

SA Fruit Trade Flow

ISSUE 29 March 2018

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:

Overview of table grape production for the 2017/18 season

Preview of South Africa's stone fruit production for the 2017/18 season

Publication



**agriculture,
forestry & fisheries**

Department:
Agriculture, Forestry and Fisheries
REPUBLIC OF SOUTH AFRICA



**National Agricultural
Marketing Council**

Promoting market access for South African agriculture

Visit the NAMC Research Portal at: www.namc.co.za/research-portal



SOUTH AFRICAN FRUIT TRADE FLOW

Issue No. 29: March 2018



Beautiful country, beautiful fruit

Compiled by Lucius Phaleng and Moses Lubinga

Table of Contents

1. Background 3

2. Overview of table grapes fruit production for the 2017/18 season 3

 2.1 Global preview of the table grape production season 3

 2.2 South Africa’s table grapes production season 5

3. Overview of stone fruit production for the 2017/18 season 7

REFERENCES 11

USEFUL LINKS 11

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 table grapes and stone fruit (apricots, nectarines and peaches).** The main focus is on the analysis of the current season's performance of these fruits, for both export and domestic markets, in comparison with 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 table grape production for the 2017/18 season

2.1 Global preview of the table grape production season

Global production and the growth in table grapes for the 2012/13 to 2017/18 marketing season is highlighted in **Figure 1**. World production is projected at 22.7 million tons as increased production in China and India offset weather-related losses in the European Union (EU) and Turkey (USDA, 2018). About 19.2 million tons of table grapes were produced globally in 2012/13, translating into a 3.5 million ton increase until 2017/18. The volume of table grapes produced in the period under review grew at an increasing rate. The highest production was during the 2017/18 season at a volume of 22.7 million tons.

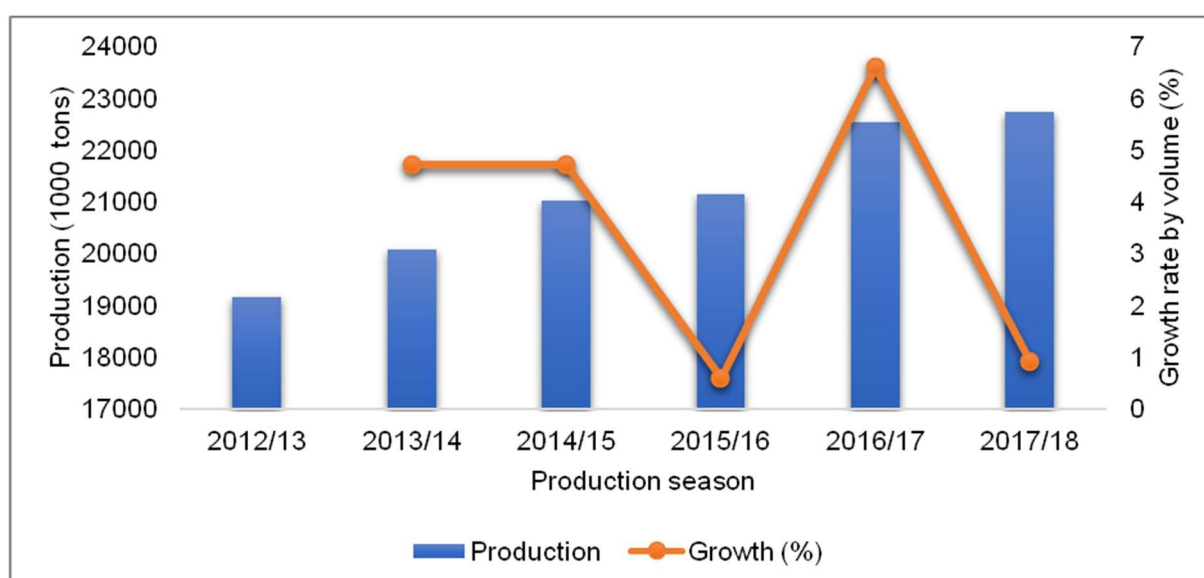


Figure 1: Global production of table grapes between the 2012/13 - 2017/18 seasons
Source: USDA (2017)

Figure 2 highlights the world's leading producers of table grapes over the past five seasons and the projections for the 2017/18 season, measured in thousand tons. China has boosted the global production of 400 000 tons to 11.2 million tons while India's production is projected to rise by 216 000 tons to 3.0 million tons (USDA, 2018).

Globally, China ranks as the leading producer of table grapes with an estimated volume of 11.2 million tons produced in 2017/18, followed by India, Turkey and the EU with a projected volume of 3.0 million tons, 2.1 million tons and 1.5 million tons respectively. South Africa has been ranked as the 10th producer of table grapes in the world with an estimated share of 4.1% in 2017/18.

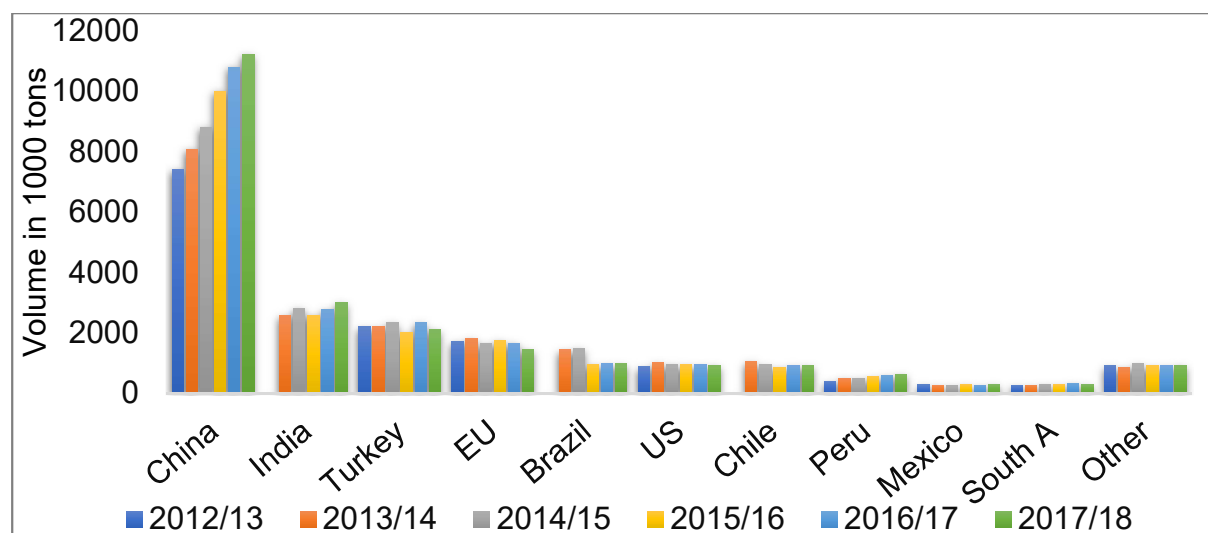


Figure 2: World's leading producers of table grapes over the past five seasons
Source: USDA (2017)

Figure 3 highlights the leading global importers of table grapes between 2012/13 and 2017/18, measured in thousand tons. Imports are expected to rise as Russia rebounds following the lifting of its ban on Turkey's grapes (USDA, 2018). Global imports of table grapes amounted to 3.0 million tons for the 2017/18 season, representing an increase of about 121 000 tons compared to the 2016/17 season. The EU was ranked as the world's leading importer of table grapes with a volume of 647 000 tons, followed by the US (620 000 tons), Russia (325 000 tons) and China (250 000 tons).

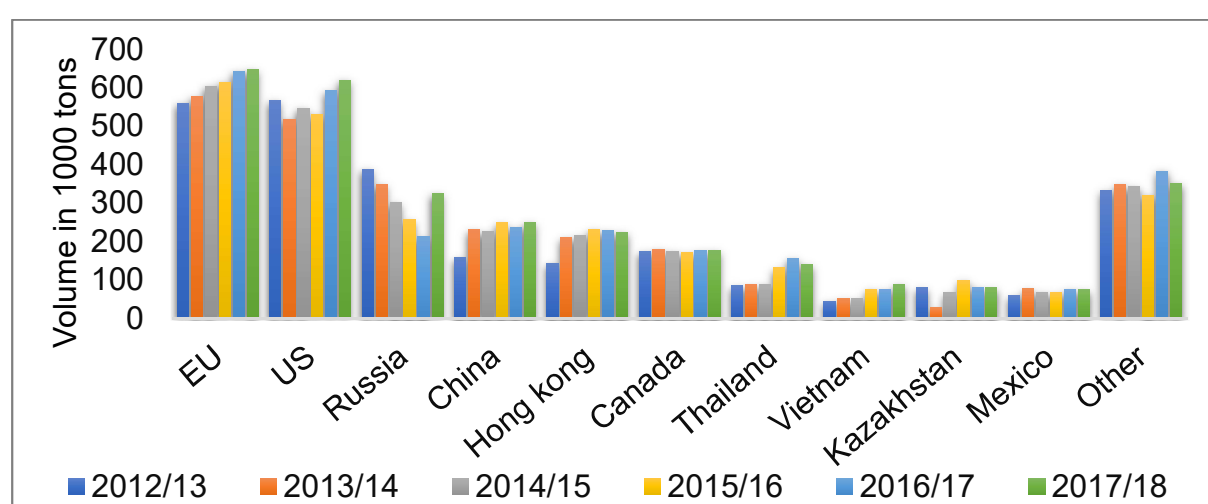


Figure 3: Leading importers of table grapes between 2012/13 and 2017/18
Source: USDA (2017)

According to USDA (2018) exports are expected to increase, especially for India, Peru and Turkey, as global demand continues to rise. **Figure 4** highlights the world's leading exporters of table grapes in the 2017/18 season, measured in thousand tons. About 2.7 million tons of table grapes were exported in 2012/13, which was 40 000 tons more than in the 2017/18 season. Chile was ranked as the leading exporter of table grapes with a share of 23.9%, followed by Peru (12.4%), the US (10.7%), India (8.8%) and South Africa (8.4%). Peru's production is expected to continue trending upwards, rising by 30 000 tons to nearly 640 000. This solidifies the country's position as the second largest exporter after Chile. Exports are expected to surge nearly 25% to 380 000 tons on the basis of higher demand, especially from the top market, the US.

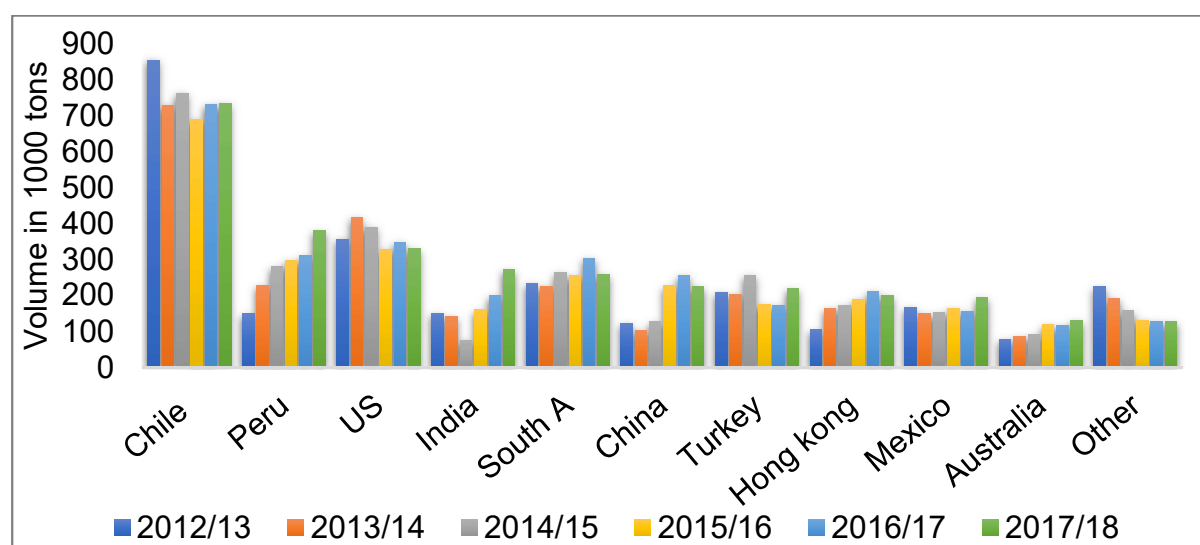


Figure 4: World's leading exporters of table grapes between 2012/13 and 2017/18

Source: USDA (2017)

2.2 South Africa's table grape production season

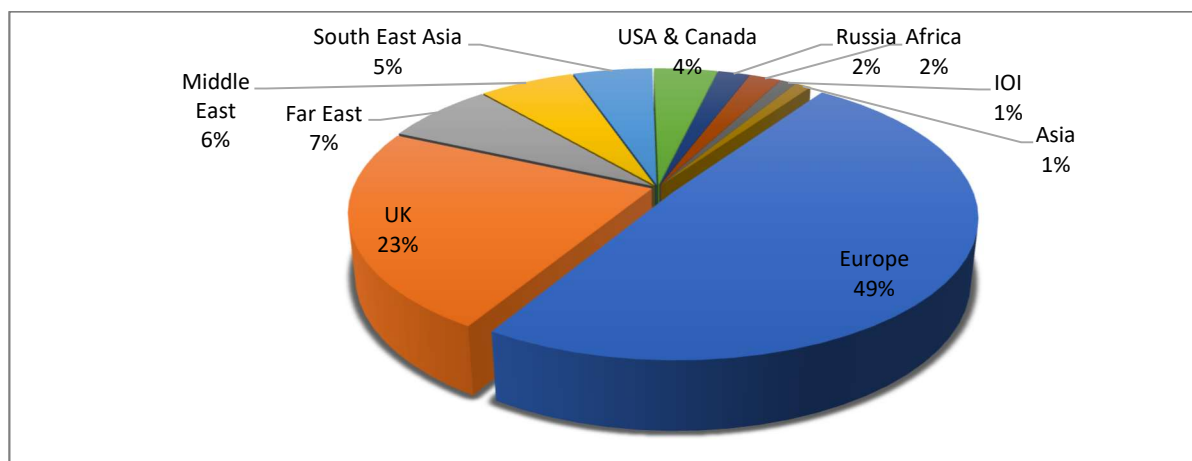
According to the South African Table Grape Industry (SATI), South Africa is the northern hemisphere's oldest and most reliable supplier of table grapes. The majority of South Africa's table grapes are available in many countries within the northern hemisphere, especially during their winter and spring seasons. **Table 1** illustrates table grape production for five seasons, measured in million cartons. Production values for the 2017/18 season are simply estimates. Table grapes passed for export were estimated to be between 58.9 million and 63 million cartons, which is marginally above the five-year average (2012/13 – 2016/17) of about 57.88 million cartons. Orange River and Hex River are expected to have a high number of cartons of table grapes passed for export – about 21.5 to 22.5 million cartons and 17.2 to 18.5 million cartons respectively.

Table 1: Table grape production in 4.5kg carton equivalents (millions)

Region	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18 Est.
Northern provinces	4.2	4.1	4.5	4.7	5.5	6.0 – 6.5
Orange River	16.0	15.1	17.7	18.6	20.5	21.5 – 22.5
Olifants River	2.7	3.1	3.8	3.2	4.0	3.0 – 3.0
Berg River	12.7	11.4	13.1	12.6	15.4	11.2 – 12.5
Hex River	18.3	16.8	20.3	18.8	22.1	17.2 – 18.5
Total	53.9	50.5	59.4	58.0	67.6	58.9 – 63.0

Source: SATI (2018)

Figure 5 highlights the main destinations for South Africa's table grapes in the 2017/18 period. Europe was ranked as South Africa's leading export destination for table grapes, constituting 49%, followed by the UK (23%), Far East (7%), Middle East (6%) and South-East Asia (5%) respectively. It can be noted that South Africa's exports increased by 1% to 2% from the 2016/17 to 2017/18 seasons.

**Figure 5:** Main export destinations for South African table grapes (2017/2018)

Source: FPEF (2018)

Figure 6 shows the volume of table grapes sold on the National Fresh Produce Markets (NFPMs), as well as their market price trends, in January and December (2016 & 2017) and January (2018). The total volume of table grapes sold on the NFPMs between January and December was 20 995 tons (2016) and 19 578 tons (2017), representing a decline of about 1 417 tons. The volumes of grapes sold in 2016 and 2017 reached a peak during the months of February (3 840 tons) and March (3 778 tons). About 2 975 tons were sold in January 2018 at a value of R13 244 per ton.

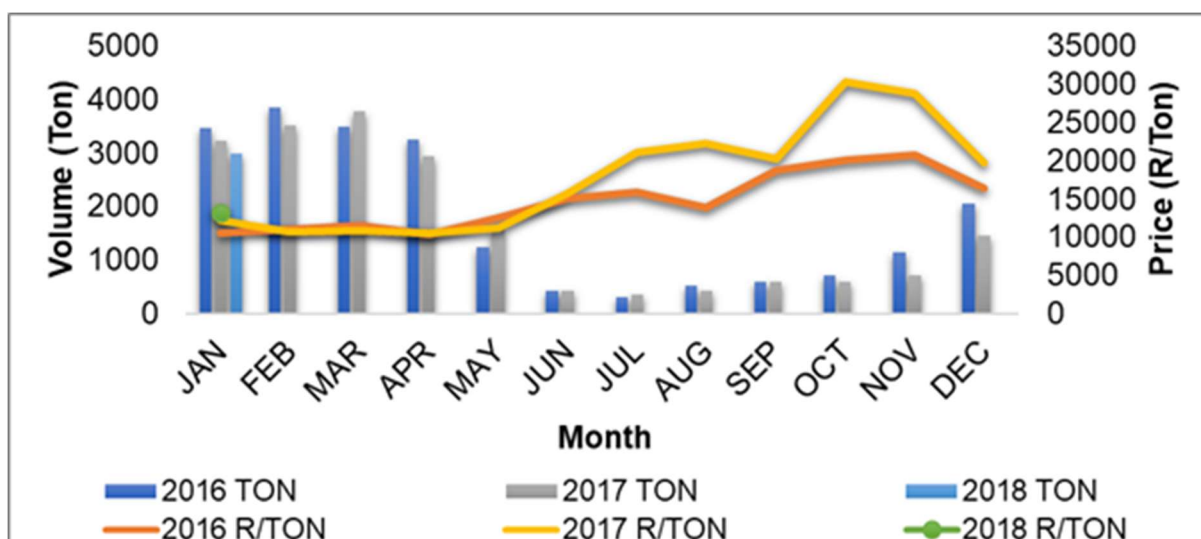


Figure 6: Price and quantity of table grapes sold through the NFPMs (2016 - 2017)
Source: DAFF (2017)

3. Overview of stone fruit production for the 2017/18 season

This section covers the most recent production season of South Africa's stone fruit products, namely apricots, nectarines and peaches. The apricot season has closed, while the peach and nectarine season is due to close at the end of March 2018.

Table 2 highlights the volume of stone fruits passed for export per cultivar, measured in cartons. The information presented in respect of nectarines and peaches goes as far as week 8. With the alarming effects of the drought in South Africa, the apricot industry showed positive production growth until week 8 of the season. Although peaches and nectarines have been recovering from the effects of the drought, production has shown a 1 % decline in comparison with the previous season.

Table 2: Fruit passed for export, by cultivar (cartons)

	Cultivar passed for export	2016/2017	2017/2018 YTD week 6	% Diff vs. 2016/2017
Apricots (1 carton = 4.75 kg)	Imperial	379 276	311 169	-18%
	Faralia	960	5 294	451%
	Farely	331	1 885	470%
Nectarines (1 carton = 2.5 kg)	August Bright	63 176	73 451	16%
	Giant Pearl	42 491	47 592	12%
	Summer Fire	78 227	28 651	-63%
Peaches (1 carton = 2.5 kg)	Snow Princess	18 955	11 704	-38%
	PE01-11	7 390	7 461	1%
	Juliepretty	17 709	5 772	-67%

Source: Hortgro (2018)

Figure 7 illustrates South Africa's export markets for apricots for the 2017/18 season, measured in share (%). The Middle East was the largest export market with a share

volume of 52%, followed by the UK and the rest of Europe with a collective share of 45%. There is a lot to do for South Africa's apricots on the African continent where apricots constituted a 0 % share.

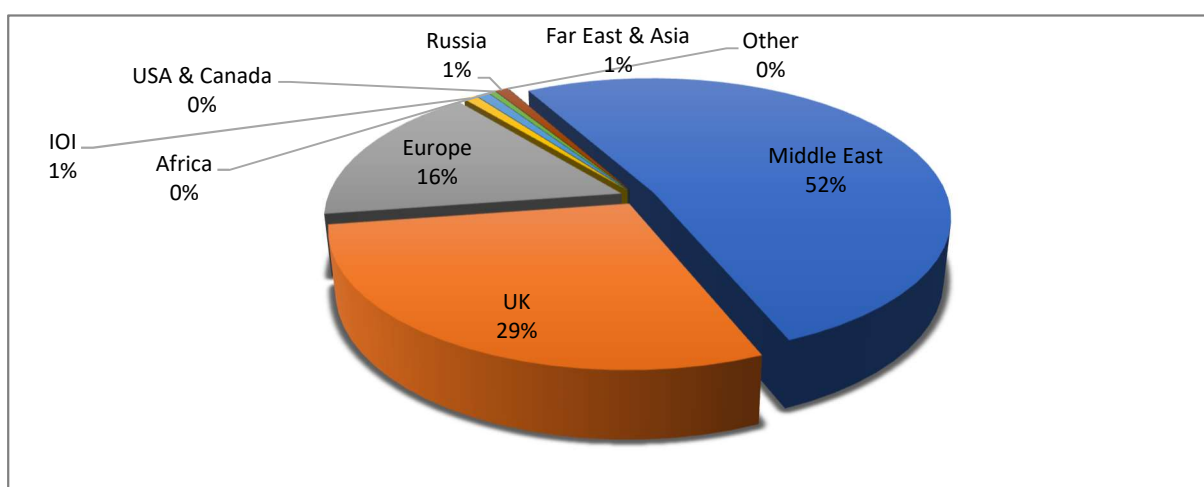


Figure 7: Distribution of export markets for apricots
Source: Hortgro (2017)

Figure 8 presents the different export markets for South Africa's nectarines during the current season. The majority of exports were destined for the UK, constituting a 60 % market share. Europe came after the UK with a market share of 22 %, followed by the Middle East (12%), the Far East & Asia (2%) and Indian Ocean Islands (IOI) (2 %) respectively. The African continent constituted only 1% of the market share.

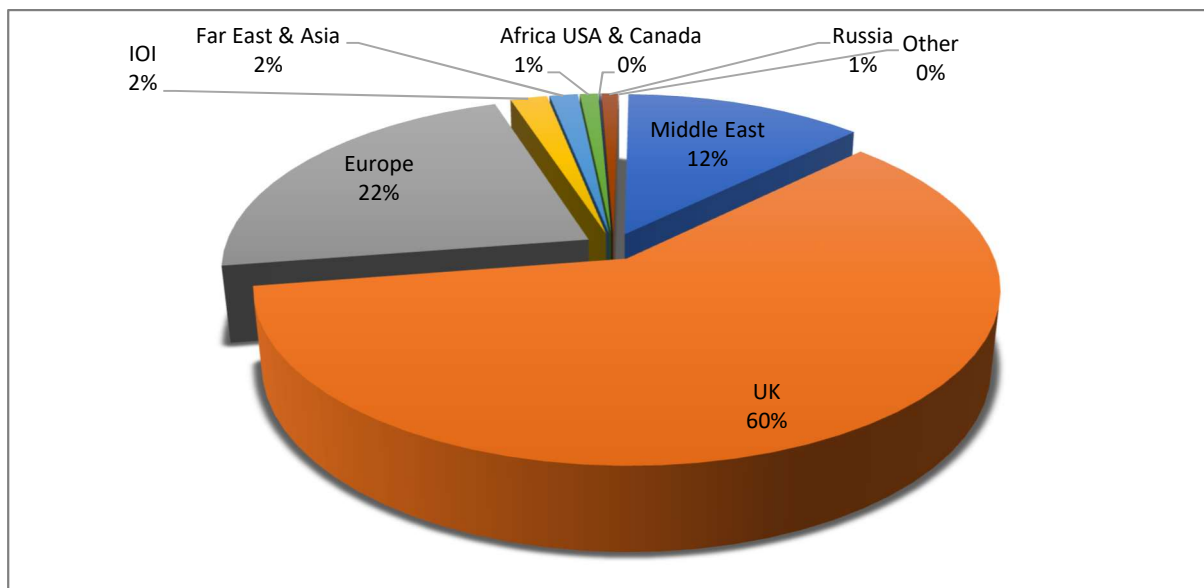


Figure 8: Distribution of export markets for nectarines
Source: Hortgro (2017)

Figure 9 presents the main export markets for South Africa's peaches during the current season. The majority of nectarines were destined for the UK with a market

share of 46 %, followed by the Middle East, Europe, IOI and the Far East & Asia with a collective market share of 52 %.

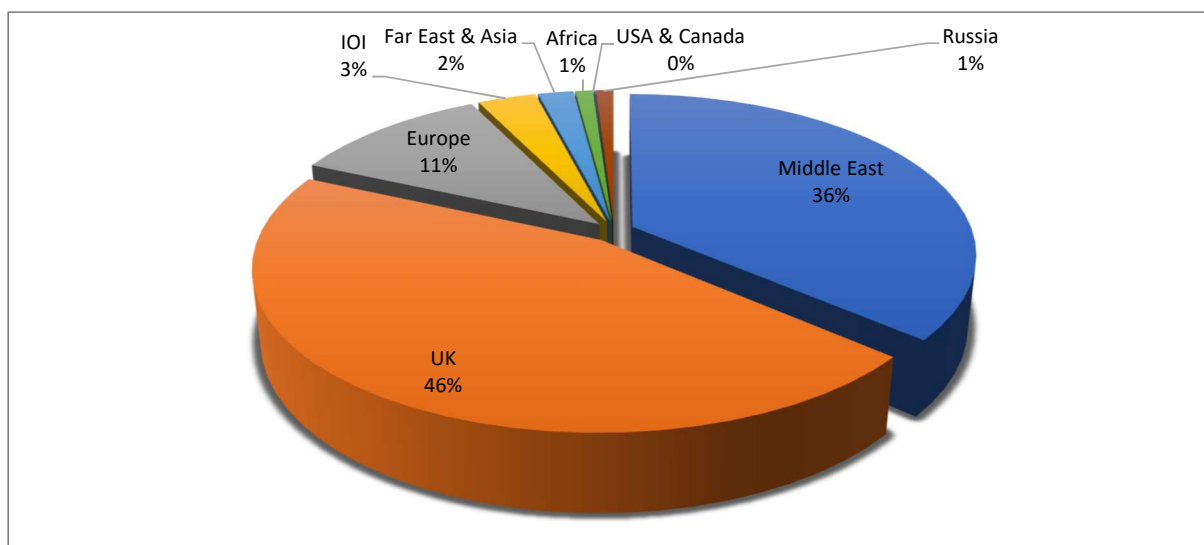


Figure 9: Distribution of export markets for peaches

Source: Hortgro (2017)

Figure 10 highlights the volume and price of apricots sold on the NFMPs between 2016 and 2018 (January). It can be observed that the volume of apricots sold on the local markets was higher in 2016 compared to what was sold during the 2017 season while the reverse is true for price per ton of the fruit. About 1 185 tons and 816 tons were sold on the local markets during the 2016 and 2017 seasons respectively. High volumes of apricots were sold between November and January, and the highest peaks were reached in December 2016 (2017) at a volume of 512 tons (465 tons).

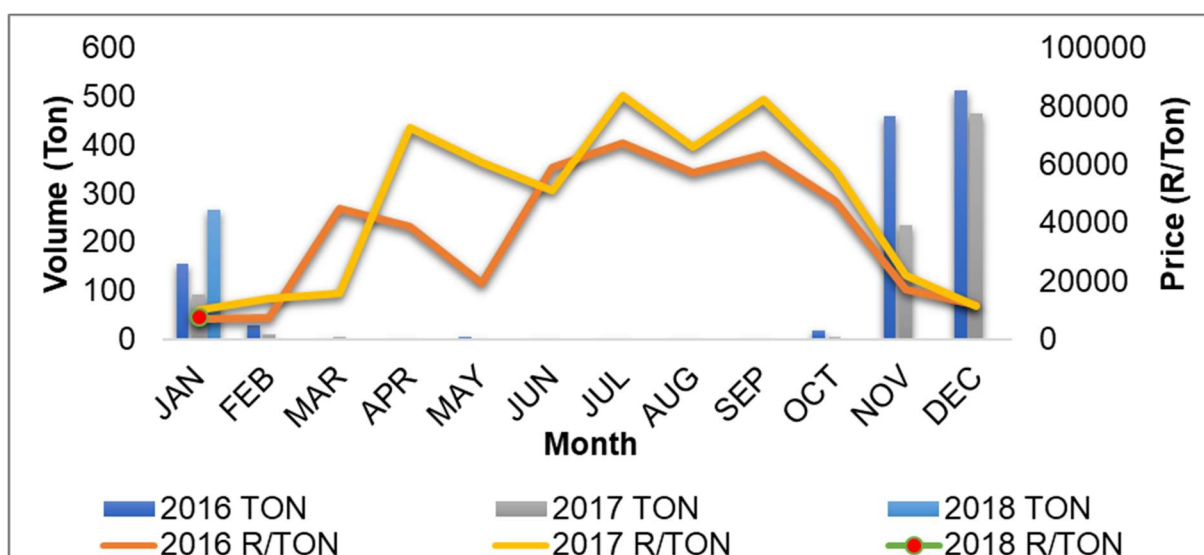


Figure 10: Apricots sold on the NFMPs and their market price trends

Source: DAFF (2017)

Figure 11 shows the volume and the price trends of nectarines sold on the NFPMs during the 2016, 2017 and 2018 (January) seasons. It is important to note that in 2016 the volume of nectarines sold on the local markets was higher compared to what was sold in 2017. About 8 925 tons and 7 758 tons were sold during the 2016 and 2017 seasons respectively, at an average price of R23 691 per ton and R19 522 per ton. In January 2018, about 1 591 tons were sold on the local markets at a value of R14 909 per ton.

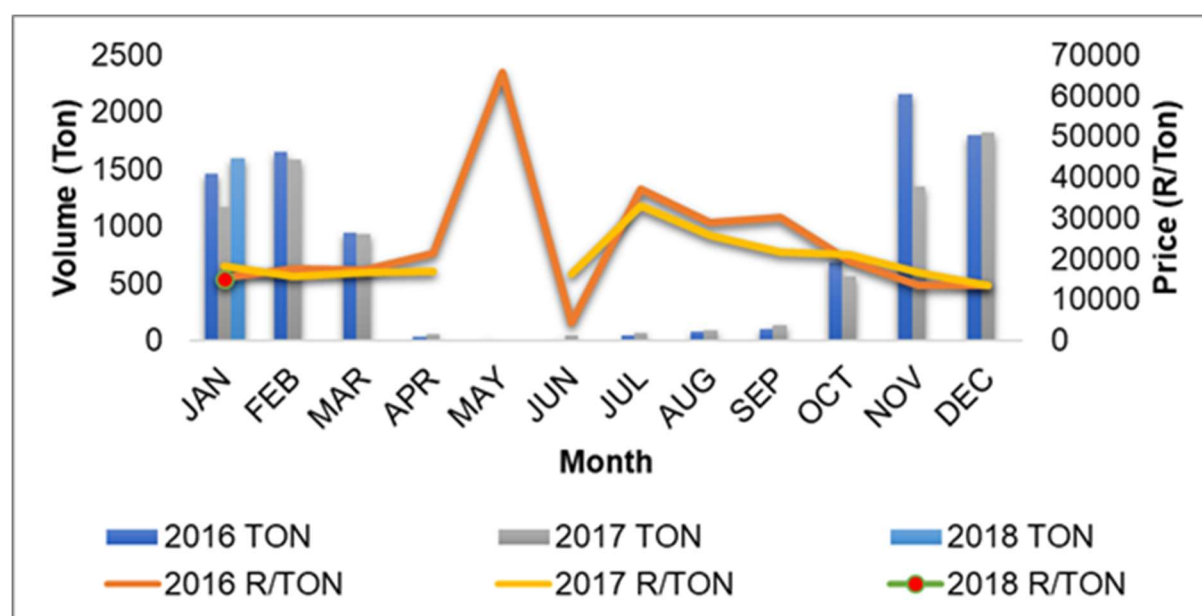


Figure 11: Nectarines sold on the NFPMs and their market price trends

Source: DAFF (2017)

Figure 12 highlights the volume and price trends of South Africa's peaches sold on the NFPMs for 2016, 2017 and 2018 (January). In 2016, about 12 800 tons were sold on the NFPMs, with the highest monthly figure of 2 762 tons being recorded in December. In 2017, 13 394 tons were sold on the local markets, with the highest volume of being 2 991 tons being sold in January. About 3 469 tons were sold in January 2018 – the highest volume as compared to January 2016 and 2017.

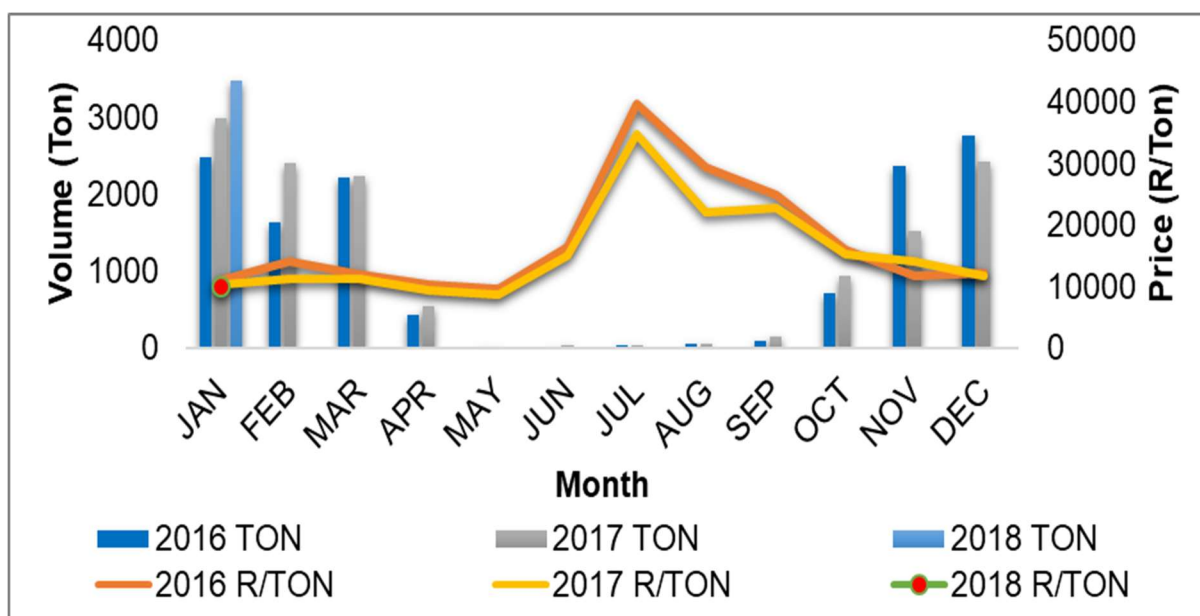


Figure 12: Peaches sold on the NFPMs and the corresponding market price trends
Source: DAFF (2017)

REFERENCES

DAFF (Department of Agriculture, Forestry and Fisheries). 2018. *Local market fruit sales data*. Pretoria: Directorate of Agricultural Statistics.

Hortgro. 2017. *Stone fruit (apricots, nectarines, peaches) production and export data*. Paarl: Information and Market Intelligence Division.

SATI (South African Table Grape Industry). 2018. *Statistical booklet*. Paarl: SATI.

USDA (United State Department of Agriculture). 2018. *Foreign agricultural services*. Table grapes. Approved by the World Agricultural Outlook Board/USDA.

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

<i>Food and Agriculture Organisation (FAO)</i>	<u>www.fao.org/docrep/</u>
<i>Fresh Produce Exporters' Forum (FPEF)</i>	<u>www.fpef.co.za</u>
<i>Hortgro Services</i>	<u>www.hortgro.co.za</u>
<i>National Agricultural Marketing Council (NAMC)</i>	<u>www.namc.co.za</u>
<i>Perishable Products Export Control Board (PPECB)</i>	<u>www.ppecb.com</u>
<i>Quantec</i>	<u>www.quantec.co.za</u>
<i>South African Subtropical Growers' Association (Subtrops)</i>	<u>www.subtrop.co.za</u>
<i>South African Table Grape Industry (SATGI)</i>	<u>www.satgi.co.za</u>

© 2017. Published by National Agricultural Marketing Council (NAMC).

DISCLAIMER

Information contained in this document results from research funded wholly or in part by the NAMC acting in good faith. Opinions, attitudes and points of view expressed herein do not necessarily reflect the official position or policies of the NAMC. The NAMC makes no claims, promises or guarantees about the accuracy, completeness or adequacy of the contents of this document, and expressly disclaims liability for errors and omissions regarding the content thereof. No warranty of any kind, implied, expressed or statutory, including but not limited to the warranties of no infringement of third-party rights, title, merchantability, fitness for a particular purpose or freedom from computer virus, is given with respect to the contents of this document in hard-copy, electronic format or electronic links thereto. References made to any specific product, process or service by trade name, trade mark, manufacturer or another commercial commodity or entity are for information purposes only and do not imply approval, endorsement or favouring by the NAMC.

For Correspondence:

Mr Bonani Nyhodo
+27 (0) 12 341 1115