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GAIN Report

Global Agricultural Information Network

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South Africa - Republic of

Fresh Deciduous Fruit Annual

South African Table Grape Exports Grow While Apples and Pears Remain Relatively Flat

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Report Highlights:

The South African deciduous fruit industry continues to grapple with escalating input costs and a recent announcement from Maersk and SAFMarine that they will increase shipping costs up to 30 percent to keep up with the demand for containerized shipping. Despite this, South African table grape exports are up over 15 percent on the year in 2012. Meanwhile, post forecasts approximate three percent growth in production and exports for apples and pears.

Executive Summary:

Deciduous fruit is the largest sub-sector when measured in terms of hectares under plantation in South Africa. There are about 76,425 hectares of land carrying deciduous fruit trees in South Africa, as reported in 2011 Hortgro Tree Census. Of the deciduous fruit grown, about 32 percent are grapes (fresh and dried); the second most grown is apples at 29 percent; followed by pears at 15 percent; peaches (ten percent); plums (six percent); apricot (five percent) and nectarine (three percent). The official 2012 deciduous fruit industry statistics will be published in January 2013.

The Western Cape is the traditional producer of deciduous fruit, however, in the past two decades; the Northern and Eastern Cape, and Limpopo provinces have become increasingly large producers of deciduous fruit. In terms of production ratings for Southern Hemisphere, South Africa ranks number four in apple production and number two in pear production.

Figure 1. South Africa Deciduous Producing Regions



Source: Hortgro

Post expects growth in domestic production of all deciduous fruits to remain fairly flat, with a modest two percent growth for Marketing Year (MY) 2012/2013. Weak economic growth in traditional European export markets and increased shipping costs should constrain export growth. Meanwhile, domestic consumption is nearly maximized, and the deciduous fruit industry feels there is little opportunity to further develop, or segment, consumers along income groups.

The largest growth in deciduous production and exports will be with South African table grapes. In MY 2012/2013, table grape exports should exceed levels seen prior to the 2010 flooding along the Orange River. The South African Table Grapes Industry reported that area planted in affected areas is still

recovering, but production volumes have returned to pre-flooding levels as more fruit bearing trees and vines have reached maturity.

The South African deciduous fruit industry continues to focus their marketing efforts on traditional European markets, primarily the United Kingdom (UK) and Germany. The industry is planning to focus greater marketing attention to expand market share in Middle Eastern and Asian markets.

US \$ = R8.77 – 1 November, 2012

Sources:

Hortgro

South Africa Table Grape Industry (SATI)

National Agricultural Marketing Council (NAMC)

<http://www.tshwane.gov.za/SERVICES/TSHWANE%20MARKET/Pages/default.aspx>

<http://www.agbiz.co.za/EconomicIntelligence/Marketresearch/tabid/343/Default.aspx>

<http://www.namc.co.za/dnn/PublishedReports/InputCostMonitoring.aspx>

<http://www.intracen.org/country/South-Africa/>

<http://www.satgi.co.za/admin/upload/pdfs/2011%20SATI%20Statistical%20Booklet.pdf>

NOTE: Post recommends a revision in the trade data for all deciduous fruit to utilize official customs data. Post inquired about the slight discrepancy between industry and customs data and the industry was unable to determine the cause.

Commodities,

Apples, Fresh

Production

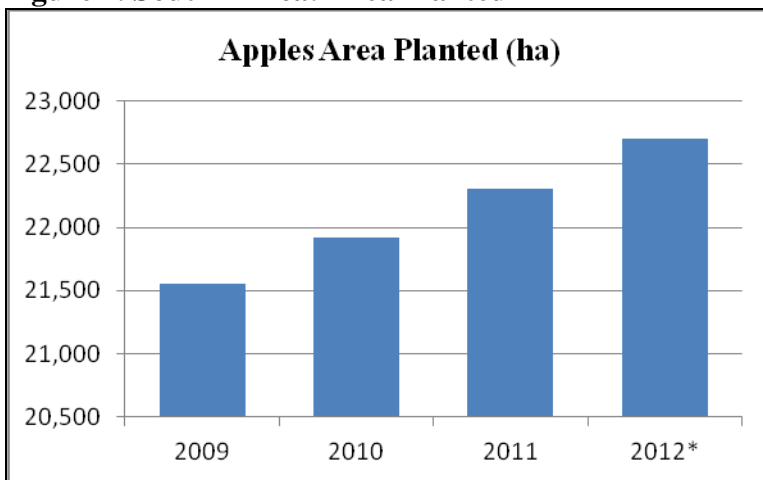
Post forecasts South Africa apple production at 813,000 MT for MY 2012/13 as more trees are reaching full bearing potential. This is based on a recent trend of area planted growing at least two percent annually. Although the MY 2011/12 official deciduous fruit industry data has not been published, post estimates MY 2011/12 apple production quantities at 790,000 MT on good growing conditions throughout the season.

Post revised the South African MY 2010/2011 total apple production at 766,622 MT as reported by industry on good weather conditions. This revision represents a two percent increase compared to the 2010 quantity of 753,168 MT.

Apples are grown in several provinces around South Africa, but Cape Town, located in the Western Cape, is the heartland of deciduous fruit. The Western Cape is a winter rainfall area and has a climate similar to the Mediterranean, which is favorable for apple production. The most important apple growing regions are: Groenland, Ceres, Langkloof East, and Villiersdorp/ Vyeboom of Western Cape. Harvest for South African apples typically begins at the end of January and can run through to June, with the peak times between February and April.

Area Planted

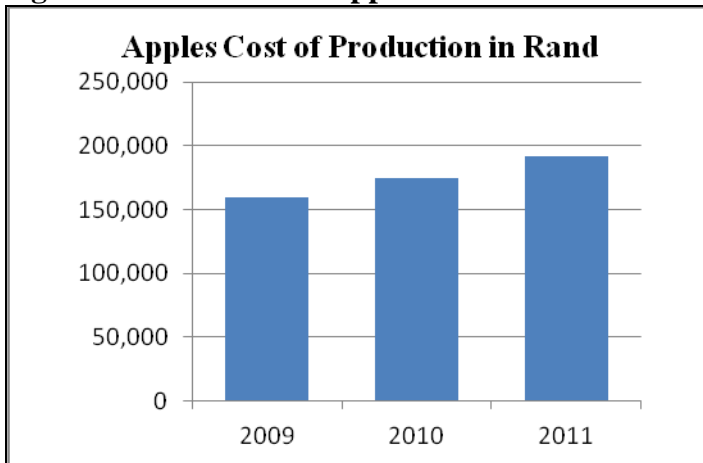
Figure 2. South Africa: Area Planted



Source: Hortgro

Post forecasts MY 2012/2013 area planted at 22,700 hectares (ha) consistent with the two percent trend that has been followed in the past years. Post estimates area planted in MY 2011/2012 to be 22,300 ha. The 2011 industry tree census indicates that about 21,920 hectares are planted in South Africa, a two percent increase compared to 2010. The area planted to apples was over 23,000 hectares (ha) just over ten years ago, and Post expects the industry to reach this same level of production within the next few years. The Granny Smith variety has been favored by producers in recent years, but is now losing ground to Gala, Pink Lady, and Honey Crisp varieties.

Figure 3. South Africa: Apple Production Costs



Source: Hortgo

Although the Granny Smith variety, is popular its trees are aging, about 67 percent are over 25 years old. The rising cost of establishing an apple orchard has been cited as the cause for slow tree replacement. The cost of establishing a hectare has been increasing since an offset by recession in 2008. In 2011, the cost of establishing a hectare of apples was R192,060 (\$21,900). The cost of planting material for rootstock and seedlings, and the cost of trellising drove the increase in prices. Volatility in iron and petroleum prices, needed for trellising and the rising cost of electricity put upward pressure on producer costs.

The National Energy Regulator (NERSA) approved Eskom's (South Africa's nationally owned Electricity Supply Commission) is currently evaluating Eskom's requested annual price increase of 16 percent, per year, for the next three years.

Consumption

Post forecasts MY 2012/2013 domestic consumption to increase seven percent to 231,000. The domestic market appears fairly saturated, with little opportunity to develop or segment the market along income groups. However, rising production and shipping costs could constrain export opportunities in MY 2012/2013, shifting more product to the domestic fresh and processing markets. Post estimates MY 2011/12 domestic consumption at 216,000 MT on stable domestic demand. Continued growth of the middle class should keep the domestic market growing slowly over the next few years, given the consumer preference for fresh fruit over canned in the middle to upper-income brackets. Consumption in MY 2010/2011 was revised to 215,109 on than expected exports.

Apples are popular in South Africa and widely consumed throughout the year and they form part of the national food basket of goods which are monitored quarterly by the South African National Agricultural Marketing Council (NAMC) to track food price inflation. The Johannesburg Fresh Produce Market, a fresh produce market with an annual turnover of R2 billion, reports apples rank among the top five highly consumed fruits in South Africa.

Trade Exports

Post forecasts MY 2012/13 South African apple exports at 392,000 MT on increased available supplies. However, increased shipping costs could constrain exports slightly, and channel more apples into the domestic fresh market and processing sector. HORTGRO reports that the two leading shipping companies, Maersk and SAFMarine, have announced they plan to increase shipping costs up to 30 percent to keep up with the demand for containerized shipping. Industries affected by this proposed change, including the South African deciduous fruit industry, are hoping to negotiate a lower price increase.

Post estimates MY 2011/12 South African apple exports at 385,000 MT based on a significant increase in year-to-date trade to the UK, Malaysia, Benin, and the United Arab Emirates. The EU, which is the world's second largest apple importer, is SA's largest traditional market with UK being the biggest individual market. Economic woes in Europe affected South African's exports to UK declined through 2011, but the market is beginning to pick up in 2012. Despite volatility in EU markets, South Africa hopes to find new export opportunities in Africa, the Middle East, and Asia in the coming years.

Post revised MY 2010/2011 exports to 335,239, based off official customs data. Post recommends a revision in the trade data for all deciduous fruit to utilize official customs data. Post inquired about the slight discrepancy between industry and customs data and the industry was unable to determine the cause.

Table 1. South Africa Fresh Apple Export Statistics

South Africa Export Statistics				
Commodity: 080810, Apples, Fresh				
Year To Date: January – August 2010 - 2012				
Partner country	Unit	Quantity		
		2010	2011	2012
World	MT	255,778	268,779	316,479
United Kingdom	MT	83,207	81,812	92,814
Malaysia	MT	30,156	28,207	33,244
Benin	MT	12,542	16,597	22,456
United Arab Emirates	MT	14,709	14,744	18,934
Netherlands	MT	15,936	16,868	15,956
Others	MT	157	158	183

Source: GTA

South Africa is a counter-seasonal producer, and is the Southern Hemisphere's most convenient source for EU importers based on its proximity to the EU, and historical trading patterns, compared to other deciduous exporting countries like New Zealand, Chile, Brazil and Argentina. Growth to African markets like Zimbabwe, Angola, Kenya, Zambia and Cameroon will be critical for South African deciduous fruit exports in the future as increased freight costs will put downward pressure on producer profitability.

Imports

Post forecasts South African apple imports at 75 MT, as increased freight costs in MY 2012/2013 should increase available supplies in the domestic market. Although South Africa is not a large fruit importer on its ability to satisfy domestic market, imports of fruit have steadily increased over the years

and this can be attributed to the fact that consumers are becoming more sophisticated and global in their buying patterns. The United States overtook Malaysia as the largest import partner of South Africa. Since 2009 a South African grocery chain, The Shoprite Group, began importing apples from the Pacific Northwest. Since then, the U.S. has been the leading supplier when South Africa turns to out of season imports.

Table 2. South African Import Statistics

South Africa Import Statistics							
Commodity: 080810, Apples, Fresh							
Annual Series: 2006 - 2011							
Partner Country	Unit	Quantity					
		2006	2007	2008	2009	2010	2011
China	MT	0	0	19	0	0	0
Germany	MT	0	0	0	0	0	0
Malaysia	MT	0	0	0	52	0	0
Mozambique	MT	28	0	0	0	0	0
United States	MT	0	0	0	183	374	145
Others not listed	MT	22	69	76	0	0	0
Grand Total	MT	49	69	94	235	374	145

Source: GTA

Pest and plant disease restrictions

Apples from the Pacific Northwest may be exported to South Africa under the terms of the "Protocol of Phytosanitary Requirements for the Export of Apple Fruit from the United States of America, Pacific Northwest States of Washington, Idaho and Oregon (PNW) to South Africa". This protocol may be obtained from the Northwest Fruit Exporters (509/576-8004).

Table 3. Tariff Rates, Fresh Apples

Apples

Item	CD	Description	Unit	General	EU	EFTA	SADC
0808.10	9	Apples	kg	4%	free	4%	free

Source: SCHEDULE 1 - Customs & Excise Tariff

Table 4. PSD: Apples, Fresh

Apples, Fresh South Africa	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		Market Year Begin: Jan 2013	
	USDA	New Post	USDA	New Post	USDA	New Post

	Official		Official		Official	
Area Planted	21,750	21,920	22,300	22,300		22,900
Area Harvested	21,750	21,920	19,900	19,900		20,400
Bearing Trees	19,830	19,711	19,900	19,900		20,400
Non-Bearing Trees	2,175	2,209	2,400	2,400		2,500
Total Trees	22,005	21,920	22,300	22,300		22,900
Commercial Production	790,000	766,622	790,000	790,000		813,000
Non-Comm. Production	0		0			
Production	790,000	766,622	790,000	790,000		813,000
Imports	100	145	200			
Total Supply	790,100	766,767	790,200	790,000		813,000
Fresh Dom. Consumption	223,400	215,109	235,200	216,000		231,000
Exports	335,200	335,239	340,000	385,000		392,000
For Processing	231,500	216,419	215,000	189,000		190,000
Withdrawal From Market	0		0			
Total Distribution	790,100	766,767	790,200	790,000		813,000
HA, 1000 TREES, MT						

Commodities, Apples Juice,

Production

Post forecasts MY 2012/2013 apple juice production to increase two percent to 242,000 MT, in-line with increased deliveries to processors. Post estimates MY 2011/12 apple juice at 237,200 MT on available supplies and steadily increasing demand which is directly related to increasing middle class in South Africa, as consumers move to middle class they prefer healthier options.

Apple is the second leading flavor, behind orange, for both 100 percent juices and for flavored juice drinks. The top five fruit juice brands by value in South African market are Liqui – Fruit; Pick ‘n Pay; Clover; Ceres and Clover Life.

Trade profile of apple fruit juice **Exports**

In South Africa, fruit processing is seen as a way to garner some returns from fruit that cannot be sold to fresh markets, but is not considered a major revenue generator. This is evident when looking at price trends, comparing prices at local market, export market and at processing into juice, industry reports show that in 2011 the price for a ton of processing apples into juice was R736 (\$84) compared to R6,210 (\$708) per ton export market of fresh apples and R4,326 (\$493) per ton of fresh apples on local market and dried apples at R4,191 (\$478).

Ceres Fruit Juices are South Africa’s long-life fruit juice category market leaders, with a market share in excess of 50 percent. Since the early 1980s, Ceres Fruit Juices have successfully exported their brands to a great number of international markets. The brand is aimed at the premium end of the market, offering added value with both basic flavors and exotic blends. Ceres products include 100 percent juice, fruit-

flavored drinks (no juice content), juice drinks (up to 24 percent juice), and nectars (25-99 percent juice). There is a continuous increase in the market share size of 100 percent juice and nectars.

Currently, Ceres Fruit Juices export to over 84 countries in Africa, Europe, the Far East, the Middle East, Asia and North America. Through careful planning, potential new markets are constantly evaluated for long-term sustainable growth and commercial viability.

Table 5. Apple Juice Concentrate – Export statistics

South Africa Export Statistics				
Commodity: 200979, Apple Juice, Nes, Unfermented And Not Spirited Whether Or Not Sugared/Sweetened				
Year To Date: January – August 2010 - 2012				
Partner country	Unit	Quantity		
		2010	2011	2012
World	MT	10,858	9,405	9,511
Canada	MT	1,157	2,504	2,892
Japan	MT	2,026	1,910	2,434
United States	MT	1,450	2,159	1,561
Israel	MT	0	223	368
Zimbabwe	MT	237	166	364
Others	MT	10,858	9,405	9,511

Source: GTA

Imports

While South Africa is a fruit juice producer and exporter, apple juice and grape juice are imported to make up for the shortfall in supplies to meet local demand. These two juices are used as the base for other flavors by the big fruit juice producers. China is by far South Africa's largest supplier of apple juice concentrate.

Table 6. Apple Juice Concentrate – Import statistics

South Africa Export Statistics				
Commodity: 200979, Apple Juice, Nes, Unfermented And Not Spirited Whether Or Not Sugared/Sweetened				
Year To Date: January – August 2010 - 2012				
Partner country	Unit	Quantity		
		2010	2011	2012
World	MT	21,758	10,687	22,333

China	MT	20,538	10,545	15,547
Argentina	MT	480	49	5,518
Brazil	MT	506	0	1,049
Israel	MT	6	0	105
Spain	MT	0	0	59
Others	MT	21,530	10,594	22,278

Source: GTA

Table 7. Tariff Rate, Apple juice

Other

Item	CD	Description	Unit	General	EU	EFTA	SADC
2009.79	9	Other	kg	free	free	free	free

Source: SCHEDULE 1 - Customs & Excise Tariff

Commodities

Pears, Fresh

Production

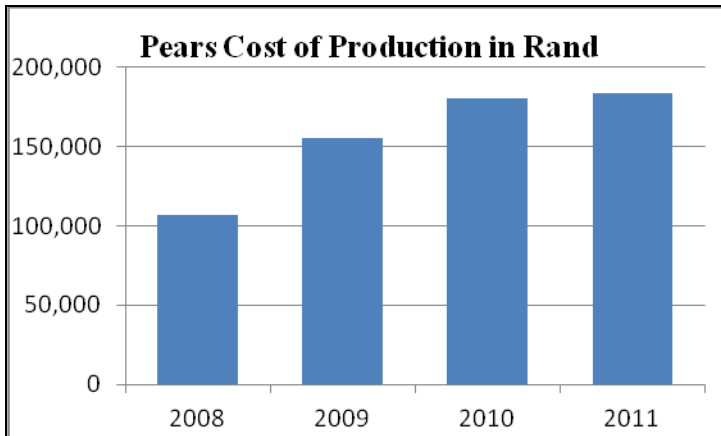
Post forecasts South African MY 2012/13 pear production at 370,000 MT as more trees are reaching full bearing potential. Although the 2011/2012 official production data has not been published yet, post estimates MY 2011/2012 production at 367,000 MT. Production growth is essentially flat, in-line with the slow replanting of trees in commercial orchards on weak domestic and foreign demand.

Pears are also mainly grown in Western Cape regions with the Ceres, Langkloof East Wosley/ Tulbagh, and Groenland, as major growing areas. Like apples, pears grow well in areas that do not have very high temperatures hence the Western Cape Pears are normally harvested from late December to early January so the rain just came around harvesting time and had very negative impact on the fruit.

Area Planted

Post estimates MY 2012/2013 area planted to pears to increase to 12,000 ha, a three percent increase, constrained by increased costs for establishing new trees. The cost of establishing one hectare of pears was R183,732 (\$20,950) in 2011. The cost of planting material has more than doubled since 2008 and the cost of trellising continues to increase. As a result of cost constraints, area planted to fresh pears has been fairly flat in recent years, growing no more than two percent annually. Currently, nearly 30 percent of all commercial orchards are over 25 years old. Approximately ten percent of trees are no bearing fruit yet, and up to seventeen percent in some commercial production areas.

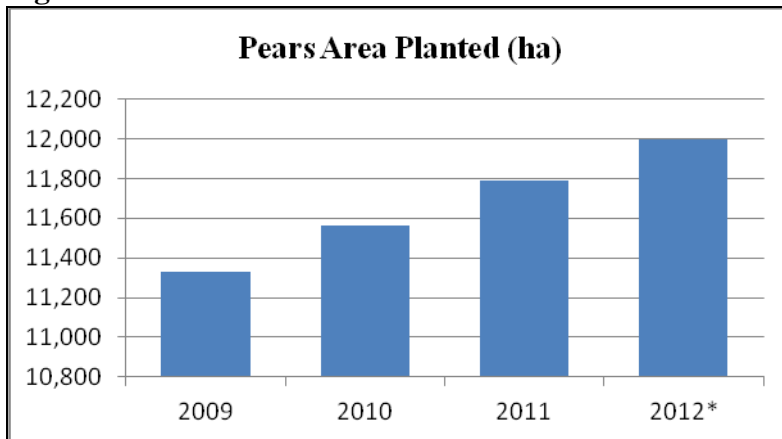
Figure 4. Cost of production per



Source: Hortgro

According to Hortgro tree census of 2011, which reflects the U.S. MY 2009/2010, total pear area planted for 2011 was 11,561 hectares, with Packham's Triumph still the most popular variety. Other popular varieties are: Forelle, William Bon Chretien, and Early Bon Chretien. However, the area planted to Bon Chrétien pears is shifting towards Early Bon Chrétien pears. Early Bon Chrétien pears mature in late December, which affords producers an opportunity to enter the market ahead of the Bon Chretien varieties that mature in March.

Figure 5. Fresh Pears Area Planted



Source: Hortgro

Consumption

Post forecasts MY 2012/13 pear domestic consumption at 66,100 MT on available supplies. Post estimates MY 2011/12 domestic consumption at 64,549 MT on increased available supplies. Fruit not be exported was diverted to the domestic market. Although pears are generally more expensive than apples, domestic consumption of pears has grown comparatively more rapidly in recent years.

Traditionally domestic demand for fresh pears was approximately 13 percent total production annually, but this percentage is increasing with the growth of the middle class. Regardless of price, pears have enjoyed a steadily growing domestic market. The average monthly pear price between January and July 2011 at local markets was R4,001 (\$456) per ton compared to R3,856 (\$440) in 2011.

Trade

Exports

Post forecasts MY 2012/13 South African pear exports to increase nearly four percent to 190,000 MT on available supplies. Post estimates MY 2011/12 SA pear exports at 185,000 MT based on year-to-date trade data. The pear season started at a similar pace as previous years, however, the pear harvest was affected by harsh weather conditions between week 12 and week 15, which led to lower volumes being exported during that period. The EU is South Africa's biggest traditional market with the Netherlands and the UK having the largest market share. Current GTA export figures show a lag behind of export volumes compared to 2010 volumes at the same period as expected on low supplies.

Table 8. Export Trade Matrix, Fresh Pears: January – June 2011

South African Export Statistics				
Commodity: 080820, 080830 Pears, Fresh				
Year To Date: January – August				
Partner country	Unit	Quantity		
		2010	2011	2012
World	MT	181,287	177,526	177,105
Netherlands	MT	57,152	60,109	50,433
United Kingdom	MT	24,391	20,102	17,785
Russia	MT	16,893	13,224	16,108
United Arab Emirates	MT	8,441	9,896	15,435
Germany	MT	11,286	9,945	7,770
Others	MT	63,123	64,250	69,574

Source: GTA

As with apples, Post recommends a revision in the trade data for all deciduous fruit to utilize official customs data. Post inquired about the slight discrepancy between industry and customs data and the industry was unable to determine the cause.

Table 9. Export Trade Matrix, Fresh Pears: MY 2008-2010

South African Export Statistics				
Commodity: 080820, 080830 Pears, Fresh				
Year Ending: December				
Partner country	Unit	Quantity		
		2009	2010	2011
World	MT	180,613	186,353	182,076
Netherlands	MT	49,784	57,173	60,109

United Kingdom	MT	29,728	24,494	20,102
Russia	MT	15,173	16,946	13,271
United Arab Emirates	MT	5,370	8,682	10,035
Germany	MT	15,005	11,309	9,945
Others	MT	65,553	67,749	68,614

Source: GTA

Imports

As the second largest pear producer behind Argentina in Southern Hemisphere, South Africa imports small quantities of pears from China as the source Ya pears (white colored Chinese pears). Imports from China began after a 2007 agreement that allowed imports of Chinese pears into the South Africa market; see protocol: http://www.nda.agric.za/doiDev/sideMenu/plantHealth/docs/protocol_pear_China.pdf

Table 10. South Africa Import Statistics

South Africa Import Statistics				
Commodity: 080820, 080830 Pears And Quinces, Fresh				
Year Ending : December				
Partner country	Unit	Quantity		
		2009	2010	2011
China	MT	185	185	200

Source: GTA

Table 11. Tariff Rate, Fresh Pears

Pears and quinces

Item	CD	Description	Unit	General	EU	EFTA	SADC
0808.20	3	Pears and quinces	kg	4%	free	4%	free

Source: SCHEDULE 1 - Customs & Excise Tariff

Table 12. PSD: Pears, Fresh

Pears, Fresh South Africa	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	11,342	11,561	11,790	11,790		12,000
Area Harvested	11,342	11,561	10,900	10,900		11,000
Bearing Trees	10,600	10,761	10,900	10,900		11,000
Non-Bearing Trees	800	800	850	890		1,000

Total Trees	11,400	11,561	11,750	11,790		12,000
Commercial Production	350,000	359,747	366,000	367,000		370,000
Non-Comm. Production	0	0	0	0		0
Production	350,000	359,747	366,000	367,000		370,000
Imports	200	201	200	100		100
Total Supply	350,200	359,948	366,200	367,100		370,100
Fresh Dom. Consumption	48,100	64,549	68,200	66,000		66,100
Exports	182,100	182,076	172,000	185,000		190,000
For Processing	120,000	113,323	126,000	116,100		114,000
Withdrawal From Market	0	0	0	0		0
Total Distribution	350,200	359,948	366,200	367,100		370,100
HA, 1000 TREES, MT						

Commodity

Grapes, Table, Fresh

Production

Post forecasts the MY 2012/13 table grape crop to reach 274,000 MT as production volumes in the previously flood damaged regions along the Orange River, Northern Province and Olifants river have recovered. Production should continue to increase with expanded export opportunities to the United States, under the USDA Preclearance Program.

Post estimates the MY 2011/12 table grape crop at 271,000 MT based on industry estimates that production volumes have nearly recovered to levels seen just prior to the Orange River flooding in 2010. Growing conditions, since the flooding, have been favorable and have allowed volumes to increase at a greater rate than the recovery to area planted.

Globally, South Africa is the third largest exporter of table grapes, by volume, and seventh largest by value, and is also the second largest producer in the Southern Hemisphere, next to Chile. Table Grapes in South Africa are mainly produced in Northern Cape and Western Cape provinces along the river valleys of Berg, the Hex, the Olifants and Orange.

South Africa has the longest supply season starting from October till May; harvest starts in week 43 in the Northern Cape region followed Orange River region and the first grape crop are supplied to the market by November. Hex river valley region is the last region for table grapes intakes.

Area Planted

Post forecasts MY 2012/2013 area planted at 14,200 hectares as area planted slowly recovers from flooding along the Orange River in late 2010. For MY 2011/2012, post estimates area planted to be 14,000. The slow recovery in area planted has been largely driven by the high cost of reestablishing vines and a decrease in the number of commercial table grapes producers. The South African Table Grapes Industry Association reports that the current production cost for establishing a new hectare of table grapes is R188,905 (\$21,540).

There were 382 table grapes producers in South Africa in 2011, a decline of eight percent, driven by increased production costs and greater consolidation on South Africa’s commercial agricultural sector. Total area planted in 2011 was 13,462 ha. About 30 percent of the vines in South Africa are older than 10 years. The leading varieties of South African Table Grapes are Crimson Seedless (1,447 ha), Red Globe (1,397 ha), and Thompson Seedless (1,387 ha). The cultivar profile in the South Africa has changed in recent years: seeded cultivars are declining on a yearly basis in the last three years (2008 - 2010) as consumers prefer seedless grapes and production of black and red seedless varieties has increased. The popularity of seedless cultivars stems from characteristics such as large berry size (with elongated or oval berry shapes), favorable texture (crunchiness), and good eating qualities.

Table 13. Popular Table Grape varieties

Season	White	Black	White seedless	Red
Early	Victoria,	Dan – ben – Hannah	Muscat Seedless	Flame seedless
	Queen of the vineyard	Alphonse Lavallee	Sugraone	
	Muscat Supreme	Ronelle	Sultanina	
	Bien Donne	Prime		
	Regal seedless			
Mid	Bellevue	La Rochelle		Sunred Seedless
	Waltham Cross	Bonheur		Red Globe
	Majestic	Bonita		
Late	Dauphine	Barlinka		Crimson Seedless

Source: SATI

Consumption

Post forecasts MY 2012/13 domestic consumption of fresh table grapes at 15,000 MT, a five percent increase over the previous year. Post estimates MY 2011/12 domestic consumption of fresh table grapes at 14,300 MT, on lower available supplies as exports rose over 15 percent from the previous year. The local market for table grapes is small at less than 20,000 MT annually with 65 percent of grapes sold through the National Fresh Produce Markets, 34 percent sold through retailers and one percent being sold through informal market.

Grapes are considered a luxury fruit, and are mostly consumed by the middle and upper class population. In South Africa, about 30 percent of the population is identified as frequent grape consumers but there is a trend of steadily increasing demand increases directly linked to growing middle-income consumers.

Trade

Exports

Post forecasts MY 2012/13 South Africa table grapes to reach 264,000 MT as production quantities have fully recovered from late 2010 flooding, and exports grew significantly in the previous marketing year. However, increased production and shipping costs could slow export growth in the coming marketing year. Post estimates MY 2011/12 South African table grapes at 260,000 MT based on

official customs data that shows trade grew more than 15 percent in the previous year. Much of the growth occurred in the Netherlands, the UK, Hong Kong, Russia, and the United Arab Emirates.

The EU is the leading export market for South African grapes, accounting for 79 percent of South Africa's table grape exports in 2011. South Africa benefits from a shorter shipping distance than other Southern Hemisphere competitors, strong demand for seedless varieties, and sustained demand for seeded varieties in Eastern Europe. Exports have benefitted from a weaker Rand against the Euro and SA table grapes producers had a relatively good season in terms of gross returns in 2011.

While South African table grapes enjoy strong sales to Europe, the industry plans to shift its marketing focus away from the traditional markets, to Asia and Middle Eastern markets, which appear to show strong growth potential. The attractiveness of these markets is due to their less stringent non tariff measures (ethical; sanitary and Phytosanitary; Technical Barriers to Trade) as compared to the EU.

Table 14. Export Trade Matrix, Fresh Grapes: 2008 – 2010

South African Export Statistics				
Commodity: 080610, Grapes, Fresh				
Year To Date: January – August				
Partner country	Unit	Quantity		
		2010	2011	2012
World	MT	198,085	191,084	222,241
Netherlands	MT	88,108	87,887	100,819
United Kingdom	MT	31,046	29,206	33,639
Hong Kong	MT	9,127	12,883	17,910
Russia	MT	7,231	6,363	9,194
United Arab Emirates	MT	7,103	6,077	9,172
Others	MT	142,614	142,416	170,734

Source: GTA

Table 15. Tariff Rates, Fresh Grapes

Fresh

Item	CD	Description	Unit	General	EU	EFTA	SADC
0806.10	1	Fresh	kg	4%	free	4%	free

Source: SCHEDULE 1 - Customs & Excise Tariff

Imports

South Africa is not a major importer of table grapes, except to make up for out-of-season demand, with Egypt and Spain being the major suppliers. Year-to-date trade shows South African table grape imports are up 10 percent in 2012.

Table 16. South African Import Statistics

South Africa Import Statistics				
Commodity: 080610, Grapes, Fresh				
Year To Date: January – August				
Partner country	Unit	Quantity		
		2010	2011	2012
World	KG	1,101	1,338	1,472
Egypt	KG	726	861	1,078
Spain	KG	286	366	351
Israel	KG	86	111	43
Kenya	KG	2	0	0

Source: GTA

Table 17. PSD- Grapes, Fresh

Grapes, Fresh South Africa	2010/2011		2011/2012		2012/2013	
	Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		Market Year Begin: Jan 2012	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	15,000	13,462	14,000	14,000		14,200
Area Harvested	15,000	13,462	12,700	14,000		14,200
Commercial Production	258,000	258,000	265,000	271,000		274,000
Non-Comm. Production	0	0	0	0		0
Production	258,000	260,000	265,000	271,000		274,000
Imports	2,900	2,949	2,000	3,300		5,000
Total Supply	260,900	262,949	267,000	274,300		279,000
Fresh Dom.	12,400	12,455	12,000	14,300		15,000

Consumption						
Exports	248,500	248,494	255,000	260,000		264,000
For Processing	0	0	0	0		0
Withdrawal From Market	0	0	0	0		0
Total Distribution	260,900	262,949	267,000	274,300		279,000
HA, MT						

Policy:

Labeling requirements

Fresh, unprocessed fruit is exempt from consumer labeling requirements.

http://www.nda.agric.za/doaDev/sideMenu/foodSafety/doc/localImportRegulations/Apples_regulations.pdf

Licenses and quotas: None

Currency Issues: None

Export standards & requirements of Deciduous Fruit: <http://www.daff.gov.za/>

The route is as follows:

Divisions → Food Safety and Quality Assurance → Exports Standards → Deciduous Fruit.