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:

Global overview of the dry grapes

Global Dried Fruit Trade

South Africa's dried grapes production season 2015/16

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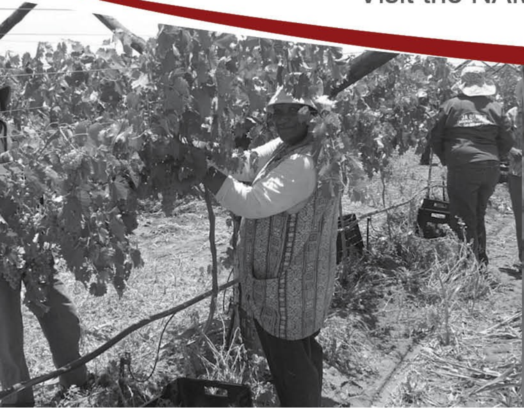

SOUTH AFRICAN FRUIT TRADE FLOW

Issue No. 23: September 2016

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 looks at dried fruits (dry grapes) and sub-tropical fruits (mangoes and avocadoes).*** *The main focus is on an analysis of the current season's performance of these fruits, on both export and domestic markets, compared to the previous season. 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 dried grapes during the 2015/2016 season

2.1 Global overview of the dry grapes or raisins

Fresh grapes are usually processed in to reduce the moisture content by drying, either in the sun or by artificial heat. The dried grapes are thereafter referred to as raisins. **Figure 1** depicts the global production and growth rate of raisins between the 2010/11 and 2015/16 seasons. Global raisin production amounted to 1.14 million metric tons for 2015/16 season, with a decline of 6.4 % from the previous season. The decline in the production of dried grapes for the current season mainly arose from a decline in Turkey's and Uzbekistan's production, which was estimated at 37.5 % and 31.4 % respectively, in comparison with the previous season. The growth rate of raisins fluctuated through the seasons with the highest rate (8.1 %) observed during the 2012/13 season and the lowest rate (6.4 %) in the 2015/16 season. The top three producers of raisins were the United States (USA), Turkey and China, with a collective production amounting to 730 thousand metric tons during the 2015/16 season. <u>South Africa was ranked sixth during the 2015/16 season in raisin production, with a share of 5 %</u>.

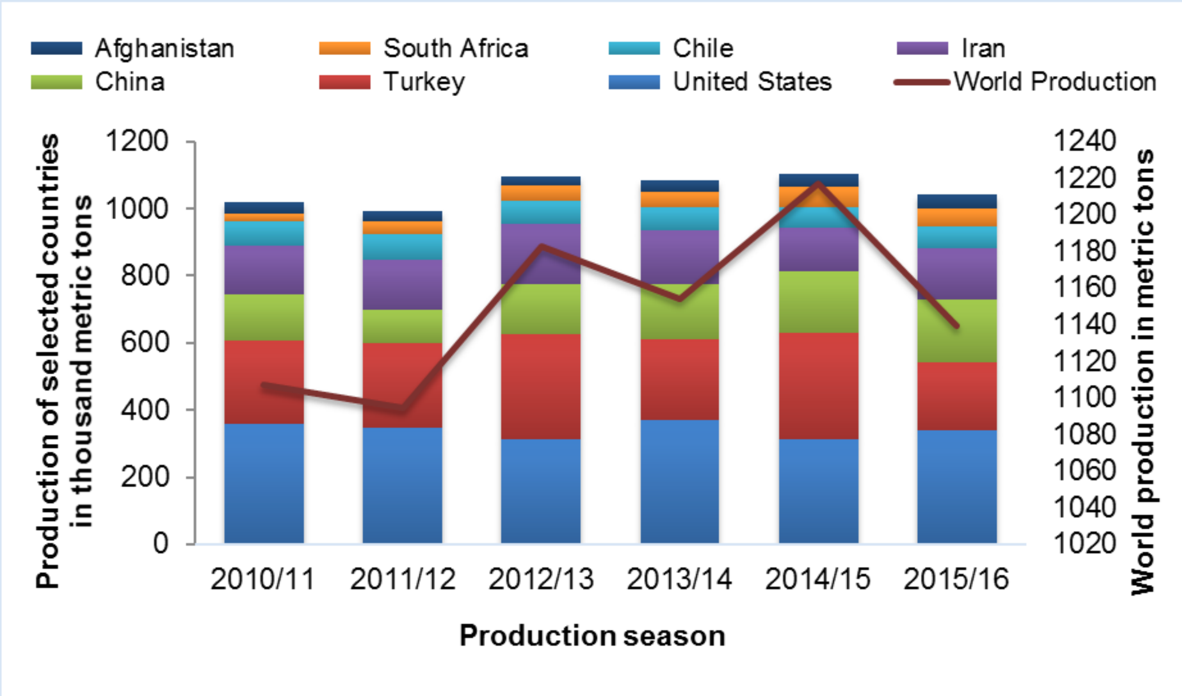

Figure 1: Global dried grapes (Raisin) production
Source: USDA, 2016

2.2 Global Dried Fruit Trade

Figure 2 outlines world exports of dried grapes (raisins) between the 2010/11 and 2015/16 seasons. In total, raisin exports amounted to 708 thousand metric tons from 1.14 million metric tons produced during the 2015/16 season. It needs to be noted that a 4.4 % decline in raisin exports during the 2015/16 season may be attributed to a decline in production during the season. Of total exports, Turkey was largest exporter with a share of 25 %, closely followed by the United States with a share of 23 %, Iran (18 %), Chile (9 %) and South Africa (6 %).

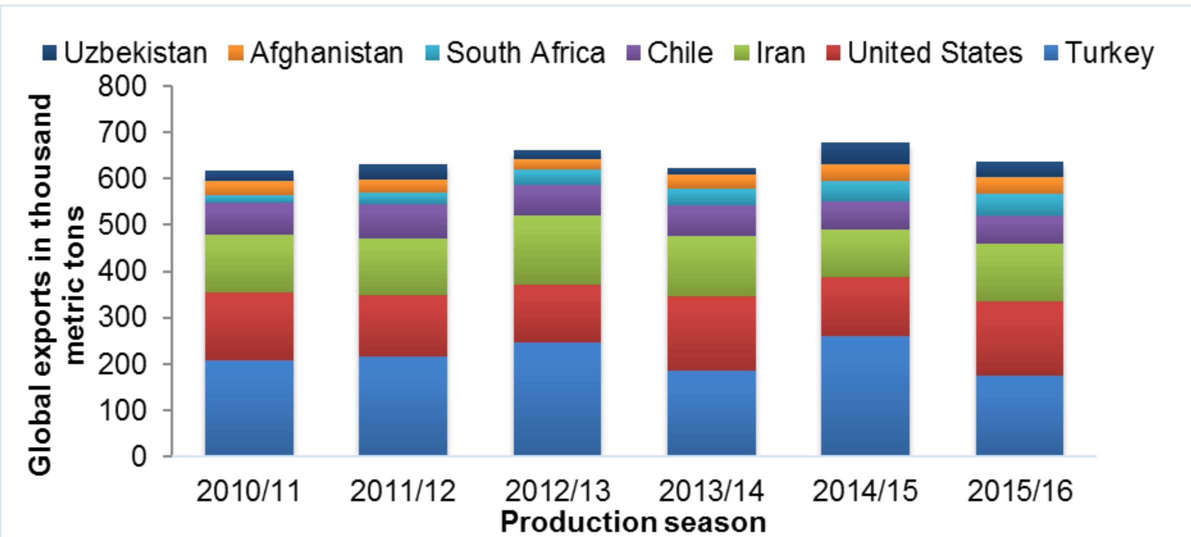

Figure 2: Global dried grape (raisins) exports

Source: USDA, 2016

Figure 3 illustrates world imports of dried grapes (raisins) between the 2010/11 and 2015/16 seasons. Total imports constituted 58 % of global production of raisins for the 2015/16 season. Over the seasons, the European Union (EU) was the largest importer of raisins, commanding about half of global imports for the 2015/16 season. The EU also ranked as the largest consumer of raisins for the current season. Japan was the second largest importer, accounting for a share of 5 %, followed by Canada (4 %) and China (4 %). Each of the following countries: Australia, Brazil, Kazakhstan, Russia, and the United Arab Emirates constituted a share of 3 % of raisin imports during the 2015/16 season.

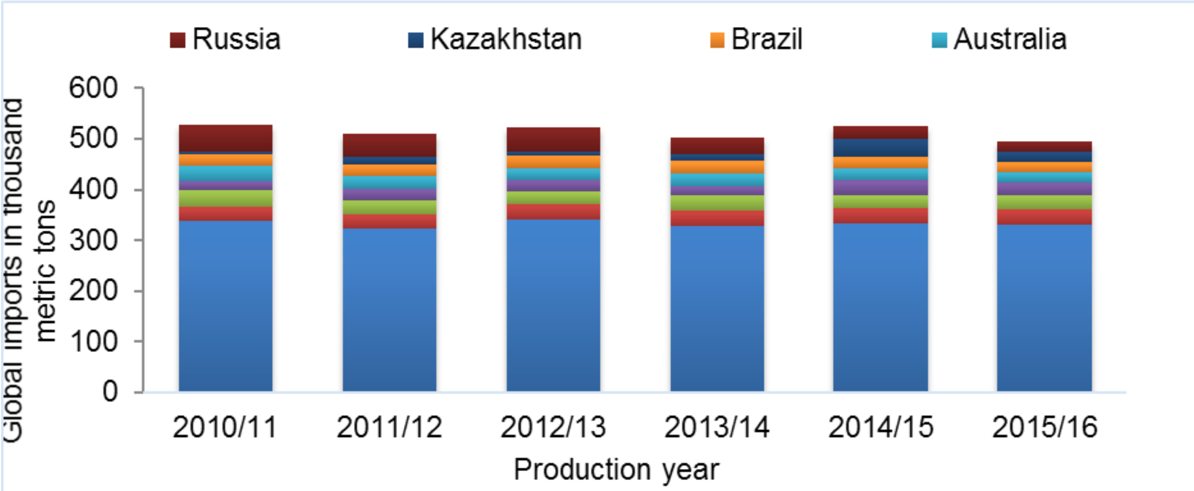

Figure 3: Global imports of dried grapes (raisins)
Source: USDA, 2016

2.3 South Africa's dried grapes production season 2015/16

Hortgro has confirmed the figures for seasons 2008 to 2015, but estimates for the 2016 season have been not been released. **Table 1** presents South Africa's production of raisins for the seasons 2008 to 2015. It is evident that South Africa produces large quantities of raisins, which in 2015 alone amounted to 60.5 thousand tons. It can be noted that raisin production has not been stable over the reviewed period and this may be attributed to the unfavourable climatic conditions that prevailed. Among the various raisin varieties, Thompson's Seedless was the most produced, with a total of 31 thousand tons, followed by guldens (33 %) and sultanas (9 %) for the 2015 season.

Table 1: South African dried grapes production in tons

Variety of raisins	2009	2010	2011	2012	2013	2014	2015
Sultanas	1800	7269	3637	4799	4978	3610	5368
Guldens	12800	17734	7021	15800	17382	12350	20028
Thompson Seedless	15315	23273	15507	14788	30391	27773	31502
Currants	2740	2300	2500	2820	3020	2306	3625
Raisin Muscat	64	52	35	20	18	12	14
Total	**32719**	**50628**	**28700**	**37907**	**55789**	**46051**	**60537**
% change		**55%**	**-43%**	**32%**	**47%**	**-17%**	**31%**

Source: Hortgro, 2016

Figure 4 shows the distribution of raisins for the 2015 season. It was estimated that South Africa exports about 87 % of its raisins to the international market, with an improvement of 76 % in the 2014 season, and the rest is sold on the local market. This is an indication that South Africa's raisins are mainly destined for the export market rather than the domestic market.

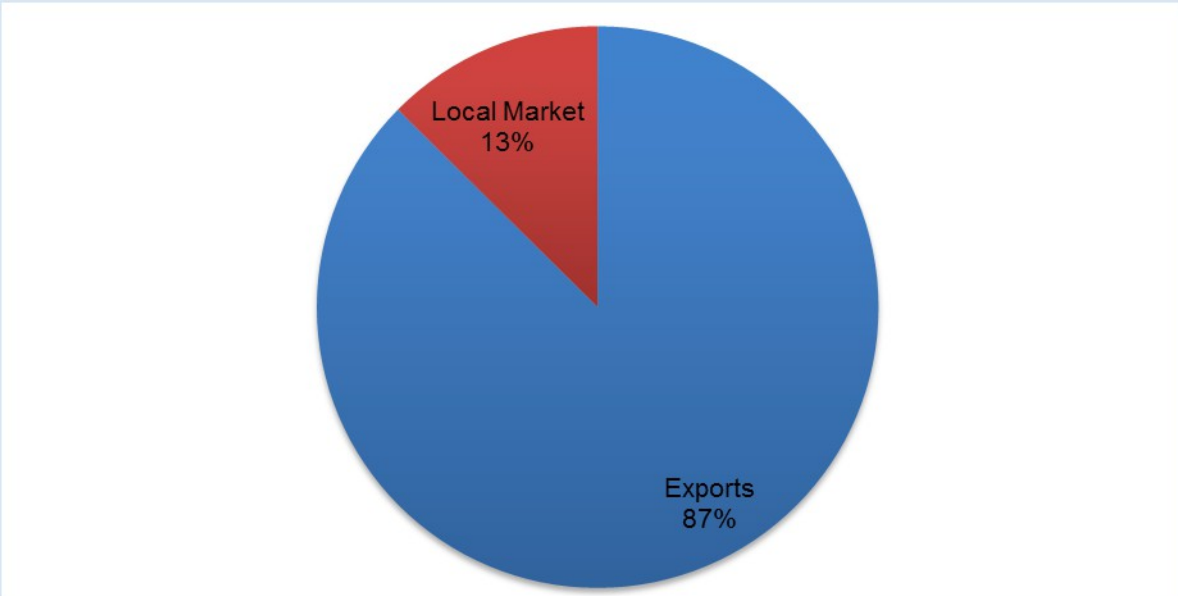

Figure 4: Raisins market distribution in 2015
Source: Hortgro, 2016

Figure 5 provides a detailed analysis of dried fruits exported from South Africa to the world for the 2015 seasons, including their main destinations. The EU and Russia were the largest markets with a collective share of 53 %, followed by the United States of America and Canada with a 19 % share, and Africa with a share of 15 % for the 2015 season.

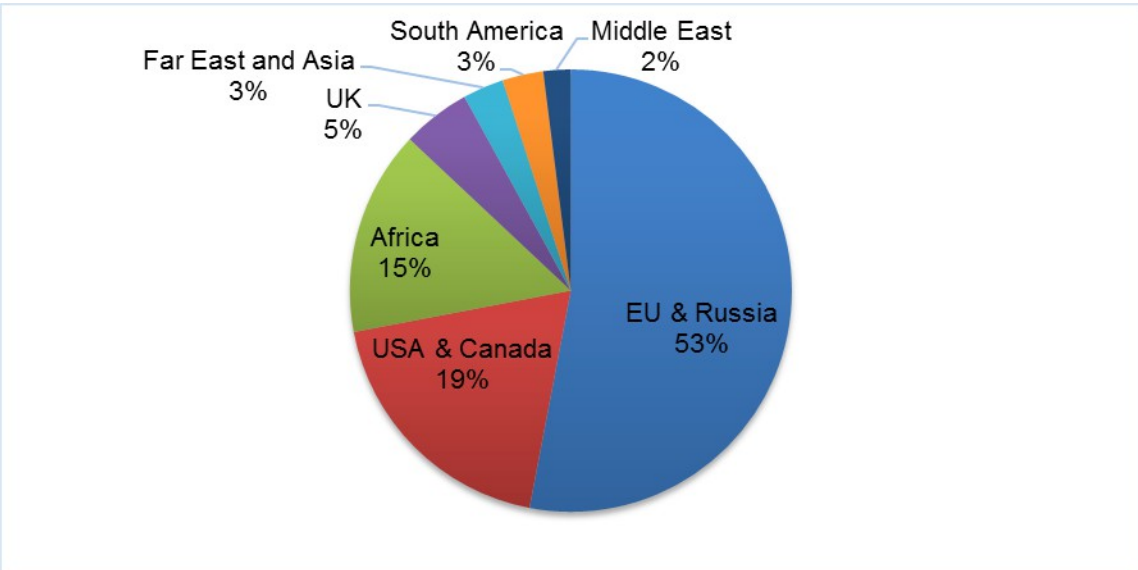

Figure 5: Raisins market distribution in 2015
Source: Hortgro, 2016

3. Overview of subtropical fruits for the 2015/2016 season

The subtropical fruit industry is largely dominated by avocado, mango, and litchi. This report focuses on avocado and mango fruits.

3.1 Preview of Mango fruit production and trade during the 2015/16 season

Figure 6 shows the production and export trend of mangoes over a period of ten years. A total volume of 38 300 tons of mangoes was produced during the 2015/2016 season, representing a 46 % decline from the previous season. Over the past ten years, mango production has been fluctuating due to changing weather condition and outbreaks of disease, with the highest production of 82 700 tons during the 2007/2008 season. A total volume of 2 100 tons of mangoes was exported during the 2015/2016 production season, representing a 15 % decline from the previous season.

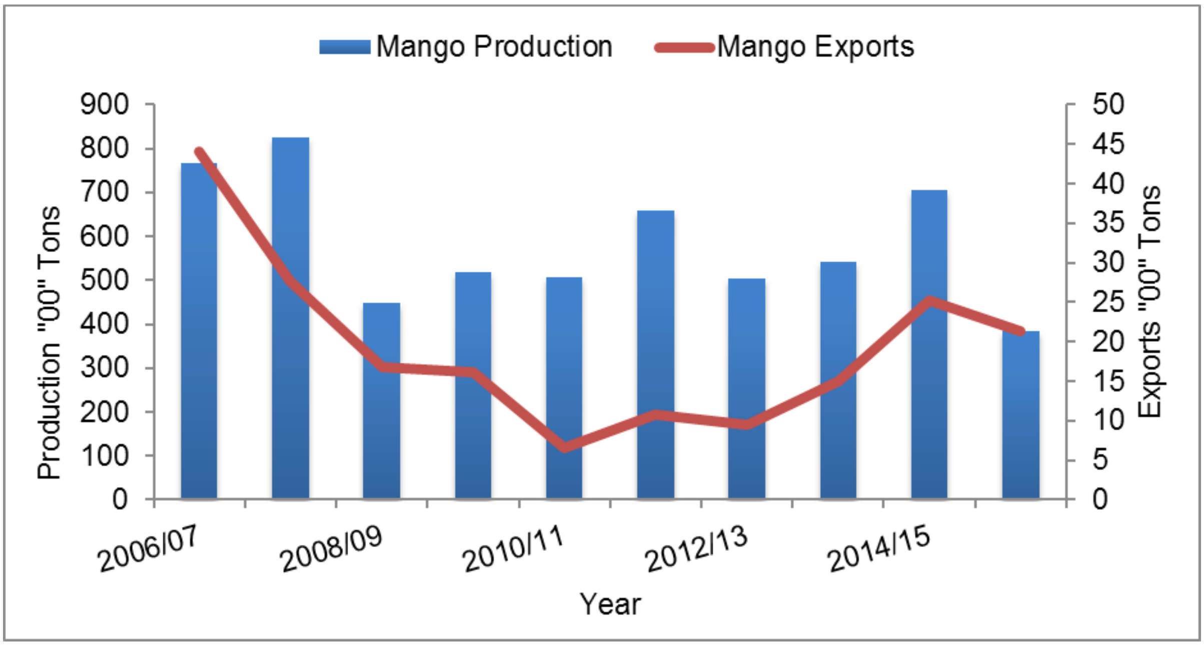

Figure 6: Mango production and export trends
Source: Subtrops (2016)

Figure 7 highlights the distribution channels of mangoes between the 2011/12 and 2015/16 seasons. Throughout the period reviewed, South Africa's mangoes were predominantly processed into juice, achar and dried fruit. During the 2015/16 season alone, processing constituted 58 % (22 300 tons) of the mangoes produced. The rest of the mangoes were either sold in the local market (36 %) or exported (6 %). Notably, the share of mango exports has been expanding, with a notable instability in sales on the local market.

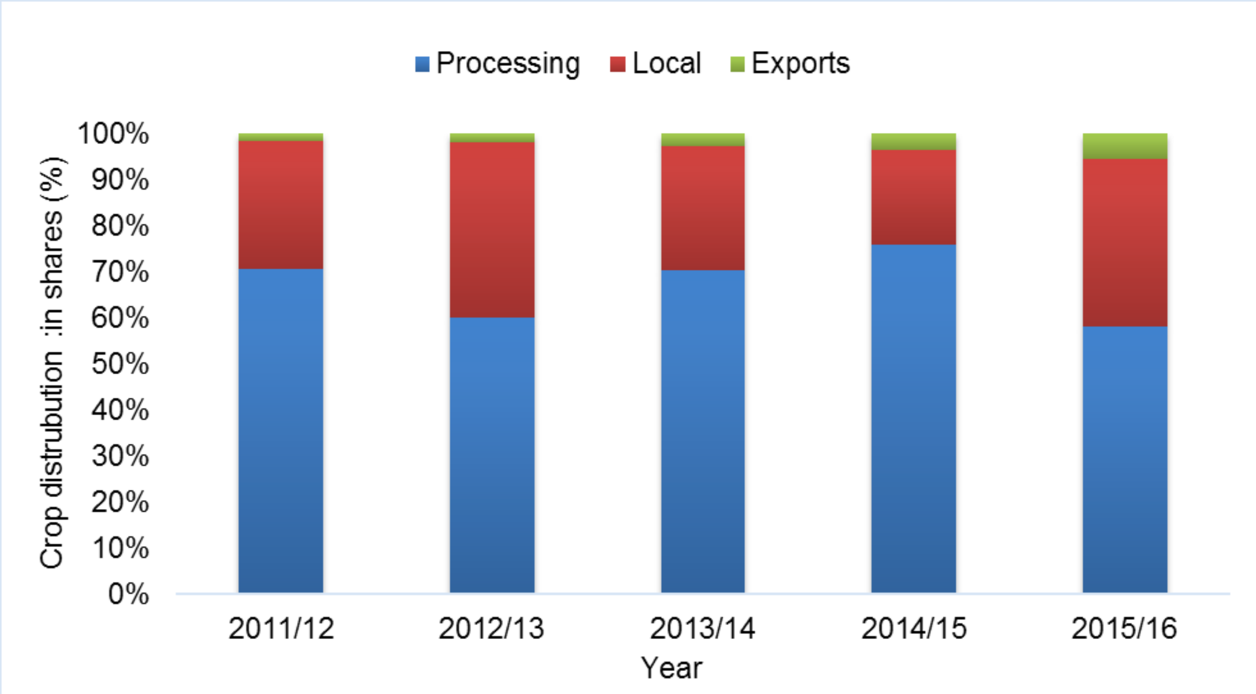

Figure 7: Annual mango crop distribution
Source: Subtrops (2016)

Figure 8 indicates the market destinations for South Africa's mango exports during the 2015/2016 production season. Of the 2 100 tons of mangoes exported to the global market, 42 % was exported to Africa, followed by the Europe with a 32 % share and the United Kingdom with a 13 % share of the total exports.

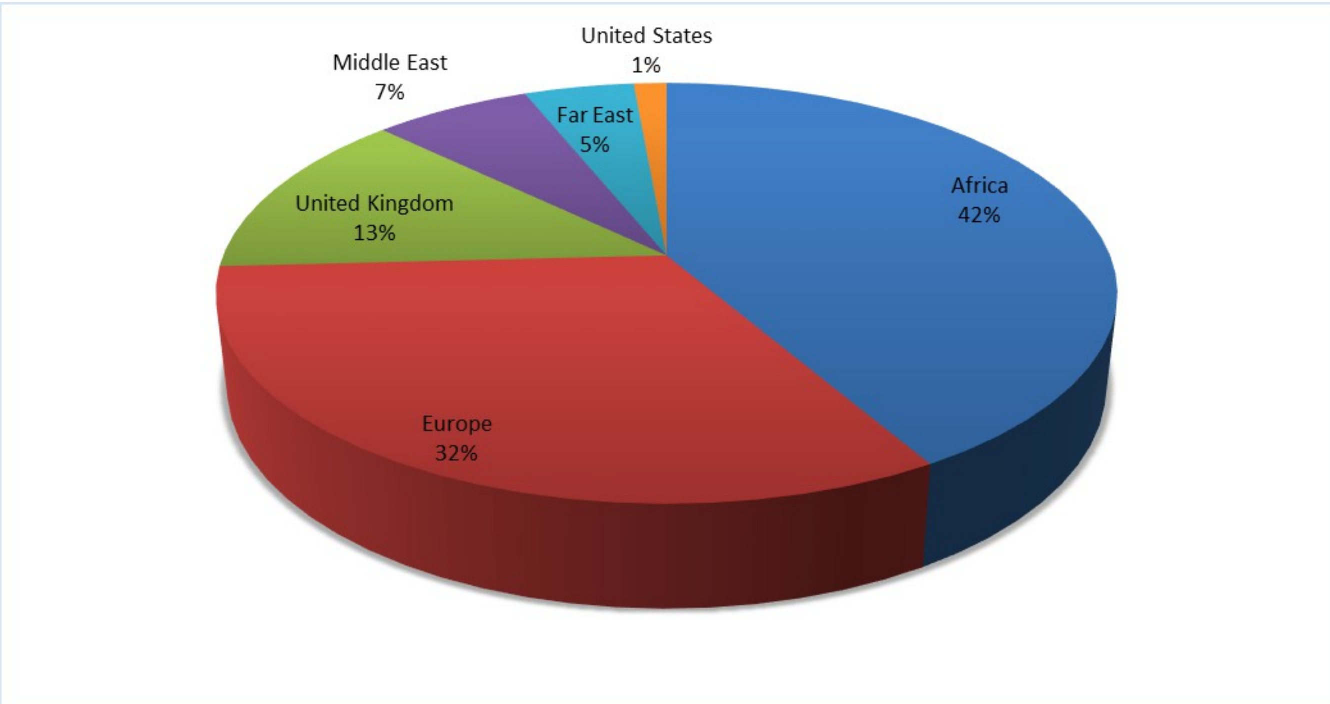

Figure 8: South Africa's main export destinations for mangoes during the 2015/16 season
Source: Subtrops (2016) and Trademap, 2016

Figure 9 highlights South Africa's mangoes sold in the national fresh produce markets (NFPMs) and the associated price trends for 2015 and 2016. In 2015, about 16 457 tons were sold in the NFPMs, with a peak in January of 4 905 tons, whereas in 2016 (Jan–Jul), 15 927 tons were sold but with a lesser supply compared to the previous season. However, the average price for 2015 was R55 632 per ton, as compared to R70 312 in 2016. December was the second month in 2015 with a high quantity sold (3 661 tons). It is important to note that the amount sold in 2015 was higher than what was sold in 2016 (Jan–Jul). In 2015, mangoes were cheaper than in the current season probably be due to the effects of drought.

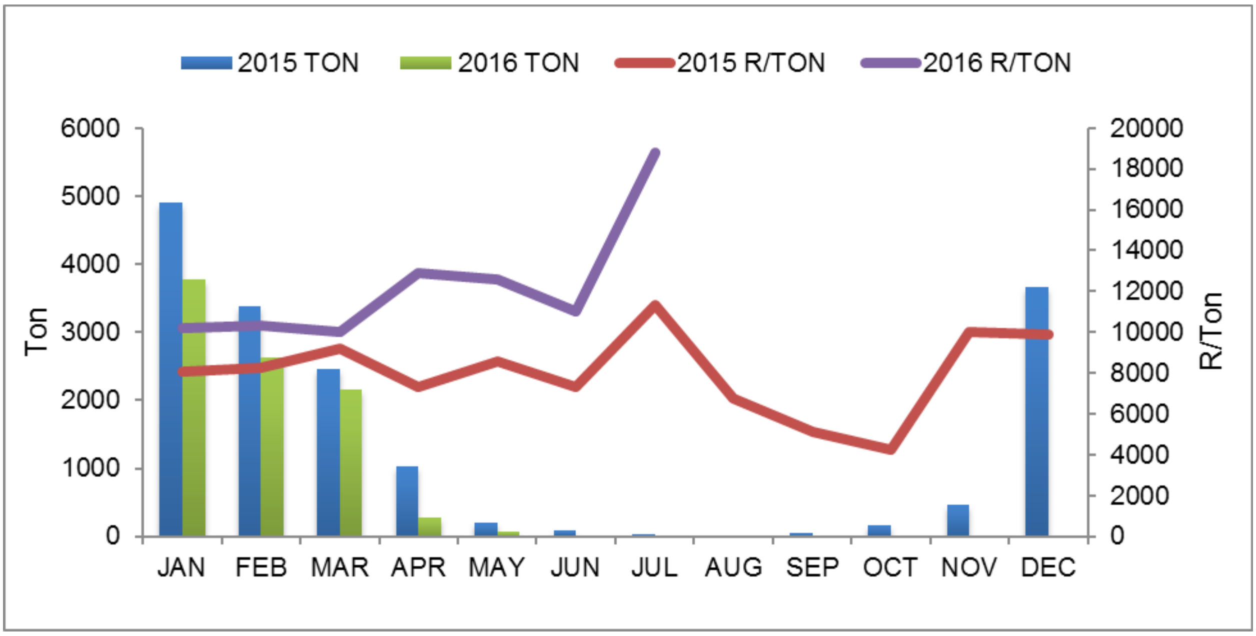

Figure 9: Domestic market sales of mango between 2015 and 2016.
Source: Subtrops (2016)

3.2 Preview of avocado production and trade during the 2015/16 season

Although South Africa is not a major producer of avocadoes in the world, she still produces large quantities of the fruit (Subtrops, 2016). The country's avocado production season commences in March and runs until October. Figure 10 shows the production trends for avocadoes over the past ten years. The production was not stable during the period under review, with a significant increase of 23 % in 2015 compared to the 2006 season. In the 2015 season, South Africa produced a total of 87 thousand tons, with decline in growth rate of 15 % in comparison with the previous season.

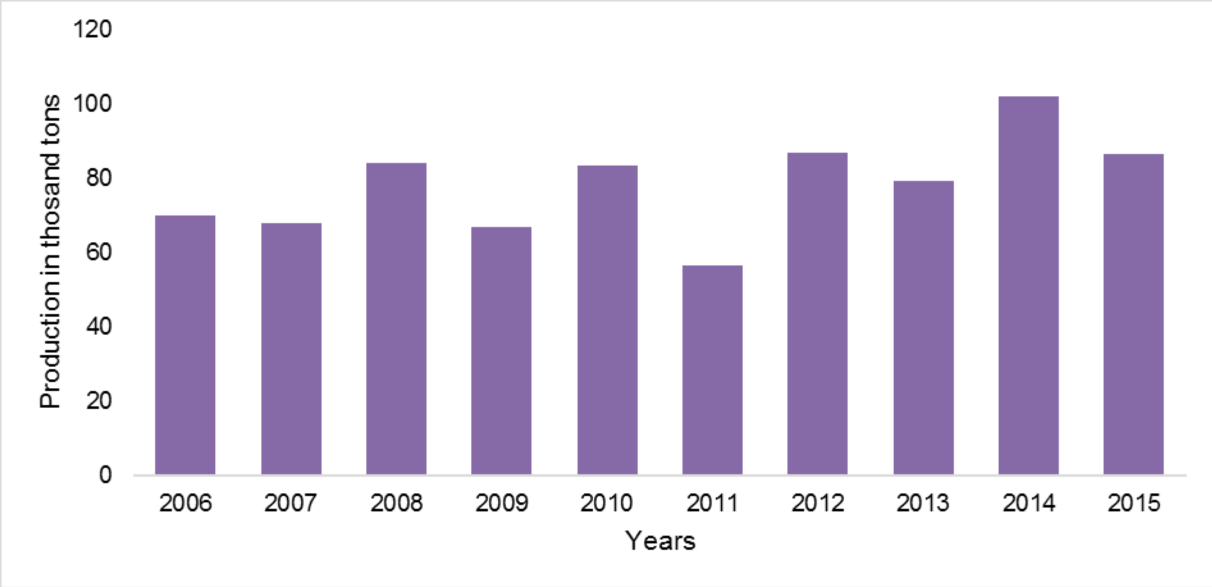

Figure 10: South Africa's avocado production and export trends
Source: Subtrops (2016)

Figure 11 highlights the distribution channels of avocado production over the past ten years. South Africa's avocado industry is predominantly export oriented with an average share of 57 %. During the 2015 production season, 25 112 tons of avocadoes were sold in local market, representing a decline of about 3 479 tons from 2014. Over the past decade, avocado sales in the domestic market have been fluctuating and reached a minimum volume of 18 349 tons during the 2011 season.

Figure 11: Avocado distribution channels, 2006 - 2015
Source: Subtrops (2016)

Figure 12 presents the total of South Africa's avocado fruit inspected and passed for exports from week 8 to week 46, for the 2015 and 2016 seasons. A higher export quantity (791 thousand cartons) was achieved in 2016 while 673 thousand cartons were exported in the 2015 season. The current avocado season is performing well as compared to the previous season of 2015. The quantity that inspected and passed for export for 2016 was higher throughout the year as compared to the 2015 quantity that inspected and passed export. The estimated export quantity shows a decline, probably due to the ending of the production season.

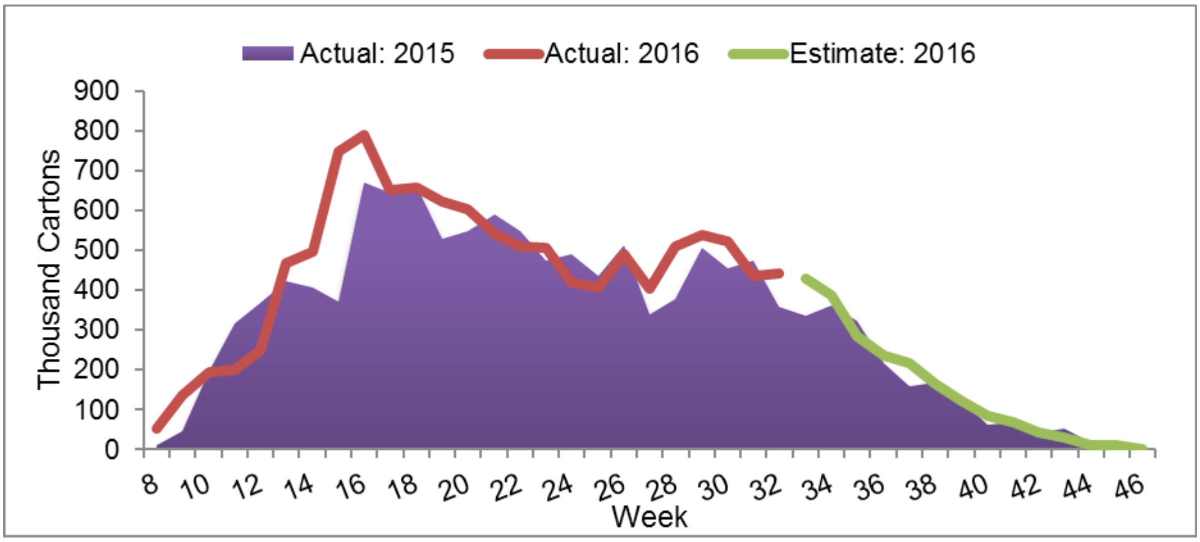

Figure 12: Weekly avocado volume passed export, 2015 and 2016
Source: Subtrops (2016)

Figure 13 indicates the market destinations for South Africa's avocado exports during the 2015 production season. Of the 50.2 million tons of avocadoes exported, a 22 % share went to the United Kingdom (UK), followed by France with a 18 % share. A 60 % share of South Africa's avocado exports are destined for other foreign markets including African countries and other member states of the European Union.

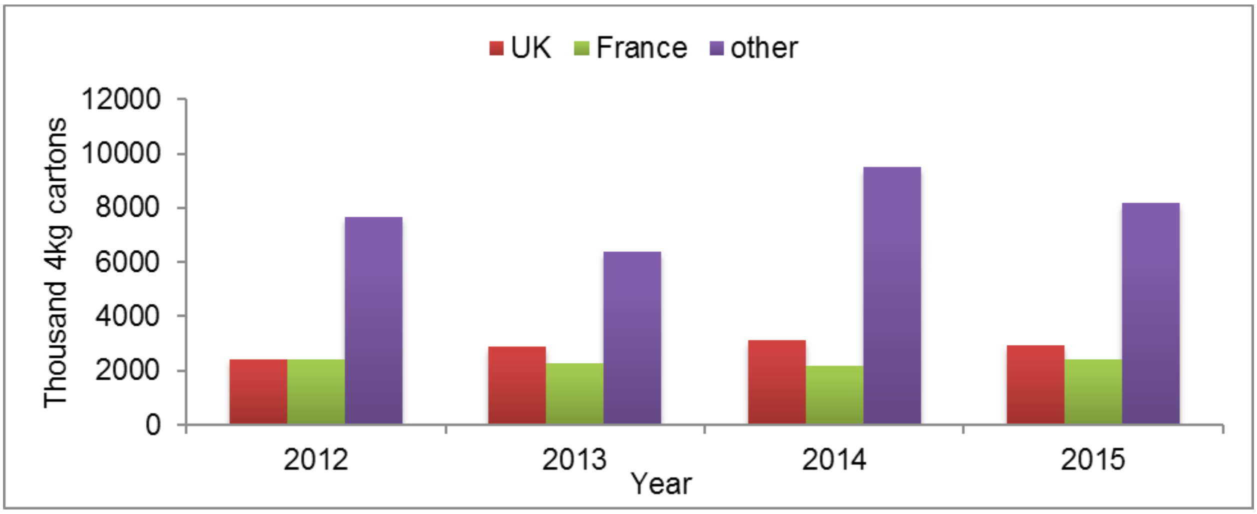

Figure 13: South Africa's main export destinations for avocado
Source: Subtrops (2016)

Figure 14 highlights domestic consumption of avocadoes and the price trends for 2015 and 2016 (from January until July 2016). In 2015, South Africa sold 27 472 tons of avocadoes at a mean monthly price of R8 239 per ton. The domestic avocado prices received in Jan–Jul 2016 showed a significant increase in comparison to the prices recorded in Jan–Jul 2015. In July 2016, the price of avocadoes was registered at R8 819 per ton, compared to R7 585 per ton in July 2015. The domestic consumption of avocadoes has been fluctuating, and the quantity sold in local markets for 2015 (from January to June) was 132 tons higher than the quantity sold in 2016 (from January to June).

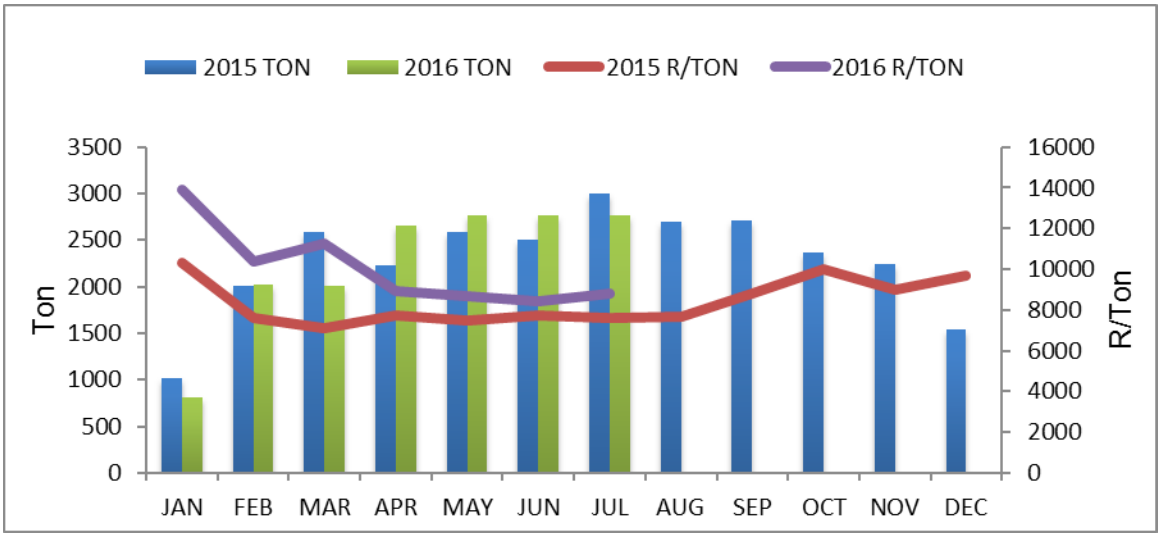

Figure 14: Monthly domestic market sales of avocados between 2015 and 2016
Source: Subtrops (2016)

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Hortgro. 2016. *dried grapes production and export data*. Information and Market Intelligence Division, Paarl.

Subtrops. 2016. *Subtropical production and export data*. Information and Market Intelligence Division. Tzaneen:

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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