Markets and Economic Research Centre

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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National Agricultural Marketing Council

Promoting market access for South African agriculture

SOUTH AFRICAN FRUIT TRADE FLOW

Issue No. 32: December 2018

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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 Report looks at citrus fruit (oranges and soft citrus), dried grapes (raisins) and exotic fruit (strawberry). 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. However, the focus of this report is on the oranges and soft citrus 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 production of oranges and soft citrus from the 2013/14 to 2017/18 seasons is represented in **Figure 1**. Generally, oranges are produced at larger volumes in the world than soft citrus is. Predominantly, the global production of soft citrus increased in the period under review, except for the 2017/18 season where the production declined by 0.5%. The global soft citrus production increased from 26 million tons in the 2013/14 season to 30 million tons in 2017/18. On the other hand, global orange production increased by 4 482 thousand tons between 2013/14 and 2017/18. According to USDA (2018), Brazil was ranked as the largest producer of oranges in 2017/18, with 16.0 million tons, followed by China (7.3 million tons), the EU (6.4 million tons), Mexico (4.6 million tons) and the US (3.5 million tons), respectively. China was ranked as the largest producer of soft citrus, with a share of 71%, followed by the EU (10%), Turkey (4%), Morocco (4%), Japan (3%) and the US (2.5%), respectively.

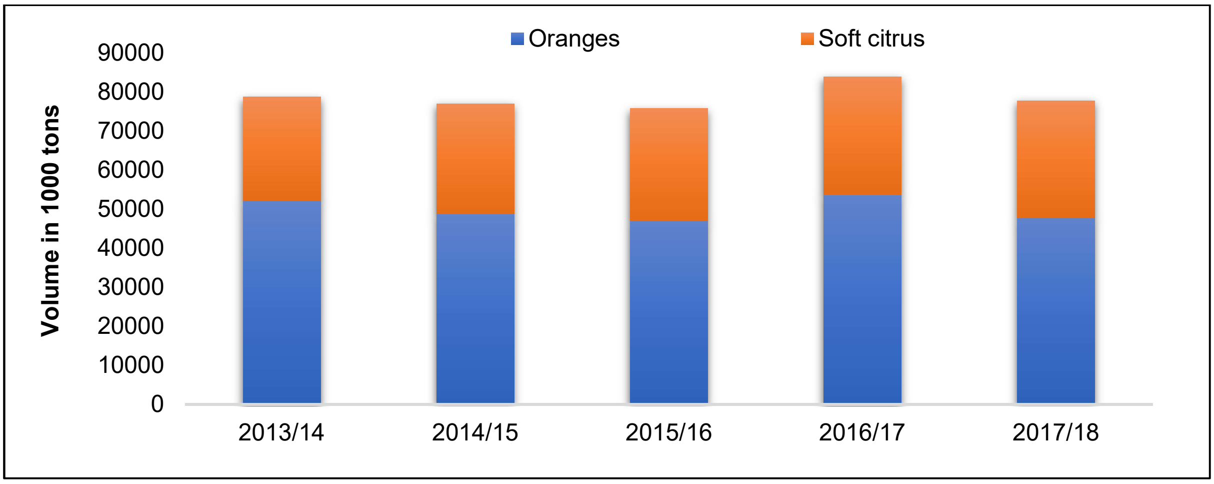

Figure 1: Global production of selected citrus fruits
Source: USDA (2018)

2.2 Global citrus fruit trade

The global imports of oranges and soft citrus increased between the 2013/14 and 2017/18 seasons. **Figure 2** shows the import trends of citrus fruit in the last five years, measured in thousand tons. About 3 518 thousand tons of oranges were imported during 2013/14, compared with 4 400 thousand imported in 2017/18. On the other hand, about 2 281 thousand tons of soft citrus were imported during the 2013/2014 season, reaching the highest imported quantity of 2 466 thousand tons in the 2017/18 season. Global imports of oranges and soft citrus constituted a total of about 19 929 thousand tons and 11 496 thousand tons between 2013/14 and 2017/18, respectively. The EU was the leading importer of oranges, with an imported volume of 1 090 thousand tons in 2017/18 season, followed by Russia (455 000 tons), China (400 000 tons), Saudi Arabia (350 000 tons), Hong Kong (340 000 tons) and Iraq (210 000 tons), respectively. Russia was ranked as the largest importer of soft citrus, at a volume of 850 000 tons, followed by the EU (470 000 tons), the US (300 000 tons), Canada (155 000 tons) and Ukraine (155 000 tons), respectively.

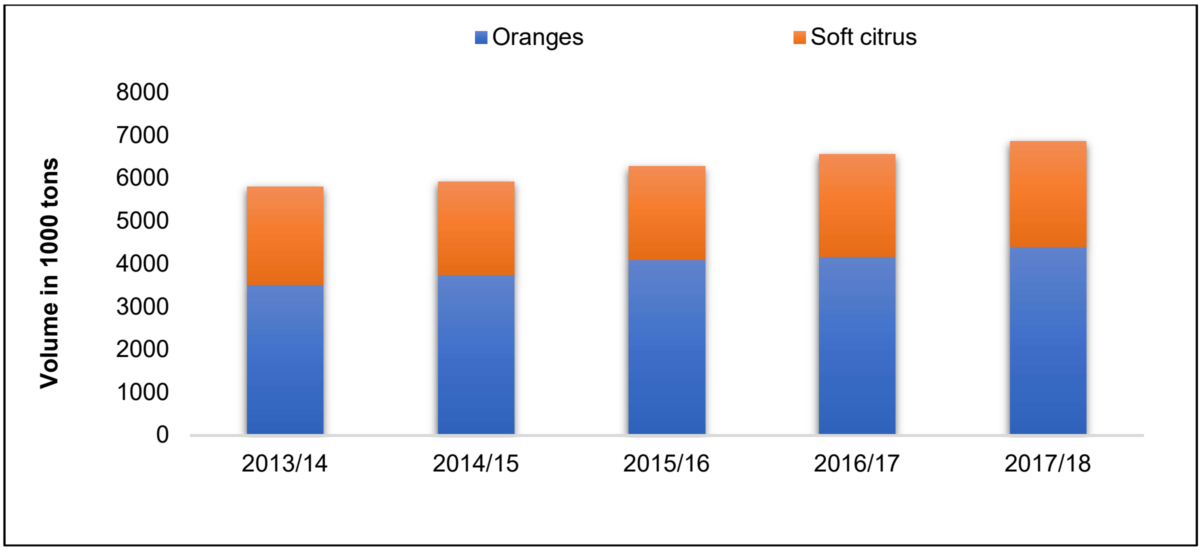

Figure 2: Global import trends of oranges and soft citrus
Source: USDA (2018)

Figure 3 below depicts the global export performances of oranges and soft citrus between the 2013/14 and 2017/18 seasons. It can be noted that larger volumes of oranges were exported, as compared with soft citrus. The global exports of oranges in the period under review showed a steady increase, from 4 001 thousand tons in 2013/14 season, to 4 855 thousand tons in the 2017/18 season. However, global soft citrus exports fluctuated between 2013/14 and 2015/16. There was a 6.6% decline in the period from 2013/14 to 2015/16 in soft citrus, but recovered in 2016/17; exports went from 2318 thousand tons in 2015/16 to 2460 thousand tons in 2016/17. Egypt was ranked as the largest exporter of oranges during 2017/18, exporting 1 600 thousand tons, followed by South Africa (1 220 thousand tons) and the US (505 thousand tons), while Turkey was the main exporter of soft citrus, exporting 740 thousand tons, followed by China (540 thousand tons) and Morocco (538 thousand tons).

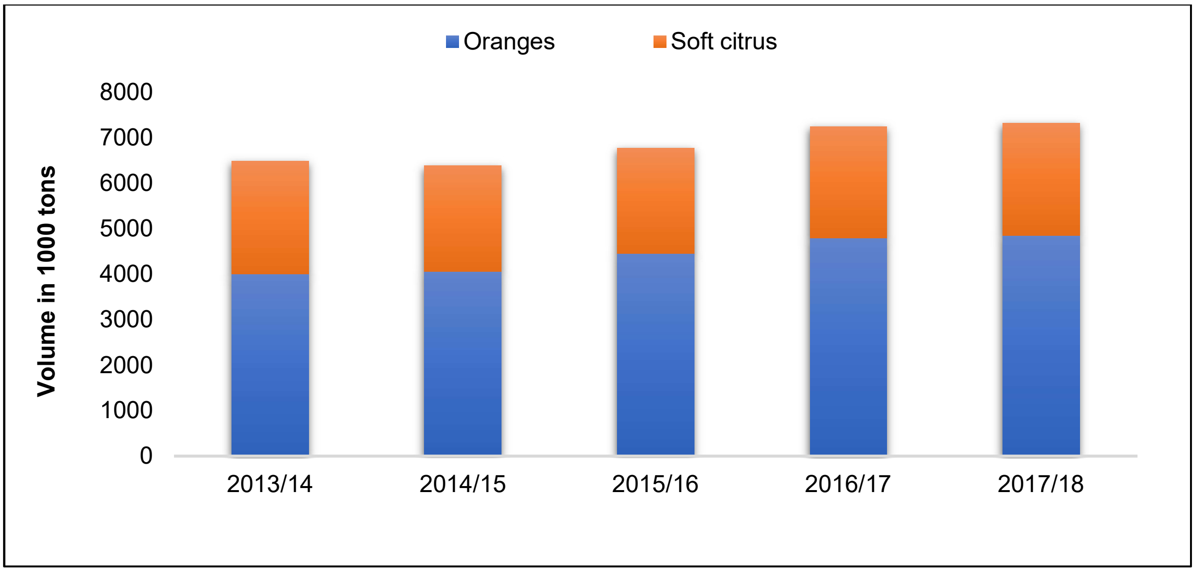

Figure 3: Global export trends of oranges and soft citrus
Source: USDA (2018)

2.3 Overview of South Africa's citrus industry

Table 1 shows South Africa's volumes of citrus fruit inspected and passed for export in 2017 and 2018 (estimated). Soft citrus was expected to amount to 13.2 million cartons (1 carton = 15kg), and the actual volumes for 2017 were 13.4 million cartons. The volume of soft citrus, therefore, showed a 1.5% increase (real vs estimated). The quantities of Valencia oranges passed for export increased by 7.8%, from 50 million cartons to 53.9 million cartons, while Navel oranges showed a decline of 19.6%, from 26.3 million cartons to 21 million cartons.

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

Type	2017 Estimate	2017 Actual	% Difference (Actual vs Estimate)	2018 Estimate
Oranges				
Valencia	50056049	53951680	7.80%	53927194
Navels	26318830	21053878	-19.60%	25670000
Soft citrus	13222340	13415452	1.50%	14749047
Total	89597219	88421010	-0.1	94346241

Source: CGA (2018)

Figure 4 presents South Africa's main destinations for oranges. South Africa is ranked second after Spain among the world's leading exporters of oranges, constituting a 15% share of world exports. Europe remains the major destination for oranges exported from South Africa, at 37% share, followed by the Middle East and South East Asia at 23% and 15% of total exports, respectively. The UK and Russia both constituted a share of 6%.

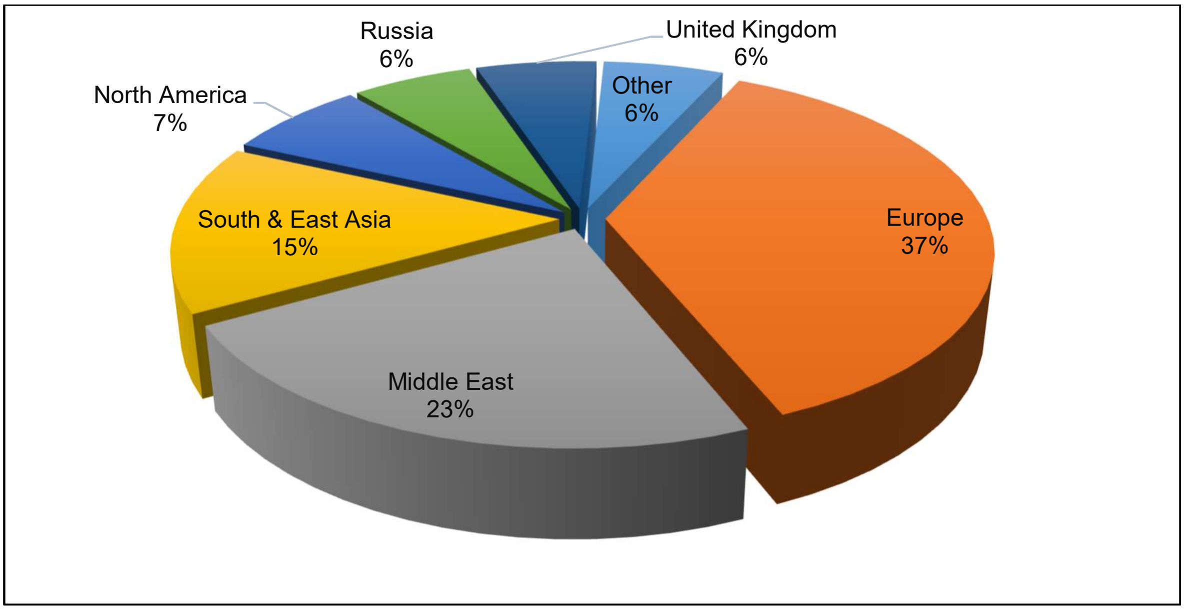

Figure 4: South Africa's main destinations for oranges
Source: CGA (2018)

South Africa's main export destinations for soft citrus are illustrated in **Figure 5**. It can be noted that the UK is the largest consumer of soft citrus from South Africa, representing a 32% share of total exports, followed by Europe, with a share of 26%, while North America and Russia both had a share of 10% of South African exports of soft citrus. The rest of South Africa's soft citrus exports went to South and East Asia, the Middle East and other countries, representing shares of 9%, 7% and 6%, respectively.

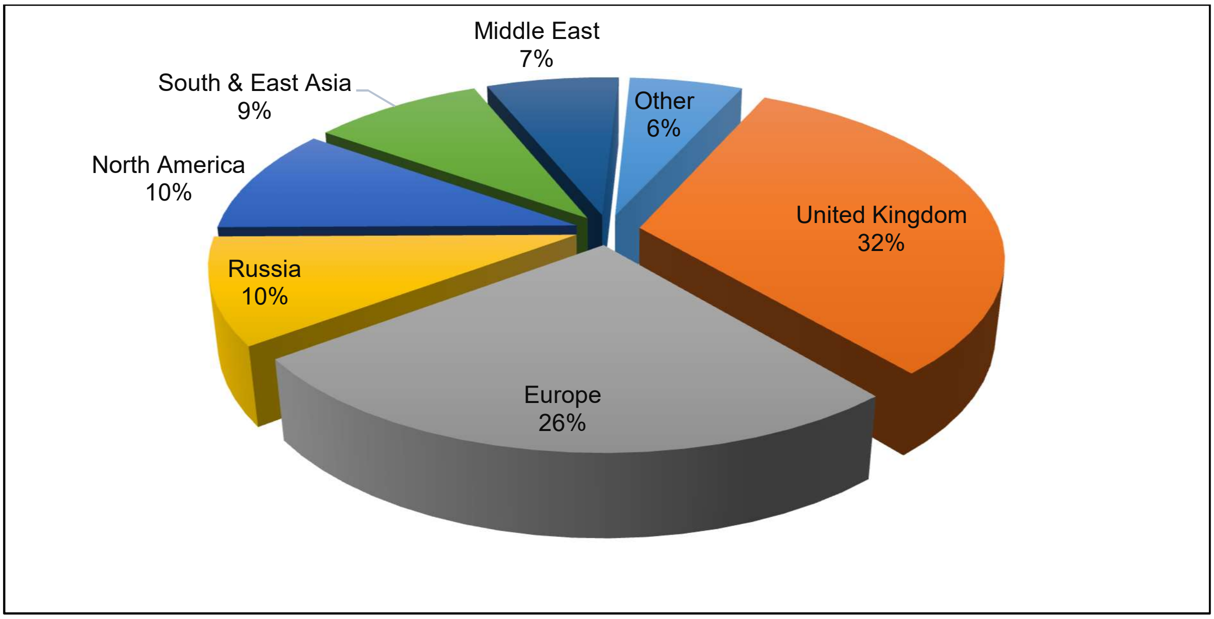

Figure 5: South Africa's main destination for soft citrus
Source: CGA (2018)

Figure 6 shows the quantities of South Africa's oranges sold in the national fresh produce markets (NFPMs) in relation to the price trends for 2017 and 2018 (Jan – Nov). In 2017, about 87 730.88 tons of oranges were sold on the NFPMs, reaching the highest point in June, at 19 291.47 tons. In 2018 (Jan – Nov), 98 220.82 tons were sold in the NFPMs, reaching a peak in June, at 20 792.45 tons. The 2018 sales in the NFPMs were higher than the 2017 sales trend. The average price for 2017 was higher than the 2018 (Jan – Nov) price trend, with a total average cost of R4 830.45 per ton in 2017, compared with R4 252.08 per ton in 2018.

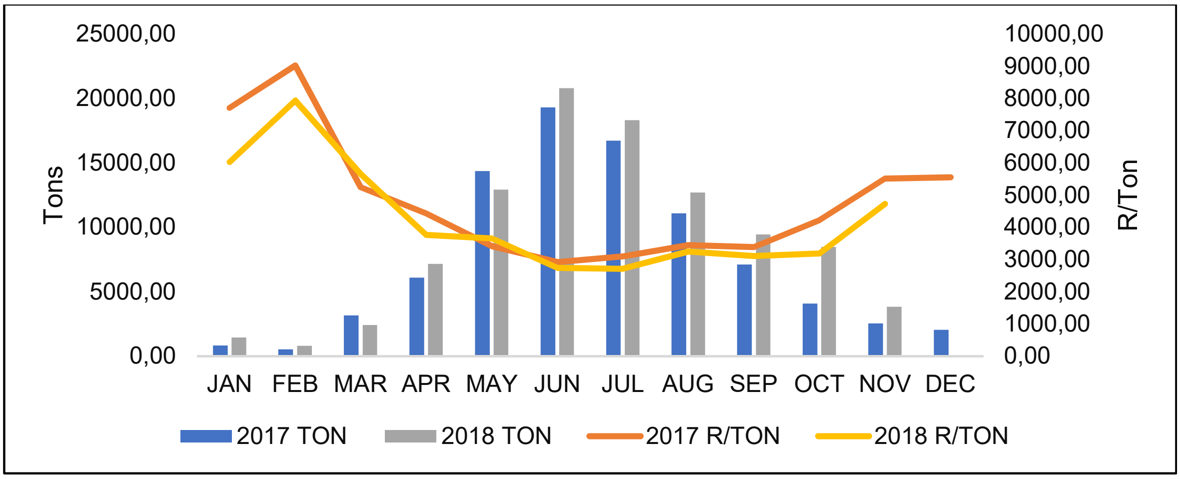

Figure 6: Oranges sold in the local market, 2017 – 2018
Source: DAFF (2018)

Figure 7 highlights the domestic consumption of soft citrus and the price trends for 2017 and 2018 (Jan – Nov). About 16 391.91 tons were sold in the NFPMs in 2017, at an average price of R7 728.56 per ton. In 2018, 12 964 tons were sold in the NFPMs, at an average price of R7 506.70 per ton. Domestic consumption of soft citrus has been fluctuating in recent times, with sales reaching a peak of 4 183.67 tons in May 2017, and 1 780.19 tons in May 2018. In May 2017, the average price of soft citrus was registered at R5 230.14 per ton, compared with R5 002.38 per ton in 2018.

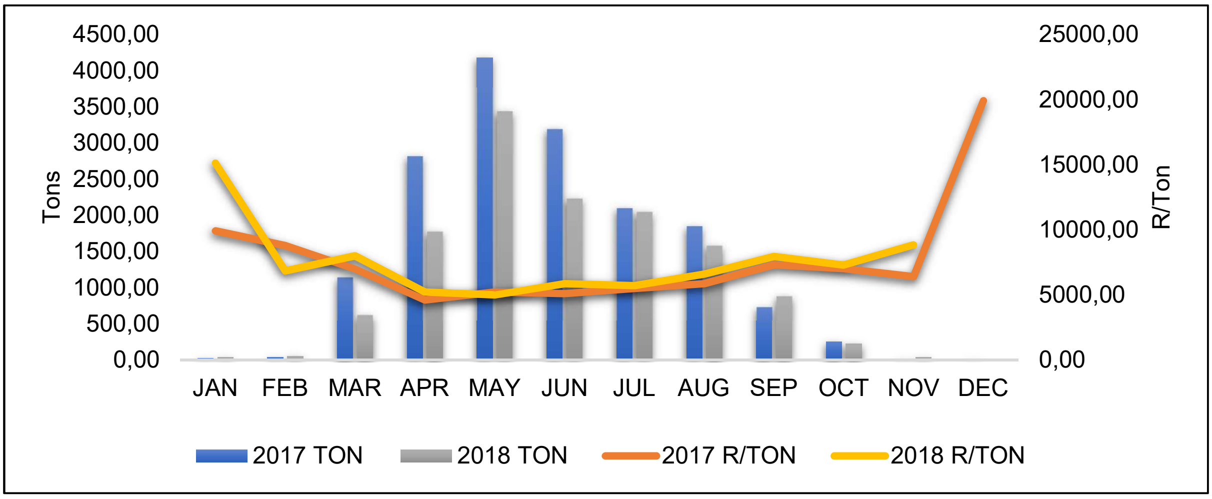

Figure 7: Soft citrus sold in the local market, 2017 - 2018
Source: DAFF (2018)

3. Overview of dried fruit for the 2013/14 – 2017/18 period

The dried fruit industry is an ancient industry where drying fruit was one of the few ways of preserving it for future use. There are different types of fruits that are dried, such as apricots, plums, peaches, grapes, and mango. This section focuses on the dried grapes (raisins) production season. Raisins are produced primarily by sun drying several different types of grapes. This section provides a detailed performance analysis of dried grapes (raisins) production from a global and domestic perspective.

3.1 Overview of the global production for dried grapes

Figure 8 highlights the top countries in the world that produce dried grapes, covering the past six marketing seasons. About 1 205 thousand tons were produced globally in the current season, which resulted in a 4.8% growth rate, as compared with the previous season. In 2018/19, Turkey was the leading producer of dried grapes, with a produced volume of 280 000 tons. The United States was ranked second, (having been overtaken by Turkey in the 2017/18 and 2018/19 marketing seasons), with 263 000 tons produced in the current season, followed by China (190 000 tons), Iran (150 000 tons) and South Africa (73 000 tons), respectively. According to USDA (2018), South Africa's production increased by 2 500 tons, up to 73 000 tons, due to increased areas and favourable growing conditions.

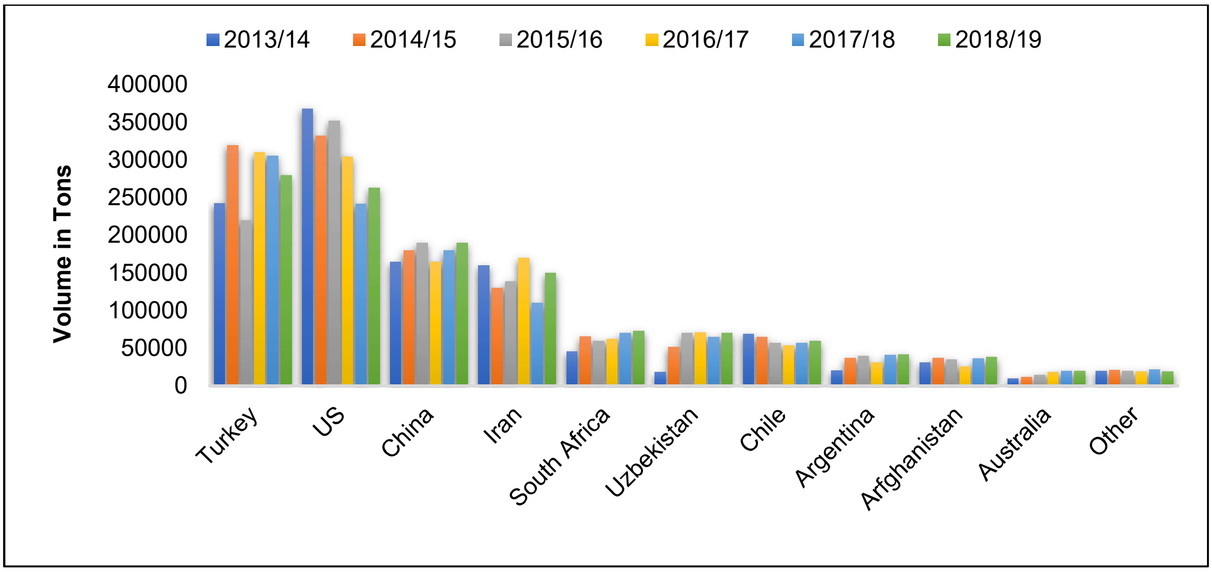

Figure 8: Global production trends of dried grapes
Source: USDA (2018)

Figure 9 illustrates the leading importers of dried grapes over the past six years, measured in tons. About 734 000 tons of dried grapes were imported globally during the 2018/19 marketing season. It is evident that, in the period under review, the European Union (EU) imported larger volumes of dried grapes than any other country around the world. In the 2018/19 season, the EU imported about 335 000 tons (45.6% share) of world exports, followed by Japan, Kazakhstan, China and the US, with imported volumes of about 42 000 tons, 37 000 tons, 36 000 tons and 30 000 tons, respectively.

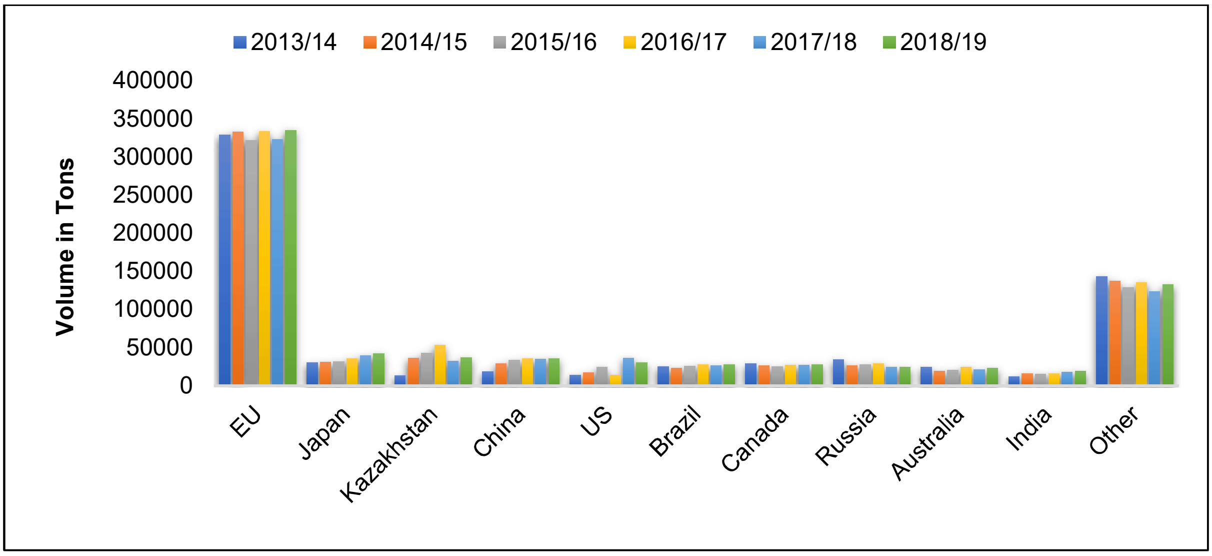

Figure 9: Global import trends of dried grapes
Source: USDA (2018)

According to USDA (2018), global exports of dried grapes are up by 4%, to 779 000 tons, as higher shipments from Iran and Uzbekistan more than offset the lower exports from Turkey. **Figure 10** highlights the leading global exporters of dried grapes over the period under review. Turkey, as the world's main producer of dried grapes, was ranked as the top exporter, with a produced volume of 250 000 tons in the 2018/19 marketing season. Iran was ranked second, with an exported volume of 125 000 tons, followed by the US (110 000 tons), Uzbekistan (67 5000 tons), South Africa (60 000 tons) and Chile (58 000 tons) respectively. South Africa's exports are marginally higher, up to 60 000 tons, with the majority being shipped to the European Union (USDA, 2018).

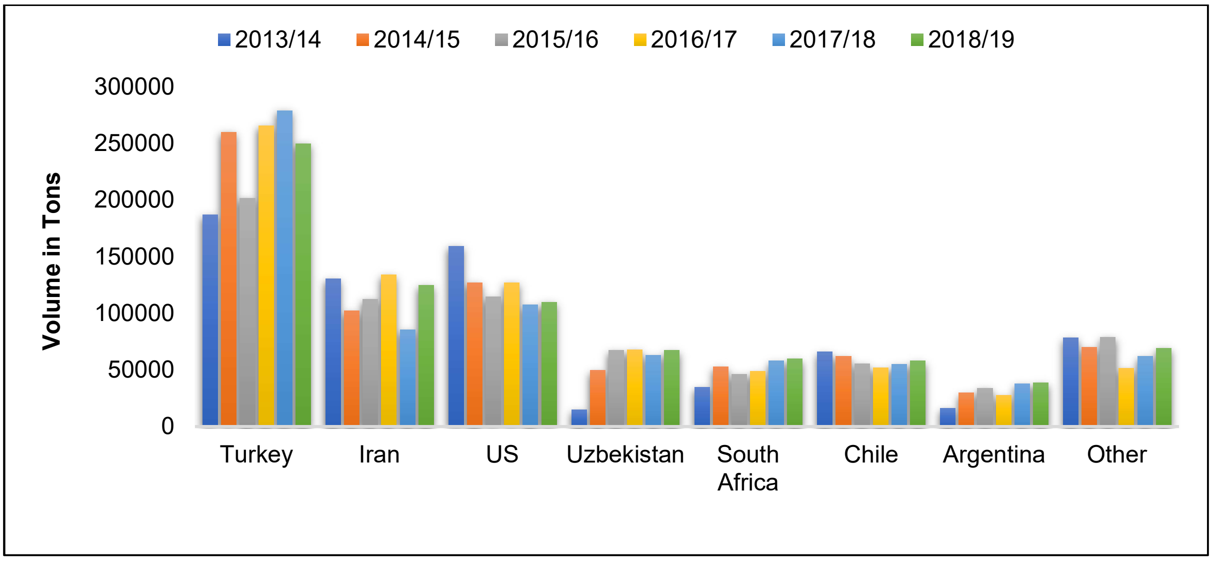

Figure 10: Global export trends of dried grapes
Source: USDA (2018)

3.2 South Africa's dried grapes production

Figure 11 shows that raisin production has generally increased over past decades. Growth in production over the last four seasons was mainly driven by increases in area planted, demand from processors, and favourable prices for raisin grapes, when compared with the wine industry. In 2017, about 62 313 tons of raisins were produced in South Africa, which was forecasted to improve by 3 787 tons in 2018, while raisins production is estimated to reach 70 000 tons in 2019. Thompson seedless raisins was the most-produced variety in 2017, at a quantity of 36 318 tons, followed by goldens (21 142 tons), and currants (4 482 tons), respectively.

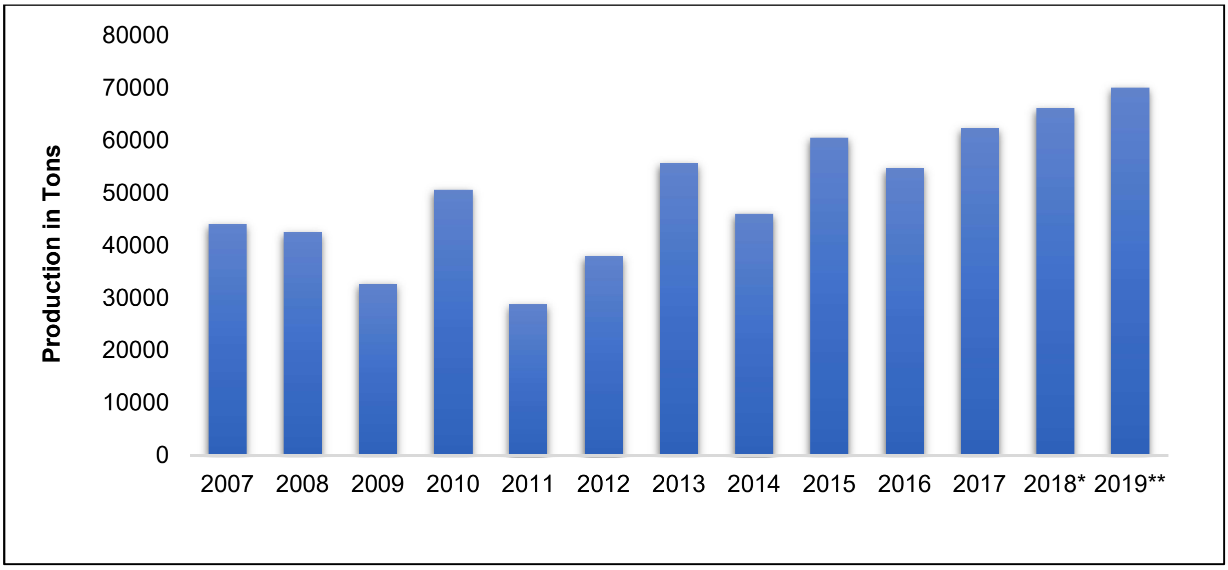

Figure 11: Raisins production in South Africa
Source: Hortgro (2018)

Figure 12 highlights the volumes of raisins passed for export, per season, over the past ten (10) years. It is evident that the volumes of raisins passed for export have been fluctuating in the period under review. About 48 888 tons were passed for export in 2017, increasing by 2 495 tons over the 2016 volumes passed for export. In the period under review, the largest volume of raisins passed for export was reached in 2015, at 52 915 tons. The growth trend indicates that South Africa's volumes of raisins passed for export increased by 5.4% between the 2016 and 2017 seasons.

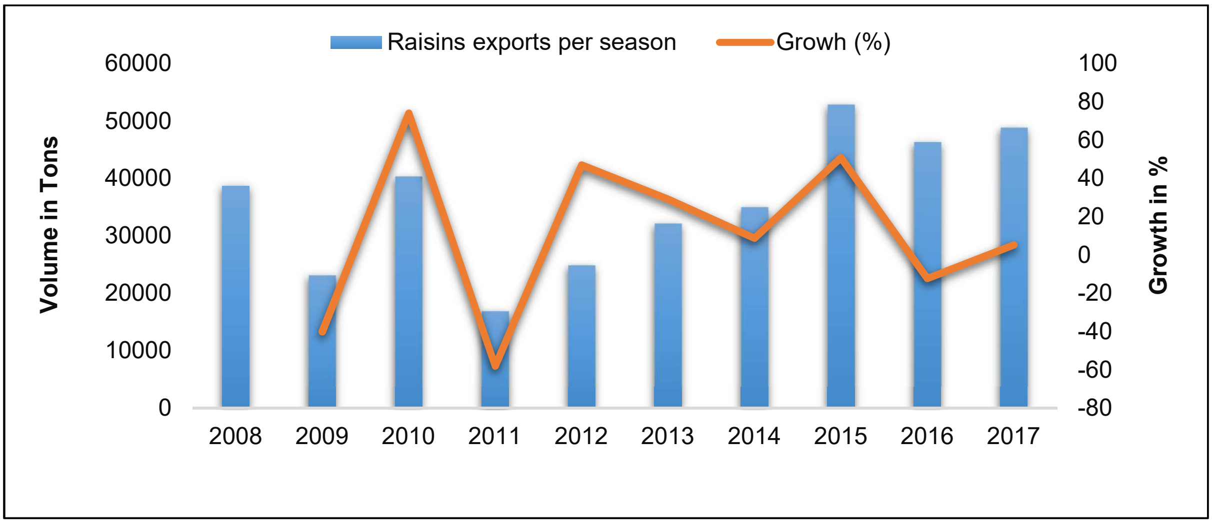

Figure 12: Raisins passed for export per season
Source: PPECB (2017)

About 48.9 thousand tons were exported to the international market during the 2017 marketing season. The EU and Russia (combined) comprised the largest consumer of raisins exported by South Africa, constituting about a 57% share. The USA and Canada comprised the second largest importer of raisins, at a share of 19%, followed by the African continent (12%) and the UK (6%), while the Middle East, Far East & Asia and South America constituted about a 2% share each.

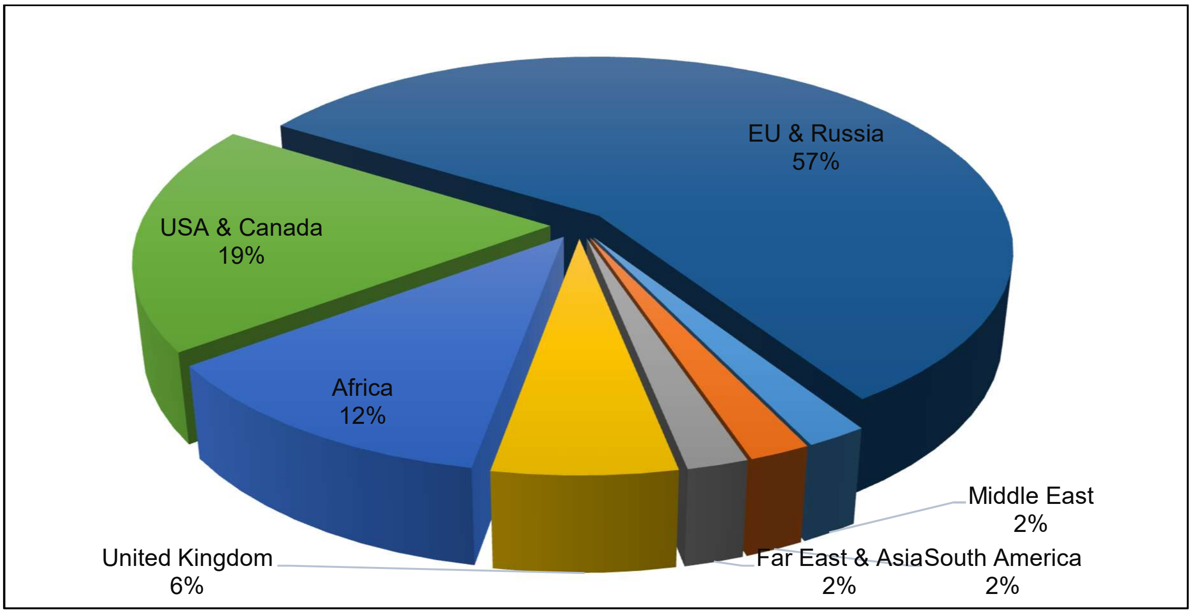

Figure 13: Raisins exports per export market
Source: AGRI-HUB (2017)

4. Overview of exotic fruits

Exotic fruits are those which are not native to South Africa and have originated in other countries. The exotic fruit industry is comprised of fruits such as figs, kiwi, pomegranate, berries, cherries, and so forth. The focus of this section is on the strawberry production season. The first part provides a detailed performance analysis of the strawberry sector from a national perspective.

4.1 Preview of South Africa's strawberry production

Approximately 300 hectares of strawberries are grown in South Africa, and about 80% of this area is planted to locally bred cultivars. **Figure 14** illustrates the distribution of strawberries produced in South Africa over the past 16 production seasons. In 2016/17, South Africa produced about 2 412 tons of strawberries, of which 47% was consumed locally, while 23% and 30% were purchased for processing and exports, respectively. It can be observed that large volumes of strawberries are consumed in local markets.

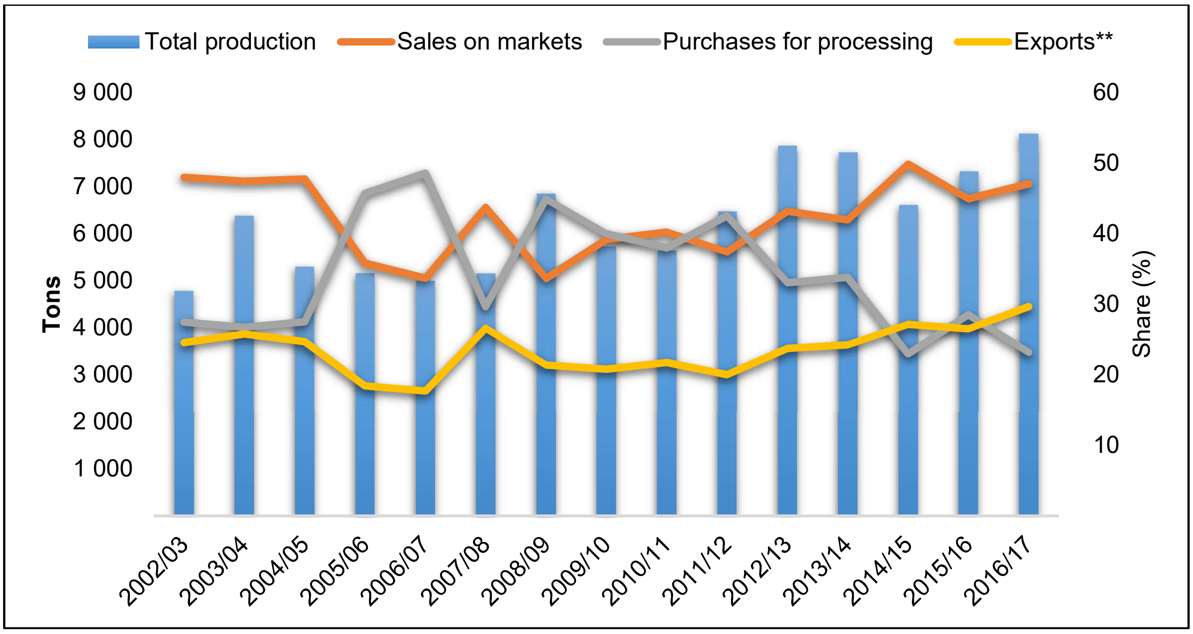

Figure 14: South Africa's strawberry production distribution, 1997/98 – 2016/17
Source: DAFF (2018)

According to DAFF (2018), South Africa exported about 2 412 tons of strawberries during the 2016/17 period. **Figure 15** highlights the main importing markets for strawberries exported by South Africa. Mozambique was the largest importer of strawberries exported from South Africa, representing a 26% share, followed by Namibia (20%), Botswana (16%) and other countries (10%), respectively.

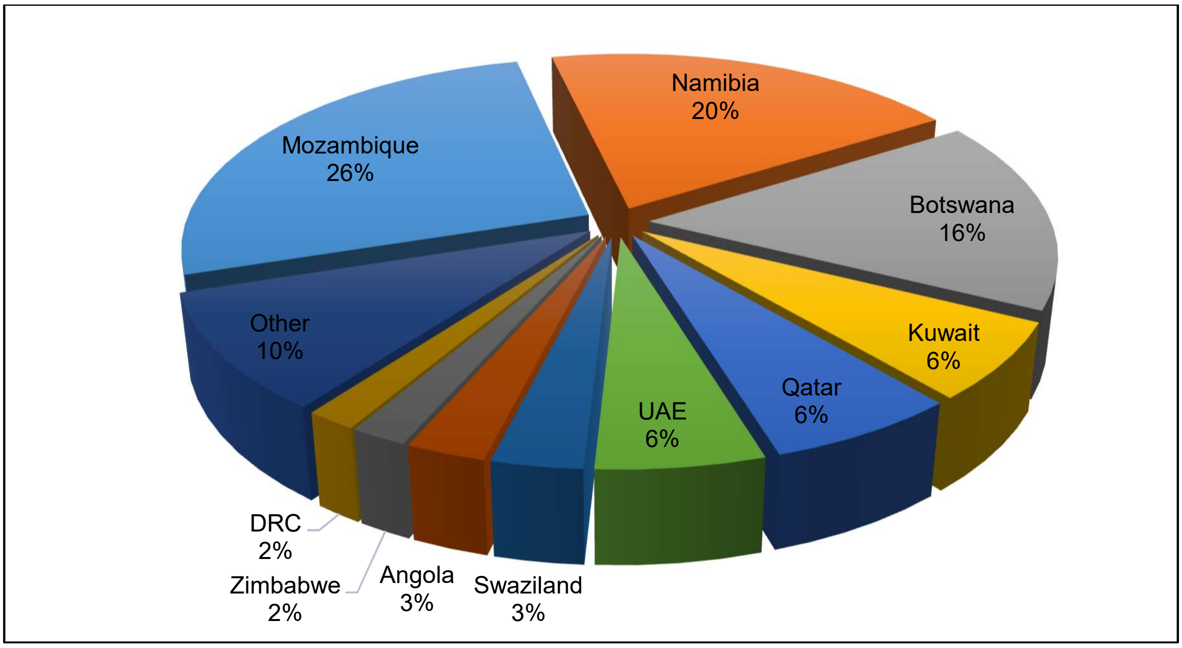

Figure 15: South Africa's strawberries export destinations, 2017
Source: Subtrops (2017)

Figure 16 shows the volumes of strawberries sold in the domestic market through the NFPMs. The total volume of strawberries sold in the NFPMs thus far in 2017 amounts to 4 075.82 tons, compared with 3 410.67 tons in 2018 (Jan – Nov). The average monthly price for strawberries in 2017 was R29 385.73 per ton, compared with R38 052.55 per ton in 2018 (Jan – Nov). South Africa's domestic consumption of strawberries has been fluctuating, with sales reaching a peak of 686.15 tons in September 2017, and 727.85 tons in September 2018.

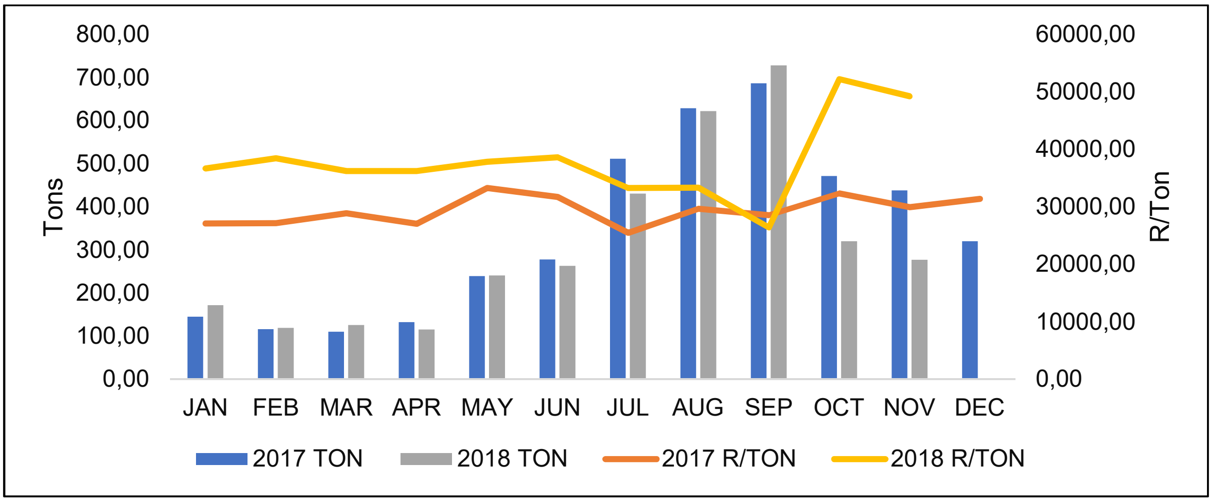

Figure 16: Local market sales of strawberry, 2017
Source: DAFF (2018)

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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*

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