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South Africa, Republic of

Fresh Deciduous Fruit Annual

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Report Highlights:

South Africa's production of apples, pears and table grapes is expected to reach about 1.21 million tons in 2000, only a marginal increase over 1999. Exports during 2000 are only expected to reach about 594,000 tons, down 7% on 1999, as a result of stricter grading requirements for export fruit.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
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Executive Summary

Total apple, pear and table grape production is expected to increase by about 1% in FAS 1999, MY 2000 as a result of expanded area planted and more trees coming into bearing. Total commercial production of these fruits are expected to reach about 1.21 million tons compared to the preliminary figure of 1.2 million tons for MY99. Exports during 2000 is expected to be cut back to about 594,000 tons compared to the preliminary figure of 631,000 tons for 1999 as more stringent grading regulations and export restrictions limits exports and processing intake. The big increase in exports over the past two seasons was the result of the deregulation of the industry which led to scramble for market share and an oversupply of inferior fruit in the export markets. Prices suffered but the industry is getting its own house in order trying to increase voluntary cooperation between the various exporters. In the process the data source that was lost with the demise of Unifruco (Deciduous Fruit Board) is being built up again.

Apples

PSD Table						
Country:	South Africa, Republic of					
Commodity:	Apples					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Area Planted	20999	20999	21500	21500	0	22000
Area Harvested	17359	17359	17350	17350	0	17500
Bearing Trees	12825	12825	12873	12873	0	12950
Non-Bearing Trees	5391	5391	5346	5346	0	5370
Total Trees	18216	18216	18219	18219	0	18320
Commercial Production	658950	670838	660000	699000	0	710000
Non-Comm. Production	0	0	0	0	0	0
TOTAL Production	658950	670838	660000	699000	0	710000
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	658950	670838	660000	699000	0	710000
Domestic Fresh Consump	206330	220000	205000	206000	0	220000
Exports, Fresh Only	224500	273551	225000	309000	0	289000
For Processing	228120	177287	230000	184000	0	201000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	658950	670838	660000	699000	0	710000

Production

MY1999/2000 apple production is expected to increase by about 1.2% due to favorable weather conditions, expanded planted area, and an increase in the number of bearing trees. Domestic consumption of fresh apples is expected to show a rise of about 7% and processing 9%, mainly because of a ban on the export of Class 2 deciduous fruit to the EU, as well as an increase in the minimum export diameter for Class 1 apples. These changes to the deciduous fruit export grading regulations were approved by the Directorate of Plant Health and Quality on the 30th September 1999. The changes occurred because of the oversupply of fruit worldwide that in turn led to the decrease in export prices. As a result, a greater share of South Africa's apple production will be consumed locally this season.

Trade

Export Trade Matrix			
Country:		Units:	Metric tons
Commodity:			
Time period:	Jan-Dec		
Exports for	1997		1998
U.S.	15140	U.S.	17853
Others		Others	
United Kingdom	78813	United Kingdom	114293
Belgium	33704	Belgium	30418
Germany	10732	Netherlands	24715
Zimbabwe	7997	Germany	18967
Mauritius	5627	Zimbabwe	6624
Russian Fed	4911	Russian Fed.	6531
Canada	2999	Saudi Arabia	5226
Italy	2027	Mauritius	5175
Hong Kong	1437	Hong Kong	3699
		Malaysia	3052
Total for Others	148247		218700
Others not listed	36381		36998
Grand Total	199768		273551

After the deregulation of fruit marketing, exports jumped to more than 300,000 tons in 1999, which led to a serious oversupply situation in the traditional export markets and a decline in export realizations. The export restrictions imposed are to try and stabilize the situation.

Policy

The Directorate of Plant Health and Quality (on September 30, 1999) approved a regulation that imposes a ban on the export of Class 2 deciduous fruit to the EU. It also increased the minimum export diameter for Class 1 apples, plums, peaches and apricots. These recommended changes to the deciduous fruit export grading regulations were initiated by the Deciduous Fruit Producer's Trust as a measure to reverse the negative impacts on prices and product quality that developed after the deregulation of the Agricultural Marketing Act of 1997.

Food Safety Issues

The South African Department of Health, Directorate of Food Control, has reviewed regulations under the Food Control Act to include the Hazard Analysis Critical Control Point (HACCP) into the legislation. A special HACCP working group under Food Legislation Advisory Group (FLAG), an initiative of the Directorate of Food Control, has drafted regulations governing the application of HACCP in all sectors of the

South African Food Industry.

The National Department of Agriculture, Directorate of Plant Quality and Health, is developing a system-based quality assurance program for export food industries, including the deciduous fruit sector, incorporating HACCP-based principles for food safety control.

The South African Bureau of Standards (SABS), recently revised codes of practice, SABS 049-1989, for hygiene, GMP in South African food industries. This will also impact the deciduous fruit sector. The said code of practice, SABS 0330-1999 "The Implementation and management of a HACCP system" is already published and provide a detailed description of points outlined above.

Statutory Requirements

The National Department of Agriculture's standards and requirements for the different export products are published (annually) under the Agricultural Product Standards Act (Act No.119 of 1990). These standards stipulate the maximum residue limits for permissible chemicals.

The Perishable Products Export Control Board (PPECB) is mandated and obliged by law to act in the best interests of the South African perishable industries as a whole and also mandated to enforce specific shipping temperatures. Exporters are, however, free to deviate from these recommendations.

It is also responsible for ensuring that products meet quality standards, and its control mechanism is through product sampling. Currently, PPECB is in the process of registering as an international quality Management Organization (ISO 9000). It also intends to extend its management system to cover the full 'orchard to consumer' logistical chain of events. For example, improve procedures on HACCP and quality management systems on food safety, in order to provide a fully comprehensive range of services.

Marketing

South African Deciduous fruit industry has in the past two years been producing only top quality fruit of the right variety and size specification so as to ensure good return earnings and a sustained profitability. The need to supply quality products has been stimulated by a tough competition resulting from the free market environment. The oversupply of fruits worldwide also strengthened the competition.

Current changes in the deciduous fruit industry is the establishment of the Deciduous Fruit Producer's Trust (DFPT) which replaced the former Deciduous Fruit Board/Scheme that existed under the Marketing Act of 1968. The DFPT was formed by an amalgamation of three fresh fruit Producer Associations, i.e. the S.A. Apple and Pear Producer's Association, the S.A. Table Grape Producer's Association, and the S.A. Stone Fruit Producers' Association. The main objectives of the Deciduous Fruit Production Trust (DFPT) is to promote the common interests of deciduous fruit industry, by providing essential independent information in relation to all matters affecting the production and sale of deciduous fruit. It also seek to provide information on minimum quality standards and phytosanitary protection of the industry and work closely with the government and other interest groups in the industry. A close working relationship with the dried and canning fruit section of the industry, as well as with the wine industry is also one of its goals.

Concentrated Apple juice

PSD Table	Juice					
Country:						
Commodity:						
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin						01/2000
Deliv. To Processors	228120	177287	230000	184000	0	201000
Beginning Stocks	0	0	5700	5070	4750	0
Production	27850	21629	28800	22440	0	24510
Imports	0	5381	0	5060	0	5490
TOTAL SUPPLY	27850	27010	34500	32570	4750	30000
Exports	12600	12390	20000	22820	0	20050
Domestic Consumption	9550	9550	9750	9750	0	9950
Ending Stocks	5700	5070	4750	0	4750	0
TOTAL DISTRIBUTION	27850	27010	34500	32570	4750	30000

Concentrated apple juice production is expected to show a small increase in 2000 due to an expected increase in the intake of fruit for processing . Imports are expected to continue to supplement local supplies for domestic sale and export. The following table contains the latest import and export trade data:

Exports, 1998	Metric Tons	Imports, 1998	Metric Tons
U.S.	4,560	U.S.	173
Canada	2,475	China	3,236
Spain	2,475	United Kingdom	842
Japan	2,244	Hong Kong	398
Others	2,201	Others	732
Total	12,390	Total	5,381

Pears

PSD Table						
Country:	South Africa, Republic of					
Commodity:	Fresh Pears					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Area Planted	12742	12742	12750	12750	0	13000
Area Harvested	9045	9045	9050	9050	0	9070
Bearing Trees	6350	6350	7217	7217	0	7250
Non-Bearing Trees	4500	4500	4121	4121	0	4378
Total Trees	10850	10850	11338	11338	0	11628
Commercial Production	287363	265402	290000	275786	0	275000
Non-Comm. Production	0	0	0	0	0	0
TOTAL Production	287363	265402	290000	275786	0	275000
TOTAL Imports	0	0	0	0	0	
TOTAL SUPPLY	287363	265402	290000	275786	0	275000
Domestic Fresh Consump	53110	51750	52500	53250	0	55000
Exports, Fresh Only	121353	125887	125000	142000	0	130000
For Processing	112900	87765	112500	80536	0	90000

South Africa's FAS 1999, MY 2000, pear production is not expected to increase much this season as lower quality fruit will probably be abandoned. Export and processing requirements are strict while the domestic fresh market is limited. Farmers will try to optimize income by marketing only the best quality fruit.

Export Trade Matrix			
Country:		Units:	Metric tons

Commodity:			
Time period:	Jan-Dec		
Exports for	1997		1998
U.S.	4655	U.S.	6883
Others		Others	
United Kingdom	38395	United Kingdom	50026
Belgium	25619	Netherlands	9090
Germany	12044	Italy	2942
Italy	4115	Portugal	2771
France	4073	Hongkong	2175
Hong Kong	3354	Russian Fed.	1750
Russia	3223	Mauritius	1227
Poland	2250	Greece	1021
Canada	1437	Yugoslavia	700
Spain	1101	Spain	1101
Total for Others	95611		72803
Others not listed	10981		46201
Grand Total	111247		125887

Table Grapes

PSD Table						
Country:	South Africa, Republic of					
Commodity:	Fresh Table Grapes					
		1998		1999		2000
	Old	New	Old	New	Old	New
Market Year Begin		01/1998		01/1999		01/2000
Area Planted	15137	15137	15200	15200	0	16000
Area Harvested	12500	12500	12550	12550	0	12600
Commercial Production	187000	195673	195000	223885	0	225000
Non-Comm. Production	0	0	0	0	0	0
TOTAL Production	187000	195673	195000	223885	0	225000
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	187000	195673	195000	223885	0	225000
Domestic Fresh Consump	42000	43604	45000	40885	0	45000
Exports, Fresh Only	139900	148759	145000	180000	0	175000
For Processing	5100	3310	5000	3000	0	5000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	187000	195673	195000	223885	0	225000

The success story of the fresh seedless sultana exports from the Orange River region suffered a setback this year. The grapes, which are exported from November, suffered damage from heavy rains in December 1999. The very hot and dry desert region where the grapes are grown under irrigation enjoyed unusually good rains which affected the crop quality. After the festive season the remaining fruit is sold on the local market and dried but this year more fruit reached the local market early as exports were cut back.

Export Trade Matrix			
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Country:		Units:	Metric Tons
Commodity:			
Time period:	Jan-Dec		
Exports for	1998		1999
U.S.	10714	U.S.	
Others		Others	
United Kingdom	41342		
Belgium	40387		
Germany	19836		
Netherlands	13037		
Saudi Arabia	3082		
Canada	3071		
U.A. Emirates	1640		
Spain	1504		
Hongkong	1494		
France	1149		
Total for Others	126542		0
Others not listed	11503		
Grand Total	148759		0