

# Markets and Economic Research Centre



ISSUE 41/March 2021

This report is released on a quarterly basis by the Trade unit of the Markets and Economic Research Centre.

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**NAMC**  
Promoting market access for South African agriculture

## **SOUTH AFRICAN FRUIT TRADE FLOW**

**Issue No. 41: March 2021**



# **Beautiful country, beautiful fruit**

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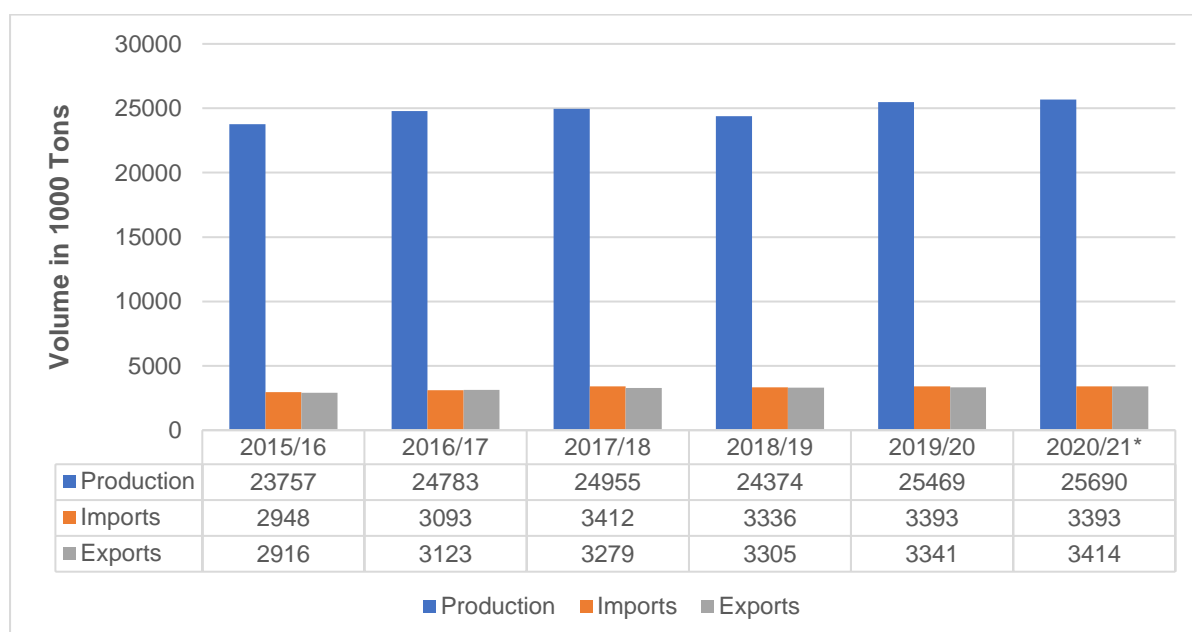
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## 1. Background

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 Fruit Trade Flow Report issue looks at table grapes and stone fruit (plums, nectarines, peaches and apricots).** The main focus is on analysing the current season's performance of these fruits, for both the export and domestic markets, compared to the previous seasons. This report further assesses these fruits' global production, giving a perspective on South Africa's production and export rankings (as a share of global production and exports).

## 2. Outlook of table grapes for the 2020/21 season

The global production of table grapes for 2020/21 is shown in **Figure 1**. Global production is projected slightly upwards from 2019/20 by just 221 000 tons to 25.7 million tons, which is due to the expected increase in production in China, which is the highest global producer, of about 400 000 tons in 2020/21. China's production has improved over time because of enhanced production practices. Other producing countries' production is expected to increase slightly or remain the same, such as the United States (US), which is likely to increase by 114 000 tons, and Brazil and Uzbekistan, which are expected to remain unchanged at 1.592 million tons and 1.590 million tons respectively. Production from India, Turkey and the European Union (EU) is predicted to decline by 125 000 tons, 50 000 tons and 170 000 tons, respectively, due to unfortunate weather events such as hail damage in Turkey and frost during flowering in Italy (USDA, 2020a). Imports are expected to remain fairly unchanged at 3.393 million tons and exports will increase by only 73 000 tons globally.

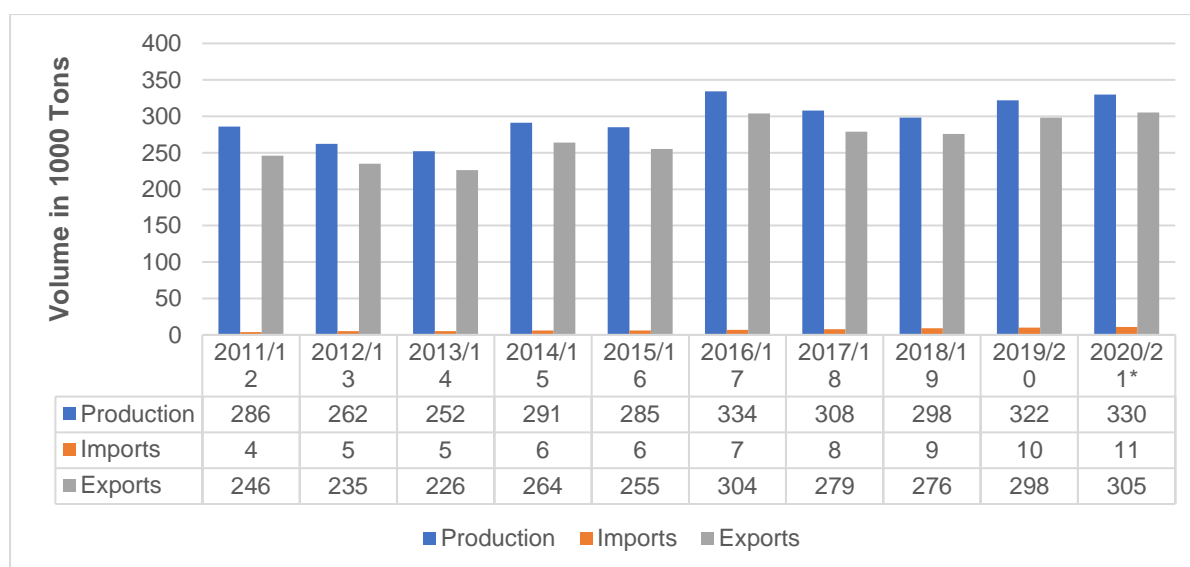


**Figure 1: Global production, imports and exports of table grapes, 2015/16-2020/21\***

Source: USDA (2020b)

\*Estimate

South Africa's production is depicted in **Figure 2**. Production is expected to increase by 8 000 tons to 330 000 tons in the 2020/21 season. Production has improved due to new plantings of high-yielding cultivars coming into full production, marginal growth in hectares planted in the last six years, water availability, and favourable weather conditions during harvesting in the planting regions (SATGI, 2021). Exports are expected to increase by 7 000 tons compared to the previous season due to increased production, while imports are predicted to increase to 11 000 tons – 1 000 tons more than the previous season.



**Figure 2: South Africa's production, imports and exports of grapes, 2011/12-2019/20\***

Source: USDA (2020b)

\*Estimate

According to South African Table Grape Industry (SATGI) estimates, South Africa is expected to export between 67.2 million cartons and 70.9 million cartons (1 carton= 4 kg) in 2020/21 (**Table 1**), an increase of between 2 % and 7 % compared to what was packed in the 2019/20 season. Most of the production regions are estimated to increase as the industry returns to its normal volumes compared to 2019/20, which was affected by rains. The Orange River was not adversely affected by the rain during the year as the harvest was not entirely interrupted.

**Table 1: South African Table Grape Industry's 4<sup>th</sup> estimate for 2020/21**

Region	2020/21 Crop estimates				Actual packed volumes		
	4 <sup>th</sup> 04 March 2021	3 <sup>rd</sup> 02 February 2021	2 <sup>nd</sup> 12 January 2021	1 <sup>st</sup> 27 October 2021	2019/20	2018/19	2017/18
Northern Provinces	7.8-7.9	7.5-7.8	6.9-7.4	6.9-7.4	6.1	7.12	6.83
Orange River	18.3-18.5	18.3-18.3	15.0-16.0	18.5-19.9	19.86	19.21	19.02
Olifants River	4.0-4.2	3.7-4.0	3.7-4.0	3.5-3.8	3.32	2.37	2.8
Berg River	16.5-17.3	15.5-16.7	15.5-16.7	15.5-16.7	16.27	13.79	13.05
Hex River	20.6-23.0	20.6-23.0	20.6-23.0	20.6-22.0	20.6	18.65	20.37

<b>Total</b>	<b>67.2-70.9</b>	<b>65.3-69.8</b>	<b>61.7-67.1</b>	<b>65.0-69.8</b>	<b>66.15</b>	<b>61.13</b>	<b>62.06</b>
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Source: SATI (2021)

**Table 2** shows South Africa's total exports of table grapes at the end of week 11 in 4 kg cartons. Overall, there has been a total of 62.6 million cartons of table grapes exported by South Africa so far in the season, 3 % more than 2020 in the same week. It can be noted that the EU is South Africa's largest market for table grapes, absorbing 54 % of the exports, and exports increased by 14 % compared to the same week in 2020. The United Kingdom (UK) is the second-largest importer of South Africa's grapes but is 9 % lower than 2020. Interesting is the 40 % increase in exports going to Asia in 2021 compared to 2020 in week 11, revealing a potential increase in demand and opening a market in Asia for South Africa's table grapes.

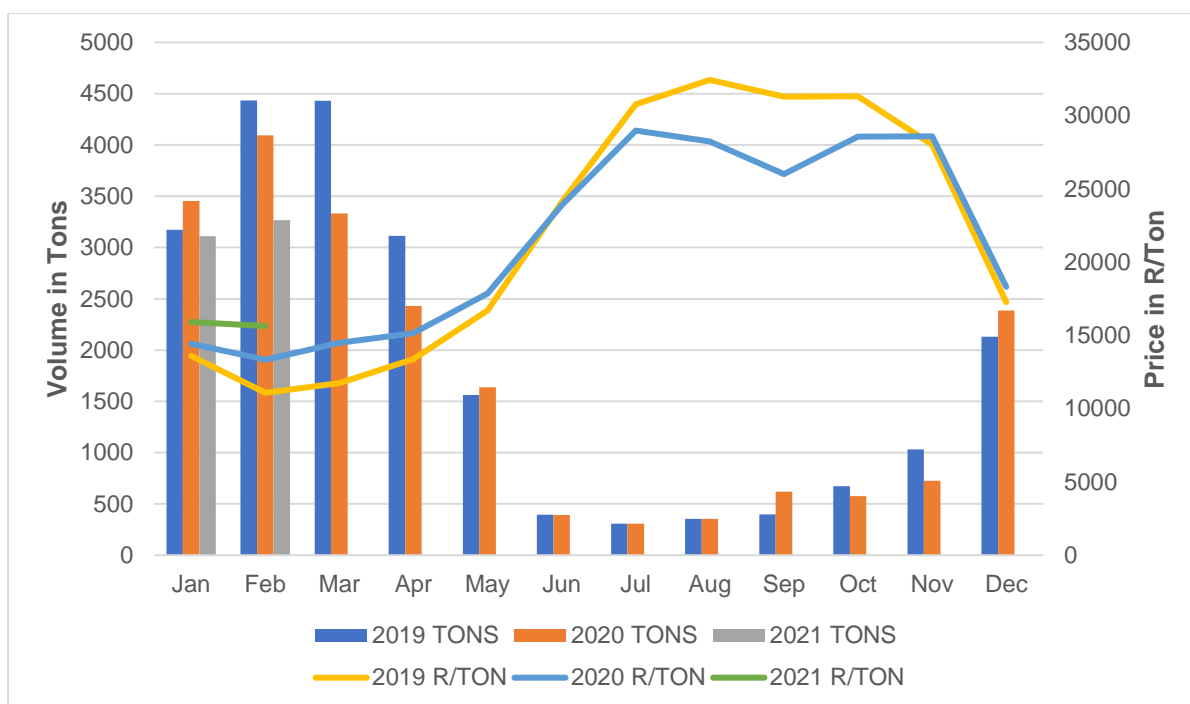
**Table 2: South Africa's total exports of table grapes for week 11 in 4 kg cartons (2020 and 2021)**

	<b>2020</b>	<b>2021</b>	<b>Difference</b>	<b>Difference (%)</b>	<b>Share in exports (%)</b>
European Union	29,631,263	33,643,221	4,011,958	14	54
United Kingdom	15,222,393	13,793,321	-1,429,072	-9	22
South-East Asia	5,832,823	5,303,295	-529,528	-9	8
North America	4,698,290	4,493,178	-205,112	-4	7
Middle East	2,924,906	2,980,368	55,462	2	5
Africa	912,445	900,558	-11,887	-1	1
Asia	183,268	256,426	73,158	40	0
Other	1367370	1213255	-154115	-11	2
<b>Total</b>	<b>60,772,758</b>	<b>62,583,622</b>	<b>1,810,864</b>	<b>3</b>	

Source: Agrihub (2021)

**Figure 3** shows the volumes and average prices of fresh table grapes sold through the national fresh produce markets (NFPMs) from 2019 to 2021 (January-February). The peak season shows between January and March, where the largest volumes are sold and corresponding prices are at their lowest. The volumes in 2021 so far are lowest compared to the other years and the prices higher, likely due to more table grapes being directed to the export market or the late start in the season for some regions. By February 2021, 6 376.06 tons of table grapes had been supplied at R15 774.90/ton compared to 7 545.94 tons supplied in 2020 at R13 838.59/ton and 7 606.01 tons at R12 132.56/ton in 2019.





**Figure 3: Price and quantity of table grapes sold through the NFPMs (2019-2021)**  
Source: DALRRD (2021)

### 3. Outlook of stone fruits for the 2020/21 season

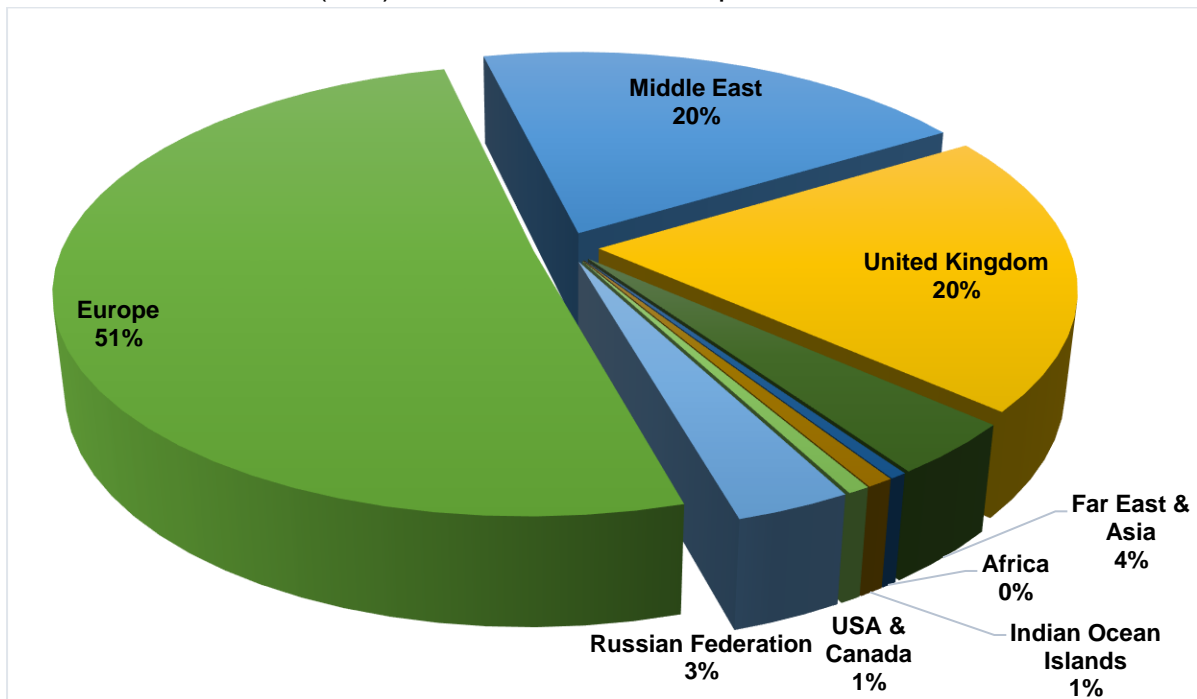
**Table 3** highlights the various stone fruits passed for export between 2017/18 and 2019/20, with 2020/21 being estimated volumes. The stone fruit forecast for the 2020/21 season is looking much better than last year. The good winter rainfall in most parts of the Western Cape during 2020 contributed to a better overall fruit set of all stone fruit commodities. Apricots are estimated to increase by 23 % year-on-year (y-o-y), mainly due to Imperial/Palsteyn returning to an average export crop. Nectarine export volumes are expected to increase from last year's five million cartons to 5.6 million cartons. The growth in export volumes is driven by young orchards coming into production and more favourable weather conditions. Similarly, peaches are also expected to increase to a normal crop of 5 % y-o-y. Plum growers are expecting export volumes to increase by 22 % compared to last season.

**Table 3: Stone fruit cultivars passed for export (cartons)**

Stone fruit cultivars passed for export (week 9)						
Stone fruits	2017/18	2018/19	2019/20	3-year avg.	2020/21 est.	2020/21 vs 2019/20
<b>Plums</b> (1 carton = 5.25 kg)	10 249 055	8 790 651	8 892 993	9 310 900	10 870 500	+22 %
<b>Nectarines</b> (1 carton = 2.5 kg)	4 202 020	4 010 973	5 065 598	4 426 197	5 608 500	+11 %
<b>Peaches</b> (1 carton = 2.5 kg)	2 156 038	1 835 008	2 010 484	2 000 510	2 111 800	+5 %
<b>Apricots</b> (1 carton = 4.75 kg)	723 195	574 935	354 804	550 978	435 600	+23 %

Source: Hortgro (2021)

**Figure 4** highlights the volumes of South Africa’s plums (measured in 5.2 kg cartons) passed for export and the corresponding markets in week 8 of 2021. Volumes passed for export in week 8 of 2021 increased by 113 % compared to the same period in 2020. Europe remains South Africa's main market for plums and this is driven by continued market access. During week 8 of 2021, European imports constituted a share volume of 51 % and this showed an increase of 1 % compared to the 2020 period. The Middle East was the second-largest export market, constituting a 20 % share, followed by the UK (20 %), Far East and Asia (4 %), Russian Federation (3 %), USA & Canada and Indian Ocean Islands (1 %). Africa showed a zero per cent share.



**Figure 4: Main export destinations for South Africa’s plums (week 8 of 2021)**  
Source: Hortgro (2021)

As nectarine exports are expected to increase by 5.6 million cartons (2.5kg), there is also an expectation that the illustrated markets will be critical in opening up their shelves. Three (3) nectarine cultivars were passed for export, namely *Arctic Wolf*, *September Red* and *Arctic Snow*. **Figure 5** shows the principal market destinations for nectarines exported from South Africa in week 8 of the 2021 season. The UK is indicated as the principal importer of nectarines from South Africa, with a share of 54 %, followed by Europe (29 %), the Middle East (12 %), Far East & Asia, as well as USA/Canada (2 %) and Indian Ocean Islands (1 %).

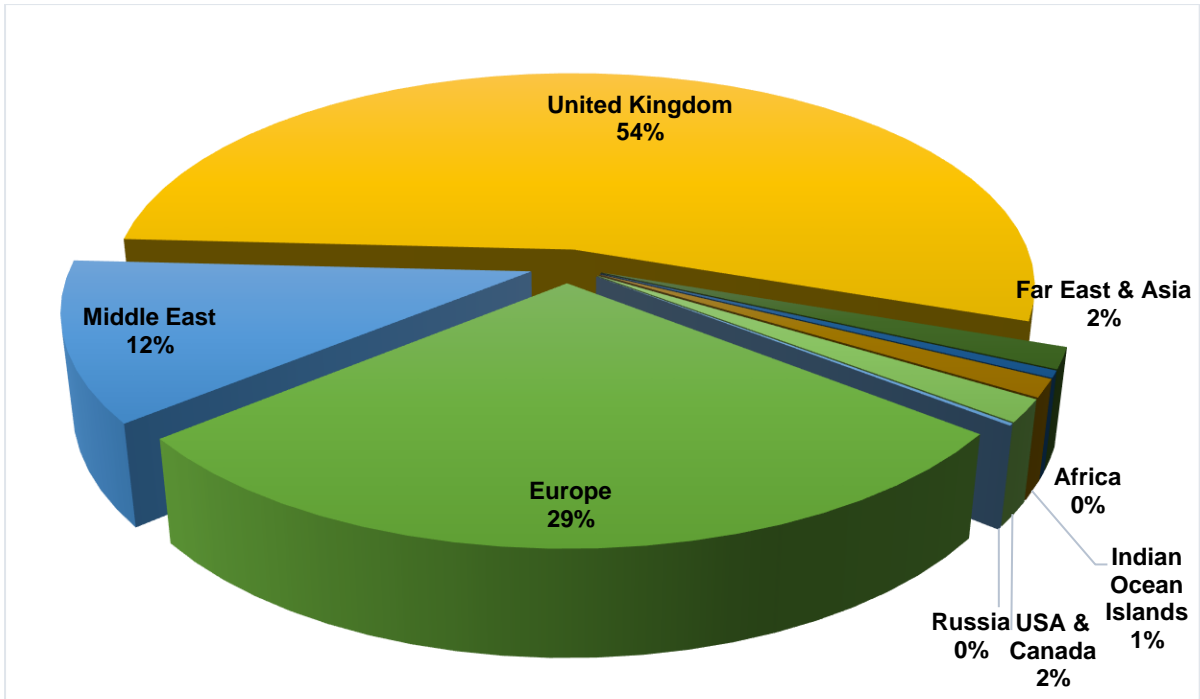


Figure 5: Main export destinations for South Africa's nectarines  
Source: Hortgro (2021)

The majority of peaches produced in the country are consumed for processing (peach juice) and drying. Only smaller portions of peaches are exported to the international markets. **Figure 6** illustrates the main market destinations for peaches exported by South Africa in week 11 of 2021. The Middle East absorbed about 41 % of peaches from South Africa, followed by the UK (42 %), Europe (12 %), Indian Ocean Islands (2 %) and Far East & Asia (1 %). Both the Russian Federation and Africa constituted about 1 % respectively of South Africa's total peach exports.

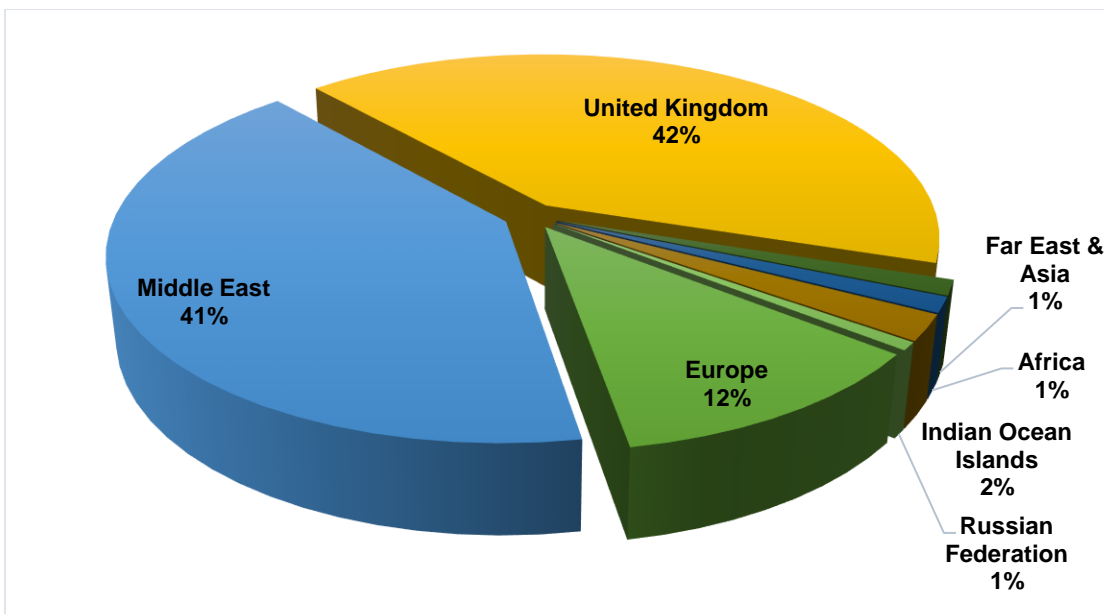
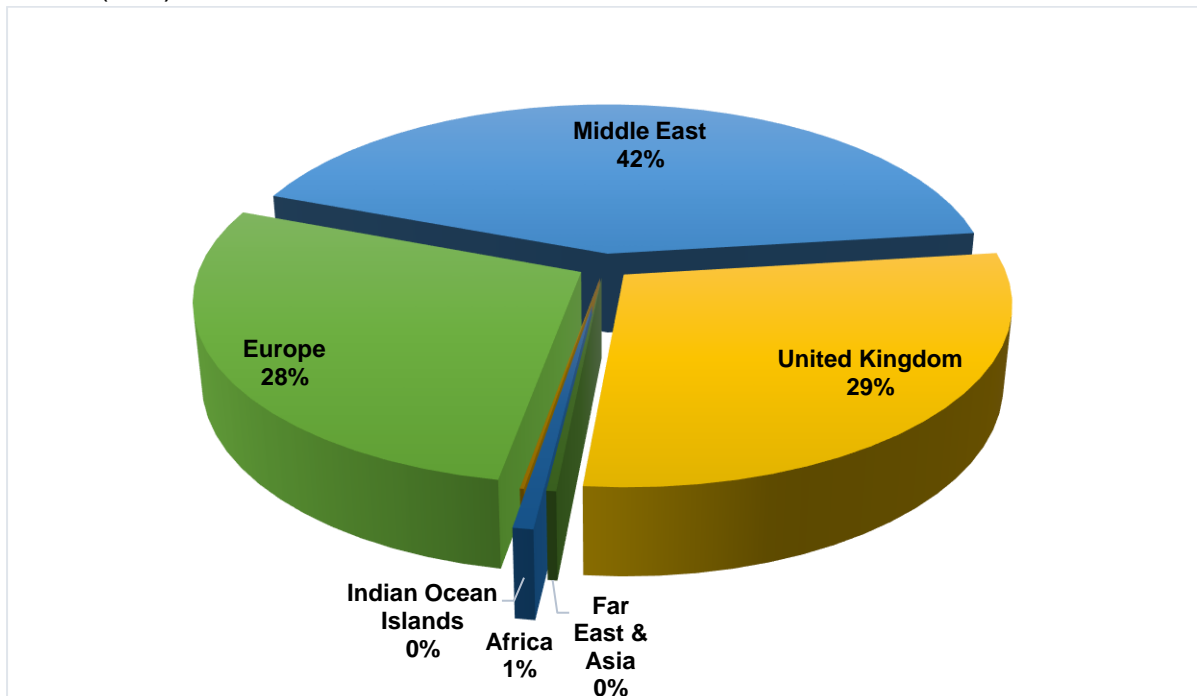


Figure 6: Main export destinations for South Africa's peaches  
Source: Hortgro (2021)

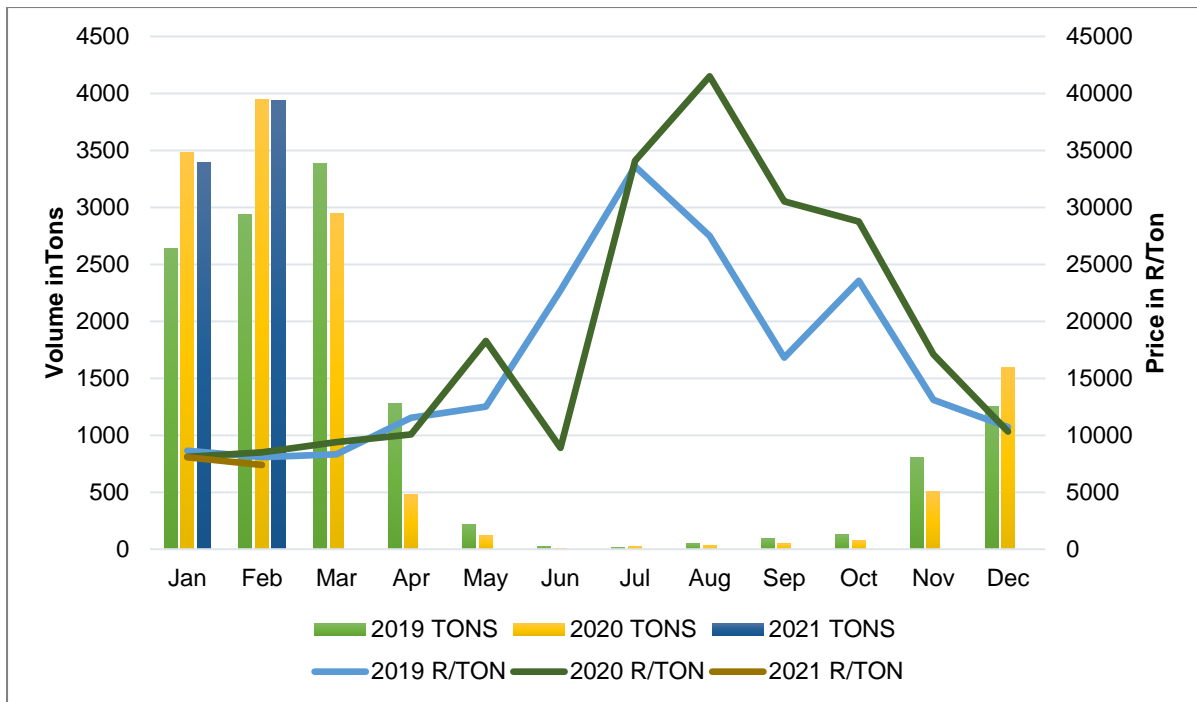


**Figure 7** indicates the main market destination for South Africa's apricots to the global markets in week 11 of 2021. The Middle East ranked as the principal importer of South Africa's apricots with a share of 42 %, followed by Europe (28 %), the UK (29 %) and Africa (1 %), while the Indian Ocean Islands constituted 0 %.



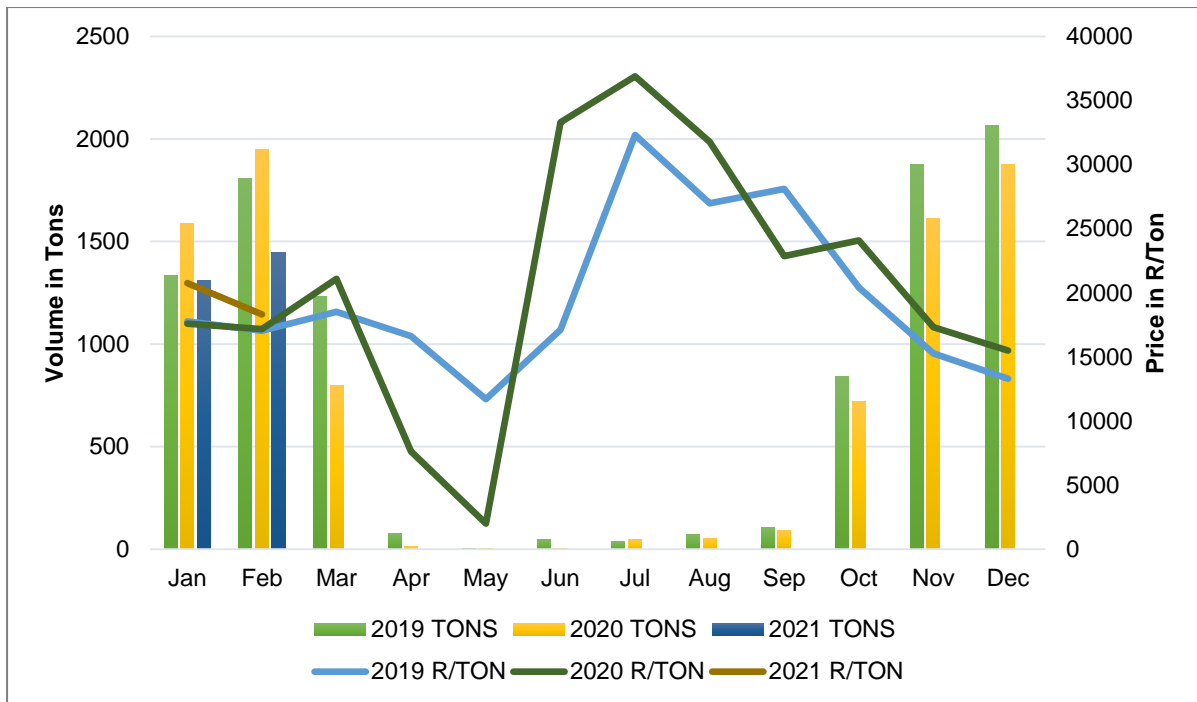
**Figure 7: Main export destinations for South Africa's apricots**  
Source: Hortgro (2021)

South Africa's fresh produce markets are regarded as critical market destinations for local farmers after the export market. **Figure 8** highlights the volume of plums sold through the National Fresh Produce Markets (NFPMs), as well as their market price per ton. The information is illustrated monthly from January to December (2019 & 2020) and from January to February 2021. The total volume of plums sold in 2019 was 12 833 tons at an average price of R 9 612 per ton, while 2020 sales increased to 13 258.40 tons at an average of R 9 610 per ton. Additionally, 2021 is still in progress, with only two months shown. In the period under review, high sales were experienced in February 2020 (3 949 tons), while high prices were experienced in August 2020 (R41 497/ton).



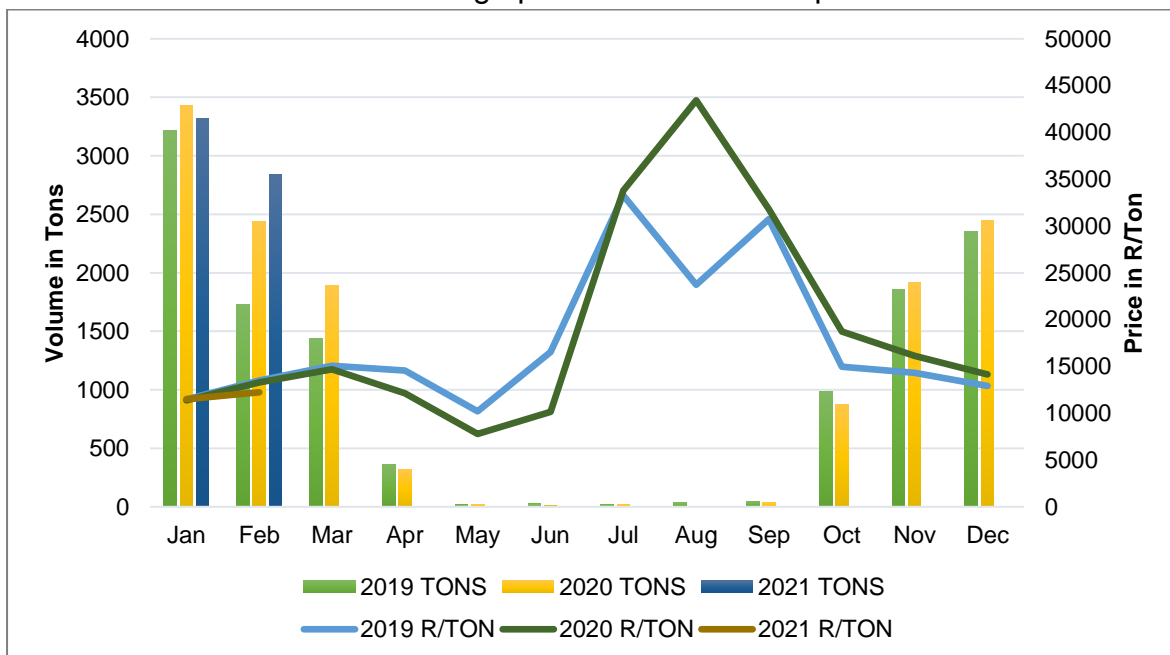
**Figure 8: Price and quantity of plums sold through the NFPMs (2019 – 2021)**  
 Source: DALRRD (2021)

**Figure 9** illustrates the monthly sales of nectarines during 2019, 2020 and 2021 (January to February) season. In South Africa, nectarines are mainly destined for export markets, while the rest is consumed as fresh and processed into juice. A total of 9 499 tons were sold through the NFPMs at an average price of R 16 721/ton in 2019, while 2020 sales stood at 8 757 tons (R18 077/ton). The sales in 2019 were higher than sales in the 2020 period. High sales of nectarines occur towards the beginning and the end of each year. In 2021 (January & February), a total of 2 754.3 tons were sold.



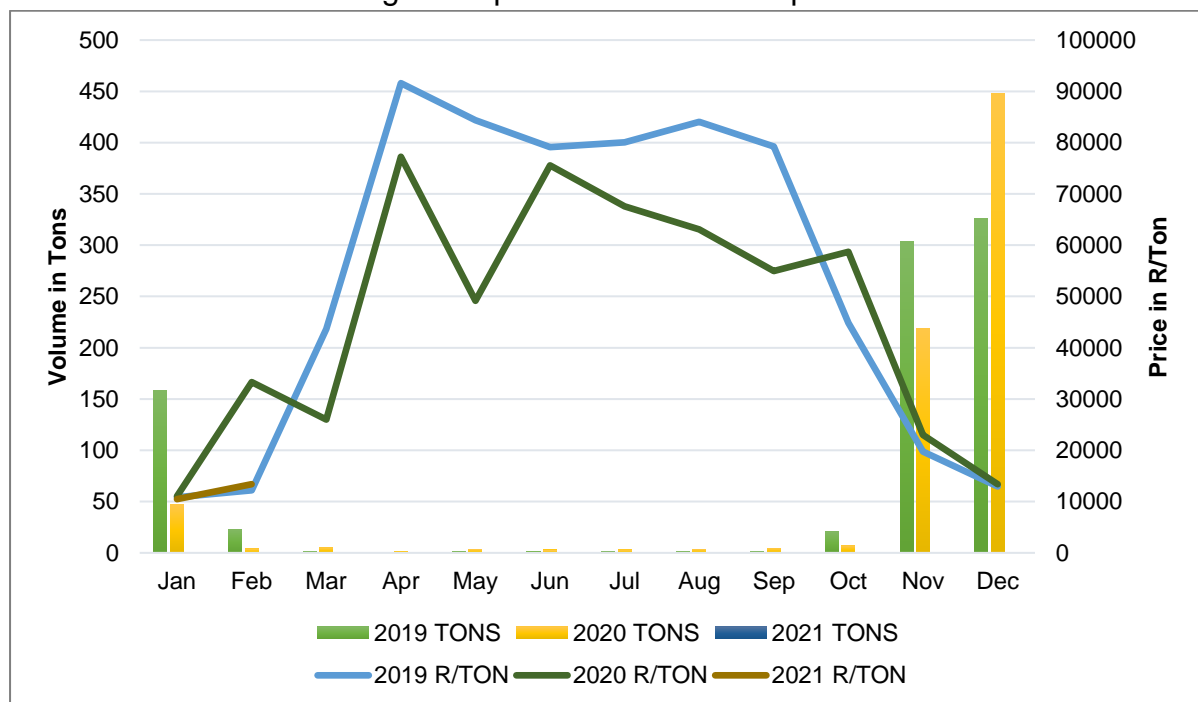
**Figure 9: Price and quantity of nectarines sold through the NFPMs (2019 – 2021)**  
 Source: DALRRD (2021)

**Figure 10** illustrates the trends for peaches sold through the (NFPMs) in terms of quantity and average price for 2019, 2020 and 2021 (January and February). In 2019, the NFPMs sold a total of 12 082.15 tons at an average price of R 13 432.51 per ton, with high sales volumes being experienced in January. In 2020, about 13 411.39 tons were sold in the local markets at an average price of R 13 968.66 per ton, and high sales were also experienced in January. The first two months of 2021 experienced a sale of 6 157.33 tons at an average price of R 11 837.83 per ton.



**Figure 10: Price and quantity of peaches sold through NFPMs (2019 – 2021)**  
 Source: DALRRD (2021)

**Figure 11** highlights the volume of apricots sold through the NFPMs and the corresponding price trends for 2019, 2020 and 2021 (January and February). During 2019, approximately 841.53 tons were sold at an average price of R 16 518.23 per ton, and high sales were achieved in December at a volume of 326.13 tons. In 2020, about 749.40 tons were sold at an average of R 17 921.57 per ton. Local market sales for 2021 only capture the months of January and February, which had sale volumes of 322.37 tons at an average sale price of R 10 842.10 per ton.



**Figure 11: Price and quantity of apricots sold through NFPMs (2019 – 2021)**  
 Source: DALRRD (2021)

#### 4. Fruit industry perspectives

The following section focuses on current issues affecting the fruit industry and also provides an analysis of how the industry is performing in terms of addressing developmental issues and where it could improve. In this issue, the focus is on the Suez Canal blockage.

##### 4.1. Blockage of the Suez Canal and South Africa’s trade: Lessons learnt

From one hurdle to another! Beyond the entanglement in ongoing trade wars between China, the United States (US) and Australia culminating in soaring tariff rates on certain agricultural products (e.g. wine), which also influence South Africa's agricultural trade, the outbreak of the COVID-19 pandemic was another stumbling block that saw the disruption of logistics globally. Although South Africa's agricultural exports were not significantly affected (except for alcoholic beverages and tobacco products), there was a slowdown in activities at customs in a number of countries. Logistics companies recorded shortages in containers for cargo as they were pending to be cleared at the customs points. However, as countries gradually eased the

restrictive measures as the number of COVID-19 infections subsided globally, trade resumed to blossom.

As of 23 March 2021, the most recent hurdle that affected South Africa's agricultural trade flows, particularly with the European Union (EU), the United Kingdom (UK) and parts of Asia, was the blockage of the Suez Canal by a massive container ship, Ever Given, measuring 400 metres wide and 59 metres long. It is worth noting that over the years, the EU, UK and Asia have remained South Africa's major trading partners in agricultural products and that the Suez Canal is the main and fastest shipping route to that part of the world. The canal is responsible for over 50 ships that traverse per day and handles about 12 % of global trade (ABC News, 2021). The massive container ship (Ever Given), which was wedged sideways in the narrow canal, left no provision for other ships to sail, thereby hampering trade. Timely interventions had to be made to dislodge the massive Ever Given, with further disruption of global trade foreseen to happen in addition to the damage already done by the COVID-19 outbreak and the trade wars. For South Africa to minimise the negative impact thereof, there was a possibility of ships using the Pacific Ocean route, but this would have come at a cost of about ten more days to reach the EU, among other associated intricacies. Alternatively, in the highly perishable primary agricultural products, airfreight would have been the fastest option but at an exorbitant cost. Unfortunately, the national airline – South African Airways (SAA) – is also not operational.

What is the take-home message out of all these global shocks that disrupt South Africa's agricultural trade? In a broad sense, South Africa should emphasise diversification of both markets and products.

- For market diversification, under the auspices of the recently enacted African Continental Free Trade Area (AfCFTA), South Africa should explore trade more with other African countries. This, however, calls for capital investment in both hard and soft infrastructure to reduce the existing bottlenecks across the continent. Moreover, such investments entail considerations for affordable airfreight interventions for perishable cargo that earns the economy premium prices.
- For product diversification, agro-processing should also be accorded more attention. The Agriculture and Agro-processing Master Plan (AAMP) is in the pipeline for the agricultural sector.

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## USEFUL LINKS

Bureau for Food and Agricultural Policy (BFAP)	<a href="http://www.bfap.co.za">www.bfap.co.za</a>
Citrus Growers' Association (CGA)	<a href="http://www.cga.co.za">www.cga.co.za</a>
Department of Agriculture, Forestry and Fisheries (DAFF)	<a href="http://www.daff.gov.za">www.daff.gov.za</a>
Food and Agriculture Organisation (FAO)	<a href="http://www.fao.org/docrep/">www.fao.org/docrep/</a>
Fresh Produce Exporters' Forum (FPEF)	<a href="http://www.fpef.co.za">www.fpef.co.za</a>
Hortgro Services	<a href="http://www.hortgro.co.za">www.hortgro.co.za</a>
National Agricultural Marketing Council (NAMC)	<a href="http://www.namc.co.za">www.namc.co.za</a>
Perishable Products Export Control Board (PPECB)	<a href="http://www.ppecb.com">www.ppecb.com</a>
Quantec Easy Data	<a href="http://www.quantec.co.za">www.quantec.co.za</a>
South African Subtropical Growers' Association (Subtrop)	<a href="http://www.subtrop.co.za">www.subtrop.co.za</a>
South African Table Grape Industry (SATGI)	<a href="http://www.satqi.co.za">www.satqi.co.za</a>

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