United States Department of Agriculture
Foreign Agricultural Service

GAIN
Global Agricultural Information Network

Required Report: Required - Public Distribution **Date:** June 01,2020

Report Number: SF2020-0028

Report Name: Citrus Semi-annual

Country: South Africa - Republic of

Post: Pretoria

Report Category: Citrus

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Report Highlights:

The production of South African citrus, mainly soft citrus, lemons and limes is expected to continue its strong growth in the 2019/20 Marketing Year (MY), based on the increase in area planted, improved yields, high level of new-plantings coming into full production, and the minimal impact of COVID-19 on labor and input supply. Citrus exports have seen a surge in the 2019/20 MY, mainly due to the associated health benefits of Vitamin C in boosting immunity against COVID-19. However, the impact of COVID-19 on consumer incomes, constraints on shipping lines and containers, and port restrictions remains a concern for South African exports if the pandemic worsens. 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 = 18.49 as of May 18, 2020
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/

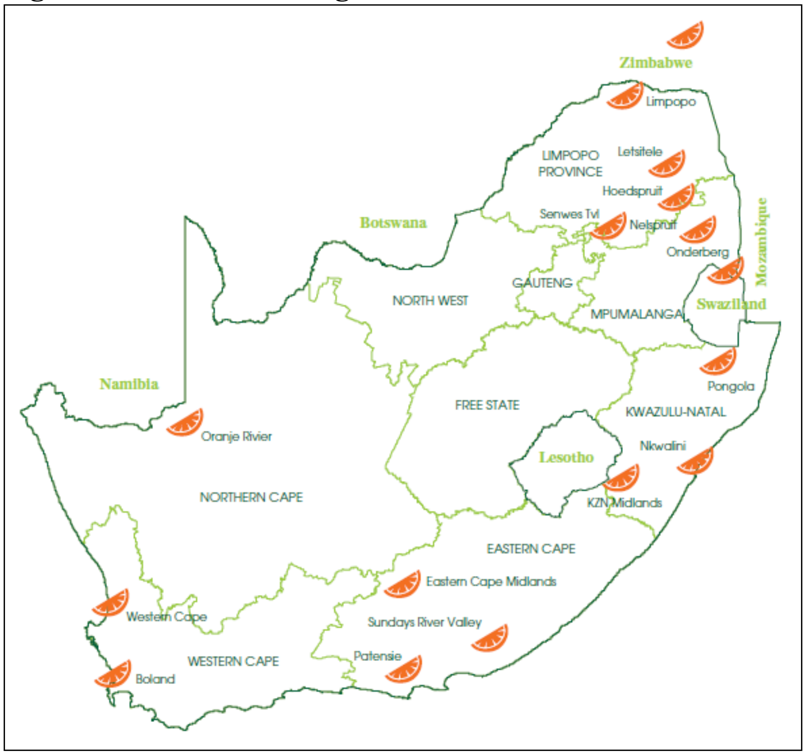
Background

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 86,808 hectares was planted to citrus in South Africa in 2019, a 6 percent increase from 81,603 hectares in 2018. 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 country's largest citrus production area, accounting for 42 percent of the total area planted, followed by the Eastern Cape (27 percent), Western Cape (19 percent), Mpumalanga (8 percent), Kwa Zulu Natal (2 percent), Northern Cape (2 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 tangerines/mandarins (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 50 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, profit margins from soft citrus and lemon production, and a spike in global demand. **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, Midknight, 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

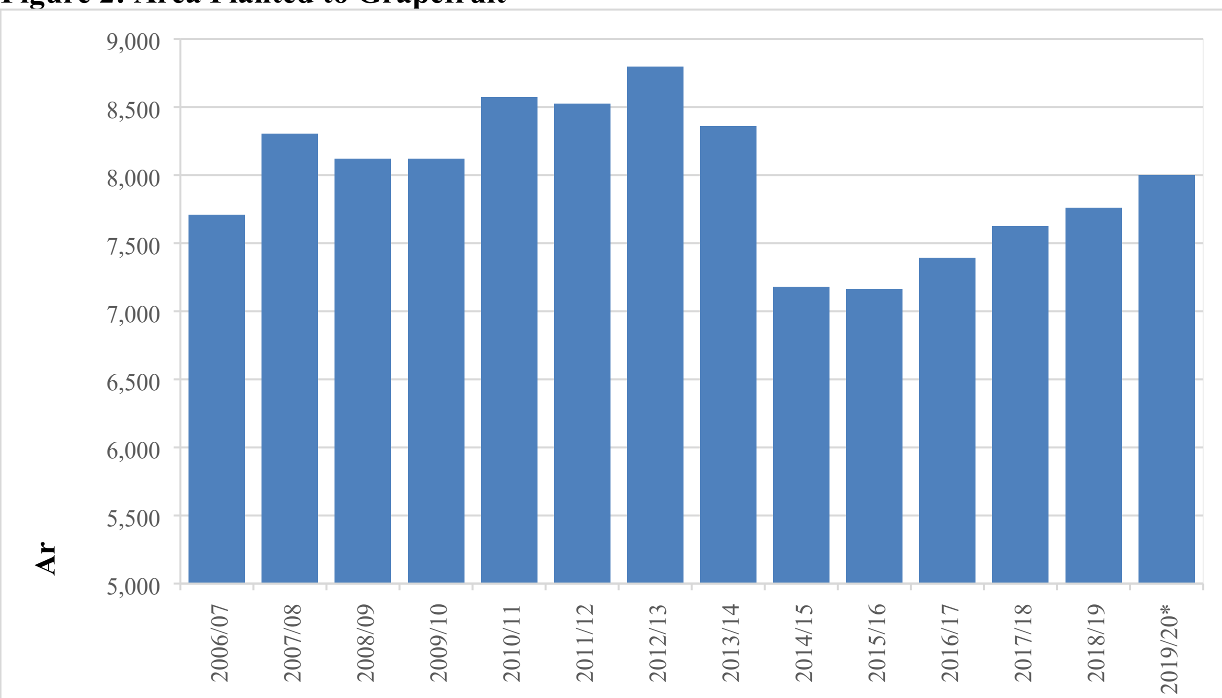
Source: CGA

Grapefruit, Fresh

Area Planted

The area planted to grapefruit is estimated to increase by 3 percent to 8,000 hectares (ha) in the 2019/20 MY, from 7,762 ha in the 2018/19 MY. This is due to the industry responding to the increasing global demand especially in Europe, Asia and the Middle East. **Figure 2** shows that while grape fruit area planted has been increasing since the 2014/15 MY, it has not reached the peak area planted recorded in the 2012/13 MY. Limpopo is the leading growing region for grapefruit accounting for 58 percent of the total area planted, followed by Mpumalanga (22 percent), Kwa-Zulu Natal (9 percent), Northern Cape (7 percent), Eastern Cape (4 percent) and the Western Cape (less than 1 percent). The predominant variety planted is the Star Ruby accounting for 84 percent of the area planted due to its high global demand, followed by the Marsh variety at 12 percent. Other grapefruit varieties planted include Rose, Redheart, Pomelit, Java Shaddock, Flame, Nartia, and Fe 1(Jackson).

Figure 2: Area Planted to Grapefruit



*Estimate
Source: CGA

Production

The production of grapefruit is estimated to increase by 4 percent to 387,000 Metric Tons (MT) in the 2019/20 Marketing Year (MY), from 371,849 MT in the 2018/19 MY. This is based on normal weather conditions, good rainfall received in the main growing areas, the increase in area planted and improved yields. Post revised downwards the 2018/19 MY production to 371,849 MT, based on final industry data, and smaller fruit sizes. Furthermore, grapefruit production tends to be cyclical and the

2018/19 MY was a down year. Grapefruit is normally harvested between March and September, and the impact of COVID-19 on production, harvest and labor has been minimal to date.

Consumption

Grapefruit consumption is estimated 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. Citrus has seen a surge in demand due to the assumed benefits of Vitamin C in boosting immunity against COVID-19.

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

On average, 29 percent of total grapefruit produced is used for processing. Post estimates that the grapefruit delivered for processing will increase by 3 percent to 110,000 MT in the 2019/20 MY, from 107,000 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 estimates that grapefruit exports will increase by 5 percent to 270,000 MT in the 2019/20 MY, from 258,423 MT in the 2018/19 MY, due to the rise in production, normal fruit sizes and color suitable for the export market, and the pace of exports up to March 2020. Citrus has seen a surge in demand due to the assumed benefits of Vitamin C in boosting immunity against COVID-19. However, the impact of COVID-19 on consumer incomes, constraints on shipping lines and containers, and port restrictions remains a concern for South African exports, especially if the pandemic worsens. The 2018/19 MY export of grapefruit was revised downwards to 258,423 MT based on final Trade Data Monitor figures and smaller fruit sizes.

Europe is the largest market for South African grapefruit exports accounting for 48 percent of total exports in 2019, followed by Asia at 35 percent. 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 Coddling Moth (FCM) in the EU market. Industry estimates that it is costing South Africa almost R1.8 Billion (US$97 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 5,347 MT in the 2018/19 MY. Grapefruit exports to the United States are expected to continue rising based on the 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 the World						
Commodity: 080540, Grapefruit, Fresh Or Dried						
Calendar Year: 2015-2019						
Partner	**Unit**	**Calendar Year**				
		2015	**2016**	**2017**	**2018**	**2019**
World	T	220,318	202,527	230,635	288,155	258,423
Netherlands	T	53,256	59,236	63,868	68,184	75,083
China	T	19,972	17,463	20,254	54,530	36,439
Japan	T	44,802	31,154	39,505	37,688	30,072
Russia	T	18,020	15,842	19,187	20,064	14,128
Hong Kong	T	5,034	5,828	7,162	13,761	12,130
United Kingdom	T	11,415	9,965	11,990	12,275	11,779
Italy	T	11,976	9,365	9,533	12,858	10,434
Eswatini	T	3,575	3,229	4,463	4,861	7,459
Portugal	T	4,368	5,991	6,231	7,768	7,384
South Korea	T	9,032	9,760	10,634	9,732	6,918
Canada	T	7,127	5,022	6,657	9,504	6,665
United States	T	1,802	3,737	4,293	4,729	5,347
France	T	5,816	3,183	3,251	4,328	5,106
Germany	T	1,819	5,015	2,386	3,912	4,135
United Arab Emirates	T	4,625	4,238	3,967	4,156	4,128
Ireland	T	834	768	278	1,011	3,321
Sweden	T	887	767	872	481	2,857
Taiwan	T	2,801	2,011	3,344	3,268	2,233
Ukraine	T	1,123	1,016	1,494	1,427	1,339
Greece	T	1,317	1,128	1,325	1,535	1,326
Switzerland	T	295	0	0	41	1,236
Spain	T	23	42	545	1,105	1,053
Saudi Arabia	T	1,655	680	707	1,168	1,033

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) and the close proximity as a neighboring country.

Table 4: South African Fresh Grapefruit Imports

South Africa Imports from the World						
Commodity: 080540, Grapefruit, Fresh Or Dried						
Calendar Year: 2015-2019						
Partner	Unit	Calendar Year				
		2015	2016	2017	2018	2019
World	T	7,259	3,983	1,211	2,703	1,476
Eswatini	T	6,355	2,862	66	2,083	685
Spain	T	423	474	514	374	382
Israel	T	56	136	225	134	248
Turkey	T	166	275	354	93	122
Other	T	212	177	52	0	20

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 exchange rate. 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 Average Price Rand/ MT	Export Market Average Price Rand/ MT	Processed Average Price 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
2018/19	2,908	7,990	1,523

Source: CGA

USD $1 = Rand R18.49 (as of May 18, 2020)

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

Grapefruit, Fresh	2017/2018		2018/2019		2019/2020	
Market Begin Year	Jan 2018		Jan 2019		Jan 2020	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	7625	7625	8200	7762	8500	8000
Area Harvested	7100	7100	7400	7400	7700	7700
Bearing Trees	7200	7200	7400	7400	7600	7600
Non-Bearing Trees	700	700	800	800	900	900
Total No. Of Trees	7900	7900	8200	8200	8500	8500
Production	403	403	390	372	420	387
Imports	3	3	3	1	3	2
Total Supply	406	406	393	373	423	389
Exports	288	288	270	258	290	270
Fresh Dom. Consumption	7	7	8	8	9	9
For Processing	111	111	115	107	124	110
Total Distribution	406	406	393	373	423	389
(HECTARES) ,(1000 TREES) ,(1000 MT)						

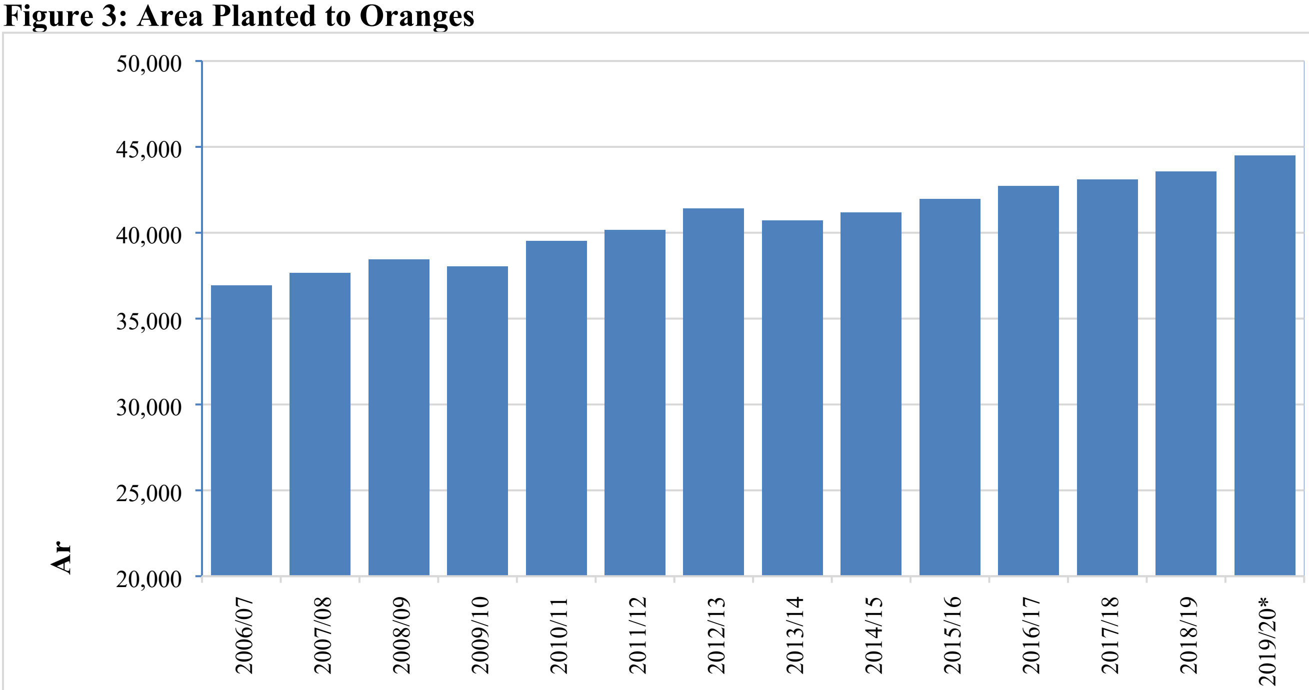
Oranges, Fresh

Area Planted

The area planted with oranges is estimated to grow by 2 percent to 44,500 hectares in the 2019/20 MY, from 43,578 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 growing trend in the area planted to oranges since the 2006/07 MY.

Limpopo is the leading growing region for oranges accounting for 49 percent of the total area planted, followed by the Eastern Cape (25 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 64 percent of the total area planted to oranges, and Navels account for 36 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 (11 percent), Palmer (7 percent), Turkey (6 percent), Bennie (6 percent), Bahianinha (5 percent), Cambria (5 percent) and Washington (4 percent).

Figure 3: Area Planted to Oranges



*Estimate.
Source: CGA

Production

The production of oranges is estimated to increase by 1 percent to 1.60 million MT in the 2019/20 MY, from 1.59 million MT in the 2018/19 MY. This increase is based on normal weather conditions, 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 upwards to 1.59 million MT based on final industry data and higher than expected yields. Oranges are normally harvested between March and September, and the impact of COVID-19 on production, harvest and labor has been minimal to date.

Consumption

Post estimates 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 and increase in demand due to the associated benefits of Vitamin C in boosting immunity against COVID-19. 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 estimated to rise by 8 percent to 1.28 million MT in the 2019/20 MY, from 1.19 million MT in the 2018/19 MY, based on the increase in production, improvement in the quality standards of the fruits, a spike in demand due to the assumed benefits of Vitamin C in boosting immunity against COVID-19. However, the impact of COVID-19 on consumer incomes, constraints on shipping lines and containers, and port restrictions remains a concern for South African citrus exports. The 2018/19 MY export of oranges was revised downwards to 1.19 million MT based on final Trade Data Monitor figures and small fruit sizes that couldn't be exported.

The EU remains South Africa's largest export market for oranges, accounting for 38 percent of the total export market. However, exports to Asia and the Middle East have grown steadily over the years due to the industry's focus on growing these markets.

Exports to the United States are expected to continue based on 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. Exports to the United States decreased in 2019, due to the shift from oranges to soft citrus and small fruit sizes.

Table 7: South African Fresh Orange Exports

South Africa Exports to the World Commodity: 080510, Oranges, Fresh Calendar Year: 2015-2019						
Partner	**Unit**	**Calendar Year**				
		2015	**2016**	**2017**	**2018**	**2019**
World	T	1,159,435	1,064,089	1,170,813	1,278,935	1,186,426
Netherlands	T	231,978	221,671	258,526	233,619	224,343
China	T	44,269	48,644	78,290	109,995	150,388
Saudi Arabia	T	86,906	93,195	81,541	84,448	83,587
United Arab Emirates	T	116,098	99,483	86,156	80,989	75,602

Russia	T	89,439	68,332	79,234	87,147	71,665
United Kingdom	T	67,296	60,204	73,360	75,954	62,362
Portugal	T	54,840	57,824	67,514	79,998	58,390
Hong Kong	T	43,447	49,892	69,032	66,255	54,827
Bangladesh	T	38,861	32,603	45,541	59,399	44,041
Iraq	T	0	102	280	26,413	34,692
Malaysia	T	28,213	28,936	28,239	30,704	32,601
Italy	T	36,361	33,515	38,065	42,667	31,355
United States	T	44,721	40,416	39,838	45,120	30,990
Canada	T	37,874	32,508	31,859	36,722	29,957
France	T	25,589	17,074	6,729	17,456	18,186
Kuwait	T	47,246	25,943	23,239	21,029	15,062
Germany	T	3,556	10,796	10,705	16,276	13,073
Qatar	T	6,713	4,122	8,917	12,287	10,389
India	T	11,127	4,265	11,474	9,705	10,044
Oman	T	7,511	5,266	11,248	10,339	9,926
Singapore	T	11,335	9,082	12,475	14,384	9,343
Spain	T	50	845	2,348	6,928	9,202
Belgium	T	2,149	3,412	2,831	6,411	7,610
Sweden	T	7,007	7,047	6,496	6,141	7,167
Mozambique	T	11,317	4,486	5,339	6,115	6,598
Ireland	T	3,777	4,747	3,677	6,136	5,405

Source: TDM

Imports

The import of oranges is estimated to remain flat at 4,000 MT in the 2019/20 MY, based on the increase in supply. Relatively small volumes 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: 2015-2019						
Partner	Unit	Calendar Year				
		2015	2016	2017	2018	2019
World	T	16,670	3,468	3,326	3,672	3,834
Eswatini	T	11,891	350	805	2,270	2,671
Spain	T	361	531	1,150	645	991
Egypt	T	139	24	121	136	52
Mozambique	T	0	0	0	0	27
Other	T	3,964	2,310	1,080	570	0

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 Average Price Rand/ MT	Export Market Average Price Rand/ MT	Processed Average Price 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
2018/19	3,643	8,268	699

Source: CGA

Table 10: PSD for Oranges, Fresh

Oranges, Fresh	2017/2018		2018/2019		2019/2020	
Market Begin Year	Jan 2018		Jan 2019		Jan 2020	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	43094	43094	45000	43578	46000	44500
Area Harvested	39000	39000	40000	39600	40500	40500
Bearing Trees	38300	38300	39000	39000	39500	39500
Non-Bearing Trees	4100	4100	4200	4200	4300	4300
Total No. Of Trees	42400	42400	43200	43200	43800	43800
Production	1586	1586	1500	1590	1560	1600
Imports	4	4	4	4	5	4
Total Supply	1590	1590	1504	1594	1565	1604
Exports	1278	1279	1130	1186	1250	1280
Fresh Dom. Consumption	72	72	75	75	77	77
For Processing	240	239	299	333	238	247
Total Distribution	1590	1590	1504	1594	1565	1604
(HECTARES) ,(1000 TREES) ,(1000 MT)						

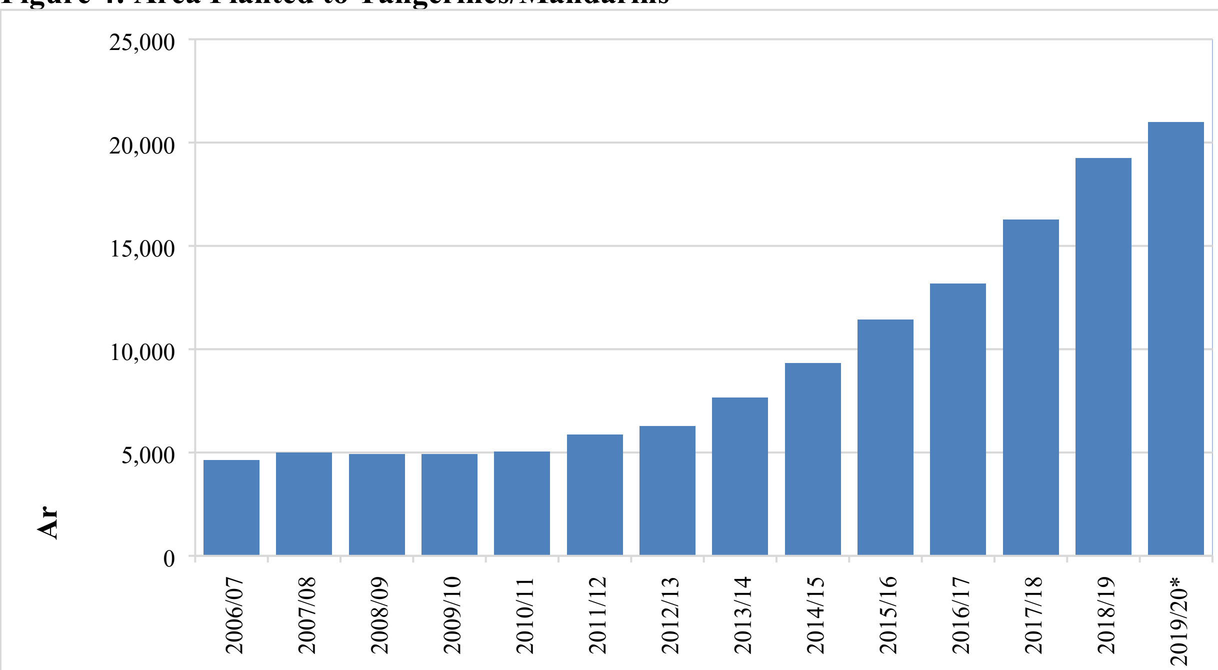
Tangerines/Mandarins (Soft Citrus), Fresh

Area Planted

The area planted to tangerines/mandarins (soft citrus) is estimated to increase by 9 percent to 21,000 hectares in the 2019/20 MY, from 19,255 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 25 percent of the area planted, followed by the Nules variety at 12 percent, Nova (11 percent), Tango (10 percent), Orri (8 percent) and Leanri (7 percent).

Figure 4: Area Planted to Tangerines/Mandarins



*Estimate.
Source: CGA

Production

The production of tangerines/mandarins is estimated to continue its aggressive growth and is expected to increase by 12 percent to 421,000 MT in the 2019/20 MY, from 375,119 MT in the 2018/19 MY. This is due to the rise in area planted, normal weather conditions, improved 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 COVID-19 pandemic has had a minimal impact on labor and input supply.

The 2018/19 MY production of tangerines/mandarins was revised downwards to 375,119 MT based on final industry data.

There is a growing trend of farmers aggressively establishing new orchards under netting which has improved the water efficiency, yields 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 (Beginning of May), to between week 21 to 30 (Mid May to July). 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 2020 winter rainfall will only be used for irrigation in the following year in 2021. Improved dam levels in the Western Cape in 2019 had a positive impact to the 2019/20 MY crop.

Consumption

The consumption of tangerines/mandarins is estimated to increase by 9 percent to 24,000 MT in the 2019/20 MY, from 22,000 MT in the 2018/19 MY, due to the increase in production and a surge in demand driven by the associated health benefits of citrus in boosting immunity and to fight COVID-19. 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 export of tangerines/mandarins is estimated to increase by 16 percent to 344,000 MT in the 2019/20 MY, from 295,607 MT in the 2018/19 MY, based on the increase in production, pace of exports in 2020, the industry strategy of prioritizing export markets over domestic markets, and a surge in demand due to the assumed benefits of Vitamin C in boosting immunity against COVID-19.

Demand for tangerines/mandarins remains strong in the export markets, with the United Kingdom as the leading export market accounting for 26 percent of the total exports, followed by the Netherlands (21 percent), Russia (8 percent) and the United States (6 percent). 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 18,690 MT in the 2018/19 MY. This growth trend is expected to continue based on the rising U.S. market preference for easy peelers, and continued duty free market access under AGOA.

Table 11: South African Fresh Tangerines/Mandarins Exports

South Africa Exports to the 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: 2015-2019						
Partner	**Unit**	**Calendar Year (UOM1: T)**				
		2015	**2016**	**2017**	**2018**	**2019**
World	T	156,589	189,730	209,754	260,850	295,607
United Kingdom	T	61,307	66,152	63,213	69,344	75,941
Netherlands	T	32,023	47,300	49,706	51,404	61,403
Russia	T	14,468	14,329	20,219	28,425	23,709
United States	T	8,637	10,287	11,180	13,695	18,690
Bangladesh	T	247	1,215	2,128	6,170	15,760
United Arab Emirates	T	7,127	6,733	8,037	10,457	13,022
Hong Kong	T	4,573	9,227	12,309	11,427	12,366
Canada	T	6,208	6,729	8,035	11,554	11,972
China	T	421	777	2,257	6,520	9,827
Saudi Arabia	T	1,910	2,333	2,170	5,412	6,950
Portugal	T	1,102	2,412	4,348	6,309	6,275
Ireland	T	3,742	5,637	5,044	6,889	4,853
Malaysia	T	1,416	1,385	1,601	3,314	3,762
Germany	T	2,057	1,514	1,460	3,307	3,683
Iraq	T	0	0	0	947	3,336
France	T	974	1,357	1,246	2,559	2,690
Senegal	T	710	694	711	832	2,540
Kuwait	T	569	550	707	1,803	2,293
Mauritius	T	1,129	1,220	1,495	1,556	1,989
Norway	T	351	209	416	788	1,359
Singapore	T	616	902	922	2,413	1,260
Qatar	T	307	346	718	969	1,054

Source: TDM

Imports

Post estimates that the 2019/20 MY imports of tangerines/mandarins will increase to 3,000 MT, from 1,833 MT in the 2018/19 MY, based on the pace of imports in 2020. 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: 2015-2019						
Partner	**Unit**	**Calendar Year**				
		2015	**2016**	**2017**	**2018**	**2019**
World	T	1,151	1,268	1,472	1,246	1,833
Spain	T	530	562	1,010	712	1,524
Israel	T	284	308	201	346	181
Morocco	T	0	0	0	0	47
Other	T	300	328	144	73	42
Egypt	T	0	0	0	43	39

Source: TDM

Prices

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

Table 13: Tangerines/Mandarins Prices

	Local Market	**Export Market**	**Processed**
	Average Price	**Average Price**	**Average Price**
MY	**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
2018/19	5,586	13,344	502

Source: CGA

Table 14: PSD for Tangerines/Mandarins, Fresh

Tangerines/Mandarins, Fresh	2017/2018		2018/2019		2019/2020	
Market Begin Year	Jan 2018		Jan 2019		Jan 2020	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	16268	16268	17000	19255	18000	21000
Area Harvested	11200	11200	11600	13600	14000	14500
Bearing Trees	6600	6600	7000	8000	7500	8500
Non-Bearing Trees	2600	2600	2700	2800	2900	3100
Total No. Of Trees	9200	9200	9700	10800	10400	11600
Production	356	356	390	375	420	421
Imports	1	1	1	2	1	3
Total Supply	357	357	391	377	421	424
Exports	261	261	295	296	330	344
Fresh Dom. Consumption	21	21	22	22	23	24
For Processing	75	75	74	59	68	56
Total Distribution	357	357	391	377	421	424
(HECTARES) ,(1000 TREES) ,(1000 MT)						

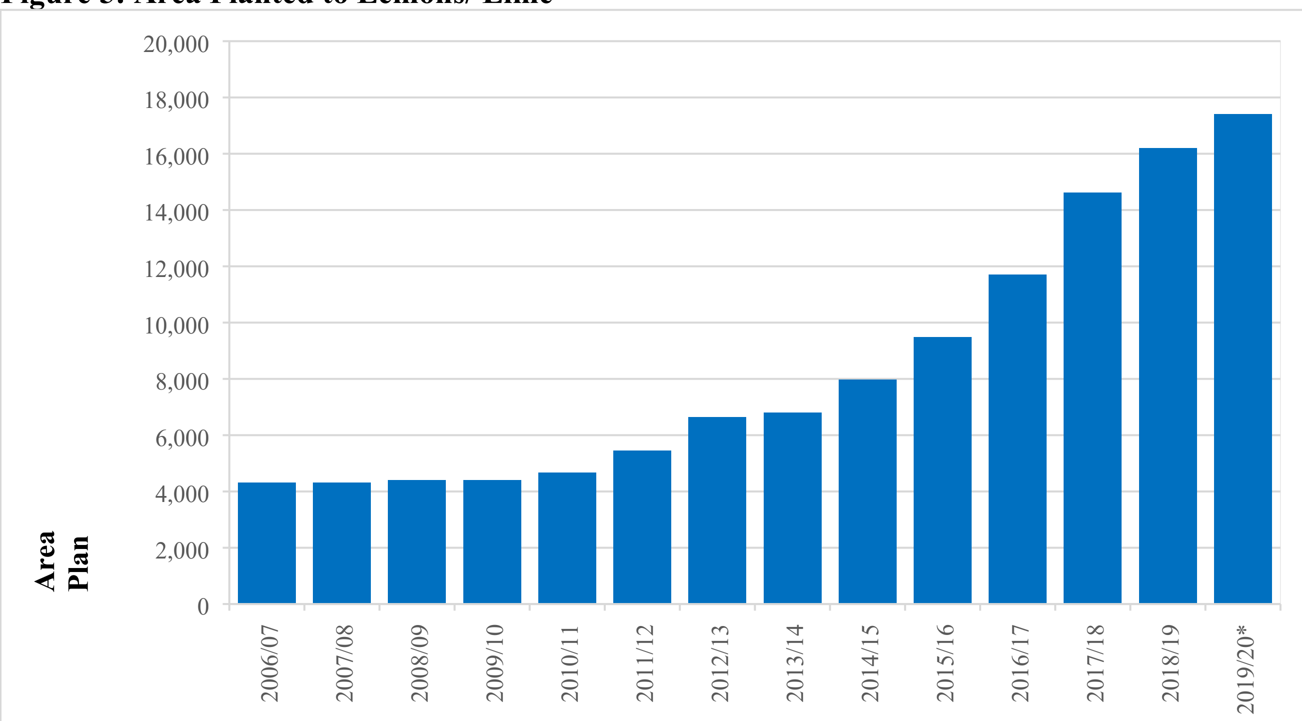
Lemons/Limes, Fresh

Area Planted

Figure 5 shows that the area planted with lemons/limes was initially flat from the 2006/07 MY to the 2009/10 MY. However, the area planted increased gradually from 4,667 hectares in the 2010/11 MY, to an estimated 17,400 hectares in the 2019/20 MY, in response to the growth in demand and higher prices in the export market.

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 (31 percent), Western Cape (14 percent), Mpumalanga (6 percent), Kwa-Zulu Natal (4 percent), Northern Cape (2 percent) and North West (1 percent). The most popular variety of lemons planted in South Africa is the Eureka accounting for 76 percent of the area planted, followed by Lisbon (8 percent), 2Ph Seedless (5 percent), Limoneira 8A (4 percent), and Genoa (3 percent).

Figure 5: Area Planted to Lemons/ Lime



*Estimate.
Source: CGA

Production

The production of lemons/limes is expected to continue its growth and is estimated to increase by 18 percent to 579,000 MT in the 2019/20 MY, from 491,954 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 impact of COVID-19 on production is expected to be minimal.

Consumption

The domestic consumption of lemons and limes is estimated to increase by 14 percent to 24,000 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 estimates that lemons and limes delivered for processing will increase by 15 percent to 140,000 MT in the 2019/20 MY, from 122,000 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 estimated to increase by 19 percent to 416,000 MT in the 2019/20 MY, from 350,245 MT in the 2018/19 MY, based on the increase in production, growth in demand from the Middle East and Asian markets, and pace of exports in 2020. The 2018/19 MY exports of lemons and limes was revised upwards to 350,245 MT based on final TDM data. The European Union still remains the main export market for South African lemons and limes, accounting for 36 percent of the total exports.

Table 15: South African Fresh Lemons/Limes Exports

South Africa Exports to the World						
Commodity: 080550, Lemons And Limes, Fresh Or Dried						
Calendar Year: 2015-2019						
Partner	Unit	Calendar Year				
		2015	2016	2017	2018	2019
World	T	246,293	237,131	299,323	315,197	350,245
Netherlands	T	23,734	34,204	33,986	43,059	45,046
United Arab Emirates	T	48,748	49,115	52,510	46,566	43,332
Saudi Arabia	T	25,813	28,951	31,925	30,864	41,762
Russia	T	31,441	18,019	30,549	27,750	26,957
United Kingdom	T	16,174	20,428	22,703	29,897	26,049
Hong Kong	T	20,474	15,396	26,040	20,119	22,262
Iraq	T	0	0	2,599	7,340	20,638
Italy	T	5,122	8,655	10,455	14,564	17,526
Canada	T	10,636	9,223	12,454	14,381	15,740
Portugal	T	1,571	3,308	5,881	10,216	15,184

Kuwait	T	12,465	14,540	18,915	9,940	11,962
Malaysia	T	7,005	6,857	8,381	8,599	11,305
Germany	T	7,310	2,977	2,105	4,059	6,891
Belgium	T	0	180	124	3,915	5,618
Qatar	T	3,218	1,768	3,449	4,097	5,254
Singapore	T	7,725	3,826	4,052	4,632	4,176
Oman	T	547	608	2,346	3,456	3,243
Bahrain	T	2,919	2,994	3,463	3,298	2,564
Greece	T	1,101	1,136	1,640	2,091	2,255
Spain	T	74	31	98	1,955	2,094

Source: TDM

Imports

Post estimates 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 the World						
Commodity: 080550, Lemons And Limes, Fresh Or Dried						
Calendar Year: 2015-2019						
Partner	Unit	Calendar Year				
		2015	2016	2017	2018	2019
World	T	920	2109	878	1,193	983
Eswatini	T	32	24	136	280	355
Spain	T	207	155	181	97	326
Brazil	T	138	151	102	142	168
Italy	T	0	0	0	0	108
Other	T	498	1613	360	557	25

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 Average Price Rand/ MT	Export Market Average Price Rand/ MT	Processed Average Price Rand/ MT
2005/06	1,692	1,476	258
2006/07	1,753	2,478	178
2007/08	2,460	3,238	396
2008/09	3,105	3,961	611
2009/10	3,346	2,120	542
2010/11	3,940	5,329	731
2011/12	3,489	5,426	982
2012/13	4,291	5,426	720
2013/14	5,668	6,994	596
2014/15	6,619	11,058	1,288
2015/16	7,453	12,340	1,378
2016/17	7,697	16,483	1,842
2017/18	7,445	13,289	1,657
2018/19	6,697	11,151	1,463

Source: CGA

Table 18: PSD Lemons/Limes, Fresh

Lemons/Limes, Fresh	2017/2018		2018/2019		2019/2020	
Market Begin Year	Jan 2018		Jan 2019		Jan 2020	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	14616	14616	16000	16190	17000	17400
Area Harvested	10000	10000	11000	11200	12000	12100
Bearing Trees	6400	6400	6700	6700	6900	7100
Non-Bearing Trees	2300	2300	2500	2500	2600	2600
Total No. Of Trees	8700	8700	9200	9200	9500	9700
Production	446	446	498	492	530	579
Imports	1	1	1	1	1	1
Total Supply	447	447	499	493	531	580
Exports	315	315	343	350	370	416
Fresh Dom. Consumption	19	19	21	21	22	24
For Processing	113	113	135	122	139	140
Total Distribution	447	447	499	493	531	580
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Orange Juice

Production

The production of orange juice is estimated to decrease by 26 percent to 46,701 MT in the 2019/20 MY, from 63,168 MT in the 2018/19 MY, based on the decrease in the quantity of fresh oranges delivered for processing, and processors restricting production due to large available stocks. The 2018/19 MY production of orange juice was revised upwards to 63,168 MT, based on the final 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 Post's 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 estimated 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 estimates that the 2019/20 MY exports of orange juice will increase by 69 percent to 50,000 MT, from 29,563 MT in the 2018/19 MY, based on the available supply, and the pace of exports in 2020. The 2018/19 MY exports of orange juice were revised downwards to 29,563 MT, based on final TDM data.

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, Namibia, 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 the World						
Commodity: 200911/200912/200919, Orange Juice, Frozen, Whether Or Not Sweetened/Orange Juice, Not Frozen, Of A Brix Value Not Exceeding 20/Orange Juice, Other Than Frozen, Whether Or Not Sweetened						
Calendar Year: 2015-2019						
Partner	**Unit**	**Calendar Year**				
		2015	**2016**	**2017**	**2018**	**2019**
World	MT	45,202	34,724	27,764	39,249	29,563
Netherlands	MT	11,899	5,897	3,036	12,077	10,340
Botswana	MT	7,444	7,825	6,888	7,434	5,562
Eswatini	MT	3,238	3,461	3,013	3,300	3,183
Namibia	MT	3,239	4,969	4,593	4,770	2,899
Lesotho	MT	2,877	2,031	1,350	1,369	959
Italy	MT	566	605	194	375	867
India	MT	545	138	133	346	790
United States	MT	40	21	60	193	700
Israel	MT	703	378	19	511	615
Spain	MT	2,061	1,747	187	274	567
Zambia	MT	1,386	1,052	1,270	623	562
Zimbabwe	MT	3,593	1,989	2,539	2,044	520
Mozambique	MT	3,334	1,454	948	780	327
Ethiopia	MT	1,097	799	674	456	264
Mauritius	MT	959	318	185	391	243
Gabon	MT	6	0	11	0	153
Congo (DROC)	MT	77	180	139	152	123
Turkey	MT	0	0	0	0	95
Fiji	MT	0	0	0	17	86
Taiwan	MT	0	16	56	78	62
Madagascar	MT	45	105	108	139	61
Greece	MT	0	0	0	0	57
Philippines	MT	55	37	178	270	52

Source: TDM

Imports

The imports of orange juice is estimated to increase by 3 percent to 2,000 MT in the 2019/20 MY, from 1,942 MT in the 2018/19 MY, based on increased imports from Zimbabwe and the pace of imports in 2020. Zimbabwe, Brazil and Spain are the main suppliers of orange juice to South Africa. The source of origin of United Arab Emirates imports is Brazil. 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 the World						
Commodity: 200911/200912/200919, Orange Juice, Frozen, Whether Or Not Sweetened/Orange Juice, Not Frozen, Of A Brix Value Not Exceeding 20/Orange Juice, Other Than Frozen, Whether Or Not Sweetened						
Calendar Year: 2015-2019						
Partner	Unit	Calendar Year				
		2015	2016	2017	2018	2019
World	MT	1,308	1,101	2,691	1,322	1,942
Zimbabwe	MT	705	698	771	845	1,652
Spain	MT	0	0	450	178	96
United Arab Emirates	MT	429	47	0	0	54
Botswana	MT	0	4	19	2	31
Vietnam	MT	1	0	0	20	29
Thailand	MT	7	0	0	0	18
Pakistan	MT	28	6	28	9	13
Malaysia	MT	1	0	5	10	11
Turkey	MT	0	0	0	8	9
Eswatini	MT	4	2	163	1	8
Bangladesh	MT	4	1	2	1	7
Nigeria	MT	10	0	2	0	5
Germany	MT	1	0	1	0	2
Poland	MT	0	0	0	0	2
Saudi Arabia	MT	5	6	0	0	2
Unidentified	MT	1	0	44	7	1
Brazil	MT	0	283	713	203	1

Source: TDM

Table 21: PSD Orange Juice

Orange Juice	2017/2018		2018/2019		2019/2020	
Market Begin Year	Jan 2018		Jan 2019		Jan 2020	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	240000	239000	299000	333000	238000	247000
Beginning Stocks	257	257	6302	6302	29221	36349
Production	48672	48672	56719	63168	45000	46701
Imports	1322	1322	1700	1942	1800	2000
Total Supply	50251	50251	64721	71412	76021	85050
Exports	39249	39249	30000	29563	50000	50000
Domestic Consumption	4700	4700	5500	5500	6000	6000
Ending Stocks	6302	6302	29221	36349	20021	29050
Total Distribution	50251	50251	64721	71412	76021	85050
(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 the Ministry of Agriculture has publicly indicated that the internal process of lodging a WTO dispute has been initiated. Industry estimates that the cost of complying with the EU CBS requirements is around R1.8 Billion (US$97 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 Regulations

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%20
2013.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%20%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