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South Africa - Republic of

Citrus Semi-annual

South Africa Citrus Supply and Demand Report

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Report Highlights:
The impact of the drought and hail damage is anticipated to have a greater effect in the production areas of Limpopo resulting in decreases in the 2015/16 MY production of grapefruit and oranges by 15% and 5%, respectively. Post estimates that the 2015/16 MY production of Tangerines/Mandarins and lemons/lime will increase by 3% and 2%, respectively, as the production areas of the Eastern Cape and Western Cape were less affected by the drought. Post forecasts that the impact of the drought to all the citrus production areas could be worse off in the 2016/17 MY if winter and summer rains are below average.

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

Exchange rate: Rand/US$ Exchange = 15

Executive Summary

Post estimates that the 2015/16 MY grapefruit production in South Africa will decrease by fifteen percent to 329,000 MT from 386,569 MT in the 2014/15 MY, based on the impact of the drought, the small fruit sizes and severe hail damage in Hoedspruit. This will result in a ten percent decrease in the 2015/16 MY exports to 200,000 MT.

Post estimates that the production of oranges will decrease by five percent to 1,560 million MT in the 2015/16 MY from1,645 million MT in the 2014/15 MY , based on the impact of the drought, the smaller than usual fruit sizes and hail in the Limpopo growing areas. The orange production areas in the Eastern Cape and Western Cape had increases in production due to increases in area planted and the availability of irrigation water. Post estimates that the exports of oranges will decrease by seven percent to 1,080 million MT in the 2015/16 M, based on the decrease in production and uncertainty in the EU market due to the ongoing Citrus Black Spot (CBS) challenges.

Post estimates that the production of soft citrus will increase by three percent to 210,000 MT in the 2015/16 MY from 202,563MT in the 2014/15 MY, based on the increase in area planted and new orchards coming into full production, which was partially offset by the impact of the drought. This will result in a five percent increase of the 2015/16 MY exports to 165,000 MT.

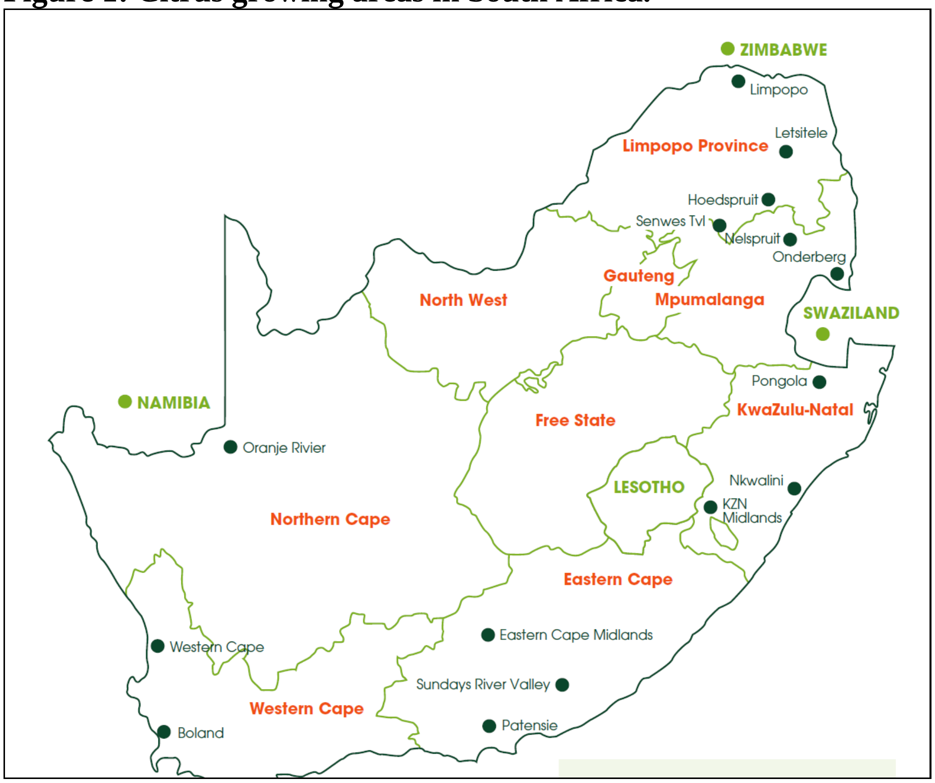
Post estimates that the production of lemons/limes will increase by two percent to 345,000 MT in the 2015/16 MY from 339,130 MT in the 2014/15 MY, based on the increase in area planted and new orchards coming into production. As a result, the 2015/16 MY exports of lemons/limes will increase by four percent to 255,000 MT.

Post estimates that the production of orange juice will decrease by less than a percent to 41,954 MT in the 2015/16 MY from 42,163 MT in the 2014/15 MY, based on the fresh oranges delivered for processing.

Background

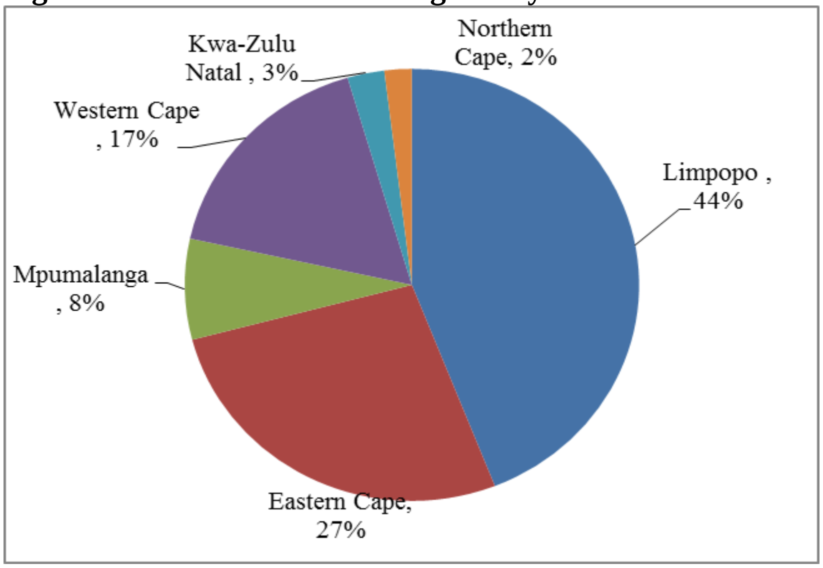
In the 2014/15 MY, approximately 65,596 hectares (Ha) of citrus was planted in South Africa, a 5% increase from the 2014/15 MY planted area of 62,658 Ha, driven by the rise in investment due to growth in revenue as a result of the weakening exchange rate. The Limpopo, Western Cape, Mpumalanga, Eastern 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 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)

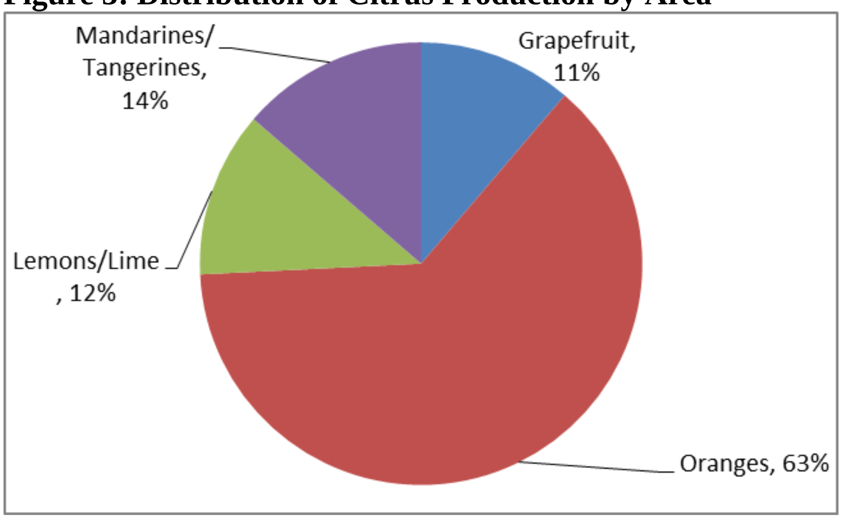
Figure 2: Citrus Production Regions by Area



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 approximately 210 commercial citrus varieties being planted in South Africa. **Table 1** shows the most common citrus varieties planted in South Africa. Star Ruby is the most planted grapefruit variety due to its high global demand. Producers prefer Valencia oranges over Navels as Valencia's have a longer shelf life and produce more yields than Navels. Nardocott is one of the most popular soft citrus cultivars in South Africa. In 2016, the Tango variety was granted a plant breeders right by 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 and therefore any Tango plantings being undertaken must be authorized.

Table 1: Citrus Varieties

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

Source: CGA

Table 2: South Africa Harvest Period for Citrus

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

Source: CGA

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

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

Citrus	2014/2015 MY			2015/2016 MY		
	Production	Domestic Consumption	Exports	Production	Domestic Consumption	Exports
	MT	MT	MT	MT	MT	MT
Oranges	1,645,183	95,000	1,159,630	1,560,000	95,000	1,080,000
Grapefruit	386,569	5,000	220,956	329,000	5,000	200,000
Lemons	339,130	15,127	246,290	345,000	15,000	255,000
Soft Citrus	202,563	23,941	156,565	210,000	24,000	165,000
Total	**2,573,445**	**139,068**	**1,783,441**	**2,444,000**	**139,000**	**1,700,000**

Source: CGA and Post estimates

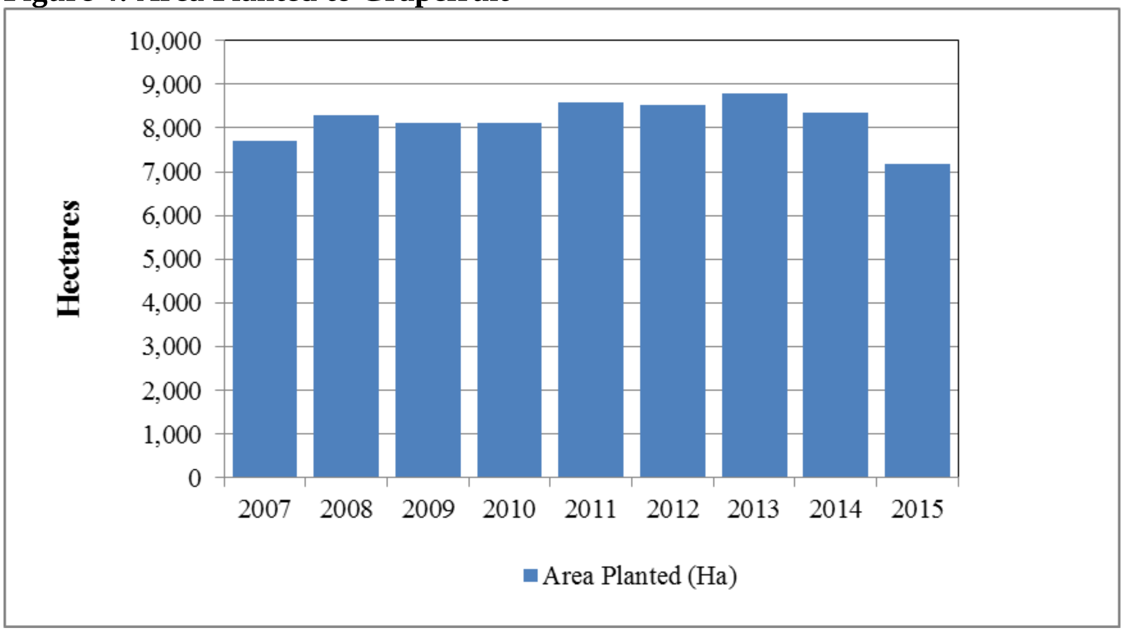
Grapefruit, Fresh

Production

Post estimates that the 2015/16 MY grapefruit production in South Africa will decrease by fifteen percent to 329,000 MT, based on the impact of the drought, the small fruit sizes and severe hail damage in Hoedspruit. The 2014/15 MY grape fruit production has been revised downwards to 386,569 MT based on final industry data. The 2013/14 MY grape fruit production remains unchanged at 413,259 MT, and was a high production season based on excellent growing conditions.

Figure 4 below illustrates that the area planted to grapefruit decreased by fourteen percent to 7,181 ha in the 2014/15 MY from 8,361 ha in the 2013/14 MY. The peak 2012/13 MY area planted remains unchanged at 8,796 hectares based on industry data. The full effects of the current drought to the area planted and production of grapefruit are expected to be felt severely in the 2016/17 MY if no summer rains are received in 2016.

Figure 4: Area Planted to Grapefruit



Source: CGA

Consumption

Post estimates that the grapefruit domestic consumption will remain flat at 5,000 MT in the 2015/16 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 for juice, the majority of which is exported to Europe. The left over pulp following commercial juice extraction is an important source of grapefruit oil which is used as a flavoring in many soft drinks. The inner peel is a source of pectin and citric acid, which are both used by the food industry to preserve fruits, jams, and marmalades. Naringin is also extracted from grapefruit peel, and gives tonic-water its distinctive bitter flavor. Finally, the grapefruit peel oil is used in scented fragrances.

Exports

Post estimates that the 2015/16 MY grapefruit exports will decrease by ten percent to 200,000 MT based on the decrease in production. The 2014/15 MY grapefruit exports remains unchanged at 220,956 MT, based on the final Global Trade Atlas (GTA) figures. The 2013/14 MY exports of grapefruit remains unchanged at 217,382 MT, based on final GTA data.

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. There is also a growing emphasis to grow the Middle East and Africa markets. While volumes are still low, exports to the United States have been growing, from 76 MT in the 2012/13 MY to 1,051 MT in the 2013/14 MY and 1,802 MT in the 2015/16 MY. Citrus exports to the United States are expected to grow 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 third largest market for South Africa's grapefruit exports, imposes a five percent or US$27.96/ton (whichever is greater), while Canada, Hong Kong and the UAE apply a zero percent MFN tariff.

Table 4: South African Fresh Grapefruit exports

South Africa Export Statistics				
Commodity: 080540, Grapefruit, Fresh Or Dried				
Year Ending: December				
Partner Country	**Unit**	**Quantity**		
		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 estimates that the 2015/16 MY grape fruit imports will increase to 12,000 MT based on supplementing the available production. The 2014/15 MY grapefruit imports remains unchanged at 7,047 MT based on final GTA data. The 2013/14 MY grapefruit imports remain unchanged at 11,506 MT based on the updated GTA data which now includes Swaziland imports. South Africa is not a major importer of grapefruit. Imports mainly originate from Swaziland, Spain and Israel to fill the demand gap towards the end of the season.

Table 5: South African Fresh Grapefruit imports

South Africa Import Statistics				
Commodity: 080540, Grapefruit, Fresh Or Dried				
Year Ending: December				
Partner Country	**Unit**	**Quantity**		
		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. 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	**Export Market**	**Processed**

	Average Price* Rand/Ton	Gross Price Rand/Ton	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	2013/2014		2014/2015		2015/2016	
Market Begin Year	Jan 2014		Jan 2015		Jan 2016	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	8361	8361	8300	7181	8350	7100
Area Harvested	7943	7943	8000	6894	8100	6400
Bearing Trees	7500	7500	7500	6700	7600	6600
Non-Bearing Trees	500	500	400	400	400	300
Total No. Of Trees	8000	8000	7900	7100	8000	6900
Production	413	413	400	387	405	329
Imports	12	12	7	7	7	12
Total Supply	425	425	407	394	412	341
Exports	217	217	221	221	225	200
Fresh Dom. Consumption	5	5	5	5	5	5
For Processing	203	203	181	168	182	136
Total Distribution	425	425	407	394	412	341
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Source: PSD Tables and Post estimates

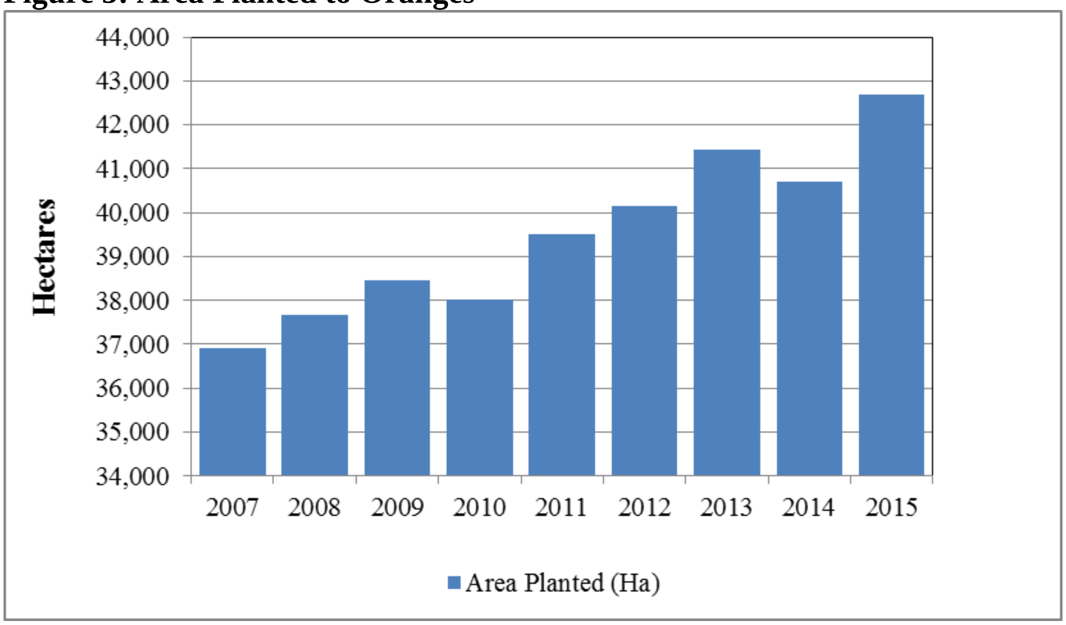
Oranges, Fresh

Production

Post estimates that the production of oranges will decrease by five percent to 1,560 million MT in the 2015/16 MY, based on the impact of the drought, the smaller than usual fruit sizes and hail damage in the Limpopo growing areas. It is to be noted that orange production areas in the Eastern Cape and Western Cape had increases in production due to increases in area planted and the availability of irrigation water, which partially offset the decrease in total orange production. The 2014/15 MY production estimate was revised downwards to 1,645 million MT based on final industry data. The record 2013/14 MY production remains unchanged at 1,715 million MT based on final industry data at the back of exceptionally good weather and growing conditions.

The area planted with oranges in South Africa has grown steadily since the 2006/07 MY. **Figure 5** shows that the area planted has grown by at least fifteen percent from 36,921 hectares in the 2006/07 MY to 42,674 hectares in the 2014/15 MY. The area planted to oranges is estimated to decrease to 42,400 ha in the 2015/16 MY as the shift to soft citrus continues in the industry as well as the impact of the drought.

Figure 5: Area Planted to Oranges



Source: CGA

Consumption

Post revised downwards the 2014/15 MY consumption of oranges to 95,000 MT, based on the lower available production. Post estimates that the 2015/16 MY domestic consumption of oranges will remain flat at 95,000 MT based on the available production as well as static consumer demand as a result of the slow economic growth in South Africa and the financial pressure faced by consumers. Fresh oranges are the most popular citrus consumed in South Africa. The 2013/14 MY domestic consumption remains unchanged at 120,212 MT based on updated and final industry data.

Exports

Post estimates that the exports of oranges will decrease by seven percent to 1,080 million MT in the 2015/16 M, based on the decrease in production and uncertainty in the EU market due to the ongoing CBS challenges. The 2014/15 MY exports of oranges have been revised downwards to 1,160 million MT, based on the final GTA data. The 2013/14 MY citrus exports remain unchanged at 1,144 million MT, based on the final GTA figures.

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 free duty access under the African Growth and Opportunity Act (AGOA).

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 estimates that the South African orange imports will increase by twenty three percent to 16,000 MT in the 2015/16 MY based on the need to supplement the lower available production. Post revised downwards the 2014/15 MY imports to 12,706 MT based on final GTA data. The 2013/14 MY imports remain unchanged at 12,390 MT based on updated GTA data which now includes Swaziland imports. Oranges are imported to South Africa in the months of November and December to close supply gaps and satisfy year-long demand.

Table 9: South African Fresh Orange imports

South Africa Import Statistics				
Commodity: 080510, Oranges, Fresh				
Year Ending: December				
Partner Country	**Unit**	**Quantity**		
		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	**Export Market**	**Processed**

	Average Price* Rand/Ton	Gross Price Rand/Ton	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	2013/2014		2014/2015		2015/2016	
Market Begin Year	Jan 2014		Jan 2015		Jan 2016	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	39881	39881	40715	42674	40000	42400
Area Harvested	38100	38100	37900	37600	37000	35000
Bearing Trees	38000	38000	38100	37900	38000	36600
Non-Bearing Trees	3800	3800	3700	4100	3700	4000
Total No. Of Trees	41800	41800	41800	42000	41700	40600
Production	1715	1723	1700	1645	1690	1560
Imports	13	12	16	13	16	16
Total Supply	1728	1735	1716	1658	1706	1576
Exports	1144	1144	1200	1160	1150	1080
Fresh Dom. Consumption	120	120	120	95	120	95
For Processing	464	471	396	403	436	401
Total Distribution	1728	1735	1716	1658	1706	1576
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Source: PSD Tables and Post forecast

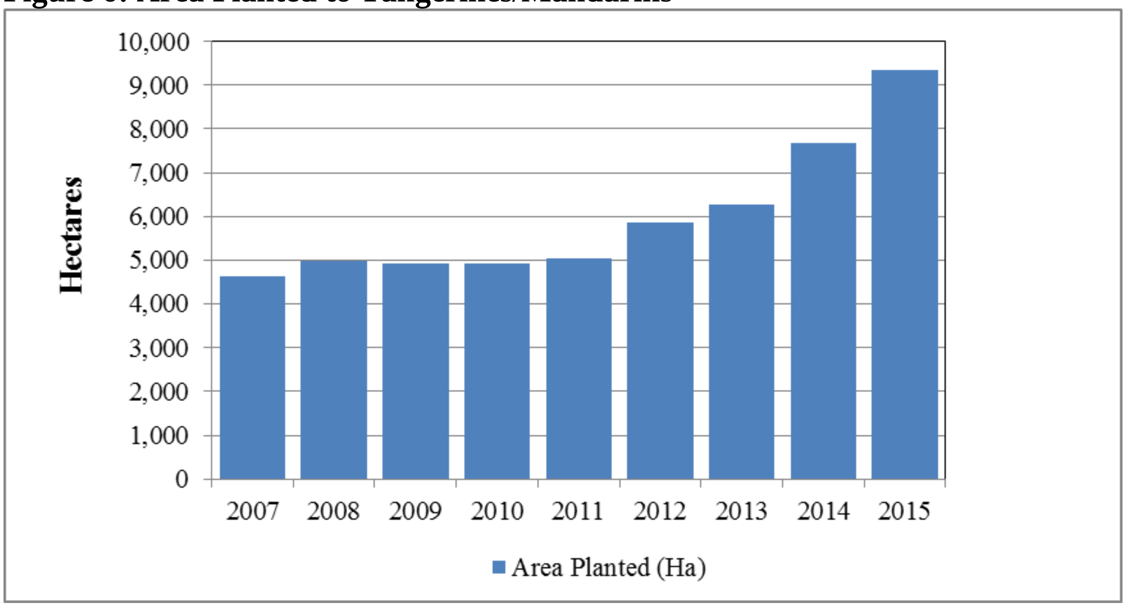
<u>Tangerines/Mandarins, Fresh - Soft Citrus</u>

Production

Post estimates that the production of soft citrus will increase by three percent to 210,000 MT in the 2015/16 MY from 202,563 MT in the 2014/15 MY, based on the increase in area planted and new orchards coming into full production, which was partially offset by the impact of the drought. At least 42% of soft citrus is produced in the Western Cape and 31% in the Eastern Cape which were less impacted by the drought than the rest of the production areas. The 2013/14 MY production remains unchanged at 195,293 MT based on final industry data.

Figure 6 shows that 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 2015/16 MY area planted to tangerines/mandarins is estimated to increase to 9,400 ha.

Figure 6: Area Planted to Tangerines/Mandarins



Source: CGA

Consumption

Post estimates that the 2015/16 MY domestic consumption of tangerines/mandarins will remain flat at 24,000 MT, because of the slow economic growth and increasing financial pressure faced by domestic consumers. The bulk of soft citrus is produced for export markets. The 2014/15 MY and 2013/14 MY domestic consumption remains unchanged at 23,941 MT and 23,833 MT, based on final industry data.

Exports

Post estimates that the South African exports of tangerines/mandarins will increase by five percent to 165,000 MT in the 2015/16 MY from 156,565 MT in the 2014/15 MY, based on the increase in production, the growing market opportunities in the Middle East and Asia, and the weakening of the rand exchange rate. The 2013/14 MY exports of tangerines/mandarins remains unchanged at 153,313 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 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 estimates that the 2015/16 MY imports of Tangerines/Mandarins will remain flat at 1,000 MT. South African imports are only marginal in order to satisfy out of season demand.

Table 13: South African Fresh Tangerines/Mandarins imports

South Africa Import Statistics				
Commodity: 080520, Mandarins (Including Tangerines And Satsumas); Clementines, Wilkings And Similar Citrus Hybrids, Fresh Or Dried				
Year Ending: December				
Partner Country	**Unit**	**Quantity**		
		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. 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 Average Price* Rand/Ton	**Export Market Gross Price Rand/Ton**	**Processed Gross Price 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	2013/2014		2014/2015		2015/2016	
Market Begin Year	Jan 2014		Jan 2015		Jan 2016	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	7668	7668	7800	9335	7900	9400
Area Harvested	6300	6300	6600	6600	6600	7200
Bearing Trees	4700	4700	4800	4900	4900	5600
Non-Bearing Trees	1700	1700	1600	2040	1600	1600
Total No. Of Trees	6400	6400	6400	6940	6500	7200
Production	195	195	200	203	205	210
Imports	1	1	1	1	1	1
Total Supply	196	196	201	204	206	211
Exports	153	153	157	157	162	165
Fresh Dom. Consumption	24	24	24	24	24	24
For Processing	19	19	20	23	20	22
Total Distribution	196	196	201	204	206	211
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Source: PSD Tables and Post forecast

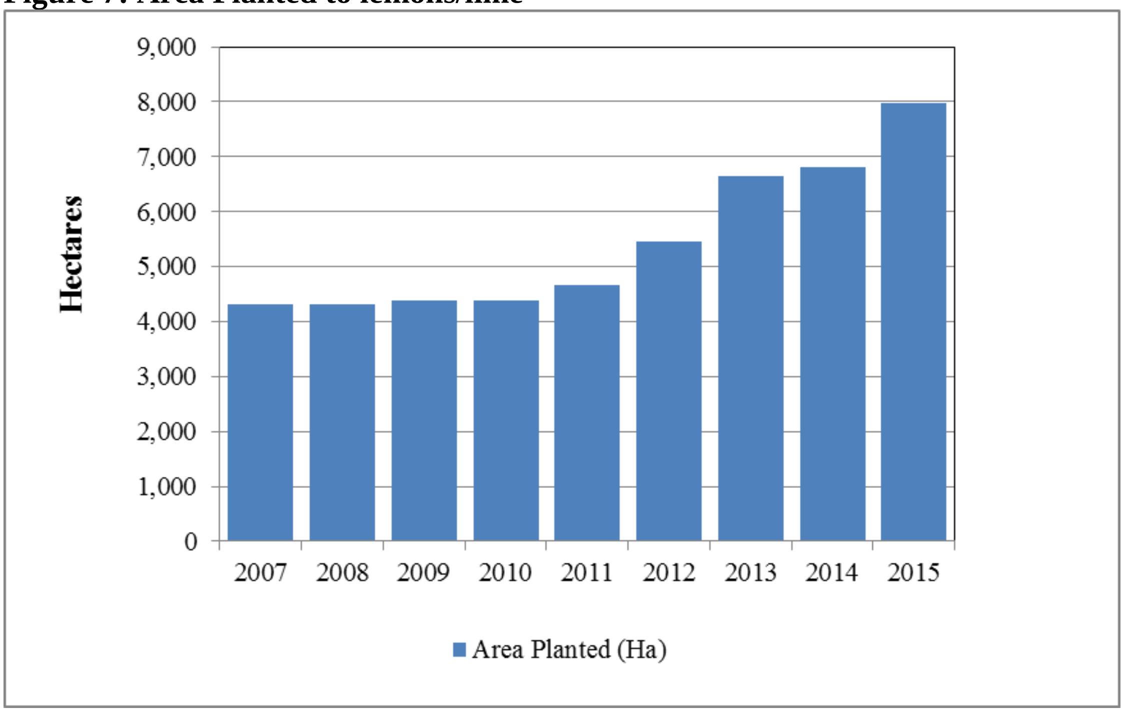
Lemons/Limes, Fresh

Production

Post estimates that the production of lemons/limes will increase by two percent to 345,000 MT in the 2015/16 MY from 339,130MT in the 2014/15 MY, based on the increase in area planted and new orchards coming into production. The Eastern Cape which produces about 46% of the lemons was less affected by the drought compared to other growing regions. The 2013/14 MY production of lemons/limes remains unchanged at 312,314 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 prices in the export market.

Figure 7: Area Planted to lemons/lime



Source: CGA

Consumption

Post revised upwards the 2014/15 MY lemon domestic consumption to 15,127 MT based on final industry data. The 2015/16 MY domestic consumption of lemons/limes is estimated to remain flat at 15,000 MT based on the available production and slow economic growth which will impact consumption. The 2013/14 MY domestic consumption of lemons/limes remains unchanged at 13,149 MT based on updated and final industry data.

Lemon juice is used as flavorings for poultry and fish dishes, and a flavor agent in cakes, tarts, biscuits, candies, ice creams and salad dressings. In the beverage industry lemons/lime are used to make lemonade, smoothies and liquors. In the cleaning industry, lemon juice is used as a degreaser and disinfectant, due to its high concentration of citric acid which can inhibit the proliferation of some molds and bacteria.

Exports

Post estimates that the 2015/16 MY exports of lemons/limes by South Africa will increase by four percent to 255,000 MT from 246,290 MT in the 2014/15 MY, based on the increase in production at the back of a weak rand and attractive export prices. The 2013/14 MY exports of lemons/limes remains unchanged at 219,617 MT based on updated GTA data. The growth in lemons/limes exports is mainly due to the growth in the Asian and Middle East market, and the weakening rand exchange rate.

Table 16: South African Fresh Lemons/Limes exports

South Africa Export Statistics				
Commodity: 080550, Lemons And Limes, Fresh Or Dried				
Year Ending: December				
Partner Country	**Unit**	**Quantity**		
		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 2015/16 MY imports of limes/lemons will remain flat at 1,000 MT as a result of sufficient domestic production to meet local demand.

Table 17: South African Fresh Lemons/Limes imports

South Africa Import Statistics				
Commodity: 080550, Lemons And Limes, Fresh Or Dried				
Year Ending: December				
Partner Country	**Unit**	**Quantity**		
		2013	**2014**	**2015**
World	T	320	677	920
South Africa	T	0	0	498
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. The eleven percent increase in export prices from R11,058 (US$737) in the 2013/14 MY to R12,279 (US$819) 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	2013/2014		2014/2015		2015/2016	
Market Begin Year	Jan 2014		Jan 2015		Jan 2016	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	6641	6641	6800	7966	6900	8200
Area Harvested	5313	5313	5400	6771	5600	7000
Bearing Trees	4300	4300	4400	4900	4500	5300
Non-Bearing Trees	1600	1600	1700	1960	1700	1700
Total No. Of Trees	5900	5900	6100	6860	6200	7000
Production	312	312	330	339	330	345
Imports	1	1	1	1	1	1
Total Supply	313	313	331	340	331	346
Exports	220	220	244	246	245	255
Fresh Dom. Consumption	13	13	14	15	13	15
For Processing	80	80	73	79	73	76
Total Distribution	313	313	331	340	331	346
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Source: PSD Tables and Post forecast

Orange Juice

Production

Post estimates that the production of orange juice will decrease by less than one percent to 41,954 MT in the 2015/16 MY from 42,163 MT in the 2014/15 MY, based on the fresh oranges delivered for processing. The 2013/14 MY production of orange juice remains unchanged at 48,486 MT, based on the final quantity of fresh oranges delivered for processing at the back of high orange production in that season.

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 revised downwards estimates the 2015/16 MY and 2014/15 MY domestic consumption of orange juice to 6,800 MT based on available production and the static domestic demand anticipated due to the low economic growth. The relatively high food price inflation has resulted in restricted growth in the domestic consumption of fruit juices especially the 100% fruit juice, and the shift in demand to orange juice concentrates.

Export

Post estimates that the 2015/16 MY exports of orange juice will increase by seventeen percent to 52,252 MT based on the available production and stock as well as the weak rand exchange rate. The 2014/15 MY and 2013/14 MY exports of orange remains unchanged at 44,502 MT and 30,884 MT, respectively, based on final GTA.

Producers in South Africa prefer to export fresh oranges than to sell to processors as export prices are much higher than sales to processors. Netherlands is the biggest market for South African orange juice exports, followed by 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 2015/16 MY imports of orange juice will increase to 1,279 MT based on low closing stock levels. The 2014/15 MY and 2013/14 MY imports of orange juice remains unchanged at 179 MT and 1,363 MT, respectively, based on GTA data. South Africa only imports a small quantity of orange juice, as there is sufficient domestic production to supply the local market.

Table 21: South African Orange Juice imports

South Africa Import Statistics				
Commodity: 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	2013/2014		2014/2015		2015/2016	
Market Begin Year	Jan 2014		Jan 2015		Jan 2016	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	463430	463430	396000	403000	436000	401000
Beginning Stocks	13121	13121	24686	25086	14394	16126
Production	48486	48486	41431	42163	47000	41954
Imports	1363	1363	179	179	881	1290
Total Supply	62970	62970	66296	67428	62275	59370
Exports	30884	30884	44502	44502	53802	52252
Domestic Consumption	7400	7000	7400	6800	7400	6800
Ending Stocks	24686	25086	14394	16126	1073	318
Total Distribution	62970	62970	66296	67428	62275	59370
(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 of 24 days to reduce False Codling Moth. Following discussions by the United States Animal Plant Health Inspection Service (APHIS), and the South African Department of Agriculture, Forestry and Fisheries (DAFF), APHIS granted a pilot program to reduce the cold treatment schedule to 22 days which will be hugely beneficial to South Africa in preventing losses estimated to be between six and fifteen percent due to cold damage. Exports under the pilot program will be destined to the ports of Newark and Philadelphia, and if the program is successful South Africa will also have access to Houston and New Orleans in 2015 and beyond. South Africa has been successfully exporting citrus under this program to the port of Houston since September 2014.

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

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

Citrus Black Spot challenges in the European Union Market

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

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