



National Agricultural
Marketing Council
Promoting market access for South African agriculture

Markets and Economic Research Centre



SAFruit Trade Flow

SOUTH AFRICAN FRUIT TRADE FLOW

Issue No. 22: June 2016



Beautiful country, beautiful fruit

Compiled by Thandeka Ntshangase, Lucius Phaleng and Yolanda Potelwa

Table of Contents

1. Background.....	3
2. Overview of the citrus season 2015/2016	3
2.1 Global overview of the citrus season 2015/2016	3
2.2 Global citrus fruit trade for the 2015/2016 season	4
2.3 South African overview for the 2015/2016 season	6
2.4 South Africa's citrus exports.....	6
2.5 Domestic sales	10
3. Overview of the litchi season 2015/2016	13
REFERENCES	Error! Bookmark not defined.
USEFUL LINKS:.....	16

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 citrus fruits (oranges, lemons and limes, soft citrus, and grapefruit) and subtropical fruit (litchis).** The main focus is on the 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 the citrus season 2015/2016

2.1 Global overview of the citrus season 2015/2016

Global citrus fruit production had shown some instability over the past season, with a substantial decline from 82.2 million tons in 2010/11 to 81.1 million tons in the 2015/16 season. Figure 1 presents the production of various citrus fruits between the 2010/11 and 2015/16 seasons. Oranges topped the list of global citrus fruit production, commanding an average share of 63% between the 2010/11 and 2015/16 seasons. Oranges contributed 14.4% towards the decline in world citrus production over reviewed seasons. Brazil was the largest producer of oranges in the world market, with an average share of 35.8% between the 2010/11 and 2015/16 seasons. This country exported a small quantity, i.e. 0.12%, of its production, with the rest being sold on the local market or processed into fruit juice and dried fruit. China was the second largest producer for that period, with an average share of 13.2%, followed by the European Union (13.5%), United States of America (11.9%) and Mexico (13%).

Soft citrus was the second most-produced citrus fruit variety in the world, commanding an average share of 21% between the 2010/11 and 2015/16 seasons. China commanded the largest average share of 67.2% of world production between the 2010/11 and 2015/16 seasons. The Chinese market imports a minimal value of soft citrus, with about 92% being consumed as fresh and the rest being exported and processed. The EU was the second largest producer of soft citrus, commanding an average share of 12.3%, followed by Japan (3.8%), Morocco (3.4%) and Turkey (3.6%).

Lemons and limes were the third most-produced citrus fruits in the world, with Mexico being the largest producer, accounting for more than one quarter of world production between the 2010/11 and 2015/16 seasons, followed by Argentina and the EU. Grapefruit commanded an average share of 7% as the least-produced citrus variety in the world between 2010/11 and 2015/16. China was the largest producer of grapefruit in the world, commanding an average share of 60.4%, followed by the USA (10.3%), Mexico (7.2%) and South Africa (6.8%) respectively between 2010/11 and 2015/16.

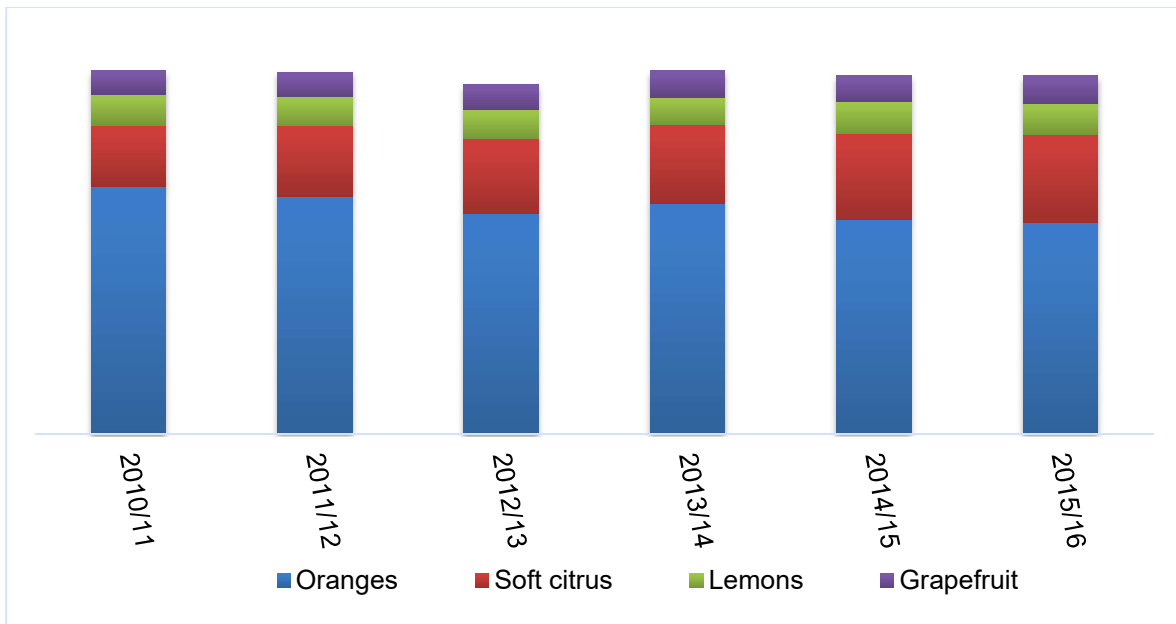


Figure 1: Global citrus production

Source: USDA (2016)

2.2 Global citrus fruit trade for the 2015/2016 season

Global citrus fruit exports amounted to a total of 8.9 million tons for 2015/16 season, with an equivalent of 11% of the world's total citrus fruit production. Figure 2 shows oranges as the largest export citrus variety, commanding a share of 46%, followed by soft citrus (26%), lemons and limes (19%), and grapefruit (9%) for the 2015/16 season. For the 2015/16 season, Egypt was ranked as the largest exporter, commanding a share of 31%, followed by South Africa (28%), the USA (13%) and EU (7%) respectively. Soft citrus is regarded as the second most-produced fruit in the world, with China as both the largest producer and exporter for the 2015/16 season. This market commanded an export share of 35%, followed by Turkey (20%), Morocco (16%), the EU (13%) and South Africa (7%) respectively for the 2015/16 season.

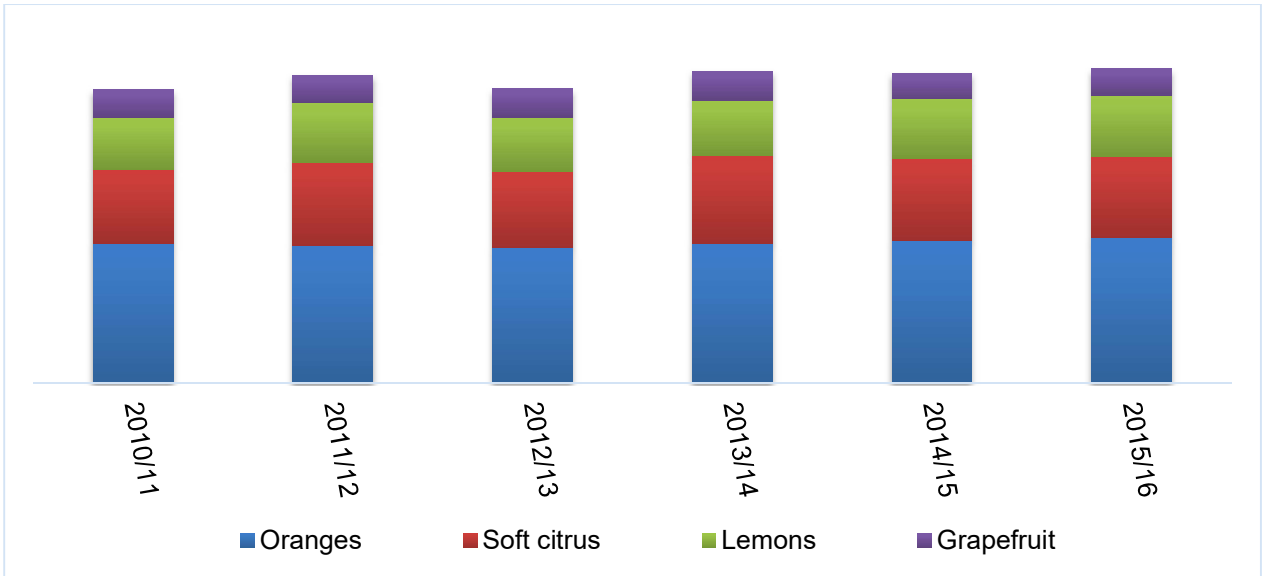


Figure 3: Global citrus fruit exports

Source: USDA (2016)

Figure 3 outlines global citrus imports from the world with a total of 8.9 million tons, equivalent to a share of 10% of the world’s total production for the 2015/16 season. Oranges were the most-imported fruit, commanding a share of 45%, followed by soft citrus (27%), lemons and limes (19%) and grapefruit (9%) respectively. The EU was the largest importer of oranges with a share of 22%, followed by Saudi Arabia (15%) and Russia (12%) respectively for the 2015/16 season.



Figure 3: Global citrus fruit imports

Source: USDA (2016)

2.3 South African overview for the 2015/2016 season

The crop estimates for the season 2015-2016 have been confirmed and released by the Citrus Growers' Association. Table 1 illustrates the production estimates of 2015 and 2016, with production for 2016 estimated to decline by 7.5 million cartons compared to the previous season. The estimated decline in citrus production in the country can be attributed to the occurrence of the drought. Oranges are the most-produced citrus variety in the country, with an estimated annual production of 71.2 million cartons. The crop is anticipated to decline by 8% for the current season. Lemons and soft citrus showed an estimated positive production of 12% and 7% respectively for the 2016 season. Grapefruit is expected to show a significant decline from 14.2 million cartons in the 2015 season to 12.4 million cartons in the 2016 season.

Table 1: South African citrus production estimates in million cartons (1 carton = 15 kg)

Production	2015	2016 Est.	% Change
Oranges	77.2	71.2	-8%
Soft citrus	10.0	11.2	12%
Lemons	15.1	16.1	7%
Grapefruit	16.1	12.4	-23%
Total	118.7	111.2	-6%

Source: Citrus Growers' Association (2016)

2.4 South Africa's citrus exports

Figure 4 illustrates South Africa's total oranges passed for exports from the first week to week 53 of 2016, compared to the two previous seasons (2015 and 2014). Normally, the orange-harvesting season starts from week 16 to week 45. The performance of oranges has been noted to be irregular over the weeks when comparing seasons, with a particular season performing well in some weeks and less well in others. Thus far, in 2016, oranges have been performing better than in 2015 and 2014 up until week 23. In 2015, oranges performed better in week 25 and weeks 27-29. Oranges performed best in 2014, from week 30 to week 45. The highest record for exports was in 2014 at 6.2 million cartons.

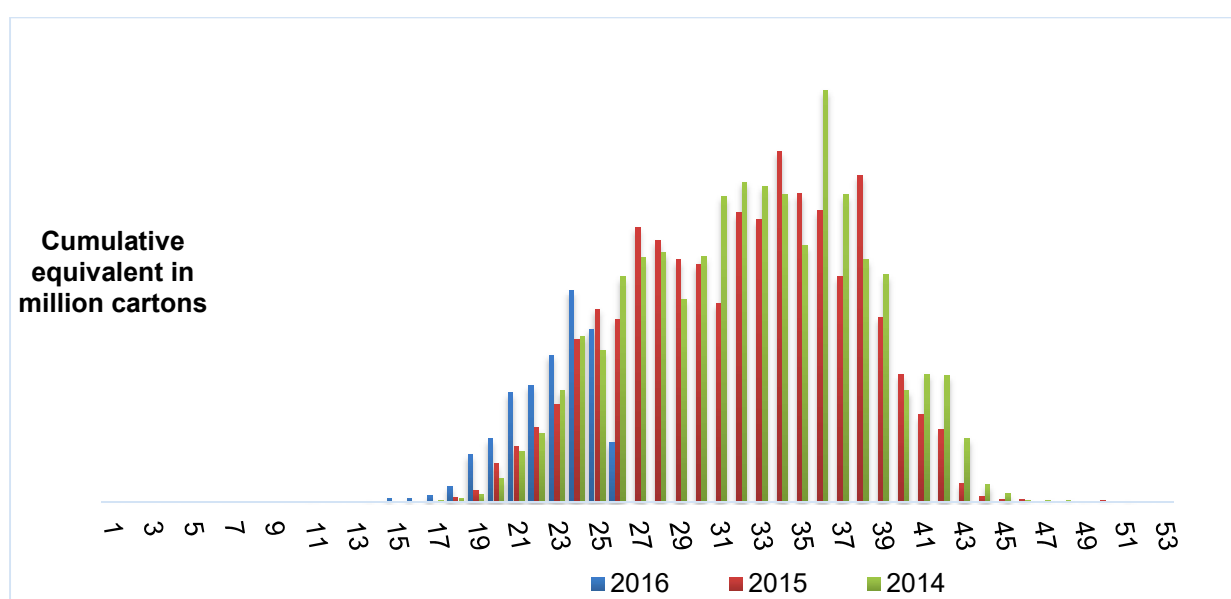


Figure 4: South African oranges passed for export

Source: CGA (2015)

Figure 5 depicts the main destinations for South African oranges for the 2016 season. The European market is ranked as the leading destination for South African oranges in 2016, accounting for 36% of total oranges exported, followed by the Middle East with a share of 25% and the South-East Asian market at 12%.

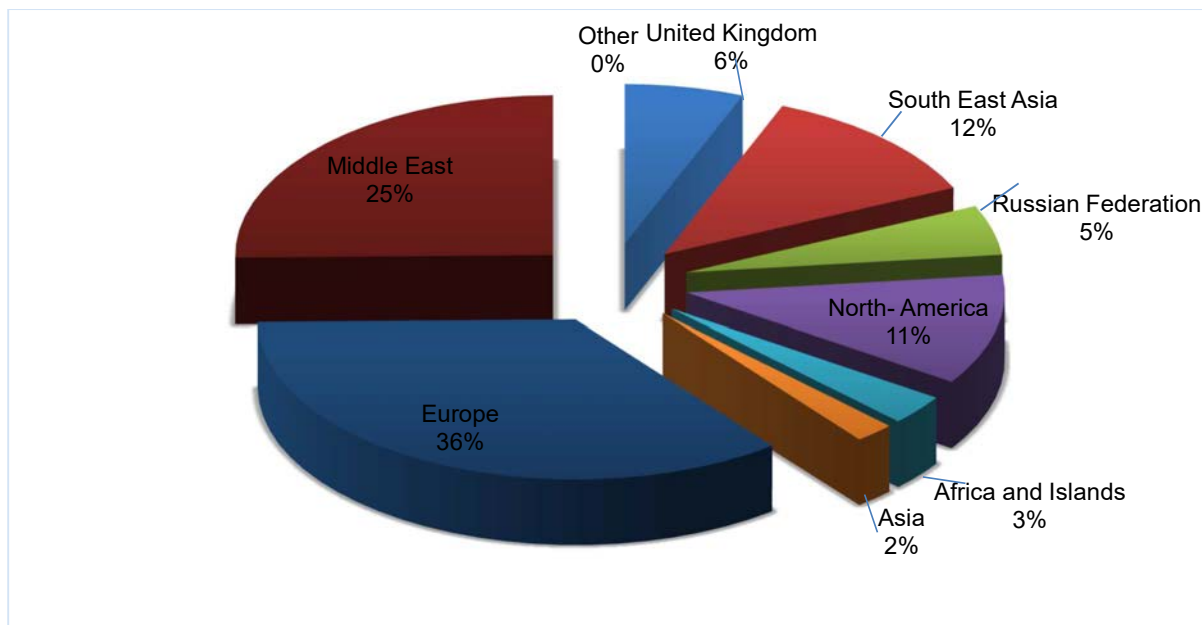


Figure 5: South Africa’s main destinations for oranges

Sources: CGA (2016)

Figure 6 shows the total South African soft citrus passed for export starts from the first week to week 53, comparing seasons 2014 and 2016. The 2016 season is noted to have shown growth from week 11 to week 21, thereafter going into decline in week 25. The highest record for soft citrus passed for export was set at a value of 778 487 cartons in 2016.

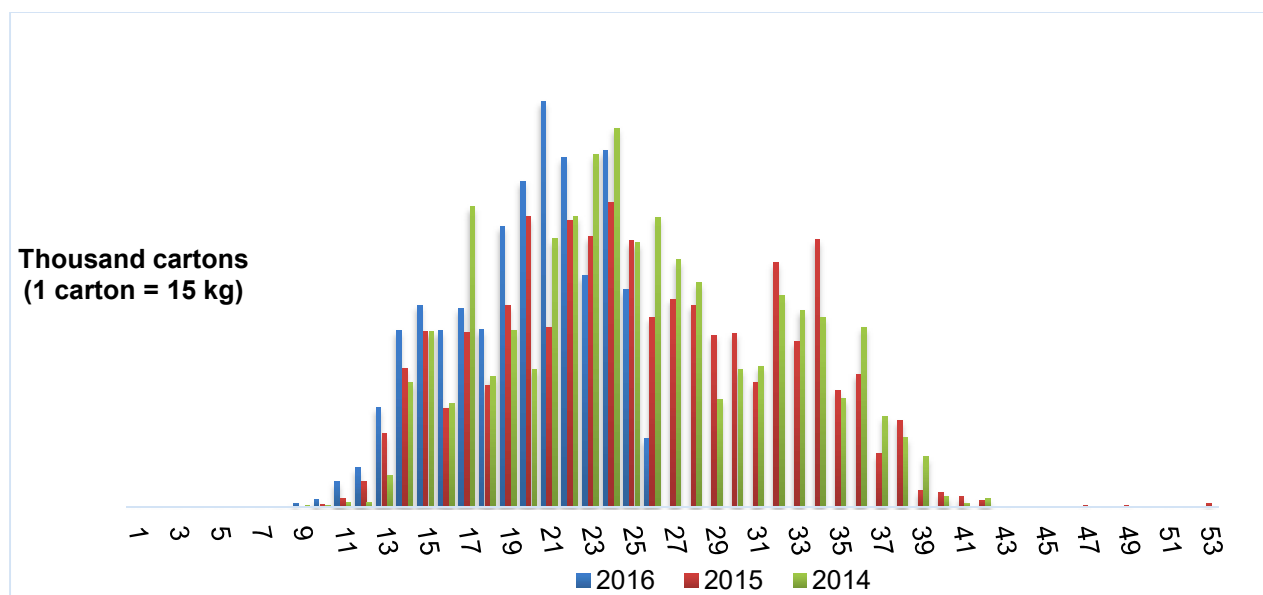


Figure 6: South African soft citrus passed for export

Source: CGA (2016)

Figure 7 indicates the leading destinations for South African soft citrus exports for the 2016 season. The main destination for soft citrus is the UK market, followed by the European market and the South-East Asian market, accounting for 36%, 24% and 11% respectively.

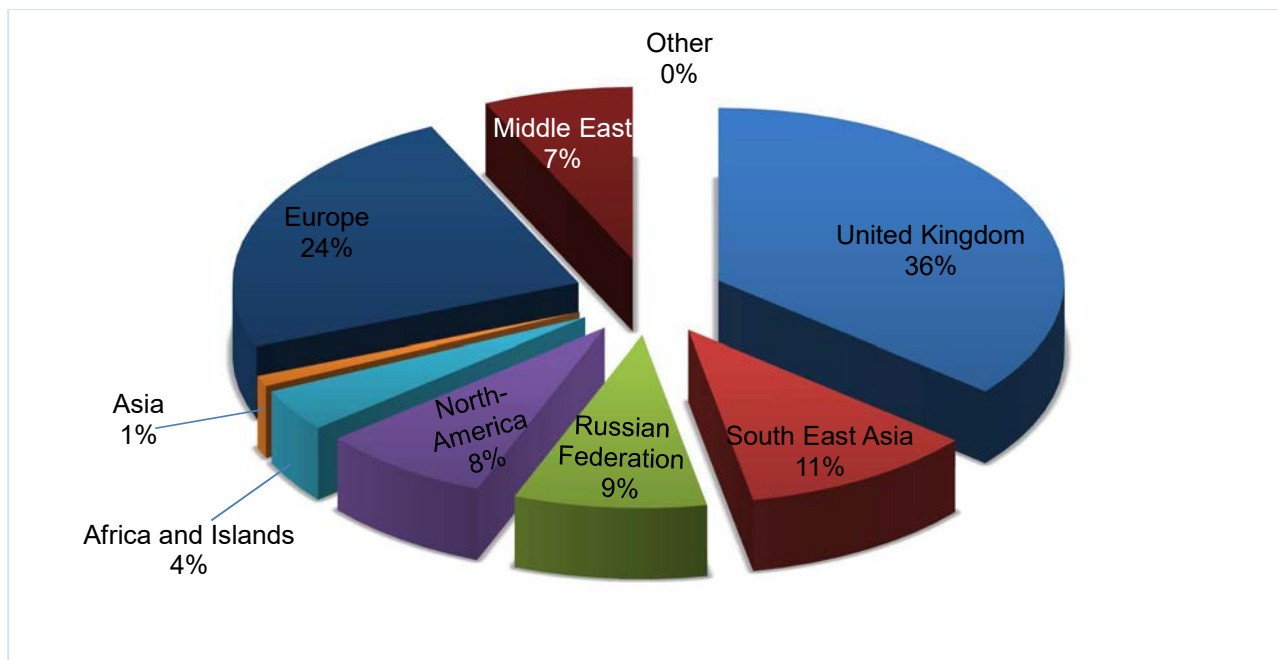


Figure 7: South Africa's main destinations for soft citrus

Source: CGA (2016)

Figure 8 illustrates South African lemons passed for export in seasons 2014, 2015, and 2016, from week 4 to week 42. The highest exports were in week 24 of the 2015 season, amounting to 1.1 million cartons. There was an improvement in lemons passed for export, peaking in week 18 and week 24 at 829 thousand cartons and 985 thousand cartons respectively.

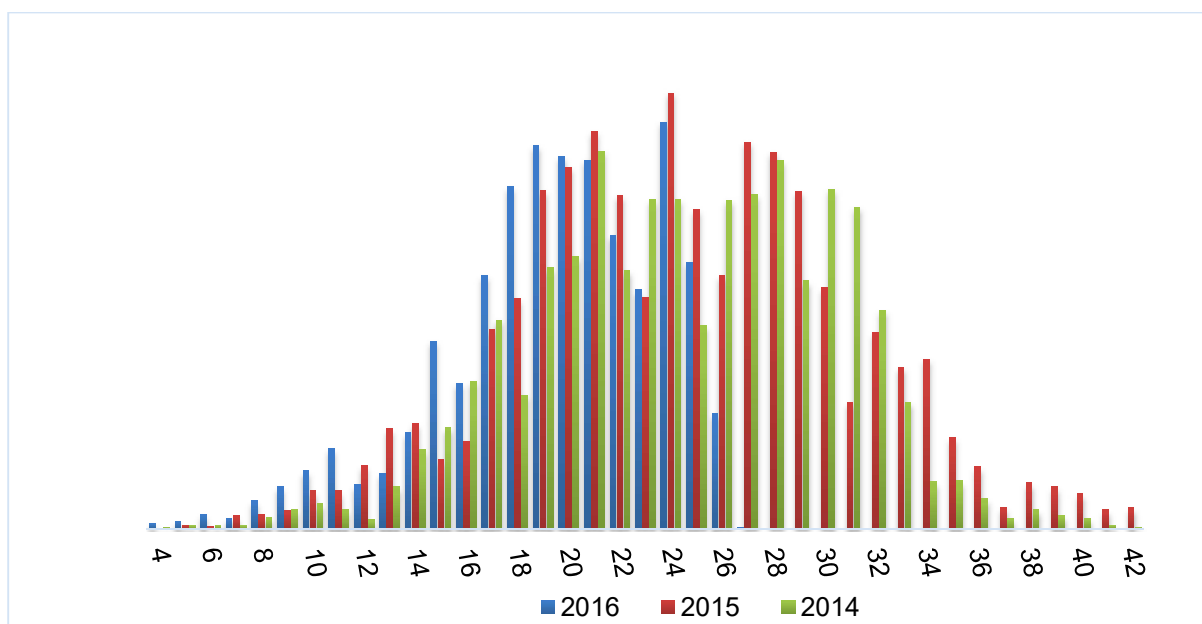


Figure8: South African lemons passed for export

Source: CGA (2016)

Figure 9 depicts the main destinations for South African lemons in the 2016 season. The Middle Eastern markets are the largest importers of South African lemons, accounting for 43% of total exports. The European market is the second leading destination at 21%, followed by the South-East Asian market at 14%.

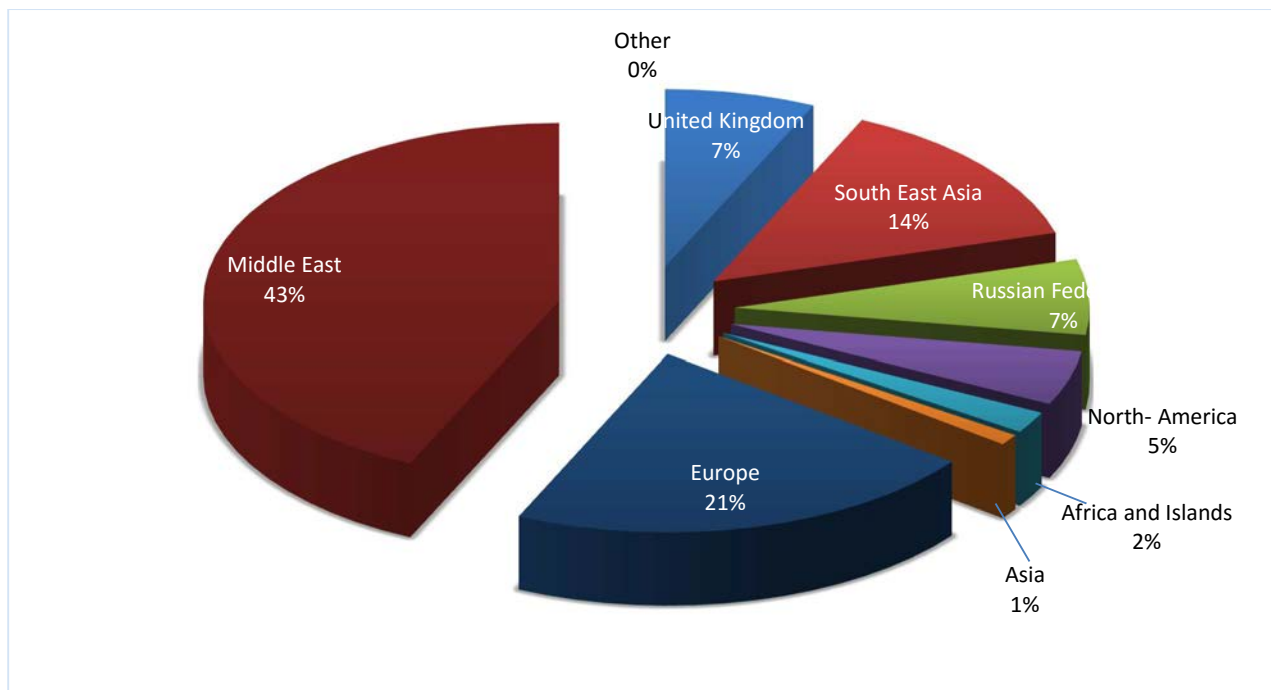


Figure 9: South Africa's leading destinations for lemons
Source: CGA (2016)

Figure 10 presents the total South African grapefruit passed for export from week 13 to week 45, for the 2014, 2015 and 2016 seasons. The highest export quantity was achieved in 2014, at 1.7 million cartons, with the second highest in 2015 at 1.5 million cartons. The current grapefruit season is not performing as well as the two previous seasons, peaking at 1.1 million cartons in week 22, and with the lowest point being 228 969 cartons in week 26.

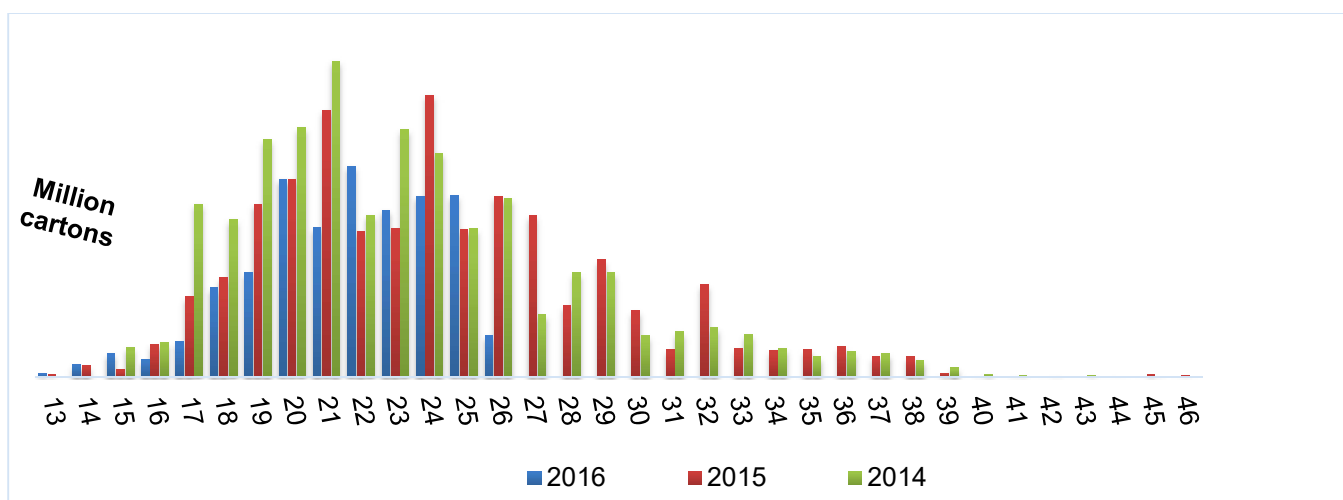


Figure 10: South African grapefruit passed for export
Source: CGA (2016)

Figure 11 shows the main markets for South African grapefruit for the 2016 season. The European market is the largest market for grapefruit, accounting for 44% of total exports, followed by the South-East Asian at 20%, the Asian market at 15%. Accounting for the smallest share are Africa and Islands, the Middle East and North America, with a share of 1%, 3% and 4% respectively for the season under review.

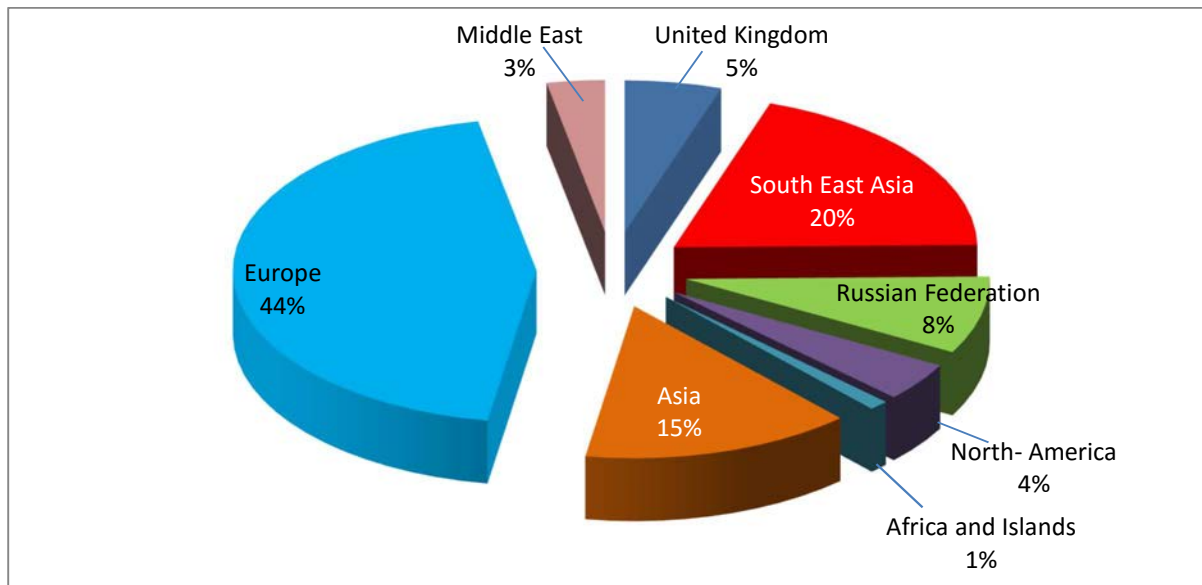


Figure 11: South Africa's leading destinations for grapefruit
Source: CGA (2016)

2.5 Domestic sales

Figure 12 shows the volumes of oranges sold on the local market, as well as the price trends between 2015 and 2016. It has been noted that after the start of the harvesting season (March 2015), the price of oranges went into decline until the end of July 2015, after which the price started to recover, indicating a decline in the supply of oranges. In May 2016, the price of oranges was registered at R3 405 per ton, compared to R2 300 per ton in May 2015. This can be mainly attributed to the decline in supply to the local market from 17 thousand tons in May 2015 to 13 thousand tons in May 2016.

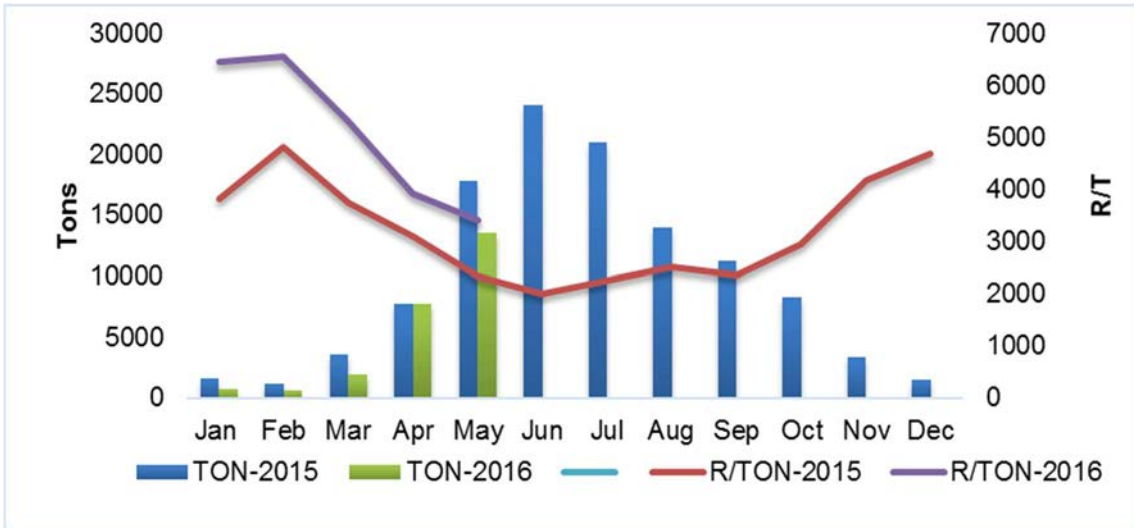


Figure 12: Domestic market sales of oranges between 2014 and 2015

Source: DAFF (2016)

Figure 13 highlights the volumes of soft citrus absorbed by the domestic market and the prices received on the national fresh produce market. The prices received were higher for the period January to May 2016 than for the same period in 2015, while the supply of soft citrus was much higher between January and July 2016 compared to the same period in the previous year.

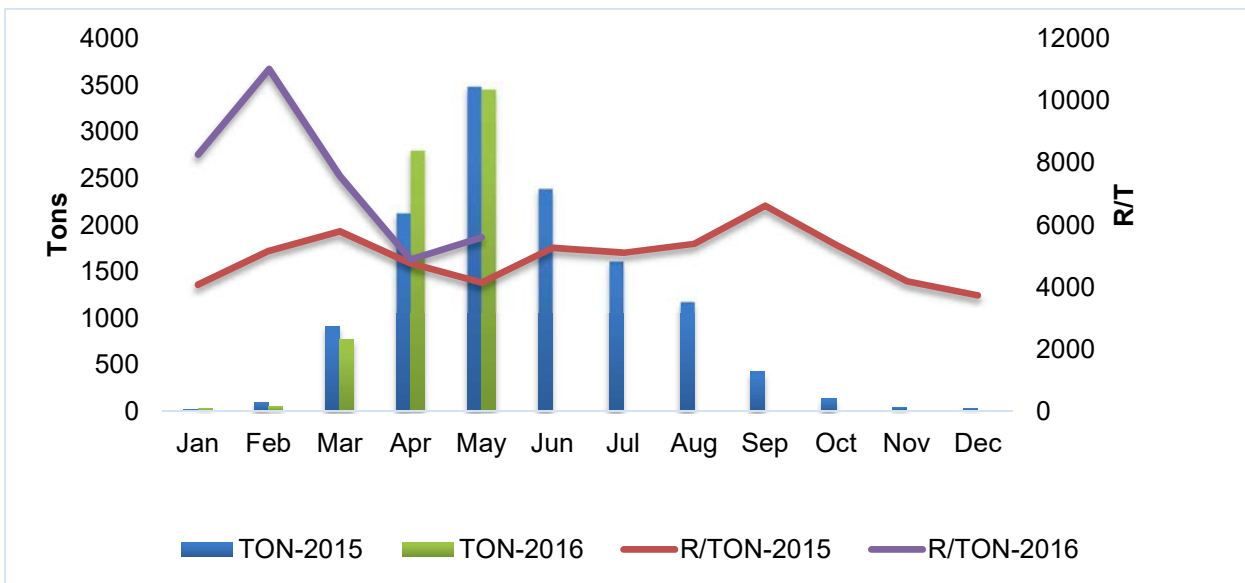


Figure 13: Domestic market sales of soft citrus between 2014 and 2015

Source: DAFF (2016)

Figure 14 presents South African volumes and prices of lemons for 2016 and 2015. The total volume was higher for the period February to May in 2016, compared to the same period in 2015. Moreover, prices appear to be lower in 2016 than in 2015, although an increase is noted between March and April, followed by a decline in May 2016.

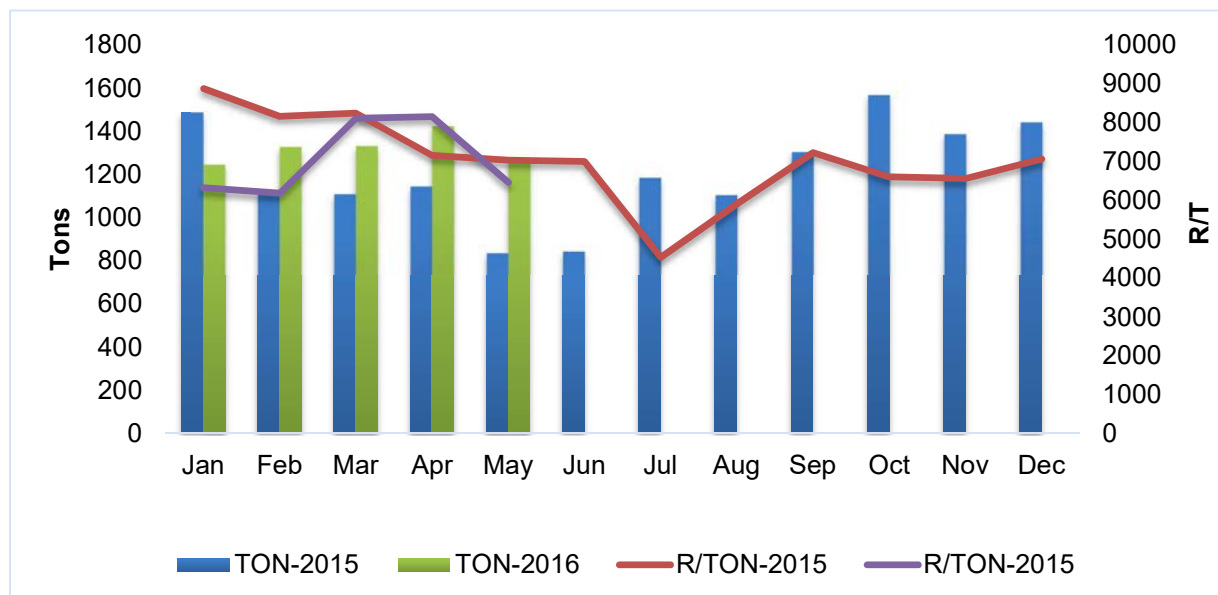


Figure 14: Domestic market sales of lemons and limes between 2014 and 2015

Source: DAFF (2016)

Figure 15 presents the domestic sales and price trends for South African grapefruit between 2015 and 2016. It should be noted that prices for the period January to May in 2016 were higher compared to the same period in 2015, with a registered price of R4 237 in May 2016. The volumes sold on the domestic market between January and May 2016 exceeded the volumes sold during the previous season.

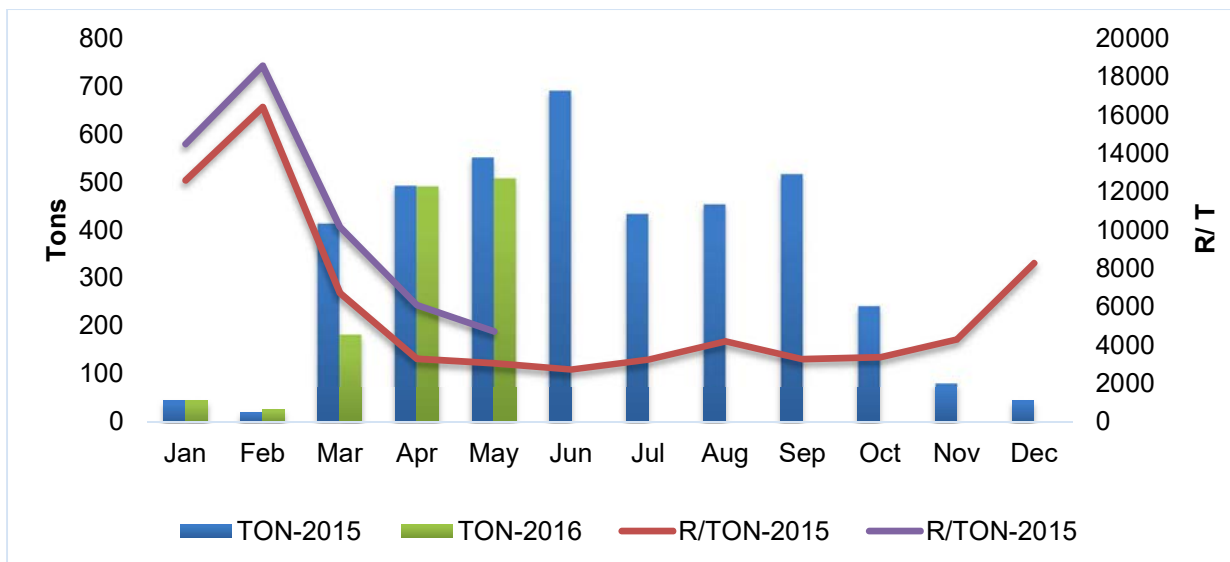


Figure 15: Domestic market sales of grapefruit between 2014 and 2015

Source: DAFF (2016)

3. Overview of the litchi season 2015/2016

Figure 16 shows the South African production of litchi fruit between the 2005/2006 and 2014/2015 seasons. Growth in production was relatively unsatisfactory between the 2010/11 and 2014/15 seasons. During the 2014/15 season, the litchi fruit production volume stood at 3715 tons, with a decline of 14.98% from the 2013/14 season. The decline in production can be mainly attributed to unfavourable weather conditions and improper management, according to the FAO (1993). It is noted that the highest production volume was recorded for the 2007/08 season, at 8 585 tons. The 2008/09 season recorded the lowest volume of 2 478 tons.

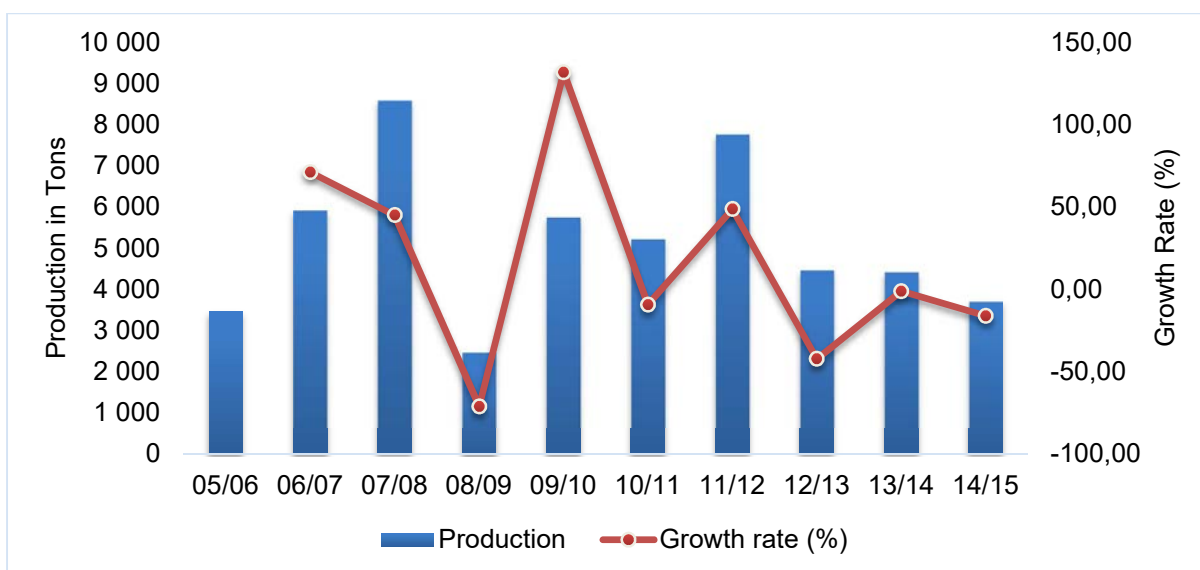


Figure 16: South African production of litchi fruit between the 2010/11 and 2014/15 seasons
Source: SALGA (2016)

Figure 17 highlights the distribution of the annual litchi crop over the past decade. The South African litchi industry is predominantly export oriented. During the 2014/2015 production season, 1 953 tons of litchis were exported and 896 tons sold on the local markets. This means that of a total production of 3 715 tons in 2014/15, 53% went to the export market and 24% was sold through the local markets, with the remaining 23% being processed as juice.

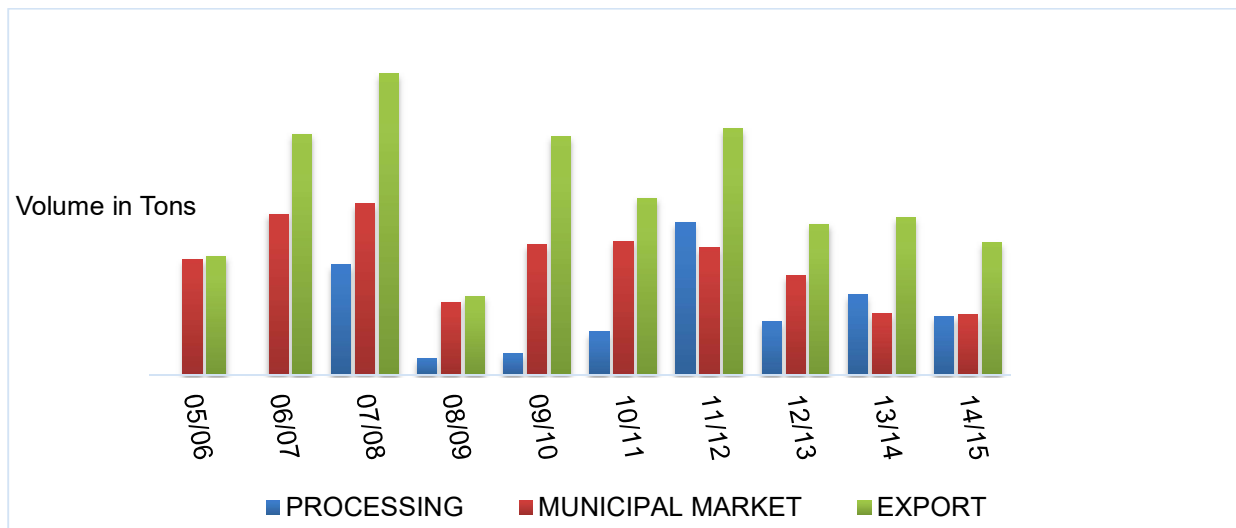


Figure 17: Annual litchi crop distribution, 2005/06 – 2014/15
Source: SALGA (2016)

Figure 18 shows South African litchi fruit passed for export from week 45 to week 9 in the 2016 season, as compared to the previous season. Weeks 45-49 of 2014/2015 exceeded the volumes exported for the same period in the 2015/2016 season. It is clear that the current volumes are slightly higher than the previous season's volumes. For week 53, there were zero exports in 2014/2015, compared to 1 44 550 cartons (1 carton = 2 kg) in 2015/2016.

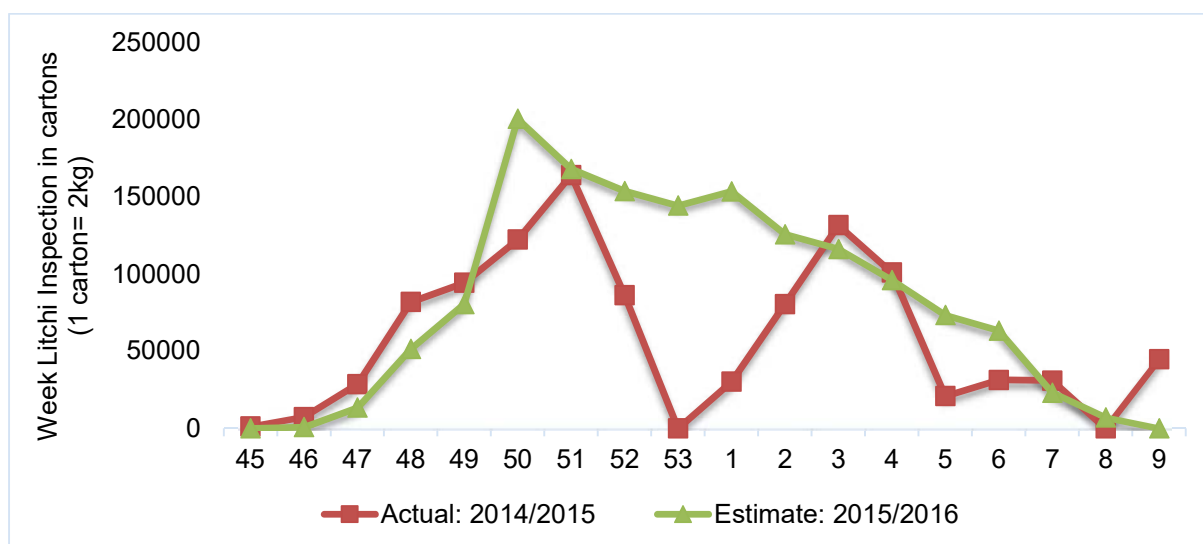


Figure 18: Weekly litchi volumes inspected in the current 2015/2016 season
Source: SALGA (2016)

Figure 19 highlights South Africa's export destinations for litchi fruit for the 2015/2016 season. The bulk of South African litchi fruit is exported to the EU market, with Netherlands and UK collectively commanding a share of 90%. Other markets include the middle East (M/East).

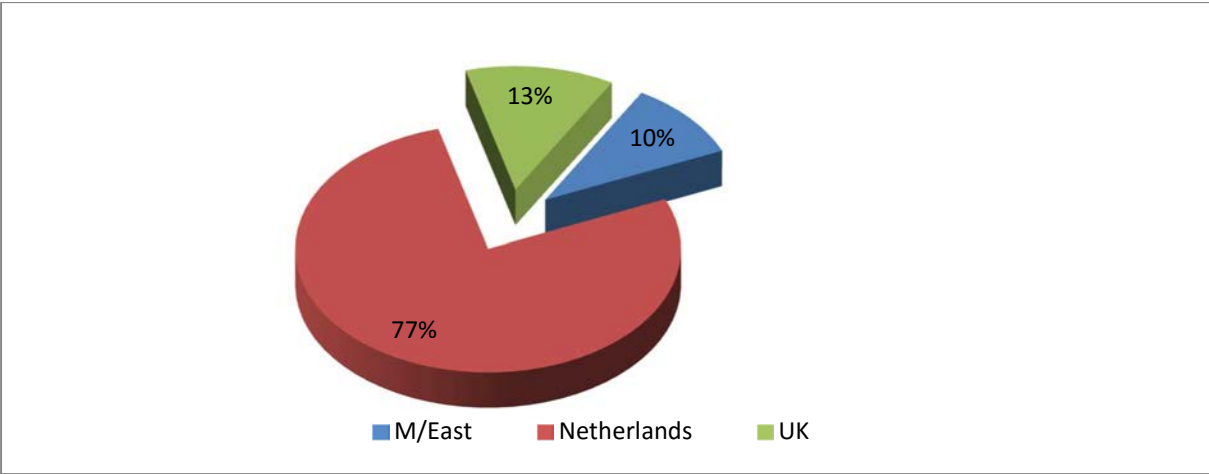


Figure 19: Export trends for South Africa's main litchi fruit export destinations

Source: SALGA (2016)

Figure 20 shows the domestic price trends for litchi fruit between January 2015 and May 2016. Litchi fruit prices have been unstable due to inconsistency in the supply thereof on the local market. Between April and August 2015, there was no supply of litchi fruit to the domestic market, which may be due to the fact that litchi fruit were out of season. The supply of litchi fruit reached its lowest volume in September, which caused the average price to increase to R29 090. The litchi fruit season extends from October to February, which may be the reason for the high supply of litchi fruit to the domestic market during the period mentioned. The supply of litchi fruit to the local market can be seen to increase as the average price decreases between January and April.

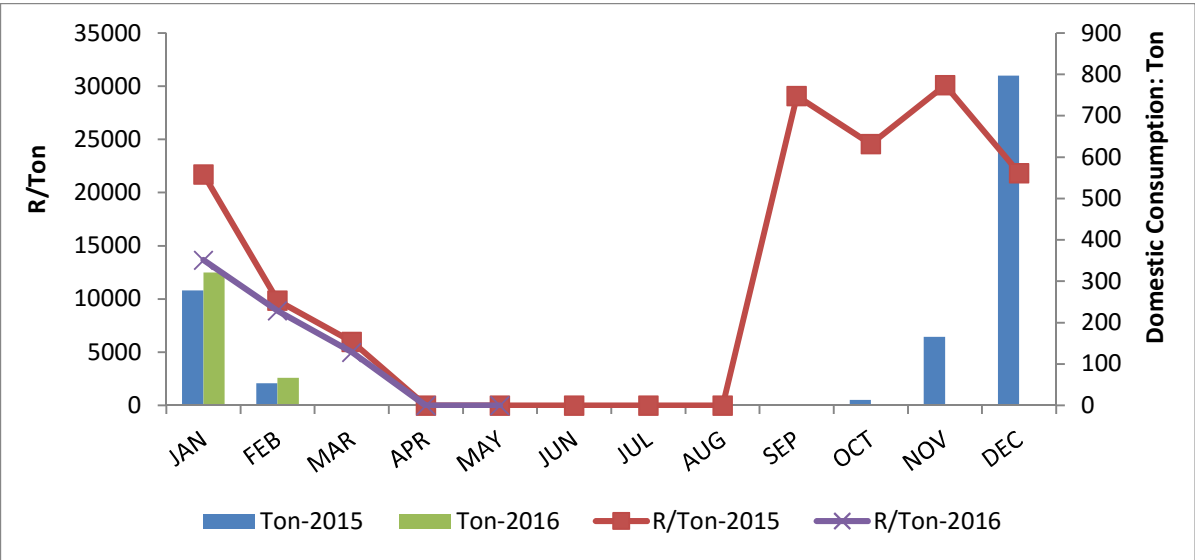


Figure 20: Price trends for litchi fruit

Source: DAFF (2016)

REFERENCES

CGA (Citrus Growers' Association). 2016. *Citrus production and export data*. Durban: Information and Market Intelligence Division.

DAFF (Department of Agriculture, Forestry and Fisheries). 2016. *Local market fruit sales data*. Pretoria: Directorate of Agricultural Statistics.

Subtrop (South African Subtropical Growers' Association). 2016. *Litchi production and export data*. Polokwane: Information and Market Intelligence Division.

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.satqi.co.za

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 regarding 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 non-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 informational purposes only and do not constitute or imply approval, endorsement or favouring by the NAMC.

For Correspondence:

Mr Bonani Nyhodo

+27 (0) 12 341 1115

Bonani@namc.co.za

Private Bag X935

Pretoria

0001