



USDA Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Template Version 2.09

Required Report - public distribution

Date: 6/19/2008

GAIN Report Number: SF8016

South Africa, Republic of

Fresh Deciduous Fruit

Semi- Annual

2008

Approved by:

Scott Sindelar
U.S. Embassy

Prepared by:

Kari Rojas

Report Highlights:

South Africa's 2008/09 apple production is expected to fall slightly to 700,000 MT due to decreased productivity of older orchards. Pear and grape production is forecast to increase slightly to 346,000 MT and 266,000 MT, respectively.

Includes PSD Changes: Yes
Includes Trade Matrix: Yes
Semi-Annual Report
Pretoria [SF1]
[SF]

Table of Contents

Production **3**
 Apple production 3
 Apple juice production 3
 Pear Production 3
 Table grape production 4
Consumption..... **5**
 Apple 5
 Table Grapes..... 5
Trade..... **5**
 Apples 5
 Pear..... 6
 Apple Juice Trade..... 6
 Table Grapes..... 8
Policy **8**
 Foodsafety on imports..... 8
Marketing **8**
 Processing..... 8

Production

Apple production

South African apple production has seen its ups and downs over the past five years. After reaching over 800,000 MT in the marketing year (MY) 2003/04 (harvested in 2004), production fell over 20 percent in MY 2005/06 to approximately 637,000 MT. Over the past two seasons, production rebounded to approximately 700,000 MT in 2006/07. Planted and harvested area over these years has not changed significantly. The mentioned decrease in production can be attributed to decreased yields caused by either weather or, in most cases, decreased productivity of ageing orchards. In 2007, over 30 percent of apple orchards were over 25 years old. Over 50 percent of the orchards are over 15 years old. These older orchards are slowly being replaced with new plantings, but not as fast as the older ones are taken out of production.

Granny Smith and Golden Delicious varieties account for over 45 percent of total area planted and are the number one varieties in the export market. Over the past three years, Granny Smith and Golden Delicious area has decreased as older orchards are replaced with different varieties.

The MY2007/08 harvest is nearly complete, with the last of the late varieties being harvested through May and into June. This season can be characterized as good with adequate precipitation and cold units contributing to a crop of similar size as last year. Flood damage slightly affected the Langkloof production area, representing about 20 percent of total apple area. Total production, however, will not be affected.

Post forecasts MY2008/09 apple production at 700,000 MT.

Post estimates the current production, MY2007/08, down slightly from the previous year to 700,000 MT but up from Post's November estimate.

Post revises MY2006/07 apple production up to 711,923 MT based on input from various sources, including the South African Department of Agriculture, the Deciduous Fruit Producers Trust and the South African Apple and Pear Association.

Apple juice production

Apple juice production data has been revised to account for 70/71 brix production using a conversion rate of 17 percent apples to CAJ.

Post forecasts MY2008/09 CAJ production at 32,400 MT, stable from the previous year due to unchanged deliveries to processors.

Post estimates MY2007/08 CAJ production also at 32,400 MT. This is increased from November's estimate due to a change in methodology, detailed above.

Post revises MY2006/07 CAJ production at 32,382 MT.

Pear Production

Unlike apples, pear orchard age distribution is spread evenly from 0 to over 25 years. Of the 11,700 HAS of orchards, approximately 25 percent are over 25 years old, 22 percent are between 16-25 years, 20 percent are 11 – 15 years, 22 percent are between 4- 10 years, and the remaining 10 percent are 0-3 years old. Because of this even distribution, it is

unlikely production will be significantly affected in the coming years due to orchards falling out of production not being replaced by new orchards. There may be slight increases in production as the younger orchards begin producing higher volumes.

Post forecasts 2008/09 pear production at 346,000 MT, up slightly from the previous marketing year as trees planted in the past three years begin to enter into production.

Post revises MY2006/07 production estimates to 343,278 MT, in line with South African Department of Agriculture and pear industry estimates.

Table grape production

In previous reports, post's grape production included fresh and dried production. This year, however, table grape production is reported only for grapes produced for fresh consumption. These numbers do not include grapes that have entered into the wine, juice, or dried sectors.

The South African National Department of Agriculture grape data for MY 2006/07 is made up of the following components:

NDA Grapes (MT)						
Year (October – September)	Total Production	Sales on Markets **	Exports	Dried	Pressed***	Purchases for Processing****
2003/04	1,761,798	29,920	239,376	158,064	1,312,184	3,018
2004/05	1,550,229	26,923	210,401	121,664	1,171,632	2,632
2005/06	1,757,355	29,018	240,656	164,916	1,301,578	3,151
2006/07	1,812,497	26,687	237,394	176,128	1,352,040	3,468

Source: National Department of Agricultural 2008 Abstract

** Sales on the major fresh produce markets (19 in 2003: 20 from 2004 on)

*** For the wine industry.

**** No definition as to what processing this entails. Post assumes it is fruit diverted from the fresh market to juice processing.

Deciduous Fruit Producers Trust grape data is as follows:

DFPT Grapes (MT)				
Year (October- September)	Total Production	Local Market	Exports	Dried
2003/04	427,360	29,920	239,376	158,064
2004/05	358,988	26,923	210,401	121,664
2005/06	434,590	29,018	240,656	164,916
2006/07	440,209	26,687	237,394	176,128

Source: Deciduous Fruit Producers Trust, Key Deciduous Fruit Statistics 2008

The two sources of data, above, are similar on most accounts. The NDA data include grapes entering into the pressing sector, while the DFPT data do not. NDA data do not balance; there is a surplus of grapes after accounting for those that enter into the various sectors. DFPT data, however, do balance.

Post revises MY 2006/07 table grape production to 264,081 MT, in line with industry numbers, and lower than November's estimate due to a change in methodology, detailed above.

Post estimates MY2007/08 table grape production 265,000 MT, a slight increase from previous year.

Post forecasts MY2008/09 table grape production at 266,000 MT, in line with historical trends.

Consumption

Apple

Over the past several years, apple domestic consumption has remained relatively stable at about 30 percent of total production. As the apple industry is mainly an export driven commodity, this ratio is expected to remain stable, relative to total apple production.

Post estimates MY2006/07 domestic apple consumption at 223,551 MT.

In line with current domestic consumption trends, MY2007/08 domestic consumption is estimated at 215,000 MT, down slightly from November's estimate due to increased demand in the export sector.

Post forecast MY2008/09 domestic consumption at 210,000, down from MY2007/08 due to an increased demand in the export market.

Table Grapes

Annual consumption of table grapes is about 9 percent of the total production.

Post forecasts consumption will follow historical trends in MY2008/09 and reach 25,200 MT.

Trade

Apples

Over 40 percent of South Africa's apple production is exported. Industry and government export estimates can vary slightly. The United Kingdom is the top destination for South African apples, with Netherlands and Malaysia vying for second place.

Granny Smith and Golden Delicious were the top varieties exported. South Africa is said to be the only southern hemisphere countries that produces a top quality Golden Delicious apple, a major advantage against competing exporting countries.

According to apple industry contacts and the South African Department of Agriculture, MY 2006/07 total apple exports ranged from 290,000 to 300,000 MT depending on the source. World Trade Atlas data based on South African Revenue Service data, reports MY 2006/07 apple exports significantly higher, at 334,757 MT. However, derived demand data, i.e. importing country data, shows total South African exports of 211,438 MT.

Derived demand data is only available for those countries that report to WTA, therefore, not all countries are represented. However, discrepancies are seen between import data reported by the United Kingdom, South Africa's top destination for fresh apples, and South African export data to the United Kingdom. South African export data on the WTA reports 138,297 MT in MY2006/07. United Kingdom import data, however, is only 103,969 MT.

According to the World Trade Atlas, apple exports from January 1- March 31, 2008 are slightly behind the same period last year. This difference is possibly caused by harvest delays, and should work itself out over the next few months.

Post forecasts MY2008/09 apple exports at 300,000 MT, in line with historical data. Post adjusts its MY2006/07 apple exports to 297,958 MT. This estimate is in line with NDA and the deciduous fruit industry, but differs from WTA data.

Pear

The top export pear varieties are Packham's Triumph, Forelle, and William's Bon Chretien/Bartlett. Forelle exports are expected to increase, and the trend will continue over the next 5 years because of the increases in planted area.

For MY2006/07 there is approximately a 20 percent difference between South African export data reported to the WTA and WTA importing countries data. South Africa reports export of 179,736 MT. Derived demand analysis shows importing countries reporting only 150,602 MT. National Department of Agriculture export data and industry data are very similar, at 161,850 and 162,360 MT respectively.

Due to the disparities of the data, post has adopted a trade number that takes into account all of the aforementioned sources. Post estimates MY2006/07 pear exports at 159,350 MT.

In line with historical trends, Post estimates MY 2007/08 pear exports at 159,000 MT, up from November's estimate.

Post forecasts MY 2008/09 pear exports at 160,000 MT, up slightly due to a modest increase in production.

Apple Juice Trade

Apple juice trade data is updated to reflect CAJ and single strength apple juice. South African export data is reported under HTS codes 200979 (CAJ) and 200971 (single strength). To convert single strength to 70/71 Brix, quantities were multiplied by .15887.

Post revises MY 2006/07 CAJ exports to 14,943 MT (70/71 Brix), based on WTA data.

South Africa's Concentrated Apple Juice (CAJ) exports are expected to reach 17,000 MT in 2007/08 (70/71 Brix).

Post forecasts MY 2008/09 CAJ exports to increase slightly to 18,000 MT.

Apple juice imports were also updated to reflect new data, also reported in 70/71 Brix. Post revises MY2006/07 CAJ imports to 21,953 MY.

Year-to-date data shows CAJ imports from January – March 2008 are slightly ahead of CAJ imports during the same period in 2007. In MY2007/08 CAJ imports are estimated at 22,000 MT.

MY2008/09 CAJ imports are forecast stable at 22,000 MT, as apples delivered to processors are not expected to increase, nor decrease.

Single Strength Apple Juice Exports		
South Africa Export Statistics		
Commodity: 200971		
Year Ending: December		
Partner Country	Unit	
		2007
World	T	4969
Canada	T	4377
Indonesia	T	103
Australia	T	68
Hong Kong	T	66
Zimbabwe	T	49
Tanzania	T	42
Trinidad & Tobago	T	37
Taiwan	T	32
Mauritius	T	28
Bangladesh	T	24
United Arab Emirates	T	19
Malawi	T	16
Malaysia	T	16
Zambia	T	15
Mozambique	T	15
Other	T	61

Source: WTA

Concentrated Apple Juice Exports		
South Africa Export Statistics		
Commodity: 200979		
Year Ending: December		
Partner Country	Unit	
		2007
World	T	14154
Spain	T	3207
United States	T	1801
Japan	T	1391
Australia	T	1073
Taiwan	T	669
Netherlands	T	624
Ghana	T	479
United Kingdom	T	433
Ireland	T	347
Mauritius	T	347
Tanzania	T	324
Korea South	T	313
Kenya	T	261
Angola	T	255
Singapore	T	197
Seychelles	T	179
Congo Dem. Rep.	T	174
New Zealand	T	142
Netherlands Antilles	T	138
United Arab Emirates	T	126
Hong Kong	T	113
Reunion	T	111
Malaysia	T	107
Other	T	1340

Source: WTA

Concentrated Apple Juice Imports		
South Africa Import Statistics		
Commodity: 200979		
Year Ending: December		
Partner Country	Unit	
		2007
World	T	21863
China	T	17241
Brazil	T	2521
Argentina	T	1657
Mauritius	T	130
Madagascar	T	116
Japan	T	78
Korea South	T	64

Single Strength Apple Juice Imports		
South Africa Import Statistics		
Commodity: 200971		
Year Ending: December		
Partner Country	Unit	
		2007
World	T	568
China	T	564
Other	T	4

Source WTA

France	T	27
Other	T	30
Source WTA		

Table Grapes

Table grape exports account for approximately 90 percent of total table grape production. Major markets are the United Kingdom and the Netherlands. As with apple and pear trade data, there are significant discrepancies between South African reported exports and reported importer statistics in the WTA. The difference between the two data sources is about 25 percent over reporting on South African export statistics. National Department of Agriculture and industry exports are closer to importing countries data.

Post revises the MY 2006/07 estimate to 237,394 MT, in line with industry data due to the reasons listed above.

In line with historical trends, Post estimates MY2007/08 table grape exports at 238,500 MT.

Post forecasts My2008/09 table grape exports at 239,400 MT.

Policy

Foodsafety on imports

Regulations for food safety remain unchanged from what was previously reported. South Africa's Domestic and Import Food Safety Control is regulated by the Department of Health, and the Department of Agriculture. For more information, please access our report SF7045 at <http://www.fas.usda.gov> under attaché reports.

Marketing

Fruit South Africa, an entity formed by the fruit growers, handles all issues that require government involvement, and will be implemented in 2008. Its other focuses are: transformation, market development, market intelligence, logistic infrastructure, and market access.

Processing

Processing months start in February and end in June for apples, and from January to March for pears. Most of South Africa's processing firms produce apple and pear juice, fruit pulp, formulated fruit juice concentrates, and fruit preparations of yoghurts. Products can be frozen, aseptically packed, or chemically preserved.

PSD Table

Country	South Africa, Republic of									UOM
	Commodity Apples, Fresh									
Commodity	2006 Revised			2007 Estimate			(HA)(1000 TREES)(MT) 2008 Forecast			
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin	01/2007		01/2007	01/2008		01/2008	01/2009		01/2009	
Area Planted	20900	20900	20526	21100	21100	21100	0	0	21100 (HA)	
Area Harvested	19200	19200	19200	19320	19320	19320	0	0	19400 (HA)	
Bearing Trees	20600	20600	20600	20800	20800	20800	0	0	21000 (1000 TRE	
Non-Bearing Trees	1900	1900	1900	1900	1900	1900	0	0	1900 (1000 TRE	
Total Trees	22500	22500	22500	22700	22700	22700	0	0	22900 (1000 TRE	
Commercial Production	650000	650000	711923	690000	690000	700000	0	0	700000 (MT)	
Non-Comm. Production	0	0	0	0	0	0	0	0	0 (MT)	
Production	650000	650000	711923	690000	690000	700000	0	0	700000 (MT)	
Imports	30	30	70	30	30	70	0	0	0 (MT)	
Total Supply	650030	650030	711993	690030	690030	700070	0	0	700000 (MT)	
Fresh Dom. Consumption	210000	210000	223551	220000	220000	215000	0	0	210000 (MT)	
Exports, Fresh	280000	280000	297958	280000	280000	295040	0	0	300000 (MT)	
For Processing	160030	160030	190484	190030	190030	190030	0	0	190000 (MT)	
Withdrawal From Market	0	0	0	0	0	0	0	0	0 (MT)	
Total Distribution	650030	650030	711993	690030	690030	700070	0	0	700000 (MT)	

PSD Table

Country	South Africa, Republic of									UOM
	Commodity Apple Juice, Concentrated									
Commodity	2006 Revised			2007 Estimate			2008 Forecast			
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin	01/2007		01/2007	01/2008		01/2008	01/2009		01/2009	
Deliv. To Processors	160030	160030	190484	190030	190030	190030	0	0	190000 (MT)	
Beginning Stocks	0	0	0	0	0	0	0	0	0 (MT)	
Production	25900	25900	32382	30800	30800	32400	0	0	32400 (MT)	
Imports	10000	10000	21953	10000	10000	22000	0	0	22000 (MT)	
Total Supply	35900	35900	54335	40800	40800	54400	0	0	54400 (MT)	
Exports	14400	14400	14943	17000	17000	17000	0	0	18000 (MT)	
Domestic Consumption	21500	21500	39392	23800	23800	37400	0	0	36400 (MT)	
Ending Stocks	0	0	0	0	0	0	0	0	0 (MT)	
Total Distribution	35900	35900	54335	40800	40800	54400	0	0	54400 (MT)	

PSD Table

Country	South Africa, Republic of									UOM
	Commodity Pears, Fresh									
Commodity	2006 Revised			2007 Estimate			(HA)(1000 TREES)(MT) 2008 Forecast			
	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	USDA Official	Post Estimate	Post Estimate New	
Market Year Begin	01/2007		01/2007	01/2008		01/2008	01/2009		01/2009	
Area Planted	11700	11700	11700	11900	11900	11900	0	0	11900 (HA)	
Area Harvested	10300	10300	10300	10400	10400	10400	0	0	10400 (HA)	
Bearing Trees	11800	11800	11800	11900	11900	11900	0	0	11900 (1000 TRE	
Non-Bearing Trees	1700	1700	1700	1700	1700	1700	0	0	1700 (1000 TRE	
Total Trees	13500	13500	13500	13600	13600	13600	0	0	13600 (1000 TRE	
Commercial Production	330000	330000	343278	332000	332000	345000	0	0	346000 (MT)	
Non-Comm. Production	0	0	0	0	0	0	0	0	0 (MT)	
Production	330000	330000	343278	332000	332000	345000	0	0	346000 (MT)	
Imports	10	10	0	10	10	0	0	0	0 (MT)	
Total Supply	330010	330010	343278	332010	332010	345000	0	0	346000 (MT)	
Fresh Dom. Consumption	65000	65000	55567	67000	67000	56000	0	0	56000 (MT)	
Exports, Fresh	132000	132000	159350	132000	132000	159000	0	0	160000 (MT)	
For Processing	131000	131000	128361	131000	131000	130000	0	0	130000 (MT)	
Withdrawal From Market	2010	2010	0	2010	2010	0	0	0	0 (MT)	
Total Distribution	330010	330010	343278	332010	332010	345000	0	0	346000 (MT)	

PSD Table

Country Commodity	South Africa, Republic of Grapes, Table, Fresh						(HA)(MT)			UOM
	2006	Revised	Post	2007	Estimate	Post	2008	Forecast	Post	
Market Year Begin	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New	USDA Official	Post Estimate	Estimate New	MM/YYYY
Area Planted	23100	23100	23100	23300	23300	23300	0	0	23500	(HA)
Area Harvested	19700	19700	19700	19800	19800	19800	0	0	19900	(HA)
Commercial Production	436000	436000	264081	439000	439000	265000	0	0	266000	(MT)
Non-Comm. Production	0	0	0	0	0	0	0	0	0	(MT)
Production	436000	436000	264081	439000	439000	265000	0	0	266000	(MT)
Imports	1400	1400	0	1400	1400	0	0	0	0	(MT)
Total Supply	437400	437400	264081	440400	440400	265000	0	0	266000	(MT)
Fresh Dom. Consumption	29300	29300	26687	29400	29400	26500	0	0	26600	(MT)
Exports, Fresh	285600	285600	237394	287500	287500	238500	0	0	239400	(MT)
For Processing	122500	122500	0	123500	123500	0	0	0	0	(MT)
Withdrawal From Market	0	0	0	0	0	0	0	0	0	(MT)
Total Distribution	437400	437400	264081	440400	440400	265000	0	0	266000	(MT)