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South Africa, Republic of

Canned Deciduous Fruit

Annual

2006

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Report Highlights:
South Africa's fresh apricot deliveries for canning in 2005/6 are expected to increase by about 38% because of low quality production of stonefruit resulting from abnormal weather conditions. However, fresh peach deliveries for canning are expected to decrease by 17% because of lower total production compared to last year. Pears sent for canning are expected to remain fairly steady because of improved quality that caused more fruit to be sold in the fresh markets.

In 2005/6, South Africa's export prices for canned deciduous fruit are expected to improve because of expected export increases to the EU, Middle East, and North America. The industry also plans to expand exports within Africa by 2006.

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

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Executive Summary

Fresh apricot deliveries for canning in 2005/6 are expected to increase by about 38% because of low quality production of stonefruit resulting from abnormal weather conditions. Pears sent for canning are expected to remain fairly steady because of improved quality that caused more fruit to be sold in the fresh markets. However, fresh peach deliveries for canning are expected to decrease by 17% because of lower total production compared to last year.

Production

BACKGROUND

South Africa's number of deciduous fruit canners decreased significantly from a total 15 in the past 20 years to total 4 (Ashton Canning Co, Tiger Food Brands-Langeberg Food International, Rhodes Fruit Group, and Del Monte-SA) in 2004, and now 3 in 2005 because of a merger between Langeberg Food International and Ashton Canning Co.

In 2005, the South African deciduous fruit canners continued consolidating to remain competitive within their export markets, and to increase economies of scale that will further reduce costs. Langeberg Food International and Ashton Canning merged in November 2005 to become Langeberg and Ashton Foods. Both companies are considered the largest canners in the Southern Hemisphere and among the largest globally. Langeberg Food International is a subsidiary of Tiger Brands, also South Africa's largest food group.

FRUIT TYPE	2003/4	2004/5	ESTIMATE 2005/6
ROYAL TYPE APRICOTS			
Pulp, Jam and Juice	169	200	
BULIDA TYPE APRICOTS			
Canned	48624	28207	
Juice and Pulp	9963	4987	
TOTAL CANNED APRICOTS	**58,756**	**33,394**	**46,000**
CLINGSTONE PEACHES			
Canned	116640	112811	
Juice and pulp	20000	21253	
TOTAL CANNED PEACHES	**136639**	**134064**	**111000**
BON CHRETIEN PEARS			
Canned	52822	46749	
Juice and Pulp	6171	11312	
OTHER VARIETY PEARS	**58,993**	**58,061**	**57,000**
Canned, Juice and Pulp	31.393	37,269	39,000
TOTAL CANNED PEARS	**90,386**	**95,330**	**96,000**

Source: Canning Fruit Producers' Association

Total deciduous fruit Estimates in October, 2004/5			
	2003/4	2004/5	2005/6
Royal Apricots	15000	13750	15500
Bulida Apricots	46000	39000	47500
Clingstone Peaches	162000	166000	140000
Bon Chretien Pears	91000	85000	85000
Other Pears	31,393	37,269	39,000
Total deciduous Fruit	**345,393**	**341,019**	**327,000**

Source: Canning Fruit Producers' Association

The 2005/6 stone fruit are expected to decrease in size, volume and quality from last year because of abnormal warm weather conditions in July that followed a normal cold winter in June experienced by most deciduous fruit producing regions of the Western Cape. This abnormal weather broke the dormancy of some trees, resulting in uneven ripening. Expectations are for a decrease in volume for nectarines and peaches, which may further decrease export volumes.

The 2005/6 pome fruit (apples and pears) production is expected to improve in both quality and quantity from last year because of enough rainfall and sunlight in the Langkloof producing regions.

Fresh fruit deliveries for canning in 2005/6 are expected to increase by 38% for apricots, to remain fairly stable for pears, and to decrease by 17% for peaches compared to last year. Processors expect to buy fresh fruit at relatively the same prices in 2005/6 as the previous year.

South Africa's canned deciduous fruit industry reports that its production will not be enough to fill the export opportunity presented by its competitor - Chile's 30% decrease in production of stone fruits. Also, EU consumers seem content with alternative fruit, which resulted on the industry not being able to take advantage of this gap.

Production Subcategory

South Africa, Republic of Canned Apricots							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Deliv. To Processors	58756	58756	33391	33394	0	46000	(MT)
Beginning Stocks	11414	11414	22840	22816	14260	17546	(MT, Net Weight)
Production	45200	45200	25700	25700	0	35400	(MT, Net Weight)
Imports	29	24	20	30	0	30	(MT, Net Weight)
TOTAL SUPPLY	**56643**	**56638**	**48560**	**48546**	**14260**	**52976**	**(MT, Net Weight)**
Exports	26103	26022	26600	23000	0	28700	(MT, Net Weight)
Domestic Consumption	7700	7800	7700	8000	0	8200	(MT, Net Weight)
Ending Stocks	22840	22816	14260	17546	0	16076	(MT, Net Weight)
TOTAL DISTRIBUTION	**56643**	**56638**	**48560**	**48546**	**0**	**52976**	**(MT, Net Weight)**

South Africa, Republic of Peaches, Canned							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Deliv. To Processors	136640	136640	134064	134064	135000	111000	(MT)
Beginning Stocks	20634	20634	7294	10063	5594	5363	(MT, Net Weight)
Production	87400	87400	85800	85800	86000	71000	(MT, Net Weight)
Imports	482	482	500	500	475	500	(MT, Net Weight)
TOTAL SUPPLY	**108516**	**108516**	**93594**	**96363**	**92069**	**76863**	**(MT, Net Weight)**
Exports	70522	70453	66000	73000	61569	55000	(MT, Net Weight)

Domestic Consumption	30700	28000	22000	18000	25000	17000	(MT, Net Weight)
Ending Stocks	7294	10063	5594	5363	5500	4863	(MT, Net Weight)
TOTAL DISTRIBUTION	**108516**	**108516**	**93594**	**96363**	**92069**	**76863**	**(MT, Net Weight)**

South Africa, Republic of Pears, Canned							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Deliv. To Processors	86386	90386	84447	95330	85000	96000	(MT)
Beginning Stocks	1392	1392	2100	2887	2420	2989	(MT, Net Weight)
Production	28400	29700	27800	31300	28000	31500	(MT, Net Weight)
Imports	21	21	20	20	10	20	(MT, Net Weight)
TOTAL SUPPLY	**29813**	**31113**	**29920**	**34207**	**30430**	**34509**	**(MT, Net Weight)**
Exports	25333	25226	25000	27900	25000	28000	(MT, Net Weight)
Domestic Consumption	2380	3000	2500	3318	2500	3350	(MT, Net Weight)
Ending Stocks	2100	2887	2420	2989	2930	3159	(MT, Net Weight)
TOTAL DISTRIBUTION	**29813**	**31113**	**29920**	**34207**	**30430**	**34509**	**(MT, Net Weight)**

South Africa, Republic of Canned Mixtures							
	2003	Revised	2004	Estimate	2005	Forecast	UOM
	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	USDA Official [Old]	Post Estimate[New]	
Market Year Begin		01/2004		01/2005		01/2006	MM/YYYY
Deliv. To Processors	281782	285578	251902	262788	260000	253000	(MT)
Beginning Stocks	8028	8028	8045	8238	5975	4168	(MT, Net Weight)
Production	36600	37130	32700	34200	33000	32900	(MT, Net Weight)
Imports	113	108	130	130	125	140	(MT, Net Weight)
TOTAL SUPPLY	**44741**	**45266**	**40875**	**42568**	**39100**	**37208**	**(MT, Net Weight)**
Exports	31376	31228	30700	33000	31000	29000	(MT, Net Weight)
Domestic Consumption	5320	5800	4200	5400	4500	4700	(MT, Net Weight)
Ending Stocks	8045	8238	5975	4168	3600	3508	(MT, Net Weight)
TOTAL DISTRIBUTION	**44741**	**45266**	**40875**	**42568**	**39100**	**37208**	**(MT, Net Weight)**

Trade

In 2005/6, South Africa's export prices for canned deciduous fruit are expected to improve because of expected export increases to the EU, Middle East, and North America. The industry also plans to expand exports within Africa by 2006.

Japan still remains one of South Africa's major canned deciduous fruit export markets. However, in early 2005, South Africa's market share for canned peaches in Japan declined despite an increase in total imports in that market. South Africa's market share for (yellow canned clingstone peaches) was taken by China (white varieties). South Africa's deciduous mixed fruit exports to Japan also received harsh competition from Thailand's tropical fruit mixtures.

In 2004/5, the country's average export prices of canned deciduous fruit were about 15% lower than the previous year. Sales of apricot and peach purees were also stagnantly low.

Trade Subcategory

Canned Apricots						
Time Period	Jan-Oct					
Exports for:	2004		2005		% change	% change
	MT	US$ MIL.	MT	US$ MIL	MT	US$
U.S.	120	0.761	164	0.877	37.17	15.23
Others						
Germany	6,716	44.97	5,415	34.51	-19.38	-23.27
U.K.	2,200	17.17	2,300	16.67	4.55	-2.89
Australia	2,089	14.96	1,714	11.84	-17.95	-20.87
Japan	1,439	10.18	1,439	9.12	-0.00	-10.35
Netherlands	2,529	14.52	1,394	8.14	-44.87	-43.95
New Zealand	1,108	7.49	1,011	7.12	-8.78	-5.04
France	780	5.97	802	5.89	-2.81	-1.21
Switzerland	1,067	5.06	658	4.12	-38.34	-18.49
Belgium	748	5.28	450	3.33	-39.76	-37.08
Italy	259	2.03	394	3.02	51.60	48.82
Canada	355	2.50	323	2.29	-9.17	-8.47
Austria	549	3.83	238	1.66	-56.64	-56.67
Russia	143	1.02	144	0.67	0.69	-34.23
Hong Kong	194	1.33	138	0.96	-28.99	-27.96
Total	**20,296**	**137.07**	**16,584**	**110.22**		
Others unlisted	**1,887**	**11.05**	**729**	**4.80**		
Grand Total	**22,183**	**148.12**	**17,313**	**115.02**	**-21.96**	**15.23**

Source: WTA

Canned Peaches						
Time Period	Jan-Oct					
Exports for:	2004		2005		% change	% change
	MT	US$mil	MT	US$mil	MT	US
U.S.	1,998	10.08	1,054	5.68	-47.22	-43.61
Others						
Japan	13,344	86.13	10,916	66.77	-18.2	-22.47
Israel	1,368	7.41	8,801	3.26	542.92	-56.04
Hong Kong	4,768	30.97	5,639	34.15	18.29	10.29
Russia	1,349	8.91	5,310	5.98	293.62	-32.84
U.K.	5,050	39.64	4,490	33.96	-11.08	-14.33
Netherlands	4,406	25.14	4,209	25.09	-4.46	-0.17
Thailand	6,627	25.21	3,962	14.50	-40.22	-42.48
Canada	2,234	13.81	3,767	15.33	68.59	11.01
Korea,South	1,923	11.73	3,260	13.79	69.47	17.54
Germany	5,871	36.48	3,123	27.48	-46.81	7.66
Total Listed	**48,938**	**295.51**	**54,531**	**245.99**		
Total unlisted	**15,020**	**99.92**	**17,540**	**112.76**		
Grand Total	**63,958**	**395.43**	**72,071**	**358.75**	**12.69**	**-9.28**

Source: WTA

Canned Pears						
Time Period	Jan-Oct					
Exports for:	2004		2005		% change	% change
	MT	US$mil	MT	US$mil	MT	US$
U.S.	497	2.67	221	1.12	-55.47	-58
Others						
U.K.	4,931	20.69	4,372	32.04	-11.34	54.85
Japan	3,116	21.06	2,415	15.8	-22.47	-24.9
Netherlands	715	2.79	1,931	7.45	170.01	167.44
Thailand	2,260	13.72	1,735	10.32	-23.22	-24.8
Switzerland	1,448	9.58	1,574	9.17	8.67	-4.25
Germany	2,374	14.67	1,553	10.2	-34.56	-30.43
Canada	862	5.33	1,377	6.44	59.8	20.84
Belgium	797	5.62	1,070	7.34	34.27	30.66
France	934	6.12	980	6.27	4.88	2.41
Australia	476	2.93	878	5.34	84.34	82.64
Total Listed	**18,410**	**102.51**	**18,106**	**111.49**		
Total unlisted	**2,606**	**17.87**	**2,692**	**13.58**		
Grand Total	**21,016**	**120.38**	**20,798**	**125.07**	**-1.04**	**3.90**

Source: WTA

Canned Mixtures						
Time Period	Jan-Oct					
Exports for:	2004		2005		% change	% change
	MT	US$mil	MT	US$mil	MT	US$
U.S.	615	4.5	408	3.09	-33.56	-31.47
Others						
Japan	4,946	35.56	4,614	31.35	-6.71	-11.85
Canada	2,262	15.6	4,573	19.73	102.19	26.48
U.K.	2,519	21.7	3,516	40.98	39.57	88.84
Switzerland	2,140	15.94	2,312	17.15	8.01	7.6
Singapore	1,536	10.94	2,137	15.44	39.12	41.19
Australia	634	4.65	2,032	14.87	220.61	220.11
Belgium	1,333	9.54	1,605	13.08	20.37	37.18
Germany	1,518	11.57	1,480	10.98	-2.5	-5.13
Austria	1,435	10.7	1,337	9.15	-6.88	-14.51
France	752	6.22	897	7.12	19.34	14.53
Total Listed	**19,690**	**146.92**	**24,911**	**182.94**		
Total unlisted	**7,349**	**53.02**	**6,742**	**49.91**		
Grand Total	**27,039**	**199.94**	**31,653**	**232.85**	**17.06**	**16.46**

Source: WTA

Policy

The Department of Trade and Industry approved the establishment of an export council, the South African Fruit and Vegetable Canner's Export Council (SAFVCEC), which is a section 21 Company that will be managed by the Canners Association (SAFVCA). However, membership will be extended to all export-oriented stakeholders in the canning industry.

Requirements for imported canned products (Unchanged from last year):

Imported canned food products comply with the local legislation for canned products.
Below are some of the specific requirements of the rule:

Restrictions on the sale of canned fruit

Canned fruit should comply with the applicable grades for each canned fruit product. All grades of canned fruit should be prepared from sound, fresh, clean and washed fruit, and be free from any foreign substances, excluding extraneous vegetable matter and permitted food additives. Grades should be either - extra choice, choice, standard, substandard, or manufacturer, and should comply with the specific quality standards *per* product.

Canned fruit packs should be presented as either regular - consisting of fruit packed in a packing medium; heavy - consisting of crushed style fruit with/without sweetening ingredients and consisting of at least 73% drained mass; or solid - consisting of all fruit with very little or no free flowing liquid. Any other presentation of the canned product shall be permitted provided that it is sufficiently distinctive from other forms; meets all other requirements of the regulations and closely resembles that particular style, or is adequately described on the label to avoid confusing/misleading the consumer.

The packing media should be either water – as a sole medium; water and juice(s) – water and juice from the from the same fruit or water and any other single/more juices combined in any proportion to form a packing medium; or fruit juice(s) – juice from the same fruit or compatible fruit as the sole medium/ two to more compatible fruit juices combined to form the packing medium. If more juices are mixed, the juices should be pulpy, turbid or clear. The packing media should be declared as one of the following - "packed in water"; "in water"; packed in water and 'x' juice(s); "in water and 'x' juice(s); packed in 'x' juice(s); or "in 'x' juice(s) where 'x' indicates the name (s) of the specific juice (s). The packing medium may contain permitted nutritive sweeteners or non-nutritive sweeteners and flavorants. The packing media having permitted nutritive sweeteners should further be classified as very light syrup (9 degree Brix but less than 14 degree Brix); light syrup (14 degree Brix but less than 18 degree Brix); Syrup (16 degree Brix but less than 20 degree Brix); heavy syrup (not less than 18 degree Brix). Any product addition should comply with the limits, unless 33.3% of containers in an inspection sample may deviate by 1 degree Brix. The packing medium with permitted non-nutritive sweeteners should be declared as "packed in water sweetened with non-nutritive sweeteners", "in water sweetened with non-nutritive sweeteners", "packed in water with 'x' '', or "in water sweetened with 'x', where 'x' indicates the name (s) of the specific non-nutritive sweetener(s).

Containers for canned fruit should be intact, clean, suitable and strong enough for the packaging and normal handling of the canned, and re-usable containers sterilized. Containers should also be rust-free with no serious dents or disorders that may be detrimental to the product quality; not emits any undesirable taste/odour to the product; and Should be closed properly and in a manner permitted by its nature.

Canned fruit of different kinds, grades, or styles should not be packed in the same container or outer container, unless otherwise specified within the regulations. The Manufacturer's Grade should be packed in A10 or larger containers. The composition of the unspecified canned fruit mixes should be listed in descending order and sent together with the proposed quality standards, to the Executive Officer for approval.

Canned fruit containers should be clearly and legibly marked or labeled with – A code mark indicating the name of the canning industry, the product, and the date of manufacturer - and approved by the Executive Officer; the name of the trade mark of the manufacturer/packer; the physical address of the manufacturer/packer; a panel indicating true description of the contents and ingredients; A product name declaring the packing medium or the packing medium in close proximity to the product name; the grade, unless "Caterers Grade" is used instead of "Manufacturers Grade"; the net mass of the contents as required by the Trade Metrology Act, 1973; "Product of" followed by the full name and country of origin. An outer container should indicate the number of containers packed. Additional information can be accessed at: www.nda.agric.za

Marketing

The major industry strategy for 2005/6 is to improve its consumer orientation and focus on providing quality products at reasonable prices.