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## South Africa, Republic of

### Dried Fruit

### Annual

### 2005

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**Report Highlights:**

South Africa's 2005 raisin production is expected to decrease 23% from last year because of a drought and late rains which caused a decline in total production of grapes used for drying. Thompson seedless raisins and unbleached sultanas experienced significant decreases of about 29% and 65% respectively.

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## Executive Summary

South Africa's 2005 raisin production is expected to decrease 23% from last year because of a drought and late rains which caused a decline in total production of grapes used for drying. Thompson seedless raisins and unbleached sultanas experienced significant decreases of about 29% and 65% respectively. .

Also, reports are that many South Africa's grape producers are facing financial hardship and bankruptcy because of bad weather that damaged fresh production and reduced exports, resulting in increasing number of farms on sale.

In October 2005, US \$1 = R6.50

## Production

### Background

The Western Cape Province, because of its specific climate and natural resources, is ideally suited for high quality grape production for both raisins and the fresh markets. The Sultana variety is the most important grape used for drying. About 93% of South Africa's area planted to sultanas (Thompson) is situated around the Orange River area. Average annual production of raisins and currants is about 45,000 MT.

In 2003/4, South Africa had 1,200 raisin producers, with farmer revenue at US \$ 33.3 million.

### 2004/5 Production

In 2004/5, the area planted to a wide range of grape varieties for drying totaled 15,000 Ha. Production and exports from the Orange River area were both affected by bad weather in 2004/5. More grapes were dried because of the impact of drought on Sultanas that are produced for the fresh markets. The season experienced the worst situation with poor production of a lower quality, in turn affecting prices.

### 2005/6 Production

In 2005, the Western Cape had a 'normal' long cold and wet winter. In June 2005, most parts of the area had good rains that are expected to fill some dams. Only the Worcester area did not receive normal rainfall, although the irrigation dams in the region improved from last year. The Department of Water Affairs statistics indicate that the major dams supplying water to the Franschhoek, Paarl, Wellington, Olifants River, Worcester and Robertson areas are in good shape.

The amount of cold exposed to the vines kept them dormant enough to allow proper rest and budding. Initial indications are uniform budding of early ripening varieties, which is a good start for the growing season. 2005/6 production is therefore expected to return to normal.

## Production Subcategory

South Africa, Republic of Raisins							
	2002	Revised	2003	Estimate	2004	Forecast	UOM
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	
Market Year Begin		01/2003		01/2004		01/2005	MM/YYYY
Area Planted	12300	12300	12350	15000	12350	15000	(HA)
Area Harvested	11400	9740	11450	10640	10640	11000	(HA)
Beginning Stocks	4598	6098	2051	1668	5251	4401	(MT)
Production	34953	36727	40000	39516	36720	28386	(MT)
Imports	200	162	200	864	800	900	(MT)
<b>TOTAL SUPPLY</b>	<b>39751</b>	<b>42987</b>	<b>42251</b>	<b>42048</b>	<b>42771</b>	<b>33687</b>	<b>(MT)</b>
Exports	28000	34519	34953	27647	33000	25000	(MT)
Domestic Consumption	9700	6800	2047	10000	8396	7000	(MT)
Ending Stocks	2051	1668	5251	4401	1375	1687	(MT)
<b>TOTAL DISTRIBUTION</b>	<b>39751</b>	<b>42987</b>	<b>42251</b>	<b>42048</b>	<b>42771</b>	<b>33687</b>	<b>(MT)</b>

## Consumption

South Africa's annual domestic consumption of raisins averages at about 10,000 MT depending on the yield size and production quality. In 2004/5, domestic consumption is expected at 30% below annual average because of a lower total production.

## Consumption Subcategory

South Africa's Average real producer/wholesale Prices for raisins (US\$/MT)		
Year	Raisins	Unbleached Sultanas
2001/02	507.94	449.21
2002/03	568.25	766.67
2003/04	414.29	677.78

Source: NDA

## Trade

2004/5

South Africa's 2004/5 imports of raisins is expected to reach about 900 MT, which is a 4% increase, while exports are expected to decrease by 10% from last year because of a decline in total production of grapes used for drying resulting from a drought and late rains.

2003/4

In 2004, total raisin exports decreased 20% from a year earlier because of drought that reduced production. Major export destinations remained Canada, U.K., Germany, Netherlands, and France. However, exports decreased by 14% to Canada, by 34% to the U.K., by 23% to Germany, by 10% for France and increased by 10% to the Netherlands. Exports to the U.S. also decreased by 49% to reach 642 MT.

In 2004 raisin imports increased significantly to amount to 864 MT from 162 MT in 2003 because of a lower local production that could not satisfy demand. Major suppliers were Iran – at market share of 72.3%, Turkey – at market share of 9.4%, Chile – at market share of 7.4%, and France – at market share of 0.8%. The Netherlands (3.9%) and Italy became new entrants last year, and took over market share from France at 3.9% and 1.2% respectively.

### IMPORT REQUIREMENTS FOR RAISINS

Import control for agricultural related products is managed by the National Department of Agriculture. All imported goods are subject to an import permit, accessible at a cost of US \$8.96 at the National Department of Agriculture's National Plant Protection Organization. The website is [Http://www.nda.agric.za](http://www.nda.agric.za)

Other specific food import regulations like HACCP, MRL, and Preservatives and Anti-Oxidant for raisins are regulated under the Food, Cosmetics and Disinfectant Act (Act 54 of 1972) of the National Department of Health. The website is [Http://www.doh.gov.za](http://www.doh.gov.za)

Imported goods for home consumption need to pay the value for customs duty, plus any additional duty, plus VAT, which is 10% to the value of the goods. Importers who are registered vendors may claim for VAT reimbursement from Inland Revenue. The Inland Revenue will on the otherhand authorize the Department of Customs and Excise to refund VAT.

## Trade Subcategory

South Africa, Republic of Raisins			
Time Period	Jan-Dec	Units:	MT
Imports for:	2003		2004
U.S.	36	U.S.	43
Others		Others	
Iran	49	Iran	625
Chile	42	Turkey	81
Turkey	19	Chile	64
France	15	Netherlands	34
		Italy	10
		France	7
Total for Others	125		821
Others not Listed	1		0
<b>Grand Total</b>	<b>162</b>		<b>864</b>

Source: WTA

South Africa, Republic of Raisins			
Time Period	Jan-Dec	Units:	MT
Exports for:	2003		2004
U.S.	1,264	U.S.	642
Others		Others	
Canada	8,988	Canada	7,960
U.K.	6,034	U.K.	4,074
Germany	4,961	Germany	3,830
France	3,341	Netherlands	3,337
Netherlands	3,033	France	2,997
New Zealand	1,057	Switzerland	764
Japan	715	Japan	711
Switzerland	651	Hong Kong	530
Sweden	592	New Zealand	497
Norway	460	Sweden	473
Total for Others	29832		25173
Others not Listed	3,423		1,832
<b>Grand Total</b>	<b>34519</b>		<b>27647</b>

Source: WTA

**Policy**

The dried fruit industry is working in line with the aims of the Agricultural Sector Plan (2001).

Other raisin industry implements the agricultural Black Economic Empowerment (AGRIBEE) through mentorship and training. The industry reports to have assisted a group of small-scale producers at Eksteenskruil in Uppington to expand their businesses to exporting under the logo, 'Fair Trade' in 2004.

The grape and raisin industry also plans to establish a strategic partnership with the government, especially for dealing with issues like market access.

**Policy Subcategory**

The South African Customs Union –US FTA resumed on September 29, 2005 in Botswana. Main issues under discussions included industrial tariffs, tariffs amendments, Intellectual Property Rights, and government procurements. Issues scheduled for discussion in the next round are agriculture and the textile industries. Meetings are scheduled for every eight (8) weeks and are expected to conclude towards the end of next year.

The FTA is expected to lock in the benefits of AGOA currently enjoyed by South Africa and other SACU countries.

**Marketing**

The industry plans a worldwide marketing campaign for South African raisins, using the promotional slogans: ' providing the world with an exceptionally healthy and nutritious diet' and ' The finest and high quality raisins, a great source of natural energy that is year round available'.