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Prepared By: Dirk Esterhuizen

Approved By: Ali Abdi

Report Highlights:

South Africa is set for record citrus exports of 2.7 million tons in marketing year 2021/22 despite ongoing challenges. Favorable weather conditions, new areas under production, and higher demand in premium markets, such as the United States, are driving the growth in exports. Duty-free exports of citrus to the United States under the African Growth Opportunity Act reached a historic high of 100,234 MT in 2021. However, several challenges are facing the industry, including, soaring input costs, especially fuel and fertilizer, a major surge in shipping costs, ongoing operational challenges at the country's ports, and the impact of the Russia-Ukraine conflict on established trading patterns. As a result, profitability and sustainability of the industry are under threat and could limit future investments.

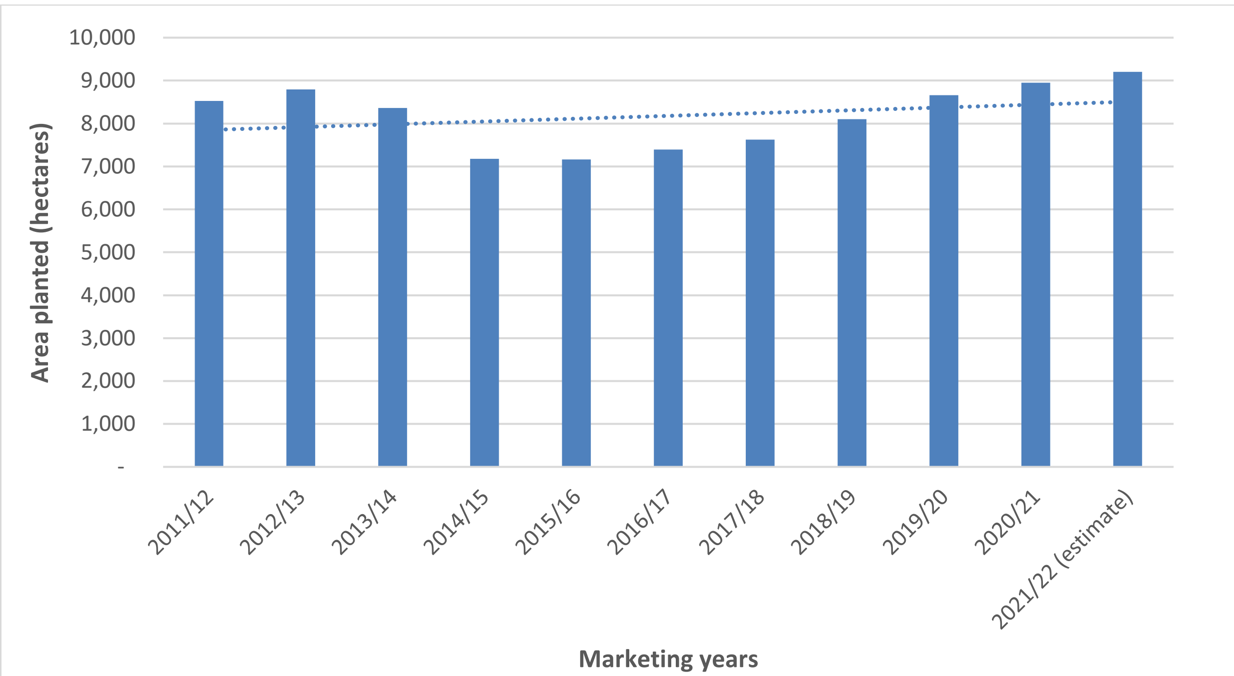
Grapefruit, Fresh

Area Planted

The area planted to grapefruit in South Africa grew by 25 percent over the past seven years (see Figure 1), mainly driven by a surge in global demand, especially in Europe, Asia, and the Middle East. Post believes this positive trend will continue in Marketing Year (MY) 2021/22, with grapefruit area growing by three percent to 9,200 hectares (ha), from 8,952 ha in MY 2020/21. In MY 2019/20, 8,661 ha were planted to grapefruit in South Africa.

Figure 1

Area Planted to Grapefruit



Source: Citrus Growers Association (CGA) & Post Estimates

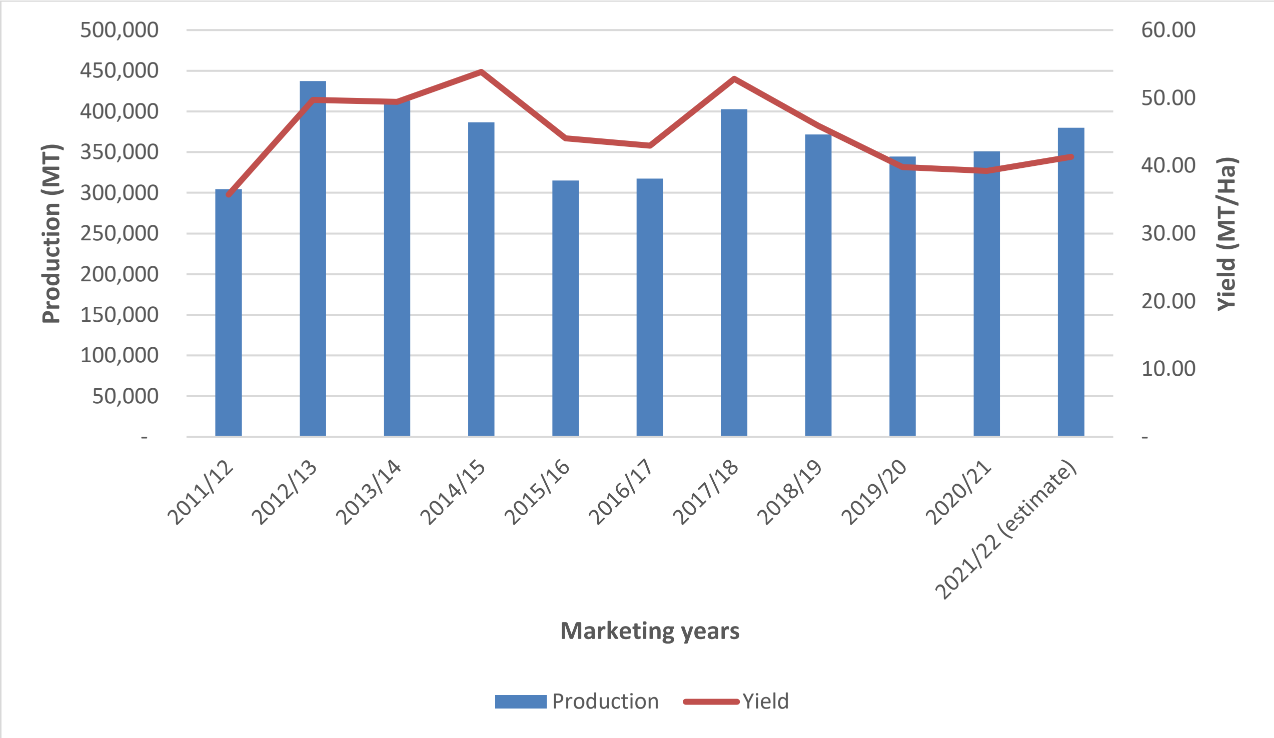
The Limpopo province is the leading growing region for grapefruit in South Africa, accounting for 56 percent of the total area planted, followed by Mpumalanga (20 percent), KwaZulu-Natal (10 percent), and Northern Cape (6 percent) provinces. Star Ruby, due to its high global demand, is the predominant cultivar planted, accounting for 88 percent of total area. Other grapefruit cultivars planted in south Africa include Marsh, Fe 1(Jackson), Pomelit, Rose, and Redheart.

Production

Grapefruit production is expected to grow by eight percent to 380,000 metric tons (MT) in MY 2021/22, from 351,043 MT in MY 2020/21. The summer rainfall season started normally in most growing regions with widespread rains that continued throughout the season, ensuring sufficient irrigation water, and providing conducive growing conditions that impacted positively on production. In addition, an increasing number of young trees started to bear fruit. In MY 2019/20, South Africa produced 344,626 MT of grapefruit. Figure 2 illustrates grapefruit production and yields in South Africa over the past 10 years. Grapefruit production is cyclical in nature, where two or three seasons of upward growth in production are normally followed by a downward production trend. It is clear from Figure 2 that South Africa is currently in an upward growth cycle in terms of grapefruit production.

Figure 2

Grapefruit Production in South Africa



Source: CGA & Post estimates

Consumption

Local grapefruit consumption in MY 2021/22 is forecast to stay at the same level as MY 2020/21, around 9,000 MT. Grapefruit is not a very popular citrus fruit in the South African domestic market, with many consumers largely unfamiliar with its qualities and taste. As a result, per capita fresh grapefruit consumption in South Africa is relatively low, at less than one kilogram per annum.

Processing

On average, around 25 percent of total grapefruit production is used for processing. Post estimates that the grapefruit delivered for processing will rise to 97,000 MT in MY 2021/22 due to an expected decline in exports. In MY 2020/21, the volume of grapefruit for processing dropped to 53,000 MT, due to record levels of exports that offered better prices to producers. In MY 2019/20, an estimated 94,000 MT of grapefruit was delivered for processing.

Grapefruit is processed to juice and concentrate, the majority of which is exported to Europe. The left-over pulp from commercial juice extraction is an important source of grapefruit oil which is used as a flavoring agent in many soft drinks. The inner peel is a source of pectin and citric acid, which are both used by the food industry to preserve fruits, jams, and marmalades. Naringin is also extracted from grapefruit peel and gives tonic-water its distinctive bitter flavor. Grapefruit peel oil is used in scented fragrances.

Exports

Post estimates that grapefruit exports will drop by five percent to 275,000 MT in MY 2021/22. In April 2022, days of heavy rains across the KwaZulu-Natal province led to severe flooding. Particularly hard-hit areas included the city of Durban, resulting in devastated roads and an impact on operations at the port. Grapefruit is normally harvested between March and September, and due to the flooding, some exports were impacted. In addition, the Russia-Ukraine conflict has affected the normal trading patterns of South Africa's grapefruit. In MY 2020/21, South Africa exported 22,127 MT of grapefruit to Russia, representing eight percent of total grapefruit exports. Exports of grapefruit to Ukraine were small, accounting for less than one percent of total exports. Immediately after the conflict started, South Africa's citrus shipments to Russia ceased. However, shipments to Russia have since resumed but at a slower pace, as producers, concerned about payments and shipping delays, explore other markets.

In MY 2020/21, South Africa exported a record amount of 290,607 MT of grapefruit, an increase of 19 percent from the 244,334 MT exported in MY 2019/20 (see Table 1). Despite the global shipping crisis, civil unrest in the KwaZulu-Natal province, and a cyber-attack on the Transnet port systems, the industry managed to export record volumes of grapefruit. This was mainly due to an almost 20 percent surge in exports to China. In 2021, Fruit South Africa and the Chinese Chamber of Commerce signed a memorandum of understanding to promote greater cooperation and statistical information exchanges between the two countries' fresh fruit industries, which positively impacts trade.

In fact, China was the leading market for South African grapefruit exports in MY 2020/21, accounting for 27 percent of total exports. China was followed by the Netherlands, accounting for 25 percent of total exports. Although South Africa has a free trade agreement with the EU that allows duty-free access for citrus exports, South Africa continues to face phytosanitary challenges in the EU market, due to the prevalence of citrus black spot (CBS) and false codling moth (FCM). The citrus industry estimates that it costs almost R4 Billion ($256 million) in additional phytosanitary measures to comply with the CBS and FCM requirements in the EU market. The costly measures that have allowed South Africa to maintain and grow the EU market include pre-export inspections, strict spraying protocols, field surveillance programs, adherence to shipping protocols, and comprehensive CBS risk management systems (for more information, see the Policies and Regulations section of this report).

The Netherlands is followed by Japan (10 percent of total exports), Russia (8 percent), and Hong Kong (4 percent). While total volumes are still low, grapefruit exports to the United States have been growing exponentially over the past 10 years, from 275 MT in MY 2010/11, to 8,827 MT in MY 2020/21. Grapefruit exports to the United States are expected to continue growing based on higher demand, good quality fruit, and the continuation of duty-free access through the African Growth and Opportunity Act (AGOA).

Table 1

South African Fresh Grapefruit Exports

Export destinations	**MY 2019/20 (MT)**	**MY 2020/21 (MT)**
China	48,083	77,707
Netherlands	71,975	73,231
Japan	27,046	30,029
Russia	21,931	22,127
Hong Kong	13,603	13,130
Italy	9,399	11,118
United Kingdom	10,498	10,347
United States	5,310	8,827
Canada	6,252	8,351
Portugal	4,522	5,475
All others	25,712	30,265
Total	**244,334**	**290,607**

Source: Trade Data Monitor

Imports

South Africa is not a major importer of grapefruit as the industry is mainly export-orientated. Imports mainly originate from Eswatini, Spain, Turkey, and Israel to fill the small demand gap towards the end of the season. Grapefruit imports in MY 2021/22 is estimated at 1,000 MT. In MY 2020/21, South Africa imported only 1,497 MT of grapefruit and 1,325 MT in MY 2019/20.

Prices

Table 2 illustrates the local, export, and processed market prices for grapefruit over the past 10 years. Grapefruit prices in the export market have increased mainly due to the weakening of the South African currency (rand) and growing demand. Processed and local market prices tend to fluctuate based on supply availability. Export markets continue to provide the highest prices for South African grapefruit, which explains why the industry is export oriented.

Table 2

Grapefruit Prices

Marketing Year	Local Market Average Price (rand/MT)	Export Market Average Price (rand/MT)	Processed Average Price (rand/MT)
2010/11	2,107	3,723	383
2011/12	2,275	4,371	377
2012/13	2,352	5,060	376
2013/14	3,020	5,247	401
2014/15	3,866	5,737	310
2015/16	5,154	7,898	409
2016/17	2,472	7,762	596
2017/18	5,246	8,234	1,593
2018/19	2,908	7,990	1,523
2019/20	6,563	8,960	1,571
2020/21	6,147	8,185	1,345

Source: CGA
Note: 1 US$ = R15.60 (05/25/2022)

Table 3

Grapefruit Production, Supply, and Distribution

Grapefruit, Fresh	2019/2020		2020/2021		2021/2022	
Market Year Begins	Jan 2020		Jan 2021		Jan 2022	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	8259	8661	8700	8952	9000	9200
Area Harvested (HECTARES)	7700	8055	7900	8325	8100	8550
Bearing Trees (1000 TREES)	7600	7975	7800	8240	8000	8500
Non-Bearing Trees (1000 TREES)	900	945	920	980	950	1000
Total No. Of Trees (1000 TREES)	8500	8920	8720	9220	8950	9500
Production (1000 MT)	345	345	367	351	374	380
Imports (1000 MT)	1	1	1	1	1	1
Total Supply (1000 MT)	346	346	368	352	375	381
Exports (1000 MT)	244	244	290	290	300	275
Fresh Dom. Consumption (1000 MT)	8	8	9	9	10	9
For Processing (1000 MT)	94	94	69	53	65	97
Total Distribution (1000 MT)	346	346	368	352	375	381
(HECTARES) ,(1000 TREES) ,(1000 MT)						

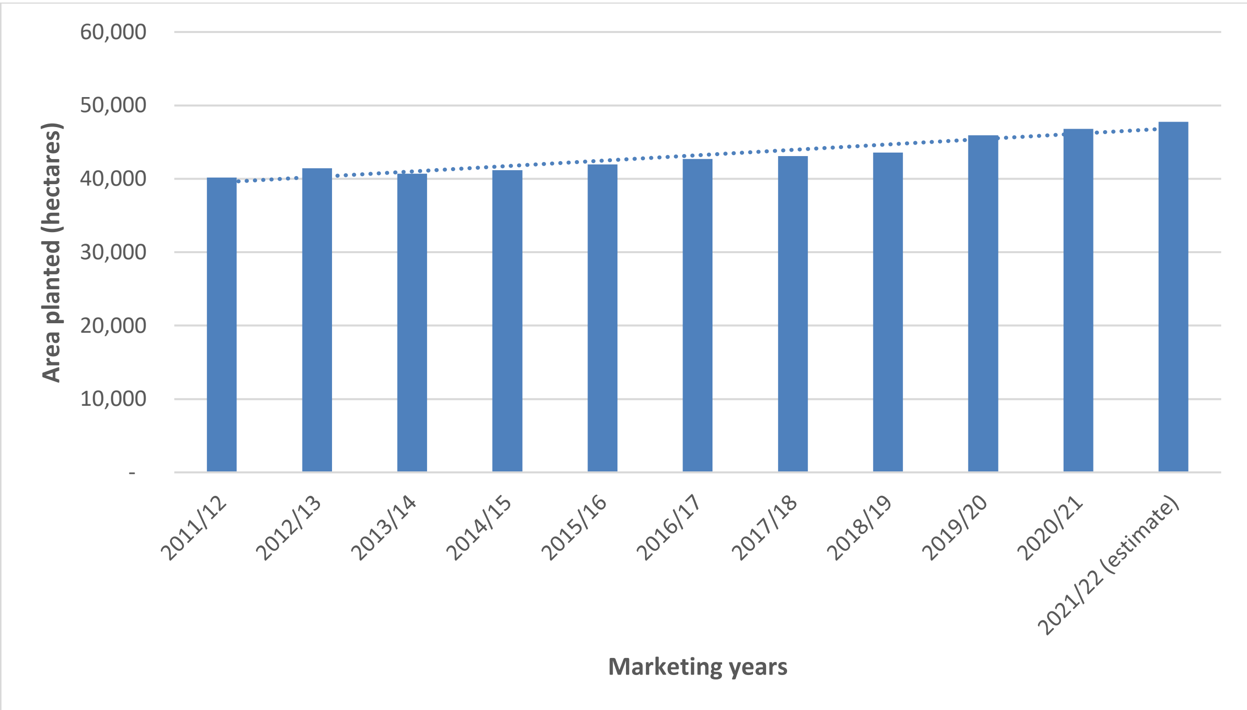
Oranges, Fresh

Area Planted

The area planted with oranges is estimated to continue its stable growth rate, expanding by two percent to 47,750 ha in MY 2021/22, from 46,810 ha in MY 2020/21. Figure 3 below illustrates the stable growth trend for area planted to oranges over the past 10 years, which is partially offset by the industry's aggressive shift to soft citrus in the growing regions of the Western Cape and Limpopo provinces.

Figure 3

Area Planted to Oranges



Source: CGA & Post Estimates

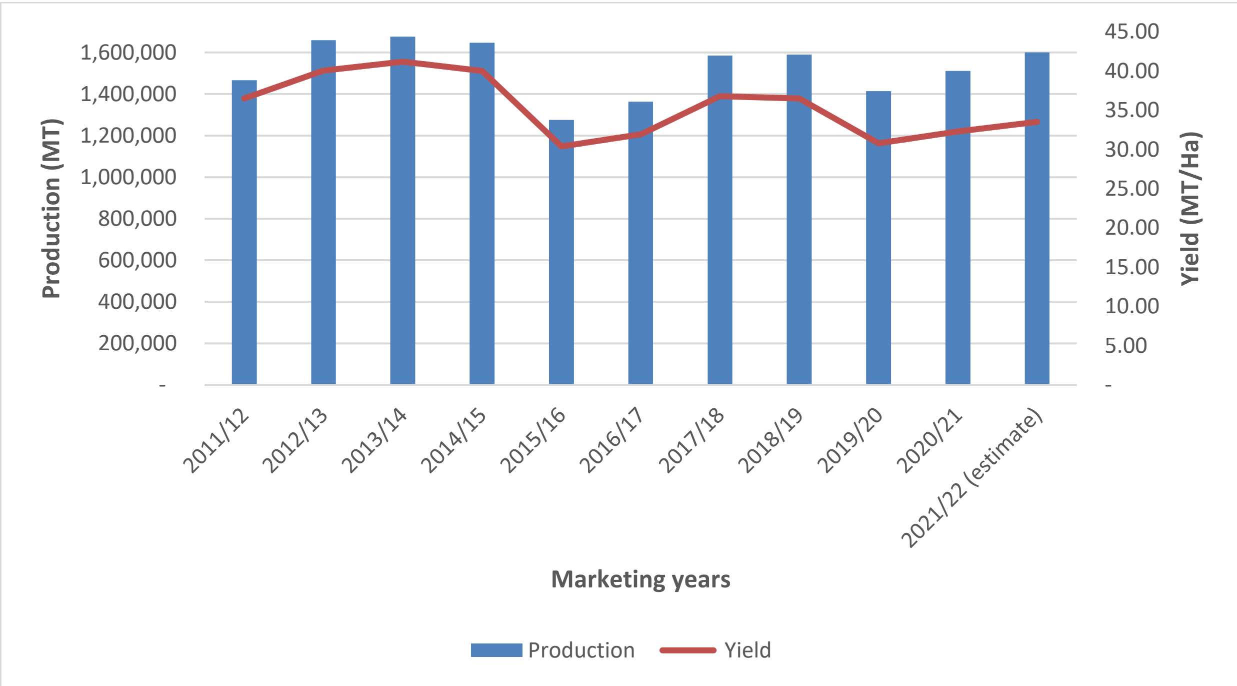
Limpopo province is the leading growing region for oranges, accounting for 48 percent of total area, followed by the Eastern Cape (23 percent) and Western Cape (14 percent) provinces. Valencias account for two-thirds of total orange area, with Navels accounting for the other third. The predominant cultivar planted is the Midnight, representing 25 percent of total area, followed by the Valencia Late (10 percent), Delta (9 percent), and Turkey (7 percent) cultivars. Other cultivars planted in South Africa include Bennie, Palmer, Cambria, Bahianinha, and Washington.

Production

The production of oranges is estimated to grow by six percent to 1.6 million MT in MY 2021/22. This surge is based on the constant growth in planted area and above-average rainfall received throughout the season by the main growing regions, ensuring sufficient irrigation water and providing conducive growing conditions that positively impacted production. In MY 2020/21, South Africa produced 1.5 million MT of oranges. Post lowered its previous estimate for orange production in MY2019/20 to 1.4 million tons to bring it in-line with industry data.

Figure 4

Orange Production in South Africa



Source: CGA & Post Estimates

Consumption

Post estimates that the local consumption of oranges will grow marginally to 85,000 MT in MY 2021/22, based on increased production. For MY 2020/21, local consumption is estimated at 82,000 MT. South Africa prioritizes supplying export markets, and surplus oranges or those that do not meet export standards are supplied to the fresh domestic and processed markets. Fresh oranges are the most popular citrus consumed in South Africa, with a per capita consumption of about 1.5 kg per annum. However, South Africa's economic growth outlook over the medium term continues to be lackluster due to structural constraints, prevailing policy uncertainty, and the remaining consequences of the COVID-19 pandemic. The struggling domestic economy will hinder any major increase in the demand for oranges, especially with the current upward trend in commodity prices.

Exports

South Africa exports oranges to more than 100 countries around the world. The export of oranges is estimated to grow by five percent to a record level of 1.36 million MT in MY 2021/22, from 1.3 million MT in MY 2020/21 (see Table 4). The rise in production, and continuous spike in demand due to the benefits of vitamin C in boosting immunity against COVID-19, are driving the growth in exports. However, the Russia-Ukraine conflict could influence normal trading patterns. In MY 2020/21, South Africa exported 86,289 MT of oranges to Russia, representing seven percent of total orange exports. Orange exports to Ukraine were small at around 6,000 MT. South Africa will continue exporting oranges to Russia in MY 2021/22 but at a lower rate due to concerns around payments and shipping delays.

The Russia-Ukraine conflict is forcing the local industry to find alternative export opportunities, especially in the growing markets of Asia and the Middle East. In this instance, the export of citrus from the Maputo port in Mozambique, which started this year, is a breakthrough that could lower shipping time and costs. Significant volumes of South Africa's oranges are produced in the north-eastern parts of the country, which is substantially closer to the Maputo port than the Durban port. The Maputo port could be an enhanced gateway for South African citrus to markets such as Asia and the Middle East.

The EU remains South Africa's largest export market for oranges, accounting for 40 percent of total orange exports. However, like grapefruit, orange exports are also impacted by the CBS and FCM challenges in the EU market. While the industry has gone to great lengths and expense to ensure compliance with EU requirements, in cases when there are high-cost interceptions, South Africa has in the past voluntarily suspended all exports or exported only from CBS-free areas to prevent the EU from imposing more stringent measures.

Exports to the United States are expected to continue, benefitting from duty-free access under AGOA. However, a gradual shift from oranges to easy-peelers and soft citrus exports is expected over time. South African farmers supplying the U.S. market have been re-planting their orchards from oranges to soft citrus and new orange varieties in response to market preferences and the higher premium received in the United States. Exports of oranges to the United States increased to a record of 53,121 MT in the MY 2019/20 but fell back slightly to 47,500 MT due to logistical challenges faced by the industry in MY 2020/21.

Table 4

South African Fresh Orange Exports

Export destinations	**2019/20 MY (MT)**	**2020/21 MY (MT)**
Netherlands	288,463	283,466
United Arab Emirates	89,527	105,057
Russia	79,408	86,289
Saudi Arabia	61,823	74,370
China	81,289	72,744
Portugal	104,774	71,154
United Kingdom	72,879	68,670
Bangladesh	66,001	61,624
United States	53,121	47,501
Hong Kong	55,459	46,506
All others	306,967	378,356
Total	**1,259,714**	**1,295,734**

Source: Trade Data Monitor

Imports

The import of oranges is estimated to remain flat at about 3,000 MT in MY 2021/22, based on available local supply. Relatively small volumes of oranges are usually imported into South Africa in November and December to close supply gaps and satisfy year-end demand.

Prices

Table 5 indicates the local, export, and processed market prices of oranges over the past 10 years. The export market continues to provide the highest prices, mainly due to the weaker rand/U.S. dollar exchange rate and strong demand.

Table 5

Orange Prices

Marketing Year	Local Market Average Price (rand/MT)	Export Market Average Price (rand/MT)	Processed Average Price (rand/MT)
2010/11	1,762	4,691	529
2011/12	1,895	4,318	564
2012/13	2,054	4,975	591
2013/14	2,230	5,781	618
2014/15	2,535	6,576	652
2015/16	3,799	8,570	1,002
2016/17	3,604	8,656	1,069
2017/18	3,361	8,600	693
2018/19	3,643	8,268	699
2019/20	4,897	10,329	519
2020/21	3,999	8,989	639

Source: CGA
Note: 1 US$ = R15.60 (05/25/2022)

Table 6

Orange Production, Supply, and Distribution

Oranges, Fresh	2019/2020		2020/2021		2021/2022	
Market Year Begins	Feb 2020		Feb 2021		Feb 2022	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	44728	45916	46000	46810	47000	47750
Area Harvested (HECTARES)	40500	41550	41000	42360	42000	43210
Bearing Trees (1000 TREES)	39500	40460	40000	41300	41000	42130
Non-Bearing Trees (1000 TREES)	4300	4540	4400	4575	4600	4665
Total No. Of Trees (1000 TREES)	43800	45000	44400	45875	45600	46795
Production (1000 MT)	1620	1414	1650	1511	1700	1600
Imports (1000 MT)	2	2	3	3	3	3
Total Supply (1000 MT)	1622	1416	1653	1514	1703	1603
Exports (1000 MT)	1260	1260	1200	1296	1240	1360
Fresh Dom. Consumption (1000 MT)	80	80	90	82	95	85
For Processing (1000 MT)	282	76	363	136	368	158
Total Distribution (1000 MT)	1622	1416	1653	1514	1703	1603
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Tangerines/Mandarins, Fresh

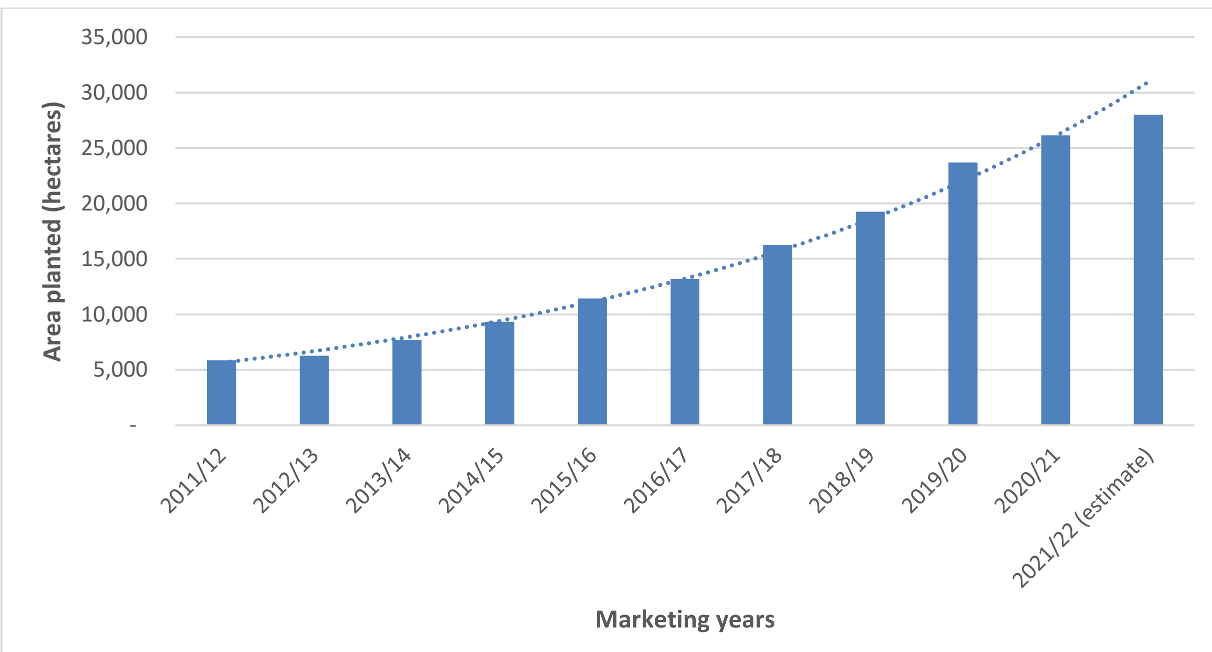
Area Planted

The area planted to tangerines/mandarins (soft citrus) increased exponentially over the past 10 years, driven by increased global demand for seedless soft citrus and relatively higher profit margins compared to other citrus types (see Figure 5). Post believes this positive trend will continue in MY 2021/22, with the area planted to tangerines/mandarins growing by seven percent to 28,000 ha, from 26,151 ha in MY 2020/21. An expanded number of hectares of tangerine/mandarin production are under netting to protect the fruit from adverse conditions such as hail or sun damage and as part of water-management techniques. In the 2019/20 MY, 23,710 ha were planted to tangerines/mandarins in South Africa.

The predominant cultivar planted is the Nardocott, accounting for almost 20 percent of total area. Nardocott is followed by Arccit 9 (12 percent), Nules, (12 percent), Tango (11 percent), Nova (10 percent), Leanri (9 percent), and Orri (8 percent). The Western Cape province is the predominate producer of soft citrus, with 37 percent of total production, followed by the Limpopo (28 percent) and Eastern Cape (25 percent) provinces.

Figure 5

Area Planted to Tangerines/Mandarins



Source: CGA & Post Estimates

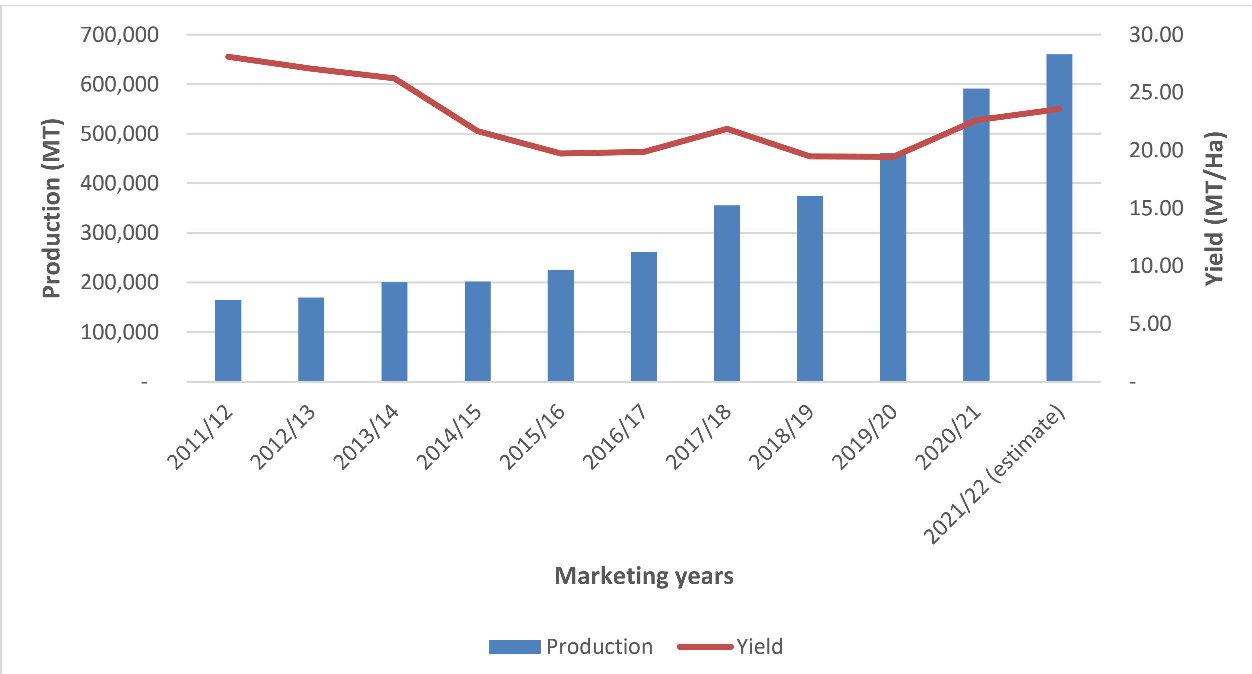
Production

The production of tangerines/mandarins is anticipated to continue its aggressive growth, surging by 12 percent to 660,000 MT in MY 2021/22, from 591,021 MT in MY 2020/21 (see Figure 6). This is based on the rise in area planted, improvement in yields, conducive weather conditions, and the high level of new plantings in the past years coming into full production. Improved irrigation dam levels in the Western Cape province, where most tangerines/mandarins are produced, also positively impacted MY 2021/22's crop.

There is a growing trend of farmers aggressively establishing new orchards under netting, which has improved water efficiency, yields, and the overall quality of soft citrus production in South Africa. In MY 2019/20, South Africa produced 460,935 MT of tangerines/mandarins.

Figure 6

Tangerine/Mandarin Production



Source: CGA & Post Estimates

Consumption

The consumption of tangerines/mandarins is estimated to grow by 14 percent to 33,000 MT in MY 2021/22, on increased production. Local consumption of tangerines/mandarins is much smaller than oranges, as the industry prioritizes export markets for soft citrus and only supplies surplus fruit to the local market. However, some high-end retail chains such as Woolworths sell export-grade citrus to domestic consumers. In MY 2020/21, South Africa consumed an estimated 29,000 MT of tangerines/mandarins.

Exports

The export of tangerines/mandarins is estimated to surge by 12 percent to a record level of 570,000 MT in MY 2021/22, from 506,769 MT in MY 2020/21, based on increased production and higher global demand.

Demand for tangerines/mandarins remains strong globally, with the EU and the United Kingdom accounting for 45 percent of total South African exports, followed by the United States (9 percent), United Arab Emirates (8 percent), and Russia (8 percent). Tangerine/mandarin exports are not impacted by South Africa's CBS challenges in the EU market. However, as with all citrus exports, South Africa's exports of tangerines/mandarins are under pressure due to rising shipping costs, local port challenges, and the impact of the Russia-Ukraine conflict. The Russia-Ukraine conflict is forcing the local industry to find alternative export opportunities, especially in the growing markets of Asia, the Middle East, and the United States.

Exports to the United States under AGOA have grown exponentially over the past five years, from 11,180 MT in MY 2016/17, to 43,665 MT in MY 2020/21. This growth trend is expected to continue based on the expanding preference for easy peelers in the U.S. market and continued duty-free market access under AGOA. In MY 2020/21, the United States was South Africa's third largest export market for tangerines/mandarins (see Table 7).

Table 7

South African Fresh Tangerine/Mandarin Exports

Export Destinations	**2019/20 MY (MT)**	**2020/21 MY (MT)**
Netherlands	82,522	107,572
United Kingdom	87,938	87,359
United States	32,458	43,665
United Arab Emirates	24,136	39,997
Russia	32,379	39,600
Bangladesh	24,130	33,598
China	13,785	24,098
Canada	18,898	20,497
Iraq	4,886	10,112
Portugal	7,762	9,651
All others	60,574	90,619
Total	**389,467**	**506,769**

Source: Trade Data Monitor

Imports

Post estimates that South Africa's imports of tangerines/mandarins will remain flat at 3,000 MT in MY 2021/22. South Africa only imports minimal volumes of citrus to satisfy off-season demand.

Prices

Table 8 indicates the local, export, and processed market prices for tangerines/mandarins over the past 10 years. Export market prices received for tangerines/mandarins remain the highest of all citrus categories for South Africa, supporting the surge in local production.

Table 8

Tangerine/Mandarin Prices

Marketing Years	Local Market Average Price (rand/MT)	Export Market Average Price (rand/MT)	Processed Average Price (rand/MT)
2010/11	4,091	5,637	315
2011/12	3,760	7,133	419
2012/13	5,159	8,542	334
2013/14	5,442	10,004	465
2014/15	5,606	11,392	391
2015/16	6,785	14,242	532
2016/17	6,037	13,489	614
2017/18	6,617	13,498	709
2018/19	5,586	13,344	502
2019/20	6,866	16,387	280
2020/21	6,552	14,565	366

Source: CGA
Note: 1 US$ = R15.60 (05/25/2022)

Table 9

Tangerine/Mandarin Production, Supply, and Distribution

Tangerines/Mandarins, Fresh	2019/2020		2020/2021		2021/2022	
Market Year Begins	Feb 2020		Feb 2021		Feb 2022	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	23635	23710	26000	26150	27000	28000
Area Harvested (HECTARES)	14500	14500	16000	16000	17000	18000
Bearing Trees (1000 TREES)	8500	8500	9000	9000	9500	10500
Non-Bearing Trees (1000 TREES)	3100	3100	3500	3500	4000	5000
Total No. Of Trees (1000 TREES)	11600	11600	12500	12500	13500	15500
Production (1000 MT)	461	461	567	591	630	660
Imports (1000 MT)	2	2	3	3	3	3
Total Supply (1000 MT)	463	463	570	594	633	663
Exports (1000 MT)	389	389	490	507	550	570
Fresh Dom. Consumption (1000 MT)	27	27	29	29	30	33
For Processing (1000 MT)	47	47	51	58	53	60
Total Distribution (1000 MT)	463	463	570	594	633	663
(HECTARES) ,(1000 TREES) ,(1000 MT)						

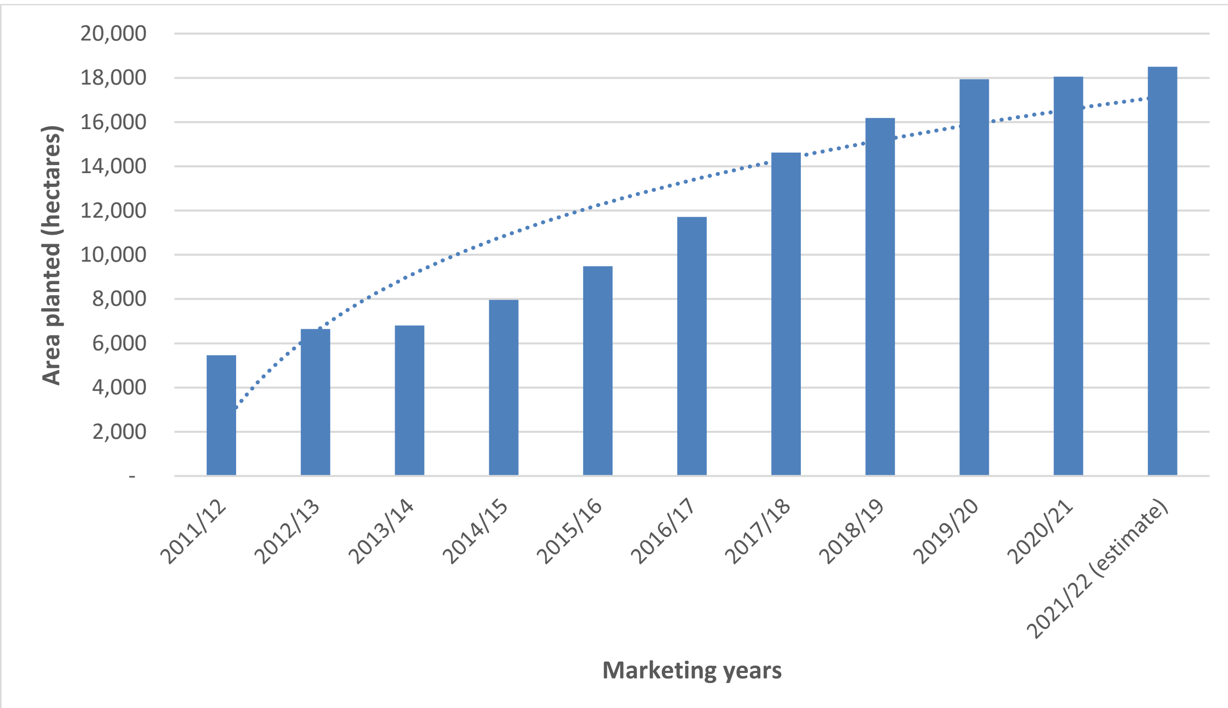
Lemons/Limes, Fresh

Area Planted

The area planted with lemons/limes in South Africa grew more than threefold over the past 10 years, driven by improved global demand and rising global prices (see Figure 7). However, the positive trend in area planted with lemons/limes has flattened in recent years due to the bearish movement of export prices received by producers. Post expects this situation to continue with only a marginal growth in area planted with lemons/limes in MY2021/22 to 18,500 ha, from 18,057 ha in MY2020/21. In the 2019/20 MY, 17,944 ha were planted to lemons/limes in South Africa.

Figure 7

Area Planted to Lemons/Limes



Source: CGA & Post Estimates

The Eastern Cape province is the leading growing region for lemons/limes in South Africa, accounting for 42 percent of total area planted, followed by the Limpopo (31 percent) and Western Cape (14 percent) provinces. By far, the most popular cultivar of lemons planted in South Africa is Eureka, representing 75 percent of total area planted. Eureka is followed by the Lisbon (8 percent) and 2Ph Seedless (6 percent) cultivars.

Production

Post estimates production of lemons/limes will grow by seven percent to a historic high of 670,000 MT in MY 2021/22. This estimate is based on conducive weather conditions and an increasing number of young trees approaching full production. In MY 2020/21 and MY 2019/20, South Africa produced 626,791 MT and 619,522 MT of lemons/limes, respectively.

Figure 8

Lemon/Lime Production in South Africa

Source: CGA & Post Estimates

Consumption

The domestic consumption of lemons/limes is estimated to increase marginally to 28,000 MT in MY 2021/22, from 27,000 MT in MY 2020/21, on higher production.

Processing

Post estimates that lemons/limes delivered for processing will grow to 114,000 MT in MY 2021/22, from 103,000 MT in MY 2020/21, based on higher production. Processed lemons and limes are used as flavoring for savory dishes, and food ingredients for confectionary and dairy products. In the beverage industry, lemons/limes are used to make lemonade, smoothies, and liquors. In the cleaning industry, lemon juice is used as a degreaser and disinfectant, due to its high concentration of citric acid, which can inhibit the proliferation of some molds and bacteria.

Exports

South Africa's exports of lemons/limes are estimated to rise by six percent to a record level of 530,000 MT in MY 2021/22, from 498,737 MT in MY 2020/21. This estimate is based on higher production, growth in demand from the Middle Eastern and Asian markets (South Africa sent its first shipment of lemons/limes to China recently) and the reopening of the hospitality industry in Europe after COVID-19. The EU and United Kingdom remain the main export markets for South African lemons/limes, accounting for more than 40 percent of total exports (see Table 10). However, the Russia-Ukraine conflict will influence normal trading patterns. In MY 2020/21, South Africa exported 40,746 MT of lemons/limes to Russia, representing eight percent of total exports. Lemon/lime exports to Ukraine were small, at around 4,060 MT.

Table 10

South African Fresh Lemon/Lime Exports

Export Destinations	2019/20 MY (MT)	2020/21 MY (MT)
Netherlands	92,152	90,658
United Arab Emirates	56,570	60,021
Saudi Arabia	37,520	36,527
Russia	37,175	40,746
United Kingdom	36,967	38,289
Iraq	36,918	31,799
Canada	22,879	27,833
Italy	21,664	27,999
Portugal	15,503	25,657
Hong Kong	15,385	17,043
All others	85,152	102,168
Total	**457,886**	**498,737**

Source: Trade Data Monitor

Imports

Post estimates that MY 2021/22 imports of lemons/limes will remain flat at around 2,000 MT, as the available domestic production sufficiently meets local demand. Imports are minimal, mainly from Eswatini.

Prices

Table 11 indicates the local, export, and processed market prices for lemons/limes over the past 10 years. Export markets provided the highest prices for South African lemons/limes over the period.

Table 11

Lemon/Lime Prices

Marketing years	Local Market Average Price (rand/MT)	Export Market Average Price (rand/MT)	Processed Average Price (rand/MT)
2010/11	3,489	5,426	982
2011/12	4,291	5,426	720
2012/13	5,668	6,994	596
2013/14	6,619	11,058	1,288
2014/15	7,453	12,340	1,378
2015/16	7,697	16,483	1,842
2016/17	7,445	13,289	1,657
2017/18	6,697	11,151	1,463
2018/19	6,494	11,710	2,301
2019/20	5,804	13,570	770
2020/21	5,695	10,359	568

Source: CGA
Note: 1 US$ = R15.60 (05/25/2022)

Table 12

Lemon/Lime Production, Supply, and Distribution

Lemons/Limes, Fresh	2019/2020		2020/2021		2021/2022	
Market Year Begins	Jan 2020		Jan 2021		Jan 2022	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	17707	17944	18000	18057	18500	18500
Area Harvested (HECTARES)	12100	12200	14000	14000	14500	14500
Bearing Trees (1000 TREES)	7100	7200	7500	7500	7800	7800
Non-Bearing Trees (1000 TREES)	2600	2670	2900	2900	3000	3000
Total No. Of Trees (1000 TREES)	9700	9870	10400	10400	10800	10800
Production (1000 MT)	620	620	625	627	650	670
Imports (1000 MT)	2	2	2	2	2	2
Total Supply (1000 MT)	622	622	627	629	652	672
Exports (1000 MT)	458	458	490	499	510	530
Fresh Dom. Consumption (1000 MT)	26	26	27	27	28	28
For Processing (1000 MT)	138	138	110	103	114	114
Total Distribution (1000 MT)	622	622	627	629	652	672
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Orange Juice

Production

The production of orange juice is estimated to rise by 16 percent to 28,440 MT in MY 2021/22, from 24,480 MT in MY 2020/21, on improved local orange production. In MY 2019/20 South Africa produced 13,680 MT of orange juice, a major reduction from the previous year due to COVID-19 related lockdowns.

Concentrated orange juice accounts for at least 90 percent of total orange juice produced in South Africa. The citrus industry prioritizes the export of fresh citrus and only processes the fruit that does not meet export standards.

Industry statistics for orange juice are largely unavailable in South Africa. The production, consumption, and stock levels represent Post's estimates based on information derived from various sources, contacts, and calculations of extractions from data regarding fresh oranges delivered for processing.

Consumption

Post estimates domestic consumption of orange juice will increase to 7,000 MT in MY 2021/22, from 6,500 MT in MY 2020/21, on improved production and supply availability. Post lowered the MY 2019/20 consumption figure for orange juice to 6,000 MT to align it with the previous marketing years' figures.

Export

Post forecasts that MY 2021/22 exports of orange juice will grow by 13 percent to 25,000 MT, from 22,203 MT in MY 2020/21, based on higher production. In MY 2019/20, South Africa exported 29,549 MT of orange juice.

Post adjusted all the orange juice export data to the equivalent of 65 Degrees Brix based on the respective conversion factors shown on the export tables below. Orange juice exports under HS200919 were converted using a factor of 1.02, while orange juice exports under HS200912 were converted using a factor of 0.18. Orange juice exports under HS200911 were not converted as it is already equivalent to 65 Degrees Brix. Degrees Brix represents the strength of the juice based on the sugar content. Thus, 65 Degrees Brix means that the orange juice has at least 65 grams of sucrose per 100 grams of juice.

South Africa exports orange juice mainly to countries in Southern Africa, including Botswana, Eswatini, Namibia, Lesotho, Mozambique, Zambia, and Zimbabwe. Europe also remains an important traditional market for South African orange juice.

Table 13

South African Orange Juice Exports (HS200919, HS200911 and HS200912)

Export Destinations	2019/20 MY (MT)	2020/21 MY (MT)
Netherlands	12,962	5,850
Botswana	2,789	3,715
Eswatini	2,797	3,071
Namibia	2,025	2,052
Spain	2,851	1,213
Lesotho	430	1,106
Zimbabwe	477	900
Zambia	404	530
Israel	61	470
Italy	1,159	384
All others	3,593	2,909

Source: Trade Data Monitor

Imports

Post estimates imports of orange juice will remain flat at 2,000 MT in MY 2021/22 MY. Zimbabwe is the main supplier of orange juice to South Africa. Post also adjusted the orange juice import data to the equivalent of 65 Degrees Brix based on the respective conversion factors.

Table 14

Orange Juice Production, Supply, and Distribution

Orange Juice	2019/2020		2020/2021		2021/2022	
Market Year Begins	Apr 2020		Apr 2021		Apr 2022	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors (MT)	282000	76000	363000	136000	368000	158000
Beginning Stocks (MT)	36349	36349	38704	16890	39704	14490
Production (MT)	49494	13680	55000	24480	56000	28440
Imports (MT)	2410	2410	2000	1823	2000	2000
Total Supply (MT)	88253	52439	95704	43193	97704	44930
Exports (MT)	29549	29549	30000	22203	40000	25000
Domestic Consumption (MT)	20000	6000	26000	6500	30000	7000
Ending Stocks (MT)	38704	16890	39704	14490	27704	12930
Total Distribution (MT)	88253	52439	95704	43193	97704	44930
(MT)						

Policies and Regulations:

United States Authorizes Imports of Cold-Treated Citrus from South Africa into All Ports of Entry

On November 4, 2020, the U.S. Department of Agriculture's Animal and Plant Health Inspection Service (APHIS) announced that it had authorized the import of cold-treated fresh citrus fruit from South Africa into all U.S. ports of entry. APHIS determined that citrus fruit from South Africa, which is cold-treated in transit, can safely enter all U.S. ports of entry without increasing the risk of introducing the false codling moth (FCM) or other pests of concern. Previously, APHIS restricted the entry of cold-treated citrus fruit from South Africa to four U.S. ports that have cold treatment facilities: Newark, Philadelphia, Houston, and New Orleans. This action broadened the reach of South African citrus to other regions within the United States, provided flexibility to U.S. retailers and wholesalers, and lowered transportation costs of imported citrus.

U.S. Cold Sterilization Protocol

South Africa exports citrus to the United States under a cold treatment schedule to address FCM. APHIS has reduced the cold treatment schedule from 24 to 22 days, which has been very beneficial to South Africa in terms of reducing shipping costs and fruit loss from cold damage.

South African Citrus Exports from Citrus Black Spot (CBS) Areas to the United States

Currently, South Africa can only export citrus to the United States from officially recognized CBS-free areas. The CBS-free areas are found in the Western Cape and Northern Cape provinces, as well as relevant districts of the Free State and Northwest provinces. In 2014, APHIS issued a notice proposing to amend fruit and vegetable regulations to allow the import of several varieties of fresh citrus fruit, as well as citrus hybrids, into the United States from areas in South Africa where citrus black spot has been known to occur. The regulation would authorize imports on the condition of satisfying certain systems and SPS treatment procedures. The comment period closed, and the regulation is still in the process of being finalized.

CBS Challenges in the European Market

South Africa still faces challenges in the EU market because of stringent CBS requirements, and normally voluntarily suspends citrus exports to the EU every season to avoid any further interceptions of fruit with CBS. For example, in October 2021, South Africa voluntarily suspended citrus exports to the EU, as a precaution and risk mitigation measure to prevent a ban on citrus exports to the EU. According to local industry, complying with the EU requirements for CBS increases the costs of the industry and constrains already limited government capacity. South Africa has questioned the scientific basis for these measures and considers it unnecessary technical trade barriers.

South Africa Fresh Produce Importers Association

The Fresh Produce Importers Association assists members with the importation of fresh fruit and vegetables in South Africa. Information on their members, contact details, and services can be obtained from the following website link: Fpia.

Custom Duties

U.S. citrus exports face a four percent customs duty in South Africa. Table 15 reflects the applicable custom duties when exporting citrus to South Africa.

Table 15

Custom Duties Applicable to Citrus Exports to South Africa

HS Code	Article description	Unit	Rate of Duty				
			General	EU	EFTA	SADC	MERCOSUR
08.05	**Citrus fruit, fresh or dried:**						
0805.10	**Oranges**						
0805.10.10	Fresh	kg	4%	free	4%	free	4%
0805.10.90	Other	kg	4%	free	4%	free	4%
0805.2	**Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids:**						
0805.21	**Mandarins (including tangerines and satsumas)**						
0805.21.10	Fresh	kg	4%	free	4%	free	4%
0805.21.90	Other	kg	4%	free	4%	free	4%
0805.22	**Clementines:**						
0805.22.10	Fresh	kg	4%	free	4%	free	4%
0805.22.90	Other	kg	4%	free	4%	free	4%
0805.29	**Other:**						
0805.29.10	Fresh	kg	4%	free	4%	free	4%
0805.29.90	Other	kg	4%	free	4%	free	4%
0805.40	**Grapefruit, including pomelos:**						
0805.40.10	Fresh	kg	4%	free	4%	free	4%
0805.40.90	Other	kg	4%	free	4%	free	4%
0805.50	**Lemons (CitrusLimon, Citrus Limonium) and limes (Citrus aurantifolia, Citrus latifolia):**						
0805.50.10	Fresh	kg	4%	free	4%	free	4%
0805.50.90	Other	kg	4%	free	4%	free	4%
0805.90	**Other:**						
0805.90.10	Fresh	kg	4%	free	4%	free	4%
0805.90.90	Other	kg	4%	free	4%	free	4%
2009.1	**Orange juice**						
2009.11	Frozen	kg	25%	free	25%	free	25%
2009.12	Not frozen, of Brix value not exceeding 20	kg	25%	free	25%	free	25%
2009.19	Other	kg	25%	free	25%	free	25%

Source: South African Revenue Service (SARS)

South African Import Regulations:

The following links provide useful resources and regulations pertaining to importing fruit into South Africa.

Procedures for importing to South Africa
Import Procedure.

Maximum Residue Limits
South African Citrus MRLs

Agriculture Product Standards Act No. 119 of 1990
Food Import Export Standards

Agricultural Pests Amendment Act No. 9 of 1992
Agricultural Pests Act

South African Special Export Protocols/Programs/Directives
Plant Health Exports Protocols by Country

Attachments:

No Attachments