Required Report: Required - Public Distribution **Date:** November 03,2020

Report Number: SF2020-0058

Report Name: Fresh Deciduous Fruit Annual

Country: South Africa - Republic of

Post: Pretoria

Report Category: Fresh Deciduous Fruit

Prepared By: Wellington Sikuka

Approved By: Kyle Bonsu

Report Highlights:

The production of apples, pears and table grapes is forecast to increase marginally in the 2020/21 Marketing Year (MY), based on increases in area planted, normal weather conditions, improvement in yields and available irrigation water following improved 2020 winter rainfall. COVID-19 is expected to have minimal impact to production and exports in the 2020/21 MY. South Africa is self-sufficient and only imports small quantities of deciduous fruits to fulfill niche markets or to satisfy demand during the off-season when supply is limited. Due to phytosanitary restrictions, the United States only has limited market access to export apples from areas that are free of Rhagoletis pomonella (apple maggot). Negotiations are on-going to expand this market access to include areas regulated for apple maggot in the United States.

Commodities:
Apples, Fresh
Pears, Fresh
Grapes, Table, Fresh

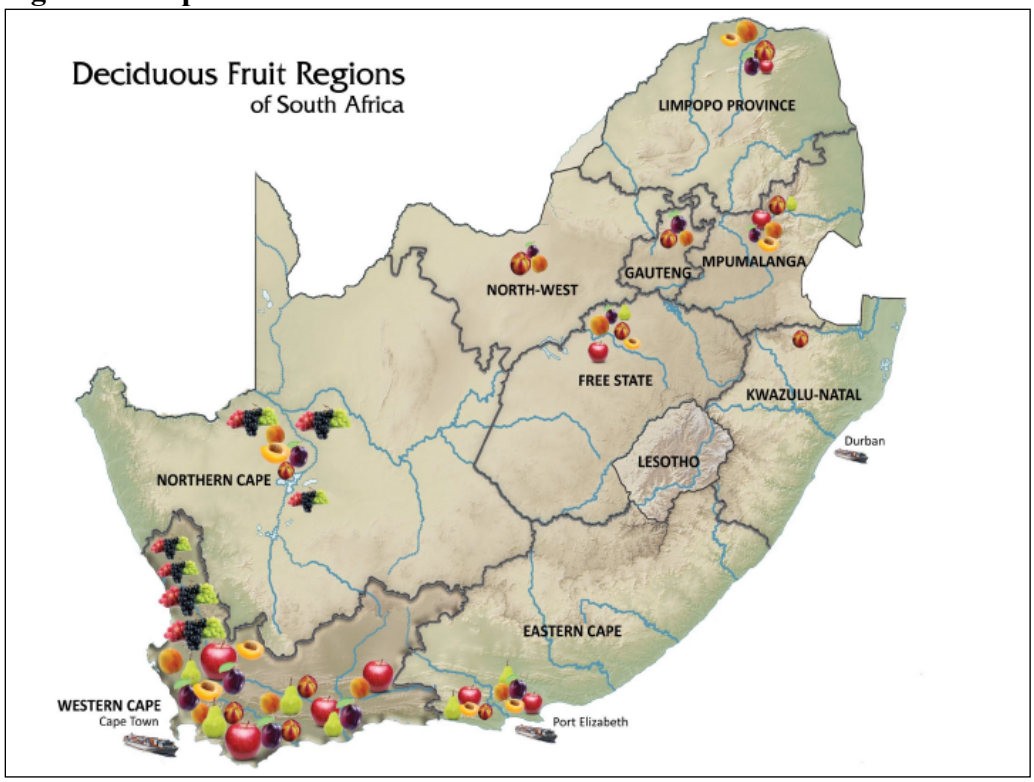
Apples and Pears Marketing Year (MY) – January to December.
Table Grapes MY – October to September.
MT – Metric Tons

Sources
Hortgro - http://www.hortgro.co.za
South African Table Grapes Industry (SATGI) - http://www.satgi.co.za/
South African Revenue Services (SARS) - https://www.sars.gov.za/
Department of Agriculture, Land Reform & Rural Development - https://www.dalrrd.gov.za/

Background

The Western Cape Province is the largest growing region of deciduous fruits in South Africa, accounting for 72 percent of the total growing area and production. The other growing regions include the Northern Cape (17 percent), Eastern Cape (8 percent), and very low production (less than 3 percent) in the North-West, Free State, Mpumalanga, and Limpopo Provinces. **Figure 1** shows the deciduous fruit production areas in South Africa.

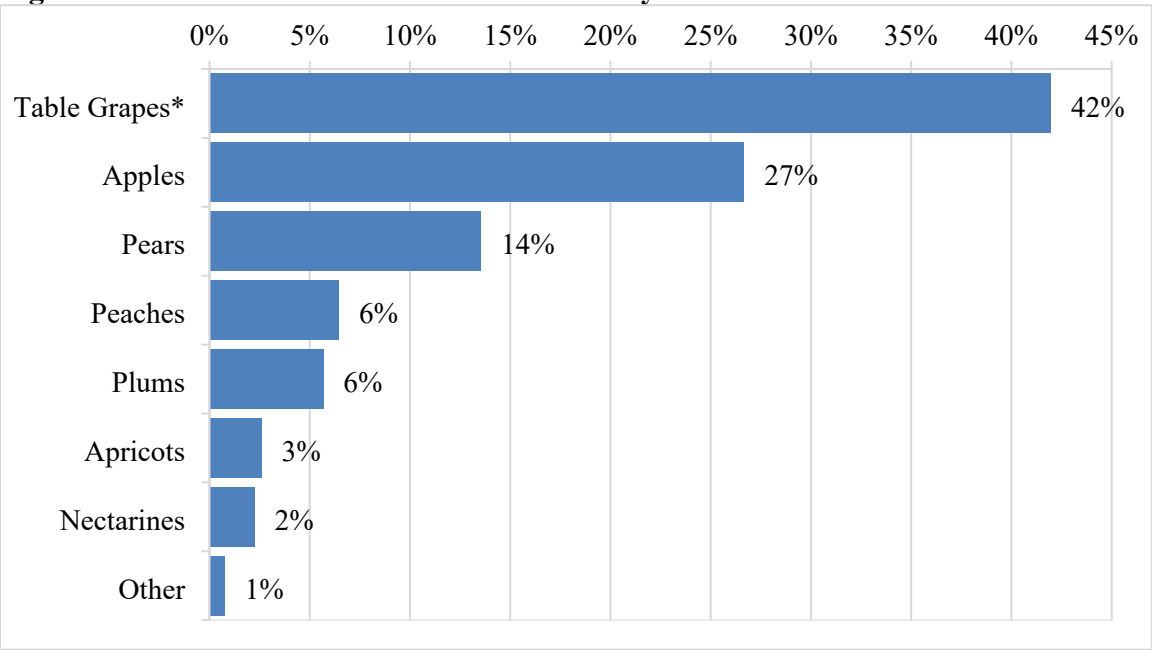
Figure 1: Map of the Deciduous Fruit Production Areas in South Africa



Source: HORTGRO

Deciduous fruit is the largest sub-sector of the South African fruit industry in terms of area planted, which rose marginally to 93,594 hectares in the 2019/20 MY, from 93,350 hectares in the 2018/19 MY. Table grapes (fresh and dried) accounted for 42 percent of the total area planted to deciduous fruits in the 2018/19 MY, followed by apples (27 percent), pears (14 percent), peaches (6 percent), plums (6 percent), apricots (3 percent) and nectarines (2 percent). **Figure 2** shows the distribution of the deciduous fruit industry based on area planted.

Figure 2: Distribution of the Deciduous Fruit by Area Planted



*Fresh and Dried.
Source: HORTGRO

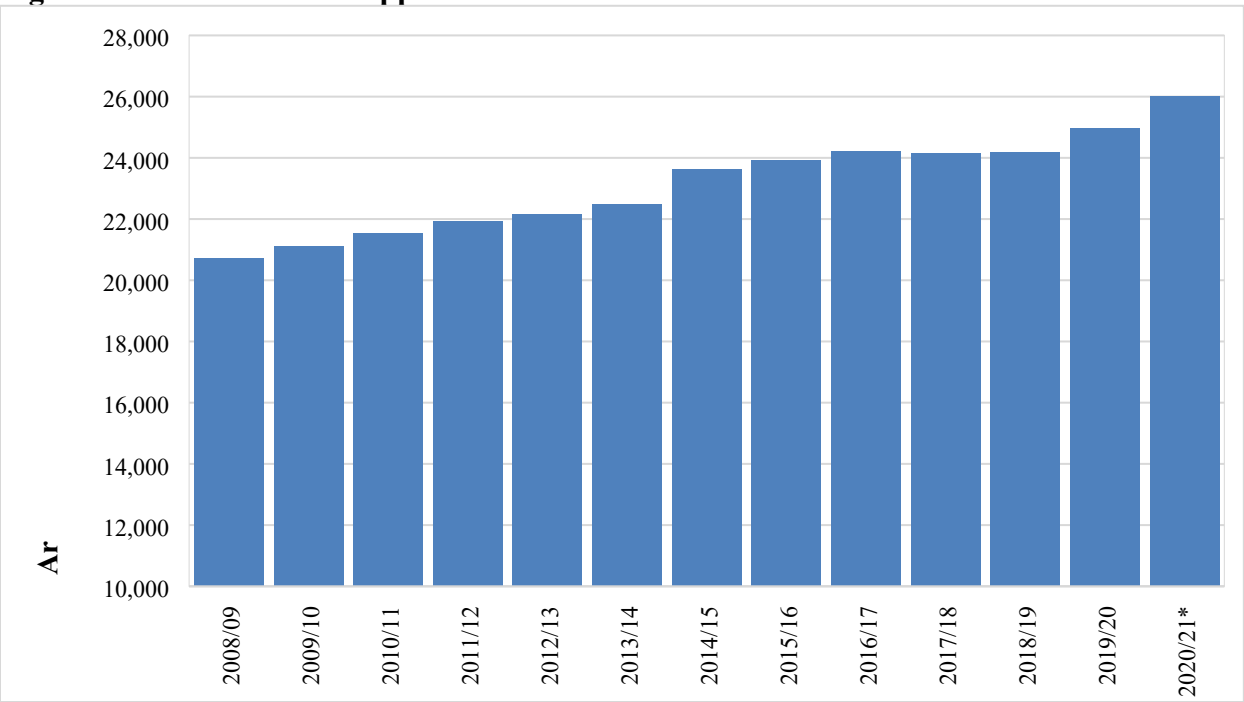
The South African Table Grapes Producers Association (SATGI) represents the interests of table grapes producers, mainly through Market Access and Development; Information and Knowledge Management; Transformation and Training, and Research and Technical Transfer. Apple and pear producers are members of the South African Apple and Pear Producers Association (SAAPPA). Other organizations providing services to the deciduous fruit industry include HORTGRO (support with marketing, production, and transformation within the deciduous fruit industry); HORTGRO Science (provide research and technology support within the deciduous fruit industry); South African Plant Improvement Organization (SAPO) Trust (fruit plant material provider in South Africa); Plant South Africa (Management and provision of administrative services in support of plant improvement and plant certification in the interests of horticulture in South Africa); CULDEVCO (Manages cultivar development, manages more than 150 deciduous fruit varieties, and apple and stone fruit rootstock specifically developed for South African growing conditions); and DFDC (The representative body for black deciduous fruit growers aiming to increase the participation of the previously disadvantaged in the mainstream agricultural economy).

Apples, Fresh:

Area Planted

Post forecasts that the area planted to apples in the 2020/21 MY will increase by 4 percent to 26,000 hectares, from 24,970 hectares in the 2019/20 MY, due to normal weather conditions, available irrigation water and new plantings in the Northern Province. Increases in area planted are both from new land under cultivation and the introduction of 'low chill' apples in the Northern Province. Low chill apples can be grown in areas that do not have the low temperatures required for apple production. The area planted to apples has steadily increased over the past decade as shown in **Figure 3**. This has been driven by investment into the deciduous fruit sector due to increased earnings from the export market and higher returns from apple farming relative to other crops. This is expected to continue in the next 5 years.

Figure 3: Area Planted to Apples in South Africa



*Forecast.
Source: HORTGRO and Post Estimates.

The Western Cape is the heartland of deciduous fruit production, with a cool climate similar to the Mediterranean, which is favorable for apple production. Ceres is the largest apple growing region accounting for 30 percent of the area planted, followed by Groenland (29 percent), Villiersdorp (17 percent), Langkloof East (13 percent) and Langkloof West (5 percent). Harvest for South African apples typically begins at the end of January and runs through to June, with peak harvest times falling between February and April. Notably, apples are available throughout the year in South Africa because they can be stored in temperature and air controlled cold-rooms for more than a year.

The Golden Delicious cultivar is the most planted cultivar accounting for 22 percent of the total area planted to apples in South Africa, followed by the Royal Gala cultivar at 17 percent and Granny Smith at 14 percent. Other cultivars which have been growing steadily are the Pink Lady (12 percent), Top Red (10 percent), Fuji (9 percent) and Cripps Red (6 percent).

Production

The production of apples is forecast to increase by 2 percent to 960,000 Metric Tons (MT) in the 2020/21 MY, from 942,203 MT in the 2019/20 MY. This is due to the increase in area planted and yields, normal weather conditions, adequate irrigation water following improved 2020 winter rainfall, and improved water management techniques by farmers. The impact of COVID-19 to the 2020/21 MY production is expected to be minimal based on the track record of growers and pack houses in managing COVID-19 during the peak of the pandemic in South Africa.

Around 80 percent of the apple production in South Africa is from the Western Cape Province, which is a winter (May to July) rainfall region. The 2020 winter rainfall will be used for irrigation in the following year in 2021. After three years of lower output, apple production returned to normal production levels in the 2019/20 MY, based on normal winter rainfall received in 2019 and improved measures by farmers to mitigate drought conditions, e.g. adopting water saving techniques such as netting or removing lower yielding and older orchards.

Consumption

Consumption figures include apples sold in the fresh market and apples delivered for processing. About 47 percent of the total apple consumption is fresh and the remaining 53 percent is processed as shown in **Table 1**. Domestic consumption of apples is forecast to increase by 2 percent to 450,200 MT in the 2020/21 MY, from 443,403 MT in the 2019/20 MY. This is based on the increase in production and industry`s efforts to reduce the stock from the previous season. South Africa prioritizes the export market and diverts any surplus fruit or fruit that does not meet export standards to the local market. While apples may be stored for up to a year, not all fruit is earmarked for long term storage due to quality concerns and has to be marketed. Hence, in the 2020/21 MY, South Africa is expected to be under pressure to clear the 2019/20 MY stocks by diverting these to the local market or processed into juice. The 2020/21 MY domestic consumption is expected to be partially offset by depressed demand from some consumers who are under financial pressure due to the impact of COVID-19.

Table 1: Fresh and Processed Consumption of Apples

	2017/2018		2018/2019		2019/2020		2020/2021	
	MT	**% Share**	**MT**	**% Share**	**MT**	**% Share**	**MT**	**% Share**
Fresh	197,689	51%	205,597	51%	210,000	47%	212,000	47%
Processed	189,979	49%	198,608	49%	233,403	53%	238,200	53%
Total	**387,668**	**100%**	**404,205**	**100%**	**443,403**	**100%**	**450,200**	**100%**

Source: Hortgro & Post Estimates

Over the past years, growth in domestic consumption has largely been driven by the increasing preference for fresh fruit over processed fruit from a growing middle class, and easy accessibility to fruits in general as most retail chains are now widely available, including in remote rural areas. Apples

are popular in South Africa and are widely consumed throughout the year. As a result, apples form part of the national food basket of goods monitored by the National Agricultural Marketing Council to track food price inflation. However, the per capita consumption of apples in South Africa is still relatively low at 4kg, compared to other countries such as the United States (7kg) and Europe (15kg).

Exports

The export of apples is forecast to increase by 2 percent to 510,000 MT in the 2020/21 MY, from 499,000 MT in the 2019/20 MY. This is mainly due to the increase in production, and growing demand for health reasons. The 2019/20 MY exports were revised upwards to 499,000 MT based on the pace of exports up to August 2020. The 2019/20 MY apple exports were partially offset by the impact of COVID-19 on interruptions to the supply chain such as bottlenecks or closures at some ports, limited availability of containers, and constrained shipping capacity. Challenges experienced at the ports during COVID-19 highlighted and has resulted in Port authorities prioritizing investments on new equipment and capacity to be implemented in the coming years.

The United Kingdom is the largest single country market for South African apple exports accounting for 13 percent of the total exports in 2019, followed by Nigeria (9 percent), Malaysia (8 percent), Bangladesh (8 percent), Zambia (7 percent), Kenya (4 percent) and Senegal (4 percent). This is expected to continue in the 2020/21 MY. However, Africa is the largest regional market accounting for 46 percent of the total South African apple exports in the 2018/19 MY, followed by Asia at 25 percent, and European Union (EU) at 19 percent. Exports to Africa are largely driven by strong demand AND limited competition in these markets, and that apples have the ability to endure suboptimal handling conditions. Poor cold chain facilities and supply chain infrastructure remains a notable challenge in many African countries.

South Africa has a free trade agreement with the EU. The impact of Brexit to South African apple exports is expected to be minimal to non-disruptive, as South Africa continues to undertake extensive marketing of its apples in the United Kingdom, and the two governments are in the process of finalizing trade arrangements post-Brexit.

Exports to the United States are minimal at below 400 MT, due to the higher shipping costs, and the challenges of maintaining the right quality and shelf life of the apples. **Table 2** shows the breakdown of the major export countries for South African apples.

Table 2: South African Fresh Apple Exports

South Africa Exports to the World							
Commodity: 080810, Apples, Fresh							
Calendar Year							
Partner	**Unit**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020***
World	T	465,715	510,895	553,042	448,669	489,981	396,070
United Kingdom	T	87,828	107,614	153,104	83,597	65,186	75,894
Nigeria	T	55,395	41,121	35,949	33,590	41,765	23,145
Malaysia	T	53,651	51,311	48,422	37,646	41,093	21,221
Bangladesh	T	17,778	25,082	35,068	23,825	40,293	34,421
Zambia	T	14,555	14,113	11,329	10,613	32,413	6,681

Kenya	T	15,482	18,166	17,089	17,341	18,896	9,939
Senegal	T	11,038	13,342	14,942	15,263	18,779	12,714
Russia	T	7,857	14,739	17,774	16,922	15,214	42,358
United Arab Emirates	T	19,360	23,207	18,633	12,790	14,893	19,271
Netherlands	T	15,215	16,773	14,873	20,991	14,614	17,604
Botswana	T	11,376	13,003	12,406	11,683	12,934	8,586
China	T	403	551	1,040	2,720	10,120	6,021
Singapore	T	12,745	11,356	10,385	10,715	9,736	5,597
Mozambique	T	5,457	6,362	7,109	8,265	9,725	4,091
Zimbabwe	T	13,713	13,946	10,869	10,323	9,696	5,819
Namibia	T	9,813	9,623	9,699	8,794	9,352	5,748
Ghana	T	7,358	9,256	8,626	7,558	7,956	5,897
Cote d'Ivoire	T	4,730	5,364	6,158	5,931	7,399	4,493
Angola	T	12,743	8,725	10,012	8,403	6,987	3,567
Cameroon	T	4,886	6,403	6,500	6,028	6,261	3,904
Hong Kong	T	2,657	2,349	2,836	2,925	6,229	3,274
Eswatini	T	6,839	6,548	6,729	6,178	5,996	3,517
Mauritius	T	6,056	6,333	6,454	5,893	5,981	3,414

*Export figures up to August 2020
Source: Trade Data Monitor

Imports

South Africa is a net exporter of apples, and only imports between 200 to 600 MT of apples (as shown in **Table 3)** to fulfill niche markets or satisfy domestic demand during the off-season when supply is limited. The customs duties payable on imports is shown in **Table 4**. U.S. exports are subject to a 4 percent customs duty. The United States currently has market access for apples from areas free of Rhagoletis pomonella (apple maggot). See the following protocol, https://www.nda.agric.za/doaDev/sideMenu/plantHealth/docs/Phytosanitary%20import%20requirements%20for%20importation%20of%20Apples%20from%20USA,%20PNW%20to%20South%20Africa.pdf
A market expansion request to include apples from areas regulated for apple maggot is still being negotiated by the United States and South Africa governments. U.S. apples are desired for their big size, red color and may have market opportunities in South Africa during periods of low supply or when its offseason.

Table 3: South African Fresh Apple Imports

South Africa Imports from the World							
Commodity: 080810, Apples, Fresh							
Calendar Year							
Partner	**Unit**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020***
World	T	239	332	551	463	340	145
Netherlands	T	0	0	0	0	206	121
Unidentified	T	235	270	436	394	134	24
Russia	T	0	0	22	24	0	0
Singapore	T	0	0	25	0	0	0

Taiwan	T	0	0	23	0	0	0
United Kingdom	T	0	0	0	23	0	0
United Arab Emirates	T	0	23	23	0	0	0

*Imports up to August 2020.
Source: Trade Data Monitor

Table 4: Tariff Rates, Fresh Apples

Heading / Subheading	CD	Article Description	Statistical Unit	Rate of Duty				
				General	EU	EFTA	SADC	Mercosur
0808.10	9	Apples, fresh	kg	4%	Free	4%	Free	4%

Source: South African Revenue Services (SARS)

Table 5: Production, Supply and Demand (PSD) of Fresh Apples

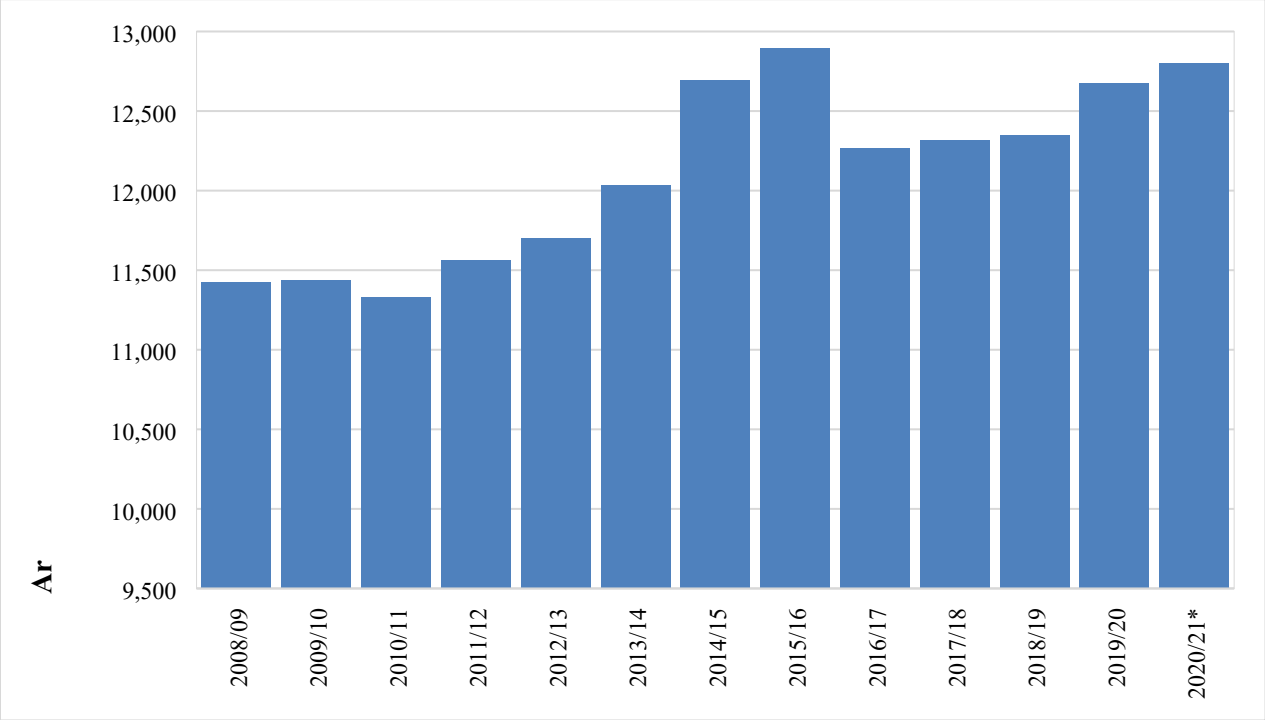
Apples, Fresh	2018/2019		2019/2020		2020/2021	
Market Year Begins	Jan 2019		Jan 2020		Jan 2021	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	24176	24176	25000	24970	0	26000
Area Harvested (HA)	18858	18858	19500	19500	0	20000
Bearing Trees (1000 TREES)	26000	26000	26500	26500	0	27000
Non-Bearing Trees (1000 TREES)	3300	3300	3400	3400	0	3700
Total Trees (1000 TREES)	29300	29300	29900	29900	0	30700
Commercial Production (MT)	893846	893846	942203	942203	0	960000
Non-Comm. Production (MT)	0	0	0	0	0	0
Production (MT)	893846	893846	942203	942203	0	960000
Imports (MT)	500	340	400	200	0	200
Total Supply (MT)	894346	894186	942603	942403	0	960200
Domestic Consumption (MT)	404346	404213	462603	443403	0	450200
Exports (MT)	490000	489973	480000	499000	0	510000
Withdrawal From Market (MT)	0	0	0	0	0	0
Total Distribution (MT)	894346	894186	942603	942403	0	960200
(HA) ,(1000 TREES) ,(MT)						

Pears, Fresh:

Area Planted

Figure 4 shows that the area planted with pears has increased since the 2010/11 MY. This was driven by increased earnings from the export market and higher returns, which continues to attract investment into the fruit sector. The drop in the 2016/17 MY was mainly due to the drought, and measures some farmers took in removing old orchards to better manage water. The area planted to pears is forecast to increase by 1 percent to 12,800 hectares in the 2019/20 MY, from 12,674 hectares in the 2019/20 MY, due to new plantings and industry's response to modest growth in demand. Pears compete with apples, hence the growth in area planted has been stable but lower than the more attractive apple farming.

Figure 4: Area Planted to Pears in South Africa



*Forecast.
Source: HORTGRO and Post Estimates.

The major growing area for pears is Ceres, which accounts for 37 percent of the total area planted in South Africa, followed by Groenland (13 percent), Langkloof East (13 percent), Wolseley/Tulbagh (11 percent), Villiersdorp (10 percent), and Klein Karoo (7 percent). Pears are normally harvested from late December to early January. Packham's Triumph contributes 34 percent to the total area planted and is the most popular pear variety, followed by Forelle (27 percent), William Bon Chretien (18 percent) and Abate Fetel (6 percent).

Production

The production of pears is forecast to marginally increase by 1 percent to 410,000 MT in the 2020/21 MY, from 407,455 MT in the 2019/20 MY. This is based on normal weather conditions, increase in area planted, improvement in yields, available irrigation water following improved 2020 winter rainfall, and improved water management techniques by farmers.

Pears grow well in areas that do not experience very high temperatures. Similar to apples, about 79 percent of the pear production is in the Western Cape, which is a winter (May to July) rainfall region. The 2020 winter rainfall is used for irrigation in the following year in 2021.

Consumption

Consumption figures include pears sold in the fresh market and pears delivered for processing. Domestic consumption of pears is forecast to increase marginally by less than 1 percent to 192,100 MT in the 2020/21 MY, from 190,555 MT in the 2019/20 MY, based on the increase in production, but may be partially offset by depressed domestic demand and competition from apples. About 23 percent of the total pear consumption is fresh and the remaining 77 percent is processed as shown in **Table 6**. Pears and apples are close substitutes in the domestic market, although there seems to be a preference for apples. The surplus apples in the domestic market will impact pear sales in the 2020/21 MY. The per capita consumption of pears in South Africa at 1kg is still relatively lower than apples (4kg), and small compared to other countries such as those in Europe, whose pear per capita consumption is 4kg.

Table 6: Fresh and Processed Consumption of Pears

	2017/2018		2018/2019		2019/2020		2020/2021	
	MT	**% Share**	**MT**	**% Share**	**MT**	**% Share**	**MT**	**% Share**
Fresh	42,150	23%	43,414	23%	43,000	23%	43,500	23%
Processed	144,095	77%	145,252	77%	147,555	77%	148,600	77%
Total	**186,245**	**100%**	**188,666**	**100%**	**190,555**	**100%**	**192,100**	**100%**

Source: Hortgro & Post Estimates

Exports

The 2020/21 MY pear exports are forecast to marginally increase by less than 1 percent to 218,000 MT, from 217,000 MT in the 2019/20 MY, based on the increase in production and minimal disruptions to the supply chain. The 2019/20 MY pear exports were revised upwards to 217,000 MT, based on the pace of exports up to August 2020 and updated TDM data.

Europe is South Africa`s leading export market accounting for 48 percent of total pear exports, followed by Asia (23 percent), Middle East (17 percent), and Africa (8 percent). Exports to the United States are minimal and range between 281 to 1,200 MT.

Table 7: South African Fresh Pears Exports

South Africa Exports to the World							
Commodity: 080830, Pears, Fresh							
Calendar Year							
Partner	**Unit**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020***
World	T	205,199	250,254	265,785	222,099	224,874	195,862
Russia	T	14,897	19,550	34,583	33,511	36,033	40,099
Netherlands	T	47,265	63,561	68,448	41,581	30,339	35,895
United Arab Emirates	T	22,022	25,170	23,674	22,316	20,897	21,335
India	T	6,029	7,681	9,217	14,569	14,939	9,380
Italy	T	8,708	7,842	7,757	6,393	9,341	7,092
France	T	7,200	9,492	9,203	7,959	9,193	4,002
Indonesia	T	3,570	7,847	8,401	7,028	8,837	5,129
United Kingdom	T	14,552	13,283	20,588	11,607	8,159	10,082
Malaysia	T	8,565	9,149	7,360	6,287	7,854	4,212
Saudi Arabia	T	5,577	8,585	7,959	7,763	7,541	6,140
Vietnam	T	1,168	1,119	2,153	4,516	7,020	3,124
Canada	T	3,921	8,194	7,332	5,870	6,392	5,186
Portugal	T	3,792	5,774	5,899	5,088	5,504	4,206
Hong Kong	T	7,125	8,404	5,285	3,470	5,454	2,818
Germany	T	13,501	12,887	9,891	4,482	4,743	4,431
Bangladesh	T	95	311	716	1,672	3,626	1,842
Singapore	T	4,308	4,384	4,318	3,975	3,359	2,875
Oman	T	1,588	2,058	3,403	3,535	3,307	3,022
Nigeria	T	3,819	3,221	2,630	2,616	2,911	1,941
Mauritius	T	1,918	2,157	2,384	2,346	2,389	1,468
Qatar	T	402	441	736	2,095	2,134	2,130
Botswana	T	1,793	2,074	1,926	1,871	2,093	1,623
Kuwait	T	411	1,058	1,141	1,663	1,789	1,430
Senegal	T	595	1,148	969	1,008	1,635	1,488
Namibia	T	1,374	1,131	1,267	1,299	1,437	873
Bahrain	T	1,094	1,298	1,399	795	1,317	1,889
Mozambique	T	858	1,638	883	1,177	1,097	491
Spain	T	1,439	1,932	1,473	1,510	1,079	894
Angola	T	1,954	1,526	1,843	1,494	1,064	591

*Exports up to August 2020.
Source: Trade Data Monitor

Imports

As the second largest pear producer in the Southern Hemisphere after Argentina, South Africa only imports minimal quantities of pears mainly from China. After agreeing on a protocol in 2007, China began exporting to the South Africa market. This protocol is available on the following link: https://www.nda.agric.za/doaDev/sideMenu/plantHealth/docs/Phytosanitary%20import%20requirements%20for%20importation%20of%20Pears%20from%20China%20to%20South%20Africa.pdf. The

United States currently has no market access for pear exports to South Africa. In July 2010, the United States did request market access for pears. However, progress on this request stalled and the process has not been finalized. If South Africa grants access, U.S. exports of pears would be subject to a 4 percent customs duty as shown in **Table 9**.

Table 8: South African Fresh Pears Imports

South Africa Imports from the World							
Commodity: 080830, Pears, Fresh							
Calendar Year							
Partner	**Unit**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020***
World	T	288	353	218	196	295	33
Other	T	144	264	95	119	96	25
China	T	119	65	103	77	69	8
Russia	T	0	24	0	0	50	0
Netherlands	T	0	0	0	0	32	0
Portugal	T	0	0	0	0	24	0
India	T	0	0	0	0	24	0
Malaysia	T	0	0	20	0	0	0
Germany	T	24	0	0	0	0	0

*Imports up to August 2020
Source: Trade Data Monitor

Table 9: Tariff Rates, Fresh Pears

Heading / Subheading	**CD**	**Article Description**	**Statistical Unit**	**Rate of Duty**				
				General	**EU**	**EFTA**	**SADC**	**Mercosur**
0808.30	8	Pears, fresh	kg	4%	Free	4%	Free	4%

Source: SARS

Table 10: PSD of Fresh Pears

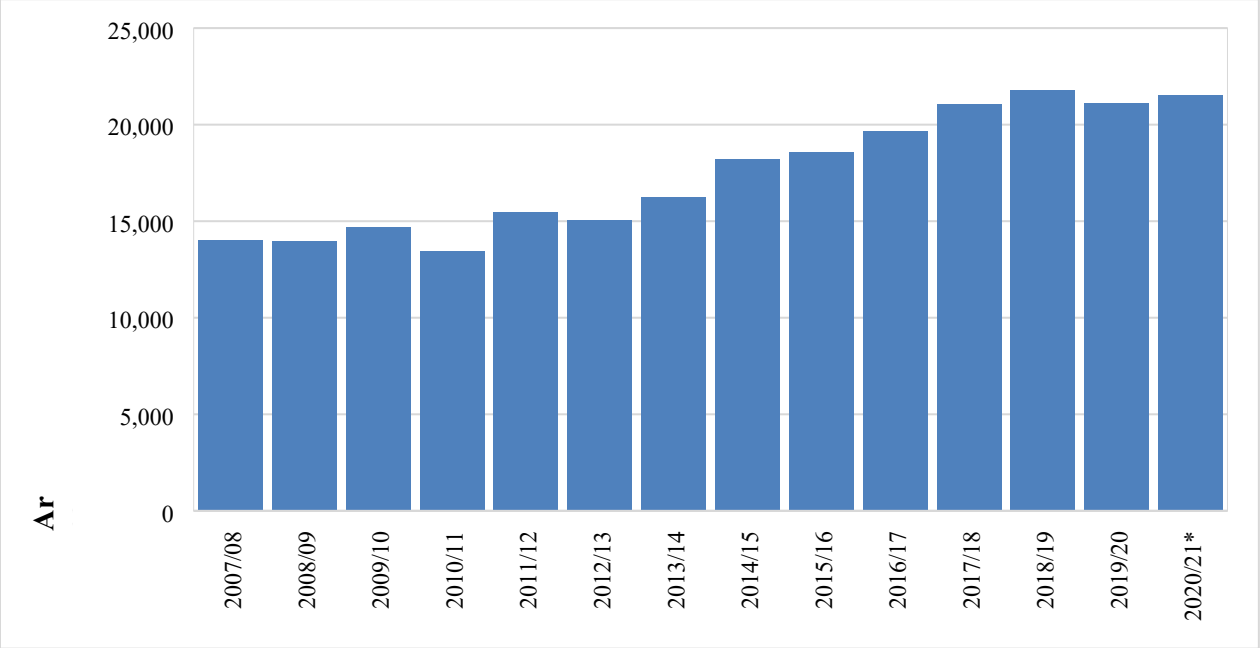
Pears, Fresh	2018/2019		2019/2020		2020/2021	
Market Year Begins	Jan 2019		Jan 2020		Jan 2021	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	12350	12350	12400	12674	0	12800
Area Harvested (HA)	11800	11800	11900	11900	0	12000
Bearing Trees (1000 TREES)	15500	15500	15700	15700	0	16000
Non-Bearing Trees (1000 TREES)	1000	1000	1100	1100	0	1300
Total Trees (1000 TREES)	16500	16500	16800	16800	0	17300
Commercial Production (MT)	413245	413245	407455	407455	0	410000
Non-Comm. Production (MT)	0	0	0	0	0	0
Production (MT)	413245	413245	407455	407455	0	410000
Imports (MT)	300	295	200	100	0	100
Total Supply (MT)	413545	413540	407655	407555	0	410100
Domestic Consumption (MT)	188645	188666	197655	190555	0	192100
Exports (MT)	224900	224874	210000	217000	0	218000
Withdrawal From Market (MT)	0	0	0	0	0	0
Total Distribution (MT)	413545	413540	407655	407555	0	410100
(HA) ,(1000 TREES) ,(MT)						

Table Grapes, Fresh:

Area Planted

The area planted to table grapes is forecast to increase by 2 percent to 21,500 hectares in the 2020/21 MY, from 21,100 hectares in the 2019/20 MY. This is based on new orchards and varieties coming into full production, new production areas in the Northern Province, and some wine grape areas who are under financial strain in the Western Cape being converted to table grapes. **Figure 5** shows that the area planted to table grapes has been increasing steadily since the 2007/08 MY. This increase is correlated to the weakening of the rand, increased export revenues, and the decline in area planted to wine grapes.

Figure 5: Area Planted to Table Grapes in South Africa



*Forecast.
Source**:** SATGI

The Hex River in the Western Cape Province is the major growing area for table grapes, accounting for 31 percent of the total area planted in South Africa, followed by the Orange River (28 percent), Berg River (23 percent), Northern Provinces (12 percent) and Olifants River (6 percent), as shown in **Table 11**. The area planted to table grapes in the Northern Province has grown steadily, from 1,577 hectares in the 2015/16 MY, to 2,589 hectares in the 2018/19 MY, due to new varieties and plantings coming into full production. Table grapes are normally harvested from October to May. Harvest starts in week 43 (beginning of October) in the Northern Cape Region. The Hex River valley is the last region for table grapes harvesting.

Table 11: Table Grapes Area Planted per Region

Growing Regions	2016/17 MY		2017/18 MY		2018/19 MY		2019/20 MY	
	Area Planted (Ha)	Percentage (%)	Area Planted (Ha)	%	Area Planted (Ha)	%	Area Planted (Ha)	%
Hex River	6,453	33%	6,397	30%	6,619	30%	6,563	31%
Orange River	5,688	29%	6,147	29%	6,195	28%	5,857	28%
Berg River	4,459	23%	5,109	24%	5,210	24%	4,934	23%
Northern Provinces *	1,737	9%	2,096	10%	2,589	12%	2,522	12%
Olifants River	1,337	7%	1,318	6%	1,185	5%	1,224	6%
Total	**19,674**	**100%**	**21,067**	**100%**	**21,798**	**100%**	**21,100**	**100%**

*The Northern Province includes all the growers in the Limpopo Province.
Source: South African Table Grapes Industry

The leading varieties of table grapes based on area planted are Crimson Seedless at 19 percent, followed by the Prime (8 percent), Thomson Seedless (4 percent), Tawny Seedless (4 percent), Sugranineteen – Scarlotta Seedless (4 percent), Sweet Celebration (4 percent), Sugrathirtyfive (4 percent), Sweetglobe (4 percent), Sugrathirteen – Midnight Beauty (3 percent), Starlight (3 percent) and Flame Seedless (3 percent). The cultivar profile in South Africa has changed over the past decade. Seeded cultivars are declining as consumers prefer seedless grapes, and therefore the production of seedless table grapes varieties has increased. The popularity of seedless cultivars stems from their characteristics such as large berry size (with elongated or oval berry shapes), favorable texture (crunchiness) and good eating qualities.

Production

The production of table grapes is forecast to increase by 2 percent to 330,000 MT in the 2019/20 MY, from 322,180 MT in the 2019/20 MY, based on the increase in area planted, normal weather conditions, availability of irrigation water following a normal winter rainfall season in 2020, and new varieties and plantings coming into full production. The 2019/20 MY table grape production was revised upwards based on final industry data.

Consumption

Domestic consumption of table grapes is forecast to increase by 3 percent to 36,000 MT in the 2020/21 MY, from 34,986 MT in the 2019/20 MY This marks a return to normal levels and is due to the increase in production. The supply of table grapes to the domestic market and consequently consumption in South Africa is connected to the export market. Table grapes that cannot be sold on the export market, including those that do not meet export quality standards, are sold to the domestic fresh produce market or supplied to juice processors.

Exports

The export of table grapes is forecast to increase by 2 percent to 305,000 MT in the 2020/21 MY, from 297,839 MT in the 2019/20 MY, based on the increase in production.

Europe is the leading historical export market for South African table grapes, accounting for 70 percent of table grape exports. Netherlands is the largest single country export market accounting for 40 percent of the total South African exports, followed by the United Kingdom (24 percent), Germany (5 percent)

and Canada (4 percent). South Africa benefits from a shorter shipping distance than other Southern Hemisphere competitors, strong demand for seedless varieties, and a free trade agreement with the EU. Exports to Asia (8 percent), the Middle East (5 percent) and Africa (4 percent) also have strong growth potential and are becoming a core focus for South Africa. Export volumes to the United States and Canada have grown significantly over the past years as well, but are still at below 20,000 MT and accounted for 6 percent of the total exports in the 2019/20 MY.

In November 2016, China and South Africa revised the cold treatment protocol to address False Coddling Moth (FCM) for South African table grapes. The new protocol changed the climate control requirement from -0.6°C for 22 days to +0.8°C for a minimum of 20 days. Post contacts indicated that there are high possibilities that in the future, South Africa could submit a similar request for the United States to adjust its cold treatment protocols for South African table grapes. South Africa is also in the process of negotiating market access for South Korea and Philippine.

Table 12: South African Fresh Table Grapes Exports

Marketing Year (Oct. - Sept.)	Exports (MT)
2004/2005	210,823
2005/2006	230,896
2006/2007	227,265
2007/2008	224,123
2008/2009	217,875
2009/2010	234,579
2010/2011	202,500
2011/2012	245,797
2012/2013	234,463
2013/2014	226,401
2014/2015	263,452
2015/2016	254,969
2016/2017	304,284
2017/2018	279,394
2018/2019	275,777
2019/2020	297,839
2020/2021*	305,000

*Forecast.
Source: SATGI

Imports

South Africa is a net exporter of table grapes, and imports are mainly to fill the gap during the off-season or when volumes are low from around July to November. Spain, Namibia and Egypt are the primary suppliers as shown in **Table 13**. The customs duties applicable to different countries are shown in **Table 14**. The United States does not have market access for table grapes into South Africa. However, if access is granted to the United States, exports would be subject to a 4 percent customs duty.

Table 13: South African Fresh Table Grapes Imports

South Africa Imports from the World							
Commodity: 080610, Grapes, Fresh							
Calendar Year							
Partner	**Unit**	**2015**	**2016**	**2017**	**2018**	**2019**	**2020***
World	T	5,213	6,201	7,449	8,601	10,645	4,449
Egypt	T	1,220	1,759	2,645	2,740	3,899	3,215
Spain	T	2,657	2,850	3,044	3,539	3,573	1,065
Namibia	T	880	1,063	1,052	1,777	3,062	169
Other	T	181	311	367	130	53	0
Unidentified	T	0	0	53	161	29	0
United Kingdom	T	0	0	0	0	17	0

*Imports up to August 2020
Source: Trade Data Monitor

Table 14: Tariff Rates, Fresh Table Grapes

Heading / Subheading	**CD**	**Article Description**	**Statistical Unit**	**Rate of Duty**				
				General	**EU**	**EFTA**	**SADC**	**Mercosur**
0806.10	1	Grapes, fresh	kg	4%	Free	4%	Free	4%

Source: SARS

Table 15: PSD of Fresh Table Grapes

Grapes, Fresh Table	2018/2019		2019/2020		2020/2021	
Market Year Begins	Oct 2018		Oct 2019		Oct 2020	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	21798	21798	23100	21100	0	21500
Area Harvested (HA)	16500	16500	17100	17100	0	18000
Commercial Production (MT)	298315	298315	320000	322180	0	330000
Non-Comm. Production (MT)	0	0	0	0	0	0
Production (MT)	298315	298315	320000	322180	0	330000
Imports (MT)	9000	8601	9000	10645	0	11000
Total Supply (MT)	307315	306916	329000	332825	0	341000
Fresh Dom. Consumption (MT)	22315	31139	34000	34986	0	36000
Exports (MT)	285000	275777	295000	297839	0	305000
Withdrawal From Market (MT)	0	0	0	0	0	0
Total Distribution (MT)	307315	306916	329000	332825	0	341000
(HA) ,(MT)						

Prices

The apple and pear prices shown in **Table 16** are the average prices (Rand/MT) earned in the respective markets. The increase in apple and pear export prices from the 2004/05 MY to the 2015/16 MY is mainly due to the depreciation of the rand. In the 2016/17 MY and 2017/18 MY, the rand strengthened against the United States dollar which is expected to lower average export prices. The export market for pears and apples remains lucrative from a price perspective in comparison to the local and processed markets. Information on table grape prices is unavailable.

Table 16: Price of Apples and Pears

Season	APPLES			PEARS		
	Local Market (R*/Ton)	Export Market (R*/Ton)	Processed Market (R*/Ton)	Local Market (R*/Ton)	Export Market (R*/Ton)	Processed Market (R*/Ton)
2006/2007	2,799	4,363	447	2,664	4,680	715
2007/2008	3,618	5,419	1,071	3,222	5,704	973
2008/2009	3,568	5,834	786	3,452	6,336	1,035
2009/2010	3,656	5,881	534	3,454	6,144	810
2010/2011	4,326	6,210	737	3,856	6,612	896
2011/2012	4,470	6,531	1,146	4,191	6,803	1,115
2012/2013	4,845	8,658	1,137	4,650	8,835	1,316
2013/2014	4,944	10,136	1,141	4,815	9,900	1,376
2014/2015	5,024	10,689	1,142	5,164	9,977	1,561
2015/2016	5,556	10,815	1,431	5,605	11,157	1,861
2016/2017	5,554	9,651	1,336	5,677	10,029	1,593
2017/2018	5,868	11,419	1,522	5,673	11,373	1,553
2018/2019	6,455	9,503	2,006	6,335	11,600	1,938

*1US$ = R16.40 as at October 28, 2020.
Source: HORTGRO

Policies and Regulations:

Table 17 provides a list of the regulations applicable to apples, pears and table grapes in South Africa. Exporters should also be aware that an importer may request additional certifications over and above the minimum legislation and regulations indicated in this section. For more information on regulations refer to the Food and Agricultural Import Regulations and Standards (FAIRS) 2020 Report.

Table 17: List of Key Legislations and Regulations

Policy or Regulation	Link
Agriculture Product Standards Act No 119 of 1990	https://www.nda.agric.za/docs/NPPOZA/APS%20Act.pdf
Agricultural Pests, Act, 36 of 1983	**Agricultural Pests Amendment Act, 9 of 1992** https://www.dalrrd.gov.za/doaDev/sideMenu/plantHealth/docs/The%20Agricultural%20Pests%20Act,%201983%20(Act%20No.36%20of%201983).pdf
Foodstuffs, cosmetics and disinfectants Act 54 of 1972	http://www.health.gov.za/index.php/shortcodes/2015-03-29-10-42-47/2015-04-30-09-10-23/2015-04-30-09-11-35/category/181-act
Procedures for exporting to South Africa	https://www.dalrrd.gov.za/Branches/Agricultural-Production-Health-Food-Safety/Plant-Health/Import-into-SA
Maximum Residue Limits	https://www.dalrrd.gov.za/Branches/Agricultural-Production-Health-Food-Safety/Food-Safety-Quality-Assurance/Maximum-Residue-Limits

Regulations relating to standards, grading, packing and marking	**Apples** https://www.dalrrd.gov.za/doaDev/sideMenu/foodSafety/doc/localImportRegulations/Apples%20Regulations.pdf **Pears** https://www.dalrrd.gov.za/doaDev/sideMenu/foodSafety/doc/localImportRegulations/Agricultural%20Product%20Standards%20Act.pdf **Table Grapes** https://www.dalrrd.gov.za/doaDev/sideMenu/foodSafety/doc/localImportRegulations/Agricultural%20Product%20Standards%20Act%201.pdf
Import Protocols	**List of approved facilities to import Apples and Pears from China to South Africa** http://www.nda.agric.za/doaDev/sideMenu/plantHealth/docs/Updated%20list%20of%20registered%20orchards%20and%20packing%20houses%20to%20export%20apples%20and%20pears%20from%20China%20to%20South%20Africa.xlsx **Phytosanitary import requirements for importation of Apples from China to South Africa** http://www.nda.agric.za/doaDev/sideMenu/plantHealth/docs/Phytosanitary%20import%20requirements%20for%20importation%20of%20Apples%20from%20China%20to%20South%20Africa.pdf **Phytosanitary import requirements for importation of Apples from Netherlands to South Africa** http://www.nda.agric.za/doaDev/sideMenu/plantHealth/docs/Phytosanitary%20import%20requirements%20for%20importation%20of%20Apples%20from%20Netherlands%20to%20South%20Africa.pdf **Phytosanitary import requirements for importation of Pears from China to South Africa** http://www.nda.agric.za/doaDev/sideMenu/plantHealth/docs/Phytosanitary%20import%20requirements%20for%20importation%20of%20Pears%20from%20China%20to%20South%20Africa.pdf **Phytosanitary import requirements for importation of Apples from USA, PNW to South Africa** http://www.nda.agric.za/doaDev/sideMenu/plantHealth/docs/Phytosanitary%20import%20requirements%20for%20importation%20of%20Apples%20from%20USA,%20PNW%20to%20South%20Africa.pdf

Source: South African Department of Agriculture, Land Reform and Rural Development (DALRRD)

Attachments:

No Attachments