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South Africa, Republic of

Fresh Deciduous Fruit

Annual

2003

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Report Highlights:

South Africa's CY2003 deciduous fruit production is expected to increase by 9% from last year to about 1.3 million tons, principally because of increased area planted. Hail and windstorm impacted mainly tablegrapes. Total exports in 2003 are expected to increase by 2% because of a lower apple and pear stock levels in Europe. More fruit will also be sold in local markets because of larger production. South Africa hopes to sign a Free Trade Agreement with Russia in early 2003, which should expand access to that market for South Africa's fruit exporters.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Pretoria [SF1], SF

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Executive Summary

South Africa's CY2003 deciduous fruit production is expected to increase by 9% from last year to a volume of about 1.3 million tons because of good agricultural management practices, increased area harvested, and sufficient soil moisture and sunlight. Estimates are for an increase of 13% for apples, 12% for pears, and a decrease of 2% for tablegrapes.

CY 2002 stone fruit and tablegrapes production were negatively impacted by hail and windstorms in many growing areas. Export figures are expected to increase by 8% for Nectarines, and 2% for peaches. Apricots are expected to decrease 11 percent.

Increases in export figures are expected to spill into CY 2003 because of expected low apple and pear European stock levels. CY2003 total exports are estimated to increase slightly by 2%, including a jump of 12% for tablegrapes, 10% for pears and a decrease of 6% for apples. Traders expect prices in Rand to strengthen in 2003

The Fresh Produce Exporters Forum is now in its second year of operation and is already showing signs of export effectiveness, according to industry representatives.

More fruit will be sold domestically in 2003 because of larger production and competitive prices.

In January 2003, South Africa hopes to finalize a Free Trade Agreement with Russia.

Production

Apples

| PSD Table | | | | | | |
|------------------------|---------------------------|---------|-------------|---------|----------|----------------------|
| Country | South Africa, Republic of | | | | | |
| Commodity | Fresh Apples | | | | | (HA)(1000 TREES)(MT) |
| | Revised | 2001 | Preliminary | 2002 | Forecast | 2003 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 01/2002 | | 01/2003 | | 01/2004 |
| Area Planted | 23500 | 23500 | 24000 | 24000 | 0 | 24200 |
| Area Harvested | 17700 | 17700 | 18000 | 18000 | 0 | 18300 |
| Bearing Trees | 16160 | 16160 | 16300 | 16300 | 0 | 16470 |
| Non-Bearing Trees | 6150 | 6150 | 6500 | 6500 | 0 | 6512 |
| Total Trees | 22310 | 22310 | 22800 | 22800 | 0 | 22982 |
| Commercial Production | 690000 | 600000 | 710000 | 680000 | 0 | 700000 |
| Non-Comm. Production | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Production | 690000 | 600000 | 710000 | 680000 | 0 | 700000 |
| TOTAL Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 690000 | 600000 | 710000 | 680000 | 0 | 700000 |
| Domestic Fresh Consump | 250000 | 150000 | 255000 | 200000 | 0 | 220000 |
| Exports, Fresh Only | 250000 | 342000 | 260000 | 320000 | 0 | 350000 |
| For Processing | 190000 | 108000 | 195000 | 160000 | 0 | 130000 |
| Withdrawal From Market | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL UTILIZATION | 690000 | 600000 | 710000 | 680000 | 0 | 700000 |

CY 2003 apple production is forecast to be 13% higher than last year because of because of good agricultural management practices, increased area harvested, sufficient soil moisture and enough sunlight. The increase is expected mainly for Granny Smiths. Apple production was less affected by hail damage than other fruits.

Production, Processed Juice

| | | | | | | |
|----------------------|---------------------------|---------|-------------|---------|----------|---------|
| PSD Table | | | | | | |
| Country | South Africa, Republic of | | | | | |
| Commodity | Concentrated Apple Juice | | | | (MT) | |
| | Revised | 2001 | Preliminary | 2002 | Forecast | 2003 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 01/2002 | | 01/2003 | | 01/2004 |
| Deliv. To Processors | 190000 | 108000 | 195000 | 160000 | 0 | 130000 |
| Beginning Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| Production | 26250 | 26250 | 26400 | 30000 | 0 | 27000 |
| Imports | 6000 | 6000 | 5900 | 5900 | 0 | 6000 |
| TOTAL SUPPLY | 32250 | 32250 | 32300 | 35900 | 0 | 33000 |
| Exports | 23000 | 23000 | 23000 | 25000 | 0 | 24000 |
| Domestic Consumption | 9250 | 9250 | 9300 | 10900 | 0 | 9000 |
| Ending Stocks | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL DISTRIBUTION | 32250 | 32250 | 32300 | 35900 | 0 | 33000 |

Exports, Apples

| Export Trade Matrix | | | |
|---------------------|---------------------------|----------------|---------|
| Country | South Africa, Republic of | | |
| Commodity | Fresh Apples | | |
| Time period | Jan-Dec | Units: | Tons |
| Exports for: | 2000 | | 2001 |
| U.S. | 7,264 | U.S. | 10,641 |
| Others | | Others | |
| United Kingdom | 81,972 | United Kingdom | 82,205 |
| Netherlands | 24,290 | Netherlands | 39,210 |
| Belgium | 16,916 | Belgium | 12,250 |
| Malaysia | 8,141 | Malaysia | 11,550 |
| Germany | 5,980 | Germany | 10,991 |
| Mauritius | 4,621 | Benin | 6,200 |
| Benin | 4,116 | France | 5,139 |
| Saudi Arabia | 3,558 | Canada | 5,055 |
| Hongkong | 3,295 | Hongkong | 4,956 |
| Singapore | 3,053 | Mauritius | 4,947 |
| Total for Others | 155,942 | | 182,503 |
| Others not Listed | 45,303 | | 51,675 |
| Grand Total | 208,509 | | 244,819 |

South Africa's CY2003 apple exports are expected lower than the initial estimates which were based on the low apple and pear stock levels in Europe. The current figures signify the impact of hail damage to crop quality.

Apples exports for a period : Jan-Sept 2002

| Country | Quantity (Tons) |
|-------------------|-----------------|
| Netherlands | 25,708 |
| United Kingdom | 69,691 |
| Belgium | 22,214 |
| Malaysia | 16,905 |
| Angola | 9,705 |
| TOTAL LISTED | |
| Others not Listed | |
| TOTAL | 247,807 |

Pears

| PSD Table | | | | | | |
|------------------------|---------------------------|---------|-------------|---------|----------------------|---------|
| Country | South Africa, Republic of | | | | | |
| Commodity | Fresh Pears | | | | (HA)(1000 TREES)(MT) | |
| | Revised | 2001 | Preliminary | 2002 | Forecast | 2003 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 01/2002 | | 01/2003 | | 01/2004 |
| Area Planted | 13600 | 13600 | 14000 | 14000 | 0 | 14200 |
| Area Harvested | 9700 | 9700 | 10000 | 10000 | 0 | 12000 |
| Bearing Trees | 8300 | 8300 | 8500 | 8500 | 0 | 10200 |
| Non-Bearing Trees | 5900 | 5900 | 6100 | 6100 | 0 | 6300 |
| Total Trees | 14200 | 14200 | 14600 | 14600 | 0 | 16500 |
| Commercial Production | 250000 | 250000 | 260000 | 280000 | 0 | 300000 |
| Non-Comm. Production | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Production | 250000 | 250000 | 260000 | 280000 | 0 | 300000 |
| TOTAL Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 250000 | 250000 | 260000 | 280000 | 0 | 300000 |
| Domestic Fresh Consump | 62000 | 62000 | 62500 | 78000 | 0 | 80000 |
| Exports, Fresh Only | 92000 | 118000 | 101000 | 130000 | 0 | 140000 |
| For Processing | 94800 | 68800 | 95000 | 70500 | 0 | 78000 |
| Withdrawal From Market | 1200 | 1200 | 1500 | 1500 | 0 | 2000 |
| TOTAL UTILIZATION | 250000 | 250000 | 260000 | 280000 | 0 | 300000 |

CY 2003 pear production is expected to increase by 12 percent despite hail damage at the beginning of the production season in the growing areas of Langkloof and Ceres. Both Packham Triumph and Bon Chretien crops are estimated 20% lower than last year. The Comice crop is estimated to decrease by 50%, and Forelle as well as Rosemarie by 30%.

More fruit will also be sold in local markets because of prevailing competitive prices, while some good export prices are expected for some specific varieties.

Exports, Pears

| Export Trade Matrix | | | |
|---------------------|---------------------------|---------------|--------|
| Country | South Africa, Republic of | | |
| Commodity | Fresh Pears | | |
| Time period | Jan - Dec | Units: | Tons |
| Exports for: | 2000 | | 2001 |
| U.S. | 4,323 | U.S. | 1,652 |
| Others | | Others | |
| Netherlands | 26,728 | Netherlands | 28,845 |
| United Kingdom | 22,663 | Unitedkingdom | 20,322 |
| Belgium | 14,649 | Belgium | 8,797 |
| France | 7,404 | Germany | 6,525 |
| Hongkong | 2,336 | France | 5,105 |
| Malaysia | 2,151 | Malaysia | 3,139 |
| Germany | 2,120 | Russia | 2,597 |
| Canada | 1,984 | Hongkong | 2,215 |
| Mauritius | 1,341 | Singapore | 2,050 |
| Singapore | 1,254 | Mauritius | 1,524 |
| Total for Others | 82630 | | 81119 |
| Others not Listed | 8,587 | | 7,636 |
| Grand Total | 95540 | | 90407 |

CY 2003 export figures are expected to continue rising because of the low apple and pear European stock levels carried-over from last year. In 2002, pear exports and prices are estimated to have increased by 30% from 2001.

Pear exports for a period : Jan-Sept 2002

| Country | Quantity (Tons) |
|-------------------|------------------|
| Netherlands | 31,016 |
| United Kingdom | 26,406 |
| Belgium | 16,529 |
| France | 8,209 |
| Germany | 7,974 |
| Malaysia | 4,969 |
| TOTAL LISTED | |
| Others not Listed | |
| TOTAL | 118,144 |

CY 2002 exports were higher than last year because of favorable export conditions. Domestic prices were high and compared favorably with export revenues for some cultivars.

Tablegrapes

| PSD Table | | | | | | |
|------------------------|---------------------------|---------|-------------|---------|----------|----------|
| Country | South Africa, Republic of | | | | | |
| Commodity | Fresh Table Grapes | | | | | (HA)(MT) |
| | Revised | 2001 | Preliminary | 2002 | Forecast | 2003 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 01/2002 | | 01/2003 | | 01/2004 |
| Area Planted | 18500 | 18500 | 19000 | 19000 | 0 | 19200 |
| Area Harvested | 11300 | 11300 | 11800 | 11800 | 0 | 12200 |
| Commercial Production | 350000 | 360000 | 370000 | 355000 | 0 | 370000 |
| Non-Comm. Production | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL Production | 350000 | 360000 | 370000 | 355000 | 0 | 370000 |
| TOTAL Imports | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL SUPPLY | 350000 | 360000 | 370000 | 355000 | 0 | 370000 |
| Domestic Fresh Consump | 25000 | 30000 | 28000 | 40000 | 0 | 45000 |
| Exports, Fresh Only | 185000 | 170000 | 190000 | 190000 | 0 | 210000 |
| For Processing | 140000 | 160000 | 152000 | 125000 | 0 | 115000 |
| Withdrawal From Market | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL UTILIZATION | 350000 | 360000 | 370000 | 355000 | 0 | 370000 |

CY2003 tablegrape production is expected to decrease slightly by 2%. The harvest is expected to start about a week earlier than last year. The CY2002 harvest was affected by unfavorable climatic conditions in the Northern Province and Berg River regions. However, initial estimates were a bumper crop expected around the Orange River areas.

2002 exports for the period : Jan - Sept 2002

| | |
|---------------|-------|
| Country | 2002 |
| United States | 4,868 |

| | |
|----------------------|---------|
| Netherlands | 58,855 |
| United Kingdom | 30,265 |
| Belgium | 28,882 |
| Germany | 15,861 |
| Hongkong | 9,208 |
| Canada | 5,460 |
| Spain | 3,566 |
| United Arab Emirates | 3,244 |
| TOTAL LISTED | |
| Others not Listed | |
| TOTAL | 180,490 |

Source: Dept. of Customs & Excise

Exports, Tablegrapes

| Export Trade Matrix | | | |
|---------------------|---------------------------|----------------|--------|
| Country | South Africa, Republic of | | |
| Commodity | Fresh Table Grapes | | |
| Time period | Jan -Dec | Units: | Tons |
| Exports for: | 2000 | | 2001 |
| U.S. | 11,365 | U.S. | 8,919 |
| Others | | Others | |
| Netherlands | 59,810 | Netherlands | 65,125 |
| Belgium | 39,779 | United Kingdom | 33,717 |
| United Kingdom | 36,241 | Belgium | 24,632 |
| France | 7,203 | Germany | 12,429 |
| Canada | 5,321 | France | 6,131 |
| Germany | 4,962 | Hongkong | 5,307 |
| Hongkong | 4,040 | Spain | 5,086 |
| Saudi Arabia | 2,548 | Canada | 3,659 |
| Spain | 2,103 | United Arab Em | 2,515 |
| Italy | 1,317 | Saudi Arabia | 2,022 |

| | | | |
|-------------------|--------|--|--------|
| Total for Others | 163324 | | 160623 |
| Others not Listed | 10,553 | | 12,292 |
| Grand Total | 185242 | | 181834 |

South Africa's CY 2003 tablegrape exports are expected to increase by 12% from a year earlier. However, a drop in fruit quality for late harvests, that was caused by hail damage, resulted in Capespan having to withdraw from the US program because it could not meet the expected quota.

Estimated export volumes for CY2003 season from October 2002 to June 2003:

| | Initial Est(Nov2002) | Current Est(Jan2003) |
|-----------------------|----------------------|----------------------|
| Northern Province | 6,750 MT | 6750MT |
| Orange River | 74,250 MT | 58,500MT |
| Olifants & Berg River | 58,500 MT | 40,500MT |
| Hex River | 76,500 MT | 58,500MT |
| Total | 216,000 MT | 164,250MT |

Fruit exports are expected to increase by 200,000 MT by 2005.

Trade

South Africa's total exports are expected to increase to about \$40 million dollars in CY2002. In January 2003, South African government hopes to finalize a Free Trade Agreement with Russia which expected to expand market access for South African fruit in that market. Currently, South Africa's fruit export to Russia has a 10% tariff. South Africa's exports of fruit to the Russian market exceeded \$25 million last year. Apples, pears and Kiwifruit are the largest traded fruit, totalling \$5.5 million.

Europe still remains SA's major export destination, but increasingly South Africa's 80 exporters face stiff competition from the European Union and other exporters. South Africa's exports remain strong in the Middle East, with a 90% market share.

A World Apple and Pear Association (WAPA), established in 2001 by South Africa, Australia, United Kingdom, Uruguay, Argentina, Chile, France, New Zealand, the Netherlands, Germany, Belgium, Spain, Italy and Brazil, oversees the imbalances between demand and supply, variety adjustment, critical price situation, absence of new emerging markets, and the increasing role of food safety and standardization in food trade.

Policy

REGULATIONS AND REQUIREMENTS

To ensure that quality products are shipped, South Africa maintains strict grading standards and requirements for exports of stonefruit, table grapes and pomefruit destined for the EU and US.

South Africa's National Department of Agriculture requires that domestic and imported biocontrol products be registered before they are sold. To ensure that they meet government approved standards, imported products are carefully scrutinized by the Directorate of Plant Health and Quality. Specific requirements for registration include identifying the technical grade active ingredient, formulating the Microbial Pest Control Agent (MPCA) and product standardizing. The Acts, the Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act(1947) and the Agricultural Remedies Act (Act 15 of 1973) regulates label specifications, use, storage and disposal. The Agricultural Pests Act of 1983 controls illegal importation of exotic species of entomopathogenic microbes.

TRACEABILITY

Traceability using human readable coding, mainly used for food safety and phytosanitary matters, is another statutory requirement in South Africa. Currently, the deciduous fruit industry is working with the International Fresh Produce Traceability (IFPT) project team by running pilots within the country.

LABELING

The Agricultural Production Standards Act regulates the Markings and Labeling of exports from SA.

EUROGAP PROTOCOLS

South African deciduous fruit industry is implementing EuroGAP protocols on production units, HACCP & ISO in pack houses as required by European Union importing countries.

The Deciduous Fruit Producers' Trust (DFPT) was established from the liquidation of the Deciduous Fruit Board in October 1997. Within the five years of its existence, it has been exposed to existing restructuring and industry challenges.

In the first year of operation (1998), the South African Apple and Pear Producer Association (SAAPPA) provided grower services to the Trust. DFPT funded that year's promotional services, before taking over Unifruco Research Services (now Hortec). DFPT also took over funds from the South African Peach Organization (SAPO) and formed the South African Deciduous Fruit Exporters Forum. In the successive two years, DFPT services were maintained by voluntary levies funds before statutory levies were initiated in 2000.

Marketing

The fruit industry's strategy is to focus market development expansion in the Far East.

In 2001, South African Tablegrapes (SAT) was converted to a Section 21(non-profit) company, with a logo and identity. The SAT functions as a representing body for the table grape industry for generic promotion and campaigns, and provides a central national database for packing and shipping, and for managing cold chain logistics. South African grapes are marketed internationally under 105 brands.