quantity of 5.3 thousand tons being recorded in 2016. Evidently, plums are sold at lower prices when production is high (in season) and sold at higher prices when out of season. This could be due to consumption and demand being met by South Africa's imports from other markets during off seasons.

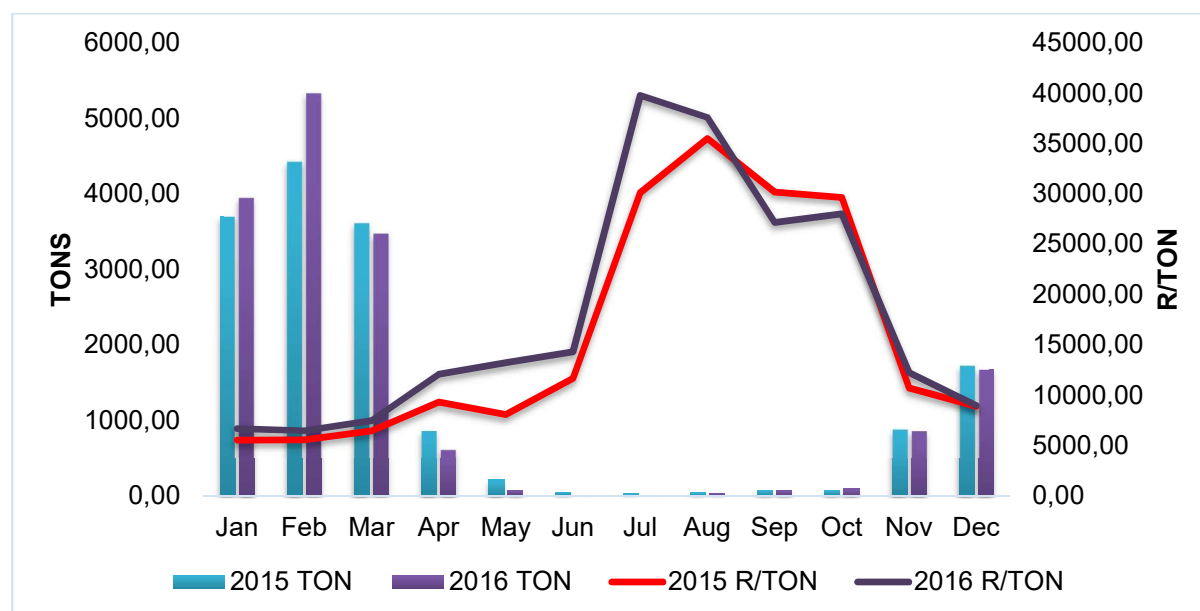


Figure 12: Domestic market sales of plums between 2014 and 2016
Source: DAFF (2017)

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

The subtropical fruit industry is comprised of fruits such as mangos, avocados, macadamia nuts and litchis. The focus of this report is on the litchi and mango production season. The next sections provide a detailed performance analysis of the aforementioned products from a global and national perspective.

3.1 Preview of the litchi production season

The South African litchi harvesting season runs from November to April each year. Litchi production is mainly concentrated in the Mpumalanga and Limpopo provinces, with 93 % of cultivated land being dedicated to litchi production. Figure 13 shows the production of litchis between 2001/2 and 2005/16. It can be observed that the production of litchis in South Africa was not stable during the period under review. Approximately 7 000 tons were produced during the 2011/12 season, with the lowest production of 3.7 thousand tons being recorded in the 2014/15 season. The low production of litchis can be mainly attributed to the drought that affected the country in 2015 and 2016. The production of litchis increased from 3.7 thousand tons in the 2014/15 season to 4.3 thousand tons in the 2015/16 season, amounting to a growth

rate of 18 %. Of the total volume of litchis produced during the period under review, about 56 % was sold on the international market, with the remainder sold on the local market (34 %) and processed into juice (10 %).

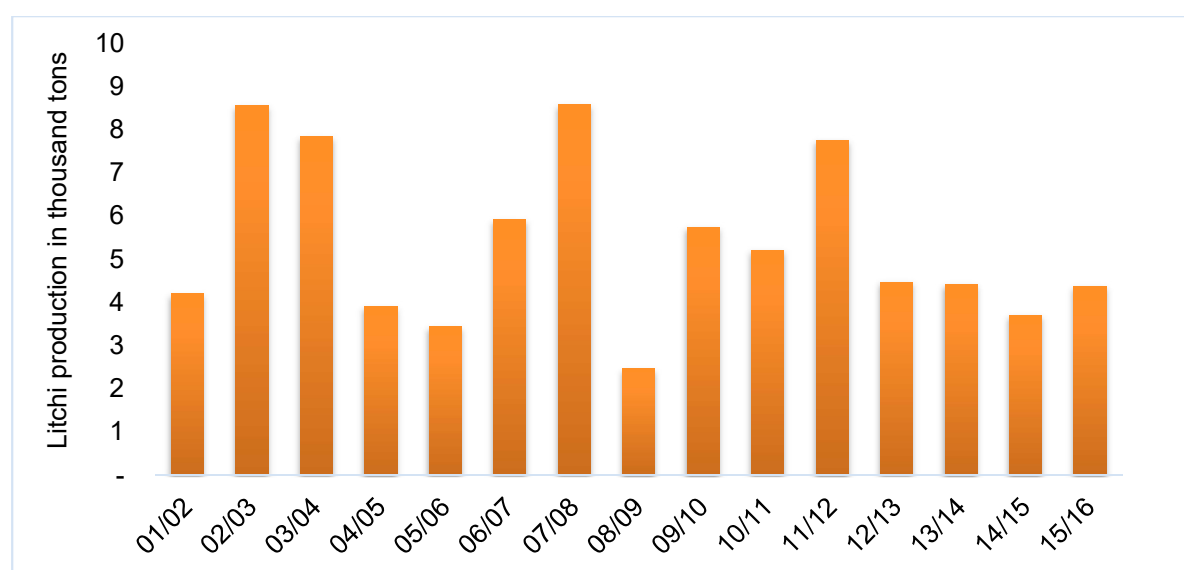


Figure 13: Litchi production between the 2001/02 and 2015/16 seasons

Source: SALGA (2017)

Figure 14 shows the weekly distribution of litchis passed for export between the 2014/15 and 2016/17 seasons. It can be observed that the currently season is performing better than the previous season. In 2016/17 the volume of litchis inspected and passed for export amounted to 2.2 million cartons (1 carton = 2 kg), compared to 1.1 million cartons in 2015/16 and 1.4 million 2014/15 cartons inspected and passed for export by the end of the harvesting season. During week 3 of 2016/17 season recorded highest volume of 223 thousand cartons of litchi inspected and passed for exports compared to the previous seasons.

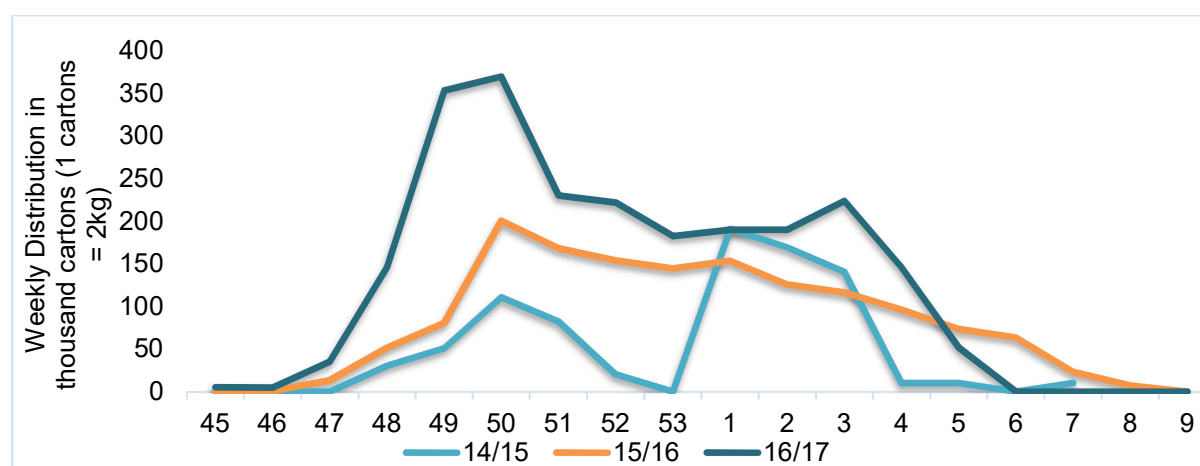


Figure 14: Weekly distribution of litchis inspected and passed for export between 2014/15 and 2016/17

Source: SALGA (2017)

Figure 15 highlights South Africa's export destinations for litchis for the 2015/2016 season. Of the 2.2 million cartons of litchis passed for export by the end of the harvesting season, 87 % was absorbed by the Netherlands during the 2016/17 season, followed by the Middle East and Canada with a share of 6 % each, and the UK with a share of 1 %.

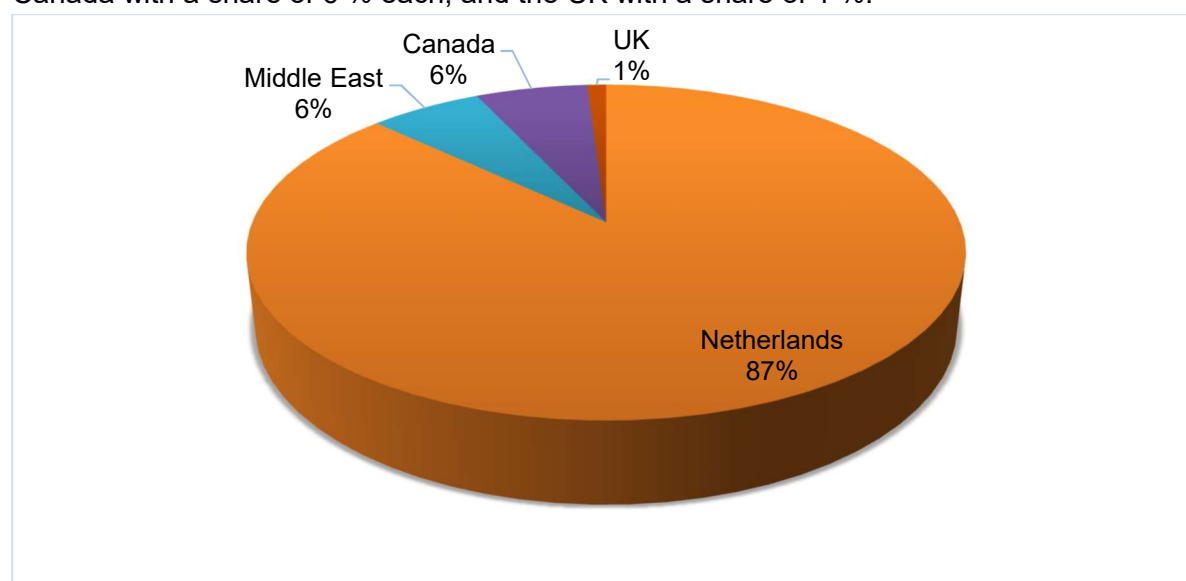


Figure 15: Export market distribution of litchis
Source: SALGA (2017)

Figure 16 highlights South Africa's litchis sold on the NFPMs and the associated prices for 2016 and 2017. It can be observed that the prices for the period January to April in both 2016 and 2017 were almost the same, given the volume supplied on the local market during the period under review. February of both 2017 and 2016 recorded the lowest supply of 57 tons and 67 tons respectively, marking the end of the harvesting season in each year. The supply of litchis on the NFPMs in February 2017 was lower than the supply in February 2016, fetching a price of R19 359 per ton in 2016 and R19 232 per ton in 2017.

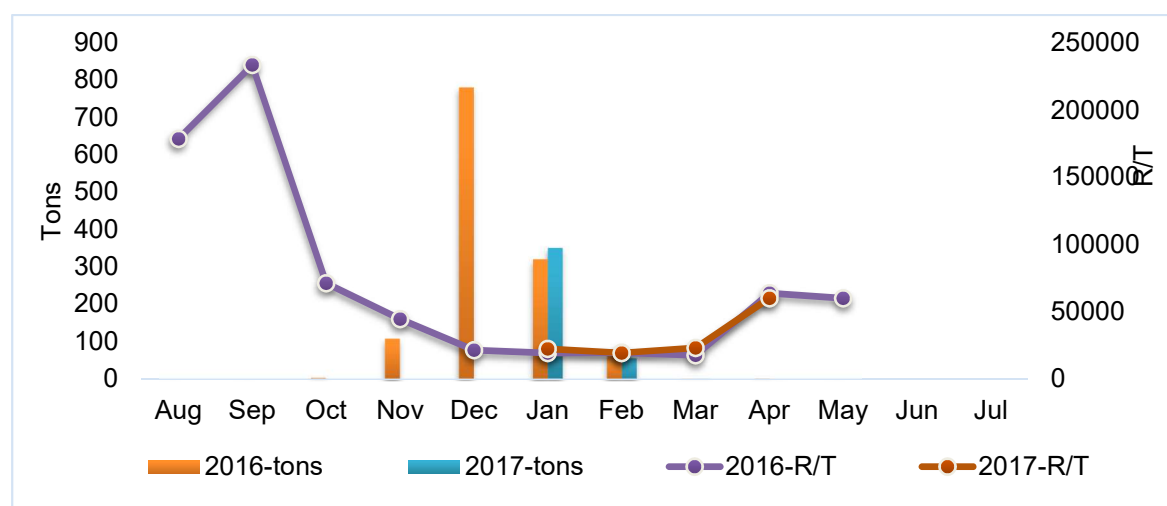


Figure 16: Domestic sales of litchis
Source: DAFF (2017)

3.2 Preview of the mango production season

Figure 17 shows the production distribution of mangos between the 2005/06 and 2015/16 seasons. It can be observed that the production of mangos was not stable during the period under review, with the lowest production of 38.4 thousand tons being recorded during the 2015/16 season. The 2014/15 season recorded the highest production for the past five years, amounting to 70.4 thousand tons. The 2015/16 season showed a decline of 46 %, compared to a 30% increase in the 2014/15 season. This is an indication that South Arica felt the effects of the drought that affected the country during 2015 and 2016. In terms of mango production, processing commanded the largest average share of 68 % during the 10-year period under review, given the factor that mangos are dried and processed into juice and atchar. The average share of production sold as fresh mangos on the local market and the international market amounted to 29 % and 3 % respectively.

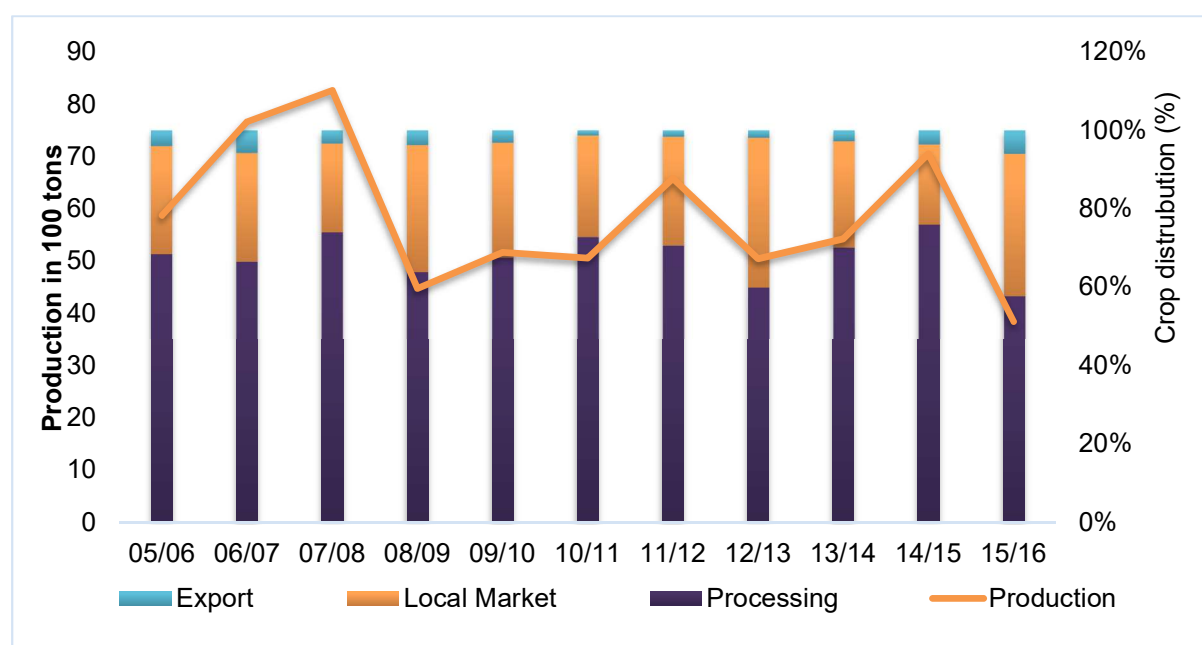


Figure 17: Mango production and crop distribution between 2005/06 and 2015/16
Source: Subtropics (2017)

Figure 18 indicates the market destinations for South Africa's mango exports during the 2015/2016 production season. Of the 2287 tons of mangos exported to the global market, 40 % was exported to the Middle East, followed by the Netherlands with a 32 % share and the Far East with a 15 % share of total exports. Africa and the UK were the smallest importers of South Africa's mangoes during the 2016/16 season, with a share of 11 % and 2 % respectively.

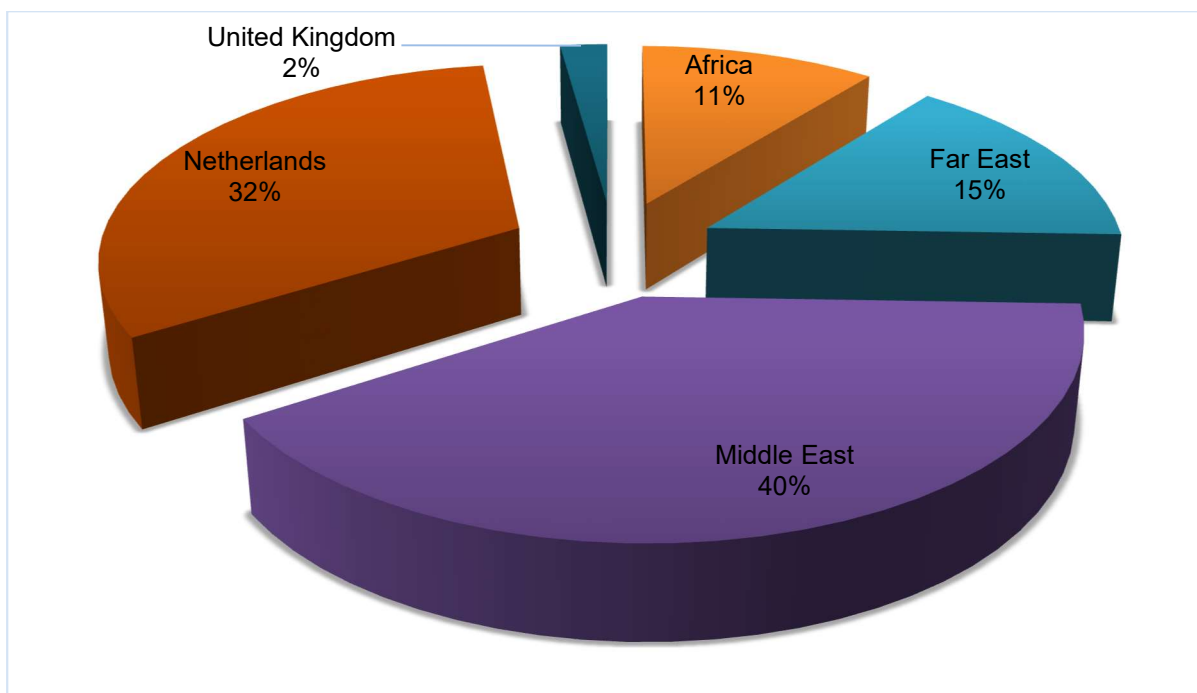


Figure 18: Export market distribution for mangos

Source: Subtrops (2017)

Figure 19 presents the domestic sales and price trends for South Africa's mangos between 2016 and 2017. It should be noted that prices for the period January to April 2016 were higher compared to the same period in 2017, with a registered price of R9 566 in April 2017. The volumes sold on the domestic market between January and April 2017 exceeded the volumes sold during the same period in the previous season, with the highest volume of 5 734 tons being recorded in January 2017.

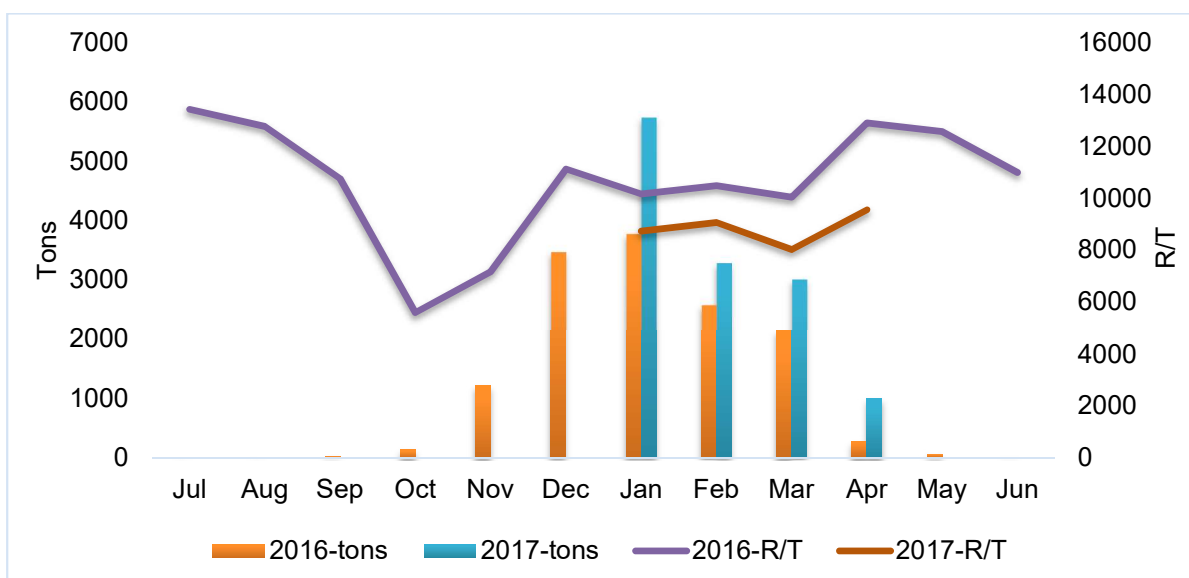


Figure 19: Domestic sales of mangos

Source: DAFF (2016)

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SALGA (South Africa Litchi Grower Association). 2017. *Litchi production and export data*. Tzaneen: Information and Market Intelligence Division.

Subtrop. 2017. *Litchi and mango production and export data*. Tzaneen: 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.satgi.co.za

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For Correspondence:

Mr Bonani Nyhodo

+27 (0) 12 341 1115

Bonani@namc.co.za

Private Bag X935

Pretoria

0001