Markets and Economic Research Centre

SA Fruit Trade Flow

ISSUE 31/September 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 Sifiso Ntombela at Sifiso@namc.co.za

Visit the NAMC Website: www.namc.co.za

National Agricultural Marketing Council
Promoting market access for South African agriculture

SOUTH AFRICAN FRUIT TRADE FLOW

Issue No. 31: September 2018

Compiled by Lucius Phaleng and Onele Tshitiza

Contents

1. Background

South Africa's different 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 citrus fruit (grapefruit and lemons), pome fruit (apples and pears) and subtropical fruit (avocados). 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 the worldwide output and exports).

2. Overview of citrus fruit for the 2013/14 - 2017/18 period

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 grapefruit and lemon production seasons. The next sections provide a detailed performance analysis of the products as mentioned above from a global and national perspective.

2.1 Global citrus production

The global output of grapefruit in 2017/18 went up to 6.6 million tons while lemon production recorded 7.7 million tons. **Figure 1** highlights the global production of grapefruit and lemons between the 2012/13 and 2017/18 seasons. The output of both grapefruit and lemon increased as compared to the previous season, with grapefruit having increased by 1% and lemons by 0.7%. China has been ranked as the world's largest producer of grapefruit with a share of 72.4%, followed by the United States (US) (7.1%), Mexico (6.6%), South Africa (5.6%) and Turkey (4.0%). On the other hand, Mexico is ranked as the world's largest producer of lemons with a share of 33.6%, followed by Mexico (20.2%), the European Union (EU) (19.3%), US (10.3%), and Turkey (8.8%). South Africa has been ranked sixth among the world's leading producers of lemons, constituting a 6.0% share of total production.

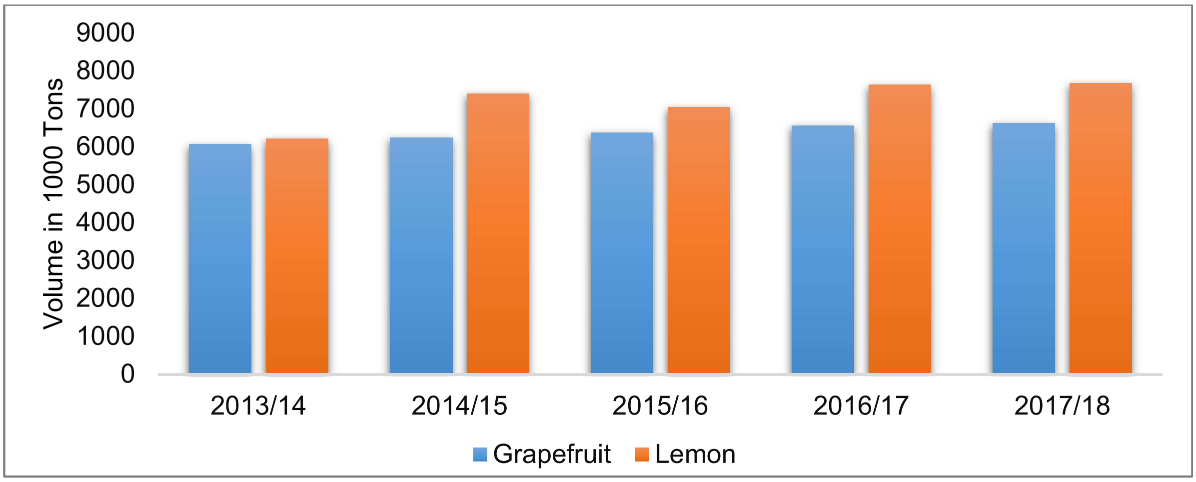

Figure 1: Global production of selected citrus fruits
Source: USDA (2018)

2.2 Global citrus fruit trade

Global imports of grapefruit and lemons increased by 54 000 tons and 55 000 tons respectively in the 2017/18 season as compared to the 2016/17 season. **Figure 2** highlights the import trends of grapefruit and lemons over the past five years, measured in thousand tons. The global imports of grapefruit and lemons in the 2017/2018 were estimated at 718 thousand and 1 956 thousand tons respectively. The EU has been ranked as the leading global importer of grapefruit, constituting about 350 000 tons, followed by Russia (130 000 tons), Japan (75 000 tons), China (44 000 tons), Canada (33 000 tons) and Ukraine (25 000 tons). Approximately 10.7 million tons of lemons were imported during the 2017/18 season, and about 715 000 tons were imported by the US, followed by the EU (520 000 tons), Russia (230 000 tons), Saudi Arabia (140 000 tons) and Canada (100 000 tons) respectively. South Africa has been ranked as the 10th global leading importer of grapefruit.

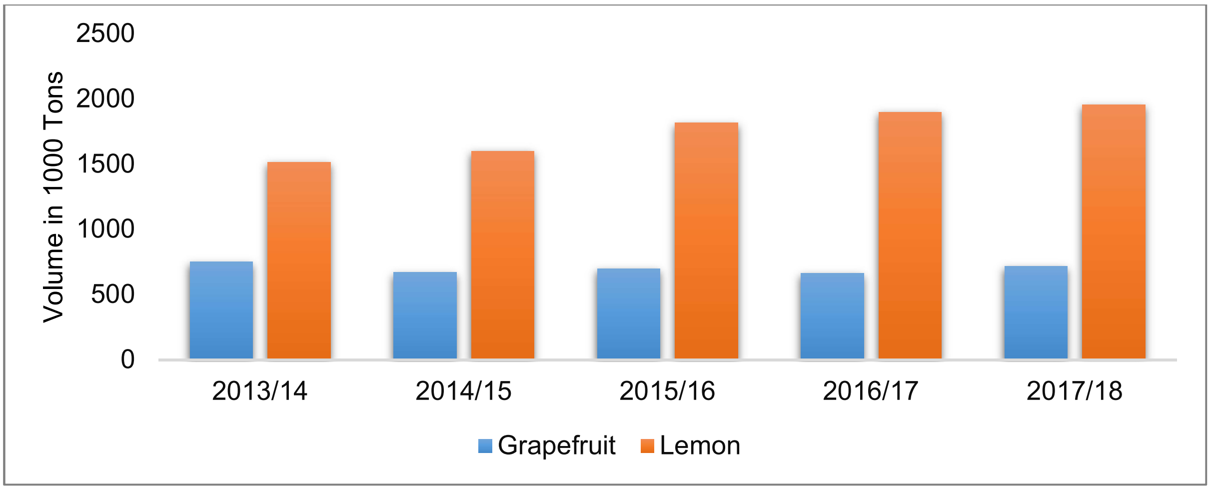

Figure 2: Global import trends of grapefruit and lemons
Source: USDA (2018)

The global exported volumes of grapefruit and lemons increased by 7.1% and 4.4% respectively as compared to the previous season. **Figure 3** highlights the global exports of grapefruit and lemons over time, measured in thousand tons. About 812 thousand tons of grapefruit were exported in the 2017/18 season, and South Africa has been ranked as the leading global exporter of grapefruit with a share of 29.6%, followed by China (24.6%), Turkey (23.4%), Israel (7.8%) and US (7.1%). On the other hand, around 2.1 million tons of lemons were exported in the 2017/18 season and Mexico was ranked as the leading global exporter with a share of 36.0%, followed by Turkey (25.0%), South Africa (15.8%), Argentina (13.0%), and US (4.9%).

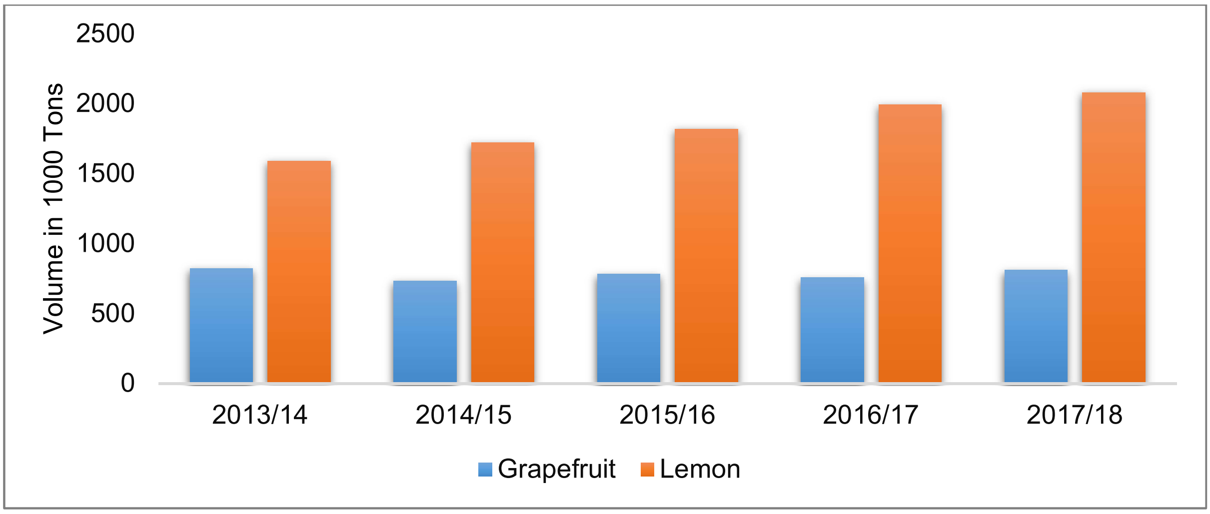

Figure 3: Global export trends of grapefruit and lemons
Source: USDA (2018)

2.3 Overview of South Africa's citrus industry, 2017 season

Figure 4 depicts South Africa's production trends of grapefruit and lemons between the 2012/13 and 2017/2018 seasons. South Africa's total production of grapefruit and lemons was 288 thousand tons and 430 thousand tons respectively. The production of grapefruit declined by about 8% in the 2017/2018 season while the production of lemons increased by about 38% compared to the 2016/2017 season. The increase in the production of lemons may be attributable to an increase in area planted and favourable weather conditions in the main producing regions. Meanwhile, the decrease in the production of grapefruit was due to the drought conditions in the Western Cape (USDA, 2018).

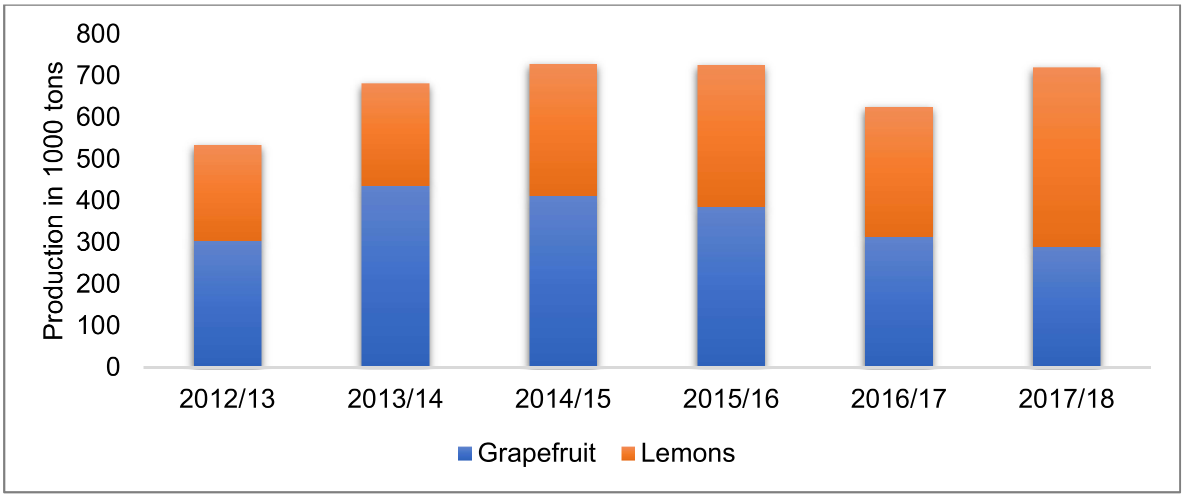

Figure 4: South Africa's production of grapefruit and lemons
Source: CGA (2018)

Table 1 highlights the grapefruit and lemons inspected and passed for export in 2017 and 2018. It has been reported that the 2017 estimate for grapefruit was 15.7 million cartons (1 carton = 15kg) and about 15.6 million cartons were actually achieved in

2017. For the grapefruit, the 2017 estimates and actual figures declined by 0.5%. The 2018 forecast for grapefruit is 16.8 million cartons. The 2017 lemon estimates and actual volumes passed for export showed an increase of 8.5%, and the 2018 estimate is 20.6 million cartons.

Table 1: South Africa's citrus fruit inspected and passed for export

Types	2017 Estimate	2017 Actual	% Difference (Actual vs Est.)	2018 Estimate
Grapefruit	15 669 997	15 567 199	-0.5%	16 824 847
Lemons	17 530 714	19 021 177	8.5%	20 554 000
Total	33 200 711	34 588 376	8%	37 378 847

Source: CGA (2018)

In the 2017/18 season, South Africa is estimated to have exported about 69% of its grapefruit to other countries. **Figure 5** highlights the main destinations for grapefruit exported by South Africa in the 2017/2018 season. The figure shows that Europe absorbed the largest share of 40% in South Africa's exports. The Asian market was ranked as the second largest importer of grapefruit with a share of 25%, followed by South East Asia (13%), the Russian Federation (10%) and the United Kingdom (UK) (5%). The share for Europe declined by 2% in the 2017/2018 season compared to the previous season, and the share for Asia increased by 2% in the 2017/18 season compared to the previous season.

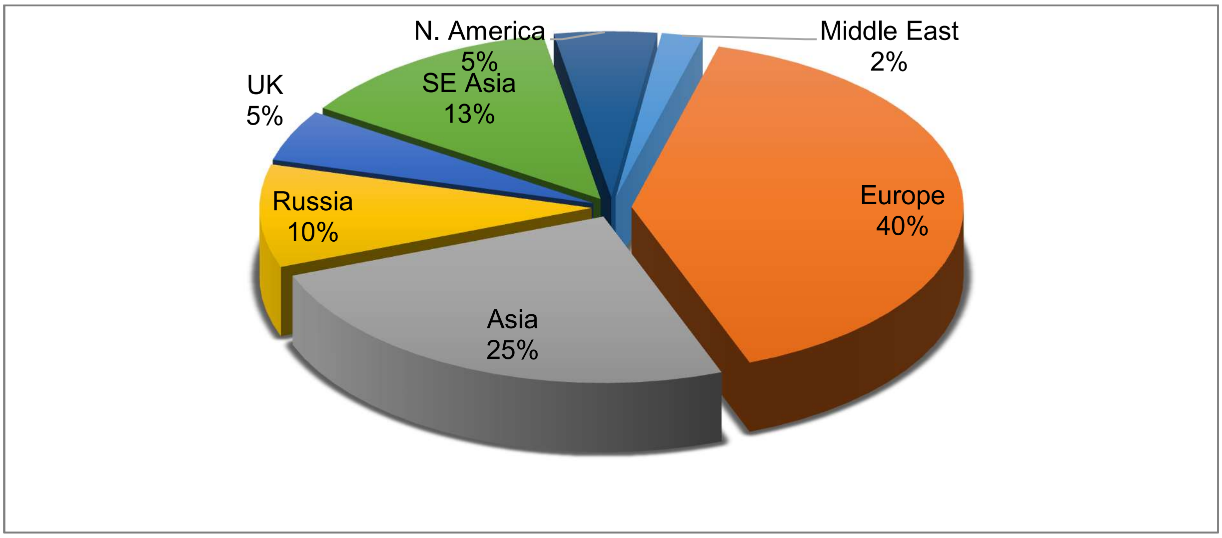

Figure 5: South Africa's main destinations for grapefruit
Source: CGA (2018)

South Africa is estimated to have exported 66% of its total lemon produced in the 2017/2018 season, which is 4% lower than the previous season. However, the exported volumes increased relative to the previous season because of higher production. **Figure 6** shows the main destinations for lemons exported by South Africa.

The Middle East remains the top importer of lemons from South Africa, with a market share of 39% in the 2017/2018 season. Europe followed as the second largest importer of lemons exported by South Africa, represented by a share of 23%, while South East Asia was third with a share of 13%. The UK and the Russian Federation had a share of 9% and 7%, respectively for the same season.

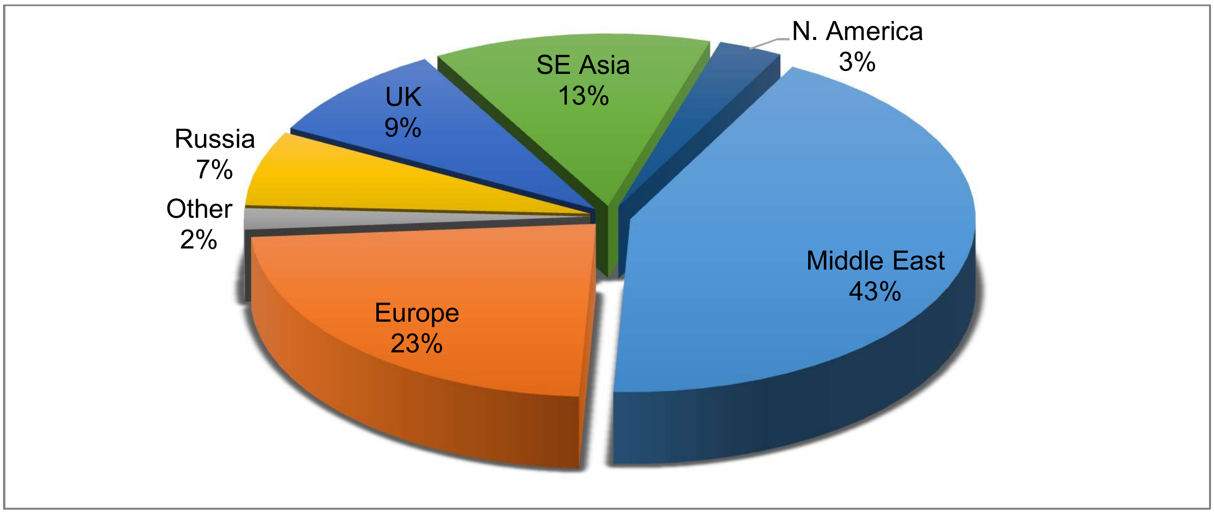

Figure 6: South Africa's main destination for lemons
Source: CGA (2018)

Figure 7 below represents the quantities and price trends of grapefruit sold in the National Fresh Produce Markets (NFPMs) between 2017 and 2018. According to the DAFF, about 2 744 tons have been supplied to NFPMs in the 2018 season thus far, compared to 8 352 tons in total supplied in 2017. The figure shows that the supply in 2018 is lower than the supply in 2017 over the same months. The supply has therefore declined in 2018, and the difference might be attributed to the 8% decline in production and a 7% increase in exports in 2018. Grapefruit showed the highest price of R11 259 per ton in January 2018, but was lower than that in January 2017 at R17 226 per ton. The higher price is due to the lower supply from October to February.

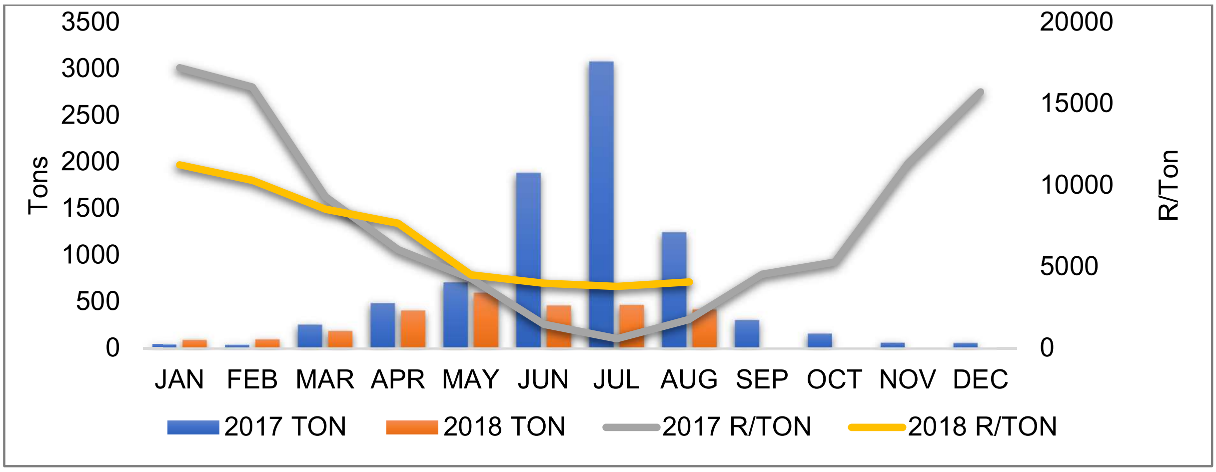

Figure 7: Grapefruit sold in the local market, 2017 - 2018
source: DAFF (2018)

Figure 8 shows the quantities and price movements of lemons and limes in the NFPMs between 2017 and 2018 (Jan-Aug). The quantity of lemons supplied in 2017 was 16 541 tons compared to 11 145 tons in the 2018 season. The price for lemons in the 2018 season was lower than in the 2017 season between March and August. The lowest price for the 2018 season was in June 2018 at a cost of R4 258 per ton.

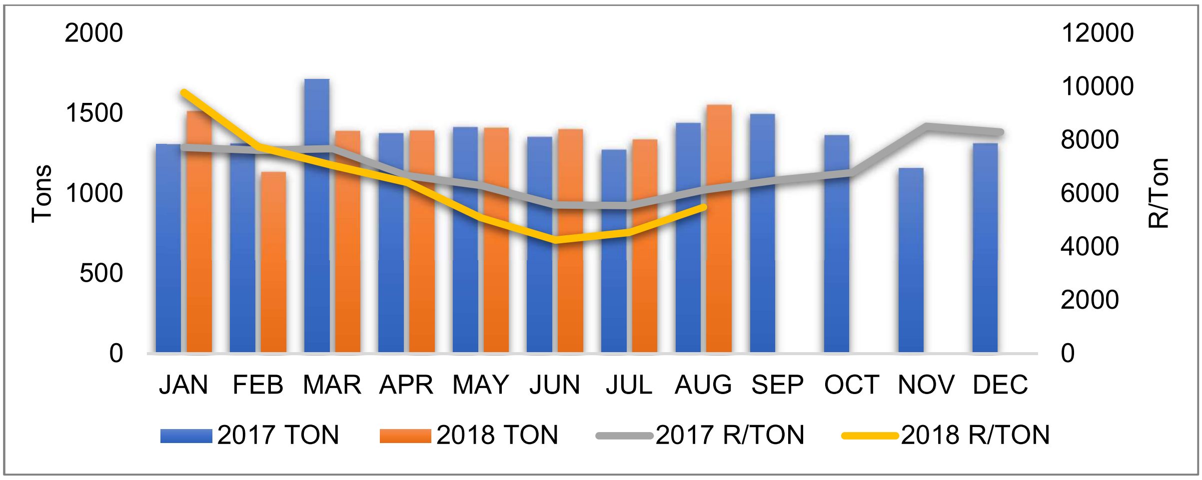

Figure 8: Lemons sold in the local market, 2017 - 2018
Source: DAFF (2018)

3. Overview of pome fruit for the 2013/14 - 2017/18 period

Pome fruits consist of different fruit types including apples, pears and quinces. The focus of this report is on the 2017/18 production season for apples and pears. The next sections provide a detailed performance analysis of the products mentioned above from a global and national perspective.

3.1 Overview of the global production for pome fruit

Figure 9 illustrates pome fruit production trends over the past five years, measured in thousand tons. The figure highlights that about 77.3 million tons of apples and 25 million tons of pears were produced during the 2017/18 season. According to the USDA, the decline in the production of apples was due to early spring frosts which severely affected orchards throughout the EU. China was ranked as the leading global producer of apples, with a share of 57.6%, followed by the EU, US, Iran and Turkey with a share of 26.2% collectively. When it comes to pears, China was also ranked as the leading global producer with a volume of 19 million tons followed by the EU (9.3% share), US (2.6% share), Argentina (2.1% share), Turkey (1.7% share) and South Africa (1.6% share).

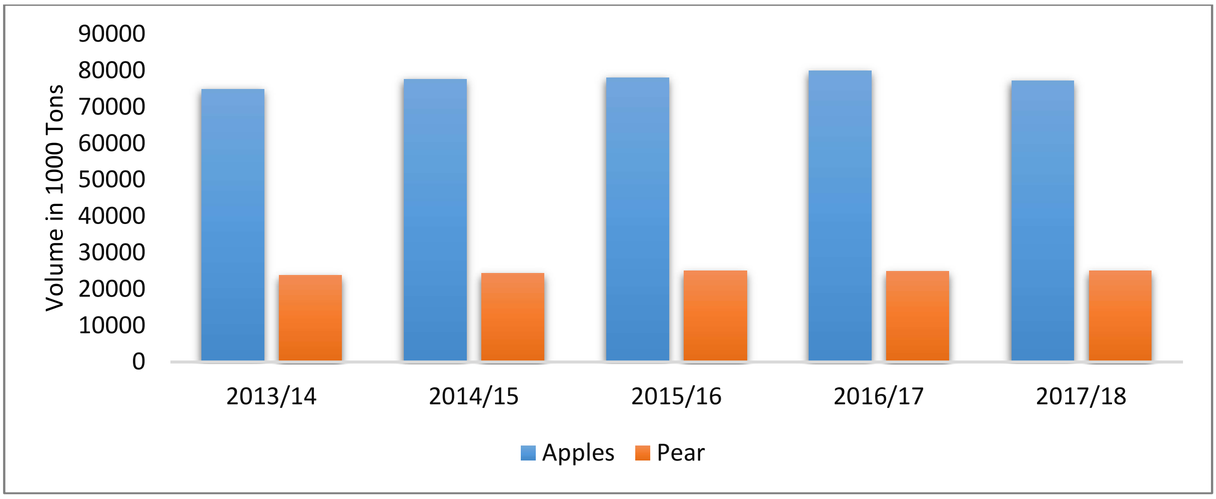

Figure 9: Global production trends of apples and pears
Source: USDA (2018)

Figure 10 highlights the global import trends of pome fruits over the past five years, measured in thousand tons. In the 2017/18 season, the global imports of apples and pears were 6.1 million tons and 1.7 million tons respectively. The global imports of apples decline by 111 thousand tons while pears increased by 73 thousand tons between the 2016/17 and 2017/18 seasons. Russia has been highlighted as the leading global importer of apples with an imported volume of 850 000 tons, followed by the EU (500 000 tons), Iraq (360 000 tons) and Mexico (300 000 tons) respectively. Russia was also ranked as the leading importer of pears, followed by the EU, Brazil, Indonesia and Belarus.

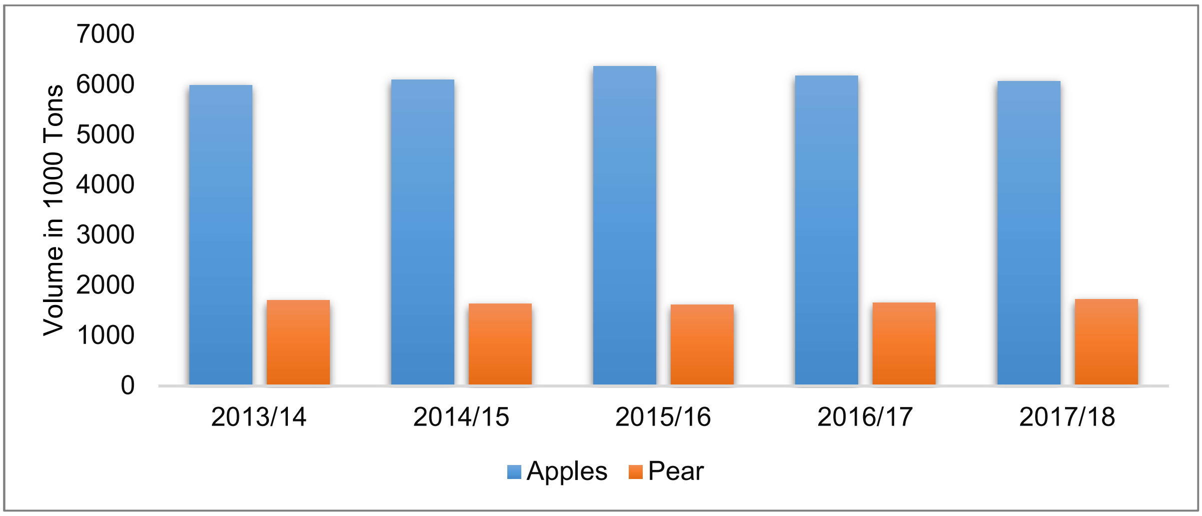

Figure 10: Global import trends of apples and pears
Source: USDA (2018)

South Africa was ranked as the sixth and fourth global leading exporter of apples and pears respectively in the 2017/18 season. **Figure 11** illustrates the global export trends over the past five years, measured in thousand tons. In 2017/18, the global exports of apples and pears were 6.1 million tons and 1.8 million tons respectively. China and the EU were ranked as the top leading exporters of both apples and pears, and this is associated with their production volumes.

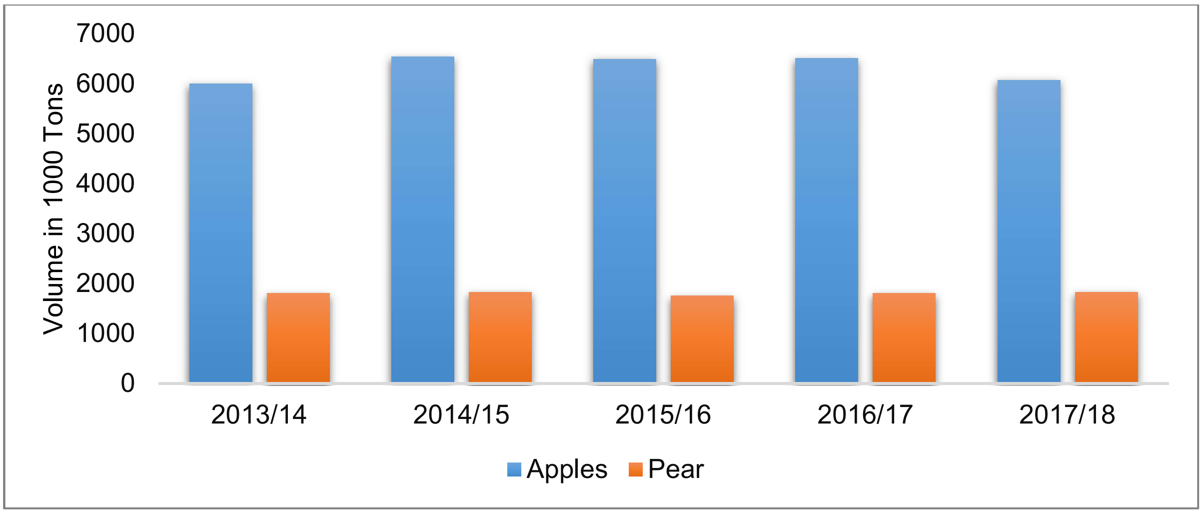

Figure 11: Global export trends of apples and pears
Source: USDA (2018)

3.2 South Africa's pome fruit production

According to Fruit South Africa (FSA), pome fruits are the second largest fruits produced annually after citrus fruits, which constitute 55% of total fruits produced in the country. **Figure 12** highlights South Africa's apple and pear production trends over the past 11 years. The figure shows that the production trends of both fruits have been fluctuating in the period under review and recorded a decline in 2018 as compared to the 2017 season. During the 2018 season, South Africa produced 847 thousand tons and 407 thousand tons of apples and pears, respectively. Both apples and pears have declined by 9.9% and 6.7% respectively in the 2018 season as compared to the 2017 season.

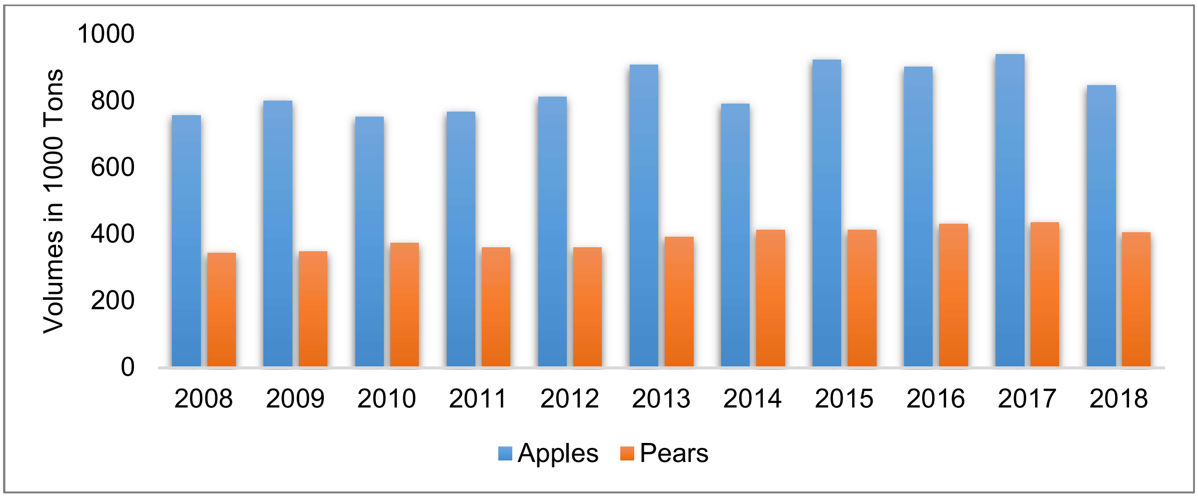

Figure 12: South Africa's production trends of apples and pears
Source: Hortgro (2018)

Figure 13 shows South Africa's pome fruits which were passed for export between 2012 and 2017 (1 carton = 12.5kg). The volume of apples passed for exports declined in 2017 (17.5 million cartons) as compared to the 2016 (17.8 million cartons) season, while pears passed for export increased from 34.0 million tons in 2016 to 33.4 million tons in 2017.

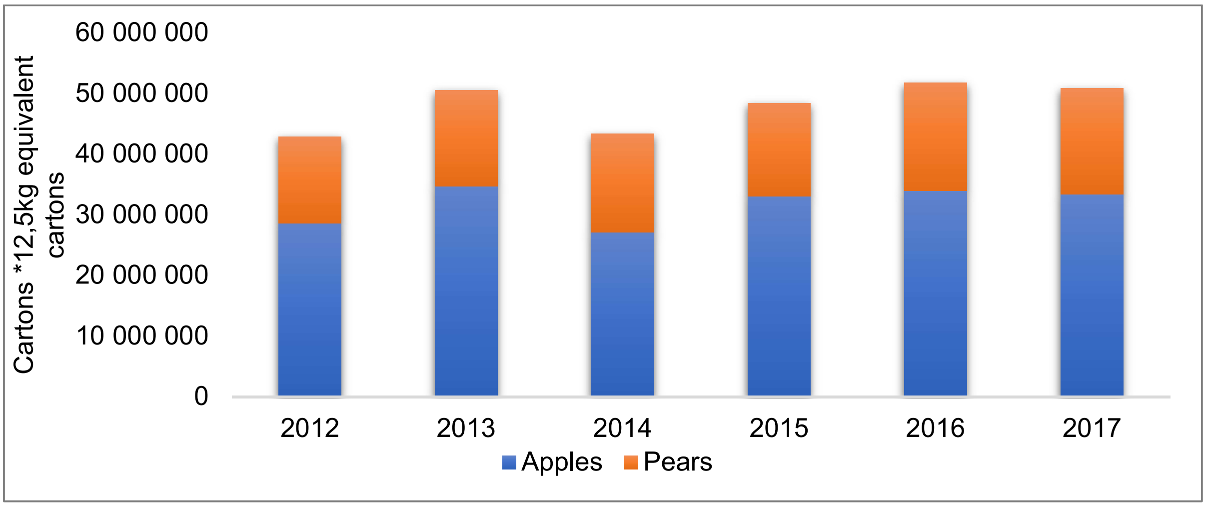

Figure 13: Apples and pears passed for export per season
Source: PPECB (2017)

About 33.4 million cartons of apples were inspected and passed for exports in 2017. **Figure 14** highlights South Africa's apple export destinations. Of the apples passed for export, the Far East & Asia market held a share of 31%, followed by the African market with a share of 30%, the UK (18%), Middle East (7%) and Europe (6%).

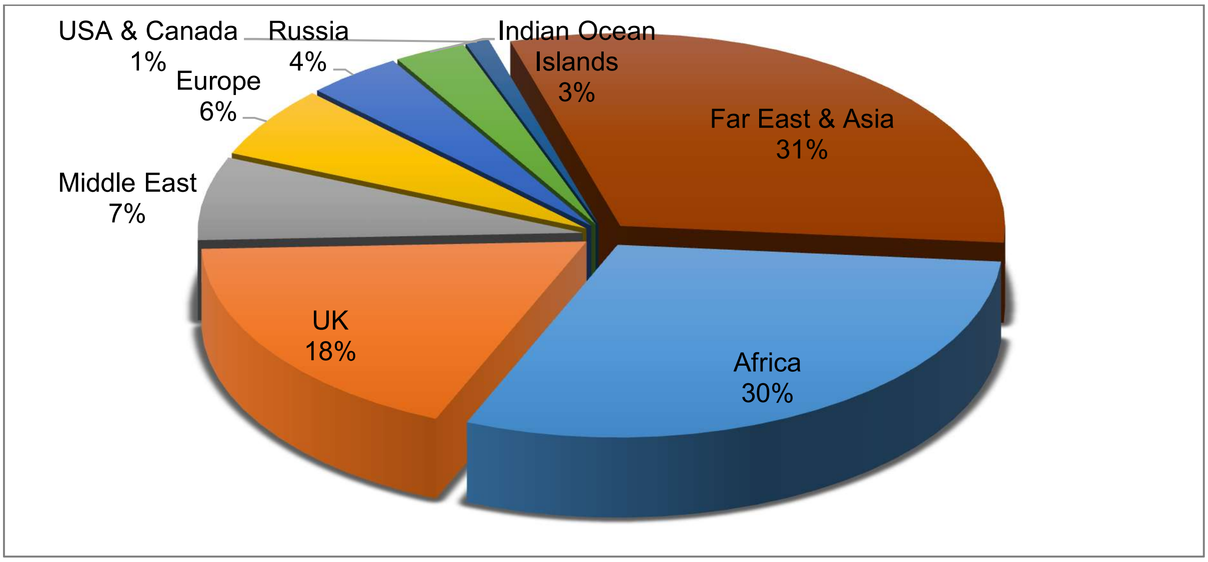

Figure 14: Apple exports per export market
Source: AGRI-HUB (2017)

Figure 15 highlights the main export destinations for South Africa's pears exported in 2017. Of its total production, South Africa exported a total of 50% to the world markets. The figure indicates that of the 218.4 thousand tons exported, Europe held the largest share of 37% for 2017. The Middle East was the second largest market destination with a share of 19%, followed by the Middle East (17%), Russia (13%), and UK (6%).

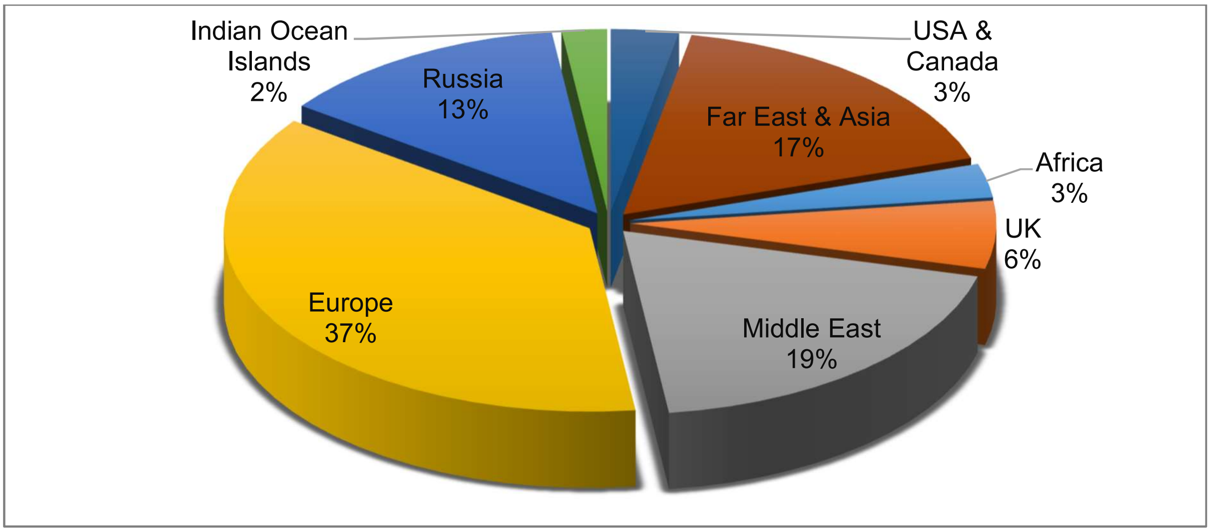

Figure 15: Apple exports per export market
Source: AGRI-HUB (2017)

Figure 16 highlights the volume of apples sold from, and price movements in, the national fresh produce markets (NFPMs) between 2017 and 2018 (Jan-Aug). The figure shows that the 2018 sales were lower as compared to the 2017 sales. The highest sales were experienced in May for both 2017 (15 506 tons) and 2018 (103 741 tons). In 2017 the sales from NFPMs between January and August were at 103 502 tons while the 2018 sales were at 95 728 tons, a decline of 8 013 tons.

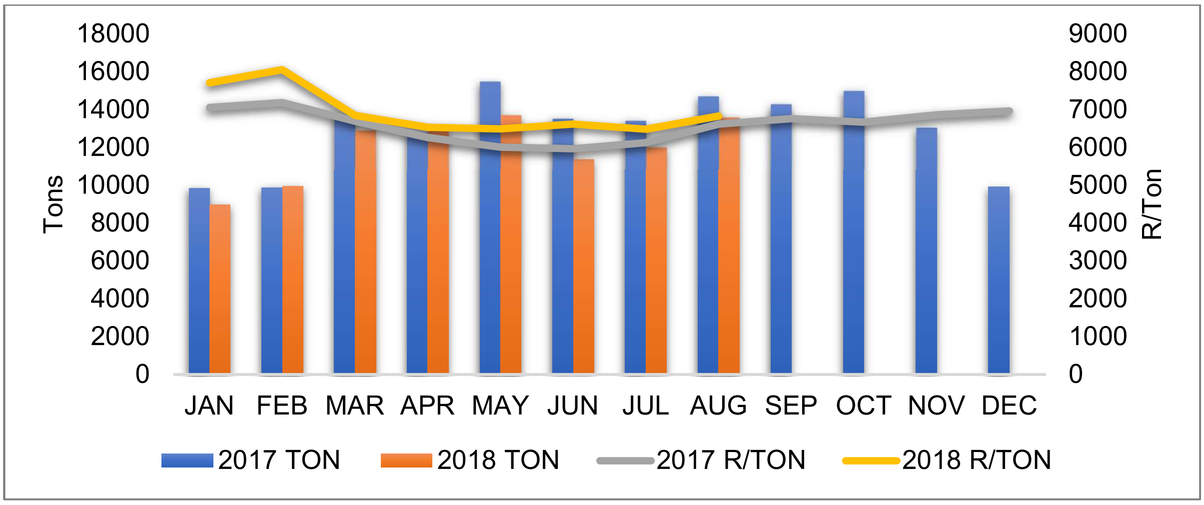

Figure 16: Local market sales of apples, 2017 - 2018
Source: DAFF (2018)

In 2017 South Africa consumed 46 890 tons of pears in the local markets. **Figure 17** highlights the domestic consumption of pears and the price trends for 2017 and 2018 (Jan-Aug). About 31 179 tons were sold in the NFPMs in 2017 (Jan-Aug), while 30 657 tons were sold in 2018 (Jan-Aug). The highest volume of pears in the NFPMs was achieved in March 2017 at a volume of 4 974 tons, and 4 186 tons were sold in May

2018. The total average price for 2017 (Jan-Aug) was R6 087 per ton, as compared to R6 230 per ton in 2018.

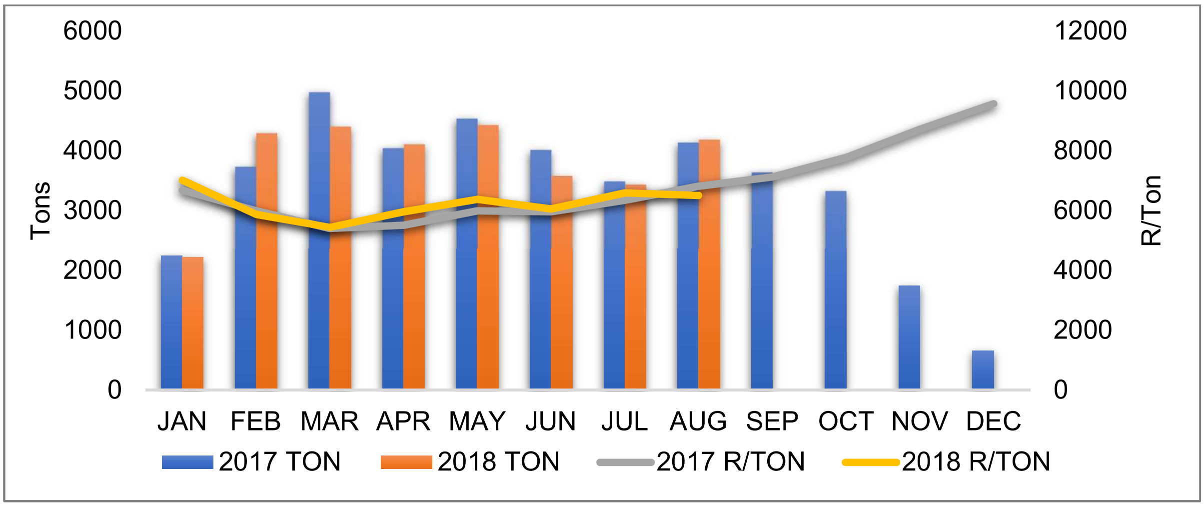

Figure 17: Local market sales of pears, 2017 - 2018
Source: DAFF (2018)

4. Overview of subtropical fruits

The subtropical fruit industry comprises the production of fruits such as mangos, avocados, macadamia nuts and litchis. The focus of this report is on avocado preview from national perspective.

4.1 Preview of South Africa's avocado production

Figure 18 indicates the volumes of avocados inspected and passed for export between 2008 and 2017. The trend of avocados passed for exports has been fluctuating in the period under review, and this was due to the level of production. The figure highlights that the avocados passed for exports declined from 13.9 million cartons in 2016 to 11 million cartons in 2017.

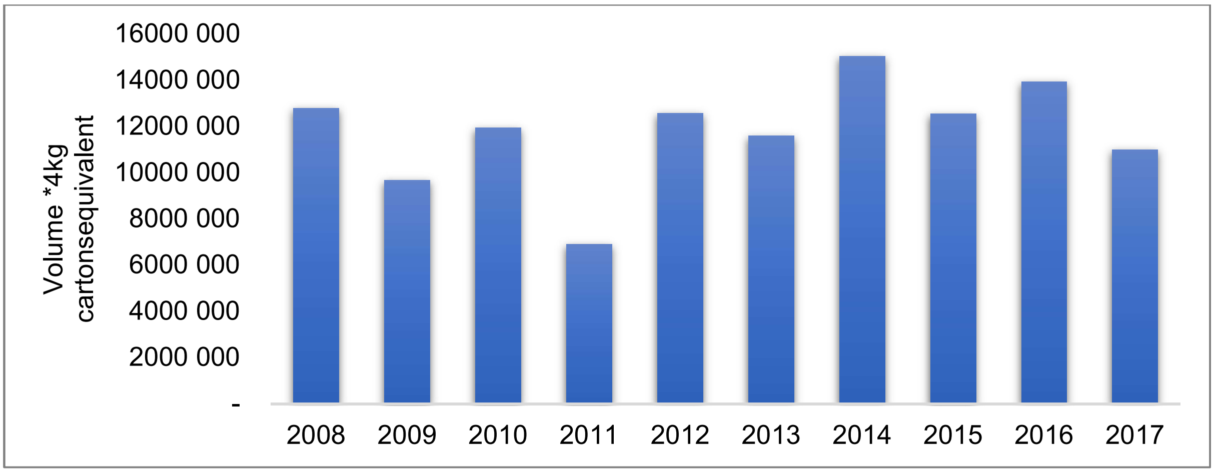

Figure 18: South Africa's avocado export trends, 2008 - 2017
Source: Subtrops (2017)

About 11 000 thousand cartons were inspected and passed for export to world markets in 2017. **Figure 19** highlights the main destinations for South Africa's avocados distributed to the various markets in 2017. The Netherlands has been depicted as the main market for South Africa's avocado exports constituting a share of 40%, followed by the UK (24%), France (13%) and Germany (9%).

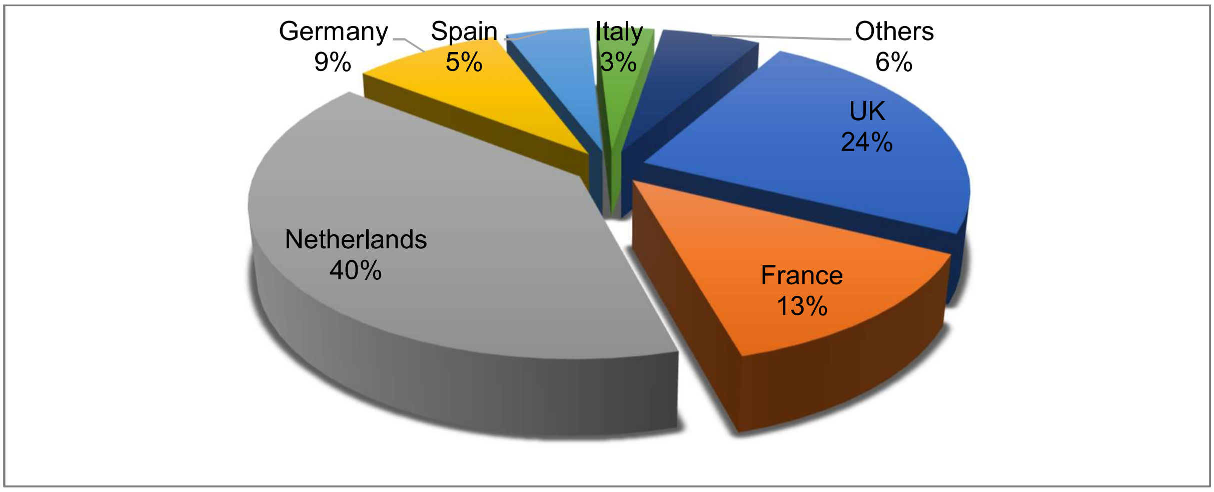

Figure 19: South Africa's avocado export destinations, 2017
Source: Subtrops (2017)

Figure 20 shows avocado sales in the domestic market between 2017 and 2018. Between January and August of 2017, a total of 15 038 tons of avocados were sold in the NFPM compared to 22 196 tons sold in 2018 during the same period. The monthly average price received for avocados between January and August 2017 was R12 307 per ton as compared to R12 422 per ton in 2018 during the same period. The sales of avocado have increased from 15 038 (2017) tons to 22 196 tons (2018).

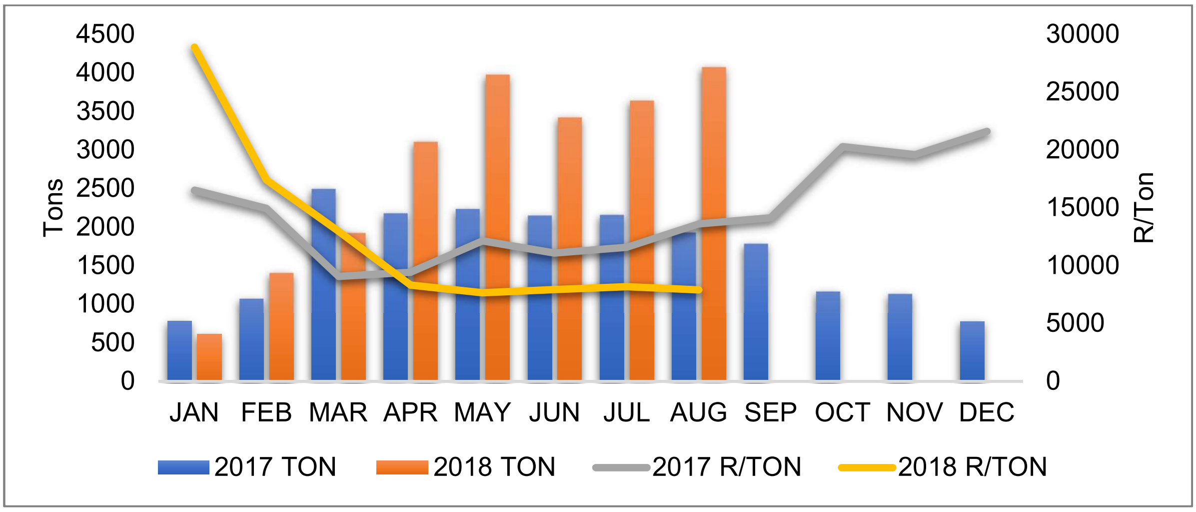

Figure 20: Local market sales of avocados, 2017
Source: DAFF (2018)

REFERENCES

AGRI-HUB, 2017. Exports per market segment for pome fruits 2017

CGA (Citrus Growers Association). 2018. Annual report: Citrus Growers Association of Southern Africa

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

Hortgro. 2018. *Stone fruit (cherry) production and export data*. Paarl: Information and Market Intelligence Division.

PPECB (Perishable Products Export Control Board). 2018. Fruits passed for exports

USDA (United States Department of Agriculture). 2018. *Global producers, exporters and importers*. Washington, DC: 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*
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 Easy Data	*www.quantec.co.za*
South African Subtropical Growers' Association (Subtrops)	*www.subtrop.co.za*
South African Table Grape Industry (SATGI)	*www.satgi.co.za*

DISCLAIMER

The 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, trademark, 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:

Sifiso Ntombela
(+27) 12 341 1115
Sifiso@namc.co.za

Private Bag X935
Pretoria
0001