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Prepared By: Masego Moobi, Amy Caldwell, and Katie Woody

Approved By: Ali Abdi

Report Highlights:

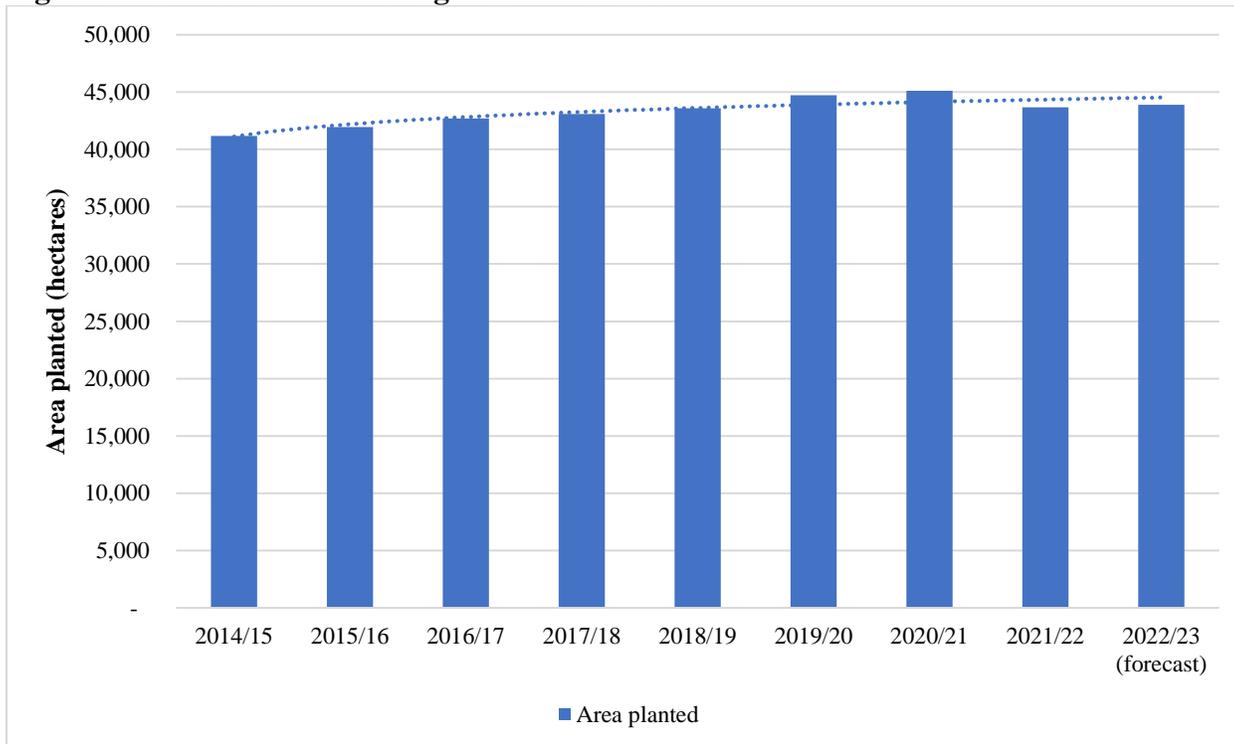
South African production of oranges and lemons is projected to decrease in MY 2022/23 due to stagnated production area and a return to normal yield. Grapefruit and tangerine/mandarin production is projected to increase slightly in MY 2022/23 due to favorable weather conditions in major producing regions. The citrus industry is facing several challenges, including accelerating farming input costs, high shipping rates, infrastructure inefficiencies, and new phytosanitary regulations. As a result, profitability and sustainability of the industry are under threat and could limit future investments. Duty-free exports of citrus to the United States under the African Growth Opportunity Act (AGOA) are expected to continue their strong annual growth, as the United States is still considered a premium market.

Oranges, Fresh

Area Planted

Citrus orchards in South Africa account to about 96,277 hectares (ha), of which orange orchards represent approximately 45 percent. The area planted to oranges grew by almost 4 percent over the past seven years, or an average 1 percent per annum. However, growth in orange area is limited by an aggressive shift to soft citrus in the growing regions of the Western Cape and Limpopo provinces. Post anticipates growth of just 0.5 percent in Marketing Year (MY) 2022/23, reaching 43,900 ha based on negligible new plantings. Accelerating farming input costs, high shipping rates, infrastructure inefficiencies, including electricity supply disruptions (see Post’s GAIN report: [Load Shedding and Economic Strain on the Food Supply](#)), ineffective ports operations (also see [Labor Strikes Could Cripple South African Agricultural Trade](#)), deteriorating road networks and new phytosanitary regulations by the EU are diminishing the profitability of orange producers and limiting continued investment by the industry. In MY 2021/22, Post estimates that orange area declined by 3 percent to 43,668 ha, from 45,123 ha in MY 2020/21. A surge in input costs and a decline in real export prices led to more oranges being sold in the local market for fresh consumption and processing. Post contacts confirm that some fruit was also sold for livestock feed, while a small portion of the crop went unutilized, which diminished producer profitability and limited investment in crop expansion. **Figure 1** illustrates the historical trend for area planted to oranges.

Figure 1: Area Planted to Oranges in South Africa



Source: CGA & Post Estimates/Forecast

Limpopo province is the leading orange-growing region in South Africa, accounting for 48 percent of total area, followed by the Eastern Cape (23 percent) and Western Cape (14 percent) provinces.

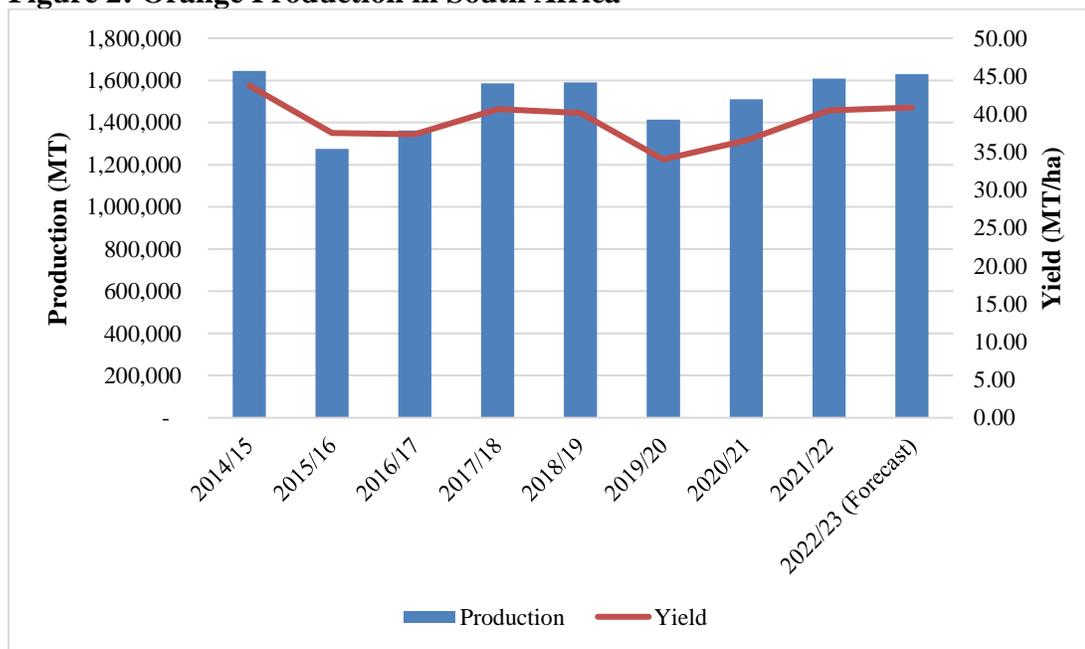
Valencias account for two-thirds of total orange area, with Navels accounting for the other third. The predominant cultivar planted is the Midnight, representing 26 percent of total area, followed by the Valencia Late (10 percent), Delta (9 percent), and Turkey (7 percent) cultivars. Other cultivars planted in South Africa include Bennie, Palmer, Cambria, Bahianinha, and Washington.

Production

Post revises its forecast for MY 2022/23 orange production in South Africa downwards to 1.63 million metric tons (MMT), decreasing by 1 percent from 1.61 MMT in MY 2021/22. The Western Cape province was affected by damage from hailstorms and strong winds, which may hamper production volumes. Additionally, the Eastern Cape province received heavy rains, which could result in a decrease in production. However, other orange producing regions have experienced good weather conditions with sufficient water for irrigation.

Post estimates that orange production in MY 2021/22 increased by 6.5 percent year over year. This surge in production is based on above-average rainfall received throughout the season in the main growing regions, ensuring sufficient irrigation water and providing conducive growing conditions that positively impacted production. In MY 2020/21, Post estimates that South Africa produced 1.51 MMT of oranges. **Figure 2** shows South Africa’s orange production volumes since MY 2014/15.

Figure 2: Orange Production in South Africa



Source: CGA & Post Estimates/Forecast

Consumption

Post revises local consumption of oranges in MY 2022/23 down by 15 percent, to 115,000 metric tons (MT) in response to an expectation of higher exports. South African domestic consumption of oranges typically averages about 6 percent of total production. The country prioritizes supplying export markets, while fruit that does not meet export standards is usually used for fresh domestic consumption and for

processing. Fresh oranges are the most popular citrus consumed in South Africa, with a per capita consumption of about 1.5 kg per annum. However, slow economic growth and accelerating food price inflation are forcing many South Africans to allocate more of their food budget to comparatively lower-cost staple foods (see Post's GAIN report [South Africa: Food and Fuel Feed Rising Inflation](#)). In MY 2021/22 there was a surge in the supply of oranges in the local market due to unfavorable export conditions. As a result, Post revised local consumption of oranges in MY 2021/22 upward to 135,000 MT, a 42 percent increase from the 95,000 MT consumed in MY 2020/21. Consumption figures include fresh market sales for both human and animal feed.

Exports

Post forecasts that South Africa's exports of oranges will grow by 5 percent in MY 2022/23 to reach a record level of 1.36 MMT, based on higher production of exportable fruit and more favorable export conditions due to the weakened South African rand. In MY 2020/21 and MY 2021/22, South Africa exports of oranges remained unchanged at 1.3 MMT, despite production growth. (see **Table 1**).

South Africa exports oranges to more than 100 countries around the world, but the EU remains South Africa's largest export market, accounting for almost 40 percent of total foreign sales. However, despite a free trade agreement with the EU that allows duty-free access for citrus exports, South Africa continues to face phytosanitary challenges in the market due to the prevalence of citrus black spot (CBS) and false codling moth (FCM). The citrus industry estimates that it annually spends almost R4 billion (\$232 million) to comply with the CBS and FCM requirements in the EU market. The 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.

Starting July 14, 2022, the EU requires that imports of citrus fruit undergo specified cold treatment processes and precooling steps for specific periods before importation to ensure protection against FCM. These changes were introduced in the middle of South Africa's export season, which made implementation difficult and time sensitive. An estimated 1,350 containers of citrus fruit were detained at EU ports for several weeks last year, which resulted in an estimated R200 million (\$12 million) in losses due to reduced quality and increased transaction costs. South Africa launched a consultation process with the EU at the World Trade Organization (WTO) in July 2022 regarding the cold treatment prescribed within the new regulations. Months of consultation at the WTO have not resulted in any mutually agreed protocols between the two parties. Therefore, there is uncertainty in the market this year, with orange growers estimating that approximately 30 percent, or 120,000 MT, of fruit that would be bound for the EU may not be exported in MY 2022/23.

Table 1: South African Fresh Orange Exports

Export destination	2020/21 MY (MT)	2021/22 MY (MT)	% Change	2021/22 MY (MT)	2022/23 MY (MT)	% Change
Netherlands	283,466	264,586	-7%	21	20	-5%
United Arab Emirates	105,057	110,113	5%	1,061	198	-81%
China	72,744	96,892	33%	0	87	-
Russia	86,289	85,153	-1%	0	62	-
United Kingdom	68,670	73,686	7%	199	96	-52%
Saudi Arabia	74,370	66,208	-11%	49	25	-49%
Bangladesh	61,624	59,977	-3%	0	0	-
Portugal	71,154	59,261	-17%	0	0	-
United States	47,501	59,192	25%	0	2	-
Malaysia	41,380	49,160	19%	24	24	0%
Hong Kong	46,506	47,692	3%	24	48	100%
Canada	40,404	42,630	6%	81	46	-43%
Iraq	41,810	41,475	-1%	0	120	-
Italy	42,747	34,538	-19%	0	0	-
India	21,093	28,173	34%	0	0	-
Qatar	11,341	15,542	37%	0	42	-
Singapore	10,174	12,894	27%	0	24	-
Kuwait	17,218	10,689	-38%	0	14	-
Others	152,189	140,866	-7%	4,245	5,361	26%
Total	1,295,737	1,298,727	0%	5,704	6,169	8%

Source: Trade Data Monitor

China is now South Africa's third largest market for oranges after growth of almost 33 percent in MY 2021/22. The export of citrus from the Port of Maputo in Mozambique, which started in 2021, is a breakthrough that lowers shipping time and costs to China. The Port of Maputo is an enhanced gateway for South African citrus to markets in Asia and the Middle East. Significant volumes of South Africa's oranges are produced in the northeastern parts of the country, which is substantially closer to Maputo than the Port of Durban.

The fourth largest market, Russia, represents 7 percent of South Africa's total orange exports, although export volumes decreased by 1 percent to 85,153 MT in MY 2021/22, from 86,289 MT in MY 2020/21. The modest decrease was due to Russia's invasion of Ukraine, which interrupted shipping to the market.

South Africa's exports to the United States are expected to continue to grow, benefitting from duty-free access under the African Growth Opportunity Act (AGOA). Exports of oranges to the United States increased to a record of 59,192 MT in the MY 2021/22 growing by 25 percent from 47,501 MT in MY 2020/21.

Imports

Post forecasts South Africa's orange imports will decrease to 3,000 MT in MY 2022/23. 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 2 indicates the average local, export, and processed market prices of oranges over the past seven years. The export market continues to provide the highest prices, mainly due to the depreciation of the South African rand against and strong foreign demand. However, since MY 2015/16, average export prices for South African oranges traded largely sideways. The exception is MY 2019/20, when global orange prices spiked due to firm demand worldwide for products rich in Vitamin C, a knock-in effect of the pandemic.

Table 2: Orange Prices in South Africa

Marketing Year	Local Market Average Price (rand/MT)	Export Market Average Price (rand/MT)	Processed Average Price (rand/MT)
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
2021/22	3,350	9,635	643

Source: CGA

Table 3: Orange Production, Supply, and Distribution

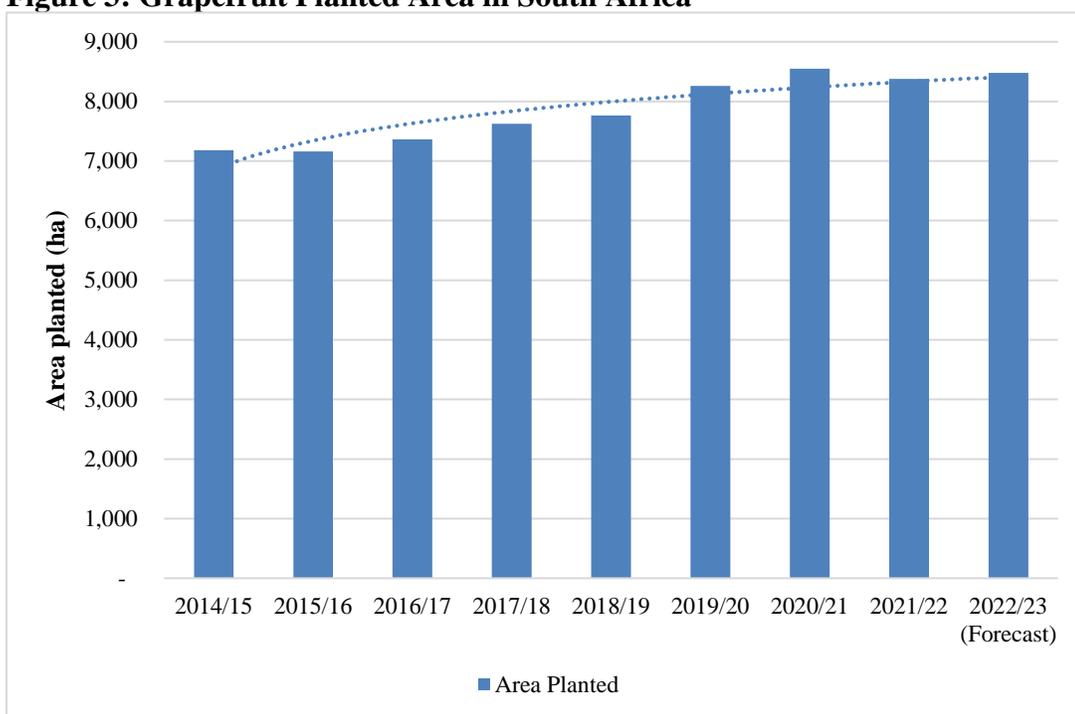
Oranges, Fresh Market Year Begins South Africa	2020/2021		2021/2022		2022/2023	
	Feb 2021		Feb 2022		Feb 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	46810	45123	47750	43668	48130	43900
Area Harvested (HECTARES)	42360	41360	43210	39738	43320	40388
Bearing Trees (1000 TREES)	41300	41300	42130	42130	42240	42500
Non-Bearing Trees (1000 TREES)	4575	4575	4665	4495	4930	4000
Total No. Of Trees (1000 TREES)	45875	45875	46795	46625	47170	46500
Production (1000 MT)	1511	1511	1600	1609	1650	1630
Imports (1000 MT)	3	3	4	5	4	3
Total Supply (1000 MT)	1514	1514	1604	1614	1654	1633
Exports (1000 MT)	1296	1296	1345	1299	1380	1363
Fresh Dom. Consumption (1000 MT)	95	95	85	135	90	115
For Processing (1000 MT)	123	123	174	180	184	155
Total Distribution (1000 MT)	1514	1514	1604	1614	1654	1633
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Grapefruit, Fresh

Area Planted

South Africa's grapefruit area has grown by 18 percent over the past seven years (see **Figure 3**), mainly driven by a surge in global demand, especially in Europe, Asia, and the Middle East. However, grapefruit area is expected to flatten in the coming years due to softening in global demand. In addition, accelerating farming input costs and higher shipping rates are diminishing the profitability of grapefruit producers, which limits continuing investments in the industry. As a result, post forecasts marginal growth in grapefruit area in MY 2022/23 to 8,477 ha, up from 8,377 ha in MY 2021/22, due to negligible plantings and uprooted old orchards.

Figure 3: Grapefruit Planted Area in South Africa



Source: CGA & Post Estimates/Forecast

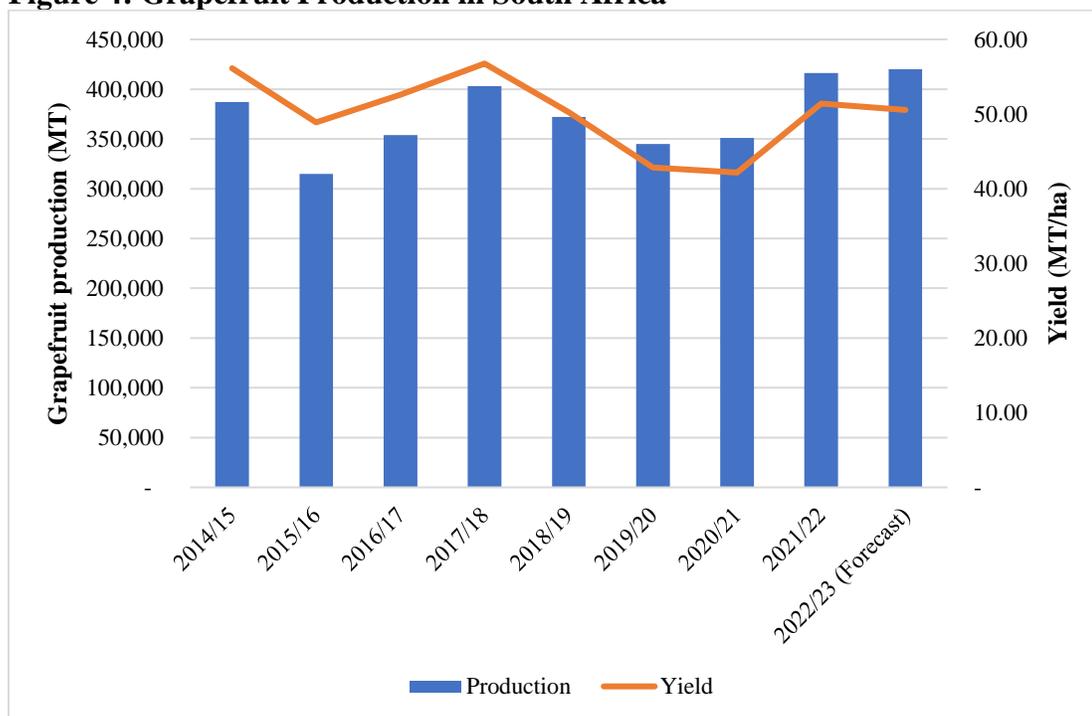
Limpopo province is the leading growing region for grapefruit in South Africa, accounting for 59 percent of total area planted, followed by Mpumalanga (21 percent), KwaZulu-Natal (10 percent), and Northern Cape (6 percent) provinces. Star Ruby, due to its high global demand, is the predominant cultivar 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

Post revises grapefruit production upwards to 420,000 MT in MY 2022/23 based on above-normal rainfall and a return to normal yield. Post also raises its estimate for MY 2021/22 grapefruit production to 416,000 MT, which represents an increase of 19 percent over the 351,043 MT produced in MY 2020/21. The summer rainfall season in MY 2021/22 started normally in most growing regions with

widespread rains that continued throughout the season, ensuring sufficient irrigation water, and providing conducive growing conditions that supported greater production. In addition, an increasing number of young trees started to bear fruit. **Figure 4** illustrates grapefruit production and yields in South Africa over the past seven years.

Figure 4: Grapefruit Production in South Africa



Source: CGA & Post Estimates/Forecast

Consumption

Grapefruit is an unpopular citrus fruit in the South African domestic market, with many consumers largely unfamiliar with its qualities and taste. As a result, there is little demand for fresh grapefruit in South Africa. Post revises local grapefruit consumption in MY 2021/22 upwards to 4,000 MT and forecasts that volume will remain unchanged in MY 2022/23.

Processing

Local processing of grapefruit offers an alternative to exports. Post forecasts grapefruit processing will increase to 198,000 MT in MY 2022/23, up 10 percent year-over-year, due to higher processing prices compared to other citrus types. Posts contacts confirm that grapefruit processing prices are up compared to 2021/22 prices. In MY 2021/22, the volume of grapefruit for processing surged by more than 220 percent compared to the previous year, reaching 179,000 MT due to a decrease in exports.

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 and an ingredient in fragrances. 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.

Exports

Post lowers its grapefruit export forecast for MY 2022/23 to 220,000 MT, decreasing 8 percent from the 238,000 MT exported in 2021/22, slightly lower than the previous season. This is based on some grapefruit regions planning to reduce packing of class 2 fruit for exports and moving it towards domestic processing.

Post estimates grapefruit exports in MY 2021/22 at 237,753 MT, a decrease of 18 percent year over year. Accelerating input costs and higher shipping rates last season meant that certain grades of grapefruit could not be exported profitably. In addition, flooding across the KwaZulu-Natal and Limpopo provinces near harvest time created shipping challenges. 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. Russia's invasion of Ukraine also affected normal trading patterns of South Africa's grapefruit, with shipments to Russia ceasing soon after the start of the conflict. However, grapefruit exports to Russia resumed later in the year, with Russia representing 8 percent of South Africa's total grapefruit exports in MY 2021/22.

China was the leading market for South African grapefruit exports in MY 2021/22, accounting for 27 percent (63,470 MT) of foreign sales (see **Table 6**), followed by the Netherlands (27 percent or 63,408 MT), Japan (10 percent or 22,866 MT), and Russia (8 percent or 19,4269 MT). Together, these four countries represented more than 70 percent of South Africa's total exports of grapefruit last year. 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 6,184 MT in MY 2021/22. Although grapefruit exports to the United States dropped by 30 percent in MY 2021/22, mirroring lower exports across the board, growth is expected to return in MY 2022/23.

In MY 2020/21, South Africa exported 290,607 MT of grapefruit, a record volume and representing an increase of 19 percent from the 244,334 MT exported in MY 2019/20.

Table 4: South African Fresh Grapefruit Exports

Export destination	2020/21 MY (MT)	2021/22 MY (MT)	% Change	2021/22 MY (MT) Jan - Apr	2022/23 MY (MT)	% Change
China	77,707	63,470	-18%	7,488	3,572	-52%
Netherlands	73,231	63,408	-13%	5,975	12,420	108%
Japan	30,029	22,866	-24%	297	570	92%
Russia	22,127	19,429	-12%	202	1,668	726%
United Kingdom	10,347	8,978	-13%	475	814	71%
South Korea	4,547	7,427	63%	0	0	-
Canada	8,351	7,168	-14%	373	1,197	221%
Hong Kong	13,130	6,862	-48%	889	829	-7%
United States	8,827	6,184	-30%	0	0	-
Italy	11,118	4,854	-56%	837	1,428	71%
Portugal	5,475	4,472	-18%	216	601	178%
United Arab Emirates	4,795	3,831	-20%	427	836	96%
Eswatini	2,135	3,372	58%	73	72	-1%
Taiwan	3,557	2,970	-17%	314	652	108%
Germany	719	1,744	143%	0	334	-
Others	14,512	10,718	-26%	1,267	1,922	52%
Total	290,607	237,753	-18%	18,833	26,915	43%

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, Turkey, Israel, and Spain to fill the small demand gap towards the end of the season. Grapefruit imports are expected to return to a normal trend in MY 2022/23 at around 2,000 MT. Grapefruit imports in MY 2021/22 were 5,020 MT, coming mainly from Eswatini (89 percent).

Prices

Table 7 illustrates the average local, export, and processed market prices for grapefruit since MY 2014/15. Grapefruit prices in the export market have increased steadily, reaching record levels in MY 2019/20 on the weakening of the South African currency (rand) and growing demand. However, with softening demand in the global market, export prices took a dip in MY 2021/22. Domestic prices for fresh grapefruit and processing tend to fluctuate based on supply availability.

Table 5: Grapefruit Prices in South Africa

Marketing Year	Local Market Average Price (rand/MT)	Export Market Average Price (rand/MT)	Processed Average Price (rand/MT)
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
2021/22	4,636	8,606	784

Source: CGA

Table 6: Grapefruit Production, Supply, and Distribution

Grapefruit, Fresh Market Year Begins South Africa	2020/2021		2021/2022		2022/2023	
	Jan 2021		Jan 2022		Jan 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	8952	8548	9200	8377	9250	8477
Area Harvested (HECTARES)	8325	8325	8550	8100	8600	8307
Bearing Trees (1000 TREES)	8240	8240	8500	8500	8595	8595
Non-Bearing Trees (1000 TREES)	980	980	1000	1000	955	955
Total No. Of Trees (1000 TREES)	9220	9220	9500	9500	9550	9550
Production (1000 MT)	351	351	380	416	385	420
Imports (1000 MT)	1	1	5	5	1	2
Total Supply (1000 MT)	352	352	385	421	386	422
Exports (1000 MT)	290	290	235	238	245	220
Fresh Dom. Consumption (1000 MT)	3	3	3	4	3	4
For Processing (1000 MT)	59	59	147	179	138	198
Total Distribution (1000 MT)	352	352	385	421	386	422

(HECTARES) ,(1000 TREES) ,(1000 MT)

Tangerines/Mandarins, Fresh

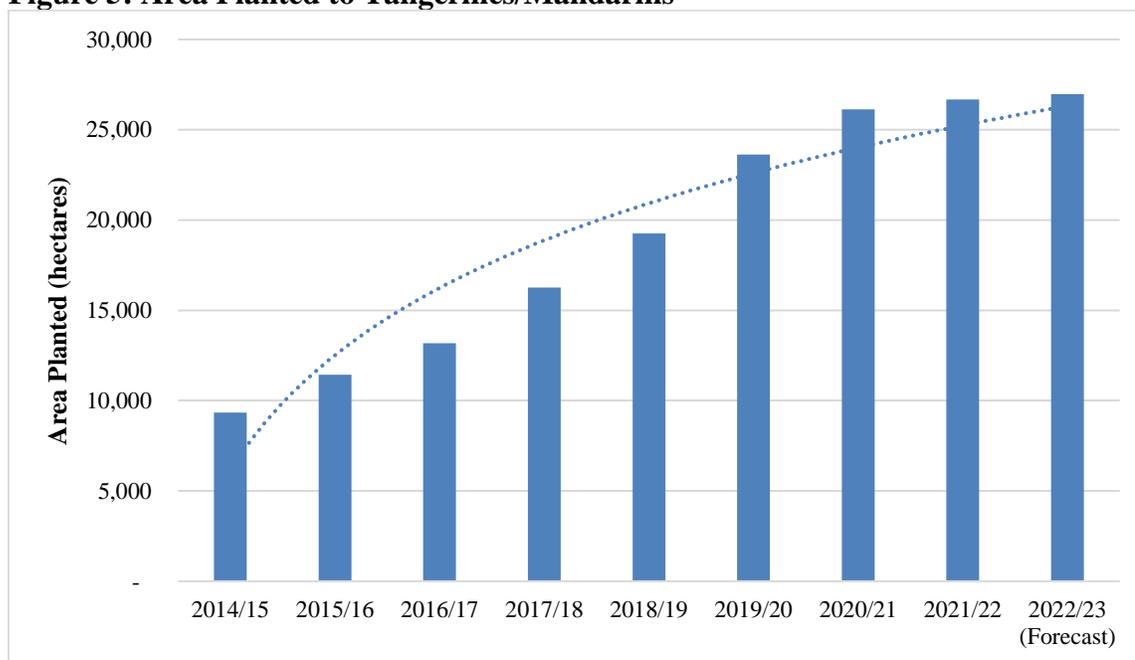
Area Planted

The South African area planted to tangerines/mandarins (soft citrus) has increased exponentially over the past seven years, driven by higher global demand for seedless soft citrus and relatively higher profit margins compared to other citrus types (see **Figure 5**). However, Post expects growth in soft citrus area to slow-down in MY 2022/23, with relatively static planted area at 26,977 ha, as decreasing budwood sales continue to be the trend. The industry is concerned that demand for soft citrus is softening in key markets such as the EU and United Kingdom due to inflationary pressures on consumers and an expected weakening in economic growth. In addition, accelerating farming input costs, higher shipping rates, infrastructure inefficiencies, ineffective ports operations, and deteriorating road networks are diminishing the profitability of soft citrus producers and limiting continued investment in the industry.

In MY 2021/22, the area planted with tangerines/mandarins increased by 2 percent to 26,677 ha, from the 26,137 ha planted in MY 2020/21. An expanding number of hectares of tangerine/mandarin production are under netting to better control pests, enable better water-management practices, and protect the fruit from adverse weather conditions such as strong winds, hail, or sun damage. In MY 2021/22, shipping costs increased, which diminished the profitability of exporting class 2 tangerines/mandarins, which further limited investment in area expansion. As a result, more class 2 and class 3 fruits were available in the local market. Post contacts confirm that a small portion of last year's tangerine/mandarin crop went unutilized due to limited commercial opportunities.

The predominant cultivar planted is the Nardocott, accounting for almost 19 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, accounting for 37 percent of total production, followed by the Limpopo (28 percent) and Eastern Cape (25 percent) provinces. More than 40 percent of the soft citrus area in South Africa consists of orchards five years and younger, meaning that a growing volume of soft citrus will reach the market in coming years.

Figure 5: Area Planted to Tangerines/Mandarins



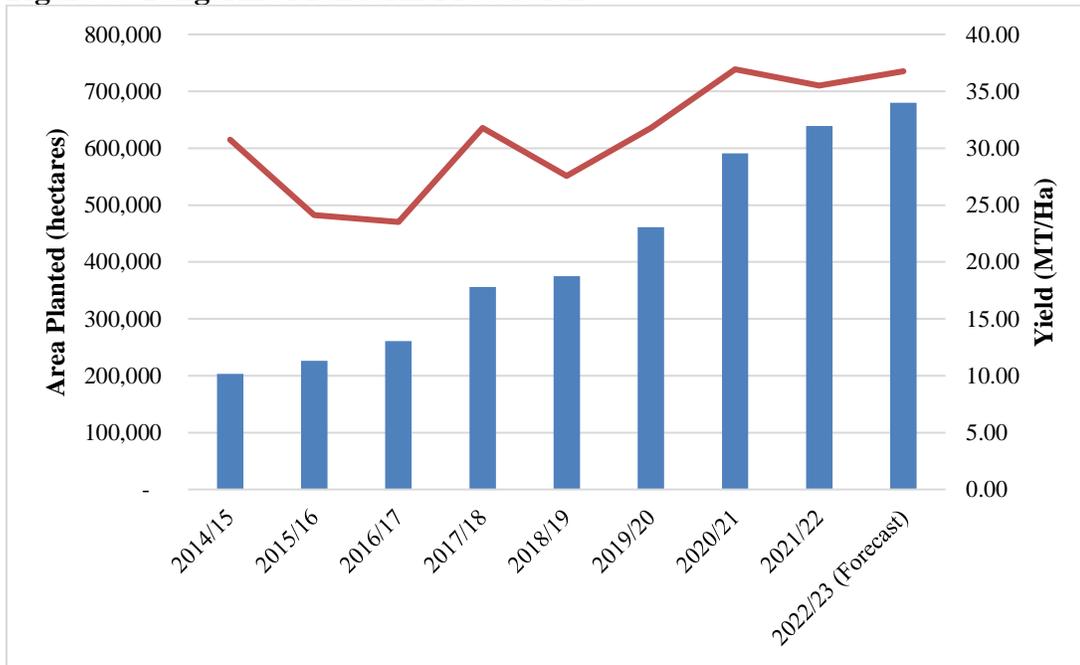
Source: CGA & Post Estimates/Forecast

Production

Post forecasts tangerine/mandarin production will grow by 6 percent in MY 2022/23 to 680,000 MT. Decent rains have led to sufficient water resources for irrigation in major production areas. In addition, an increasing number of new plantings are reaching full production.

The production of tangerines/mandarins expanded in MY 2021/22, surging by 8 percent year-over-year, to 639,000 MT, up from 591,000 MT in MY 2020/21 (see **Figure 6**). This is based on the expansion of planted area, conducive weather conditions, and a growing trend to establish new orchards under netting, which has improved water efficiency, yields, and the overall quality of soft citrus production in South Africa.

Figure 6: Tangerine/Mandarin Production



Source: CGA & Post Estimates/Forecast

Consumption

Post forecasts local consumption of tangerines/mandarins will increase by 11 percent to 50,000 MT in MY 2022/23, corresponding to greater supplies due to expanded 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. The increased use of netting has yielded higher quality produce and has reduced the percentage of soft citrus that is considered surplus. However, some high-end retail chains such as Woolworths sell export-grade citrus to domestic consumers. In MY 2021/22, South Africa consumed an estimated 45,000 MT of tangerines/mandarins, with a small portion of the crop also sold for livestock feed.

Processing

South Africa prioritizes supplying export markets, while fruit that does not meet export standards is usually used for processing. South African deliveries of tangerines/mandarins for processing typically averages about 17 percent of total production. Post forecasts tangerine/mandarin deliveries for processing will decrease to 73,000 MT in MY 2022/23, down 4 percent from the 76,000 MT processed in MY 2021/22, due to growth in exports. Processing volumes increased from 44,000 MT in MY 2020/21 to 76,000 MT in MY 2021/22, representing greater production supplies, especially for domestic use due to high shipping costs limiting export opportunities. South African tangerines/mandarins are mostly processed into juice and concentrate.

Exports

Post forecasts South Africa's exports of tangerines/mandarins will grow by 7.5 percent in MY 2022/23 to reach a record level of 560,000 MT on higher production and the availability of more reasonable shipping rates. In MY 2021/22, South Africa exported 520,565 MT of tangerines/mandarins, which was an increase of 3 percent from the 506,768 MT exported in MY 2020/21 (see **Table 7**).

Table 7: South African Fresh Tangerine/Mandarin Exports

Export destination	2020/21 MY (MT)	2021/22 MY (MT)	% Change	2021/22 MY Jan to Apr (MT)	2022/23 MY Jan to Apr (MT)	% Change
Netherlands	107,572	101,995	-5.2%	3,225	5,496	70.4%
United Kingdom	87,359	87,821	0.5%	5,034	7,143	41.9%
United States	43,665	53,489	22.5%	0	67	-
Russia	39,600	51,336	29.6%	644	5,142	698.4%
United Arab Emirates	39,997	39,962	-0.1%	21	275	1209.5%
China	24,098	23,117	-4.1%	0	23	-
Canada	20,497	22,906	11.8%	352	747	112.2%
Bangladesh	33,598	21,762	-35.2%	0	110	-
Portugal	9,651	10,853	12.5%	0	71	-
Malaysia	6,748	10,744	59.2%	6	45	650.0%
Hong Kong	6,866	9,475	38.0%	0	0	-
Saudi Arabia	9,357	9,437	0.9%	0	24	-
Ireland	7,797	8,288	6.3%	729	1,010	38.5%
Iraq	10,112	6,137	-39.3%	45	0	-100.0%
Taiwan	4,486	6,020	34.2%	0	0	-
India	2,917	5,161	76.9%	0	0	-
Senegal	5,189	4,997	-3.7%	0	0	-
France	5,459	4,461	-18.3%	0	0	-
Others	41,800	42,604	1.9%	640	848	32.5%
Total	506,768	520,565	2.7%	10,696	21,001	96.3%

Source: Trade Data Monitor

The EU and the United Kingdom are the largest foreign markets for South African soft citrus, accounting for 45 percent of total exports, followed by the United States (10 percent), Russia (10 percent), and the United Arab Emirates (8 percent), and China (4 percent). Tangerine/mandarin exports have not been affected by South Africa's CBS challenges in the EU market. However, as with all citrus exports, foreign sales of soft citrus are under pressure due to higher shipping costs, local port challenges, and deteriorating road networks. In addition, the demand for soft citrus is softening in key markets such as the EU and United Kingdom, due to inflationary pressures on consumers and an expected weakening in economic growth.

South Africa’s exports of soft citrus to the United States under AGOA have grown exponentially over the past five years, from 13,695 MT in MY 2017/18, to 53,489 MT in MY 2021/22. This growth trend is expected to continue based on the expanding consumer preference for “easy peeler” varieties, assuming continued duty-free market access under AGOA. In MY 2021/22, the United States was South Africa’s third largest export market for tangerines/mandarins (see **Table 7**).

Imports

Post estimates that South Africa’s imports of tangerines/mandarins will remain flat at 3,000 MT in MY 2022/23. South Africa 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 seven years. Export market prices for tangerines/mandarins remain the highest of all citrus categories for South Africa, supporting the surge in local production. However, from MY 2015/16, average export prices for South Africa soft citrus traded largely sideways. The exception was MY 2019/20 when the pandemic amplified global demand for products rich in Vitamin C, causing a surge in soft citrus prices. In MY 2021/22 average prices for processed fruit and the local fresh market dropped to R5,938/MT (\$300.35/MT) and R320/MT (\$16.19/MT), respectively, due to a surge in produce available in the local market that was meant for the export market.

Table 8: Tangerine/Mandarin Prices

Marketing Years	Local Market Average Price (rand/MT)	Export Market Average Price (rand/MT)	Processed Average Price (rand/MT)
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
2021/22	5,938	14,360	320

Source: CGA

Table 9: Tangerine/Mandarin Production, Supply, and Distribution

Tangerines/Mandarins, Fresh Market Year Begins South Africa	2020/2021		2021/2022		2022/2023	
	Feb 2021		Feb 2022		Feb 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HECTARES)	26150	26137	28000	26677	28225	26977
Area Harvested (HECTARES)	16000	16000	18000	18000	20000	18500
Bearing Trees (1000 TREES)	9000	9000	10500	10500	12000	12000
Non-Bearing Trees (1000 TREES)	3500	3500	5000	5000	4950	4950
Total No. Of Trees (1000 TREES)	12500	12500	15500	15500	16950	16950
Production (1000 MT)	591	591	630	639	670	680
Imports (1000 MT)	3	3	3	3	3	3
Total Supply (1000 MT)	594	594	633	642	673	683
Exports (1000 MT)	507	507	520	521	560	560
Fresh Dom. Consumption (1000 MT)	43	43	45	45	48	50
For Processing (1000 MT)	44	44	68	76	65	73
Total Distribution (1000 MT)	594	594	633	642	673	683
(HECTARES) ,(1000 TREES) ,(1000 MT)						

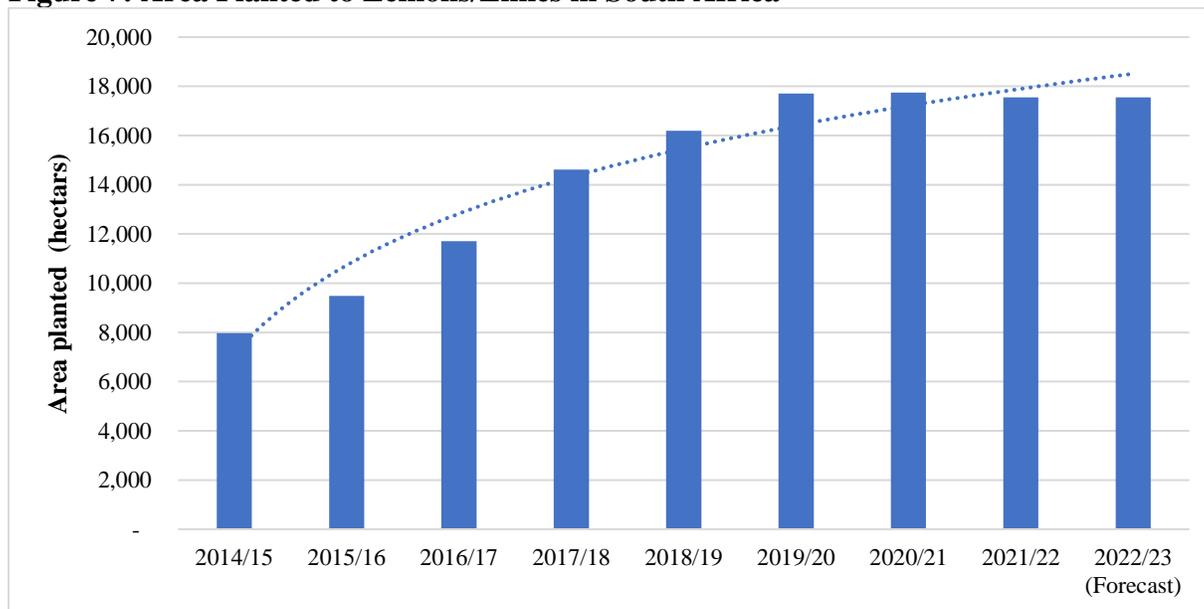
Lemons/Limes, Fresh

Area Planted

The area planted with lemons/limes in South Africa has more than doubled over the past seven 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 in MY2022/23, with relatively static planted area at 17,550 ha, as the number of newly planted trees appears to only be replacing older orchards. The pace of expansion for lemon area has slowed as orchards five years and younger only make up 14 percent of total area, compared to the 50 percent that are six to ten years old.

The Eastern Cape, which is a leading production area for lemons, experienced hail damage in November 2022 that could affect area harvested in MY 2022/23. Lemon growers were also affected in MY 2021/22 by a worker strike in the Eastern Cape's lemon-producing regions during the harvest period, resulting in a delay in harvesting for about three weeks, which affected fruit quality. Additionally, in MY 2021/22 shipping costs were higher, leading to more class 2 and class 3 fruit being either sold in the local market as fresh fruit or sold for processing, diminishing profitability and limiting investments in crop expansion. Post contacts confirm that small portion of last year's lemon crop went unutilized due to a lack of a market.

Figure 7: Area Planted to Lemons/Limes in South Africa



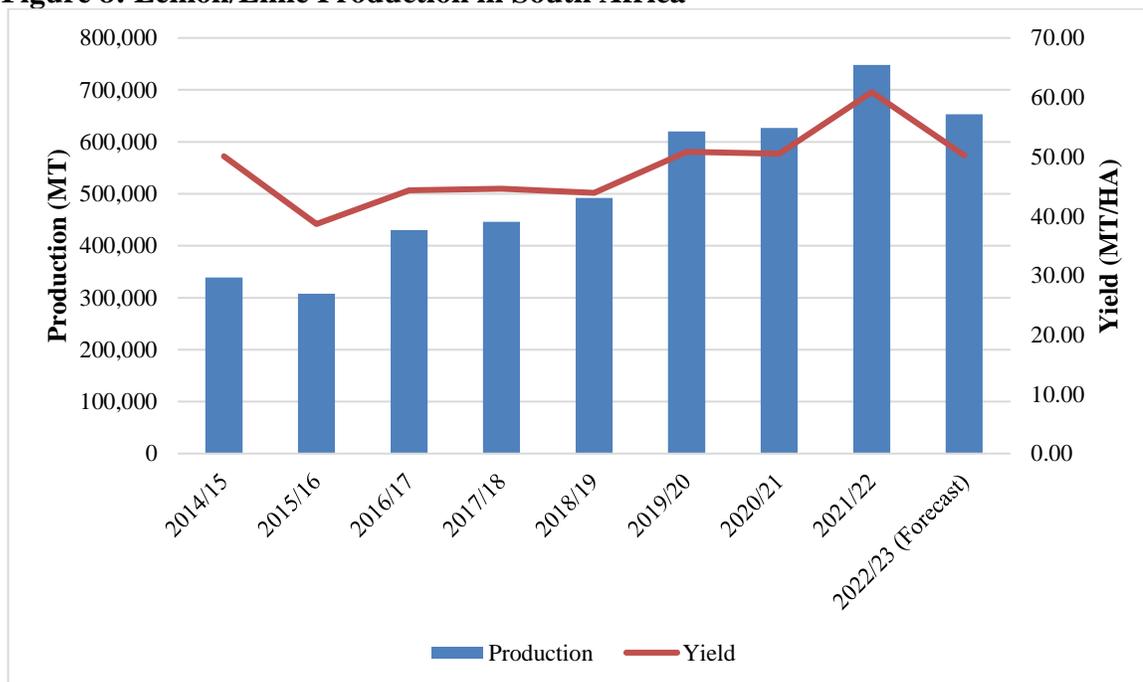
Source: CGA & Post Estimates/Forecast

The largest growing region for lemons/limes in South Africa is the Eastern Cape province, accounting for 42 percent of total area planted, followed by the Limpopo (32 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. Eureka is followed by the Lisbon (8 percent) and 2Ph Seedless (6 percent) cultivars.

Production

Post forecasts in MY 2022/23 lemon/lime production will shrink by 13 percent to 653,000 MT, based on trend yield hampered by hailstorm damage in the Eastern Cape. In MY 2021/22, South Africa produced a record 748,000 MT of lemons/limes, up 19 percent from the 627,000 MT produced in 2020/21.

Figure 8: Lemon/Lime Production in South Africa



Source: CGA & Post Estimates/Forecast

Consumption

Post forecasts lower processing volumes in MY 2022/23 will boost domestic consumption to 45,000 MT, up 29 percent from the 35,000 MT consumed in MY 2021/22. The consumption figure also accounts for lemons/limes sold for livestock feed, as was the case for a portion of the domestic consumption in MY2021/22.

Processing

Post anticipates lemons/limes delivered for processing will fall by 75 percent to 40,000 MT in MY 2022/23, compared to 159,000 MT in 2021/22. This change is largely due to increased volumes of exportable lemons. Additionally, industry contacts confirmed that processors are restricting lemon intake due to large available lemon juice stocks caused by a surge in class 2 and class 3 fruit in the local market in MY 2021/22. About 159,000 MT of lemons were delivered for processing in MY 2021/22 on the back of record production and an increase in fruit being sold for processing due to unfavorable export market conditions. Processed lemons and limes are used as flavorings 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 forecast to grow by 2 percent to a record level of 570,000 MT in MY 2022/23. This estimate is based on an expectation of larger production volumes of exportable lemons, sustained growth in the EU and UK markets and growth in demand from the Middle East and Asian markets.

Post estimates South Africa's exports of lemons/limes at 557,000 MT in MY 2021/22, an increase of 12 percent from the 499,000 MT exported in MY 2020/21. Lemon exports in MY 2021/22 increased despite a labor strike in the Eastern Cape during the harvest season and floods in KwaZulu-Natal, which damaged road infrastructure that led to the Port of Durban for Northern lemon growers. The EU and UK remained the main export markets for South African lemons/limes, accounting for almost 50 percent of total exports (see **Table 10**) in MY 2021/22. Lemon/lime exports to Russia, representing 7 percent of total exports, stayed flat in MY 2021/22, indicating the limited impact of the Russia-Ukraine.

Lemons exports to China increased more than tenfold to almost 9,000 MT in MY 2021/22, after the easing of cold treatment requirements in August 2021. Although South Africa is a major supplier of lemons globally, the country's lemons exports to China have, until last year, been limited by the cold treatment requirement, which made the fruit susceptible to chilling injury and subsequent decay. It is anticipated that this change in protocol will intensify South Africa's lemon exports to China in future.

Table 10: South African Fresh Lemon/Lime Exports

Export destination	2020/21 MY (MT)	2021/22 MY (MT)	% Change	2021/22 MY		2022/23 MY	
				(MT)	Jan - Apr	(MT)	% Change
Netherlands	90,658	116,091	28%	524	696	33%	
United Arab Emirates	60,021	68,358	14%	9,826	8,529	-13%	
United Kingdom	38,289	43,635	14%	752	1,300	73%	
Portugal	25,657	42,179	64%	197	26	-87%	
Russia	40,746	41,126	1%	2,085	3,874	86%	
Saudi Arabia	36,527	34,228	-6%	5,498	4,680	-15%	
Canada	27,833	30,793	11%	2,034	2,035	0%	
Iraq	31,799	30,132	-5%	838	1,267	51%	
Italy	27,999	29,802	6%	27	0	-100%	
Hong Kong	17,043	18,349	8%	3,165	2,588	-18%	
Malaysia	13,487	16,138	20%	1,808	1,982	10%	
China	716	9,325	1202%	361	0	-100%	
Kuwait	11,436	9,007	-21%	1,505	1,031	-31%	
Spain	10,718	8,484	-21%	0	0	-	
Others	65,811	59,832	-9%	4,825	3,673	-24%	
Total	498,740	557,479	12%	33,445	31,681	-5%	

Source: Trade Data Monitor

Imports

Post forecasts MY 2022/23 imports of lemons/limes will shrink to around 2,000 MT, as the available domestic production will sufficiently meet local demand for most of the year. Imports are minimal, mainly coming from Eswatini.

Prices

Table 11 indicates the average local, export, and processed market prices for lemons/limes over the past seven years. Lemon/lime prices displayed strong upward trends until MY 2015/16 after which the trend reversed and flattened. However, the export markets provided higher prices for South African lemons/limes compared to local market and processed prices.

Table 11: Lemon/Lime Prices

Marketing years	Local Market Average Price (rand/MT)	Export Market Average Price (rand/MT)	Processed Average Price (rand/MT)
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
2021/22	5,061	10,508	307

Source: CGA

Table 12: Lemon/Lime Production, Supply, and Distribution

Lemons/Limes, Fresh	2020/2021		2021/2022		2022/2023	
	Jan 2021		Jan 2022		Jan 2023	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Market Year Begins						
South Africa						
Area Planted (HECTARES)	18057	17744	18200	17555	18300	17550
Area Harvested (HECTARES)	14000	12421	14500	12289	15000	13000
Bearing Trees (1000 TREES)	7500	7500	8410	8410	8700	8700
Non-Bearing Trees (1000 TREES)	2900	2900	2140	2140	1910	1910
Total No. Of Trees (1000 TREES)	10400	10400	10550	10550	10610	10610
Production (1000 MT)	627	627	650	748	660	653
Imports (1000 MT)	2	2	3	3	3	2
Total Supply (1000 MT)	629	629	653	751	663	655
Exports (1000 MT)	499	499	560	557	570	570
Fresh Dom. Consumption (1000 MT)	27	27	28	35	30	45
For Processing (1000 MT)	103	103	65	159	63	40
Total Distribution (1000 MT)	629	629	653	751	663	655

(HECTARES) ,(1000 TREES) ,(1000 MT)

Orange Juice

Production

Post revises downward its forecast for orange juice production to 31,313 MT in MY 2022/23, a decrease of 4 percent year over year. The change is based on the decreasing volume of oranges deliveries for processing. In MY 2021/22, South Africa produced a record 32,500 MT of orange juice, surging 47 percent from the previous year when strict lockdown measures in South Africa severely limited processing. Record orange juice production in MY 2021/22 was due in part to a portion of class 2 fruit that was diverted from exports to Russia due to high shipping costs. Some of this fruit was then sold for processing.

Post contacts indicated processing costs have increased significantly due to increased demand of fuel to operate generators during rolling blackouts (“load shedding”). Fruit juice must be kept at a specific temperature to maintain quality, so an uninterrupted supply of electricity is important for the processing sector. The industry keeps carry-over stocks from the previous season to ensure year-round availability. 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 fruit that do 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 and forecasts 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 by 4 percent to 7,500 MT in MY 2022/23, from 7,200 MT in MY 2021/22, on improved production and supply availability.

Exports

Post forecasts MY 2022/23 exports of orange juice will decrease by 8 percent to 23,850 MT, from 25,883 MT in MY 2021/22, based on a reduced deliveries for processing. Post adjusted all 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 Eswatini, Botswana, Namibia, Lesotho, and Zimbabwe (see **Table 13**). However, Europe also remains an important market for South African orange juice. South Africa increased orange juice exports to the United States by over 670 percent from 158 MT in 2020/21 to 1,229 MT in 2021/22. Exports of orange juice from South

Africa to the United States are expected to grow in MY 2022/23, as the pace of trade between January and April already exceeded MY 2021/22 total exports.

Table 13: South African Orange Juice Exports (HS200919, HS200911 and HS200912)

Export destination	2020/21 MY (MT)	2021/22 MY (MT)	% Change	2021/22 MY	2022/23 MY	% Change
				(MT)	(MT)	
				Jan – Apr		
Netherlands	5,850	7,087	21%	687	3,024	340%
Eswatini	3,071	2,964	-3%	1,417	980	-31%
Botswana	3,715	2,804	-25%	724	2,121	193%
Namibia	2,052	1,908	-7%	583	785	35%
Israel	470	1,606	242%	50	615	1130%
Zimbabwe	900	1,229	37%	906	142	-84%
United States	158	1,000	533%	27	1,061	3830%
Lesotho	1,106	916	-17%	135	255	89%
Ethiopia	223	746	235%	188	242	29%
Others	4,658	5,623	21%	1,588	2,832	78%
Total	22,203	25,883	17%	6,305	12,057	91%

Source: Trade Data Monitor

Imports

Post estimates imports of orange juice will remain relatively flat at around 1,000 MT in MY 2022/23. 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 Market Year Begins	2020/2021		2021/2022		2022/2023	
	Apr 2021		Apr 2022		Apr 2023	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors (MT)	123000	123000	174000	180000	184000	155000
Beginning Stocks (MT)	16890	16890	12150	12150	15920	12365
Production (MT)	22140	22140	31320	32500	33120	31313
Imports (MT)	1823	1823	1000	798	1000	1000
Total Supply (MT)	40853	40853	44470	45448	50040	44678
Exports (MT)	22203	22203	21550	25883	25000	23850
Domestic Consumption (MT)	6500	6500	7000	7200	7500	7500
Ending Stocks (MT)	12150	12150	15920	12365	17540	13328
Total Distribution (MT)	40853	40853	44470	45448	50040	44678
(MT)						

Policies and Regulations

Exports of Cold-Treated Citrus from South Africa to All U.S. 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 South African citrus from approved areas that is cold treated in transit can safely enter all American ports of entry without increasing the risk of introducing 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, namely, 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 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 beneficial to South Africa by 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 CBS 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 remains under departmental review.

EU Requirements Related to CBS: South Africa still faces challenges in the EU market because of 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 September 2022 South Africa voluntarily suspended citrus exports to the EU as a precaution and risk mitigation measure to prevent a ban on all citrus exports to the market.

South Africa Fresh Produce Importers Association: The Fresh Produce Importers Association (FPIA) assists members with the importation of fresh fruit and vegetables in South Africa. Information on their members, contact details, and services can be found on the [FPIA website](#).

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](#)
- Agricultural Pests Amendment Act No. 9 of 1992: [Agricultural Pest Act](#)
- South African Special Export Protocols/Programs/Directives: [Special-export-protocols](#)

Customs Duties: Citrus exports to South Africa face a 4 percent customs duty. **Table 15** reflects the applicable custom duties when exporting citrus and orange juice 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	AFCFTA
08.05	Citrus fruit, fresh or dried:							
0805.10	Oranges							
0805.10.10	Fresh	kg	4%	free	4%	free	4%	3.2%
0805.10.90	Other	kg	4%	free	4%	free	4%	3.2%
0805.40	Grapefruit, including pomelos:							
0805.40.10	Fresh	kg	4%	free	4%	free	4%	3.2%
0805.40.90	Other	kg	4%	free	4%	free	4%	3.2%
0805.50	Lemons (Citrus Limon, Citrus Limonium) and limes (Citrus aurantifolia, Citrus latifolia):							
0805.50.10	Fresh	kg	4%	free	4%	free	4%	3.2%
0805.50.90	Other	kg	4%	free	4%	free	4%	3.2%
0805.90	Other:							
0805.90.10	Fresh	kg	4%	free	4%	free	4%	3.2%
0805.90.90	Other	kg	4%	free	4%	free	4%	3.2%
2009.1	Orange juice							
2009.11	Frozen	kg	25%	free	25%	free	25%	25%
2009.12	Not frozen, of Brix value not exceeding 20	kg	25%	free	25%	free	25%	25%
2009.19	Other	kg	25%	free	25%	free	25%	25%

Source: South African Revenue Service (SARS) *updated June 7, 2023*

Notes:

Exchange rate: U.S. dollar to rand = R19.77 (as of May 31, 2023)

Marketing Year (MY) = January to December

MT = Metric Tons

Sources:

Citrus Growers' Association (CGA) - <http://www.cga.co.za/>

Ministry of Agriculture, Land Reform and Rural Development (DALRRD) - <http://www.dalrrd.gov.za/>

South African Revenue Service (SARS) - <https://www.sars.gov.za/>

Attachments:

No Attachments