Required Report - public distribution

Date: 6/18/2019
GAIN Report Number: SA1919

South Africa - Republic of

Citrus Semi-annual

Bullish Trend in South African Soft Citrus and Lemon Exports Continues

Approved By:
Kyle Bonsu

Prepared By:
Wellington Sikuka

Report Highlights:
The production and export of soft citrus, lemons and limes is expected to continue its strong growth in the 2018/19 MY, based on the increase in area planted, high level of new-plantings coming into full production and improved water management techniques by farmers who have been forced to adapt to the frequent drought 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, as the United States is still considered a premium market.

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

Exchange rate: Rand/US$ Exchange = 14.8
Marketing Year (MY) – January to December
MT – Metric Tons

Sources:
Citrus Growers Association - http://www.cga.co.za/
Summer Citrus South Africa - https://www.summercitrus.com/
Ministry of Agriculture, Land Reform and Rural Development - https://www.daff.gov.za/
South African Revenue Services - https://www.sars.gov.za/

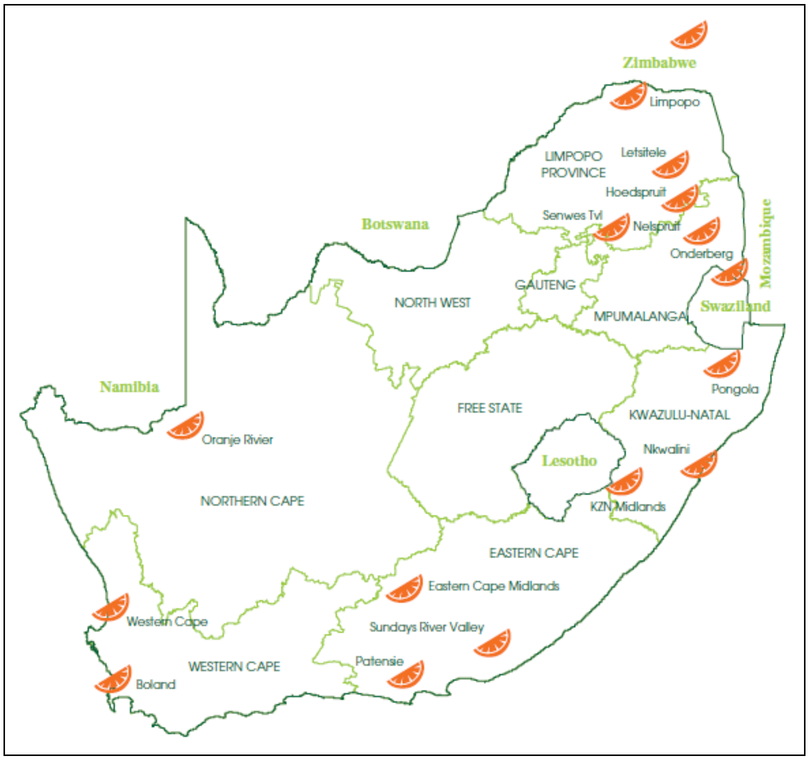
Background

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** shows the map of the citrus growing areas in South Africa. A total of 77,550 hectares was planted to citrus in South Africa in the 2017/18 MY, a 3 percent increase from 74,902 hectares in the 2016/17 MY. This growth trend is expected to continue based on the significant investments and aggressive new plantings of soft citrus and lemons.

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/tangarines (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.

While oranges are the biggest citrus type produced in South Africa and account for 58 percent of the total citrus area planted, there has been notable growth in the area planted to soft citrus and lemons/limes. This growth is driven by the attractive investment returns and profit margins from soft citrus and lemon production. **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. **Table 2** shows that the citrus harvesting season typically ranges from February to September.

Figure 1: Citrus Growing Areas in South Africa.



Source: Citrus Growers Association (CGA)

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, 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 African 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

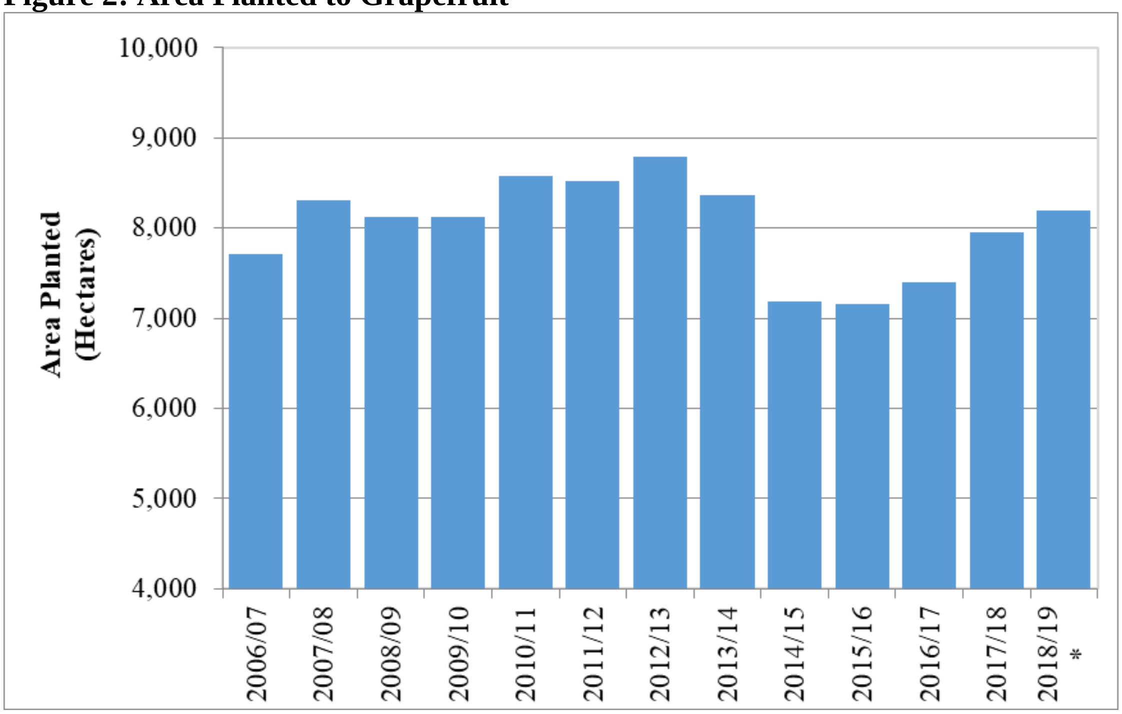
Production

The production of grapefruit is estimated to decrease marginally by 1 percent to 415,000 MT in the 2018/19 MY, from 419,000 MT in the 2017/18 MY. This is due to the smaller than normal fruit sizes in some growing regions, which experienced high heat and dry conditions. Furthermore, grapefruit production tends to be cyclical and the 2018/19 MY is a down year. This was partially offset by the increase in area planted. The current low dam levels and drought conditions in some growing regions such as Letsitele in Limpopo are only expected to impact production in the 2019/20 MY if insufficient rainfall is received by November 2019. The 2017/18 MY production of grapefruit remains unchanged at 419,000 MT based on final industry data.

Limpopo is the leading growing region for grapefruit accounting for 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).

The area planted to grapefruit is estimated 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 the Middle East, and lucrative prices for grapefruit in the past three seasons.

Figure 2: Area Planted to Grapefruit



*Estimate. Source: CGA

Consumption

Grapefruit consumption in South Africa is estimated to increase to 7,500 MT in the 2018/19 MY, from 7,000 MT in the 2017/18 MY. This is due to the rise in production, some of the lower sized fruit that does not meet export standards being diverted to the domestic fresh market, and to the growing awareness and perceived health benefits of grapefruit in the domestic market. Grapefruit is not a very popular citrus fruit in the domestic market, with many consumers largely unfamiliar to its qualities and taste in South Africa. As a result, 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 estimates that the grapefruit delivered for processing will increase by 26 percent to 160,000 MT in the 2018/19 MY, from 127,000 MT in the 2017/18 MY, based on the increase in production and the smaller fruit that does not meet export standards being diverted for processing.

Grapefruit is processed to juice and concentrate, 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 estimates that grapefruit exports will decrease by 13 percent to 250,000 MT in the 2018/19 MY, from 288,000 MT in the 2017/18 MY, due to the small fruit sizes and most growing regions reporting a shorter than normal harvest season. This was partially offset by strong demand in export markets such as Hong Kong, China and Russia.

Prior to 2019, South African citrus exports to China were only permitted on container shipping. However, in the 2018/19 MY, China granted permission for South Africa to export citrus to China using break-bulk shipping. This has led to a 403 percent jump in South African year to date exports (January to April 2019) to China and Hong Kong. About 85 percent of South African exports are through break-bulk shipping, as it is easier to maintain the temperature at the required level due to better airflow, better break-bulk ship vessels availability, and eases congestion in the container-shipment areas of ports.

Although South Africa has a free trade agreement with the European Union (EU) which allows duty free access for its citrus exports, South Africa continues to face challenges due to Citrus Black Spot (CBS) and False Coddling Moth (FCM) in the EU market. 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.
While total volumes are still low, grapefruit exports to the United States have been growing exponentially by an average of 65 percent per annum in the past five years, from 76 MT in the 2012/13 MY, to 4,729 MT in the 2017/18 MY. Grapefruit exports to the United States are expected to continue growing based on growing demand, good quality fruit, and to a lesser extent the continuation of duty

free access through the African Growth and Opportunity Act (AGOA). The Middle East, Canada and Africa are also growing markets for South African grapefruit.

Table 3: South African Fresh Grapefruit Exports

South Africa Export Statistics				
Commodity: 080540, Grapefruit, Fresh Or Dried				
Year Ending: December				
Partner Country	Unit	Quantity		
		2016	2017	2018
World	T	202,502	230,665	288,118
Netherlands	T	59,219	63,871	68,137
China	T	17,463	20,254	54,530
Japan	T	31,154	39,505	37,770
Russia	T	15,835	19,214	20,064
Hong Kong	T	5,851	7,265	13,671
Italy	T	9,365	9,533	12,858
United Kingdom	T	9,946	11,990	12,275
Korea South	T	9,738	10,531	9,732
Canada	T	5,022	6,657	9,504
Portugal	T	6,009	6,231	7,768
Eswatini	T	3,229	4,463	4,857
United States	T	3,737	4,293	4,729
France	T	3,183	3,251	4,329
United Arab Emirates	T	4,238	3,967	4,156
Germany	T	5,015	2,386	3,912
Taiwan	T	2,011	3,344	3,268
Belgium	T	1,099	426	1,735
Greece	T	1,128	1,325	1,535
Ukraine	T	1,016	1,494	1,427
Saudi Arabia	T	680	707	1,168
Spain	T	42	545	1,105
Malaysia	T	722	701	1,085
Ireland	T	768	278	1,011

Source: Global Trade Atlas (GTA)

Imports

South Africa is not a major importer of grapefruit. Imports mainly originate from Eswatini (formerly Swaziland), Spain, Turkey and Israel to fill the small demand gap towards the end of the season.

Eswatini benefits from duty free access to South Africa under the Southern African Customs Union (SACU).

Table 4: South African Fresh Grapefruit Imports

South Africa Import Statistics				
Commodity: 080540, Grapefruit, Fresh Or Dried				
Year Ending: December				
Partner Country	Unit	Quantity		
		2016	2017	2018
World	T	3,807	1,159	2,703
Eswatini	T	2,862	66	2,083
Spain	T	474	514	374
Israel	T	136	225	134
Turkey	T	275	354	93
India	T	0	0	18
China	T	19	0	0
Canada	T	19	0	0
Netherlands	T	21	0	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
USD $1 = Rand R14.8

Table 6: Production, Supply and Demand (PSD) Grapefruit, Fresh

Grapefruit, Fresh	2016/2017		2017/2018		2018/2019	
Market Begin Year	Jan 2017		Jan 2018		Jan 2019	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	7393	7393	7950	7950	8200	8200
Area Harvested	6730	6730	7100	7100	7600	7400
Bearing Trees	7000	7000	7200	7200	7400	7400
Non-Bearing Trees	600	600	700	700	800	800
Total No. Of Trees	7600	7600	7900	7900	8200	8200
Production	354	354	419	419	450	415
Imports	1	1	3	3	3	3
Total Supply	355	355	422	422	453	418
Exports	231	231	288	288	310	250
Fresh Dom. Consumption	6	6	7	7	8	8
For Processing	118	118	127	127	135	160
Total Distribution	355	355	422	422	453	418
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Oranges, Fresh

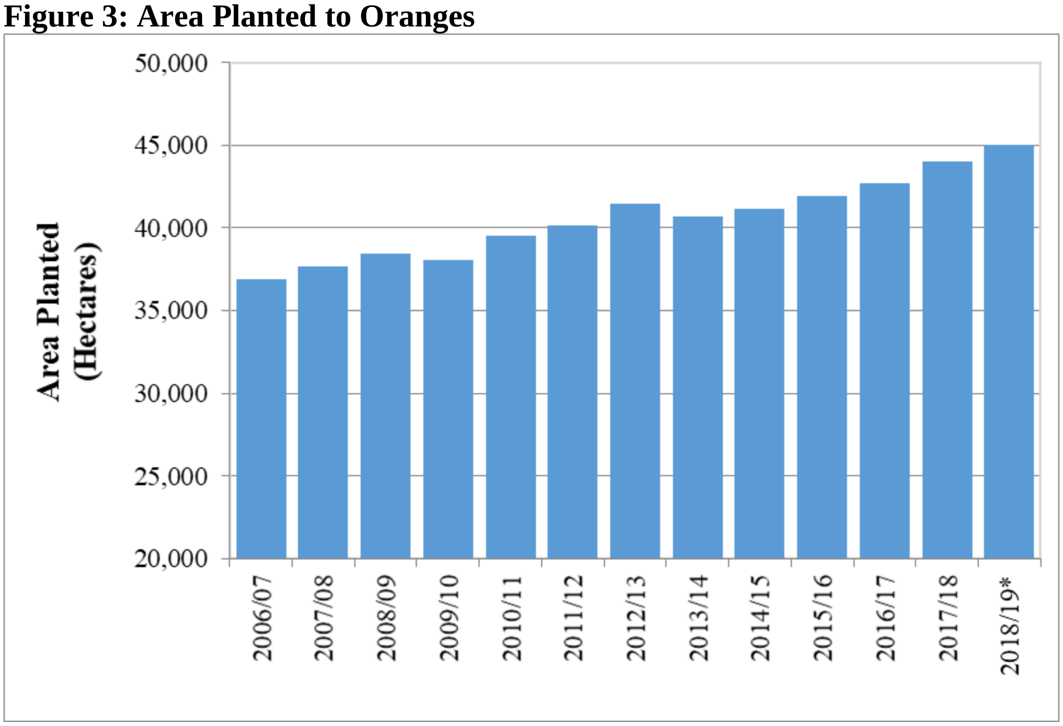
Production

The production of oranges is estimated to increase by 3 percent to 1.60 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, better water management techniques by farmers, and industry shifts to high yielding and late maturing varieties. This was partially offset by dry conditions, smaller fruit sizes and hail damage in some growing regions.

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), Kwa-Zulu 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 estimated to grow marginally by 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 growing regions. **Figure 3** below shows the trend in the area planted to oranges since 2007.

Figure 3: Area Planted to Oranges



*Estimate.
Source: CGA

Consumption

Post estimates 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 rise 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 estimated to decrease by 4 percent to 1.23 million MT in the 2018/19 MY, from 1.28 million MT in the 2017/18 MY, based on the small fruit sizes and year to date pace of exports up to April 2019.

South Africa prioritizes supplying export markets, and the surplus oranges or those that do not meet the export standards are supplied to the domestic fresh and processed markets. The EU remains South Africa's largest export market for oranges, accounting for 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 growing demand, and the duty free access under the African Growth and Opportunity Act (AGOA). However, a gradual shift from oranges to soft citrus exports is expected over time, as South African farmers supplying the U.S. market have been re-planting their orchards from oranges to soft citrus in response to market preferences and the higher premium received in the United States market.

Table 7: South African Fresh Orange Exports

South Africa Export Statistics				
Commodity: 080510, Oranges, Fresh				
Year Ending: December				
Partner Country	Unit	Quantity		
		2016	2017	2018
World	T	1,063,855	1,170,573	1,278,379
Netherlands	T	221,671	258,477	233,511
China	T	48,644	78,290	110,030
Russia	T	68,248	79,242	87,152
Saudi Arabia	T	93,220	81,541	84,422
United Arab Emirates	T	99,483	86,156	81,191
Portugal	T	57,872	67,514	79,970
United Kingdom	T	60,154	73,360	75,950
Hong Kong	T	49,892	69,032	66,069
Bangladesh	T	32,603	45,517	59,426
United States	T	40,416	39,838	45,120
Italy	T	33,517	38,038	42,641
Canada	T	32,508	31,859	36,722
Malaysia	T	28,936	28,211	30,728
Iraq	T	102	280	26,366

Kuwait	T	25,943	23,239	21,053
France	T	16,948	6,729	17,469
Germany	T	10,796	10,705	16,276
Singapore	T	9,082	12,475	14,384
Qatar	T	4,122	8,917	12,264
Oman	T	5,266	11,248	10,339
India	T	4,265	11,474	9,678
Spain	T	845	2,348	6,928
Belgium	T	3,412	2,831	6,411
Sweden	T	7,047	6,496	6,141

Source: GTA

Imports

The import of oranges is estimated to increase to 4,000 MT in the 2018/19 MY, from 3,672 MT, based on the increase in supply from Eswatini. 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		
		2016	2017	2018
World	T	3,468	3,326	3,672
Eswatini	T	350	805	2,270
Spain	T	531	1,150	645
Egypt	T	24	121	136
Netherlands	T	122	0	1
Israel	T	11	6	0
Malaysia	T	22	0	0
Bahrain	T	0	27	0
Belgium	T	50	0	0
Portugal	T	21	0	0
Saudi Arabia	T	0	113	0
Turkey	T	26	24	0

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 Average Price Rand/ MT	Export Market Gross Price Rand/ MT	Processed Gross Price 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	2016/2017		2017/2018		2018/2019	
Market Begin Year	Jan 2017		Jan 2018		Jan 2019	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	42711	42711	44000	44000	45000	45000
Area Harvested	36500	36500	39000	39000	40000	40000
Bearing Trees	38000	38000	38300	38300	39000	39000
Non-Bearing Trees	4000	4000	4100	4100	4200	4200
Total No. Of Trees	42000	42000	42400	42400	43200	43200
Production	1363	1363	1550	1550	1620	1600
Imports	2	2	3	4	3	4
Total Supply	1365	1365	1553	1554	1623	1604
Exports	1171	1171	1280	1278	1330	1230
Fresh Dom. Consumption	71	71	72	72	73	73
For Processing	123	123	201	204	220	301
Total Distribution	1365	1365	1553	1554	1623	1604
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Tangerines/Mandarins (Soft Citrus), Fresh

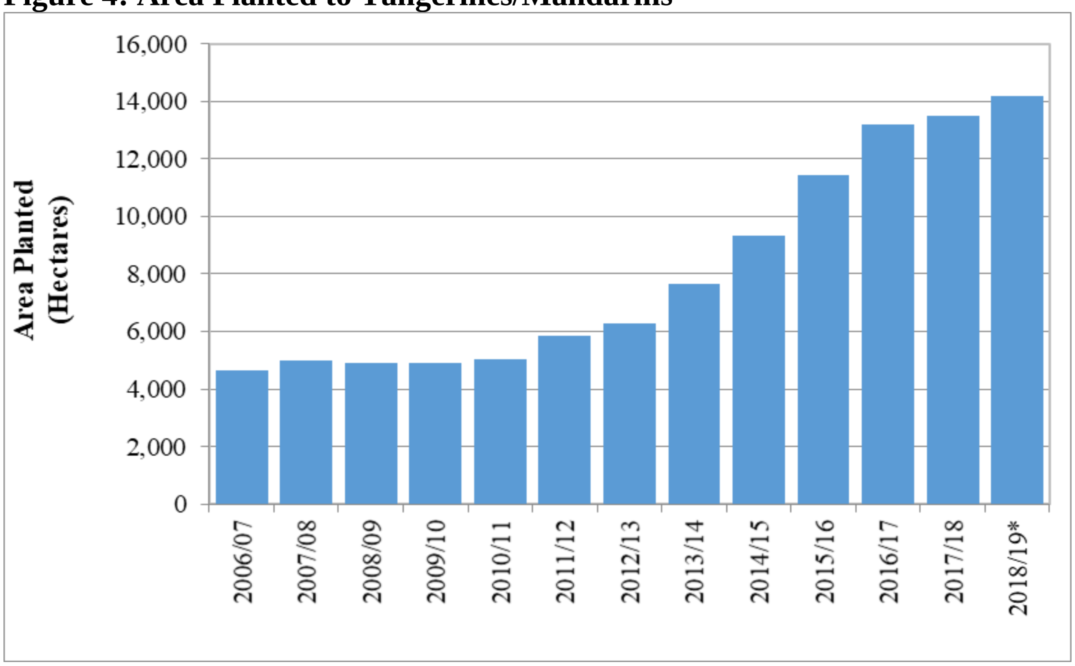
Production

The production of tangerines/mandarins is estimated to increase by 9 percent to 305,000 MT in the 2018/19 MY, from 280,000 MT in the 2017/18 MY. This is due to the rise in area planted, improved water management techniques by farmers and the high level of new-plantings in the past years coming into full production. There is a growing trend of farmers aggressively 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 2019 winter rainfall will only be used for irrigation in the following year in 2020. Improved dam levels in the Western Cape in 2018, contributed to a return to normal production levels in the 2018/19 MY.

The area planted to tangerines/mandarins is estimated to increase by 5 percent to 14,200 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 4** 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 4: Area Planted to Tangerines/Mandarins



*Estimate. Source: CGA

Consumption

The consumption of tangerines/mandarins is estimated 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 industry prioritizes export markets for soft citrus and only supplies surplus fruit to the local market. However, some high end retail chains such as Woolworths also receive some export grade citrus.

Exports

The exports of tangerines/mandarins is estimated to increase by 9 percent to 285,000 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. Tangerines/mandarins exports 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 13,695 MT in the 2017/18 MY. This growth trend is expected to continue based on the rising U.S. market preference for easy peelers.

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		
		2016	2017	2018
World	T	189,601	209,802	260,884
United Kingdom	T	66,152	63,213	69,285
Netherlands	T	47,255	49,706	51,426
Russia	T	14,200	20,223	28,506
United States	T	10,287	11,180	13,695
Canada	T	6,729	8,035	11,554
Hong Kong	T	9,227	12,309	11,427
United Arab Emirates	T	6,733	8,037	10,457
Ireland	T	5,637	5,044	6,889
China	T	777	2,257	6,520
Portugal	T	2,412	4,348	6,287
Bangladesh	T	1,215	2,128	6,170
Saudi Arabia	T	2,333	2,170	5,412
Bosnia & Herzegovina	T	969	3,004	4,621
Malaysia	T	1,385	1,601	3,314
Germany	T	1,559	1,460	3,307
France	T	1,357	1,246	2,579

Singapore	T	902	922	2,413
Kuwait	T	550	707	1,803
Mauritius	T	1,220	1,495	1,556
Qatar	T	346	718	969

Source: GTA

Imports

Post estimates that the 2018/19 MY imports of tangerines/mandarins will remain flat at about 1,200 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**		
		2016	**2017**	**2018**
World	T	1,268	1,493	1,246
Spain	T	584	1,032	712
Israel	T	308	201	346
Egypt	T	0	0	43
Eswatini	T	0	0	41
India	T	0	0	30
Germany	T	25	0	0
Canada	T	0	22	0
Turkey	T	22	46	0
United Kingdom	T	21	49	0
Thailand	T	1	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

	Local Market	**Export Market**	**Processed**
	Average Price	**Gross Price**	**Gross Price**
MY	**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	2016/2017		2017/2018		2018/2019	
Market Begin Year	Jan 2017		Jan 2018		Jan 2019	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	13182	13182	13500	13500	14000	14200
Area Harvested	11100	11100	11200	11200	11500	11600
Bearing Trees	6400	6400	6600	6600	7000	7000
Non-Bearing Trees	2400	2400	2600	2600	2700	2700
Total No. Of Trees	8800	8800	9200	9200	9700	9700
Production	261	261	280	280	300	305
Imports	1	1	1	1	1	1
Total Supply	262	262	281	281	301	306
Exports	210	210	261	261	280	285
Fresh Dom. Consumption	28	28	15	15	16	16
For Processing	24	24	5	5	5	5
Total Distribution	262	262	281	281	301	306
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Lemons/Limes, Fresh

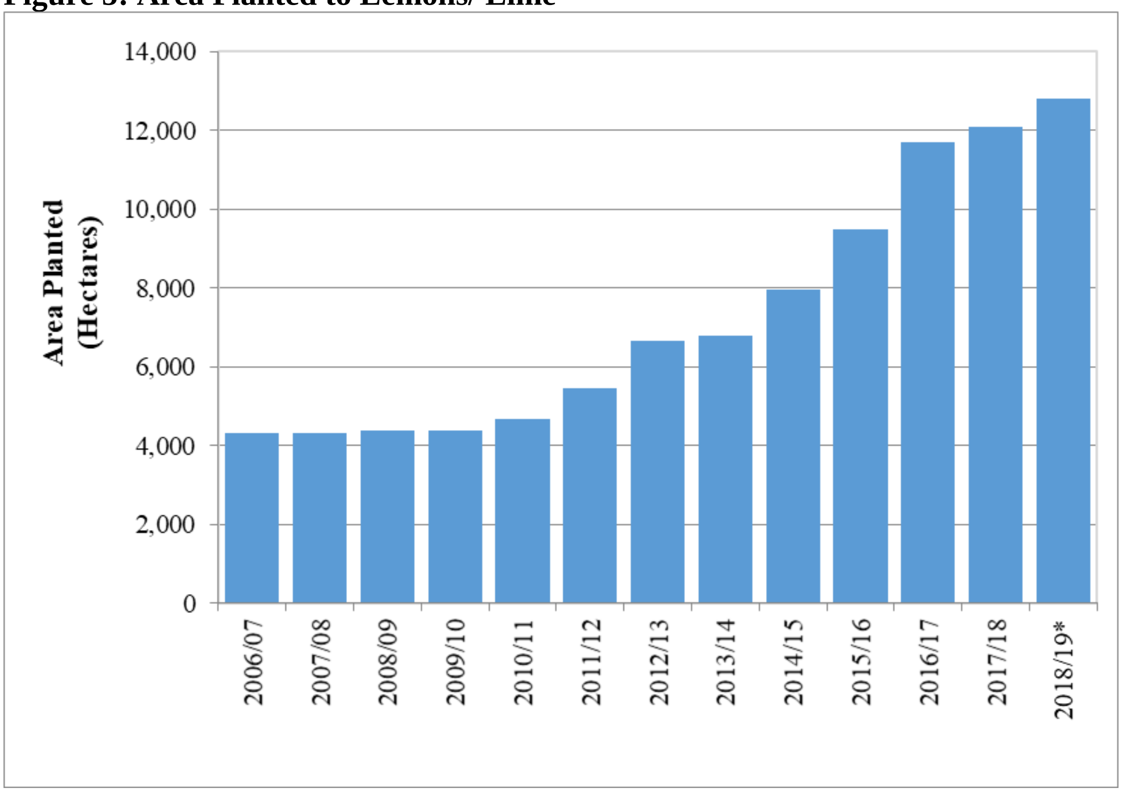
Production

The production of lemons/limes is estimated to increase by 7 percent to 490,000 MT in the 2018/19 MY, from 460,000 MT in the 2017/18 MY. This is due to the rise in area planted, and the high level of new-plantings in the past five years coming into full production.

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 5 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 12,800 hectares in the 2018/19 MY, in response to growth in demand and higher prices in the export market.

Figure 5: Area Planted to Lemons/ Lime



*Estimate.
Source: CGA

Consumption

The domestic consumption of lemons is estimated 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, and increasing demand driven by health conscious consumers.

Processing

Post estimates that lemons and limes delivered for processing will increase by 2 percent to 130,000 MT in the 2018/19 MY, from 127,000 MT in the 2017/18 MY, based on the increase in production and growing demand for processed lemon products.

Processed lemons and limes are used as flavoring for savory dishes, and food ingredient for confectionary and dairy products. In the beverage industry lemons/limes are used to make lemonade, smoothies and liquors. In the cleaning industry, lemon juice is used as a degreaser and disinfectant, due to its high concentration of citric acid which can inhibit the proliferation of some molds and bacteria.

Exports

The exports of lemons and limes is estimated to increase by 8 percent to 340,000 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**		
		2016	**2017**	**2018**
World	T	236,868	299,260	315,247
United Arab Emirates	T	49,115	52,510	46,592
Netherlands	T	33,940	33,986	43,091
Saudi Arabia	T	28,951	31,925	30,864
United Kingdom	T	20,428	22,703	29,897
Russia	T	18,019	30,483	27,750
Hong Kong	T	15,372	26,040	20,139
Italy	T	8,655	10,455	14,564
Canada	T	9,223	12,454	14,387
Portugal	T	3,308	5,881	10,216
Kuwait	T	14,540	18,915	9,940
Malaysia	T	6,857	8,381	8,599
Iraq	T	0	2,599	7,340

Singapore	T	3,826	4,052	4,542
Qatar	T	1,768	3,449	4,097
Germany	T	2,977	2,105	4,059
Belgium	T	180	124	3,915
Oman	T	608	2,346	3,537
Bahrain	T	2,994	3,463	3,298
France	T	771	2,183	3,111
Vietnam	T	2,944	6,209	2,671
Ireland	T	449	1,056	2,404
Greece	T	1,136	1,640	2,091
Spain	T	31	98	1,955
Azerbaijan	T	147	1,481	1,608
Ukraine	T	989	1,434	1,567
Switzerland	T	131	51	1,560
Angola	T	943	926	1,510
Mozambique	T	289	856	1,325
Mauritius	T	905	1,041	1,121

Source: GTA

Imports

Post estimates 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, Eswatini 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**		
		2016	**2017**	**2018**
World	T	2,038	847	1,193
Eswatini	T	24	136	280
Brazil	T	127	102	142
Spain	T	155	181	97
Turkey	T	91	29	91
United Kingdom	T	0	34	25
Other Countries	T	1,588	363	557

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 Average Price Rand/ MT	Export Market Gross Price Rand/ MT	Processed Gross Price 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	2016/2017		2017/2018		2018/2019	
Market Begin Year	Jan 2017		Jan 2018		Jan 2019	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	11710	11710	12100	12100	12500	12800
Area Harvested	9700	9700	10000	10000	10500	10600
Bearing Trees	6200	6200	6400	6400	6600	6700
Non-Bearing Trees	2100	2100	2300	2300	2400	2500
Total No. Of Trees	8300	8300	8700	8700	9000	9200
Production	430	430	460	460	480	490
Imports	1	1	1	1	1	1
Total Supply	431	431	461	461	481	491
Exports	299	299	315	315	330	340
Fresh Dom. Consumption	17	17	19	19	21	21
For Processing	115	115	127	127	130	130
Total Distribution	431	431	461	461	481	491
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Orange Juice

Production

The production of orange juice is estimated to increase by 38 percent to 57,098 MT in the 2018/19 MY, from 41,371 MT in the 2017/18 MY, based on the increase in the quantity of fresh oranges delivered for processing, and improvements in the efficiency of processing facilities. The 2017/18 MY production of orange juice was revised upwards to 41,371 MT, based on the final industry data of oranges delivered for processing.

Concentrated orange juice accounts for at least 90 percent of the total orange juice produced in South Africa. The South African citrus industry prioritizes the export of fresh citrus, and only processes the fruit that does not meet export standards.

Industry coordinated statistics for orange juice are largely unavailable in South Africa. The production, consumption and stock levels represent Posts` estimates 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 estimated 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 estimates that the 2018/19 MY exports of orange juice will increase by 28 percent to 48,000 MT, from 37,572 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 37,572 MT, based on final GTA data.

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 at least eight times higher than prices achieved from processors. Netherlands, Botswana, Mozambique, Mauritius, Eswatini, 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		
		2016	2017	2018
World	T	30,649	23,722	25,444
Botswana	T	7,228	6,529	7,229
Namibia	T	4,936	4,562	4,726
Netherlands	T	3,536	378	4,055
Eswatini	T	3,462	3,008	3,299
Zimbabwe	T	1,920	2,536	1,971
Lesotho	T	1,894	1,339	1,350
Zambia	T	1,012	1,258	616
Mozambique	T	1,321	872	512
Ethiopia	T	791	663	293
Italy	T	533	194	267
Israel	T	190	17	247
Malawi	T	291	341	212
Mauritius	T	298	118	193

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		
		2016	2017	2018
World	T	3,764	3,495	10,021
Netherlands	T	2,361	2,658	8,004
India	T	126	133	345
Israel	T	185	0	264
Spain	T	68	68	216
Botswana	T	554	331	204
United States	T	0	51	189
Hong Kong	T	0	78	178
Belgium	T	0	1	142
Italy	T	71	0	108
Korea South	T	0	0	90

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		
		2016	2017	2018
World	T	310	524	2,107
Philippines	T	8	57	184
Congo	T	0	19	159
Ethiopia	T	9	12	156
Mauritius	T	20	35	149
United Arab Emirates	T	9	34	149
Tanzania	T	3	18	143
Madagascar	T	9	27	126
Kenya	T	0	10	113
Angola	T	5	20	91
Singapore	T	5	11	86

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

Imports

The imports of orange juice is estimated to increase by 14 percent to 1,500 MT in the 2018/19 MY, from 1,321 MT in the 2017/18 MY, based on the pace of imports up to April 2019, and increased imports from Zimbabwe. 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		
		2016	2017	2018
World	T	1,043	2,166	1,301
Zimbabwe	T	693	771	845
Brazil	T	232	641	203
Spain	T	0	450	179
Portugal	T	22	13	16
Malaysia	T	0	5	10

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		
		2016	2017	2018
World	T	52	513	0
Argentina	T	0	422	0
Brazil	T	52	73	0
Israel	T	0	19	0

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		
		2016	2017	2018
World	T	5	11	20
Vietnam	T	0	0	20
Zimbabwe	T	5	0	0
Bangladesh	T	0	0	0
Other Countries	T	0	11	0

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

Table 25: PSD Orange Juice

Orange Juice	2016/2017		2017/2018		2018/2019	
Market Begin Year	Jan 2017		Jan 2017		Jan 2019	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	123000	123000	201000	204000	220000	301000
Beginning Stocks	10539	10539	257	257	557	677
Production	19367	19367	32000	41371	35000	57098
Imports	2693	2693	4000	1321	4500	1500
Total Supply	32599	32599	36257	42949	40057	59275
Exports	27742	27742	31000	37572	33000	48000
Domestic Consumption	4600	4600	4700	4700	5000	5000
Ending Stocks	257	257	557	677	2057	6275
Total Distribution	32599	32599	36257	42949	40057	59275
(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. In 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 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 comment period closed and the regulation is still in the process of being 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, and is reportedly in the process of initiating a WTO dispute. 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%20%20of%201990.pdf

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

South African Special Export Protocols/ Programs/ Directives
https://www.nda.agric.za/doaDev/sideMenu/plantHealth/exportsProg.htm