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South Africa - Republic of

Citrus Annual

South Africa Citrus Supply and Demand Report

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Report Highlights:
The current dry, hot weather conditions and lower dam levels is expected to affect the flowering of citrus trees, mainly in the Limpopo and Mpumalanga region, resulting in a five percent decrease in the 2016/17 MY grapefruit production and no increase in the 2016/17 MY orange production. Post forecasts that the 2016/17 MY production of soft citrus and lemons/ limes will increase by six percent and one percent, respectively, based on the increases in area planted and relatively higher dam levels in the main production areas of the Eastern Cape and Western Cape.

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

Exchange rate: Rand/US$ Exchange = 14

Executive Summary

Post forecasts that grapefruit production will decrease by five percent to 330,000 MT in the 2016/17 MY, based on the decrease in area planted and the impact of the prevailing drought conditions to the flowering of citrus plants in the main growing regions of Limpopo and Mpumalanga. Post forecasts that grapefruit exports will remain relatively flat at 200,000 MT in the 2016/17 MY, based on the available production.

Post forecasts that the production of oranges will remain flat at 1,560 million MT in the 2016/17 MY, based on the increase in production in the Western Cape and Eastern Cape provinces at the back of normal weather conditions and available irrigation water, which will be wholly offset by decreases in production from the drought affected Mpumalanga and Limpopo province. Post estimates that the exports of oranges will increase by one percent to 1,050 million MT in the 2016/17 MY, based on the available production and South Africa`s ingenious ways of addressing uncertainty in the EU market due to the ongoing CBS challenges.

Post forecasts that the production of soft citrus will increase by six percent to 263,000 MT in the 2016/17 MY, based on the increases in area planted and normal weather conditions. This will result in a seven percent increase of exports to 205,000 MT in the 2016/17 MY.

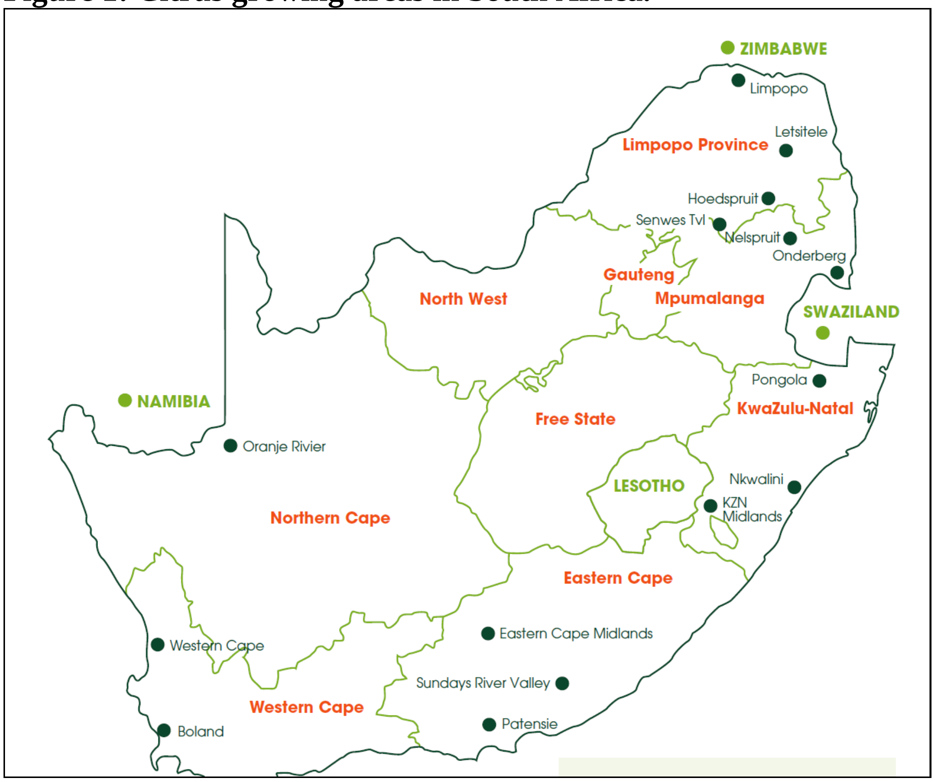
Post forecasts that the production of lemons/limes will increase by one percent to 345,000 MT in the 2016/17 MY based on normal weather conditions in the major growing areas and slight increases in area planted. Post forecasts that the 2016/17 MY exports of lemons and limes will increase by two percent to 245,000 MT based on the available production.

Post forecasts that the production of orange juice will decrease by less than one percent to 44,465 MT in the 2016/17 MY based on the quantity of fresh oranges delivered for processing.

Background

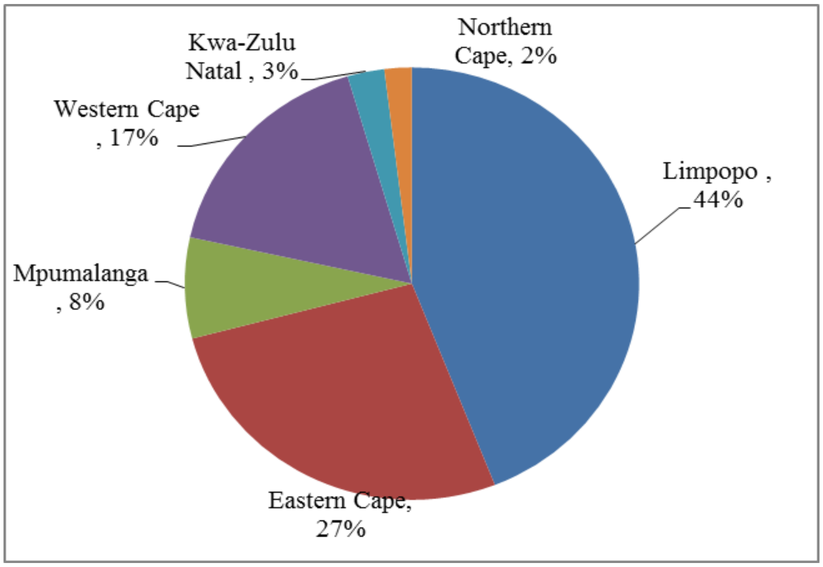
In the 2014/15 MY, about 65,596 hectares (Ha) of citrus was planted in South Africa, a five percent increase from the 2013/14 MY area planted of 62,658 Ha, based on the increase in investment mainly in soft citrus and lemons orchards due to growth in revenue as a result of the weakening exchange rate, as well as better export market opportunities. 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 the map of the citrus growing areas in South Africa. **Figure 2** shows that Limpopo has the largest area planted, followed by Eastern Cape, Mpumalanga and Western Cape. The Western Cape and Eastern Cape 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 growing areas in South Africa.



Source: Citrus Growers Association (CGA)

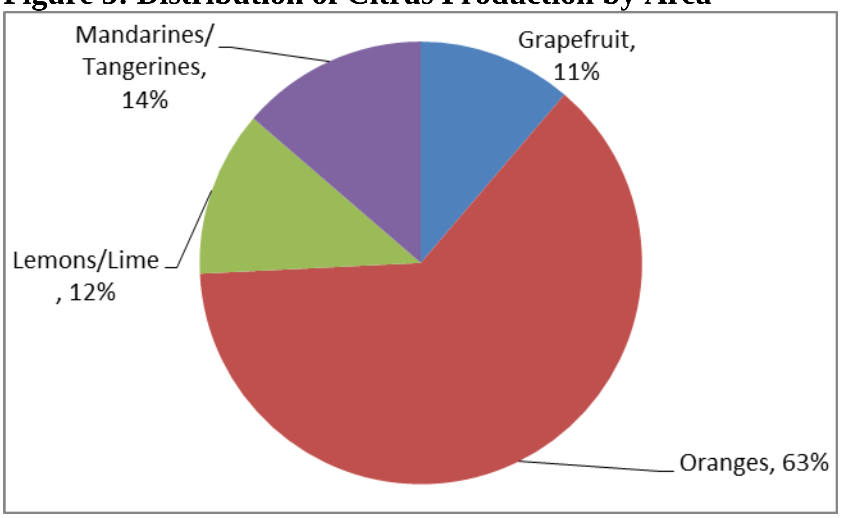
Figure 2: Citrus Production Regions by Area



Source: CGA

Figure 3 shows that oranges are the biggest citrus type produced in South Africa and accounted for 63 percent of the total citrus area planted in the 2014/15 MY.

Figure 3: Distribution of Citrus Production by Area



Source: CGA

There are at least 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. In 2016, the Tango citrus variety which was developed by the University of California Riverside's Citrus Breeding Program, was granted a plant breeders right in South Africa and is expected to provide competition to the Nardocott variety. However, legal challenges are expected as other parties are arguing that Tango is an essentially derived variety of Nadorcott.

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	2015/2016 MY			2016/2017 MY		
	Production	Domestic Consumption	Exports	Production	Domestic Consumption	Exports
	MT	MT	MT	MT	MT	MT
Oranges	1,560,000	95,000	1,040,000	1,560,000	95,000	1,050,000
Grapefruit	348,000	5,000	202,000	330,000	5,000	200,000
Lemons	340,000	16,000	240,000	345,000	16,000	245,000
Soft Citrus	243,000	30,000	190,000	263,000	31,000	205,000
Total	**2,491,000**	**146,000**	**1,672,000**	**2,498,000**	**147,000**	**1,700,000**

Source: CGA, Global Trade Atlas (GTA) and Post estimates

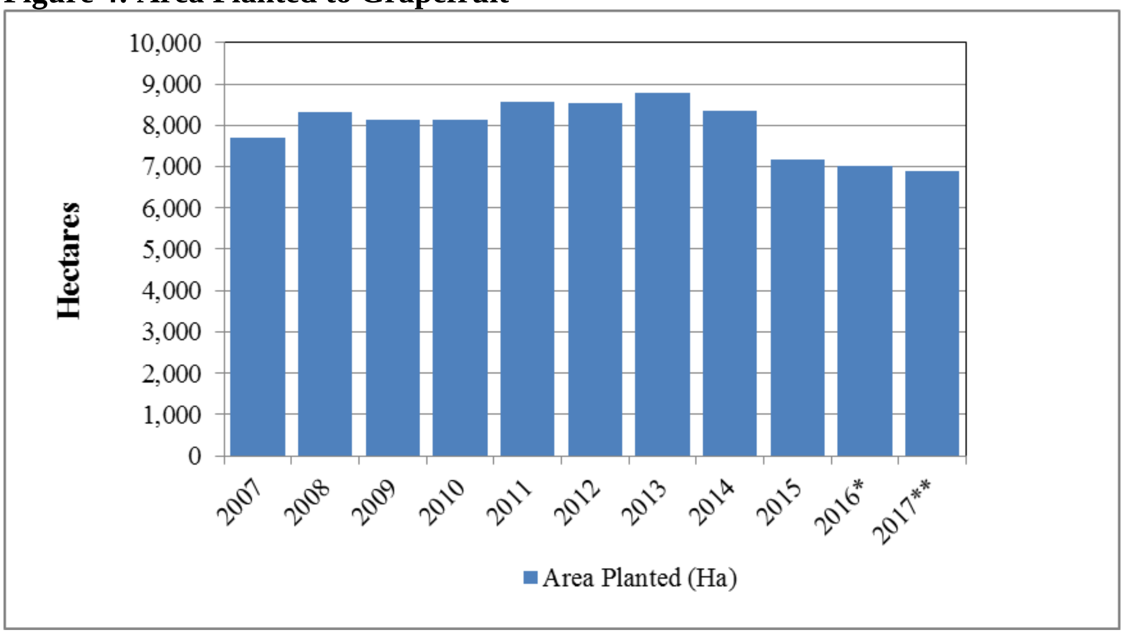
Grapefruit, Fresh

Production

Post forecasts that grapefruit production will decrease by five percent to 330,000 MT in the 2016/17 MY, from 348,000 MT in the 2015/16 MY, based on the decrease in area planted and the impact of the prevailing drought conditions. About 75% of the grapefruit in South Africa is produced in the Limpopo and Mpumalanga regions, which were more severely affected by the drought. Current dam levels in Limpopo are between 12 – 17% as compared to 50 – 59% during the same period in 2015. Current dam levels in Mpumalanga are between 19 – 41% as compared to 62 – 72% during the same period in 2015. As a result, the limited irrigation water and hot weather conditions is forecasted to impact the flowering phase of citrus production and some farmers have started pruning some of their trees to conserve water. The 2014/15 MY grape fruit production remains unchanged at 386,569 MT based on final industry data.

Figure 4 below illustrates that the area planted to grapefruit is forecasted to decrease by about one percent to 6,900 ha in the 2016/17 MY, from 7,000 ha in the 2015/16 MY based on the impact of the drought conditions. The 2014/15 MY area planted remains unchanged at 7,181 ha based on industry data.

Figure 4: Area Planted to Grapefruit



***Estimate, **Forecast. Source: CGA**

Consumption

Post estimates that the grapefruit domestic consumption will remain flat at 5,000 MT in the 2016/17 MY, based on low economic growth and low demand for grapefruit. Domestic consumption of grapefruit is relatively low as most South African consumers especially the younger generation have not acquired the taste for grapefruit.

Grapefruit is also processed to 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.

Exports

Post forecasts that grapefruit exports will remain relatively flat at 200,000 MT in the 2016/17 MY, compared to 202,000 MT in the 2015/16 MY based on the available production and the industry strategy of prioritizing export markets, and thereafter supplying the remaining fruit to the domestic fresh market and processed markets. The 2014/15 MY grapefruit exports remains unchanged at 220,956 MT, based on the final Global Trade Atlas (GTA) figures.

Europe and Asia are South Africa’s major export markets for grapefruit. South Africa is still faced with the challenges of citrus black spot in the EU market, although it is reported that the industry is avoiding problematic ports with higher interceptions especially in Spain. There is also a growing emphasis to grow the Middle East and Africa markets. While volumes are still low, grapefruit exports to the United States have been growing, from 76 MT in the 2012/13 MY to 1,802 MT in the 2015/16 MY. Grapefruit exports to the United States are expected to continue growing based on the continuation of duty free access through the African Growth and Opportunity Act (AGOA). South Africa also has a free trade agreement with Europe providing for duty free access for citrus exports. Japan imposes a ten percent Most Favored Nation (MFN) duty on South African grapefruit. Russia which is the fourth largest market for South Africa’s grapefruit exports, imposes a five percent or US$27.96/ton (whichever is greater) tariff, 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**		
		2013	**2014**	**2015**
World	T	241,827	217,382	220,956
Netherlands	T	65,063	49,331	53,415
Japan	T	51,967	48,222	44,802
China	T	9,591	14,007	19,972
Russia	T	25,774	18,008	18,125
Italy	T	12,508	10,096	11,976
United Kingdom	T	12,161	9,812	11,415
Korea South	T	986	5,944	9,105
Canada	T	7,974	8,804	7,137
France	T	5,259	4,198	5,816
Hong Kong	T	4,680	4,558	5,010
United Arab Emirates	T	5,810	4,829	4,625
Portugal	T	3,464	2,979	4,368
Swaziland	T	9	15,907	3,575

Taiwan	T	5,769	3,392	3,256
Germany	T	2,887	1,378	1,819
United States	T	393	1,051	1,802
Saudi Arabia	T	1,136	1,050	1,655
Greece	T	1,932	1,117	1,317
Romania	T	501	168	1,251
Ukraine	T	2,084	1,268	1,123
Lithuania	T	1,341	821	1,011

Source: GTA

Imports

Post forecasts that grapefruit imports will remain relatively flat at 4,000 MT in the 2016/17 MY based on sufficient production to fulfil the domestic market. The 2015/16 MY imports have been revised downwards to 4,000 MT based on higher than estimated production and adequate supply in that season. The 2014/15 MY grapefruit imports remains unchanged at 7,047 MT based on final GTA data. 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**		
		2013	**2014**	**2015**
World	T	461	11,506	7,047
Swaziland	T	0	10,898	6,355
Spain	T	218	95	423
Turkey	T	0	47	166
Israel	T	236	116	56
Other Countries NES	T	0	0	27
China	T	0	0	21
France	T	0	21	0
Netherlands	T	8	0	0
Zimbabwe	T	0	330	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. However, the trend has been an increase in prices over the past years. Export prices continue to provide the highest prices for South African grapefruits which explains why the industry is export oriented.

Table 6: Grapefruit Prices

	Local Market Average Price* Rand/Ton	Export Market Gross Price Rand/Ton	Processed Gross Price 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
2015	3,866	5,737	310

Source: CGA

Table 7: PSD Grapefruit, Fresh

Grapefruit, Fresh	2014/2015		2015/2016		2016/2017	
Market Begin Year	Jan 2015		Jan 2016		Jan 2017	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	7,181	7,181	7,100	7,000	0	6,900
Area Harvested	6,894	6,894	6,400	6,100	0	6,000
Bearing Trees	6,700	6,700	6,600	6,200	0	6,000
Non-Bearing Trees	400	400	300	300	0	400
Total No. Of Trees	7,100	7,100	6,900	6,500	0	6,400
Production	387	387	330	348	0	330
Imports	7	7	12	4	0	4
Total Supply	394	394	342	352	0	334
Exports	221	221	200	202	0	200
Fresh Dom. Consumption	5	5	5	5	0	5
For Processing	168	168	137	145	0	129
Total Distribution	394	394	342	352	0	334
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Source: PSD Tables and Post estimates

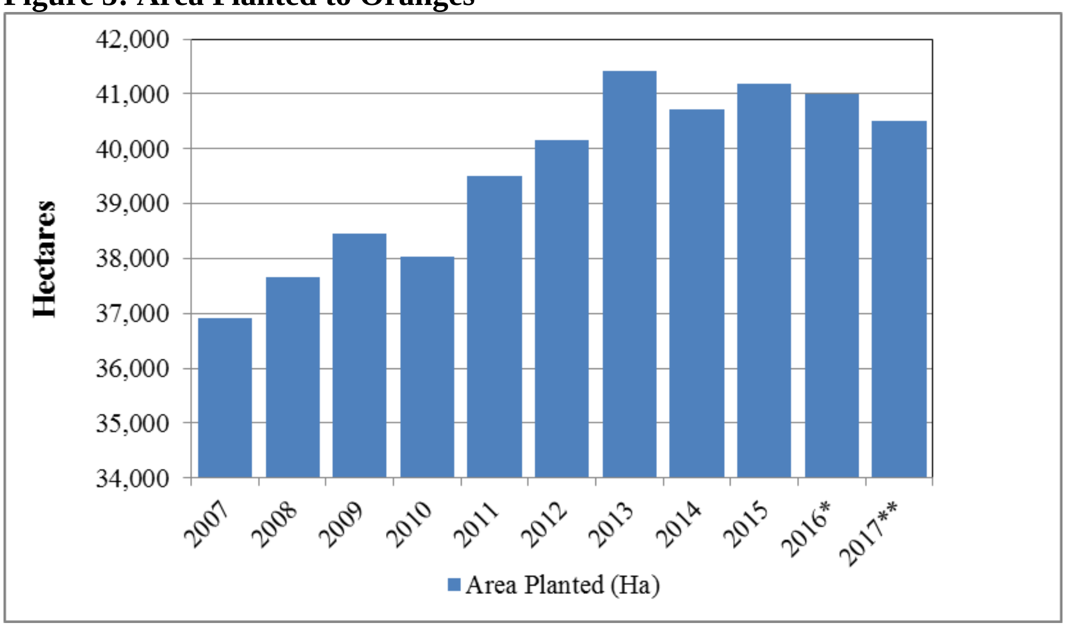
Oranges, Fresh

Production

Post forecasts that the production of oranges will remain flat at 1,560 million MT in the 2016/17 MY, based on the increase in production in the Western Cape and Eastern Cape provinces at the back of normal weather conditions and available irrigation water, which will be wholly offset by decreases in production from the drought affected Mpumalanga and Limpopo province. The Western Cape and Eastern Cape are forecasted to be relatively less affected by the impact of the current dry and hot conditions. Current dam levels in the Western Cape are 55 – 98% as compared to 58 - 102% during the same period in in 2015. Current dam levels in the Eastern Cape are between 60 – 95% as compared to 100% during the same period in in 2015. The availability of irrigation water in the Western Cape and Eastern Cape region is critical during the current period of citrus trees flowering and for next season's crop. The 2015/16 MY production estimate remains unchanged at 1,560 million MT (a 5% decrease from 2014/15 MY) as post believes this is still the best estimate due to the impact of drought conditions, small fruit sizes and year to date orange export performance. The 2014/15 MY production remains unchanged at 1,645 million MT based on final industry data.

The area planted with oranges in South Africa grew by at least eleven percent from 36,921 hectares in the 2006/07 MY to 41,184 hectares in the 2014/15 MY. However, the area planted to oranges is estimated to decrease to 41,000 ha in the 2015/16 MY as the industry trend of shifting to soft citrus is set to continue, as well as the impact of the drought during that season.

Figure 5: Area Planted to Oranges



Source: CGA

Consumption

Post forecasts that the 2016/17 MY consumption of oranges will remain flat at 95,000 MT, based on the lower available production and 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.

Exports

Post estimates that the exports of oranges will increase by one percent to 1,050 million MT in the 2016/17 MY, from 1,040 million MT in the 2015/16 M, based on the available production and South Africa`s ingenious ways of addressing uncertainty in the EU market due to the ongoing CBS challenges. The 2015/16 MY exports were revised downwards to 1,040 million MT based on year to date exports up to September 2016 and post forecasts for the months of October to December 2016. The 2014/15 MY exports of oranges remains unchanged at 1,160 million MT, based on the final GTA data.

Europe remains South Africa's largest export market for oranges, accounting for approximately forty percent of the total export market. However, exports to Asia and the Middle East have grown steadily over the years. Exports to the United States are expected to continue growing based on the duty free access under the African Growth and Opportunity Act (AGOA), and the higher premium received in the United States market.

Table 8: South African Fresh Orange exports

South Africa Export Statistics				
Commodity: 080510, Oranges, Fresh				
Year Ending: December				
Partner Country	**Unit**	**Quantity**		
		2013	**2014**	**2015**
World	T	1,161,511	1,143,815	1,159,630
Netherlands	T	222,812	206,525	232,025
United Arab Emirates	T	106,782	121,056	116,093
Russia	T	130,902	125,781	89,416
Saudi Arabia	T	92,882	92,866	86,906
United Kingdom	T	81,464	66,545	67,339
Portugal	T	41,157	39,939	54,840
Kuwait	T	50,604	51,347	47,246
United States	T	40,576	39,224	44,721
China	T	24,917	33,872	44,318
Hong Kong	T	20,197	34,555	43,383
Bangladesh	T	30,573	40,023	38,861
Canada	T	34,929	33,944	37,874
Italy	T	36,663	36,430	36,385
Malaysia	T	24,626	28,559	28,241
France	T	25,873	18,148	25,613

Singapore	T	9,676	12,268	11,337
Mozambique	T	35,444	6,857	11,327
India	T	3,898	4,721	11,127
Oman	T	11,158	8,186	7,511
Zambia	T	8,373	8,887	7,356
Sweden	T	8,392	4,908	7,007
Qatar	T	5,715	6,964	6,713
Bosnia & Herzegovina	T	1,556	2,064	5,547
Korea South	T	4,033	4,430	5,246
Namibia	T	684	4,645	5,105

Source: GTA

Imports

Post forecasts that South Africa`s imports will be 10,000 MT in the 2016/17 MY based on the available production. The 2015/16 MY imports were revised downwards to 1,000 MT, based on year to date imports up to September 2016 and post forecasts for the months of October to December at the back of lower than estimated imports from Swaziland which was also affected by the drought conditions. The 2014/15 MY imports remain unchanged at 12,706 MT based on final GTA data. 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**		
		2013	**2014**	**2015**
World	T	386	12,390	12,706
Swaziland	T	0	8,360	11,891
Spain	T	176	274	361
China	T	0	0	221
Egypt	T	0	0	139
Russia	T	0	0	26
Netherlands	T	17	21	25
United Kingdom	T	0	0	20
Other	T	0	94	20

Source: GTA

Prices

Table 10 shows the local, export and processed market prices of oranges. The export market provides the highest prices as a result the South African citrus industry is export oriented, followed by lower prices in the domestic market and the processed, in that order.

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
2015	2,535	6,576	652

Source: CGA

Table 11: PSD Oranges, Fresh

Oranges, Fresh	2014/2015		2015/2016		2016/2017	
Market Begin Year	Jan 2015		Jan 2016		Jan 2017	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	42,674	41,184	42,400	41,000	0	40,500
Area Harvested	37,600	37,600	35,000	36,000	0	36,000
Bearing Trees	37,900	37,900	36,600	38,000	0	38,100
Non-Bearing Trees	4,100	4,100	4,000	4,200	0	4,300
Total No. Of Trees	42,000	42,000	40,600	42,200	0	42,400
Production	1,645	1,645	1,560	1,560	0	1,560
Imports	17	13	16	1	0	10
Total Supply	1,662	1,658	1,576	1,561	0	1,570
Exports	1,160	1,160	1,080	1,040	0	1,050
Fresh Dom. Consumption	99	95	95	95	0	95
For Processing	403	403	401	426	0	425
Total Distribution	1,662	1,658	1,576	1,561	0	1,570
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Source: PSD Tables and Post forecast

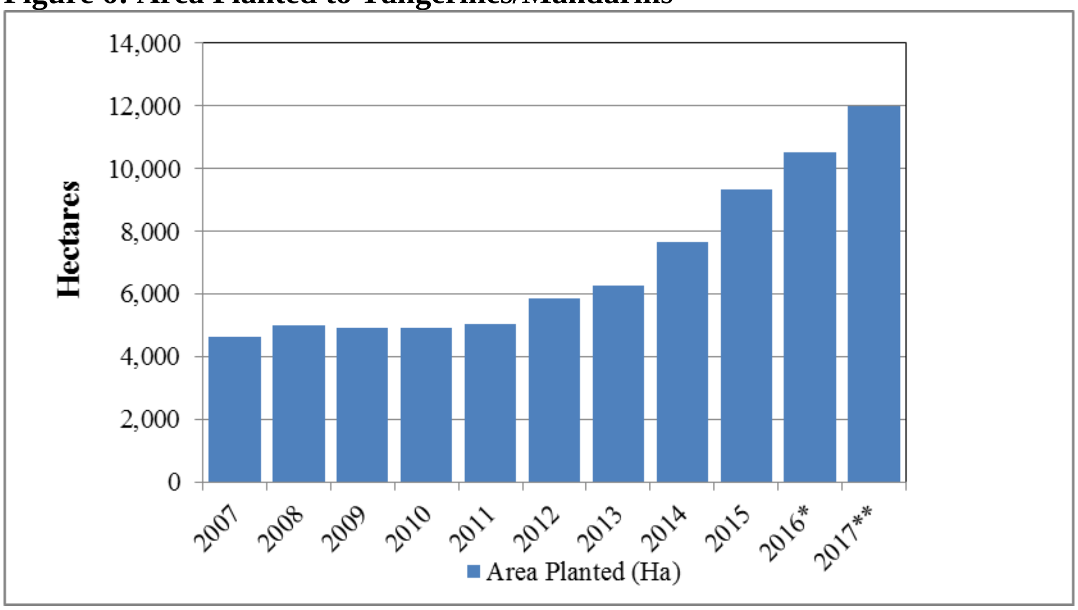
Tangerines/Mandarins, Fresh - Soft Citrus

Production

Post forecasts that the production of soft citrus will increase by six percent to 263,000 MT in the 2016/17 MY, from 248,000 MT in the 2015/16 MY based on increases in area planted and normal weather conditions. At least 42% of soft citrus is produced in the Western Cape and 31% in the Eastern Cape which were both less impacted by the drought relative to the rest of the production areas. Post revised upwards the 2015/16 MY production to 248,000 MT based on the higher than expected quality of fruit, increases in area planted and availability of irrigation water in the main growing regions. The 2014/15 MY production remains unchanged at 202,563 MT based on final industry data.

Figure 6 shows that initially, the area planted with tangerines/mandarins from the 2006/07 MY to the 2010/11 MY was flat. However, there has been a significant increase in area planted from 5,044 hectares in the 2010/11 MY to 9,335 hectares in the 2014/15 MY due to growers responding to the increasing global demand for seedless soft citrus and the increased investment being driven by high revenue as a result of the weaker rand. The 2016/17 MY and 2015/16 MY area planted to tangerines/mandarins is estimated at 12,000 Ha and 10,500 Ha, respectively, based on the continued investment in this sector due to the performance of soft citrus in market.

Figure 6: Area Planted to Tangerines/Mandarins



Source: CGA

Consumption

Post forecasts that consumption of soft citrus will marginally increase by three percent to 31,000 MT in the 2016/17 MY, from 30,000 MT in the 2015/16 MY based on available production, partially offset by the slow economic growth and increasing financial pressure faced by domestic consumers. The 2014/15 MY domestic consumption remains unchanged at 23,941 MT, based on final industry data.

Exports

Post forecasts that the South African exports of tangerines/mandarins will increase by seven percent to 205,000 MT in the 2016/17 MY, from 190,000 MT in the 2015/16 MY, based on the increase in production, the growing market opportunities in the United States, Middle East and Asia, and the weakening of the rand exchange rate. The 2014/15 MY exports of tangerines/mandarins remains unchanged at 156,565 MT, based on final GTA data. Tangerines/mandarins are not impacted by South Africa's CBS challenges in the EU.

South African soft citrus enters the United States duty free under the AGOA preferences. EU member states impose a 1.6 percent preferential tariff for all soft citrus 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**		
		2013	**2014**	**2015**
World	T	132,917	153,313	156,565
United Kingdom	T	50,271	52,560	61,307
Netherlands	T	30,220	30,258	32,023
Russia	T	12,603	11,184	14,467
United States	T	3,555	7,444	8,637
United Arab Emirates	T	6,093	9,855	7,127
Canada	T	6,955	7,368	6,208
Hong Kong	T	4,639	8,237	4,573
Ireland	T	1,946	3,800	3,742
Germany	T	1,219	1,120	2,057
Saudi Arabia	T	2,319	3,231	1,910
Malaysia	T	1,821	2,725	1,416
Mauritius	T	947	1,136	1,106
Portugal	T	442	852	1,102
Vietnam	T	351	1,003	1,036
Finland	T	450	549	988
France	T	1,555	1,845	974
Senegal	T	443	736	710
Singapore	T	653	1,003	616
Bahrain	T	123	387	602
Sweden	T	321	485	570

Kuwait	T	1,583	829	569

Source: GTA

Imports

Post forecasts that the 2016/17 MY imports of Tangerines/Mandarins will remain flat at 1,000 MT. South African soft citrus 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**		
		2013	**2014**	**2015**
World	T	1,395	940	851
Spain	T	552	557	530
Israel	T	804	371	284
Swaziland	T	0	0	31
Thailand	T	0	3	5

Source: GTA

Prices

Export markets provide the highest prices for South African soft citrus as shown in **Table 14**. The fourteen percent increase in export prices from R10,004 (US$667) in the 2013/14 MY to R11,392 (US$759) in the 2014/15 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
2015	5,606	11,392	391

Source: CGA

Table 15: PSD Tangerines/Mandarins, Fresh

Tangerines/Mandarins, Fresh	2014/2015		2015/2016		2016/2017	
Market Begin Year	Feb 2015		Feb 2016		Feb 2017	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	9,335	9,335	9,400	10,500	0	12,000
Area Harvested	6,500	6,600	7,200	7,500	0	8,000
Bearing Trees	4,900	4,900	5,600	5,900	0	6,200
Non-Bearing Trees	2,040	2,040	1,600	2,100	0	2,400
Total No. Of Trees	6,940	6,940	7,200	8,000	0	8,600
Production	203	203	210	248	0	263
Imports	1	1	1	1	0	1
Total Supply	204	204	211	249	0	264
Exports	157	157	165	190	0	205
Fresh Dom. Consumption	24	24	24	30	0	31
For Processing	23	23	22	29	0	28
Total Distribution	204	204	211	249	0	264
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Source: PSD Tables and Post forecast

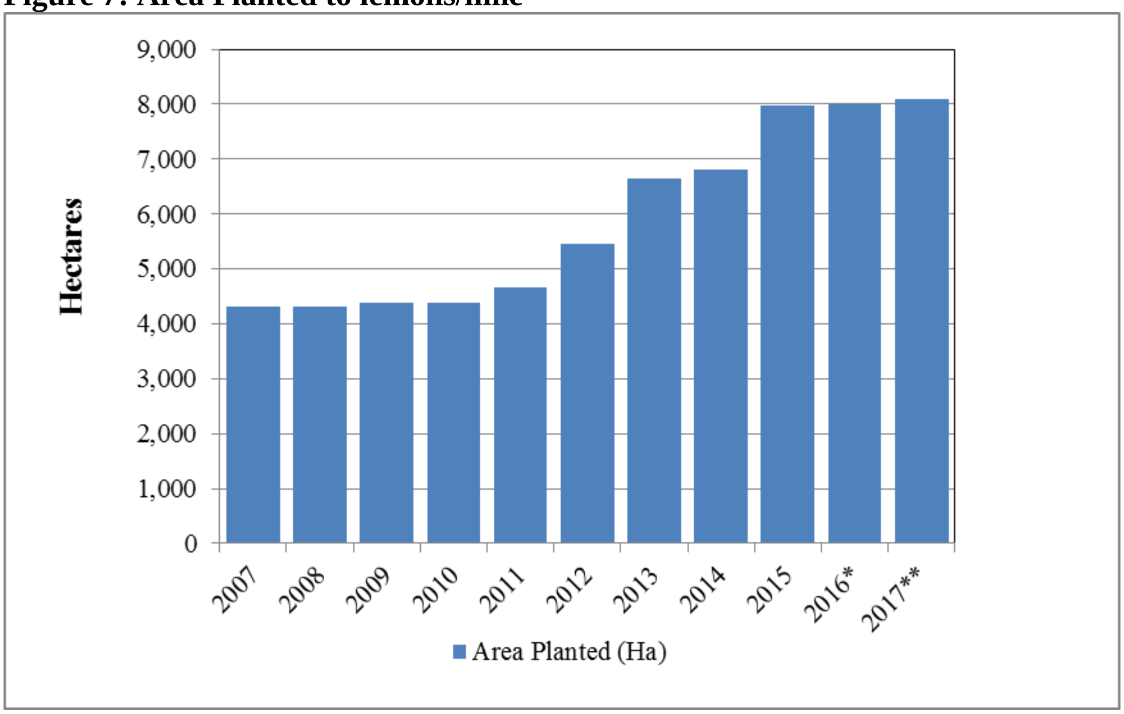
Lemons/Limes, Fresh

Production

Post forecasts that the production of lemons/limes will increase by one percent to 345,000 MT in the 2016/17 MY, from 340,000 MT in the 2015/16 MY based on normal weather conditions in the major growing areas and slight increases in area planted. The Eastern Cape and Western Cape which produces about 46% and 10% of the lemons is forecasted to be less affected by the current drought conditions compared to other growing regions. These increases will be partially offset by lower production in Limpopo which produces about 31% of the lemons. The 2015/16 MY production of lemons has been revised downwards to 340,000 MT based on the impact of the drought and smaller fruit sizes. The 2014/15 MY production of lemons/limes remains unchanged at 339,130 MT based on updated industry data.

Figure 7 shows that the area planted with lemons/limes was initially flat from the 2006/07 MY to the 2009/10 MY. However, the area planted increased gradually from 4,667 hectares in the 2010/11 MY to 7,966 hectares in the 2014/15 MY, in response to increases in demand and higher prices in the export market. The area planted to lemons is forecasted to remain relatively flat with minimal increases to 8,100 MT in the 2016/17 MY.

Figure 7: Area Planted to lemons/lime



Source: CGA

Consumption

Post forecasts that the domestic consumption of lemons will remain relatively flat in the 2016/17 MY at 16,000 MT based on the available production and slow economic growth which will impact consumption.

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 exports of lemons and limes will increase by two percent to 245,000 MT in the 2016/17 MY, from 240,000 MT in the 2015/16 MY based on the available production. The 2015/16 MY exports of lemons have been revised downwards to 240,000 MT based on the smaller fruit sizes. The 2014/15 MY exports of lemons and limes remains unchanged at 246,290 MT based on final 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**		
		2013	**2014**	**2015**
World	T	175,061	219,617	246,290
United Arab Emirates	T	35,191	40,184	48,773
Russia	T	29,310	30,678	31,436
Saudi Arabia	T	20,987	19,806	25,813
Netherlands	T	15,994	22,312	23,582
Hong Kong	T	9,784	31,054	20,474
United Kingdom	T	10,449	12,586	16,174
Kuwait	T	8,522	7,336	12,465
Canada	T	6,654	9,524	10,636
Singapore	T	3,419	3,964	7,701
Germany	T	5,352	5,776	7,310
Malaysia	T	4,076	6,576	7,005
Italy	T	2,566	5,590	5,169
Vietnam	T	458	1,535	4,000
Qatar	T	1,621	2,097	3,218
Georgia	T	883	963	2,970
Ukraine	T	4,048	3,313	2,920
Bahrain	T	2,421	2,026	2,919
Portugal	T	170	829	1,571
Greece	T	153	1,146	1,206
Angola	T	1,269	1,460	1,116

Azerbaijan	T	2,027	629	1,010

Source: GTA

Imports

Post estimates that the 2016/17 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**		
		2013	**2014**	**2015**
World	T	320	677	422
Spain	T	163	399	207
Brazil	T	135	162	138
Turkey	T	0	29	43
Swaziland	T	0	22	32
France	T	0	0	1

Source: GTA

Prices

Export markets provide the highest prices for South African lemons/limes as shown in **Table 18**. The eleven percent increase in export prices from R11,058 (US$790) in the 2013/14 MY to R12,279 (US$877) in the 2014/15 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
2015	7,463	12,279	1,378

Source: CGA

Table 19: PSD Lemons/Limes, Fresh

Lemons/Limes, Fresh	2014/2015		2015/2016		2016/2017	
Market Begin Year	Jan 2015		Jan 2016		Jan 2017	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	7,966	7,966	8,200	8,000	0	8,100
Area Harvested	6,771	6,771	7,000	6,800	0	6,900
Bearing Trees	4,900	4,900	5,300	5,400	0	5,500
Non-Bearing Trees	1,960	1,960	1,700	1,800	0	1,800
Total No. Of Trees	6,860	6,860	7,000	7,200	0	7,300
Production	339	339	345	340	0	345
Imports	1	1	1	1	0	1
Total Supply	340	340	346	341	0	346
Exports	246	246	255	240	0	245
Fresh Dom. Consumption	15	15	15	16	0	16
For Processing	79	79	76	85	0	85
Total Distribution	340	340	346	341	0	346
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Source: PSD Tables and Post forecast

Orange Juice

Production

Post forecasts that the production of orange juice will decrease by less than one percent to 44,465 MT in the 2016/17 MY, from 44,570 MT in the 2015/16 MY based on the quantity of fresh oranges delivered for processing. The 2015/16 MY production of orange juice was revised upwards to 44,570 MT based on the higher than estimated fresh oranges delivered for processing. The 2014/15 MY production of orange juice remains unchanged at 42,163 MT based on final production data.

Industry coordinated statistics for orange juice are largely unavailable in South Africa. The production, consumption and stock levels represent Post`s best effort of the South African orange juice supply and distribution statistics based on information extracted from various sources, contacts and calculations from fresh oranges delivered for processing.

Consumption

Post forecasts that the domestic consumption will increase by one percent to 7,100 MT in the 2016/17 MY, from 7,000 MT in the 2015/16 MY based on the marginal increase in production. The 2014/15 MY consumption of orange juice remains unchanged at 6,800 MT based on final production and consumption data. The relatively high food price inflation has resulted in restricted growth in the domestic consumption of fresh fruit juices especially the 100% fruit juice, and the shift in demand to orange juice concentrates.

Export

Post forecasts that the 2016/17 MY exports of orange juice will decrease by 31% to 36,000 MT based on lower year to date exports and post forecasts. The 2015/16 MY and 2014/15 MY exports of orange juice remains unchanged at 52,252 MT and 44,502 MT, respectively, based on final GTA data.

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

Table 20: South African Orange Juice exports

South Africa Export Statistics
Commodity: Orange Juice, Orange Juice (HS200911, 200912, 200919)

Year Ending: December				
Partner Country	**Unit**	**Quantity**		
		2013	**2014**	**2015**
World	T	30,884	44,502	52,252
Netherlands	T	11,848	12,314	11,973
Botswana	T	960	6,055	7,323
Mauritius	T	379	430	4,417
Mozambique	T	3,101	4,026	4,248
Zimbabwe	T	1,236	3,412	3,524
Namibia	T	398	2,237	3,266
Swaziland	T	570	2,516	3,180
Lesotho	T	406	2,195	2,863
Spain	T	888	1,217	2,023
Zambia	T	1,367	1,440	1,413
Ethiopia	T	19	77	1,093
Congo	T	1,014	681	821
Israel	T	1,306	1,855	690
India	T	156	442	558
Italy	T	189	323	556
United Arab Emirates	T	333	358	316
Philippines	T	305	307	306
Angola	T	722	628	278
Ghana	T	418	134	211
Madagascar	T	282	230	208

Source: GTA

Imports

Post forecast that the 2016/17 MY imports of orange juice will decrease by 45% to 700 MT, from 1,279 MT in 2015/16 MY based on lower production from Zimbabwe which suppliers the bulk of the imports in South Africa. The 2014/15 MY imports of orange juice remains unchanged at 179 MT based on final 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: Orange Juice, Orange Juice (HS200911, 200912, 200919)

Year Ending: December				
Partner Country	**Unit**	**Quantity**		
		2013	**2014**	**2015**
World	T	1,363	179	1,290
Zimbabwe	T	1,050	17	693
United Arab Emirates	T	21	3	420
Pakistan	T	6	0	28
United Kingdom	T	53	16	26
Italy	T	0	0	25
Portugal	T	30	25	19
France	T	0	18	18
Nigeria	T	0	0	15
Namibia	T	0	0	9
Thailand	T	1	17	7
Mozambique	T	0	4	6
Saudi Arabia	T	3	8	5
Swaziland	T	0	5	4
Bangladesh	T	0	0	4
Lesotho	T	0	0	2
Bulgaria	T	0	0	2
Australia	T	0	0	1
Germany	T	0	0	1
Other Countries NES	T	79	5	1
Malaysia	T	2	1	1

Source: GTA

Table 22: PSD Orange Juice

Orange Juice	2014/2015		2015/2016		2016/2017	
Market Begin Year	Apr 2015		Apr 2016		Apr 2017	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	403,000	403,000	401,000	426,000	0	425,000
Beginning Stocks	25,086	25,086	16,126	16,126	0	2,734
Production	42,163	42,163	41,954	44,570	0	44,465
Imports	179	179	1,290	1,290	0	700
Total Supply	67,428	67,428	59,370	61,986	0	47,899
Exports	44,502	44,502	52,252	52,252	0	36,000
Domestic Consumption	6,800	6,800	6,800	7,000	0	7,100
Ending Stocks	16,126	16,126	318	2,734	0	4,799
Total Distribution	67,428	67,428	59,370	61,986	0	47,899
(MT)						

Source: PSD Tables and Post forecast

Policy Issues:

United States cold-sterilization protocol

The Western Cape Province is the major region which exports to the United States under the cold treatment schedule 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 from24 to 22 days which has been hugely beneficial to South Africa in preventing losses estimated to be between six and fifteen percent due to cold damage and in reduction in shipping costs. Exports under the pilot program are through the ports of Newark, Philadelphia, Houston and New Orleans.

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 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 to be finalized and published for implementation.

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 as other countries such as Argentina, Uruguay have higher CBS interceptions than South Africa. Industry contacts have indicated that South Africa could lodge a dispute as the costs to comply with the current EU requirements are too high and there are capacity constraints especially from government. In the interim it is reported that South Africa, has also been addressing this challenge by avoiding problematic ports with high interceptions and also by not exporting directly to Spain.

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 useful 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