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South Africa, Republic of

Dried Fruit

Annual

2004

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Report Highlights:

South Africa's 2004 raisins production is expected to increase by 5% from last year because of increased area harvested. Thompson seedless raisins are expected to increase because of more than enough moisture that darkens the sultana grape varieties. Exports to the U.S. are not expected to increase significantly because of a huge demand for dried fruit by the EU. About 90% of the total raisin crop is destined for exports.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Annual Report
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Executive Summary

South Africa's 2004 raisins production is expected to increase by 5% from last year because of increased area harvested. Thompson seedless raisins are expected to increase because of more than enough moisture that darkens the sultana grape varieties. Domestic consumption for 2004 is expected to reach about 4,500 MT, a decrease of about 12% from last year because exports are prioritized over the domestic market. Exports to the U.S. are not expected to increase significantly because of a huge demand of dried fruit by the EU countries. In 2004, expectations are for low ending stocks because about 90% of production will be exported, leaving less to share between domestic consumption and ending stocks.

Production

South Africa's marketing period for dried fruit starts from the beginning of March to the end of February the following year. Grapes used for drying processing are produced mainly around the Orange River area of the Northern Cape. The area has about 8,000 Ha of irrigated vines, and about 40,000 cold-storage facilities located at 900 Km from the Cape Town Port.

Harvest starts around early November, specifically by week 45 and 46 in Onseepkans area, week 48 and 49 in Upington/Globersdal area, and with harvest reaching peak at week 50 and 51.

In 2004, production of Thompson seedless raisins is expected to increase because of more than enough moisture that darkens the sultana grape varieties.

Below is a table that shows raisin production in 3 years:

South Africa, Republic of Raisins Production			
Type	2001/2 MT	2002/3 MT	2003/4* MT
Sultana			
Unbleached	2,591	6,507	5,716
Golden	5,656	7,473	7,557
Thompson seedless	32,092	20,858	24,814
Currants	1,837	1,774	1,300
Raisins Muscat	179	115	129
Total vines	42,355	36,727	39,516

Source: South Africa's Dried Fruit Technological Services

* = Estimates

Production Subcategory

South Africa, Republic of Raisins							
	2001	Revised	2002	Estimate	2003	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2002		01/2003		01/2004	MM/YYYY
Area Planted	12200	12,200	12300	12,300	12350	12,350	(HA)
Area Harvested	11300	11,286	11400	9,740	11450	10,640	(HA)
Beginning Stocks	8176	8,176	4598	6098	2051	1594	(MT)
Production	40518	40,518	34953	34,953	40000	36,720	(MT)
Imports	97	97	200	162	200	200	(MT)
TOTAL SUPPLY	48791	48791	39751	41213	42251	38514	(MT)
Exports	33693	33,693	28000	34,519	26000	33,000	(MT)
Domestic Consumption	10500	9,000	9700	5,100	11000	4,500	(MT)
Ending Stocks	4598	6,098	2051	1,594	5251	1,014	(MT)
TOTAL DISTRIBUTION	48791	48791	39751	41213	42251	38514	(MT)

NB: All post estimates are updated

South Africa's 2004 raisins production is expected to increase by 5% from last year because of increased area harvested. 2003 produced good quality crop, although at a 13% lower volume than the 2002 crop because of the alternating bearing cycle of the vines.

Consumption

The annual domestic consumption for raisins is about 10,000 MT, depending on the yield size and quality of production. However, for 2004, domestic consumption is expected to reach about 4,500 MT, a decrease of about 12% from last year because exports are prioritized over the domestic market. South African consumers are also expected to demand less dried fruit products because of more available fruit in the fresh markets caused by both increased production of good quality and increased purchasing power resulting from a strong Rand.

Consumption Subcategory

South Africa's Average real producer/wholesale Prices for raisins (US\$/MT)		
Year (Oct-Sept)	Raisins	Unbleached Sultanas
1999/2000	205.90	364.70
2000/2001	164.21	232.39
2001/2002	131.68	116.44

Source: OABS/NDA/SARB

Trade

The dried fruit industry intends to keep their traditional markets, while evaluating opportunities for new ones. Exports to the U.S. are not expected to increase significantly because of huge demand by the EU countries. Export figures of January-July 2004 show a significant decrease of about 66% on exports to the U.S. as compared to the same period last year.

Trade Subcategory

South Africa, Republic of Raisins			
Time Period	Jan - Dec	Units	MT
Imports for	2002		2003
U.S.	0	U.S.	36
Others		Others	
Japan	38	Iran	49
U.K.	30	Chile	41
Turkey	23	Turkey	18
France	5	France	15
Total for Others	96	Total for Others	123
Others not Listed	1	Others not Listed	3
Grand Total	97	Grand Total	162

Source: WTA

South Africa, Republic of Raisins			
Time Period	Jan - Dec	Units	MT
Exports for	2002		2003
U.S.	2,576	U.S.	1,264
Others		Others	
Canada	9,137	Canada	8,988
Germany	3,942	United Kingdom	6,034
United Kingdom	3,896	Germany	4,961
Netherlands	2,830	France	3,341
France	2,734	Netherlands	3,033
New Zealand	1,125	New Zealand	1,057
Japan	1,120	Japan	714
Philippines	962	Switzerland	651
Hong Kong	648	Sweden	592
Algeria	628	Norway	460
Total for Others	27,022	Total for Others	29,831
Others not Listed	4,095	Others not Listed	3,424
Grand Total	33,693	Grand Total	34,519

Source: WTA

South Africa, Republic of Raisins			
Time Period	Jan – July	Units	MT
Exports for	2003		2004
U.S.	778	U.S.	265
Others		Others	
Canada	4,438	Canada	5,170
United Kingdom	3,689	United Kingdom	1,980
Germany	2,742	Netherlands	1,950
France	1,993	Germany	1,872
Netherlands	1,834	France	1,523
Total for Others	14,696	Total for Others	12,495
Others not Listed	4,119	Others not Listed	2,732
Grand Total	19,593	Grand Total	15,492

Source: WTA

Stocks

South Africa's ending stocks for raisins are decreasing. In 2004, South Africa will have ending stocks because about 90% of production will be exported and a less proportion will be shared between domestic consumption and ending stocks. Also, fewer fresh tablegrapes were sent for raisins processing because of more demand in the fresh produce markets.

Stocks Subcategory

None

Policy

The deciduous fruit industry is developing a plan to accommodate the Agricultural Black Economic Empowerment (BEE) strategy, expected for full implementation by 2014. The Agri-BEE strategy also focuses on land reform issues, the issue under hot debate within the agricultural sector.

In 2002, the Minister of Labor introduced minimum wage levels for farm workers within the agricultural sector, based on the number of ordinary hours of work per week. Farm workers who work more than 27 ordinary hours per week must earn a minimum monthly rate of between R713.65 – R871.58, depending upon municipal location of the farm. Farm workers working less than 27 ordinary hours per week must earn an hourly rate of either R4.47 or R3.66 also based upon location. The minimum wage levels are implemented from March 01, 2004 to February 28, 2005.

Currently, the Department of Agriculture has developed food safety regulation because of requirements in the international exporting countries. The legislation includes both Good Agricultural Practices (GAP) and Good Managerial Practices (GMP) and its implementation starts from January 01, 2004. There will be a road show in all provinces to address all food safety issues.

Policy Subcategory

None

Marketing

Food safety is currently the biggest issue affecting marketing of South African fruits and dried fruit products internationally and within the domestic markets as consumers are becoming more health conscious. In CY 2004, South Africans are expected to demand less dried fruit products and more of fresh fruit because of increased supply of fruit within the fresh markets.

Marketing Subcategory

None