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South Africa - Republic of

Fresh Deciduous Fruit Annual

South Africa's Deciduous Fruit Season Dampened by Floods

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Report Highlights:
South Africa is the Southern Hemisphere's fourth largest apple producer and second largest pear producer. Marketing Year 2010/11 deciduous production was negatively affected by floods that occurred in December 2010 through January 2011. These floods had a pronounced impact on pears and table grapes produced along the Orange River. Despite slightly increased apple exports, total fresh deciduous exports declined approximately two percent, largely due to lower availability of pears and grapes.

Executive Summary:

South Africa is the Southern Hemisphere's fourth largest apple producer and second largest pear producer. Deciduous fruit is the largest South African agricultural sub-sector under plantation with over 74,757 hectares planted to deciduous fruit trees (DFPT Tree Census, 2009). The Western Cape is the historical production leader of deciduous fruit. However, the Northern Cape and Limpopo provinces have increasingly become significant producers of early deciduous fruit.

Figure 1.South Africa Deciduous Producing Regions

Source: Hortgro

Marketing Year 2010/11 deciduous production was negatively affected by floods that occurred in December 2010 through January 2011. These floods had a pronounced impact on pears and table grapes produced along the Orange River. As a result, Post estimates production for pears and table grapes fell by five percent.

Although export prices for apples and pears were slightly better than the previous year, Europe reportedly had relatively large deciduous fruit stocks, which overlapped with the Southern Hemisphere supply window. Despite slightly weaker demand in traditional European markets, total fresh deciduous exports declined approximately two percent, largely due to lower availability of pears and grapes.

Exchange Rates:

1EUR = R9.91 – 16 May 2011

1 GBP = R11.02 – 5 May 2011
US $ = R6.80 – 31 May, 2011

Marketing Year for PSD Tables
2009 – Split Year: 2009/2010
2010 – Split Year: MY2010/2011
2011 – Split Year: MY2011/2012

Sources:
Hortgro
South Africa Table Grape Industry (SATI)
National Agricultural Marketing Council (NAMC)

http://www.tshwane.gov.za/SERVICES/TSHWANE%20MARKET/Pages/default.aspx

http://www.agbiz.co.za/EconomicIntelligence/Marketreseach/tabid/343/Default.aspx

http://www.intracen.org/uploadedFiles/intracenorg/Content/Exporters/Sectoral_Information/Agricultural_Products/Cofee/final%20agri-food%20products%2013-12-10.pdf

http://logisticsweek.com/ocean/2011/06/european-customs-advanced-manifest-rule-latest-update/

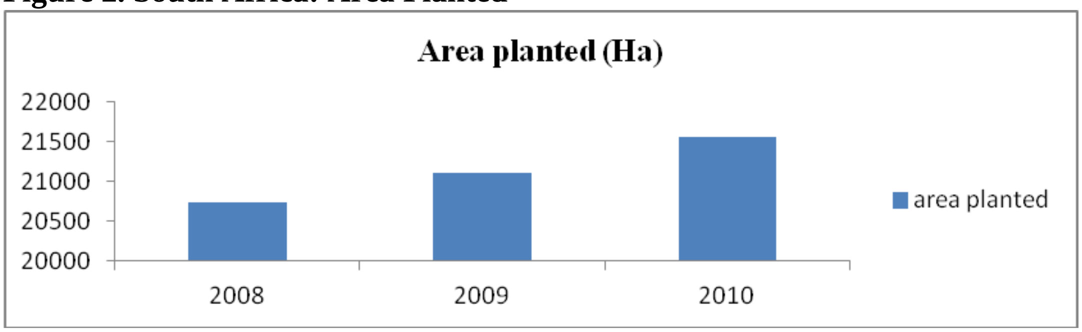
Commodities:
Apples, Fresh

Production:
Post forecasts South Africa apple production at 800,000 MT for 2011/12 as more trees will reach full bearing potential. Although official 2010/11 production data has not been published, post estimates MY 2010/11 apple production to reach 790,000 MT on good weather conditions. Increased production is expected to primarily go to export markets as the South African fruit industry is export orientated.

Post revised the South African 2009/10 total apple production downward to 780,686 MT, based on industry reports. This revision represents a 10 percent decline compared to the 2008/09 quantity of 800,804 MT on a late spring that reduced budding and a subsequent heat wave that lowered yields for the early to mid-season apple cultivars, such as Gala and Golden Delicious.

Apples are grown throughout South Africa, but the Western Cape is the leading deciduous fruit producing province. The Western Cape is a winter rainfall area and has a climate similar to the Mediterranean, which is favorable to apple production. The most important apple growing regions are: Groenland, Ceres, Langkloof East, and Villiersdorp/Vyeboom of Western Cape. The harvest time for South African apples starts at the end of January and can run through to June, with the peak times between February and April.

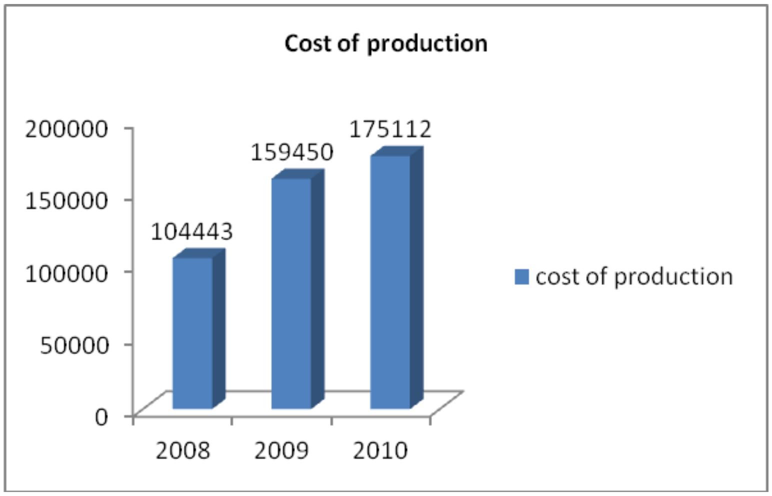
Area Planted:
Figure 2. South Africa: Area Planted



Source: Hortgro tree census

Post estimates MY 2011/12 area planted at 22,200 hectares (ha), a one percent increase over the previous year's level of 21,900 hectares. The Granny Smith variety remains the most popular variety at 4,783 hectares and is favored for its long shelf-life, flavor, and functionality in cooking and baking. Other popular varieties include Golden Delicious (4,737 Ha), Royal Gala (2,719 Ha), Pink Lady (1,926 Ha), Fuji (1,363 Ha), and Topred (1,113 Ha).

Figure 3. South African apples – cost of production
Source: Hortgo



Although the Granny Smith variety is popular, its trees are aging with about 64 percent over 25 years old. The high cost of establishing an apple orchard has been cited as the reason for the slow replanting rate of new trees. The cost of establishing a hectare of apple trees was R175,112 ($25,752) in 2010, a ten percent increase over the previous year. The cost of planting material for rootstock and seedlings and the cost of trellising are the largest cost drivers. Volatility in iron and petroleum prices, needed for trellising, and the rising cost of electricity continues to put upward pressure on production costs. In the past five years, energy prices have risen 27 percent each year.

Consumption:

Post forecasts 2011/12 domestic consumption at 251,000 MT on stable domestic demand.
Post estimates 2010/11 domestic consumption at 249, 000 MT, which is essentially flat with the previous year. Despite relatively marginal growth in expected consumption, South Africa's consumption of fresh fruit and vegetables has increased significantly in recent years. Post revised the 2009/10 domestic consumption of fresh apples at 248, 893 MT, based on industry reports, which represented a 21 percent increase compared to 2008/09 volumes.

According to the South African Advertising Research Foundation (SAARF) and AC Nielsen, approximately 49 percent of the country's population is middle-income and 33 percent are upper-income consumers. The growth of the middle-class has increased fresh fruit and vegetable consumption. Current South African per capita consumption of fresh apples is at 4.6 percent. However, the South African fresh fruit market is working to develop wholesale and retail markets through improved packaging and convenience by providing fresh cut, ready to eat fruit.

Apples are popular in South Africa and widely consumed throughout the year and they form part of the national food basket of goods which are monitored quarterly by the South African National Agricultural Marketing Council (NAMC) for food price inflation. The Johannesburg Fresh Produce Market, a fresh produce market with an annual turnover of R2 billion, reports apples rank among the top five highly consumed fruits in South Africa.

Trade:

Exports

Post forecasts 2011/12 South African apple exports at 312,000 MT on increased available supplies. Post estimates 2010/11 South African apple exports increased nearly four percent to 309,000 MT based on industry reports. The EU, which is the world's second largest apple importer, is SA's traditional destination for apples with the UK being the biggest member-state market. The Global economic recession affected South African's exports to UK as export volumes in 2010 were down. However, this was offset by increased exports to Malaysia and other African markets, such as Angola and Zimbabwe.

Table 1. South Africa Export Statistics (January – June, 2011)

South Africa Export Statistics Commodity: 080810, Apples, Fresh				
Year To Date: January - June				
Partner Country	**Unit**	Quantity		
		2009	2010	2011
United Kingdom	MT	97,133	74,316	74,169
Malaysia	MT	25,118	26,110	24,880
Netherlands	MT	17,388	14,887	15,676
United Arab Emirates	MT	13,786	13,538	14,151
Benin	MT	10,450	10,067	12,682
Angola	MT	2,240	4,848	7,628
Grand Total	MT	249,745	224,952	238,343

Source: GTA

South Africa is a counter-seasonal producer, and is the Southern Hemisphere's most convenient supplier to the EU based on its proximity by both air and sea compared to other deciduous exporting countries like New Zealand, Chile, Brazil and Argentina. African markets like Angola, Zimbabwe, Angola, Kenya, Zambia and Cameroon are critical for South African deciduous fruit with nearly 20 percent of exports destined for these markets. These markets are potential growth markets for South Africa despite the lack of developed infrastructure and formal retail sectors in these markets.

The GTA number is slight different that the industry numbers. Post recognizes this difference and has decided to use the industry number as it is assumed to reflect current situation.

Table 2. Export Trade Matrix, Fresh Apples: MY 2008-2010

South African Export Statistics Commodity: 080810, Apples, Fresh
Year Ending: December

Partner country	Unit	Quantity		
		2008	2009	2010
UK	MT	120,014	111,251	88,253
Malaysia	MT	33,164	39,309	36,842
Benin	MT	20,536	18,334	20,555
Netherlands	MT	26,973	19,618	16,282
United Arab Emirates	MT	18,515	18,461	15,473
Zimbabwe	MT	686	6,331	10,658
Singapore	MT	10,751	11,925	10,363
Angola	MT	8,558	4,278	9,462
Other not listed	MT	119,357	109,463	98,436
Grand total	MT	358,554	338,970	306,324

Source: GTA

Imports

Post forecasts South African apple imports at 200 MT in MY 2011/12. And MY 2010/11, based on the availability of domestic supplies. Although South Africa is typically not a large fruit importer, imports of fruit have steadily increased in recent years as consumers are becoming more sophisticated in demanding high-quality fruits be available throughout the year. The United States overtook Malaysia as the largest apple supplier to South Africa.

Table 3. South African Import Statistics

South Africa Import Statistics Commodity: 080810, Apples, Fresh							
Annual Series: 2005 - 2010							
		Quantity					
Partner Country	Unit	2005	2006	2007	2008	2009	2010
China	MT	0	0	0	19	0	0
Germany	MT	0	0	0	0	0	0
Malaysia	MT	0	0	0	0	52	0
Mozambique	MT	0	28	0	0	0	0
United States	MT	0	0	0	0	183	374
Others not listed	MT	0	22	69	76	0	0
Grand total	MT	0	49	69	94	235	374

Source: GTA

Policy:

Pest and plant disease restrictions:

Apples from the Pacific Northwest may be exported to South Africa under the terms of the "Protocol of Phytosanitary Requirements for the Export of Apple Fruit from the United States of America, Pacific Northwest States of Washington, Idaho and Oregon (PNW) to South Africa". This protocol may be obtained from the Northwest Fruit Exporters (509/576-8004).

Table 4. Tariff Rates, Fresh Apples

Apples

Item	CD	Description	Unit	General	EU	EFTA	SADC
0808.10	9	Apples	kg	4%	free	4%	free

Source: SCHEDULE 1 - Customs & Excise Tariff

Production, Supply and Demand Data Statistics:

Table 5. Production, Supply, and Distribution: Apples, Fresh

Apples, Fresh South Africa	2009/2010		2010/2011		2011/2012		
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Planted	21,554	21,554	21,750	21,900		22,200	(HA)
Area Harvested	21,554	21,554	21,750	21,900		22,200	(HA)
Bearing Trees	19,426	19,426	19,830	19,800		20,200	(1000 TREES)
Non-Bearing Trees	2,126	2,126	2,175	2,300		2,500	(1000 TREES)
Total Trees	21,552	21,552	22,005	22,100		22,700	(1000 TREES)
Commercial Production	780,686	780,686	800,000	790,000		800,000	(MT)
Non-Comm. Production	0	0	0	0		0	(MT)
Production	780,686	780,686	800,000	790,000		800,000	(MT)
Imports	200	374	300	200		200	(MT)
Total Supply	780,886	781,060	800,300	790,200		800,200	(MT)
Fresh Dom. Consumption	239,786	248,893	251,300	249,000		251,000	(MT)
Exports	307,492	298,559	312,000	309,000		312,000	(MT)
For Processing	233,608	233,608	237,000	232,200		237,200	(MT)
Withdrawal From Market	0	0	0	0		0	(MT)
Total Distribution	780,886	781,060	800,300	790,200		800,200	(MT)
TS=TD		0		0		0	

Commodities:

Apple Juice, Concentrated

Production:
Post forecasts 2011/12 apple juice at 237,200 MT on strong available supplies. Post estimates 2010/11 apple juice at 232,200 MT on steadily increasing demand which is directly related to increasing middle-class in South Africa. Apple juice is the second most consumed juice behind orange for both 100 percent juices and for juice blends. The top five fruit juice brands by value in South African market are Liqui – Fruit, Pick 'n Pay, Clover, Ceres, and Clover Life.

Trade:
Exports
South Africa is ranked 22nd in terms of apple juice concentrate exports. Like many developed countries, fruit processing is a way to salvage some return from fruit that cannot be sold on the fresh market, but is not considered a major source of income. This is evident when looking at price trends, comparing local market, export market and juice prices, industry reports show that in 2010 the price for a ton of processing apples into juice was R534 ($78.50) compared to R5,881 ($864.85) per ton export market of fresh apples and R3,656 ($537.65) per ton of fresh apples on local market. An average of 31 percent of total production has been processed in South Africa for the past three years (2008 – 2010) as reported by the industry.

Ceres Fruit Juices are South Africa's long-life fruit juice market leaders, with an export market share in excess of 50 percent. Currently, Ceres Fruit Juices export to over 84 countries in Africa, Europe, the Far East, the Middle East, Asia and North America.

Table 6. Apple Juice Concentrate – Export statistics

South Africa Export Statistics				
Commodity: 200979, Apple Juice, Nes, Unfermented And Not Spirited Whether Or Not Sugared/Sweetened				
Year To Date: January - December				
Partner country	**Unit**	**Quantity**		
		2008	**2009**	**2010**
Japan	MT	2,099	4,675	4,085
United States	MT	1,084	219	2,529
Canada	MT	46	16	2,231
Australia	MT	906	1,676	1,205
Spain	MT	2 ,947	711	1,165
Netherlands	MT	646	358	1 060
Zimbabwe	MT	28	148	461
New Zealand	MT	360	240	445
Ghana	MT	848	533	402
Korea South	MT	482	548	378
Other not listed	MT	5,944	10,705	13,772
Grand total	MT	15,390	15,154	17,689

Source: GTA

Imports

Apple and grape juice are imported to make up for the shortfall in supplies to meet local processing demand. These two juices are used as the base for other flavors by major fruit juice producers. China is South Africa's largest supplier of apple juice concentrate.

Table 7. Apple Juice Concentrate – Import statistics

South Africa Import Statistics				
Commodity: 200979, Apple Juice, Nes, Unfermented And Not Spirited Whether Or Not Sugared/Sweetened				
Year To Date: January - December				
Partner country	**Unit**	**Quantity**		
		2008	**2009**	**2010**
China	MT	12,745	31,585	32,373
Brazil	MT	0	13	1,237
Argentina	MT	0	218	828
Other not listed	MT	221	601	275
Grand total	MT	12,966	32,417	34,713

Source: GTA

Policy:

Table 8. Tariff Rate, Apple juice

Other

Item	CD	Description	Unit	General	EU	EFTA	SADC
2009.79	9	Other	kg	free	free	free	free

Source: SCHEDULE 1 - Customs & Excise Tariff

Commodities:

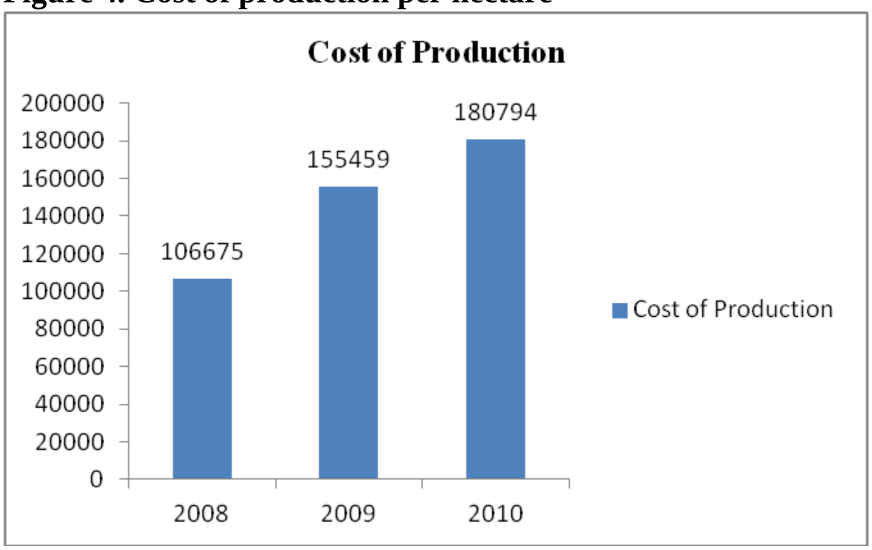
Pears, Fresh

Production:
Post forecasts 2011/12 South African pear production at 357,000 MT as more trees reach their full bearing potential. Although the 2010/11 production data has not been officially published, post estimates 2010/11 production quantities at 355,000 MT, a decline of three percent, on unfavorable weather conditions that occurred in the Western Cape, which is the main production region for pears. Heavy rainfall in December followed by a heat wave in January reduced yields, especially the early varieties like Bon Chretien.

Post revises the 2009/10 South African total pear production to 366,216 MT based on industry reports. This represents a three percent increase compared to the 2008/09 season as yields were slightly better than expected.

Area Planted:
Post estimates 2011 area planted to pears to remain flat at 11,400 ha, as the costs to establish a hectare of pears is relatively high. The cost of establishing one hectare of pears has been increasing significantly in recent years, and rose approximately 16 percent in 2010 alone. The costs of planting material and trellising have nearly doubled since 2008. As a result of these high re-investment costs, a large amount of William Bon Chretien trees are currently over 25 years of age and need replacement.

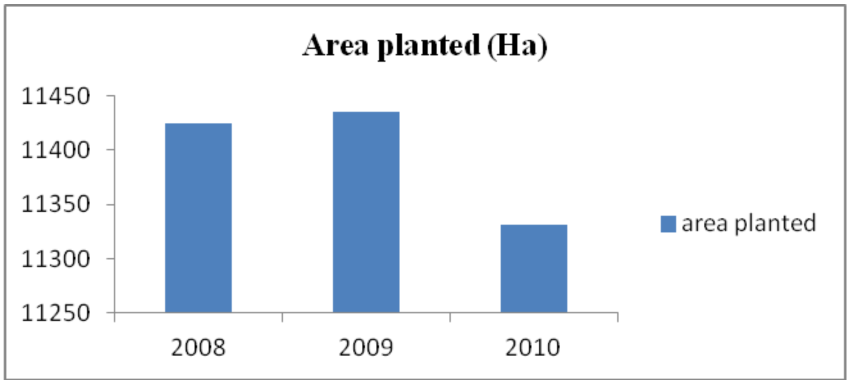
Figure 4. Cost of production per hectare



Source: Hortgro

According to an industry tree census of 2010, total pear area planted for 2010 is 11,332 hectares, with Packham's Triumph being the most popular variety. Other popular varieties are Forelle, William Bon Chretien, and Early Bon Chretien. However, the area planted to Bon Chrétien pears is shifting towards Early Bon Chrétien pears. Early Bon Chrétien pears mature in late December, which affords producers the opportunity to enter the market ahead of the Bon Chretien varieties that mature in March.

Figure 5. Fresh Pears Area Planted



Source: Hortgro

Consumption:
Post forecasts 2011/12 pear domestic consumption at 47,000 MT, a decline of two percent on lower available supplies. Post estimate 2010/11 domestic consumption at 46,000 MT, also on lower available supplies as area planted and yields remain relatively flat. Post revised MY 2009/10 domestic consumption of fresh pears at 51,832 MT based on industry reports.

Pears are generally more expensive than apples in the domestic market and appeal more to middle to high-income consumers. A 12.5 kilogram box of pears can sell up to 50 percent more than a 12.5 kilogram box of apples at local wholesale markets. Domestic demand for fresh pears is approximately 13 percent of total production annually. Regardless of price, domestic demand remains stable, particularly among middle class consumers. The average monthly pear price between January and July 2011 at local markets was R4,001 ($588.38) per ton compared to R3,454 ($507.94).

Trade:
Exports
Post forecasts 2011/12 South African pear exports at 180,000 MT on lower available supplies. Post estimates 2010/11 SA pear exports at 176,444 MT based on industry reports. This represents a four percent decline on lower supplies from unfavorable weather conditions that lowered yields. South Africa is the fifth largest exporter of pears. However, while the 2010/11 pear exports started at a similar pace as previous years, the lower harvest led to lower volumes being exported during later in the year. The EU is South Africa’s biggest traditional market with the Netherlands and the UK having the largest market shares.

Table 9. Export Trade Matrix, Fresh Pears: January – June 2011

South African Export Statistics Commodity: 080820, Pears, Fresh		
Year To Date: January – July		
Partner country	**Unit**	**Quantity**

		2009	2010	2011
Netherlands	MT	49,674	56,825	59,796
United Kingdom	MT	29,302	23,840	19,743
Russia	MT	14,973	16,716	13,129
Germany	MT	14,989	11,286	9,945
United Arab Emirates	MT	4,979	7,566	9,551
Other not listed	MT	62,412	60,087	61,267
Grand total	MT	176,329	176,320	173,431

Source: GTA

South Africa's overall 2010 pears exports were three percent higher compared to the previous year despite a strong Rand and slow economic growth in some of South Africa traditional markets like the UK. GTA numbers are slightly different that industry numbers. Post recognizes this difference and has decided to use industry numbers as it is assumed to reflect a current situation.

Table 10. Export Trade Matrix, Fresh Pears: MY 2008-2010

South African Export Statistics Commodity: 080820, Pears, Fresh				
Year Ending: December				
Partner country	**Unit**	**Quantity**		
		2008	**2009**	**2010**
Netherlands	MT	44,489	49,784	57,173
United Kingdom	MT	24,695	29,728	24,494
Russia	MT	20,581	15,173	16,946
Germany	MT	12,038	15,005	11,309
United Arab Emirates	MT	3,996	5,370	8,682
Other not listed	MT	60,198	65,553	67,749
Grand total	MT	165,997	180,613	186,353

Source: GTA

Imports

As the second largest pear producer behind Argentina in Southern Hemisphere, South Africa imports small quantities of pears to supplement periods of low supply in the domestic market. South Africa primarily imports Ya pears from China (white colored Chinese pears). China gained access to the South African market after a 2007 agreement for several agricultural products, see protocol: http://www.nda.agric.za/doaDev/sideMenu/plantHealth/docs/protocol_pear_China.pdf

Table 11. South Africa Import Statistics

South Africa Import Statistics Commodity: 080820, Pears And Quinces, Fresh Year Ending : December				
Partner country	**Unit**	**Quantity**		
		2008	**2009**	**2010**

China	MT	181	185	185
Other not listed	MT	7	0	5
Grand Total	MT	188	185	190

Source: GTA

Policy:

Table 12. Tariff Rate, Fresh Pears

Pears and quinces

Item	CD	Description	Unit	General	EU	EFTA	SADC
0808.20	3	Pears and quinces	kg	4%	free	4%	free

Source: SCHEDULE 1 - Customs & Excise Tariff

Production, Supply and Demand Data Statistics:

Table 13. Production, Supply, and Distribution: Pears, Fresh

Pears, Fresh South Africa	2009/2010		2010/2011		2011/2012		
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Planted	11,332	11,332	11,342	11,400		11,450	(HA)
Area Harvested	11,332	11,332	11,342	11,400		11,450	(HA)
Bearing Trees	10,585	10,584	10,600	10,600		10,650	(1000 TREES)
Non-Bearing Trees	747	747	800	800		850	(1000 TREES)
Total Trees	11,332	11,331	11,400	11,400		11,500	(1000 TREES)
Commercial Production	366,216	366,216	350,000	355,000		357,000	(MT)
Non-Comm. Production	0	0	0	0		0	(MT)
Production	366,216	366,216	350,000	355,000		357,000	(MT)
Imports	190	190	200	200		150	(MT)
Total Supply	366,406	366,406	350,200	355,200		357,150	(MT)
Fresh Dom. Consumption	48,591	51,832	48,200	46,000		47,000	(MT)
Exports	186,352	183,111	182,000	176,444		180,000	(MT)
For Processing	131,463	131,463	120,000	132,756		130,150	(MT)
Withdrawal From Market	0	0	0	0		0	(MT)
Total Distribution	366,406	366,406	350,200	355,200		357,150	(MT)
TS=TD		0		0		0	

Commodities:

Grapes, Table, Fresh

Production:

Post forecasts 2011/12 table grape production to remain flat at 260,000 MT as the production regions like Orange River, Northern Province and Olifants river recover from devastating floods that resulted in both vine and fruit losses.

Post estimates the 2010/11 table grape crop at 258,000 MT based on industry estimates. The seven percent decline in production is a result of unfavorable weather conditions in Orange River; Northern Cape and Olifants River production regions. The Table Grapes season started well in 2010, but was interrupted by floods in the Northern regions and hot weather conditions in the Western Cape which drew production down from initial industry estimates.

Post revised the 2009/10 South African total table grape production to 277,294 MT based on industry reports of favorable weather conditions and resulting high yields. This represented a nine percent increase compared to 2008/09 figure of 255,284 MT and was recorded as South Africa's highest level of production since the industry was deregulated in the late-1900's.

South Africa is the fourth largest exporter of table grapes and the second largest producer in the Southern Hemisphere. Table Grapes in South Africa are mainly produced in the Northern and Western Cape provinces along the river valleys of Berg, the Hex, the Olifants and Orange. South Africa has the longest supply season running from October until May. Harvest starts in week 43 in the Northern Cape region, followed by the Orange River region with the first grape crop reaching the market by November. The Hex river valley region is the last region for table grape intakes.

Area Planted

Area planted in MY 2011/12 is expected to be 15,500 as flood affected areas in the previous season are replanted. Post estimates area planted in MY 2010/11 to table grapes was 15,000, although official figures have not been released yet. Official area planted figures for MY 2009/10 showed South Africa planted 14,660 hectares, with 38 percent of the vines between the ages of six to ten years and 62 percent were older than 10 years.

The leading varieties of South African Table Grapes are Crimson Seedless (1,447 ha), Red Globe (1,397 ha), and Thompson Seedless (1,387 ha). The cultivar profile in South Africa has changed in recent years; seeded cultivars are declining on a yearly basis in the last three years (2008 - 2010) as consumers prefer seedless grapes and production of black and red seedless varieties have increased. The popularity of seedless cultivars stems from characteristics such as large berry size (with elongated or oval berry shapes), favorable texture (crunchiness), and good eating qualities.

Table 14. Popular Table Grape varieties

Season	**White**	**Black**	**White seedless**	**Red**
Early	Victoria,	Dan – ben – Hannah	Muscat Seedless	Flame seedless
	Queen of the vineyard	Alphonse Lavallee	Sugraone	
	Muscat Supreme	Ronelle	Sultanina	
	Bien Donne	Prime		

	Regal seedless			
Mid	Bellevue	La Rochelle		Sunred Seedless
	Waltham Cross	Bonheur		Red Globe
	Majestic	Bonita		
Late	Dauphine	Barlinka		Crimson Seedless

Source: SATI

Consumption:

Post forecasts 2011/12 domestic consumption of fresh table grapes at 38,000 MT on tight available supplies. Post estimates 2010/11 domestic consumption of fresh table grapes at 37,550 MT on low supplies resulting from unfavorable weather conditions that negatively impacted production volumes. Approximately 65 percent of grapes sold through the National Fresh Produce Markets, 34 percent sold through retailers and one percent is sold through informal market.

Post revised the 2009/10 domestic consumption of fresh table grapes at 40,554 MT based on industry statistics. Grapes are considered a luxury fruit, and are mostly consumed by middle and upper-income consumers. In South Africa, about 30 percent of the population is identified as frequent grape consumers but demand has been steadily increasing with the expansion of the middle-class.

Trade:

Exports

Post forecasts 2011/12 South Africa table grapes to remain flat at 224,000 MT as production volumes recover from the devastating 2011 floods that affected several table grape production areas. Post estimates 2010/11 South Africa table grapes at 222,750 MT, a six percent decline based on industry reports. Unfavorable weather conditions that occurred in some of the production regions lowered yields as compared to the supplies available for export in MY2009/10.

Like the other deciduous fruit, South African table grapes are export orientated. Any impact on production directly impacts export volumes. Post revised the 2009/10 export volumes to 238,950 MT as opposed to the GTA reported figure of 259,837 MT. This figure is based on industry statistics.

The EU is the leading export market for South African grapes, accounting for 63 percent of South Africa's table grape exports. South Africa benefits from greater proximity than competitors and strong demand for seedless varieties accompanied by sustained demand for seeded varieties in Eastern Europe. Industry reports indicate that, despite the strong Rand against the Pound and the Euro, SA table grapes producers had a relatively good season in terms of gross returns. SA grapes benefitted from the opportunity that was created by floods in Brazil which limited their ability to supply European markets.

The South African deciduous fruit industry has begun to focus more on Asian and Middle Eastern markets in their marketing efforts. These markets are considered growth markets and are appealing to exporters as some of these markets have less stringent sanitary and phytosanitary requirements than the EU.

Table 15. Export Trade Matrix, Fresh Grapes: 2008 - 2010

Commodity: 080610, Grapes, Fresh				
Year ending December: 2008 - 2010				
Quantity				
Partner Country	**Unit**	**Marketing Year**		
		2008	**2009**	**2010**
Netherlands	MT	105,488	110,553	116,470
United Kingdom	MT	60,923	58,987	50,473
Hong Kong	MT	6,168	8,503	11,920
Germany	MT	13,902	14,800	11,016
Russia	MT	10,045	6,195	8,683
United Arab Emirates	MT	4,168	7,496	8,356
Malaysia	MT	4,448	4,884	6,775
Others not listed	MT	57,431	59,811	46,144
Grand Total	MT	262,573	271,229	259,837

Source: GTA

Imports

South Africa is not a major importer of table grapes, except to supply markets during periods of low domestic availability, where Spain is the leading supplier to the market.

Table 16. South African Import Statistics

South Africa Import Statistics Commodity: 080610, Grapes, Fresh				
Partner country	**Unit**	**Quantity**		
		2008	**2009**	**2010**
Spain	MT	728	1,176	1,228
Egypt	MT	545	513	744
Israel	MT	172	262	236
Other not listed	MT	56	30	2
Grand total	MT	1,501	1,981	2,210

Source: GTA

Policy:

Table 17. Tariff Rates, Fresh Grapes

Fresh

Item	CD	Description	Unit	General	EU	EFTA	SADC
0806.10	1	Fresh	kg	4%	free	4%	free

Source: SCHEDULE 1 - Customs & Excise Tariff

Labeling requirements

Fresh, unprocessed fruit is exempt from consumer labeling requirements.
http://www.nda.agric.za/doaDev/sideMenu/foodSafety/doc/localImportRegulations/Apples_regulations.pdf

Licenses and quotas: None

Currency Issues: None

Export standards & requirements of Deciduous Fruit: http://www.daff.gov.za/

The route is as follows:

Divisions → Food Safety and Quality Assurance → Exports Standards → Deciduous Fruit.

Production, Supply and Demand Data Statistics:

Table 18. Production, Supply, and Distribution: Grapes, Fresh

Grapes, Fresh South Africa	2009/2010		2010/2011		2011/2012		
	Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Planted	14,660	14,660	15,000	15,000		15,500	(HA)
Area Harvested	14,660	14,660	15,000	13,350		13,750	(HA)
Commercial Production	277,294	277,294	250,000	258,000		260,000	(MT)
Non-Comm. Production	0	0	0	0		0	(MT)
Production	277,294	277,294	250,000	258,000		260,000	(MT)

Imports	2,209	2,210	2,200	2,300		2,000	(MT)
Total Supply	279,503	279,504	252,200	260,300		262,000	(MT)
Fresh Dom. Consumption	19,667	40,554	17,200	37,550		38,000	(MT)
Exports	259,836	238,950	235,000	222,750		224,000	(MT)
For Processing	0	0	0	0		0	(MT)
Withdrawal From Market	0	0	0	0		0	(MT)
Total Distribution	279,503	279,504	252,200	260,300		262,000	(MT)
TS=TD		0		0		0	