

Voluntary Report – Voluntary - Public Distribution

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Report Name: South African Canned Fruit Trade

Country: South Africa - Republic of

Post: Pretoria

Report Category: Agricultural Situation, Canned Deciduous Fruit

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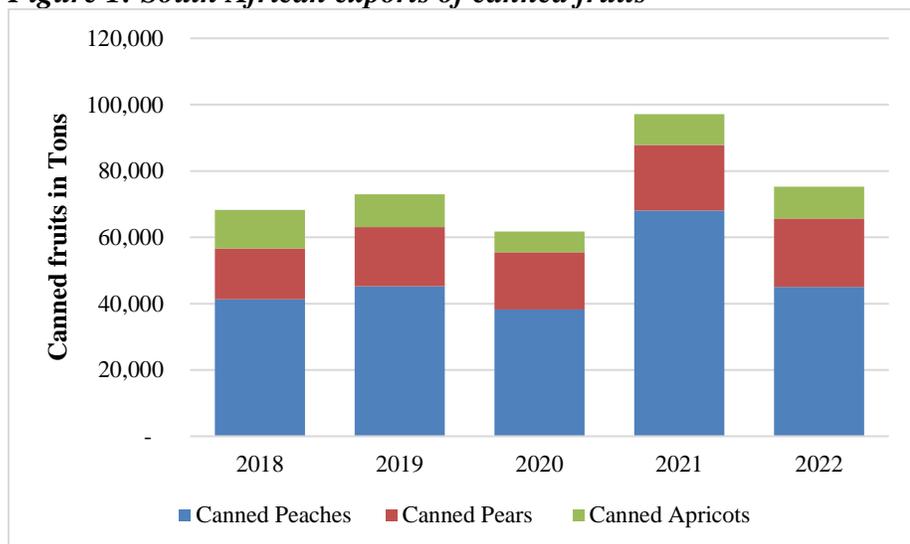
Report Highlights:

South Africa is the third largest exporter of canned fruits (apricots, pears, and peaches) globally, accounting for 16 percent of the market. About 85 percent of South African canned deciduous fruit is destined for the export market, and the remainder supplies the local market. Canned fruits in South Africa are processed by two companies; RTG and Langeberg & Ashton Foods (L&AF); a division of Tiger Brands. In 2020, Tiger Brands announced its intent to exit the deciduous canned fruit business. The possible closure of the L&AF has been a source of distress for the some 300 growers who supply the company with fruit for canning and uncertainty in the fruit industry as a whole. Tiger Brands has announced that is in the process of securing a buyer and has extended factory operation for the MY 2023/24 to allow a controlled exit. The United States is the top importer of South African canned peaches and pears.

There are currently two canned fruit producers in South Africa; RTG, formerly known as Rhodes Food Group, and Langeberg & Ashton Foods (L&AF); a division of Tiger Brands. Both factories are in the Western Cape province, with proximity to fruit growers. About 85 percent of South African canned deciduous fruit is destined for the export market, and the remainder supplies the local market. Factories process and can Bulida apricots, Cling peaches and Bon Chretien pears, which are predominantly grown for processing and not typically sold on the fresh market.

Despite only two canning factories, South Africa is the third largest exporter of canned fruits globally (apricots, pears, and peaches) accounting for a 16 percent share after China (42 percent) and the EU (28 percent). In 2022 South Africa exported canned fruit to the United States (15 percent), the UK (10 percent), Germany (10 percent), Japan (9 percent), Canada (6 percent) and China (5 percent).

Figure 1: South African exports of canned fruits



Source: Trade Data Monitor

Table 1: South African exports of canned peaches

Partner Country	Unit	2018	2019	2020	2021	2022
United States	T	4,115	5,573	6,533	4,993	5,641
Japan	T	3,849	3,719	3,594	2,522	4,889
China	T	8,430	10,454	4,842	7,218	3,703
United Kingdom	T	1,065	4,688	3,075	747	3,194
Canada	T	1,720	2,226	3,095	33,500	3,106
Vietnam	T	1,548	2,034	1,923	1,203	3,019
Germany	T	2,306	1,415	1,649	1,997	2,611
Mexico	T	0	0	0	0	1,836
New Zealand	T	2,218	1,749	1,869	1,226	1,791
<i>Others</i>	<i>T</i>	<i>16,088</i>	<i>13,389</i>	<i>11,617</i>	<i>14,619</i>	<i>15,220</i>
Total	T	41,339	45,247	38,197	68,025	45,010

Source: Trade Data Monitor

* **HS 200870 Peaches**, Prepared Or Preserved, Whether Or Not Containing Added Sweetening Or Spirit,

Table 2: South African exports to canned pears.

Partner Country	Unit	2018	2019	2020	2021	2022
United States	T	742	2,265	2,953	5,547	5,068
United Kingdom	T	3,436	4,199	5,292	3,775	3,136
Japan	T	1,958	1,870	1,418	1,360	1,810
Germany	T	1,463	1,638	1,574	1,036	1,428
Netherlands	T	1,828	1,264	1,208	1,657	1,279
Canada	T	665	813	618	509	1,121
New Zealand	T	733	829	937	932	940
Greece	T	342	577	618	1,343	928
<i>Others</i>	<i>T</i>	<i>4,147</i>	<i>4,349</i>	<i>2,649</i>	<i>3,697</i>	<i>4,924</i>
Total	T	11,167	13,455	14,618	16,159	15,710

Source: Trade Data Monitor

* **HS 200840 Pears**, Prepared Or Preserved, Whether Or Not Containing Added Sweetening Or Spirit,

Table 3: South African exports of canned apricots

Partner Country	Unit	2018	2019	2020	2021	2022
Germany	T	4,019	3,550	1,958	3,570	3,190
United Kingdom	T	1,572	1,532	926	1,461	1,101
Australia	T	793	414	428	786	710
New Zealand	T	575	813	463	571	694
Netherlands	T	568	391	309	570	683
Eswatini	T	672	637	649	665	660
United States	T	1,020	526	221	186	467
Japan	T	568	688	308	389	353
Belgium	T	418	246	211	324	305
<i>Others</i>	<i>T</i>	<i>1,400</i>	<i>1,085</i>	<i>841</i>	<i>775</i>	<i>1,443</i>
Total	T	11,605	9,882	6,314	9,297	9,606

Source: Trade Data Monitor

HS 200850 Apricot, Prepared Or Preserved, Whether Or Not Containing Added Sweetening Or Spirit,

Uncertainty Since 2020

In May 2020, Tiger Brands announced its intent to exit the deciduous canned fruit business. The decision followed a strategic review to focus on manufacturing, marketing, and distributing its everyday branded food and beverages. To ensure a controlled exit, Tiger Brands sought a buyer for their L&AF factory. However, by 2022, Tiger Brands had not secured a buyer and gave notice to close the L&AF factory which has been in operation for about 70 years.

L&AF is one of the leading producers of canned fruit and buys about 70,000 to 90,000 tons of fruit from growers between November to April. There are about 300 growers on some 2,250 hectares who produce fruit primarily for canning. With the possible closure of L&AF, growers fear they may be left without a market. The RTG canning factory, the only other factory in the country, is already at maximum capacity.

The possibility of closure has caused significant distress in the communities surrounding the factory. In addition to causing local growers who long ago made planting decisions based upon demand from Tiger/L&AF to question if there will be a buyer for their fruit, a shuttered factory would mean the end of employment for 250 permanent and 2,300 seasonal workers.

In July 2022, Tiger Brands announced its intention to extend operations at the L&AF for the 2022/23 season after much consultation with growers, worker unions, agricultural organizations, and government officials. The company reported that some parties had expressed interest in the possible acquisition of L&AF. However, the transaction would have not been concluded in time to ensure that a successful buyer is prepared for processing the MY 2022/23 fruit. Tiger Brands announced at the end of March 2023 that they would continue factory operations for another season (MY 2023/24). They noted that a potential buyer is currently doing due diligence on the purchase with a transfer anticipated by May 2024.

Industry Outlook

Exports in MY 2022/23 are expected to increase due to the weaker rand against the US dollar and a growing demand of canned fruit. The South African canned fruit industry is still faced with challenges such as the port inefficiencies, increasing production costs and erratic power supply among others. However, press comments by the CEO of the SA Canning Fruit Producers' Association confirms that fruit production has remained stable and growers are optimistic about the upcoming season due to further extension of the L&AF operation. Despite the optimism around the current season, growers are hesitant to make investments into new plantings until there is increased certainty around the future of the factory.

Attachments:

No Attachments.