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Report Name: Citrus Annual

Country: South Africa - Republic of

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Report Category: Citrus

Prepared By: Wellington Sikuka

Approved By: Kyle Bonsu

Report Highlights:

The production and export of soft citrus, lemons and limes is expected to continue its strong growth in the 2019/20 MY, based on the increase in area planted, and high level of new-plantings coming into full production. Duty free exports of citrus to the United States under the African Growth Opportunity Act (AGOA) are expected to continue their strong annual growth, as the United States is still considered a premium market.

Commodities:

Citrus, Other, Fresh
Grapefruit, Fresh
Oranges, Fresh
Tangerines/Mandarins, Fresh
Lemons, Fresh
Orange Juice

Exchange rate: Rand/US\$ Exchange = 14.6
Marketing Year (MY) – January to December
MT – Metric Tons

Sources:

Citrus Growers Association - <http://www.cga.co.za/>
Summer Citrus South Africa - <https://www.summercitrus.com/>
Ministry of Agriculture, Land Reform and Rural Development - <https://www.daff.gov.za/>
South African Revenue Services - <https://www.sars.gov.za/>

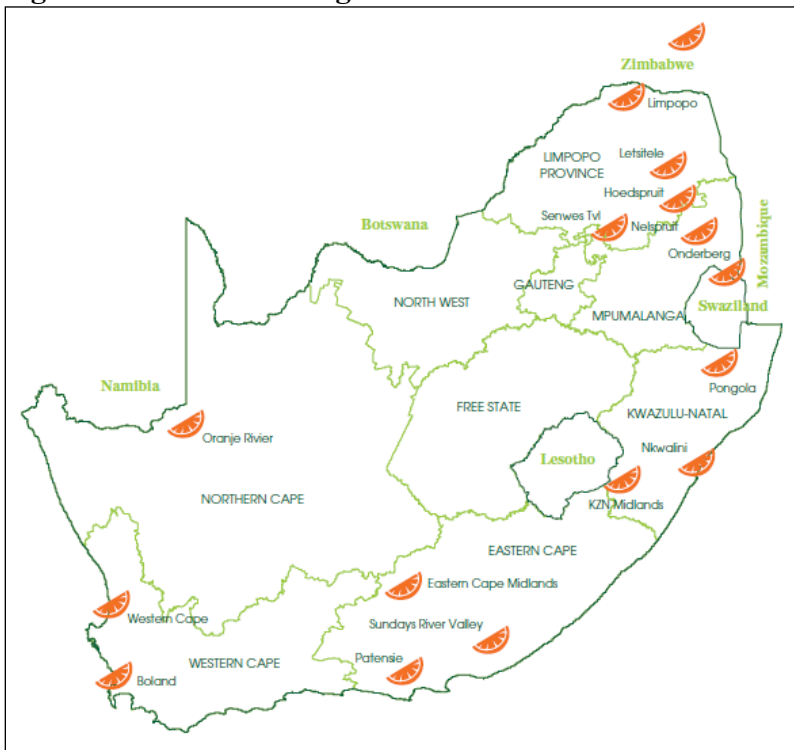
Background

Citrus in South Africa is grown across the country mainly in the Limpopo, Eastern Cape, Western Cape, Mpumalanga, Kwa Zulu Natal, Northern Cape and North West provinces. **Figure 1** shows the map of the citrus growing areas in South Africa. A total of 81,603 hectares was planted to citrus in South Africa in 2018, a 8 percent increase from 74,902 hectares in the 2017 MY. This growth trend is expected to continue based on the significant investments and aggressive new plantings of soft citrus, lemons, and new varieties of oranges.

The Limpopo province is the largest citrus production area accounting for 43 percent of the total area planted, followed by the Eastern Cape (26 percent), Western Cape (18 percent), Mpumalanga (8 percent), Kwa Zulu Natal (3 percent), Northern Cape (1 percent), North West (less than 1 percent), and Free State (less than 1 percent). The Western Cape and Eastern Cape have a cooler climate, which is suited for the production of the navel oranges, lemons, limes, and mandarins/tangarines (soft citrus). The Mpumalanga, Limpopo and KwaZulu-Natal provinces have a warmer climate which is better suited to the production of grapefruit and valencia oranges.

While oranges are the biggest citrus type produced in South Africa and account for 53 percent of the total citrus area planted, there has been notable growth in the area planted to soft citrus and lemons/limes. This growth is driven by the attractive investment returns and profit margins from soft citrus and lemon production. **Table 1** shows the most common citrus varieties planted in South Africa. In 2016, the tango citrus variety, which was developed by the University of California Riverside, was granted the plant breeders right in South Africa and is expected to offer competition to the Nardocott variety. **Table 2** shows that the citrus harvesting season typically ranges from February to September.

Figure 1: Citrus Growing Areas in South Africa.



Source: Citrus Growers Association (CGA)

Table 1: Citrus Varieties

Citrus Type	Varieties
Grape fruit	Star Ruby, Marsh, Rose, Flame, Nelspruit Ruby (Nelruby), Flamingo
Oranges	Valencias - Delta, Midnight, Turkey, Oukloon (Olinda, Late), Du Roi, Benny. Navels - Palmer, Bahianinha, Washington, Robyn, Navelina, Lane Late, Newhall, Cambria, Cara Cara, Rustenburg, Autumn Gold
Mandarins/ Tangarines	Clementine - Nules, Marisol, SRA, Oroval, Esbal, Clemenpons, Oronules. Mandarin – Tango, Nadorcott (Afourer), Nova, Or (Orri), Minneola, Mor , B17, Tambor , Naartjie, Thoro Temple, Sonet, B24 (African Sunset) Satsuma - Miho Wase, Owari, Kuno, Miyagawa Wase, Okitsu Wase, Aoshima.
Lemons/Lime	Eureka, Eureka SL, Lisbon, Limoneira, Genoa

Source: CGA

Table 2: South Africa Harvest Period for Citrus

Citrus	Harvest Period
Marsh Grapefruit	March to June
Star Ruby Grapefruit	April to September
Navel Oranges	March to July
Valencia Oranges	July to September
Mandarins/Tangarines	March to August
Lemons/Lime	February to September

Source: CGA

Grapefruit, Fresh

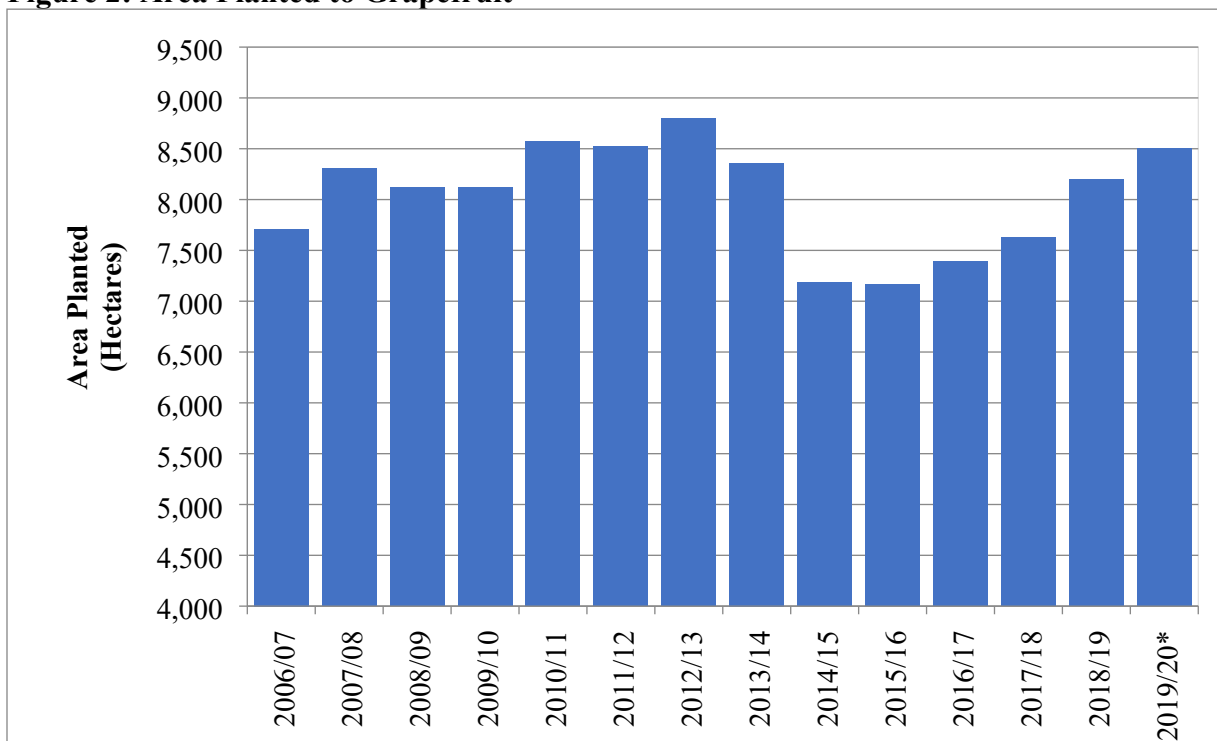
Production

The production of grapefruit is forecast to revert to normal production levels and increase by 8 percent to 420,000 MT in the 2019/20 MY, from 390,000 MT in the 2018/19 MY. This is based on normal weather conditions, continuation of the current good rainfall being received in the main growing areas, and increase in area planted. Post revised the 2018/19 MY production to 390,000 MT, based on updated industry data, and smaller fruit sizes. Furthermore, grapefruit production tends to be cyclical and the 2018/19 MY was a down year.

Limpopo is the leading growing region for grapefruit accounting for 58 percent of the total production, followed by Mpumalanga (21 percent), Kwa-Zulu Natal (11 percent), Northern Cape (7 percent), Eastern Cape (less than 1 percent) and the Western Cape (less than 1 percent). The predominant variety produced is the Star Ruby accounting for 84 percent of the production due to its high global demand, followed by the Marsh variety at 12 percent. Other grapefruit varieties produced in small volumes include Rose, Redheart, Pomelit, Java Shaddock, Flame, Nartia, and Fe 1(Jackson).

The area planted to grapefruit is forecast to increase by 4 percent to 8,500 hectares in the 2019/20 MY, from 8,200 ha in the 2018/19 MY. This is due to the industry responding to the increasing global market demand especially in Europe, Asia and the Middle East.

Figure 2: Area Planted to Grapefruit



*Forecast

Source: CGA

Consumption

Grapefruit consumption in South Africa is forecast to increase to 8,500 MT in the 2019/20 MY, from 7,500 MT in the 2018/19 MY. This increase is due to the rise in production, and to the growing awareness and perceived health benefits of grapefruit in the domestic market. Grapefruit is not a very popular citrus fruit in the domestic market, with many consumers largely unfamiliar to its qualities and taste in South Africa. As a result, the fresh grapefruit per capita consumption in South Africa is still relatively low at below 1 kg per annum because the majority of the population has not acquired the taste for grapefruit.

Processing

Post forecasts that the grapefruit delivered for processing will increase by 8 percent to 124,000 MT in the 2019/20 MY, from 115,000 MT in the 2018/19 MY, based on the increase in production.

Grapefruit is processed to juice and concentrate, the majority of which is exported to Europe. The left-over pulp following commercial juice extraction is an important source of grapefruit oil which is used as a flavoring agent in many soft drinks. The inner peel is a source of pectin and citric acid, which are both used by the food industry to preserve fruits, jams, and marmalades. Naringin is also extracted from grapefruit peel, and gives tonic-water its distinctive bitter flavor. The grapefruit peel oil is used in scented fragrances.

Exports

Post forecasts that grapefruit exports will revert to normal levels and increase by 7 percent to 290,000 MT in the 2019/20 MY, from 270,000 MT in the 2018/19 MY, due to the rise in production, and normal fruit sizes and color suitable for the export market. The 2018/19 MY export of grapefruit was revised downwards due to the pace of exports up to September 2019, and the smaller fruit sizes.

Prior to 2019, South African citrus exports to China were only permitted on container shipping. However, in the 2018/19 MY, China granted permission for South Africa to export citrus to China using break-bulk shipping. This led to a 169 percent jump in South African exports to China and Hong Kong to 54,530 MT in 2018, from 20,064 MT in 2017. About 85 percent of South African exports are through break-bulk shipping, as it is easier to maintain the temperature at the required level due to better airflow, better break-bulk ship vessels availability, and eases congestion in the container-shipment areas of ports.

Although South Africa has a free trade agreement with the European Union (EU) which allows duty free access for its citrus exports, South Africa continues to face challenges due to Citrus Black Spot (CBS) and False Codling Moth (FCM) in the EU market. Industry estimates that it is costing South Africa almost R1.8 Billion (US\$123 Million) to address and comply with the CBS requirements in the EU market.

While total volumes are still low, grapefruit exports to the United States have been growing exponentially by an average of 65 percent per annum in the past five years, from 76 MT in the 2012/13 MY, to 4,729 MT in the 2017/18 MY. Grapefruit exports to the United States are expected to continue growing based on the pace of exports up to September 2019, growing demand, good quality fruit, and to

a lesser extent the continuation of duty free access through the African Growth and Opportunity Act (AGOA). The Middle East, Canada and Africa are also growing markets for South African grapefruit.

Table 3: South African Fresh Grapefruit Exports

South Africa Exports to World							
Commodity: 080540, Grapefruit, Fresh Or Dried							
Calendar Year: 2014-2018 and January-September: 2019							
Partner	Unit	2014	2015	2016	2017	2018	2019*
World	T	217,193	220,318	202,527	230,635	288,155	257,351
Netherlands	T	49,170	53,256	59,236	63,868	68,184	75,083
China	T	14,029	19,972	17,463	20,254	54,530	36,025
Japan	T	48,222	44,802	31,154	39,505	37,688	30,072
Russia	T	18,008	18,020	15,842	19,187	20,064	14,120
Hong Kong	T	4,516	5,034	5,828	7,162	13,761	11,951
Italy	T	10,074	11,976	9,365	9,533	12,858	10,434
United Kingdom	T	9,812	11,415	9,965	11,990	12,275	11,756
South Korea	T	5,928	9,032	9,760	10,634	9,732	6,918
Canada	T	8,784	7,127	5,022	6,657	9,504	6,621
Portugal	T	2,979	4,368	5,991	6,231	7,768	7,380
Swaziland	T	15,907	3,575	3,229	4,463	4,861	7,455
United States	T	1,051	1,802	3,737	4,293	4,729	5,347
France	T	4,198	5,816	3,183	3,251	4,328	5,105
United Arab Emirates	T	4,808	4,625	4,238	3,967	4,156	3,900
Germany	T	1,378	1,819	5,015	2,386	3,912	4,134
Taiwan	T	3,351	2,801	2,011	3,344	3,268	2,233
Belgium	T	283	586	1,099	426	1,735	113
Greece	T	1,117	1,317	1,128	1,325	1,535	1,326
Ukraine	T	1,268	1,123	1,016	1,494	1,427	1,339
Saudi Arabia	T	1,050	1,655	680	707	1,168	1,033
Spain	T	2,259	23	42	545	1,105	1,053
Malaysia	T	656	906	722	701	1,085	614
Ireland	T	1,092	834	768	278	1,011	3,321
Bulgaria	T	336	754	534	829	914	751

*Exports up to September 2019.

Source: Trade Data Monitor (TDM)

Imports

South Africa is not a major importer of grapefruit. Imports mainly originate from Eswatini (formerly Swaziland), Spain, Turkey and Israel to fill the small demand gap towards the end of the season. Eswatini benefits from duty free access to South Africa under the Southern African Customs Union (SACU).

Table 4: South African Fresh Grapefruit Imports

South Africa Imports from World							
Commodity: 080540, Grapefruit, Fresh Or Dried							
Calendar Year: 2014-2018, and January-September: 2019							
Partner	Unit	2014	2015	2016	2017	2018	2019*
World	T	11,506	7,047	3,806	1,159	2,703	1,141
Eswatini	T	10,898	6,355	2,862	66	2,083	685
Spain	T	95	423	474	514	374	223
Israel	T	116	56	136	225	134	137
Turkey	T	47	166	275	354	93	78
Zimbabwe	T	330	0	0	0	0	0

*Imports up to September 2019.

Source: TDM

Prices

Table 5 shows the local, export and processed market prices for grapefruit since the 2004/05 MY. Grapefruit prices for the export and local markets have increased over the past five years based on the weakening rand to the United States dollar. Processed and local market prices tend to fluctuate based on supply. Export prices continue to provide the highest prices for South African grapefruit which explains why the industry is export oriented.

Table 5: Grapefruit Prices

MY	Local Market	Export Market	Processed
	Average Price	Average Price	Average Price
	Rand/ MT	Rand/ MT	Rand/ MT
2004/05	1,487	925	325
2005/06	1,493	1,764	386
2006/07	1,796	2,712	237
2007/08	2,283	3,658	152
2008/09	1,839	1,846	240
2009/10	1,437	4,351	268
2010/11	2,107	3,723	383
2011/12	2,275	4,371	377
2012/13	2,352	5,060	376
2013/14	3,020	5,247	401
2014/15	3,866	5,737	310
2015/16	5,154	7,898	409
2016/17	2,472	7,762	596
2017/18	5,246	8,234	1,593

Source: CGA

USD \$1 = Rand R14.6

Table 6: Production, Supply and Demand (PSD) of Grapefruit, Fresh

Grapefruit, Fresh Market Begin Year	2017/2018		2018/2019		2019/2020	
	Jan 2018		Jan 2019		Jan 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
South Africa						
Area Planted	7950	7625	8200	8200	0	8500
Area Harvested	7100	7100	7400	7400	0	7700
Bearing Trees	7200	7200	7400	7400	0	7600
Non-Bearing Trees	700	700	800	800	0	900
Total No. Of Trees	7900	7900	8200	8200	0	8500
Production	419	403	415	390	0	420
Imports	3	3	3	3	0	3
Total Supply	422	406	418	393	0	423
Exports	288	288	250	270	0	290
Fresh Dom. Consumption	7	7	8	8	0	9
For Processing	127	111	160	115	0	124
Total Distribution	422	406	418	393	0	423

(HECTARES) ,(1000 TREES) ,(1000 MT)

Oranges, Fresh

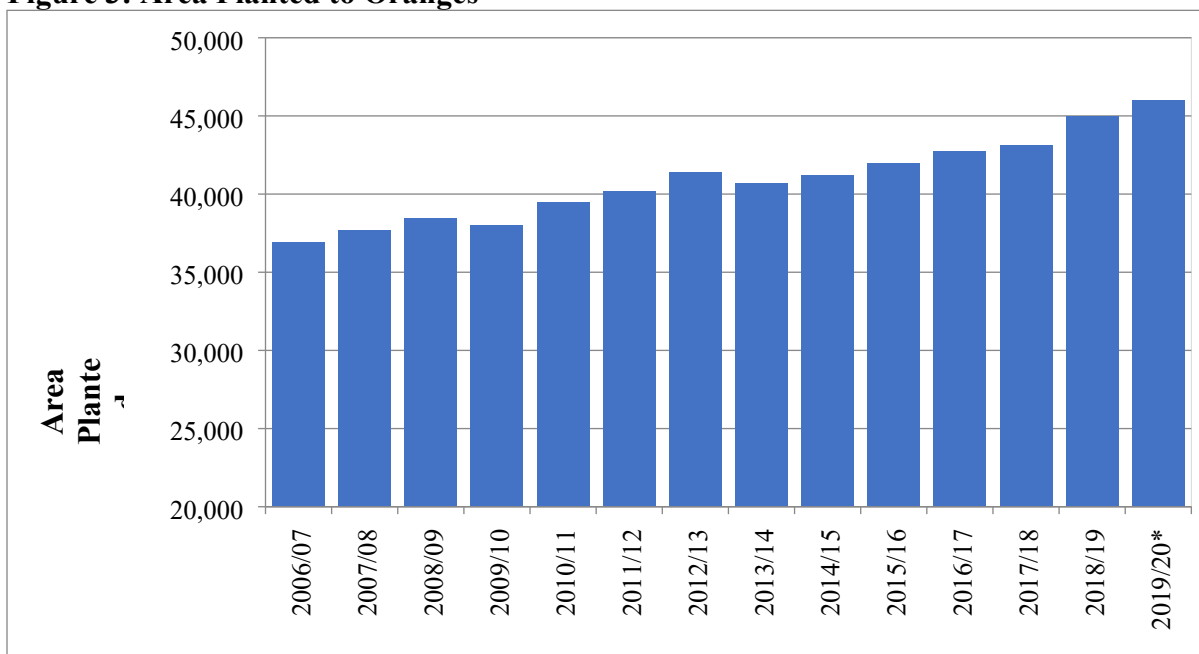
Production

The production of oranges is forecast to revert to normal production levels and increase by 4 percent to 1.56 million MT in the 2019/20 MY, from 1.50 million MT in the 2018/19 MY. This increase is based on normal weather conditions, continuation of the current good rainfall in the main growing regions, the rise in area planted, better water management techniques by farmers, and new plantings of high yielding and late maturing varieties. The 2018/19 MY production of oranges was revised downwards to 1.50 million MT due to smaller fruit sizes caused by dry conditions in main growing regions.

Limpopo is the leading growing region for oranges accounting for 49 percent of the total area planted, followed by the Eastern Cape (24 percent), Western Cape (15 percent), Mpumalanga (7 percent), Northern Cape (2 percent), KwaZulu Natal (1 percent), North West Province (less than 1 percent), and the Free State (less than 1 percent). Valencia's account for about 61 percent of the total area planted to oranges, and Navels account for 39 percent. The predominant variety planted is the Midnight accounting for 23 percent of the total area planted, followed by the Valencia Late variety at 12 percent, Delta (10 percent), Palmer (7 percent), Turkey (6 percent), Bennie (6 percent), Bennie (6 percent), Bahianinha (5 percent), Cambria (5 percent) and Washington (4 percent).

The area planted with oranges is forecast to grow by 2 percent to 46,000 hectares in the 2019/20 MY, from 45,000 hectares in the 2018/19 MY, based on the increases in area planted to seedless orange varieties and late maturing varieties. This rise will be partially offset by the industry shift from orange production to soft citrus in the Western Cape and Limpopo growing regions. **Figure 3** below shows the trend in the area planted to oranges since 2007.

Figure 3: Area Planted to Oranges



*Forecast.

Source: CGA

Consumption

Post forecasts that the 2019/20 MY consumption of oranges will increase by 3 percent to 77,000 MT, from 75,000 MT in the 2018/19 MY, based on the rise in production. The 2018/19 MY domestic consumption of fresh oranges and the oranges delivered for processing were revised upwards based on the higher volumes of unmarketable fruit that didn't meet export grade. South Africa prioritizes supplying export markets, and the surplus oranges or those that do not meet the export standards are supplied to the fresh domestic and processed markets. Fresh oranges are the most popular citrus consumed in South Africa with a per capita consumption of about 1.5 kg per annum.

Exports

The export of oranges is forecast to increase by 11 percent to 1.25 million MT in the 2019/20 MY, from 1.13 million MT in the 2018/19 MY, based on the increase in production and improvement in the quality standards of the fruits. The 2018/19 MY export of oranges was revised downwards to 1.13 million MT, due to the small fruit sizes that couldn't be exported and the updated export figures from the Trade Data Monitor up to September 2019.

The EU remains South Africa's largest export market for oranges, accounting for 40 percent of the total export market. However, exports to Asia and the Middle East have grown steadily over the years due to the focus being placed by industry in growing these markets.

Exports to the United States are expected to continue based on growing demand, and the duty free access under the African Growth and Opportunity Act (AGOA). However, a gradual shift from oranges to soft citrus exports is expected over time, as South African farmers supplying the U.S. market have been re-planting their orchards from oranges to soft citrus in response to market preferences and the higher premium received in the United States market.

Table 7: South African Fresh Orange Exports

South Africa Exports to World							
Commodity: 080510, Oranges, Fresh							
Calendar Year: 2014-2018 and January-September: 2019							
Partner	Unit	2014	2015	2016	2017	2018	2019*
World	T	1,142,647	1,159,435	1,064,089	1,170,813	1,278,935	1,111,556
Netherlands	T	206,059	231,978	221,671	258,526	233,619	215,505
China	T	33,998	44,269	48,644	78,290	109,995	148,932
Russia	T	126,192	89,439	68,332	79,234	87,147	63,785
Saudi Arabia	T	92,795	86,906	93,195	81,541	84,448	74,281
United Arab Emirates	T	120,910	116,098	99,483	86,156	80,989	66,951
Portugal	T	39,919	54,840	57,824	67,514	79,998	56,806
United Kingdom	T	66,545	67,296	60,204	73,360	75,954	58,620
Hong Kong	T	34,555	43,447	49,892	69,032	66,255	51,345
Bangladesh	T	39,999	38,861	32,603	45,541	59,399	38,199
United States	T	39,224	44,721	40,416	39,838	45,120	30,249
Italy	T	36,150	36,361	33,515	38,065	42,667	31,165

Canada	T	33,944	37,874	32,508	31,859	36,722	27,536
Malaysia	T	28,583	28,213	28,936	28,239	30,704	30,492
Iraq	T	0	0	102	280	26,413	33,288
Kuwait	T	51,347	47,246	25,943	23,239	21,029	13,587
France	T	17,841	25,589	17,074	6,729	17,456	17,500
Germany	T	4,070	3,556	10,796	10,705	16,276	13,064
Singapore	T	12,292	11,335	9,082	12,475	14,384	8,414
Qatar	T	6,964	6,713	4,122	8,917	12,287	7,764
Oman	T	8,186	7,511	5,266	11,248	10,339	9,060
India	T	4,721	11,127	4,265	11,474	9,705	10,044
Spain	T	11,994	50	845	2,348	6,928	9,202
Belgium	T	1,557	2,149	3,412	2,831	6,411	7,610
Sweden	T	4,908	7,007	7,047	6,496	6,141	7,167
Ireland	T	3,696	3,777	4,747	3,677	6,136	5,326
Mozambique	T	6,832	11,317	4,486	5,339	6,115	5,434
Taiwan	T	985	3,769	3,919	5,195	5,934	4,318

*Exports up to September 2019.

Source: TDM

Imports

The import of oranges is forecast to increase to 5,000 MT in the 2019/20 MY, from 4,000 MT in the 2018/19 MY, based on the increase in supply from Eswatini. Oranges are usually imported into South Africa in November and December to close supply gaps and satisfy year-end demand.

Table 8: South African Fresh Orange Imports

South Africa Imports from World							
Commodity: 080510, Oranges, Fresh							
Calendar Year: 2014-2018 and January-September: 2019							
Partner	Unit	2014	2015	2016	2017	2018	2019*
World	T	13,108	16,670	3,468	3,326	3,672	3,628
Eswatini	T	8,686	11,891	350	805	2,270	2,666
Spain	T	274	361	531	1,150	645	789
Egypt	T	0	139	24	121	136	52
Unidentified	T	94	20	0	0	51	69
Netherlands	T	21	25	122	0	1	0
Turkey	T	11	0	26	24	0	0
Zimbabwe	T	3,450	0	0	0	0	0
Portugal	T	0	0	21	0	0	24
Saudi Arabia	T	0	0	0	113	0	0
Israel	T	167	0	11	6	0	0

*Imports up to September 2019.

Source: TDM

Prices

Table 9 shows the local, export and processed market prices of oranges. The export market provides the highest prices. As a result, the South African citrus industry is export oriented because the domestic and processed markets offer lower prices.

Table 9: Oranges Prices

MY	Local Market	Export Market	Processed
	Average Price	Average Price	Average Price
	Rand/ MT	Rand/ MT	Rand/ MT
2003/04	1,090	2,425	274
2004/05	1,111	1,580	229
2005/06	1,025	1,843	301
2006/07	1,278	2,832	354
2007/08	1,430	3,443	419
2008/09	1,483	3,235	268
2009/10	1,599	4,043	349
2010/11	1,762	4,691	529
2011/12	1,895	4,318	564
2012/13	2,054	4,975	591
2013/14	2,230	5,781	618
2014/15	2,535	6,576	652
2015/16	3,799	8,570	1,002
2016/17	3,604	8,656	1,069
2017/18	3,361	8,600	693

Source: CGA

Table 10: PSD for Oranges, Fresh

Oranges, Fresh Market Begin Year	2017/2018		2018/2019		2019/2020	
	Jan 2018		Jan 2019		Jan 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
South Africa						
Area Planted	44000	43094	45000	45000	0	46000
Area Harvested	39000	39000	40000	40000	0	40500
Bearing Trees	38300	38300	39000	39000	0	39500
Non-Bearing Trees	4100	4100	4200	4200	0	4300
Total No. Of Trees	42400	42400	43200	43200	0	43800
Production	1550	1586	1600	1500	0	1560
Imports	4	4	4	4	0	5
Total Supply	1554	1590	1604	1504	0	1565
Exports	1278	1278	1230	1130	0	1250
Fresh Dom. Consumption	72	72	73	75	0	77
For Processing	204	240	301	299	0	238
Total Distribution	1554	1590	1604	1504	0	1565

(HECTARES) ,(1000 TREES) ,(1000 MT)

Tangerines/Mandarins (Soft Citrus), Fresh

Production

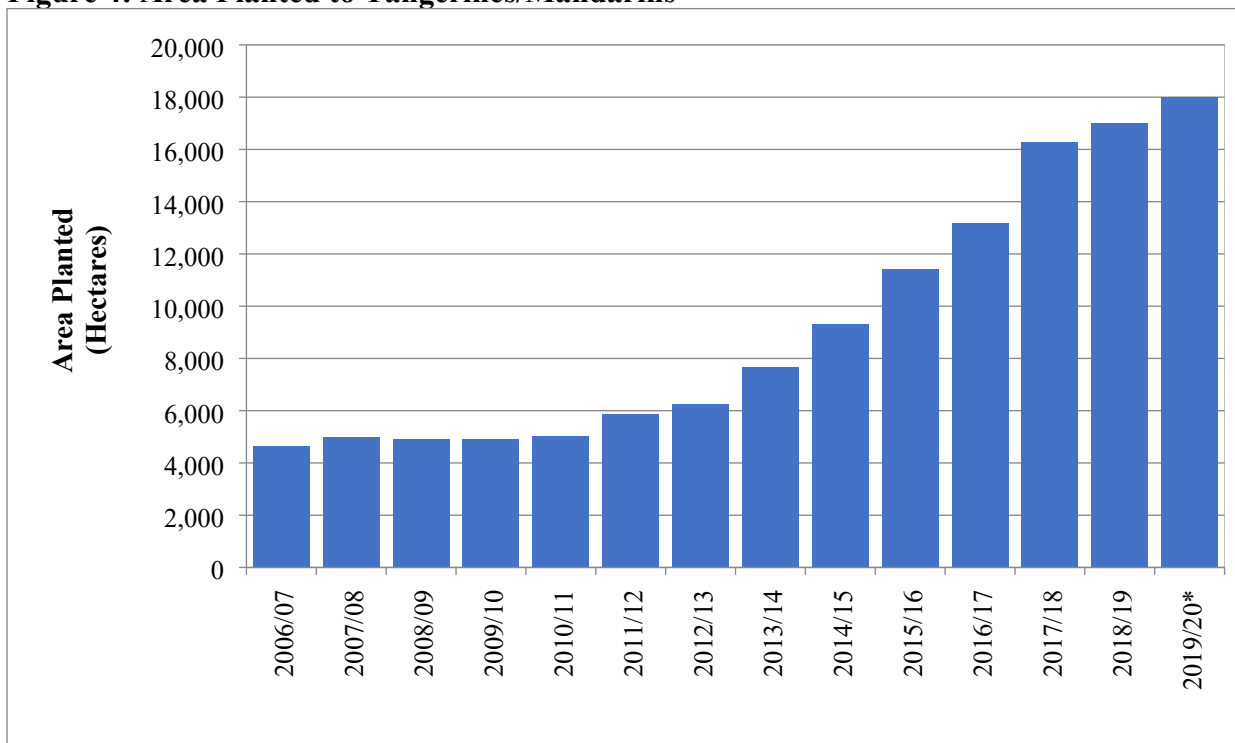
The production of tangerines/mandarins is forecast to continue its growth and is expected to increase by 8 percent to 420,000 MT in the 2019/20 MY, from 390,000 MT in the 2018/19 MY. This is due to the rise in area planted, normal weather conditions, good winter rainfall received in the main production area of the Western Cape, and the high level of new-plantings in the past years coming into full production. The 2018/19 MY production of tangerines/mandarins was revised upwards significantly based on final updated industry data and higher than expected production some growing regions that were previously impacted by the drought.

There is a growing trend of farmers aggressively establishing new orchards under netting which has improved the water efficiency and the overall quality of soft citrus production in South Africa. In addition, there is an increasing trend of late varieties being planted, which has seen the peak harvest of soft citrus shift from week 20, to between week 21 to 30.

About 39 percent of tangerines/mandarins are produced in the Western Cape, followed by 27 percent in the Eastern Cape and 21 percent in Limpopo. The Western Cape is a winter rainfall region, and the 2019 winter rainfall will only be used for irrigation in the following year in 2020. Improved dam levels in the Western Cape in 2019, are expected to have a positive impact to the 2019/20 MY crop.

The area planted to tangerines/mandarins is forecast to increase by 6 percent to 18,000 hectares in the 2019/20 MY, from 17,000 hectares in the 2018/19 MY. This is due to growers responding to the increasing global demand for seedless tangerines/mandarins, and high margins from soft citrus relative to other citrus types. **Figure 4** shows that the area planted with tangerines/mandarins was flat from the 2006/07 MY to the 2010/11 MY. Thereafter, there has been significant annual increases in area planted, due to the increased investment in new orchards in response to global demand and high revenue. The predominant variety planted in South Africa is the Nardocott accounting for 27 percent of the area planted, followed by the Nova variety at 14 percent, Nules (10 percent), Tango (7 percent), Orri (5 percent) and Miho Wase (5 percent).

Figure 4: Area Planted to Tangerines/Mandarins



*Forecast.

Source: CGA

Consumption

The consumption of tangerines/mandarins is forecast to increase by 6 percent to 17,000 MT in the 2019/20 MY, from 16,000 MT in the 2018/19 MY, due to the increase in production. The industry prioritizes export markets for soft citrus and only supplies surplus fruit to the local market. However, some high end retail chains such as Woolworths also sell some export grade citrus to the domestic consumers.

Exports

The exports of tangerines/mandarins is forecast to increase by 12 percent to 330,000 MT in the 2019/20 MY, from 295,000 MT in the 2018/19 MY, based on the increase in production and the industry strategy of prioritizing export markets over domestic markets. Post revised upwards the 2018/19 MY export of tangerines/mandarins to 295,000 MT based on the pace of exports up to September 2019.

Demand for tangerines/mandarins remains strong in the export markets, with the United Kingdom as the leading export market accounting for 30 percent of the total exports. Tangerines/mandarins exports are not impacted by South Africa's CBS challenges in the EU market.

Exports to the United States under the AGOA have grown by an average of 15 percent per year over the past four seasons, from 7,444 MT in the 2013/14 MY, to 13,695 MT in the 2017/18 MY. This growth

trend is expected to continue based on the rising U.S. market preference for easy peelers, and the year to date South African exports to the United States that are already at 18,417 MT.

Table 11: South African Fresh Tangerines/Mandarins Exports

South Africa Exports to World							
Commodity: 080520/080521/080522/080529, Mandarins (Including Tangerines And Satsumas); Clementines, Wilkings And Similar Citrus Hybrids, Fresh Or Dried/Mandarins (including tangerines and satsumas)/Clementines/Other citrus hybrids							
Calendar Year: 2014-2018 and January-September: 2019							
Partner	Unit	2014	2015	2016	2017	2018	2019*
World	T	153,214	156,589	189,730	209,754	260,850	291,459
United Kingdom	T	52,506	61,307	66,152	63,213	69,344	75,005
Netherlands	T	30,146	32,023	47,300	49,706	51,404	61,285
Russia	T	11,227	14,468	14,329	20,219	28,425	23,263
United States	T	7,444	8,637	10,287	11,180	13,695	18,417
Canada	T	7,368	6,208	6,729	8,035	11,554	11,909
Hong Kong	T	8,215	4,573	9,227	12,309	11,427	12,333
United Arab Emirates	T	9,855	7,127	6,733	8,037	10,457	12,248
Ireland	T	3,800	3,742	5,637	5,044	6,889	4,853
China	T	71	421	777	2,257	6,520	9,827
Portugal	T	852	1,102	2,412	4,348	6,309	6,275
Bangladesh	T	1,472	247	1,215	2,128	6,170	15,649
Saudi Arabia	T	3,231	1,910	2,333	2,170	5,412	6,909
Malaysia	T	2,751	1,416	1,385	1,601	3,314	3,762
Germany	T	1,120	2,057	1,514	1,460	3,307	3,682
France	T	1,845	974	1,357	1,246	2,559	2,587
Singapore	T	1,024	616	902	922	2,413	1,260
Kuwait	T	829	569	550	707	1,803	2,204
Mauritius	T	1,136	1,129	1,220	1,495	1,556	1,848
Qatar	T	384	307	346	718	969	1,037
Iraq	T	0	0	0	0	947	3,324
Senegal	T	736	710	694	711	832	2,218
Norway	T	0	351	209	416	788	1,359
Angola	T	662	208	458	556	786	641
Bahrain	T	387	602	574	678	602	743
Italy	T	200	137	300	272	585	430

*Exports up to September 2019.

Source: TDM

Imports

Post forecasts that the 2019/20 MY imports of tangerines/mandarins will remain flat at below 1,500 MT. South African imports are only minimal in order to satisfy out of season demand.

Table 12: South African Fresh Tangerines/Mandarins Imports

South Africa Imports from World							
Commodity: 080520/080521/080522/080529, Mandarins (Including Tangerines And Satsumas); Clementines, Wilkings And Similar Citrus Hybrids, Fresh Or Dried/Mandarins (including tangerines and satsumas)/Clementines/Other citrus hybrids							
Calendar Year: 2014-2018 and January-September: 2019							
Partner	Unit	2014	2015	2016	2017	2018	2019*
World	T	940	1,151	1,268	1,472	1,246	1,432
Spain	T	557	530	562	1,010	712	1,169
Israel	T	371	284	308	201	346	159
Egypt	T	0	0	0	0	43	39
Eswatini	T	0	31	0	0	41	0

*Imports up to September 2019.

Source: TDM

Prices

Export markets provide the highest prices for South African soft citrus as shown in **Table 13**.

Table 13: Tangerines/Mandarins Prices

MY	Local Market	Export Market	Processed
	Average Price	Average Price	Average Price
	Rand/ MT	Rand/ MT	Rand/ MT
2003/04	1,705	3,638	251
2004/05	1,279	3,977	165
2005/06	2,133	4,423	188
2006/07	2,543	3,758	214
2007/08	3,038	4,965	367
2008/09	3,042	4,635	275
2009/10	3,805	5,618	214
2010/11	4,091	5,637	315
2011/12	3,760	7,133	419
2012/13	5,159	8,542	334
2013/14	5,442	10,004	465
2014/15	5,606	11,392	391
2015/16	6,785	14,242	532
2016/17	6,037	13,489	614
2017/18	6,617	13,498	709

Source: CGA

Table 14: PSD for Tangerines/Mandarins, Fresh

Tangerines/Mandarins, Fresh Market Begin Year South Africa	2017/2018		2018/2019		2019/2020	
	Jan 2018		Jan 2019		Jan 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	13500	16268	14200	17000	0	18000
Area Harvested	11200	11200	11600	11600	0	14000
Bearing Trees	6600	6600	7000	7000	0	7500
Non-Bearing Trees	2600	2600	2700	2700	0	2900
Total No. Of Trees	9200	9200	9700	9700	0	10400
Production	280	356	305	390	0	420
Imports	1	1	1	1	0	1
Total Supply	281	357	306	391	0	421
Exports	261	261	285	295	0	330
Fresh Dom. Consumption	15	21	16	22	0	23
For Processing	5	75	5	74	0	68
Total Distribution	281	357	306	391	0	421
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Lemons/Limes, Fresh

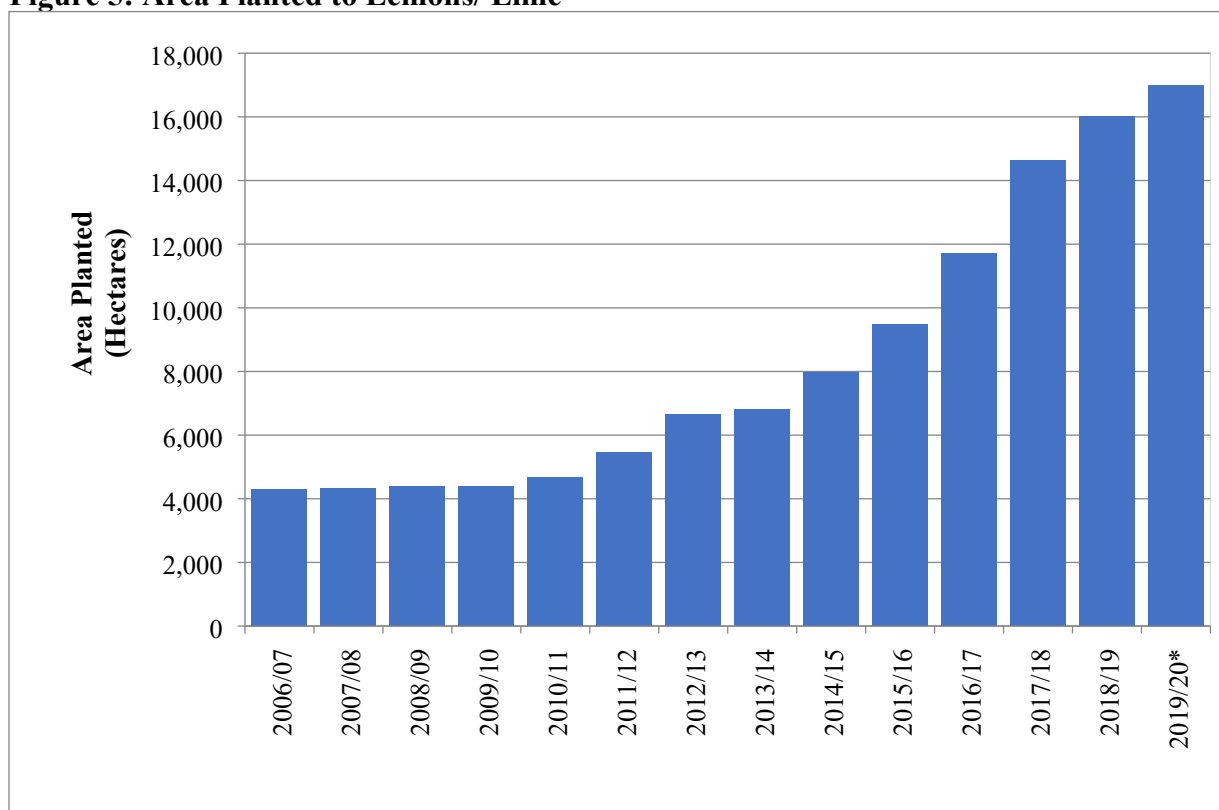
Production

The production of lemons/limes is forecast to continue its growth and is expected to increase by 6 percent to 530,000 MT in the 2019/20 MY, from 498,000 MT in the 2018/19 MY. This is based on the rise in area planted, and the high level of new-plantings in the past five years coming into full production.

The Eastern Cape Province is the leading growing region for lemons and limes in South Africa accounting for 42 percent of the total area planted, followed by Limpopo (32 percent), Western Cape (13 percent), Mpumalanga (5 percent) and Kwa-Zulu Natal (5 percent). The most popular variety of lemons planted in South Africa is the Eureka accounting for 75 percent of the area planted, followed by Lisbon (8 percent), 2Ph Seedless (5 percent), Limoneira 8A (5 percent), and Genoa (3 percent).

Figure 5 shows that the area planted with lemons/limes was initially flat from the 2006/07 MY to the 2009/10 MY. However, similar to tangerines/mandarins, the area planted increased gradually from 4,667 hectares in the 2010/11 MY, to an estimated 17,000 hectares in the 2019/20 MY, in response to growth in demand and higher prices in the export market.

Figure 5: Area Planted to Lemons/ Lime



*Forecast.

Source: CGA

Consumption

The domestic consumption of lemons is forecast to increase by 5 percent to 22,000 MT in the 2019/20 MY, from 21,000 MT in the 2018/19 MY, based on the growth in production, and increasing demand driven by health conscious consumers.

Processing

Post forecasts that lemons and limes delivered for processing will increase by 3 percent to 139,000 MT in the 2019/20 MY, from 135,000 MT in the 2018/19 MY, based on the increase in production and growing demand for processed lemon products.

Processed lemons and limes are used as flavoring for savory dishes, and food ingredient for confectionary and dairy products. In the beverage industry lemons/limes are used to make lemonade, smoothies and liquors. In the cleaning industry, lemon juice is used as a degreaser and disinfectant, due to its high concentration of citric acid which can inhibit the proliferation of some molds and bacteria.

Exports

The exports of lemons and limes is forecast to increase by 8 percent to 370,000 MT in the 2019/20 MY, from 343,000 MT in the 2018/19 MY, based on the increase in production and growth in demand from the Middle East and Asian markets. The 2018/19 MY exports of lemons and limes was revised upwards to 343,000 MT based on the pace of exports up to September 2019. The European Union still remains the main export market for South African lemons and limes.

Table 15: South African Fresh Lemons/Limes Exports

South Africa Exports to _ World							
Commodity: 080550, Lemons And Limes, Fresh Or Dried							
Calendar Year: 2014-2018 and January-September: 2019							
Partner	Unit	2014	2015	2016	2017	2018	2019*
World	T	219,456	246,293	237,131	299,323	315,197	341,301
United Arab Emirates	T	40,203	48,748	49,115	52,510	46,566	42,331
Netherlands	T	22,289	23,734	34,204	33,986	43,059	44,712
Saudi Arabia	T	19,800	25,813	28,951	31,925	30,864	40,816
United Kingdom	T	12,565	16,174	20,428	22,703	29,897	25,619
Russia	T	30,678	31,441	18,019	30,549	27,750	26,831
Hong Kong	T	31,000	20,474	15,396	26,040	20,119	21,315
Italy	T	5,590	5,122	8,655	10,455	14,564	17,526
Canada	T	9,472	10,636	9,223	12,454	14,381	14,656
Portugal	T	829	1,571	3,308	5,881	10,216	15,161
Kuwait	T	7,336	12,465	14,540	18,915	9,940	11,810
Malaysia	T	6,576	7,005	6,857	8,381	8,599	10,570
Iraq	T	0	0	0	2,599	7,340	20,638

Singapore	T	3,964	7,725	3,826	4,052	4,632	3,824
Qatar	T	2,097	3,218	1,768	3,449	4,097	4,954
Germany	T	5,776	7,310	2,977	2,105	4,059	6,890
Belgium	T	51	0	180	124	3,915	5,618
Oman	T	576	547	608	2,346	3,456	3,107
Bahrain	T	2,026	2,919	2,994	3,463	3,298	2,484
France	T	540	690	771	2,183	3,111	1,445
Vietnam	T	1,535	4,000	2,944	6,209	2,671	76
Ireland	T	447	562	449	1,056	2,404	1,760
Greece	T	1,146	1,101	1,136	1,640	2,091	2,255
Spain	T	725	74	31	98	1,955	2,094
Azerbaijan	T	629	1,010	147	1,481	1,608	780
Switzerland	T	6	66	105	51	1,586	1,464
Ukraine	T	3,312	2,943	989	1,434	1,567	1,235
Angola	T	1,460	1,116	943	926	1,510	844

*Exports up to September 2019.

Source: TDM

Imports

Post forecasts that the 2019/20 MY imports of lemons/limes will remain flat due to the available domestic production which sufficiently meets the local demand. Imports are minimal from Spain, Eswatini and Brazil.

Table 16: South African Fresh Lemons/Limes Imports

South Africa Imports from _ World							
Commodity: 080550, Lemons And Limes, Fresh Or Dried							
Calendar Year: 2014-2018 and January-September: 2019							
Partner	Unit	2014	2015	2016	2017	2018	2019*
World	T	677	920	2109	878	1,193	587
Eswatini	T	22	32	24	136	280	354
Brazil	T	162	138	151	102	142	72
Spain	T	399	207	155	181	97	27
Turkey	T	29	43	91	29	91	0
United Kingdom	T	0	0	0	34	25	0
Italy	T	0	0	0	0	0	108
Namibia	T	30	0	0	0	0	0
Canada	T	0	0	23	0	0	0
Hong Kong	T	0	0	0	30	0	0
Russia	T	25	0	0	0	0	0

*Imports up to September 2019.

Source: TDM

Prices

Export markets provide the highest prices for South African lemons/limes as shown in **Table 17**.

Table 17: Lemons/Limes Prices

MY	Local Market	Export Market	Processed
	Average Price	Average Price	Average Price
	Rand/ MT	Rand/ MT	Rand/ MT
2004/05	1,692	1,476	258
2005/06	1,753	2,478	178
2006/07	2,460	3,238	396
2007/08	3,105	3,961	611
2008/09	3,346	2,120	542
2009/10	3,940	5,329	731
2010/11	3,489	5,426	982
2011/12	4,291	5,426	720
2012/13	5,668	6,994	596
2013/14	6,619	11,058	1,288
2014/15	7,453	12,340	1,378
2015/16	7,697	16,483	1,842
2016/17	7,445	13,289	1,657
2017/18	6,697	11,151	1,463

Source: CGA

Table 18: PSD Lemons/Limes, Fresh

Lemons/Limes, Fresh Market Begin Year	2017/2018		2018/2019		2019/2020	
	Jan 2018		Jan 2019		Jan 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
South Africa						
Area Planted	12100	14616	12800	16000	0	17000
Area Harvested	10000	10000	10600	11000	0	12000
Bearing Trees	6400	6400	6700	6700	0	6900
Non-Bearing Trees	2300	2300	2500	2500	0	2600
Total No. Of Trees	8700	8700	9200	9200	0	9500
Production	460	446	490	498	0	530
Imports	1	1	1	1	0	1
Total Supply	461	447	491	499	0	531
Exports	315	315	340	343	0	370
Fresh Dom. Consumption	19	19	21	21	0	22
For Processing	127	113	130	135	0	139
Total Distribution	461	447	491	499	0	531

(HECTARES) ,(1000 TREES) ,(1000 MT)

Orange Juice

Production

The production of orange juice is forecast to decrease by 20 percent to 45,000 MT in the 2019/20 MY, from 56,719 MT in the 2018/19 MY, based on the decrease in the quantity of fresh oranges delivered for processing. The 2018/19 MY production of orange juice was revised upwards to 56,719 MT, based on the higher than expected volume of oranges delivered for processing that didn't meet the export standards due to their sizes.

Concentrated orange juice accounts for at least 90 percent of the total orange juice produced in South Africa. The South African citrus industry prioritizes the export of fresh citrus, and only processes the fruit that does not meet export standards.

Industry coordinated statistics for orange juice are largely unavailable in South Africa. The production, consumption and stock levels represent Posts' estimates based on information derived from various sources, contacts and calculations of extractions from fresh oranges delivered for processing.

Consumption

The domestic consumption of orange juice is forecast to increase by 9 percent to 6,000 MT in the 2019/20 MY, from 5,500 MT in the 2018/19 MY, based on the increase in production and supply availability. The relatively high food price inflation has resulted in restricted growth in the domestic consumption of fresh fruit juices especially the one hundred percent fruit juice, and the shift in demand to orange juice concentrates.

Export

Post forecasts that the 2019/20 MY exports of orange juice will increase by 67 percent to 50,000 MT, from 30,000 MT in the 2018/19 MY, based on the available supply and increase in production. The 2018/19 MY exports of orange juice were revised downwards to 30,000 MT, based on the pace of exports up to September 2019.

Post adjusted all the orange juice export data to the equivalent of 65 Degrees Brix based on the respective conversion factors shown on the export tables below. The orange juice exports under HS200919 were converted using a factor of 1.02. The orange juice exports under HS200911 were converted using a factor of 1.00. The orange juice exports under HS200912 were converted using a factor of 0.18. Degrees Brix represents the strength of the juice based on the sugar content. Thus, 65 Degrees Brix means that the orange juice has at least 65 grams of sucrose per 100 grams of orange juice.

Producers in South Africa prefer to export fresh oranges rather than to sell to processors as export prices are at least eight times higher than prices achieved from processors. Netherlands, Botswana, Mozambique, Mauritius, Eswatini, Zambia and Zimbabwe are the biggest markets for South African orange juice exports.

Table 19: South African Orange Juice Exports – HS200919, HS200911 and HS200912

South Africa Exports to World							
Commodity: HS200911/200912/200919							
Calendar Year: 2014-2018 and January-September: 2019							
Partner	Unit	2014	2015	2016	2017	2018	2019*
World	MT	38,930	45,202	34,724	27,764	39,249	20,258
Netherlands	MT	12,416	11,899	5,897	3,036	12,077	7,395
Botswana	MT	6,041	7,444	7,825	6,888	7,434	3,797
Namibia	MT	2,047	3,239	4,969	4,593	4,770	2,067
Eswatini	MT	2,560	3,238	3,461	3,013	3,300	2,059
Lesotho	MT	2,089	2,877	2,031	1,350	1,369	684
Italy	MT	329	566	605	194	375	677
India	MT	350	545	138	133	346	591
United States	MT	246	40	21	60	193	480
Zimbabwe	MT	3,475	3,593	1,989	2,539	2,044	435
Zambia	MT	1,368	1,386	1,052	1,270	623	380
Mozambique	MT	2,397	3,334	1,454	948	780	202
Spain	MT	1,230	2,061	1,747	187	274	188
Ethiopia	MT	70	1,097	799	674	456	187
Mauritius	MT	158	959	318	185	391	177
Gabon	MT	29	6	0	11	0	113
Turkey	MT	0	0	0	0	0	95
Congo (DROC)	MT	18	77	180	139	152	79
Fiji	MT	0	0	0	0	17	57
Israel	MT	1,887	703	378	19	511	52
Philippines	MT	55	55	37	178	270	42
Madagascar	MT	41	45	105	108	139	41
Greece	MT	0	0	0	0	0	37
Ghana	MT	50	133	87	144	199	35
China	MT	22	16	0	26	20	35
France	MT	70	72	11	10	35	33
Taiwan	MT	10	0	16	56	78	27
Australia	MT	49	171	22	11	12	25
Congo (ROC)	MT	160	182	79	121	184	23
Malawi	MT	64	93	291	341	213	22
United Arab Emirates	MT	80	57	53	146	320	21

*Exports up to September 2019.

Source: TDM

Imports

The imports of orange juice is forecast to increase by 6 percent to 1,800 MT in the 2019/20 MY, from 1,700 MT in the 2018/19 MY, based on increased imports from Zimbabwe. Zimbabwe, Brazil and Spain are the main suppliers of orange juice to South Africa. Post also adjusted the orange juice import data to the equivalent of 65 Degrees Brix based on the respective conversion factors.

Table 20: South African Orange Juice Imports – HS200919, HS200911 and HS200912

South Africa Imports from World							
Commodity: HS200911/200912/200919							
Calendar Year: 2014-2018 and January-September: 2019							
Partner	Unit	2014	2015	2016	2017	2018	2019*
World	MT	179	1,308	1,101	2,691	1,322	1,567
Zimbabwe	MT	18	705	698	771	845	1,373
Spain	MT	0	0	0	450	178	96
Vietnam	MT	0	1	0	0	20	29
Thailand	MT	18	7	0	0	0	18
Malaysia	MT	1	1	0	5	10	11
Pakistan	MT	0	28	6	28	9	10
Eswatini	MT	5	4	2	163	1	8
Bangladesh	MT	0	4	1	2	1	7
Botswana	MT	0	0	4	19	2	1
Brazil	MT	0	0	283	713	203	0

*Imports up to September 2019.

Source: TDM

Table 21: PSD Orange Juice

Orange Juice Market Begin Year	2017/2018		2018/2019		2019/2020	
	Jan 2018		Jan 2019		Jan 2020	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
South Africa						
Deliv. To Processors	204000	240000	301000	299000	0	238000
Beginning Stocks	257	257	677	6302	0	29221
Production	41371	48672	57098	56719	0	45000
Imports	1321	1322	1500	1700	0	1800
Total Supply	42949	50251	59275	64721	0	76021
Exports	37572	39249	48000	30000	0	50000
Domestic Consumption	4700	4700	5000	5500	0	6000
Ending Stocks	677	6302	6275	29221	0	20021
Total Distribution	42949	50251	59275	64721	0	76021

(MT)

Policies and Regulations:

United States Cold Sterilization Protocol

South Africa exports citrus to the United States under the cold treatment schedule to address False Codling Moth (FCM). The United States Animal Plant Health Inspection Service (APHIS) has reduced the cold treatment schedule from 24 to 22 days, which has been hugely beneficial to South Africa in terms of reducing shipping costs and in reducing fruit loss from cold damage. Exports to the United States are through the ports of Newark, Philadelphia, Houston and New Orleans.

South African Citrus Exports from Citrus Black Spot (CBS) Areas to the United States

Currently, South Africa can only export citrus to the United States from official CBS free areas. The CBS free areas are found in the Western Cape and Northern Cape, as well as relevant districts of the Free State and North West Provinces. In 2014, APHIS issued a notice proposing to amend the fruits and vegetables regulations to allow the import of several varieties of fresh citrus fruit, as well as Citrus hybrids, into the United States from areas in South Africa where citrus black spot has been known to occur. The regulation would authorize imports on condition of satisfying certain systems and SPS treatment procedures. This proposal can be found on the following link; <http://www.regulations.gov/#!documentDetail;D=APHIS-2014-0015-0001>. The comment period closed and the regulation is still in the process of being finalized.

Citrus Black Spot Challenges in the European Union Market

South Africa still faces challenges in the European Union (EU) market as a result of the stringent CBS requirements, and normally voluntarily suspends citrus exports to the EU every season to avoid any further interceptions of fruit with CBS. For example, in October 2017, South Africa voluntarily suspended citrus exports to the EU, as a precaution and risk mitigation measure to prevent a ban on citrus exports to the EU. Complying with the EU requirements for CBS costs the industry a lot of money, constrains the already limited government capacity and the scientific basis for these measures have been questioned. In addition, Argentina and Uruguay are reported to have higher CBS interceptions than South Africa. Thus South Africa considers these EU measures an unnecessary technical trade barrier, and is reportedly in the process of initiating a WTO dispute. Industry estimates that the cost of complying with the EU CBS requirements is around R1.8 Billion (US\$123 Million) and may not be sustainable in the long run.

South Africa Fresh Produce Importers Association

The Fresh Produce Importers Association assists members with the importation of fresh fruit and vegetables in South Africa. Information on their members, contact details and services they provide can be obtained from the following website link, <http://www.fpia.co.za/contact-us/>.

Custom Duties

United States citrus exports face a 4 percent customs duty in South Africa. **Table 22** reflects the applicable custom duties when exporting citrus to South Africa

Table 22: Custom Duties Applicable to Exports to South Africa

HS Code	Article description	Unit	Rate of Duty				
			General	EU	EFTA	SADC	MERCOSUR
08.05	Citrus fruit, fresh or dried:						
0805.10	Oranges						
0805.10.10	Fresh	kg	4%	free	4%	free	4%
0805.10.90	Other	kg	4%	free	4%	free	4%
0805.2	Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids:						
0805.21	Mandarins (including tangerines and satsumas)						
0805.21.10	Fresh	kg	4%	free	4%	free	4%
0805.21.90	Other	kg	4%	free	4%	free	4%
0805.22	Clementines:						
0805.22.10	Fresh	kg	4%	free	4%	free	4%
0805.22.90	Other	kg	4%	free	4%	free	4%
0805.29	Other:						
0805.29.10	Fresh	kg	4%	free	4%	free	4%
0805.29.90	Other	kg	4%	free	4%	free	4%
0805.40	Grapefruit, including pomelos:						
0805.40.10	Fresh	kg	4%	free	4%	free	4%
0805.40.90	Other	kg	4%	free	4%	free	4%
0805.50	Lemons (CitrusLimon, Citrus Limonium) and limes (Citrus aurantifolia, Citrus latifolia):						
0805.50.10	Fresh	kg	4%	free	4%	free	4%
0805.50.90	Other	kg	4%	free	4%	free	4%
0805.90	Other:						
0805.90.10	Fresh	kg	4%	free	4%	free	4%
0805.90.90	Other	kg	4%	free	4%	free	4%
2009.1	Orange juice						
2009.11	Frozen	kg	25%	free	25%	free	25%
2009.12	Not frozen, of Brix value not exceeding 20	kg	25%	free	25%	free	25%
2009.19	Other	kg	25%	free	25%	free	25%

Source: South African Revenue Services (SARS)

South African Import Regulation

The following links provide useful resources and regulations pertaining to importing fruit into South Africa:

Export Procedures to South Africa

<http://www.nda.agric.za/doaDev/sideMenu/plantHealth/docs/importProcedure.pdf>.

Maximum Residue Limits

<http://www.nda.agric.za/doaDev/sideMenu/foodSafety/doc/South%20African%20Citrus%20MRLs%202013.pdf>

Agriculture Product Standards Act No 119 of 1990

<http://www.nda.agric.za/doaDev/sideMenu/Food%20Import%20&%20Export%20Standard/docs/Agric%20Product%20Standards%20Act%20No%20119%20of%201990.pdf>

Agricultural Pests Amendment Act, 9 of 1992

<http://www.nda.agric.za/doaDev/sideMenu/APIS/doc/Agricultural%20Pests%20Act.pdf>

South African Special Export Protocols/ Programs/ Directives

<https://www.nda.agric.za/doaDev/sideMenu/plantHealth/exportsProg.htm>

Attachments:

No Attachments