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South Africa, Republic of

Fresh Deciduous Fruit

Annual

2004

Approved by:

Scott Reynolds
U.S. Embassy

Prepared by:

Patricia Mabiletsa

Report Highlights:

South Africa's 2003/04 fresh deciduous fruit production is expected to increase by about 4% because of good rains and temperatures from the last season. Apple production will rise by 3%, pears by 15% and a slight decrease (2%) is expected for tablegrapes. The industry is closely adhering to the export requirements on food safety, traceability and EurepGAP practices. South Africa's currency is continuing to strengthen against the Dollar, and is currently trading at about R6.50 to a US Dollar in early January 2004.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Semi-Annual Report
Pretoria [SF1]
[SF]

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Executive Summary

South Africa's 2003/04 fresh deciduous fruit production is expected to increase by 4% from last year. The Western Cape is experiencing a hot and dry summer period. The winter season produced low rainfall that did not fill the reservoirs.

The impact of the dry and hot weather around September and October, and the combination of both heat and cold spells during period of blossoming and fruit setting, may have negatively off-set the total crop, especially the tablegrapes.

In Grasbouw/Elgin area of the Western Cape, hail and rainfalls at harvest time may have negatively impacted the export quality for apples.

The 2003/4 fruit industry expects a generally low production of tablegrapes because of heavy frost damage around the Orange River and parts of the Northern province. However, a very good pear crop is expected, while the apple production is expected to increase by 3%.

Exports are also expected to decrease significantly by 21% because of increasing export costs, a decrease in quality of apples for export caused by hail damage, and decrease in total grapes production. The above factors are therefore expected to lead to more fruit being consumed domestically.

Improvement of the value of the Rand is unfortunately not favoring exporters.

Production FRESH APPLES

The table below shows actual figures on apple production, exports, domestic consumption and processing trends for a period of three years.

YEARS	2000	2001	2002
PRODUCTION	573,966	567,005	584,339
CONSUMPTION	155,538	148,525	158,339
EXPORTS	208,510	244,819	257,583
PROCESSING	209,918	173,661	168,072

Source: NDA

FRESH PEARS

Below is a table that shows the actual figures on pear production, exports, domestic consumption and processing trends for a period of three years.

YEARS	2000	2001	2002
PRODUCTION	307,516	260,689	320,040
CONSUMPTION	60,379	55,890	53,766
EXPORTS	95,540	90,405	119,076
PROCESSING	151,597	114,394	147,198

Source: NDA

FRESH TABLEGRAPES

South Africa's major production areas for tablegrapes are the Hex River valley, Limpopo and Mpumalanga. Limpopo and Mpumalanga exports mainly to the Southern hemisphere, while the Hex River valley serves Northern hemisphere. Total average area planted to tablegrapes around the Hex River valley in the Orange River region amounts to about 8,000 Ha. The region is prone to severe hailstorms especially during the harvesting season, which starts at the beginning of November (week 45), and reaches a peak in mid-December (week 50). The area exports mainly to the Northern hemisphere countries. 2003/4 exports from this region are expected at about 60,000 MT.

The table below shows actual figures for tablegrapes production, exports, domestic consumption and processing trends for a period of four years.

YEARS	2000	2001	2002
METRIC UNITS	TONS	TONS	TONS
#PRODUCTION	1,454,867	1,328,193	1,384,685
CONSUMPTION	22,929	24,555	26,623
EXPORTS	185,242	181,834	207,279
PROCESSING	1,246,695	1,121,804	1,150,783

#: Total grape production, subdivided as follows:

YEARS	2000	2001	2002
Metric Units	Tons	Tons	Tons
Fresh t/grapes	356,594	351,686	368,583
Pressed t/grapes	1,098,273	976,507	1,016,102
TOTAL PRODN.	1,454,867	1,328,193	1,384,685

Source: NDA

Production Subcategory

PSD FRESH APPLES

PSD Table

Country	South Africa, Republic of						UOM
	Fresh Apples						
Commodity	2002		2003	Estimate	2004	Forecast	(HA)(1000 TREES)(MT)
	USDA Official	Revised Estimate	DA Official	Estimate	DA Official	Estimate [New]	
Market Year Begin	01/2003		01/2004		01/2005		MM/YYYY
Area Planted	24000	24000	0	24200	0	24300	(HA)
Area Harvested	18000	18000	0	18300	0	18400	(HA)
Bearing Trees	16300	16200	0	16470	0	16560	(1000 TREES)
Non-Bearing Trees	6500	5400	0	5310	0	5310	(1000 TREES)
Total Trees	22800	21600	0	21780	0	21870	(1000 TREES)
Commercial Production	600000	680000	0	700000	0	720000	(MT)
Non-Comm. Production	0	0	0	0	0	0	(MT)
TOTAL Production	600000	680000	0	700000	0	720000	(MT)
TOTAL Imports	0	0	0	0	0	0	(MT)
TOTAL SUPPLY	600000	680000	0	700000	0	720000	(MT)
Domestic Fresh Consum	167000	160000	0	220000	0	180000	(MT)
Exports, Fresh Only	273000	400000	0	350000	0	410000	(MT)
For Processing	160000	120000	0	130000	0	130000	(MT)
Withdrawal From Market	0	0	0	0	0	0	(MT)
TOTAL UTILIZATION	600000	680000	0	700000	0	720000	(MT)

PSD FRESH PEARS

PSD Table

Country

South Africa, Republic of

Commodity

Fresh Pears

(HA)(1000 TREES)(MT)

Market Year Begin	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	
	01/2003		01/2004		01/2005	MM/YYYY	
Area Planted	14000	14000	0	14200	0	14250	(HA)
Area Harvested	10000	10000	0	12000	0	12000	(HA)
Bearing Trees	8500	8500	0	10200	0	10200	(1000 TREES)
Non-Bearing Trees	6100	6100	0	6300	0	6350	(1000 TREES)
Total Trees	14600	14600	0	16500	0	16550	(1000 TREES)
Commercial Production	340000	340000	0	390000	0	350000	(MT)
Non-Comm. Production	0	0	0	0	0	0	(MT)
TOTAL Production	340000	340000	0	390000	0	350000	(MT)
TOTAL Imports	0	0	0	0	0	0	(MT)
TOTAL SUPPLY	340000	340000	0	390000	0	350000	(MT)
Domestic Fresh Consum	53000	53000	0	55000	0	54000	(MT)
Exports, Fresh Only	125000	150000	0	180000	0	160000	(MT)
For Processing	160500	135500	0	153000	0	134500	(MT)
Withdrawal From Market	1500	1500	0	2000	0	1500	(MT)
TOTAL UTILIZATION	340000	340000	0	390000	0	350000	(MT)

PSD FRESH TABLEGRAPES

PSD Table

Country Commodity	South Africa, Republic of Fresh Table Grapes						UOM
	2002	Revised	2003	Estimate	2004	Forecast	
Market Year Begin	USDA Official [	Estimate [	DA Official [	Estimate [	DA Official [	Estimate [New]	MM/YYYY
	01/2003	01/2003	01/2004	01/2004	01/2005		
Area Planted	19000	19000	19200	19200	0	19250	(HA)
Area Harvested	11800	11800	12200	12200	0	12500	(HA)
Commercial Production	359200	370000	382600	365000	0	380000	(MT)
Non-Comm. Production	0	0	0	0	0	0	(MT)
TOTAL Production	359200	370000	382600	365000	0	380000	(MT)
TOTAL Imports	0	0	0	0	0	0	(MT)
TOTAL SUPPLY	359200	370000	382600	365000	0	380000	(MT)
Domestic Fresh Consump	28600	28000	30600	23000	0	25000	(MT)
Exports, Fresh Only	204000	227000	220000	242000	0	253000	(MT)
For Processing	126600	115000	132000	100000	0	102000	(MT)
Withdrawal From Market	0	0	0	0	0	0	(MT)
TOTAL UTILIZATION	359200	370000	382600	365000	0	380000	(MT)

Consumption

In 2003/04, the deciduous fruit farmers are expected to increase the local prices for fresh fruit, especially the tablegrapes, to buffer the losses incurred from the export markets because of both increasing competition and the appreciated value of the Rand. Other expectations are more fruit will be sold to the processors than the fresh markets as a result of both the local market's inelastic demand for fresh fruit, and the products' limited lifespan for storage. However, it is likely that the local fresh market may end up with a glut of apples and pears because these products lack a unified structure to control supply.

Consumption Subcategory

None

Trade

While Europe is still a major market for the South African fruit industry, the industry is planning to reduce its market share in that market in 2003/4 and to increase supply to both the domestic and to new markets, namely Russia, China and Japan. Increase in commodity prices is also likely, as the industry tries to buffer the impact of the strong Rand.

Brazil is gradually becoming South Africa's export competitor in the Europe for 'early-season' grapes. Other competitors gaining momentum are Namibia, India, China and Chile.

Trade Subcategory

Export Trade Matrix**Country** South Africa, Republic of**Commodity** Fresh Apples

Time Period Units:
 Exports for:
 U.S. U.S.
 Others Others

United Kingdom	82,205	United Kingdom	69,691
Netherlands	39,210	Netherlands	25,851
Belgium	12,249	Belgium	22,392
Malaysia	11,550	Malaysia	17,039
Germany	10,991	Angola	10,552
Benin	6,200	Benin	9,310
France	5,139	Germany	8,928
Canada	5,055	Saudi Arabia	6,301
Hong Kong	4,956	Canada	6,190
Mauritius	4,946	Hong Kong	6,026
Total for Others	182501		182280
Others not Listed	<input type="text" value="62,318"/>		<input type="text" value="75,303"/>
Grand Total	244819		257583

In 2002, Angola was South Africa's 5th largest fresh apple export market with supply more than doubling from 4,012 MT of the previous season. Figures from January to September 2003 show a decline to about 3,573 MT compared to the 9,705 MT of the same period in 2002.

Exports to Saudi Arabia also increased in 2002 and are expected to remain among South Africa's 10 major export markets, as reflected by the January -September 2003 figures at about 6,918 MT from 6,237 MT a year earlier.

South Africa does not export fresh apples to the United States.

Export Trade Matrix

Country South Africa, Republic of

Commodity Fresh Pears

Time Period	Jan-Dec	Units:	MT
Exports for:	2001		2002
U.S.	1,652	U.S.	510
Others		Others	
Netherlands	28,845	Netherlands	31,016
UK	20,322	UK	26,406
Belgium	8,797	Belgium	16,529
Germany	6,524	France	8,209
France	5,105	Germany	7,974
Malaysia	3,139	Malaysia	4,969
Russia	2,597	Russia	3,996
Hongkong	2,215	Canada	2,962
Singapore	2,050	Singapore	2,533
Mauritius	1,524	Hongkong	2,286
Total for Others	81118		106880
Others not Listed	7,636		11,686
Grand Total	90406		119076

In 2002, South Africa drastically reduced the fresh pear exports (69%) to the United States, although the January-September 2003 figures indicates an expected improvement of about 15% compared to the same period of last year. Exports to Canada more than doubled in 2002, with Canada ranking as South Africa's 8th largest fresh pears export market, and is expected to maintain the same level at a slight improvement to 2,987 MT (last year, 2,961) in January-September 2003.

Export Trade Matrix

Country South Africa, Republic of

Commodity Fresh Table Grapes

Time Period	Jan-Dec	Units:	MT
Exports for:	2001		2002
U.S.	8,919	U.S.	4,882
Others		Others	
Netherlands	65,125	Netherlands	61,801
UK	33,717	UK	45,023
Belgium	24,632	Belgium	33,799
Germany	12,429	Germany	16,393
France	6,131	Hongkong	10,351
Hongkong	5,307	Canada	5,747
Spain	5,086	France	3,791
Canada	3,659	Spain	3,566
U.A.Emirates	2,515	U.A.Emirates	3,499
Saudi Arabia	2,022	Saudi Arabia	3,215
Total for Others	160623		187185
Others not Listed	12,292		15,212
Grand Total	181834		207279

Russia is gradually becoming South Africa's growing export market, from no tablegrapes export in 2000, growing massively to reach 1,450 MT in 2002 because of the new Free Trade Agreement between the two countries. In 2003, tablegrape exports to Russia have confirmed to grow by about 76%, from 1,450 MT (Jan-Sept) in 2002 to 2,554 MT the same period.

Export figures for 2003

COMMODITY	Jan-Sept (MT)*	Jan-Dec (MT)#
APPLES	312,897	400,000
PEARS	117,698	150,000
T/GRAPES	176,528	227,000

*Source Dept. of Customs & Excise, # PPECB

Stocks

none

Stocks Subcategory

None

Policy

In 2002, South Africa's National Department of Agriculture enforced a new legislation to ensure compliance with international food safety protocols.

South African farmers are adhering to the export market standards on food safety, traceability and EurepGAP.

REGULATIONS AND REQUIREMENTS

South Africa maintains strict grading standards and requirements for quality exports of stonefruit, tablegrapes, and pomefruit destined for the EU and US.

The National Department of Agriculture's Directorate of Plant Health and Quality conducts standard approval tests for all imported agricultural bio-controlled products.

Registration for bio-control products requires specification of the technical grade active ingredients for microbial Pest Control Agent (MPCA) and product standardizing.

The Acts-Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (1947), and the Agricultural Remedies Act (Act 15 of 1973); regulates label specifications, use, storage and disposal.

The Agricultural Pests Act of 1983 control illegal importation of exotic species of entomopathogenic microbes.

TRACEABILITY

Traceability using human readable coding, mainly used for food safety and phytosanitary matters, is another statutory requirement in South Africa.

The deciduous fruit industry and the International Fresh Produce Traceability (IFPT) project team are currently establishing pilots within the country.

LABELING

The Agricultural Production Standards Act regulates the Markings and Labeling of exports from SA.

EUROGAP PROTOCOLS

South African deciduous fruit industry is implementing EuroGAP protocols on production units, HACCP and ISO in pack-houses as required by European Union importing countries.

Policy Subcategory

Marketing

In 2003/4, South Africa's fruit industry plans to expand its export markets to the Far East. The fruit farmers are more skeptical about the strengthening of the Rand, most especially for mass-produced products like Golden Delicious apples, which are likely to flood the local markets and in turn result in lower producer returns.

Marketing Subcategory

none