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South Africa - Republic of

Citrus Annual

South Africa Citrus Supply and Demand Report

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Report Highlights:
Post forecasts that the total citrus production will remain flat at 2,631,000 MT in the 2015/16 MY, based on the increases in grapefruit, lemons and soft citrus production driven by increases in area planted, which were offset by decreases in oranges production as a result of a decrease in area planted and the impact of hail damage in Hoedspruit, Limpopo.

Commodities:
Citrus, Other, Fresh
Grapefruit, Fresh
Lemons, Fresh
Oranges, Fresh
Orange Juice
Tangerines/Mandarins, Fresh

Executive Summary

Post forecasts that the grapefruit production in South Africa will increase marginally by one percent to 405,000 MT in the 2015/16 MY, based on the increase in area planted. Post forecasts that the 2015/16 MY grapefruit exports will also increase marginally by one percent to 224,000 MT based on the increase in production and the weak rand exchange rate.

Post forecasts that the 2015/16 MY production of oranges will decrease marginally by one percent to 1,690 million MT based on the impact of hail which affected the Hoedspruit, Limpopo producing region. Post forecasts that the 2015/16 MY exports of oranges will decrease by four percent to 1,150 million MT based on the decrease in production and uncertainty on the exports to the EU due to the ongoing CBS challenges.

Post forecasts that the production of soft citrus will increase by three percent to 205,000 MT in the 2015/16 MY, based on the increase in area planted. Post forecasts that the South African 2015/16 MY exports of tangerines/mandarins will increase by three percent to 162,000 MT, based on increased production, the growing market opportunities in the Middle East and Asia, and the weakening of the rand exchange rate.

Post forecasts that the production of lemons/limes will remain flat at 331,000 MT in the 2015/16 MY, based on the area planted and normal weather conditions. Post forecasts that the exports of lemons/limes by South Africa will also remain flat at 244,000 MT in the 2015/16 MY, based on the available production.

Post forecasts that the production of orange juice will increase by thirteen percent to 47,000 MT in the 2015/16 MY, based on the increase in fresh oranges delivered for processing. Post forecasts that the exports of orange juice will increase by twenty percent to 53,802 MT in the 2015/16 MY, based on the available production and stocks, as well as the weak rand exchange rate.

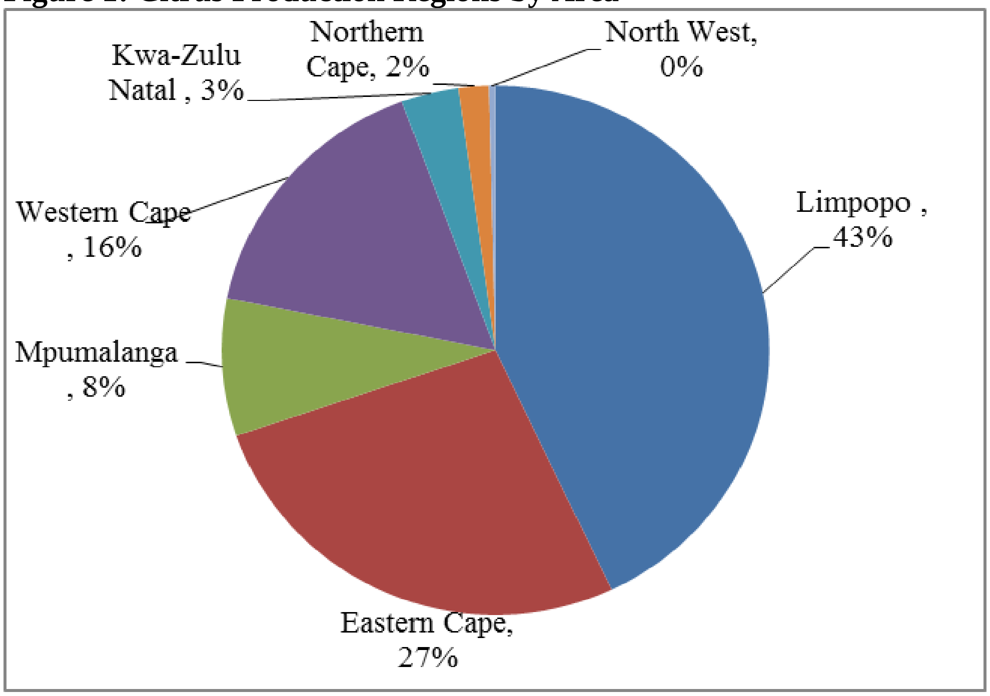
South Africa still faces challenges in the European Union Market as a result of the stringent Citrus Black Spot (CBS) requirements.

While there has been widespread concerns about drought due to the El Nino in the Kwa-Zulu Natal, Limpopo and Northern Cape, its impact on citrus production at this stage is estimated to be minimal due the availability of irrigation water. However, there are concerns that these conditions could result in smaller fruit sizes.
Exchange rate: Rand/US$ Exchange = 14

Background

In the 2013/14 MY, approximately 62,658 hectares (Ha) of citrus was planted in South Africa. The 2012/13 MY planted area was 61,990 Ha. The Limpopo, Western Cape, Mpumalanga, Eastern Cape, KwaZulu-Natal and Northern Cape provinces are the main citrus growing regions in South Africa. **Figure 1** below shows that Limpopo has the largest area planted, followed by Eastern Cape, Mpumalanga and Western Cape. The Western Cape and Eastern have a cooler climate which is suited for the production of the navel oranges, lemons and easy peelers such as clementines and satsumas. The Mpumalanga, Limpopo and KwaZulu-Natal Provinces have a warmer climate which is better suited to the cultivation of grapefruit and valencia oranges.

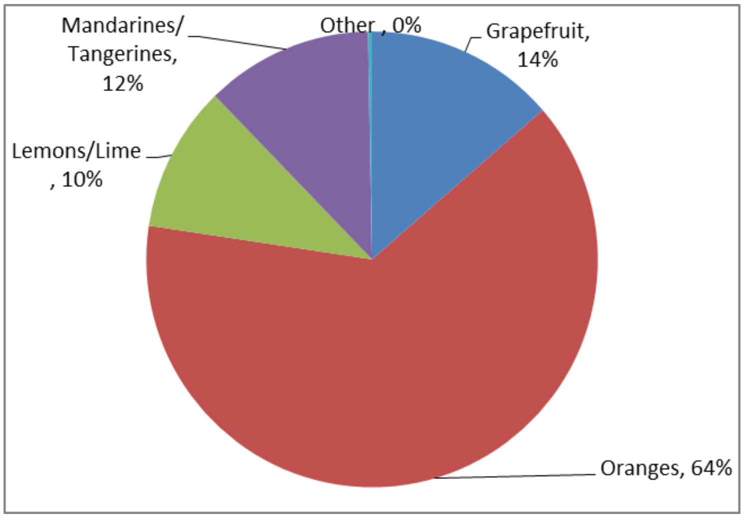
Figure 1: Citrus Production Regions by Area



Source: Citrus Growers Association (CGA)

Figure 2 shows that oranges are the biggest citrus type produced in South Africa and accounted for 64 percent of the total citrus area planted in the 2013/14 MY.

Figure 2: Distribution of Citrus Production by Area



Source: CGA

There are approximately 210 commercial citrus varieties being planted in South Africa. **Table 1** shows the most common citrus varieties planted in South Africa. Star Ruby is the most planted grapefruit variety due to its high global demand. Producers prefer Valencia oranges over Navels as Valencia's have a longer shelf life and produce more yields than Navels. Nardocott is one of the most popular soft citrus cultivars in South Africa. Industry statistics indicate that some growers have started planting the Tango cultivar, which is seedless and is still waiting to be granted its Plant Breeders Rights.

Table 1: Citrus Varieties

Citrus	Variety
Grape fruit	Star Ruby, Marsh, Rose, Flame, Nelspruit Ruby (Nelruby), Flamingo
Oranges	**Valencias** Delta, Midknight, Turkey (Juvalle), Oukloon (Olinda, Late), Du Roi , Benny.
	Navels Palmer, Bahianinha, Washington, Robyn, Navelina, Lane Late, Newhall, Cambria, Cara Cara, Rustenburg, Autumn Gold
Mandarins/ Tangarines	**Clementine** Nules, Marisol, SRA, Oroval, Esbal, Clemenpons, Oronules
	Mandarin Nadorcott (Afourer), Nova, Or (Orri), Minneola, Mor , B17, Tambor , Naartjie, Thoro Temple, Sonet, B24 (African Sunset)
	Satsuma Miho Wase, Owari , Kuno, Miyagawa Wase, Okitsu Wase, Aoshima.
Lemons/Lime	Eureka, Eureka SL, Lisbon, Limoneira, Genoa

Source: CGA

Table 2: South Africa Harvest Period for Citrus

Citrus	Harvest Period

Marsh Grapefruit	April to June
Star Ruby Grapefruit	April to September
Navel Oranges	June to July
Valencia Oranges	July to September
Mandarins/Tangarines	July to August
Lemons/Lime	July to September

Source: CGA

Table 3 shows the summary of citrus production statistics in South Africa. The balance of the citrus production after satisfying the export and fresh domestic consumption is delivered for processing.

Table 3: Summary of Fresh Citrus Production, Supply and Distribution

Citrus	**2014/2015 MY**			**2015/2016 MY**		
	Production	**Domestic Consumption**	**Exports**	**Production**	**Domestic Consumption**	**Exports**
	MT	**MT**	**MT**	**MT**	**MT**	**MT**
Oranges	1,700,000	120,000	1,200,000	1,690,000	120,000	1,150,000
Grapefruit	400,000	5,000	221,000	405,000	5,000	224,000
Lemons	330,000	14,000	244,000	331,000	14,000	244,000
Soft Citrus	200,000	24,000	157,000	205,000	24,000	162,000
Total	**2,630,000**	**163,000**	**1,822,000**	**2,631,000**	**163,000**	**1,780,000**

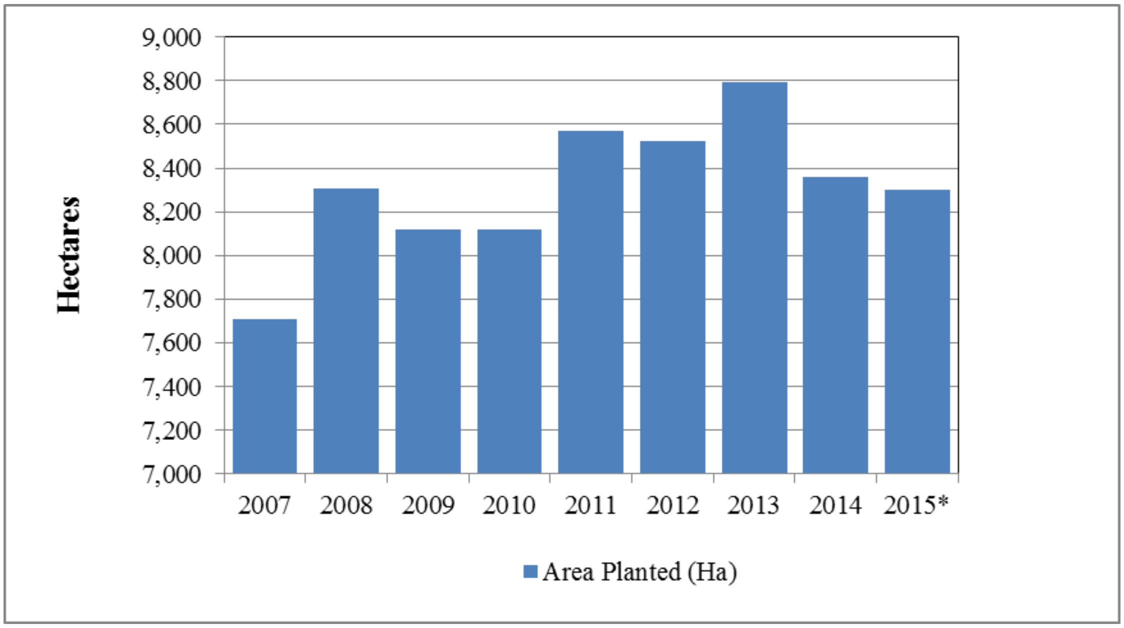
Commodities:
Grapefruit, Fresh

Production

Post forecasts that the 2015/16 MY grapefruit production in South Africa will increase marginally by one percent to 405,000 MT, based on the increase in area planted. The 2014/15 MY grape fruit production estimate remains unchanged at 400,000 MT based on current industry estimates. The 2013/14 MY grape fruit production at 413,259 MT was a high production season, based on excellent growing conditions.

Figure 3 below illustrates that the area planted to grapefruit decreased to 8,361 ha in the 2013/14 MY from the peak 2012/13 MY area planted of 8,796 hectares. The 2014/15 MY and 2015/16 MY area planted to grapefruit is estimated at 8,300 ha and 8,350 ha, respectively.

Figure 3: Area Planted to Grapefruit



***Estimate**
Source: CGA

Consumption

Post forecasts that the grapefruit domestic consumption will remain flat at 5,000 MT in the 2015/16 MY. Domestic consumption of grapefruit is relatively low as most South African consumers especially the younger generation has not acquired the taste for grapefruit. In addition, the consumption of grapefruit slowed down a few years ago following the negative perceptions on the medical effects of grapefruits in South Africa.

Grapefruit is also processed for juice, the majority of which is exported to Europe. The left over pulp following commercial juice extraction is an important source of grapefruit oil which is used as a flavoring 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. Finally, the grapefruit peel oil is used in scented fragrances.

Trade:
Exports

Post forecasts that the 2015/16 MY grapefruit exports will increase marginally by one percent to 224,000 MT based on the increase in production and the weak rand exchange rates. The 2014/15 MY grapefruit exports have been revised upwards to 221,000 MT, based on the year to date exports and estimates for the months of October to December. The 2013/14 MY exports of grapefruit remains unchanged at 217,382 MT, based on final Global Trade Atlas (GTA) data.

Europe and Asia are South Africa's major export markets. South Africa is still faced with the challenges of citrus black spot in the EU market. There is also a growing emphasis to grow the Middle East and Africa markets. While volumes are still low, exports to the United States have been growing, from 76

MT in the 2012/13 MY to 1,051 MT in the 2013/14 MY. However, there are concerns within the industry that the suspension of South Africa from the United States duty free under the African Growth and Opportunity Act (AGOA) could affect these exports as South Africa will lose its competitiveness to competitors such as Peru, Uruguay and Chile who have preferential trade agreements with the United States. South Africa also has a free trade agreement with Europe providing for duty free access for South African citrus exports. Japan imposes a ten percent Most Favored Nation (MFN) duty on South African grapefruit. Russia which is the third largest market for South Africa's grapefruit exports, imposes a five percent or US$27.96/ton (whichever is greater), while Canada, Hong Kong and the UAE apply a zero percent MFN tariff.

Table 4: South African Fresh Grapefruit exports

South Africa Export Statistics				
Commodity: 080540, Grapefruit, Fresh Or Dried				
Year Ending: December				
Partner Country	**Unit**	**Quantity**		
		2012	**2013**	**2014**
World	T	178,255	241,827	217,382
Netherlands	T	46,731	65,063	49,331
Japan	T	49,789	51,967	48,222
Russia	T	13,854	25,774	18,008
Swaziland	T	0	9	15,907
China	T	1,436	9,591	14,007
Italy	T	9,252	12,508	10,096
United Kingdom	T	10,097	12,161	9,812
Canada	T	5,128	7,974	8,804
Korea South	T	0	986	5,944
United Arab Emirates	T	3,722	5,810	4,829
Hong Kong	T	5,054	4,680	4,558
France	T	2,645	5,259	4,198
Taiwan	T	4,573	5,769	3,392
Portugal	T	2,203	3,464	2,979
Spain	T	1,150	2,048	2,259
Germany	T	3,082	2,887	1,378
Ukraine	T	840	2,084	1,268
Greece	T	1,365	1,932	1,117
Ireland	T	540	1,122	1,092
United States	T	76	393	1,051
Saudi Arabia	T	774	1,136	1,050

Source: GTA

Imports

Post forecasts that the 2015/16 MY grape fruit imports will remain flat at 7,000 MT based on the available production. The 2014/15 MY grapefruit imports was revised downwards to 7,000 MT based on the year to date imports and estimates for the months of October to December. The 2013/14 MY grapefruit imports remains unchanged at 11,506 MT based on the updated GTA data which now includes Swaziland imports. South Africa is not a major importer of grapefruit. Imports mainly originate from Swaziland, Spain and Israel to fill the demand gap towards the end of the season.

Table 5: South African Fresh Grapefruit imports

South Africa Import Statistics				
Commodity: 080540, Grapefruit, Fresh Or Dried				
Year Ending: December				
Partner Country	**Unit**	**Quantity**		
		2012	**2013**	**2014**
World	T	467	461	11,506
Swaziland	T	0	0	10,898
Zimbabwe	T	0	0	330
Israel	T	270	236	116
Spain	T	146	218	95
Turkey	T	41	0	47
France	T	0	0	21
Netherlands	T	10	8	0

Source: GTA

Prices

Table 6 shows the local, export and processed market prices for grapefruit since 2004. Grapefruit prices tend to follow the production cycles of grapefruit, thus, in years with high production, prices are normally low, and vice versa. Domestic prices have doubled from R1,434 (US$102) in the 2003/04 MY to R3,020(US$216) in the 2013/14 MY. Export prices continue to provide the highest prices for South African grapefruits.

Table 6: Grapefruit Prices

	Local Market	**Export Market**	**Processed**
	Average Price*	**Gross Price**	**Gross Price**
	Rand/Ton	**Rand/Ton**	**Rand/Ton**
2004	1,434	2,399	325
2005	1,487	925	325
2006	1,493	1,764	386
2007	1,796	2,712	237
2008	2,283	3,658	152
2009	1,839	1,846	240
2010	1,437	4,351	268
2011	2,107	3,723	383

2012	2,275	4,371	377
2013	2,352	5,060	376
2014	3,020	5,247	401

Source: CGA

Table 7: PSD Grapefruit, Fresh

Grapefruit, Fresh	2013/2014		2014/2015		2015/2016	
Market Begin Year	Jan 2014		Jan 2014		Jan 2015	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	8,361	8,361	8,500	8,300	0	8,350
Area Harvested	7,943	7,943	8,000	8,000	0	8,100
Bearing Trees	7,500	7,500	7,500	7,500	0	7,600
Non-Bearing Trees	500	500	400	400	0	400
Total No. Of Trees	8,000	8,000	7,900	7,900	0	8,000
Production	413	413	400	400	0	405
Imports	12	12	12	7	0	7
Total Supply	425	425	412	407	0	412
Exports	217	217	215	221	0	224
Fresh Dom. Consumption	5	5	5	5	0	5
For Processing	203	203	192	181	0	183
Total Distribution	425	425	412	407	0	412
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Source: PSD Tables and Post forecast

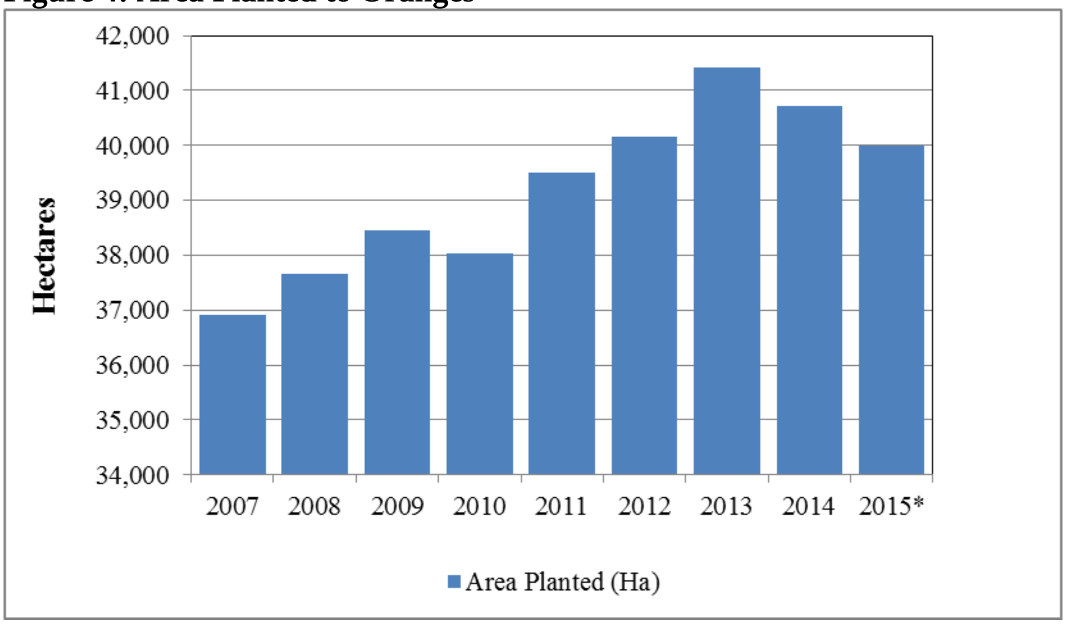
<u>Commodities:</u>
<u>Oranges, Fresh</u>

Production

Post forecasts that the production of oranges will decrease marginally by one percent to 1,690 million MT in the 2015/16 MY, based on the impact of hail in Hoedspruit, Limpopo. The 2014/15 MY production estimate remains unchanged at 1,700 million MT based on industry data. The record 2013/14 MY production remains unchanged at 1,715 million MT based on final industry data at the back of exceptionally good weather and growing conditions.

The area planted with oranges in South Africa has grown steadily since the 2006/07 MY. **Figure 4** shows that the area planted has grown by at least twelve percent from 36,921 hectares in the 2006/07 MY to 39,881 hectares in the 2013/14 MY. The area planted to oranges is estimated to decrease to 40,715 ha and 40,000 ha in the 2014/15 MY and 2015/16 MY, respectively, as the shift to soft citrus continues in the industry.

Figure 4: Area Planted to Oranges



*Estimate
Source: CGA

Consumption

Post forecasts that the 2015/16 MY domestic consumption of oranges will remain flat at 120,000 MT based on static consumer demand as a result of the slow economic growth in South Africa and the financial pressure faced by consumers. Fresh oranges are the most popular citrus consumed in South Africa. The 2014/15 MY and 2013/14 MY domestic consumption remains unchanged at 120,000 MT and 120,212 MT based on updated and final industry data.

Exports

Post forecasts that the exports of oranges will decrease by four percent to 1,150 million MT in the 2015/16 M, based on the decrease in production and uncertainty in the EU market due to the ongoing

CBS challenges. The 2014/15 MY exports of oranges have been revised upwards to 1,200 million MT, based on the high year to date exports and estimates for October to December. The 2013/14 MY citrus exports remain unchanged at 1,144 million MT, based on the updated and final GTA figures.

Europe remains South Africa's largest market for orange exports, accounting for approximately forty percent of the total export market. However, exports to Asia and the Middle East have grown steadily over the years. While the industry remains optimistic that the suspension of South Africa from the African Growth and Opportunity Act (AGOA) could be lifted, there are concerns that this could affect orange exports as South Africa will lose its competitiveness to competitors such as Peru, Uruguay and Chile who have preferential trade agreements with the United States.

Table 8: South African Fresh Orange exports

South Africa Export Statistics				
Commodity: 080510, Oranges, Fresh				
Year Ending: December				
Partner Country	**Unit**	**Quantity**		
		2012	**2013**	**2014**
World	T	1,097,299	1,161,511	1,143,815
Netherlands	T	201,186	222,812	206,525
Russia	T	120,051	130,902	125,781
United Arab Emirates	T	93,912	106,782	121,056
Saudi Arabia	T	101,267	92,882	92,866
United Kingdom	T	65,986	81,464	66,545
Kuwait	T	32,969	50,604	51,347
Bangladesh	T	30,072	30,573	40,023
Portugal	T	42,821	41,157	39,939
United States	T	37,737	40,576	39,224
Italy	T	31,960	36,663	36,430
Hong Kong	T	35,115	20,197	34,555
Canada	T	34,968	34,929	33,944
China	T	18,446	24,917	33,872
Malaysia	T	23,947	24,626	28,559
France	T	23,118	25,873	18,148
Ukraine	T	12,590	8,311	13,648
Singapore	T	10,045	9,676	12,268
Spain	T	23,019	18,559	12,181
Zambia	T	5,192	8,373	8,887
Oman	T	12,402	11,158	8,186
Qatar	T	5,101	5,715	6,964
Mozambique	T	34,658	35,444	6,857
Lithuania	T	4,032	6,000	6,146

Japan	T	5,921	4,376	5,525
Sweden	T	7,213	8,392	4,908
India	T	7,751	3,898	4,721
Namibia	T	60	684	4,645
Angola	T	4,710	4,625	4,564
Korea South	T	2,583	4,033	4,430
Swaziland	T	0	560	4,271
Germany	T	10,745	9,019	4,070
Bahrain	T	5,888	5,211	4,060
Norway	T	1,990	2,169	4,031
Ireland	T	3,403	3,487	3,696

Source: GTA

Imports

Post forecasts that the South African orange imports will remain flat at 16,000 MT in the 2015/16 MY. Post revised upwards the 2014/15 MY imports to 16,000 MT based on the high year to date imports. The 2013/14 MY imports remain unchanged at 12,390 MT based on updated GTA data which now includes Swaziland imports. Oranges are imported to South Africa in the months of November and December to close supply gaps and satisfy year-long demand.

Table 9: South African Fresh Orange imports

South Africa Import Statistics				
Commodity: 080510, Oranges, Fresh				
Year Ending: December				
Partner Country	**Unit**	**Quantity**		
		2012	**2013**	**2014**
World	T	378	386	12,390
Swaziland	T	0	0	8,360
Zimbabwe	T	0	0	3,450
Spain	T	273	176	274
Israel	T	92	192	167
Other Countries NES	T	0	0	94
Netherlands	T	12	17	21
Turkey	T	0	0	11
Angola	T	0	0	11

Source: GTA

Prices

Table 10 shows the local, export and processed market prices of oranges. The export market provides the highest prices, followed by the domestic market and the processed prices. Local market prices have increased from R1,090 (US$78) in the 2003/04 MY to R2,230 (US$159) in the 2013/14 MY.

Table 10: Oranges Prices

	Local Market Average Price* Rand/Ton	Export Market Gross Price Rand/Ton	Processed Gross Price Rand/Ton
2004	1,090	2,425	274
2005	1,111	1,580	229
2006	1,025	1,843	301
2007	1,278	2,832	354
2008	1,430	3,443	419
2009	1,483	3,235	268
2010	1,599	4,043	349
2011	1,762	4,691	529
2012	1,895	4,318	564
2013	2,054	4,975	591
2014	2,230	5,781	618

Source: CGA

Table 11: PSD Oranges, Fresh

Oranges, Fresh	2013/2014		2014/2015		2015/2016	
Market Begin Year	Feb 2014		Feb 2014		Feb 2015	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	39881	39881	40000	40715	0	40000
Area Harvested	38100	38100	38100	37900	0	37000
Bearing Trees	38000	38000	38100	38100	0	38000
Non-Bearing Trees	3800	3800	3800	3700	0	3700
Total No. Of Trees	41800	41800	41900	41800	0	41700
Production	1715	1715	1700	1700	0	1690
Imports	12	12	15	16	0	16
Total Supply	1727	1727	1715	1716	0	1706
Exports	1144	1144	1140	1200	0	1150
Fresh Dom. Consumption	120	120	120	120	0	120
For Processing	463	463	455	396	0	436
Total Distribution	1727	1727	1715	1716	0	1706
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Source: PSD Tables and Post forecast

Commodities:
Tangerines/Mandarins, Fresh - Soft Citrus

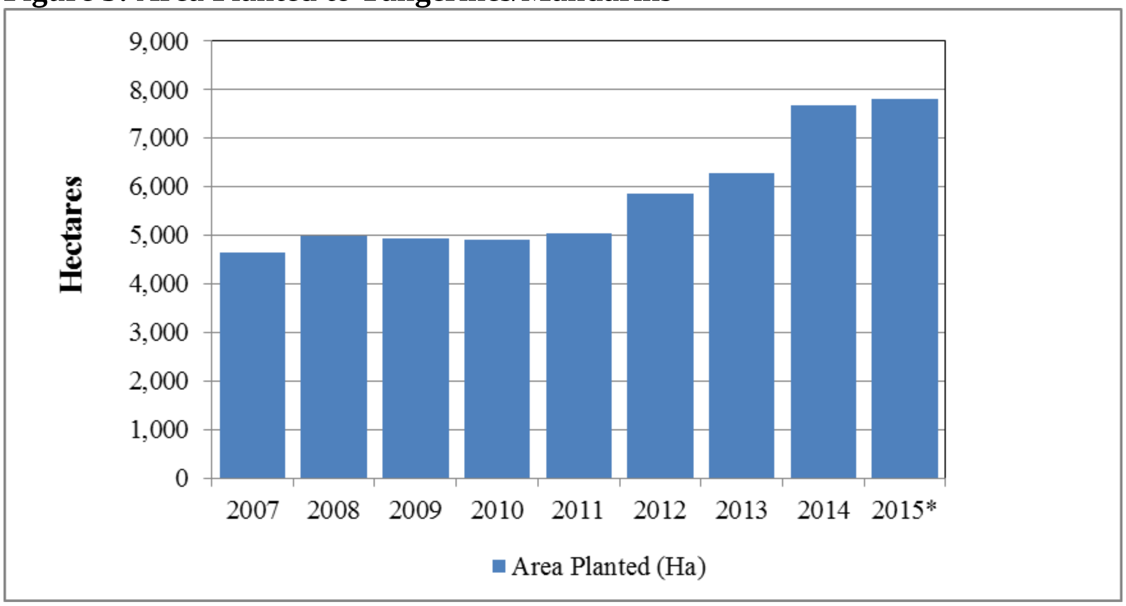
Production

Post forecasts that the production of soft citrus will increase by three percent to 205,000 MT in the 2015/16 MY, based on the increase in area planted. The 2014/15 MY production of tangerines/mandarins in has been revised upwards to 200,000 MT based on industry estimates and increases in area planted in the following regions; Senwes, Patensie, Sundays River, Boland, Western

Cape, and East Cape Midlands. The 2013/14 MY production remains unchanged at 195,293 MT based on final industry data.

Figure 5 shows that the growth in area planted with tangerines/mandarins from the 2006/07 MY to the 2010/11 MY was flat. However, there was an increase in area planted from 5,044 hectares in the 2010/11 MY to 7,668 hectares in the 2013/14 MY due to new orchards being planted as growers are responding to the increasing global demand for seedless soft citrus. The 2014/15 MY and 2015/16 MY area planted to tangerines/mandarins is estimated to increase to 7,800 ha and 7,900 ha, respectively.

Figure 5: Area Planted to Tangerines/Mandarins



***Estimate**
Source: CGA

Consumption

Post forecasts that the 2015/16 MY domestic consumption of tangerines/mandarins will remain flat at 24,000 MT, because of the slow economic growth and increasing financial pressure faced by domestic consumers. The 2014/15 MY and 2013/14 MY domestic consumption remains unchanged at 24,000 MT and 23,833 MT, based on updated and final industry data.

Exports

Post forecasts that the South African 2015/16 MY exports of tangerines/mandarins will increase by three percent to 162,000 MT, based on increased production, the growing market opportunities in the Middle East and Asia, and the weakening of the rand exchange rate. Post revised downwards the 2014/15 MY exports to 157,000 MT based on the year to date exports and estimates for the months October to December. The 2013/14 MY exports of tangerines/mandarins remains unchanged at 153,313 MT, based on final GTA data. Tangerines/mandarins were not affected by the voluntary suspension of exports to the EU by South Africa.

South African naartjies enter the United States duty free as a result of AGOA preferences. EU member states impose a 1.6 percent preferential tariff for all naartjies originating from South Africa. Russia imposes a five percent or US$41.93/ton (whichever is the greater) general tariff. Canada, Hong Kong, the UAE, and Saudi Arabia impose a zero percent MFN duty.

Table 12: South African Fresh Tangerines/Mandarins exports

South Africa Export Statistics				
Commodity: 080520, Mandarins (Including Tangerines And Satsumas); Clementines, Wilkings And Similar Citrus Hybrids, Fresh Or Dried				
Year Ending: December				
Partner Country	**Unit**	**Quantity**		
		2012	**2013**	**2014**
World	T	122,058	132,917	153,313
United Kingdom	T	48,181	50,271	52,560
Netherlands	T	24,003	30,220	30,258
Russia	T	12,099	12,603	11,184
United Arab Emirates	T	4,921	6,093	9,855
Hong Kong	T	4,626	4,639	8,237
United States	T	7,592	3,555	7,444
Canada	T	5,990	6,955	7,368
Ireland	T	1,901	1,946	3,800
Saudi Arabia	T	896	2,319	3,231
Malaysia	T	2,066	1,821	2,725
France	T	765	1,555	1,845
Bangladesh	T	0	275	1,472
Mauritius	T	1,003	947	1,136
Germany	T	428	1,219	1,120
Vietnam	T	0	351	1,003
Singapore	T	570	653	1,003
Portugal	T	160	442	852
Kuwait	T	668	1,583	829
Philippines	T	909	1,098	824
Senegal	T	426	443	736

Source: GTA

Imports

Post forecasts that the 2015/16 MY imports of Tangerines/Mandarins will remain flat at 1,000 MT. South African imports are only marginal in order to satisfy out of season demand.

Table 13: South African Fresh Tangerines/Mandarins imports

South Africa Import Statistics

Commodity: 080520, Mandarins (Including Tangerines And Satsumas); Clementines, Wilkings And Similar Citrus Hybrids, Fresh Or Dried				
Year Ending: December				
Partner Country	**Unit**	**Quantity**		
		2012	**2013**	**2014**
World	T	899	1,395	940
Spain	T	351	552	557
Israel	T	547	804	371
Angola	T	0	0	9
Thailand	T	0	0	3
Netherlands	T	0	38	0

Source: GTA

Prices

Export markets provide the highest prices for South African soft citrus. The seventeen percent increase in export prices from R8,542 (US$610) in the 2012/13 MY to R10,004 (US$715) in the 2013/14 MY was mainly due to high prices for soft citrus and the weakening rand against the US dollar.

Table 14: Tangerines/Mandarins Prices

	Local Market	**Export Market**	**Processed**
	Average Price*	**Gross Price**	**Gross Price**
	Rand/Ton	**Rand/Ton**	**Rand/Ton**
2004	1,705	3,638	251
2005	1,279	3,977	165
2006	2,133	4,423	188
2007	2,543	3,758	214
2008	3,038	4,965	367
2009	3,042	4,635	275
2010	3,805	5,618	214
2011	4,091	5,637	315
2012	3,760	7,133	419

2013	5,159	8,542	334
2014	5,442	10,004	465

Source: CGA

Table 15: PSD Tangerines/Mandarins, Fresh

Tangerines/Mandarins, Fresh	2013/2014		2014/2015		2015/2016	
Market Begin Year	Feb 2014		Feb 2014		Feb 2015	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	7,668	7,668	7,700	7,800	0	7,900
Area Harvested	6,300	6,300	6,400	6,600	0	6,600
Bearing Trees	4,700	4,700	4,700	4,800	0	4,900
Non-Bearing Trees	1,700	1,700	1,700	1,600	0	1,600
Total No. Of Trees	6,400	6,400	6,400	6,400	0	6,500
Production	195	195	195	200	0	205
Imports	1	1	1	1	0	1
Total Supply	196	196	196	201	0	206
Exports	153	153	160	157	0	162
Fresh Dom. Consumption	24	24	24	24	0	24
For Processing	19	19	12	20	0	20
Total Distribution	196	196	196	201	0	206
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Source: PSD Tables and Post forecast

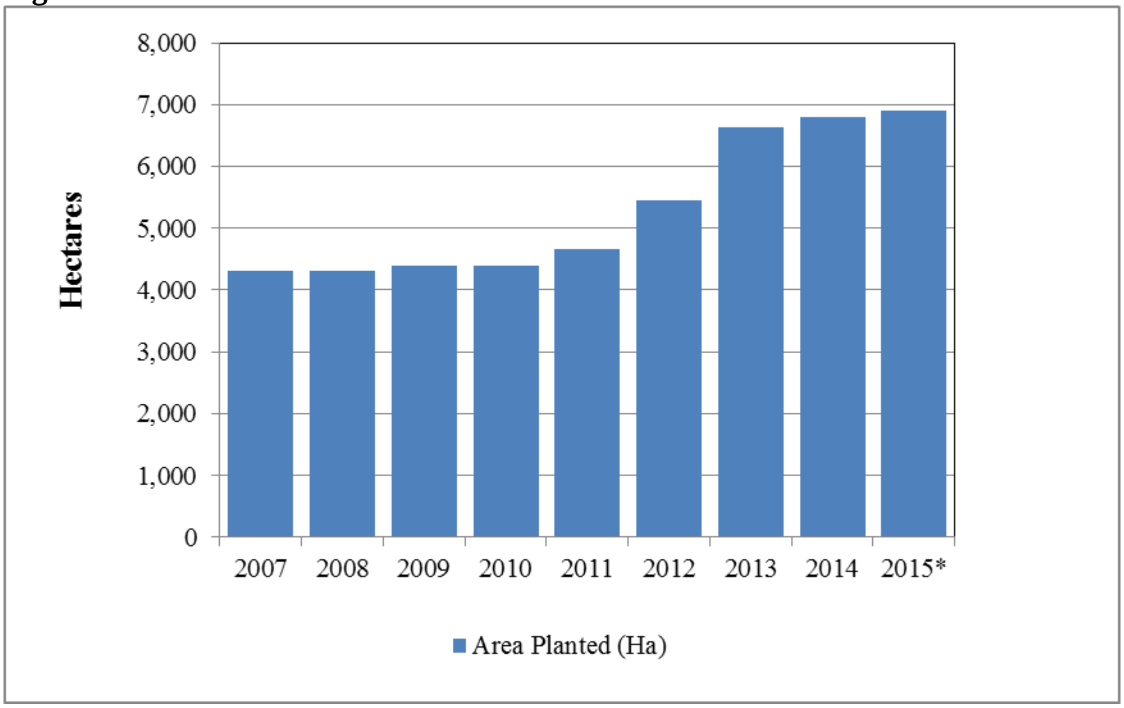
Commodities:
Lemons/Limes, Fresh

Production

Post forecasts that the production of lemons/limes will remain flat at 331,000 MT in the 2015/16 MY, based on the area planted. The 2014/15 MY production of lemons/limes has been revised upwards to 330,000 MT based on the increase in area planted and production increases mainly in the Sunday River Valley, Senwes and Boland. The 2013/14 MY production of lemons/limes remains unchanged at 312,314 MT based on updated industry data.

Figure 6 shows that the area planted with lemons/limes was flat from the 2006/07 MY to the 2009/10 MY. However, area planted increased gradually from 4,667 hectares in the 2010/11 MY to 6,641 hectares in the 2013/14 MY; 6,800 ha in 2014/15 MY and 6,900 ha in 2015/16 MY in response to increases in demand and prices in the export market.

Figure 6: Area Planted to lemons/lime



*Estimate
Source: CGA

Consumption

Post forecasts that the 2015/16 MY and 2014/15 MY domestic consumption of lemons/limes will remain flat at 14,000 MT based on the available production. The 2013/14 MY domestic consumption of lemons/limes remains unchanged at 13,149 MT based on updated and final industry data.

Lemon juice is used as flavorings for poultry and fish dishes, and a flavor agent in cakes, tarts, biscuits, candies, ice creams and salad dressings. In the beverage industry lemons/lime 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

Post forecasts that the 2015/16 MY exports of lemons/limes by South Africa will remain flat at 244,000 MT, based on the available production. Post revised upwards the 2014/15 MY exports of lemons/limes to 244,000 MT based on the high year to date exports and estimates for the months October to December. The 2013/14 MY exports of lemons/limes remains unchanged at 219,617 MT based on updated GTA data. The growth in lemons/limes exports is mainly due to the growth in the Asian and Middle East market, and the weakening rand exchange rate.

Table 16: South African Fresh Lemons/Limes exports

South Africa Export Statistics

Commodity: 080550, Lemons And Limes, Fresh Or Dried				
Year Ending: December				
Partner Country	**Unit**	**Quantity**		
		2012	**2013**	**2014**
World	T	165,828	175,061	219,617
United Arab Emirates	T	33,826	35,191	40,184
Hong Kong	T	11,087	9,784	31,054
Russia	T	19,171	29,310	30,678
Netherlands	T	19,675	15,994	22,312
Saudi Arabia	T	18,828	20,987	19,806
United Kingdom	T	16,222	10,449	12,586
Canada	T	2,620	6,654	9,524
Kuwait	T	8,586	8,522	7,336
Malaysia	T	3,324	4,076	6,576
Germany	T	1,383	5,352	5,776
Italy	T	4,241	2,566	5,590
Singapore	T	2,369	3,419	3,964
Ukraine	T	2,895	4,048	3,313
Qatar	T	2,095	1,621	2,097
Bahrain	T	2,525	2,421	2,026
Vietnam	T	3	458	1,535
Angola	T	1,684	1,269	1,460
Greece	T	777	153	1,146
Georgia	T	924	883	963
Portugal	T	862	170	829
Mozambique	T	576	887	759
Spain	T	51	247	725
Namibia	T	8	91	709
Azerbaijan	T	1,540	2,027	629
Oman	T	1,914	1,554	576

Source: GTA

Imports

Post forecasts that the 2015/16 MY imports of limes/lemons will remain flat at 1,000 MT as a result of sufficient domestic production to meet local demand.

Table 17: South African Fresh Lemons/Limes imports

South Africa Import Statistics
Commodity: 080550, Lemons And Limes, Fresh Or Dried

Year Ending: December				
Partner Country	Unit	Quantity		
		2012	2013	2014
World	T	94	320	677
Spain	T	47	163	399
Brazil	T	1	135	162
Namibia	T	0	0	30
Turkey	T	0	0	29
Russia	T	0	0	25
Swaziland	T	0	0	22
Angola	T	0	0	5
Other Countries NES	T	0	0	4
Egypt	T	0	0	1
El Salvador	T	46	22	0

Source: GTA

Prices

Export markets provide the highest prices for South African lemons/limes. The 58 percent increase in export prices from R6,994 (US$500) in the 2012/13 MY to R11,058(US$790) in the 2013/14 MY is mainly due to the increases in export prices and the weakening rand against the US dollar.

Table 18: Lemons/Limes Prices

	Local Market Average Price* Rand/Ton	Export Market Gross Price Rand/Ton	Processed Gross Price Rand/Ton
2004	1,525	3,240	338
2005	1,692	1,476	258
2006	1,753	2,478	178
2007	2,460	3,238	396
2008	3,105	3,961	611
2009	3,346	2,120	542
2010	3,940	5,329	731
2011	3,489	5,426	982
2012	4,291	5,426	720
2013	5,668	6,994	596
2014	6,838	11,058	1,288

Source: CGA

Table 19: PSD Lemons/Limes, Fresh

Lemons/Limes, Fresh	2013/2014		2014/2015		2015/2016	
Market Begin Year	Jan 2014		Jan 2014		Jan 2015	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	6,641	6,641	6,700	6,800	0	6,900
Area Harvested	5,313	5,313	5,400	5,400	0	5,600
Bearing Trees	4,300	4,300	4,300	4,400	0	4,500
Non-Bearing Trees	1,600	1,600	1,600	1,700	0	1,700
Total No. Of Trees	5,900	5,900	5,900	6,100	0	6,200
Production	312	312	320	330	0	331
Imports	1	1	1	1	0	1
Total Supply	313	313	321	331	0	332
Exports	220	220	230	244	0	244
Fresh Dom. Consumption	13	13	14	14	0	14
For Processing	80	80	77	73	0	74
Total Distribution	313	313	321	331	0	332
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Source: PSD Tables and Post forecast

Commodities:
Orange Juice

Production

Post forecasts that the production of orange juice will increase by thirteen percent to 47,000 MT in the 2015/16 MY, based on the increase in fresh oranges delivered for processing. Post revised downwards the 2014/15 MY orange juice production to 41,431 MT based on the updated fresh oranges delivered for processing in the 2014/15 MY. The 2013/14 MY production of orange juice remains unchanged at 48,486 MT, based on the final quantity of fresh oranges delivered for processing.

Industry coordinated statistics for orange juice are largely unavailable in South Africa. The production, consumption and stock data are comprised of information extracted from various sources, and represent Post`s best effort of the South African orange juice supply and distribution statistics.

Consumption

Post forecasts that the 2015/16 MY and 2014/15 MY domestic consumption of orange juice will remain flat and unchanged at 7,400 MT based on the static domestic demand. The relatively high food price inflation has resulted in restricted growth in the domestic consumption of fruit juices especially the 100% fruit juice, and the shift in demand to orange juice concentrates.

Export

Post forecasts that the 2015/16 MY exports of orange juice will increase by twenty percent to 53,802 MT based on the available production and stock as well as the weak rand exchange rate. The 2014/15 MY and 2013/14 MY exports of orange remains unchanged at 44,502 MT and 30,884 MT, respectively, based on final GTA data at the back of the increase in the stock of orange juice and the weakening rand exchange rate.

Producers in South Africa prefer to export fresh oranges than to sell to processors as export prices are much higher than sales to processors. Netherlands is the biggest market for South African orange juice exports, followed by Mozambique, Zambia and Zimbabwe.

Table 20: South African Orange Juice exports

South Africa Export Statistics				
Commodity: 200911, Orange Juice, Frozen, Whether Or Not Sweetened; 200912, Orange Juice, Not Frozen, Of A Brix Value Not Exceeding 20; 200919, Orange Juice, Other Than Frozen, Whether Or Not Sweetened				
Year Ending: December				
Partner Country	**Unit**	**Quantity**		
		2012	**2013**	**2014**
World	T	21,989	30,884	44,502
Netherlands	T	6,358	11,848	12,314
Botswana	T	0	960	6,055
Mozambique	T	2,041	3,101	4,026
Zimbabwe	T	3,110	1,236	3,412
Swaziland	T	0	570	2,516
Namibia	T	0	398	2,237
Lesotho	T	0	406	2,195
Israel	T	326	1,306	1,855
Zambia	T	1,547	1,367	1,440
Spain	T	0	888	1,217
Congo	T	404	1,014	681

Angola	T	1,012	722	628
India	T	532	156	442
Mauritius	T	332	379	430
United Arab Emirates	T	222	333	358
Italy	T	0	189	323
Philippines	T	171	305	307
United States	T	31	167	245
Madagascar	T	182	282	230
Chile	T	0	21	229
Tanzania	T	212	252	226
Japan	T	363	294	219
Reunion	T	238	245	210
Korea South	T	910	462	199
Nigeria	T	206	259	179
Netherlands Antilles	T	166	151	169

Source: GTA

Imports

Post forecast that the 2015/16 MY imports of orange juice will increase to 881 MT based on low closing stock and increase in exports. The 2014/15 MY and 2013/14 MY imports of orange juice remains unchanged at 179 MT and 1,363 MT, respectively based on GTA data. South Africa only imports a small quantity of orange juice, as there is sufficient domestic production to supply the local market.

Table 21: South African Orange Juice imports

South Africa Import Statistics				
Commodity: 200919, Orange Juice, Other Than Frozen, Whether Or Not Sweetened				
Year Ending: December				
Partner Country	**Unit**	**Quantity**		
		2012	**2013**	**2014**
World	T	763	1,363	179
Israel	T	0	4	39
Portugal	T	25	30	25
France	T	0	0	18
Zimbabwe	T	21	1,050	17
Thailand	T	16	1	17
United Kingdom	T	7	53	16
Saudi Arabia	T	39	3	8
Cyprus	T	14	10	6
Swaziland	T	0	0	5
China	T	0	0	5

Other Countries NES	T	0	79	5
Mozambique	T	0	0	4
Turkey	T	0	3	4
Korea South	T	0	34	3
United Arab Emirates	T	38	21	3
Taiwan	T	0	0	1
Malaysia	T	3	2	1
Cameroon	T	0	0	1

Source: GTA

Table 22: PSD Orange Juice

Orange Juice	2013/2014		2014/2015		2015/2016	
Market Begin Year	Apr 2014		Apr 2014		Apr 2015	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	463,430	463,430	455,000	396,000	0	436,000
Beginning Stocks	13,121	13,121	24,086	24,686	0	14,394
Production	48,486	48,486	47,600	41,431	0	47,000
Imports	1,363	1,363	179	179	0	881
Total Supply	62,970	62,970	71,865	66,296	0	62,275
Exports	30,884	30,884	44,500	44,502	0	53,802
Domestic Consumption	8,000	7,400	8,000	7,400	0	7,400
Ending Stocks	24,086	24,686	19,365	14,394	0	1,073
Total Distribution	62,970	62,970	71,865	66,296	0	62,275
(MT)						

Source: PSD Tables and Post forecast

<u>Policy Issues:</u>

United States cold-sterilization protocol

The Western Cape Province is the major region which exports to the United States under the cold treatment schedule of 24 days to reduce False Codling Moth. Following discussions by the United States Animal Plant Health Inspection Service (APHIS), and the South African Department of Agriculture, Forestry and Fisheries (DAFF), APHIS granted a pilot program to reduce the cold treatment schedule to 22 days which will be hugely beneficial to South Africa in preventing losses estimated to be between six and fifteen percent due to cold damage. Exports under the pilot program will be destined to the ports of

Newark and Philadelphia, and if the program is successful South Africa will also have access to Houston and New Orleans in 2015 and beyond. South Africa has been successfully exporting citrus under this program to the port of Houston since September 2014.

South African citrus exports from Citrus Black Spot areas to the United States

Currently, South Africa can only export citrus to the United States from official CBS free areas. The CBS free areas are found in the Western Cape and Northern Cape regions, including the magisterial districts of Hartswater and Warrenton, as well as relevant districts of the Free State and North West. On August, 28, 2014, the United States Animal and Plant Health Inspection Service (APHIS), issued a notice proposing to amend the fruits and vegetables regulations to allow the importation of several varieties of fresh citrus fruit, as well as *Citrus* hybrids, into the United States from areas in the Republic of South Africa where citrus black spot has been known to occur. This proposal can be found on the following link; http://www.regulations.gov/#!documentDetail;D=APHIS-2014-0015-0001. The deadline for submitting comments closed on October, 27, 2014. The final regulation is still pending.

Citrus Black Spot challenges in the European Union Market

As reported in the June 2015 GAIN report, (Click here to read the report.) South Africa still faces challenges in the European Union Market as a result of the stringent Citrus Black Spot (CBS) requirements. In September, 2015, South Africa voluntarily suspended citrus exports to the European Union (EU) and recommended that the exporters use only the Rotterdam Port for future exports, as a precaution and risk mitigation measures to prevent the banning of citrus exports to the EU. While South Africa has put a lot of efforts and measures to comply with the EU requirements, the industry still believes that the EU measures are intentional trade barriers. According to industry sources other countries such as Argentina, Uruguay have higher CBS interceptions than South Africa.

Custom duties

Table 23 indicates the applicable custom duties when exporting citrus to South Africa

Table 23: Custom duties applicable to exports to South Africa

HS Code	**Article description**	**Unit**	**Rate of Duty**			
			General	**EU**	**EFTA**	**SADC**
08.05	**Citrus fruit, fresh or dried:**					
0805.10.10	Fresh	kg	4%	free	4%	free
0805.10.90	Other	kg	4%	free	4%	free
0805.20	**Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids:**					
0805.20.10	Fresh	kg	4%	free	4%	free
0805.20.90	Other	kg	4%	free	4%	free
0805.40	**Grapefruit, including pomelos:**					
0805.40.10	Fresh	kg	4%	free	4%	free

0805.40.90	Other	kg	4%	free	4%	free
0805.50	**Lemons (CitrusLimon, Citrus Limonium) and limes (Citrus aurantifolia, Citrus latifolia):**					
0805.50.10	Fresh	kg	4%	free	4%	free
0805.50.90	Other	kg	4%	free	4%	free
2009.1	**Orange juice**					
2009.11	Frozen	kg	25%	free	25%	free
2009.12	Not frozen, of Brix value not exceeding 20	kg	25%	free	25%	free
2009.19	Other	kg	25%	free	25%	free

Source: South African Revenue Services (SARS)

South African import regulation

The following links provides usefull resources and regulations pertaining to importing fruit in South Africa:

Procedures to be followed when exporting fresh citrus to South Africa.
http://www.nda.agric.za/doaDev/sideMenu/plantHealth/docs/importProcedure.pdf.

Maximum Residue Limits
http://www.nda.agric.za/doaDev/sideMenu/foodSafety/doc/South%20African%20Citrus%20MRLs%202013.pdf

Agriculture Product Standards Act No 119 of 1990
http://www.nda.agric.za/doaDev/sideMenu/Food%20Import%20&%20Export%20Standard/docs/Agric%20Product%20Standards%20Act%20No%20119%20%20of%201990.pdf

Agricultural Pests Amendment Act, 9 of 1992
http://www.nda.agric.za/doaDev/sideMenu/APIS/doc/Agricultural%20Pests%20Act.pdf

Foodstuffs, cosmetics and disinfectants Act 54 of 1972
http://www.nda.agric.za/vetweb/Legislation/Other%20acts/Act%20-%20Foodstuffs,%20Cosmetics%20and%20Disinfectants%20Act-54%20of%201972.pdf