

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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South Africa - Republic of

Citrus Annual

Strong Growth of South African Citrus Production Continues

Approved By:

Kyle Bonsu

Prepared By:

Wellington Sikuka

Report Highlights:

South Africa's production of grapefruit, oranges, tangerines/mandarins and lemons/limes is forecast to continue its strong growth in the 2018/19 MY, based on the increase in area planted, high level of new-planting in the past five years and on the normal weather conditions. Duty free exports of citrus to the United States under the African Growth Opportunity Act (AGOA) are expected to continue their strong annual growth. South African exports of citrus to the United States are shifting from oranges to tangerines/mandarins in response to market demand. Trade is a key driver in the growth of South African citrus production, with total exports accounting for 79 percent of the total production.

Commodities:

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

Exchange rate: Rand/US\$ Exchange = 14
Marketing Year (MY) – January to December
MT – Metric Tons

Executive Summary

South African citrus production is forecast to continue its strong growth in the 2018/19 MY, due to expanded planted area, favorable weather conditions and strong demand. Trade is a key driver in the growth of South African citrus production, with total exports accounting for 79 percent of the total citrus production. The United States remains a key market for South African citrus growers seeking to maintain and expand market access for oranges and soft citrus. In the 2017/18 MY, citrus exports to the United States amounted to US\$47 Million. The growth in orange production and supply has also led to the increase in orange juice production.

The production of grapefruit is forecast to increase by 7 percent to 450,000 MT in the 2018/19 MY, due to the rise in area planted, normal weather conditions, bigger sized fruits and the high level of new-planting in the past five years. Post forecasts that grapefruit exports will increase by 8 percent to 310,000 MT in the 2018/19 MY, due to the increase in production, strong demand in global markets especially Asia and some countries in the European Union.

The production of oranges is forecast to increase by 5 percent to 1.62 Million MT in the 2018/19 MY, due to the rise in area planted, bigger sized fruits and normal weather conditions. The export of oranges is forecast to increase by 4 percent to 1.33 Million MT in the 2018/19 MY, based on the increase in production, growth in demand from China and Hong Kong, and successful efforts in addressing the Citrus Black Spot (CBS) challenges in the EU market.

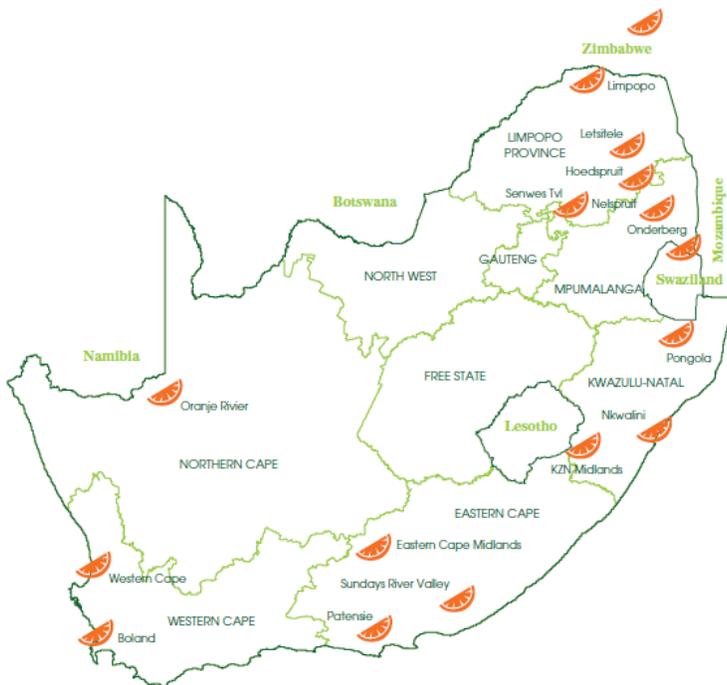
The production of tangerines/mandarins is forecast to increase by 7 percent to 300,000 MT in the 2018/19 MY, due to the rise in area planted, normal weather conditions, and the high level of new-plantings in the past five years coming into full production. Tangerines/mandarins exports are forecast to increase by 7 percent to 280,000 MT in the 2018/19 MY, based on the increase in production and the industry strategy of prioritizing export markets such as the United States.

The production of lemons/limes is forecast to increase by 4 percent to 480,000 MT in the 2018/19 MY, due to the rise in area planted, normal weather conditions, and the high level of new-plantings in the past five years coming into full production. The exports of lemons and limes is forecast to increase by 5 percent to 330,000 MT in the 2018/19 MY, based on the increase in production and growth in demand from the Middle East and Asian markets.

Background

Citrus in South Africa is grown across the country mainly in the Limpopo, Eastern Cape, Western Cape, Mpumalanga, Kwa Zulu Natal, Northern Cape and North West provinces. **Figure 1** below shows the map of the citrus growing areas in South Africa. A total of 74,902 hectares was planted to citrus in South Africa in the 2016/17 MY. The Limpopo province is the largest citrus production area accounting for 43 percent of the total area planted, followed by the Eastern Cape (27 percent), Western Cape (17 percent), Mpumalanga (8 percent), Kwa Zulu Natal (2 percent), Northern Cape (2 percent), and North West (less than 1 percent). The Western Cape and Eastern Cape have a cooler climate, which is suited for the production of the navel oranges, lemons, limes, and mandarins/tangerines (soft citrus). The Mpumalanga, Limpopo and KwaZulu-Natal provinces have a warmer climate which is better suited to the production of grapefruit and valencia oranges.

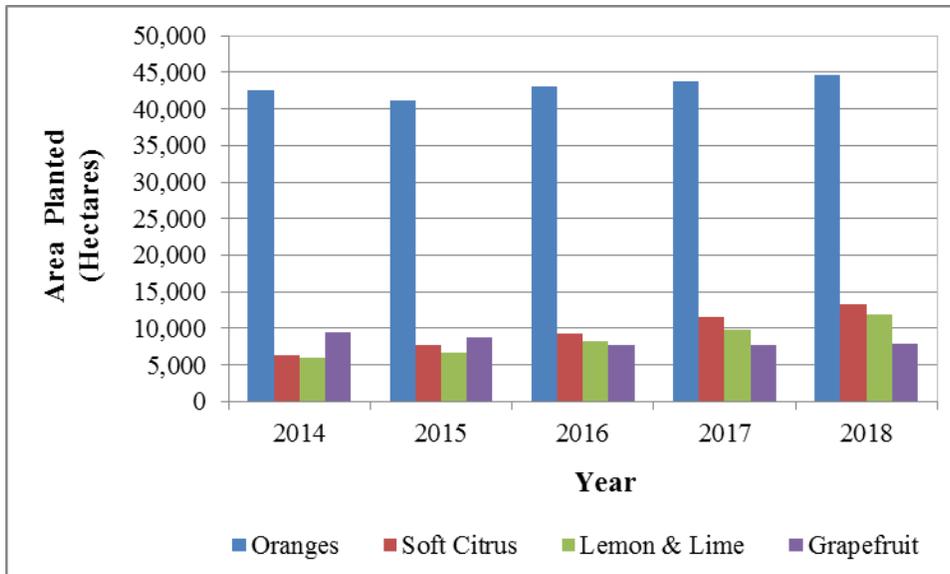
Figure 1: Citrus Growing Areas in South Africa.



Source: Citrus Growers Association (CGA)

Figure 2 shows that while oranges are the biggest citrus type produced in South Africa and account for about 58 percent of the total citrus area planted, there has been notable growth in the area planted to soft citrus and lemons/limes. **Table 1** shows the most common citrus varieties planted in South Africa. In 2016, the tango citrus variety, which was developed by the University of California Riverside, was granted the plant breeders right in South Africa and is expected to offer competition to the Nardocott variety. The key export markets for South African citrus are the Netherlands, United Kingdom, Russia, China, Hong Kong, Japan, United Arab Emirates, Saudi Arabia, and the United States.

Figure 2: Area Planted by Citrus Type



Source: CGA

Table 1: Citrus Varieties

Citrus	Variety
Grape fruit	Star Ruby, Marsh, Rose, Flame, Nelspruit Ruby (Nelruby), Flamingo
Oranges	Valencias - Delta, Midnight, 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 – Tango, 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	March to June
Star Ruby Grapefruit	April to September
Navel Oranges	March to July
Valencia Oranges	July to September
Mandarins/Tangarines	March to August
Lemons/Lime	February to September

Source: CGA

Grapefruit, Fresh

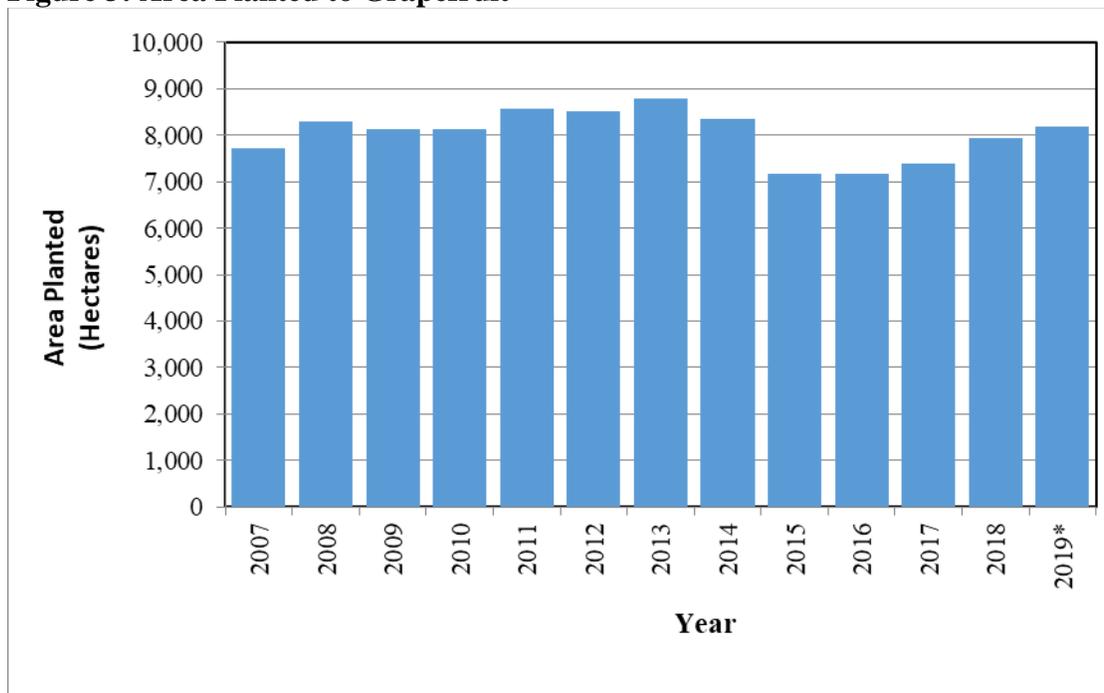
Production

The production of grapefruit is forecast to increase by 7 percent to 450,000 MT in the 2018/19 MY, from 419,000 MT in the 2017/18 MY. This is due to the rise in area planted, normal weather conditions, bigger sized fruits and the high level of new-plantings in the past five years. The 2017/18 MY production of grapefruit was revised upwards to 419,000 MT, based on the higher than expected production in the Mpumalanga and Limpopo province as the impact of hail damage was lower than anticipated. The 2016/17 MY production of grapefruit remains unchanged at 354,000 MT based on final industry data.

Limpopo is the leading growing region for grapefruit accounting for at least 59 percent of the total production, followed by Mpumalanga (22 percent), Kwa-Zulu Natal (10 percent), Northern Cape (6 percent) and the Western Cape (less than 1 percent). The predominant variety produced is the Star Ruby accounting for 84 percent of the production due to its high global demand, followed by the Marsh variety at 13 percent. Other grapefruit varieties produced in small volumes include Rose, Redheart, Pomelit, Ja Shaddock, Flame, and Fe 1(Jackson).

Figure 3 below illustrates that the area planted to grapefruit is forecast to increase by 3 percent to 8,200 hectares in the 2018/19 MY, from 7,950 ha in the 2017/18 MY. This is due to the industry responding to the increasing global market demand especially in Asia and lucrative prices for grapefruit in the past three seasons.

Figure 3: Area Planted to Grapefruit



*Forecast.

Source: CGA

Consumption

Post forecasts that grapefruit consumption in South Africa will rise to 8,000 MT in the 2018/19 MY, from 7,000 MT in the 2017/18 MY. This is due to the increase in production, and to the growth in demand driven by the perceived health benefits or trend of grapefruit in the domestic market. The fresh grapefruit per capita consumption in South Africa is still relatively low at below 1 kg per annum because the majority of the population has not acquired the taste for grapefruit.

Processing

Post forecasts that the grapefruit delivered for processing will increase by 6 percent to 135,000 MT in the 2018/19 MY, from 127,000 MT in the 2017/18 MY, based on the increase in production. Grapefruit is 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 agent in many soft drinks. The inner peel is a source of pectin and citric acid, which are both used by the food industry to preserve fruits, jams, and marmalades. Naringin is also extracted from grapefruit peel, and gives tonic-water its distinctive bitter flavor. The grapefruit peel oil is used in scented fragrances.

Exports

Post forecasts that grapefruit exports will increase by 8 percent to 310,000 MT in the 2018/19 MY, from 288,000 MT in the 2017/18 MY. This is due to the increase in production, strong demand in global markets especially Asia and some countries in the European Union. The 2017/18 MY grapefruit export figure was revised upwards to 288,000 MT based on year to date exports up to October 2018, higher than expected production and the uptake of smaller grapefruit in China which would not have ordinarily been exported because of their size. The 2016/17 MY exports of grapefruit remains unchanged at 230,663 MT based on final Global Trade Atlas figures.

Although South Africa has a free trade agreement with the Europe Union which allows duty free access for its citrus exports, it continues to face challenges due to Citrus Black Spot (CBS) in the European Union (EU) market. In October 2017, South Africa suspended its exports of grapefruit to Europe in order to minimize the risks of further CBS interceptions which could have jeopardized South Africa’s market access to the European Union. While South Africa did not suspend any exports in 2018, industry estimates that it is costing South Africa almost R1.8 Billion (US\$129 Million) to address and comply with the CBS requirements in the EU market. There is also a growing emphasis to increase exports to the Middle East and Africa markets. While total volumes are still low, grapefruit exports to the United States have been growing exponentially by an average of 65% per annum in the past five years, from 76 MT in the 2012/13 MY, to 4,293 MT in the 2016/17 MY. Grapefruit exports to the United States are already at 4,854 MT in the 2017/18 MY and are expected to continue growing based on the continuation of duty free access through the African Growth and Opportunity Act (AGOA).

Table 3: South African Fresh Grapefruit Exports

South Africa Export Statistics
Commodity: 080540, Grapefruit, Fresh Or Dried
Year Ending: December

Partner Country	Unit	Quantity		
		2015	2016	2017
World	T	220,262	202,501	230,663
Netherlands	T	53,256	59,220	63,870
Japan	T	44,802	31,155	39,505
China	T	19,971	17,462	20,254
Russia	T	18,020	15,835	19,215
United Kingdom	T	11,415	9,946	11,990
Korea South	T	9,032	9,738	10,532
Italy	T	11,976	9,365	9,532
Hong Kong	T	5,034	5,850	7,266
Canada	T	7,126	5,022	6,658
Portugal	T	4,367	6,008	6,232
Swaziland	T	3,576	3,228	4,462
United States	T	1,803	3,736	4,293
United Arab Emirates	T	4,625	4,239	3,966
Taiwan	T	2,802	2,012	3,344
France	T	5,816	3,183	3,251
Germany	T	1,819	5,015	2,386
Ukraine	T	1,123	1,016	1,494
Greece	T	1,318	1,127	1,326
Vietnam	T	69	431	919
Sweden	T	888	767	872
Bulgaria	T	754	534	830
Kuwait	T	816	321	774

Source: Global Trade Atlas (GTA)

Imports

South Africa is not a major importer of grapefruit. Imports mainly originate from Swaziland, Spain, Turkey and Israel to fill the small demand gap towards the end of the season. The increase in local production over the past five years has also resulted in a steady decline in grapefruit imports.

Table 4: South African Fresh Grapefruit Imports

South Africa Import Statistics		
Commodity: 080540, Grapefruit, Fresh Or Dried		
Year Ending: December		
Partner Country	Unit	Quantity

		2015	2016	2017
World	T	7,047	3,807	1,160
Spain	T	424	474	513
Turkey	T	167	275	354
Israel	T	55	137	224
Swaziland	T	6,356	2,863	66
Canada	T	0	19	0
China	T	21	19	0
Netherlands	T	0	21	0

Source: GTA

Prices

Table 5 shows the local, export and processed market prices for grapefruit since the 2004/05 MY. Grapefruit prices for the export and local markets have increased over the past five years based on the weakening rand to the United States dollar. Processed prices tend to fluctuate based on supply. Export prices continue to provide the highest prices for South African grapefruit which explains why the industry is export oriented.

Table 5: Grapefruit Prices

MY	Local Market	Export Market	Processed
	Average Price	Gross Price	Gross Price
	Rand/ MT	Rand/ MT	Rand/ MT
2004/05	1,487	925	325
2005/06	1,493	1,764	386
2006/07	1,796	2,712	237
2007/08	2,283	3,658	152
2008/09	1,839	1,846	240
2009/10	1,437	4,351	268
2010/11	2,107	3,723	383
2011/12	2,275	4,371	377
2012/13	2,352	5,060	376
2013/14	3,020	5,247	401
2014/15	3,866	5,737	310
2015/16	5,154	7,898	409
2016/17	2,472	7,762	596

Source: CGA

Table 6: PSD Grapefruit, Fresh

Grapefruit, Fresh Market Begin Year South Africa	2016/2017		2017/2018		2018/2019	
	Jan 2017		Jan 2018		Jan 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	7393	7393	7900	7950	0	8200
Area Harvested	6730	6730	7000	7100	0	7600
Bearing Trees	7000	7000	7200	7200	0	7400
Non-Bearing Trees	600	600	650	700	0	800

Total No. Of Trees	7600	7600	7850	7900	0	8200
Production	354	354	370	419	0	450
Imports	1	1	4	3	0	3
Total Supply	355	355	374	422	0	453
Exports	231	231	240	288	0	310
Fresh Dom. Consumption	6	6	7	7	0	8
For Processing	118	118	127	127	0	135
Total Distribution	355	355	374	422	0	453
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Oranges, Fresh

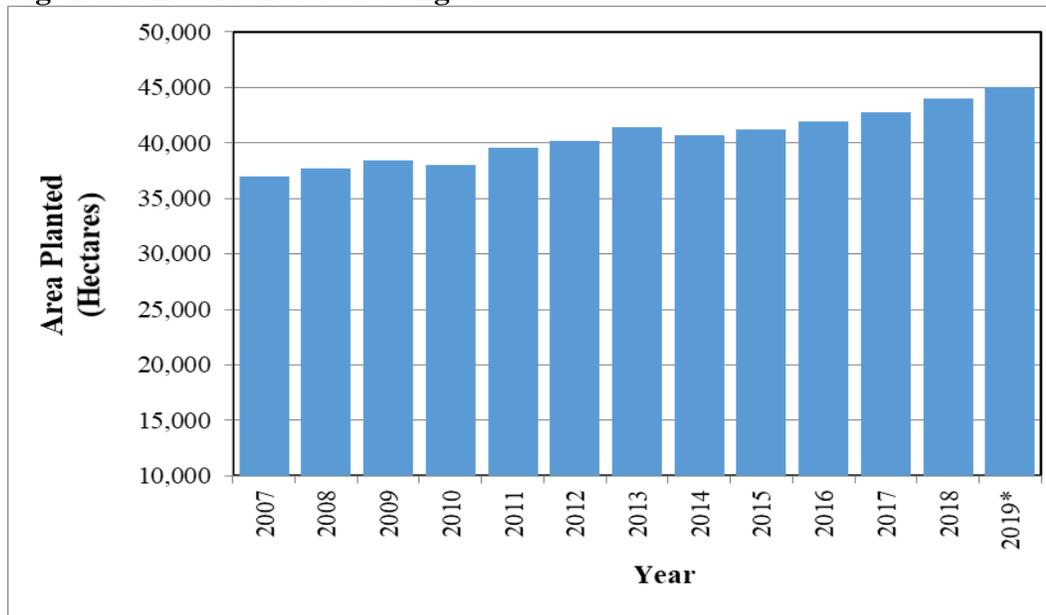
Production

The production of oranges is forecast to increase by 5 percent to 1.62 Million MT in the 2018/19 MY, from 1.55 Million MT in the 2017/18 MY. This is due to the rise in area planted, bigger sized fruits and normal weather conditions. The 2017/18 MY production of oranges was revised upwards to 1.55 Million MT, based on the lower than expected impact of the drought to production in the Western Cape Province, and lower than estimated hail damage in the Mpumalanga Province.

Limpopo is the leading growing region for oranges accounting for 49 percent of the total area planted, followed by the Eastern Cape (25 percent), Western Cape (15 percent), Mpumalanga (8 percent), KwaZulu Natal (1 percent), Northern Cape (1 percent) and the North West Province (1 percent). Valencia's account for about 61 percent of the total area planted to oranges, and navels account for 39 percent. The predominant variety planted is the Midnight accounting for 22 percent of the total area planted, followed by the Valencia Late variety at 12 percent, Delta (11 percent), Palmer (8 percent), Turkey (7 percent), Bennie (6 percent), Bahianinha (5 percent) and Cambria 95 percent).

The area planted with oranges is forecast to grow marginally by about 2 percent to 45,000 hectares in the 2018/19 MY, from 44,000 hectares, based on the increases in area planted to seedless orange varieties. This rise will be partially offset by the industry shift from orange production to soft citrus in the Western Cape and Limpopo regions. **Figure 4** below shows the trend in the area planted to oranges since 2007.

Figure 4: Area Planted to Oranges



*Forecast.

Source: CGA

Consumption

Post forecasts that the 2018/19 MY consumption of oranges will increase by 1 percent to 73,000 MT, from 72,000 MT in the 2017/18 MY, based on the growth in production. Fresh oranges are the most popular citrus consumed in South Africa with a per capita consumption of about 1.5 kg per annum.

Exports

The export of oranges is forecast to increase by 4 percent to 1.33 Million MT in the 2018/19 MY, from 1.28 Million MT in the 2017/18 MY, based on the increase in production, growth in demand from China and Hong Kong, and South Africa's successful efforts in addressing the CBS challenges in the EU market. South Africa prioritizes supplying export markets, and the surplus oranges are supplied to the domestic fresh and processed markets. The EU remains South Africa's largest export market for oranges, accounting for approximately 40 percent of the total export market. However, exports to Asia and the Middle East have grown steadily over the years due to the focus being placed by industry in growing these markets. Exports to the United States are expected to continue based on the duty free access under the African Growth and Opportunity Act (AGOA). However, a gradual shift from oranges to soft citrus exports is expected, as South African farmers supplying the United States market have been switching their orchards from oranges to soft citrus in response to market preferences and the higher premium received in the United States market. This shift is reflected in the decline of oranges exported to the United States from 44,721 MT in the 2014/15 MY, to 39,837 MT in the 2016/17 MY.

Table 7: South African Fresh Orange Exports

South Africa Export Statistics				
Commodity: 080510, Oranges, Fresh				
Year Ending: December				
Partner Country	Unit	Quantity		
		2015	2016	2017
World	T	1,159,430	1,063,855	1,170,575
Netherlands	T	231,979	221,672	258,478
United Arab Emirates	T	116,097	99,483	86,155
Saudi Arabia	T	86,906	93,219	81,541
Russia	T	89,439	68,247	79,242
China	T	44,269	48,643	78,291
United Kingdom	T	67,296	60,153	73,361
Hong Kong	T	43,448	49,893	69,031
Portugal	T	54,840	57,873	67,515
Bangladesh	T	38,861	32,603	45,517
United States	T	44,721	40,416	39,837
Italy	T	36,362	33,518	38,038
Canada	T	37,875	32,507	31,857
Malaysia	T	28,214	28,936	28,211
Kuwait	T	47,246	25,943	23,238
Singapore	T	11,335	9,083	12,475
India	T	11,128	4,266	11,474
Oman	T	7,511	5,266	11,247
Germany	T	3,556	10,796	10,705
Qatar	T	6,713	4,123	8,916

Bahrain	T	4,614	4,810	8,833
France	T	25,589	16,949	6,728
Sweden	T	7,008	7,046	6,496
Mozambique	T	11,318	4,487	5,340
Taiwan	T	3,768	3,918	5,195

Source: GTA

Imports

The import of oranges is forecast to remain flat at 3,000 MT in the 2018/19 MY, based on adequate supply. Oranges are usually imported into South Africa in November and December to close supply gaps and satisfy year-end demand.

Table 8: South African Fresh Orange Imports

South Africa Import Statistics				
Commodity: 080510, Oranges, Fresh				
Year Ending: December				
Partner Country	Unit	Quantity		
		2015	2016	2017
World	T	12,704	1,158	2,245
Spain	T	361	531	1,151
Swaziland	T	11,891	349	806
Egypt	T	139	24	121
Saudi Arabia	T	0	0	113
Bahrain	T	0	0	27
Turkey	T	0	26	24
Israel	T	0	11	6
United Kingdom	T	20	0	0
Belgium	T	0	50	0
China	T	221	0	0
Lesotho	T	3	0	0
Malaysia	T	0	22	0
Netherlands	T	25	122	0
Portugal	T	0	21	0
Russia	T	26	0	0

*Imports up to October 2018.

Source: GTA

Prices

Table 9 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 because the domestic and processed markets offer lower prices.

Table 9: Oranges Prices

MY	Local Market	Export Market	Processed
	Average Price	Gross Price	Gross Price
	Rand/ MT	Rand/ MT	Rand/ MT
2003/04	1,090	2,425	274
2004/05	1,111	1,580	229
2005/06	1,025	1,843	301
2006/07	1,278	2,832	354
2007/08	1,430	3,443	419
2008/09	1,483	3,235	268
2009/10	1,599	4,043	349
2010/11	1,762	4,691	529
2011/12	1,895	4,318	564
2012/13	2,054	4,975	591
2013/14	2,230	5,781	618
2014/15	2,535	6,576	652
2015/16	3,799	8,570	1,002
2016/17	3,604	8,656	1,069

Source: CGA

Table 10: PSD Oranges, Fresh

Oranges, Fresh Market Begin Year South Africa	2016/2017		2017/2018		2018/2019	
	Jan 2017		Jan 2018		Jan 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	42711	42711	44000	44000	0	45000
Area Harvested	36500	36500	38000	39000	0	40000
Bearing Trees	38000	38000	38300	38300	0	39000
Non-Bearing Trees	4000	4000	4100	4100	0	4200
Total No. Of Trees	42000	42000	42400	42400	0	43200
Production	1363	1363	1470	1550	0	1620
Imports	2	2	10	3	0	3
Total Supply	1365	1365	1480	1553	0	1623
Exports	1171	1171	1220	1280	0	1330
Fresh Dom. Consumption	71	71	72	72	0	73
For Processing	123	123	188	201	0	220
Total Distribution	1365	1365	1480	1553	0	1623

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

Tangerines/Mandarins (Soft Citrus), Fresh

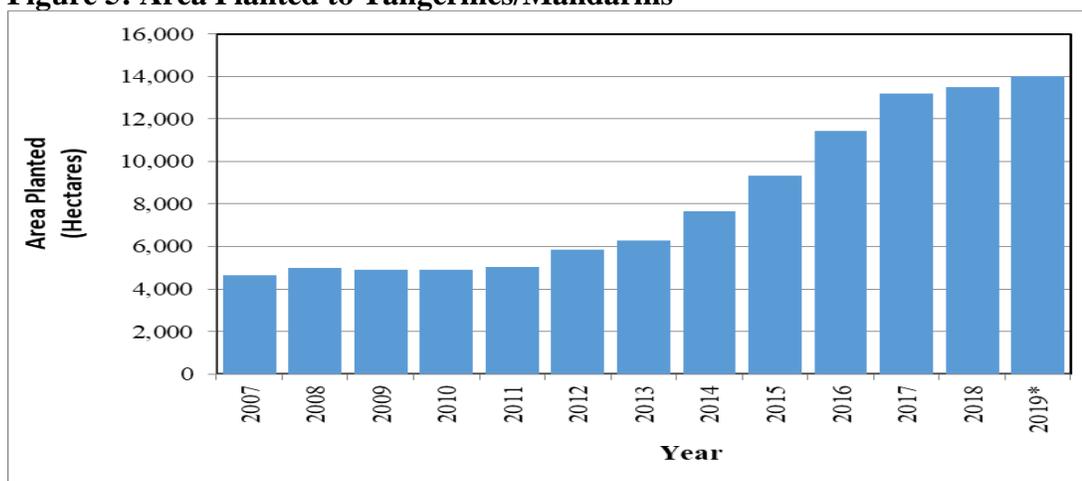
Production

The production of tangerines/mandarins is forecast to increase by 7 percent to 300,000 MT in the 2018/19 MY, from 280,000 MT in the 2017/18 MY. This is due to the rise in area planted, normal weather conditions, and the high level of new-plantings in the past five years coming into full production. The 2017/18 MY production of tangerines/mandarins was revised upwards to 280,000 MT, based on the lower than expected impact of the drought to production in the Western Cape, new orchards coming into full production, and higher than estimated production in the new growing regions of Eastern Cape, Limpopo and Mpumalanga. There is a growing trend of farmers establishing new orchards under netting which has improved the water efficiency and the overall quality of soft citrus production in South Africa.

About 42 percent of tangerines/mandarins are produced in the Western Cape, followed by 31 percent in the Eastern Cape and 21 percent in Limpopo. The Western Cape is a winter rainfall region, and the 2018 winter rainfall will be used for irrigation in the following year in 2019. Dam levels are currently at 60 percent in 2018, compared to about 20 percent at the same time in 2017. The 2018/19 MY production is expected to return to normal levels in the Western Cape following the 2017 drought conditions.

The area planted to tangerines/mandarins is forecast to increase by 4 percent to 14,000 hectares in the 2018/19 MY, from 13,500 hectares in the 2017/18 MY. This is due to growers responding to the increasing global demand for seedless tangerines/mandarins. **Figure 5** shows that the area planted with tangerines/mandarins was flat from the 2006/07 MY to the 2010/11 MY. Thereafter, there has been significant annual increases in area planted, due to the increased investment in new orchards in response to global demand and high revenue. The predominant variety planted in South Africa is the Nardocott accounting for 27 percent of the area planted, followed by the Nova variety at 14 percent, Nules (12 percent), Tango (9 percent), Orri (7 percent) and Miho Wase (6 percent).

Figure 5: Area Planted to Tangerines/Mandarins



*Forecast. Source: CGA

Consumption

The consumption of tangerines/mandarins is forecast to increase by 7 percent to 16,000 MT in the 2018/19 MY, from 15,000 MT in the 2017/18 MY, due to the increase in production. The 2017/18 MY domestic consumption was revised downwards to 15,000 MT, based on the industry strategy of prioritizing export markets which resulted in lower volumes being delivered to the local market.

Exports

The exports of tangerines/mandarins is forecast to increase by 7 percent to 280,000 MT in the 2018/19 MY, from 261,000 MT in the 2017/18 MY, based on the increase in production and the industry strategy of prioritizing export markets over domestic markets. Demand for tangerines/mandarins remains strong in the export markets, with the United Kingdom as the leading export market accounting for 30 percent of the total exports. The 2017/18 MY Tangerines/mandarins are not impacted by South Africa's CBS challenges in the EU market. Exports to the United States under the AGOA have grown by an average of 15 percent per year over the past four seasons, from 7,443 MT in the 2013/14 MY, to 11,180 MT in the 2016/17 MY.

Table 11: South African Fresh Tangerines/Mandarins Exports

South Africa Export Statistics				
Commodity: Tangerines/mandarins , Tangerines/mandarins (080520, 080521, 080522, 080529)				
Year Ending: December				
Partner Country	Unit	Quantity		
		2015	2016	2017
World	T	156,589	189,601	209,801
United Kingdom	T	61,307	66,152	63,212
Netherlands	T	32,022	47,254	49,705
Russia	T	14,468	14,200	20,222
Hong Kong	T	4,573	9,228	12,309
United States	T	8,638	10,287	11,180
United Arab Emirates	T	7,126	6,732	8,038
Canada	T	6,208	6,729	8,035
Ireland	T	3,742	5,637	5,044
Portugal	T	1,102	2,412	4,347
Bosnia & Herzegovina	T	96	969	3,004
China	T	421	777	2,257
Saudi Arabia	T	1,911	2,335	2,170
Bangladesh	T	247	1,216	2,129
Vietnam	T	1,036	984	1,952
Malaysia	T	1,416	1,385	1,602
Mauritius	T	1,128	1,219	1,494
Germany	T	2,057	1,559	1,459
France	T	974	1,357	1,245

Singapore	T	617	903	921
Finland	T	987	727	897
Qatar	T	307	345	717
Senegal	T	710	693	710
Kuwait	T	570	550	706
Bahrain	T	603	574	678
Angola	T	207	460	557

Source: GTA

Imports

Post forecasts that the 2018/19 MY imports of tangerines/mandarins will remain flat at 1,000 MT. South African tangerines/mandarins imports are only marginal in order to satisfy out of season demand.

Table 12: South African Fresh Tangerines/Mandarins Imports

South Africa Import Statistics				
Commodity: Tangerines/mandarins , Tangerines/mandarins (080520, 080521, 080522, 080529)				
Year Ending: December				
Partner Country	Unit	Quantity		
		2015	2016	2017
World	T	849	962	1,350
Spain	T	530	584	1,033
Israel	T	285	308	200
South Africa	T	301	306	144
United Kingdom	T	0	21	49
Turkey	T	0	22	46
Canada	T	0	0	22
Germany	T	0	25	0
Swaziland	T	31	0	0
Thailand	T	5	0	0

Source: GTA

Prices

Export markets provide the highest prices for South African soft citrus as shown in **Table 13**.

Table 13: Tangerines/Mandarins Prices

MY	Local Market	Export Market	Processed
	Average Price	Gross Price	Gross Price
	Rand/ MT	Rand/ MT	Rand/ MT
2003/04	1,705	3,638	251

2004/05	1,279	3,977	165
2005/06	2,133	4,423	188
2006/07	2,543	3,758	214
2007/08	3,038	4,965	367
2008/09	3,042	4,635	275
2009/10	3,805	5,618	214
2010/11	4,091	5,637	315
2011/12	3,760	7,133	419
2012/13	5,159	8,542	334
2013/14	5,442	10,004	465
2014/15	5,606	11,392	391
2015/16	6,785	14,242	532
2016/17	6,037	13,489	614

Source: CGA

Table 14: PSD Tangerines/Mandarins, Fresh

Tangerines/Mandarins, Fresh Market Begin Year	2016/2017		2017/2018		2018/2019	
	Feb 2017		Feb 2017		Feb 2018	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
South Africa						
Area Planted	13182	13182	13500	13500	0	14000
Area Harvested	11100	11100	11000	11200	0	11500
Bearing Trees	6400	6400	6500	6600	0	7000
Non-Bearing Trees	2400	2400	2600	2600	0	2700
Total No. Of Trees	8800	8800	9100	9200	0	9700
Production	261	261	255	280	0	300
Imports	1	1	1	1	0	1
Total Supply	262	262	256	281	0	301
Exports	210	210	230	261	0	280
Fresh Dom. Consumption	28	28	18	15	0	16
For Processing	24	24	8	5	0	5
Total Distribution	262	262	256	281	0	301

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

Lemons/Limes, Fresh

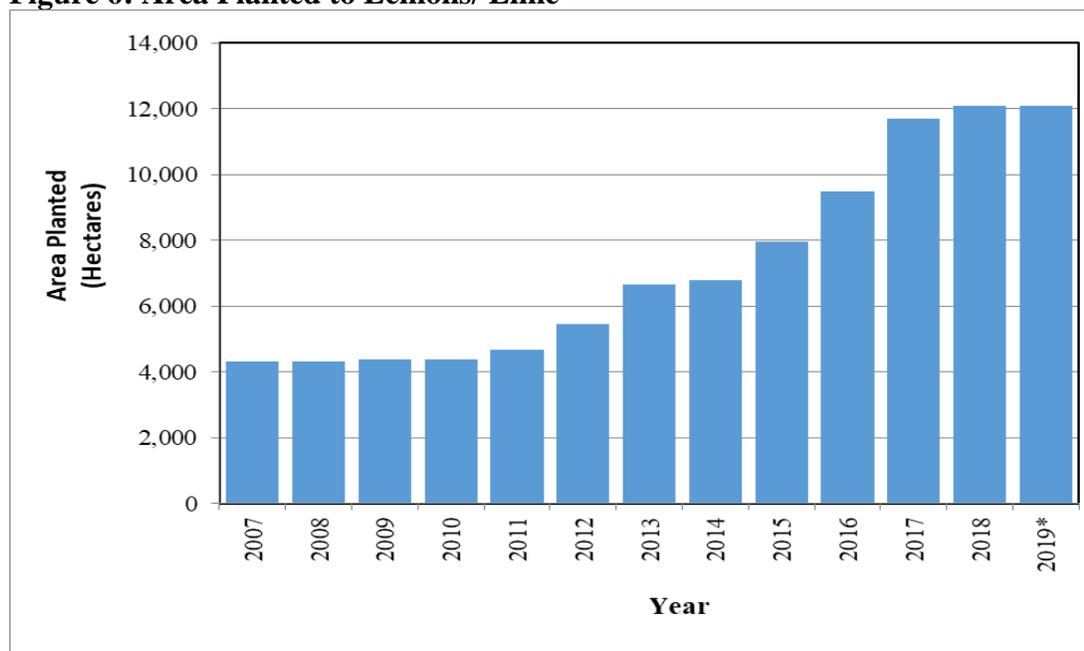
Production

The production of lemons/limes is forecast to increase by 4 percent to 480,000 MT in the 2018/19 MY, from 460,000 MT in the 2017/18 MY. This is due to the rise in area planted, normal weather conditions, and the high level of new-plantings in the past five years coming into full production. The 2016/17 MY production of lemon and limes remains unchanged at 430,305 MT based on final industry data.

The Eastern Cape Province is the leading growing region for lemons and limes in South Africa accounting for 47 percent of the total area planted, followed by Limpopo (34 percent), Western Cape (11 percent) and Kwa-Zulu Natal (4 percent). The most popular variety of lemons planted in South Africa is the Eureka accounting for about 83 percent of the area planted, followed by Lisbon (9 percent), Limoneira 8A (4 percent), and Genoa (3 percent).

Figure 6 shows that the area planted with lemons/limes was initially flat from the 2006/07 MY to the 2009/10 MY. However, similar to tangerines/mandarins, the area planted increased gradually from 4,667 hectares in the 2010/11 MY, to an estimated 12,500 hectares in the 2018/19 MY, in response to growth in demand and higher prices in the export market.

Figure 6: Area Planted to Lemons/ Lime



*Forecast.

Source: CGA

Consumption

The domestic consumption of lemons is forecast to increase by 11 percent to 21,000 MT in the 2018/19 MY, from 19,000 MT in the 2017/18 MY, based on the growth in production. Lemon juice is used as flavoring for poultry and fish dishes, and a flavor agent in cakes, tarts, biscuits, candies, ice creams and

salad dressings. 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

The exports of lemons and limes is forecast to increase by 5 percent to 330,000 MT in the 2018/19 MY, from 315,000 MT in the 2017/18 MY, based on the increase in production and growth in demand from the Middle East and Asian markets. The European Union still remains the main export market for South African lemons and limes.

Table 15: 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		
		2015	2016	2017
World	T	246,294	236,867	299,260
United Arab Emirates	T	48,747	49,116	52,510
Netherlands	T	23,735	33,941	33,986
Saudi Arabia	T	25,812	28,952	31,925
Russia	T	31,440	18,019	30,483
Hong Kong	T	20,474	15,372	26,039
United Kingdom	T	16,174	20,428	22,702
Kuwait	T	12,465	14,540	18,915
Canada	T	10,636	9,224	12,454
Italy	T	5,122	8,656	10,455
Malaysia	T	7,006	6,857	8,382
Vietnam	T	4,000	2,944	6,209
Portugal	T	1,572	3,308	5,880
Singapore	T	7,724	3,826	4,053
Bahrain	T	2,920	2,993	3,463
Qatar	T	3,218	1,768	3,449
Iraq	T	0	0	2,599
Oman	T	548	608	2,345
France	T	690	771	2,183
Germany	T	7,310	2,975	2,105
Greece	T	1,101	1,135	1,639
Azerbaijan	T	1,011	147	1,481
Ukraine	T	2,944	988	1,434
Georgia	T	2,970	2,198	1,420

Japan	T	375	552	1,235
Indonesia	T	51	674	1,097
Sweden	T	552	279	1,067
Ireland	T	562	451	1,056
Mauritius	T	722	905	1,041

Source: GTA

Imports

Post forecasts that the 2018/19 MY imports of lemons/limes will remain flat due to the available domestic production which sufficiently meets the local demand. Imports are minimal from Spain, Swaziland and Brazil.

Table 16: 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		
		2015	2016	2017
World	T	422	448	487
Spain	T	206	155	181
Swaziland	T	34	24	138
Brazil	T	138	128	102
United Kingdom	T	0	0	34
Turkey	T	44	91	29
Other Countries NES	T	0	0	3
France	T	1	0	0
United Arab Emirates	T	0	52	0
United States	T	0	0	0

Source: GTA

Prices

Export markets provide the highest prices for South African lemons/limes as shown in **Table 17**.

Table 17: Lemons/Limes Prices

MY	Local Market	Export Market	Processed
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	Average Price	Gross Price	Gross Price
	Rand/ MT	Rand/ MT	Rand/ MT
2004/05	1,692	1,476	258
2005/06	1,753	2,478	178
2006/07	2,460	3,238	396
2007/08	3,105	3,961	611
2008/09	3,346	2,120	542
2009/10	3,940	5,329	731
2010/11	3,489	5,426	982
2011/12	4,291	5,426	720
2012/13	5,668	6,994	596
2013/14	6,619	11,058	1,288
2014/15	7,453	12,340	1,378
2015/16	7,697	16,483	1,842
2016/17	7,445	13,289	1,657

Source: CGA

Table 18: PSD Lemons/Limes, Fresh

Lemons/Limes, Fresh Market Begin Year	2016/2017		2017/2018		2018/2019	
	Jan 2017		Jan 2018		Jan 2019	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
South Africa						
Area Planted	11710	11710	12100	12100	0	12500
Area Harvested	9700	9700	10000	10000	0	10500
Bearing Trees	6200	6200	6400	6400	0	6600
Non-Bearing Trees	2100	2100	2200	2300	0	2400
Total No. Of Trees	8300	8300	8600	8700	0	9000
Production	430	430	460	460	0	480
Imports	1	1	1	1	0	1
Total Supply	431	431	461	461	0	481
Exports	299	299	330	315	0	330
Fresh Dom. Consumption	17	17	17	19	0	21
For Processing	115	115	114	127	0	130
Total Distribution	431	431	461	461	0	481

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

Orange Juice

Production

The production of orange juice is forecast to increase by 9 percent to 35,000 MT in the 2018/19 MY, from 32,000 MT in the 2017/18 MY, based on the increase in the quantity of fresh oranges delivered for processing.

Industry coordinated statistics for orange juice are largely unavailable in South Africa. The production, consumption and stock levels represent Posts` forecast based on information derived from various sources, contacts and calculations of extractions from fresh oranges delivered for processing.

Consumption

The domestic consumption of orange juice is forecast to increase by 6 percent to 5,000 MT in the 2018/19 MY, from 4,700 MT in the 2017/18 MY, based on the increase in production and supply availability. The relatively high food price inflation has resulted in restricted growth in the domestic consumption of fresh fruit juices especially the one hundred percent fruit juice, and the shift in demand to orange juice concentrates.

Export

Post forecasts that the 2018/19 MY exports of orange juice will increase by 6 percent to 33,000 MT, from 31,000 MT in the 2017/18 MY, based on the available supply and increase in production. The 2017/18 MY exports of orange juice were revised upwards to 31,000 MT, based on the pace of exports up to October 2018.

Post adjusted the orange juice export data to the equivalent of 65 Degrees Brix based on the respective conversion factors shown on the export tables below. 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 orange juice.

Producers in South Africa prefer to export fresh oranges rather than to sell to processors as export prices are eight times higher than prices achieved from processors. Netherlands, Botswana, Mozambique, Mauritius, Zambia and Zimbabwe are the biggest markets for South African orange juice exports.

Table 19: South African Orange Juice Exports – HS200919

South Africa Export Statistics

Commodity: 200919, Orange Juice, Other Than Frozen, Whether Or Not Sweetened					
Year Ending: December					
Partner Country	Unit	Quantity			
		2015	2016	2017	2018*
World	T	37,297	30,649	23,722	19,095
Botswana	T	7,065	7,228	6,530	5,828
Namibia	T	3,208	4,936	4,562	3,675
Swaziland	T	3,229	3,464	3,008	2,662
Netherlands	T	7,230	3,534	377	1,919
Zimbabwe	T	3,516	1,920	2,536	1,919
Lesotho	T	2,512	1,893	1,341	888
Zambia	T	1,372	1,014	1,258	489
Mozambique	T	2,893	1,320	871	428
Ethiopia	T	1,061	789	665	276
Italy	T	507	533	196	269
Malawi	T	91	290	342	206
Congo Dem. Rep.	T	77	181	116	17
United Arab Emirates	T	1	44	111	16

*Exports up to October 2018.

Source: GTA and Post adjustments to 65 Degrees Brix (Conversion Factor 1.02).

Table 20: South African Orange Juice Exports – HS200911

South Africa Export Statistics					
Commodity: 200911, Orange Juice, Frozen, Whether Or Not Sweetened					
Year Ending: December					
Partner Country	Unit	Quantity			
		2015	2016	2017	2018*
World	T	6,242	3,766	3,496	7,547
Netherlands	T	4,669	2,361	2,659	6,206
India	T	0	126	133	218
Hong Kong	T	0	0	78	177
Spain	T	89	68	68	156
Belgium	T	0	0	1	142
Botswana	T	373	553	328	122
United States	T	0	0	51	105
Korea South	T	0	0	0	66
Italy	T	60	72	0	60
Mozambique	T	224	47	25	56
Zimbabwe	T	76	64	3	50

*Exports up to October 2018.

Source: GTA and Post adjustments to 65 Degrees Brix (Conversion Factor 1.00).

Table 21: South African Orange Juice Exports – HS200912

South Africa Export Statistics					
Commodity: 200912, Orange Juice, Not Frozen, Of A Brix Value Not Exceeding 20					

Year Ending: December					
Partner Country	Unit	Quantity			
		2015	2016	2017	2018*
World	T	1,662	310	524	3,642
Cote d Ivoire	T	3	1	3	820
United Arab Emirates	T	57	9	34	298
Philippines	T	55	8	57	257
Mozambique	T	214	85	52	205
Kenya	T	0	0	10	198
Tanzania	T	28	3	18	193
Mauritius	T	760	20	35	185
Congo	T	141	0	19	172
Ghana	T	18	1	21	150
Ethiopia	T	4	9	12	150
Congo Dem. Rep.	T	0	0	8	112
Madagascar	T	36	9	27	110

*Exports up to October 2018.

Source: GTA and Post adjustments to 65 Degrees Brix (Conversion Factor 0.18).

Imports

The imports of orange juice is forecast to increase by 13 percent to 4,500 MT in the 2018/19 MY, from 4,000 MT in the 2017/18 MY, based on the anticipated low orange juice supply in South Africa following the previous two seasons' low orange stocks. Zimbabwe, Brazil and Spain are the main suppliers 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 shown on the import tables below.

Table 22: South African Orange Juice Imports – HS200919

South Africa Import Statistics					
Commodity: 200919, Orange Juice, Other Than Frozen, Whether Or Not Sweetened					
Year Ending: December					
Partner Country	Unit	Quantity			
		2015	2016	2017	2018*
World	T	1,307	1,043	2,168	691
Zimbabwe	T	706	692	771	303
Brazil	T	0	232	642	203
Spain	T	0	0	450	126

*Imports up to October 2018.

Source: GTA and Post adjustments to 65 Degrees Brix (Conversion Factor 1.02).

Table 23: South African Orange Juice Imports – HS200911

South Africa Import Statistics		
Commodity: 200911, Orange Juice, Frozen, Whether Or Not Sweetened		
Year Ending: December		
Partner Country	Unit	Quantity

		2015	2016	2017	2018*
World	T	0	51	514	0
Argentina	T	0	0	422	0
Brazil	T	0	51	73	0
Israel	T	0	0	19	0

*Imports up to October 2018.

Source: GTA and Post adjustments to 65 Degrees Brix (Conversion Factor 1.00).

Table 24: South African Orange Juice Imports – HS200912

South Africa Import Statistics					
Commodity: 200912, Orange Juice, Not Frozen, Of A Brix Value Not Exceeding 20					
Year Ending: December					
Partner Country	Unit	Quantity			
		2015	2016	2017	2018*
World	T	0	5	11	17
Other Countries NES	T	0	0	11	0
Vietnam	T	0	0	0	17
Zimbabwe	T	0	5	0	0

*Imports up to October 2018.

Source: GTA and Post adjustments to 65 Degrees Brix (Conversion Factor 0.18).

Table 25: PSD Orange Juice

Orange Juice Market Begin Year	2016/2017		2017/2018		2018/2019	
	Apr 2017		Apr 2018		Apr 2019	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	123000	123000	188000	201000	0	220000
Beginning Stocks	10539	10539	257	257	0	557
Production	19367	19367	30000	32000	0	35000
Imports	2693	2693	5000	4000	0	4500
Total Supply	32599	32599	35257	36257	0	40057
Exports	27742	27742	28500	31000	0	33000
Domestic Consumption	4600	4600	6000	4700	0	5000
Ending Stocks	257	257	757	557	0	2057
Total Distribution	32599	32599	35257	36257	0	40057
(MT)						

Policies and Regulations:

United States Cold Sterilization Protocol

The Western Cape Province is the only growing region in South Africa authorized to export citrus to the United States under the cold treatment schedule to address False Codling Moth (FCM). The United States Animal Plant Health Inspection Service (APHIS) has reduced the cold treatment schedule from 24 to 22 days, which has been hugely beneficial to South Africa in terms of reducing shipping costs and in reducing fruit loss from cold damage. Exports to the United States 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, as well as relevant districts of the Free State and North West Provinces. On August, 28, 2014, APHIS issued a notice proposing to amend the fruits and vegetables regulations to allow the import 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. The regulation would authorize imports on condition of satisfying certain systems and SPS treatment procedures. 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.

Citrus Black Spot Challenges in the European Union Market

South Africa still faces challenges in the European Union (EU) market as a result of the stringent CBS requirements, and normally voluntarily suspends citrus exports to the EU every season to avoid any further interceptions of fruit with CBS. For example, in October 2017, South Africa voluntarily suspended citrus exports to the EU, as a precaution and risk mitigation measure to prevent a ban on citrus exports to the EU. Complying with the EU requirements for CBS costs the industry a lot of money, constrains the already limited government capacity and the scientific basis for these measures have been questioned. In addition, Argentina and Uruguay are reported to have higher CBS interceptions than South Africa. Thus South Africa considers these EU measures an unnecessary technical trade barrier. Industry estimates that the cost of complying with the EU CBS requirements is around R1.8 Billion (US\$129 Million) and may not be sustainable in the long run.

South Africa Fresh Produce Importers Association

The Fresh Produce Importers Association assists members with the importation of fresh fruit and vegetables in South Africa. Information on their members, contact details and services they provide can be obtained from the following website link, <http://www.fpia.co.za/contact-us/>.

Custom Duties

United States citrus exports face a 4 percent customs duty in South Africa. **Table 26** reflects the applicable custom duties when exporting citrus to South Africa

Table 26: Custom Duties Applicable to Exports to South Africa

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

Source: South African Revenue Services (SARS)

South African Import Regulation

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

Export Procedures 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%20of%201990.pdf>

Agricultural Pests Amendment Act, 9 of 1992

<http://www.nda.agric.za/doaDev/sideMenu/APIS/doc/Agricultural%20Pests%20Act.pdf>