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Report Name: Fresh Deciduous Fruit Annual

Country: South Africa - Republic of

Post: Pretoria

Report Category: Fresh Deciduous Fruit

Prepared By: Wellington Sikuka, Amy Caldwell

Approved By: Ali Abdi

Report Highlights:

The production of apples, pears and table grapes is forecast to continue its growth in the 2021/22 MY, based on normal weather conditions, new areas coming into production and high yielding varieties. 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

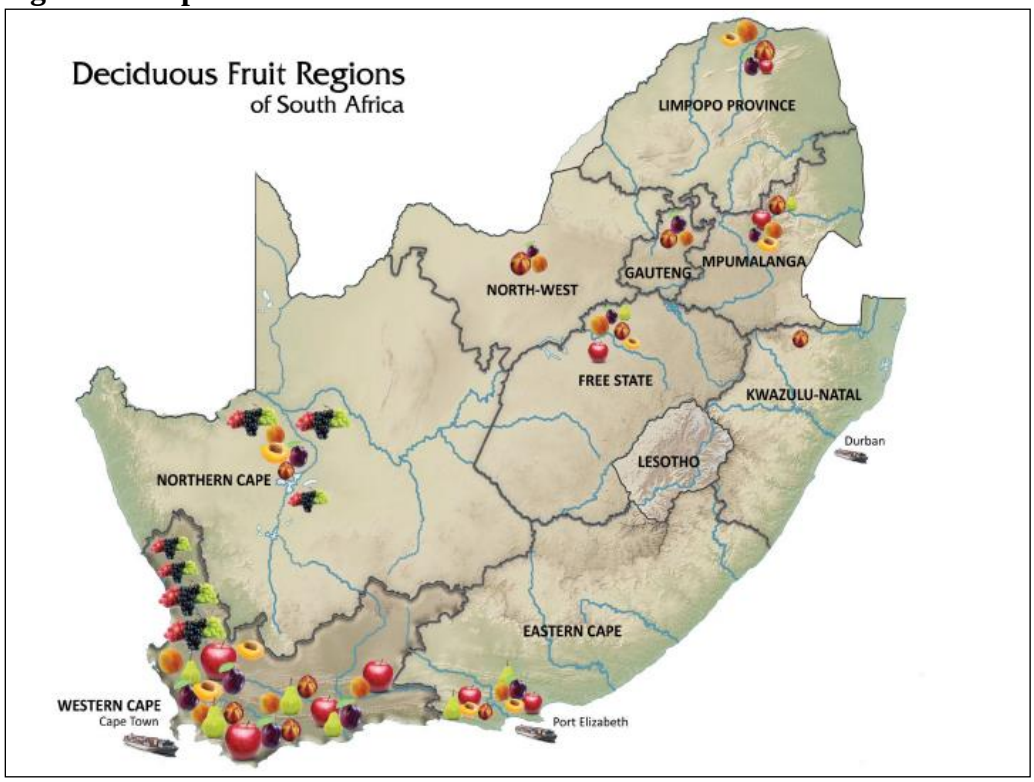
Apples and Pears Marketing Year (MY) – January to December.
Table Grapes MY – October to September.
MT – Metric Tons

Sources
HORTGRO - http://www.hortgro.co.za
South African Table Grapes Industry (SATI) - 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.

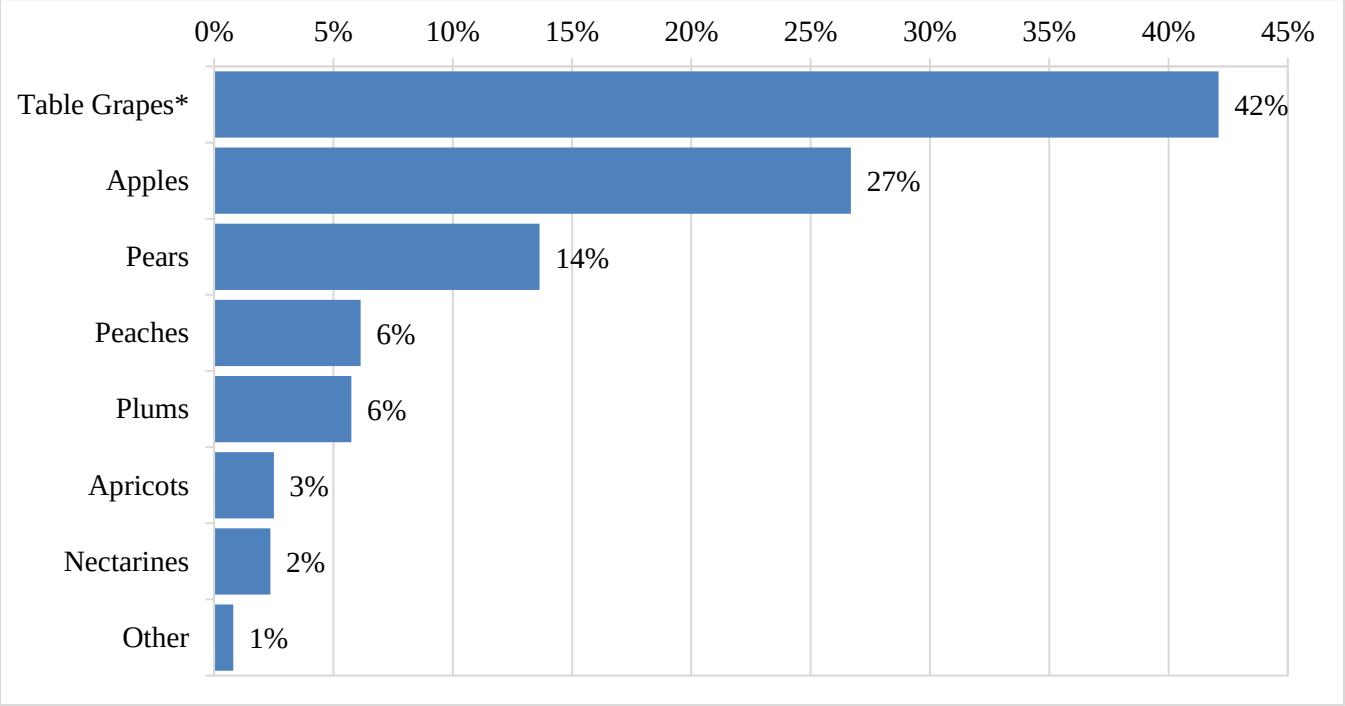
Figure 1: Map of the Deciduous Fruit Production Areas in South Africa



Source: HORTGRO

Deciduous fruit is the largest sub-sector of the South African fruit industry in terms of area planted, which rose marginally to 94,683 hectares in the 2020/21 MY, from 93,594 hectares in the 2019/20 MY. Table grapes (fresh and dried) accounted for 42 percent of the total area planted to deciduous fruits in the 2020/21 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, SATI & Raisins South Africa

The South African Table Grapes Producers Association (SATI) 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 (provides 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 Pty Ltd (manages cultivar development, manages more than 150 deciduous fruit varieties, and apple and stone fruit rootstock specifically developed for South African growing conditions); and Deciduous Fruit Development Chamber (DFDC) (the representative body for black deciduous fruit growers aiming to increase the participation of the previously disadvantaged in the mainstream agricultural economy).

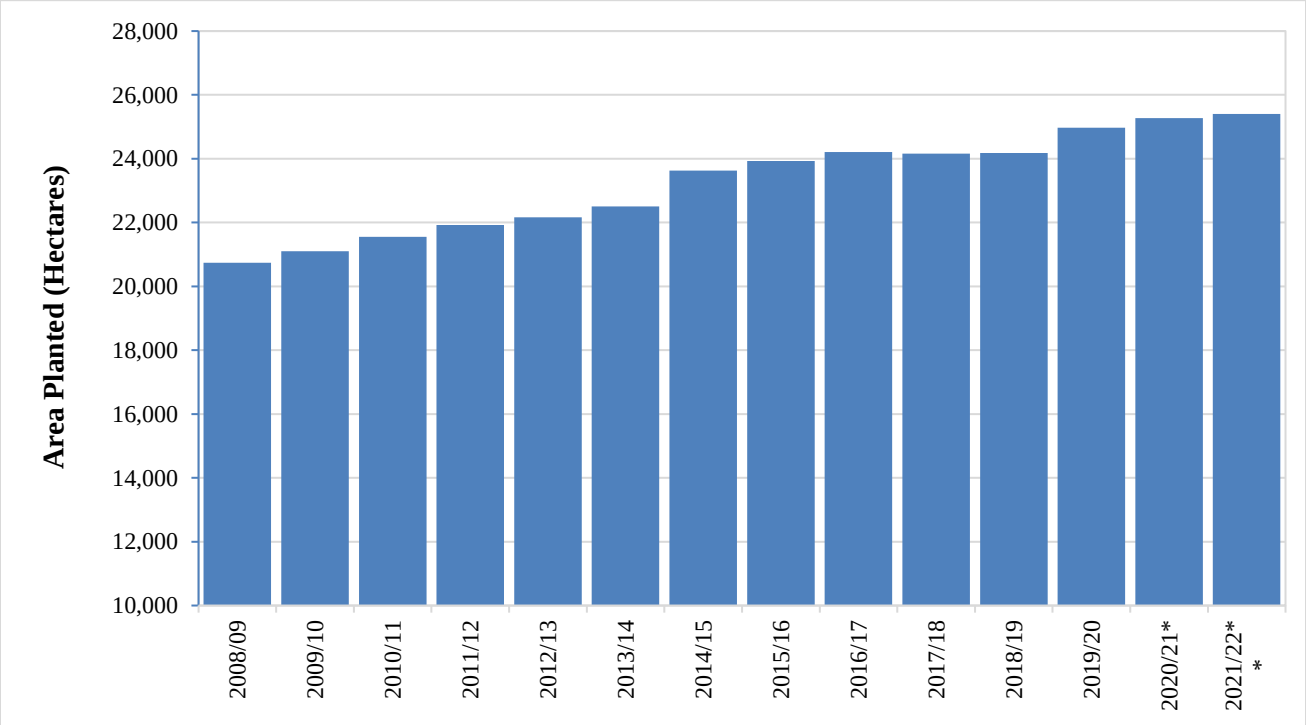
Apples, Fresh:

Area Planted

Post forecast that the area planted to apples will increase by 1 percent to 25,400 hectares in the 2021/22 MY, from 25,272 hectares in the 2020/21 MY, based on continued expansion in the main growing regions and new plantings of 'low chill' apples in non-traditional growing regions of the Northern Province. Low chill apples can be grown in areas that do not have the low temperatures required for apple production. However, apple production in the Northern Province is not expected to continue to grow significantly from current acreage due to competition for land from other crops and the intensive attention and resources required to produce 'low chill' apples.

The area planted to apples has steadily risen over the past decade as shown in **Figure 3**. This has been driven by continued investment into the deciduous fruit sector due to high earnings from the export market and better 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



*Estimate. **Forecast.
Source: HORTGRO and Post Estimates.

The Western Cape is the heartland of deciduous fruit production, with a cool climate like the Mediterranean, which is favorable for apple production. Ceres is the largest apple growing region accounting for 31 percent of the area planted, followed by Groenland (29 percent), Villiersdorp (16 percent), Langkloof East (12 percent) and Langkloof West (5 percent). This is expected to remain unchanged based on current plantings, growers using netting for better temperature and water

management. While the risk of above-normal increases in temperature in some main growing regions remains a risk and on-going concern, the industry is already implementing mitigating measures such as the use of netting.

The Golden Delicious cultivar is the most planted cultivar accounting for 21 percent of the total area planted to apples in South Africa, followed by the Royal Gala cultivar at 17 percent and Granny Smith at 13 percent. Other cultivars which have been growing steadily are the Pink Lady (13 percent), Top Red (9 percent), Fuji (9 percent) and Cripps Red (7 percent). Other cultivars being produced include Bigbucks, Braeburn, African Carmine, Kanzi, Oregon Spur, and Romeo. The choice of industry cultivars is mainly driven by demand in the global markets.

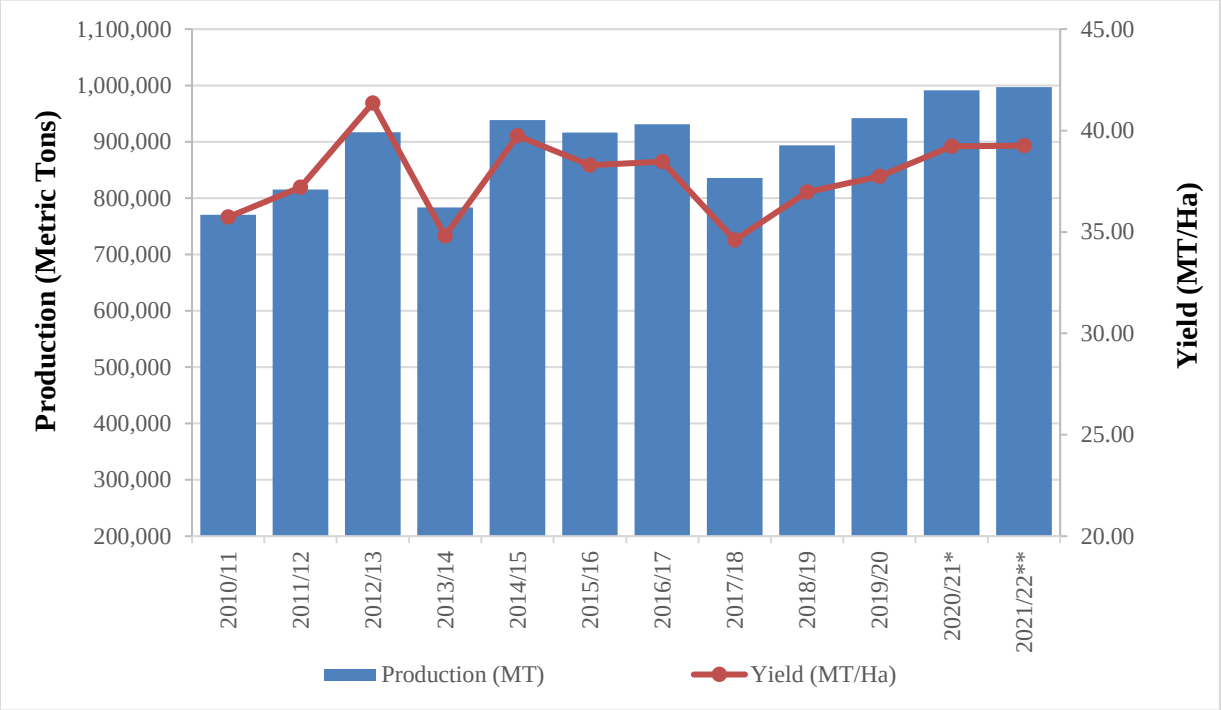
Harvest for South African apples typically begins at the end of January and runs through to June, with peak harvest times falling between February and April. Notably, apples are available throughout the year in South Africa because they can be stored in temperature and air-controlled cold-rooms for more than a year.

Production

The production of apples is forecast to grow by 1 percent to 997,000 Metric Tons (MT) in the 2021/22 MY, from 991,252 MT in the 2020/21 MY. This is based on the increase in area planted, stable yields, normal weather conditions, and adequate irrigation water following improved 2021 winter rainfall. The impact of COVID-19 to the 2021/22 MY production is expected to be minimal based on the track record of growers and pack houses in managing COVID-19 during the peak harvesting and production period. While there are reports that some farms are growing organic apples, there are no official records of the total organic production in South Africa.

About 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 2021 winter rainfall will be used for irrigation in the following year in 2022. There are extensive investments into netting by most growers as part of the water, temperature, hail, and pest management measures. The drought prior to the 2019/20 MY also contributed to the widespread adoption of water saving techniques, such as netting or removing lower yielding and older orchards. **Figure 4** shows the impact of the drought, which resulted in a drop in production and yields from the 2015/16 MY to the 2017/18 MY. Some apple production areas are susceptible to hail, and this sometimes contributes to low production and yields as was the case in the 2013/14 MY.

Figure 4: Apple Production and Yields



Source: HORTGRO

Consumption

Consumption figures include apples sold in the fresh market and apples delivered for processing. About 49 percent of the total apple consumption is fresh and the remaining 51 percent is processed as shown in **Table 1**. Domestic consumption of apples is forecast to grow by less than 1 percent to 432,150 MT in the 2021/22 MY, from 431,402 MT in the 2020/21 MY. This is based on the increase in production, demand for healthy food choices by consumers 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. Apples destined for processing are primarily juiced.

Table 1: Fresh and Processed Consumption of Apples

	2017/2018		2018/2019		2019/2020		2020/2021*		2021/2022**	
	MT	% Share	MT	% Share	MT	% Share	MT	% Share	MT	% Share
Fresh	197,689	51%	205,597	51%	210,000	48%	212,000	49%	212,400	49%
Processed	189,979	49%	198,608	49%	223,916	52%	219,402	51%	219,750	51%
Total	**387,668**	**100%**	**404,205**	**100%**	**433,916**	**100%**	**431,402**	**100%**	**432,150**	**100%**

*Estimate. **Forecast
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 through retail chains even 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 fresh apples in South Africa is still estimated to be relatively low at 4kg by Fruit South Africa, compared to other countries such as the United States (7kg) and Europe (15kg) as per the estimates from www.statista.com.

Exports

The export of apples is forecast to rise by 1 percent to 565,000 MT in the 2021/22 MY, from 560,000 MT in the 2020/21 MY. This is mainly due to the increase in production, growing global demand for perceived health benefits, and industry's ability in managing shipping container shortages and shipping costs. The 2020/21 MY exports were revised upwards to a record 560,000 MT, based on the pace of exports up to August 2021. Limited availability of containers, and constrained shipping capacity remain a challenge and risk for apple exports.

The United Kingdom is the largest single country market for South African apple exports accounting for 16 percent of the total exports in 2020, followed by Russia (8 percent), Nigeria (8 percent), Bangladesh (7 percent), Malaysia (6 percent), Senegal (4 percent), United Arab Emirates (4 percent) and Netherlands (4 percent). Africa is the largest regional market accounting for 40 percent of the total South African apple exports in the 2020, followed by the European Union (EU) at 23 percent, and Asia at 22 percent. This is expected to continue in the 2020/21 MY and 2021/22 MY. South Africa has free trade agreements with both the EU and the United Kingdom, and benefits from duty free exports in these markets. Exports to Africa are largely driven by strong demand (especially for pink lady, gala, and golden delicious varieties), limited competition in these markets, and that apples can endure suboptimal handling conditions. Poor cold chain facilities and supply chain infrastructure remains a notable challenge in many African countries.

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								
Annual & YTD Series								
		Calendar Year				January-August		
Partner Country	Unit	2017	2018	2019	2020	2020	2021	%Δ 2021 vs 20
World	T	553,048	448,668	460,801	508,451	396,069	458,554	15.78
United Kingdom	T	153,104	83,597	65,186	79,719	75,894	84,052	10.75
Russia	T	17,774	16,922	15,214	42,430	42,358	31,687	-25.19
Nigeria	T	35,949	33,590	41,765	38,833	23,145	29,929	29.31
Bangladesh	T	35,068	23,825	40,293	37,617	34,421	34,234	-0.54
Malaysia	T	48,422	37,646	41,093	31,064	21,221	22,554	6.28
Senegal	T	14,942	15,263	18,779	21,286	12,714	15,411	21.21
United Arab Emirates	T	18,633	12,790	14,893	19,934	19,271	24,521	27.24

Netherlands	T	14,873	20,991	14,614	18,375	17,604	23,020	30.77
Kenya	T	17,089	17,341	18,896	16,805	9,939	11,612	16.83
Botswana	T	12,406	11,683	12,934	14,005	8,586	9,099	5.97
Ghana	T	8,626	7,558	7,956	10,981	5,897	9,666	63.91
Zambia	T	11,329	10,613	3,241	10,765	6,681	7,279	8.95
Taiwan	T	12,344	5,982	5,736	10,642	6,830	8,540	25.04
Zimbabwe	T	10,869	10,323	9,696	10,017	5,819	7,125	22.44
Namibia	T	9,699	8,794	9,352	8,705	5,748	5,953	3.57
Cote d'Ivoire	T	6,158	5,931	7,399	7,859	4,493	6,168	37.28
Singapore	T	10,385	10,715	9,736	7,848	5,597	4,358	-22.14
Vietnam	T	599	1,960	2,511	7,638	4,201	8,659	106.12
Cameroon	T	6,500	6,028	6,261	7,330	3,904	6,942	77.82
Germany	T	4,739	4,734	4,042	6,720	6,550	8,897	35.83
China	T	1,040	2,720	10,120	6,359	6,021	8,660	43.83
Togo	T	4,863	5,018	5,777	6,037	3,219	4,195	30.32
Mozambique	T	7,109	8,265	9,725	6,030	4,091	4,259	4.11
Angola	T	10,012	8,403	6,987	5,751	3,567	4,156	16.51
Eswatini	T	6,729	6,178	5,996	5,536	3,517	3,798	7.99
Mauritius	T	6,454	5,893	5,981	5,327	3,414	3,091	-9.46
Saudi Arabia	T	3,467	2,961	5,530	5,213	5,170	7,183	38.94

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. Imports have declined steadily since 2017, due to the rise in production, improved storage technologies and high level of stocks in South Africa. 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 such as the Pacific North West (PNW) is still being negotiated by the governments of the United States and South Africa. U.S. apples are desired for their big size, red color and may have market opportunities in South Africa during periods of the offseason and low production years.

Table 3: South African Fresh Apple Imports

South Africa Imports from the World								
Commodity: 080810, Apples, Fresh								
Annual & YTD Series								
		Calendar Year				January-August		
Partner Country	Unit	2017	2018	2019	2020	2020	2021	%Δ 2021/20
World	T	551	463	340	164	145	59	-59.31

Netherlands	T	0	0	206	121	121	0	-100
Other	T	436	394	133	43	24	59	145.83
Russia	T	22	24	0	0	0	0	0
Singapore	T	25	0	0	0	0	0	0
Taiwan	T	23	0	0	0	0	0	0
United Kingdom	T	0	23	0	0	0	0	0
United Arab Emirates	T	23	0	0	0	0	0	0
Kenya	T	0	23	0	0	0	0	0
Malaysia	T	22	0	0	0	0	0	0
Unidentified	T	0	0	1	0	0	0	0

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 Distribution (PSD) of Fresh Apples

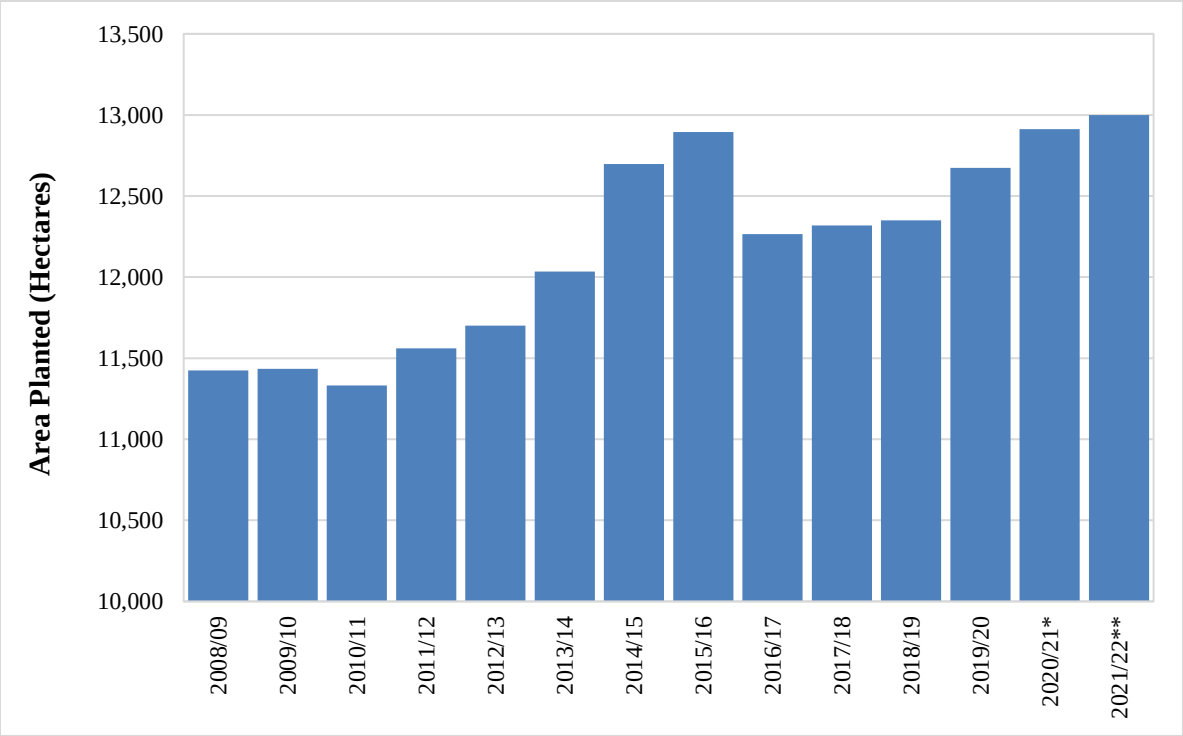
Apples, Fresh	2019/2020		2020/2021		2021/2022	
Market Year Begins	Jan 2020		Jan 2021		Jan 2022	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	24970	24970	26000	25272	0	25400
Area Harvested (HA)	19500	19500	20000	19770	0	20000
Bearing Trees (1000 TREES)	26500	26500	27000	27000	0	28000
Non-Bearing Trees (1000 TREES)	3400	3400	3700	3700	0	4000
Total Trees (1000 TREES)	29900	29900	30700	30700	0	32000
Commercial Production (MT)	942203	942203	965800	991252	0	997000
Non-Comm. Production (MT)	0	0	0	0	0	0
Production (MT)	942203	942203	965800	991252	0	997000
Imports (MT)	200	164	200	150	0	150
Total Supply (MT)	942403	942367	966000	991402	0	997150
Domestic Consumption (MT)	433903	433916	436000	431402	0	432150
Exports (MT)	508500	508451	530000	560000	0	565000
Withdrawal From Market (MT)	0	0	0	0	0	0
Total Distribution (MT)	942403	942367	966000	991402	0	997150
(HA) ,(1000 TREES) ,(MT)						

Pears, Fresh:

Area Planted

Figure 5 shows that the area planted with pears has expanded since the 2010/11 MY. Expansion is being driven by high earnings from the export market and better 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 marginally rise by 1 percent to 13,000 hectares in the 2021/22 MY, from 12,913 hectares in the 2020/21 MY, based on 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 typically lower than the more lucrative apple farming.

Figure 5: Area Planted to Pears in South Africa



*Estimates. **Forecast.
Source: HORTGRO and Post Estimates.

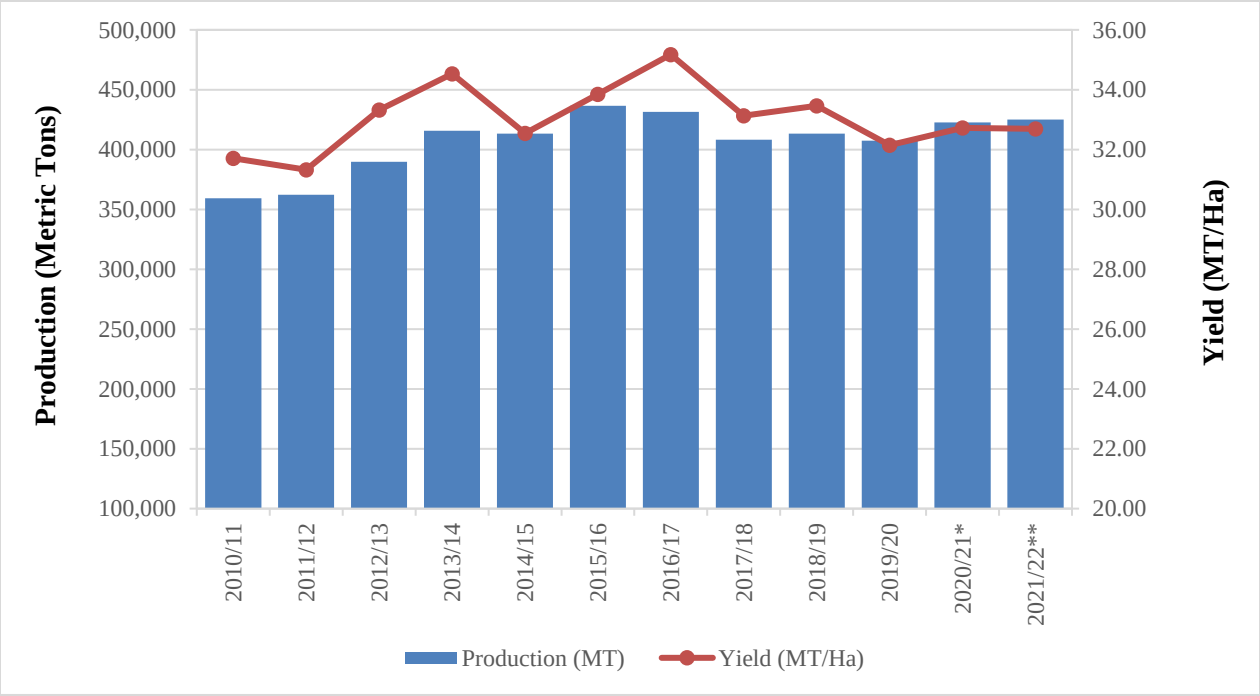
The major growing area for pears is Ceres, which accounts for 37 percent of the total area planted in South Africa, followed by Groenland (13 percent), Langkloof East (13 percent), Wolseley/Tulbagh (11 percent), Villiersdorp (9 percent), and Klein Karoo (8 percent). Packham's Triumph contributes 34 percent 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). Other varieties include Rosmarie, Cheeky, Celina, Flamingo, Beurre Bosc, and Doyenne du Comice. Pears are normally harvested from late December to early January.

Production

The production of pears is estimated to marginally increase by 1 percent to 425,000 MT in the 2021/22 MY, from 422,554 MT in the 2020/21 MY. This is based on normal weather conditions, growth in area planted, stable yields, available irrigation water following improved 2021 winter rainfall, and improved water management techniques by farmers. While there are reports that some farms are growing organic pears, there are no official records of the total organic production in South Africa.

Pears grow well in areas that do not experience very high temperatures. Like apples, about 79 percent of the pear production is in the Western Cape, which is a winter (May to July) rainfall region. The 2021 winter rainfall is used for irrigation in the following year in 2022. **Figure 6** shows the slow growth in pear production since the 2010/11 MY.

Figure 6: Pear Production and Yields



*Estimates. **Forecast.
Source: HORTGRO and Post Estimates.

Consumption

Consumption figures include pears sold in the fresh market and pears delivered for processing. Domestic consumption of pears is estimated to decrease marginally by 1 percent to 179,100 MT in the 2021/22 MY, from 181,000 MT in the 2020/21 MY, based on the industry prioritizing export markets, competition from apples, and decline in the canning industry. About 25 percent of the total pear consumption is fresh and the remaining 75 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 2021/22 MY. The per capita consumption of pears in South Africa at 1kg is still considerably lower than apples (4kg) based on Fruit

SA figures, and small compared to other countries such as those in Europe, whose fresh pear per capita consumption is between 3 - 4kg as per the USDA European Union Fresh Deciduous Fruit Annual GAIN Report (No. E42020-0065).

Table 6: Fresh and Processed Consumption of Pears

	2017/2018		2018/2019		2019/2020		2020/2021*		2021/2022**	
	MT	% Share	MT	% Share	MT	% Share	MT	% Share	MT	% Share
Fresh	42,150	23%	43,414	23%	43,000	24%	44,400	25%	45,000	25%
Processed	144,095	77%	145,252	77%	137,869	76%	136,600	75%	134,100	75%
Total	**186,245**	**100%**	**188,666**	**100%**	**180,869**	**100%**	**181,000**	**100%**	**179,100**	**100%**

*Estimate. **Forecast.
Source: HORTGRO & Post Estimates

Exports

The 2021/22 MY pear exports are forecast to increase by 2 percent to 246,000 MT, from 241,654 MT in the 2020/21 MY, based on the growth in production and industry's ability in managing shipping container shortages, disruptions, and shipping costs.

Europe is South Africa`s leading export market accounting for 31 percent of total pear exports, followed by Middle East (19 percent), Asia (18 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								
Annual & YTD Series								
Partner Country	Unit	Calendar Year				January-August		
		2017	2018	2019	2020	2020	2021	%Δ 2021/20
World	T	265,792	222,097	224,877	226,686	195,859	209,147	6.78
Russia	T	34,583	33,511	36,033	46,616	40,099	39,855	-0.61
Netherlands	T	68,448	41,581	30,339	35,946	35,895	35,193	-1.96
United Arab Emirates	T	23,674	22,316	20,897	24,648	21,335	16,547	-22.44
India	T	9,217	14,569	14,939	14,281	9,380	15,694	67.31
United Kingdom	T	20,588	11,607	8,159	10,117	10,082	14,366	42.49
Indonesia	T	8,401	7,028	8,837	7,129	5,129	5,973	16.46
Italy	T	7,757	6,393	9,341	7,092	7,092	5,545	-21.81
Saudi Arabia	T	7,959	7,763	7,541	6,693	6,140	6,189	0.8
Malaysia	T	7,360	6,287	7,854	6,229	4,212	4,820	14.43
Canada	T	7,332	5,870	6,392	5,186	5,186	6,766	30.47
Germany	T	9,891	4,482	4,743	4,431	4,431	4,611	4.06
Portugal	T	5,899	5,088	5,504	4,225	4,206	5,567	32.36
France	T	9,203	7,959	9,193	4,084	4,002	5,503	37.51
Vietnam	T	2,153	4,516	7,020	4,062	3,124	2,701	-13.54

Singapore	T	4,318	3,975	3,359	3,945	2,875	2,836	-1.36
Oman	T	3,403	3,535	3,307	3,683	3,022	2,861	-5.33
Hong Kong	T	5,285	3,470	5,454	3,438	2,818	2,720	-3.48
Nigeria	T	2,630	2,616	2,911	3,226	1,941	2,722	40.24
Botswana	T	1,926	1,871	2,093	2,513	1,623	1,889	16.39
Qatar	T	736	2,095	2,134	2,441	2,130	2,109	-0.99
Bangladesh	T	716	1,672	3,626	2,316	1,842	1,538	-16.5
Mauritius	T	2,384	2,346	2,389	2,030	1,468	1,188	-19.07
Bahrain	T	1,399	795	1,317	2,007	1,889	1,316	-30.33
Senegal	T	969	1,008	1,635	1,745	1,488	1,604	7.8
Kuwait	T	1,141	1,663	1,789	1,700	1,430	1,172	-18.04
Namibia	T	1,267	1,299	1,437	1,208	873	735	-15.81
Austria	T	0	0	972	948	462	729	57.79
Angola	T	1,843	1,494	1,064	939	591	718	21.49
Eswatini	T	1,073	1,140	970	921	605	722	19.34
Spain	T	1,473	1,510	1,079	894	894	746	-16.55
Ireland	T	985	715	410	835	738	3,508	375.34
Lesotho	T	665	904	701	806	490	599	22.24
Iraq	T	24	172	566	787	787	1,588	101.78
Greece	T	1,060	775	636	753	753	684	-9.16
Mozambique	T	883	1,177	1,097	693	491	444	-9.57
United States	T	752	281	560	666	614	411	-33.06

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 African 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 requested 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								
Annual & YTD Series								
		Calendar Year				**January-August**		
Partner Country	**Unit**	**2017**	**2018**	**2019**	**2020**	**2020**	**2021**	**%Δ 2021/20**
World	T	218	196	295	96	33	21	-36.36

China	T	103	77	69	71	8	9	12.5
Other	T	95	119	96	25	25	12	-52
Russia	T	0	0	50	0	0	0	0
India	T	0	0	24	0	0	0	0
Malaysia	T	20	0	0	0	0	0	0
Netherlands	T	0	0	32	0	0	0	0
Portugal	T	0	0	24	0	0	0	0

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

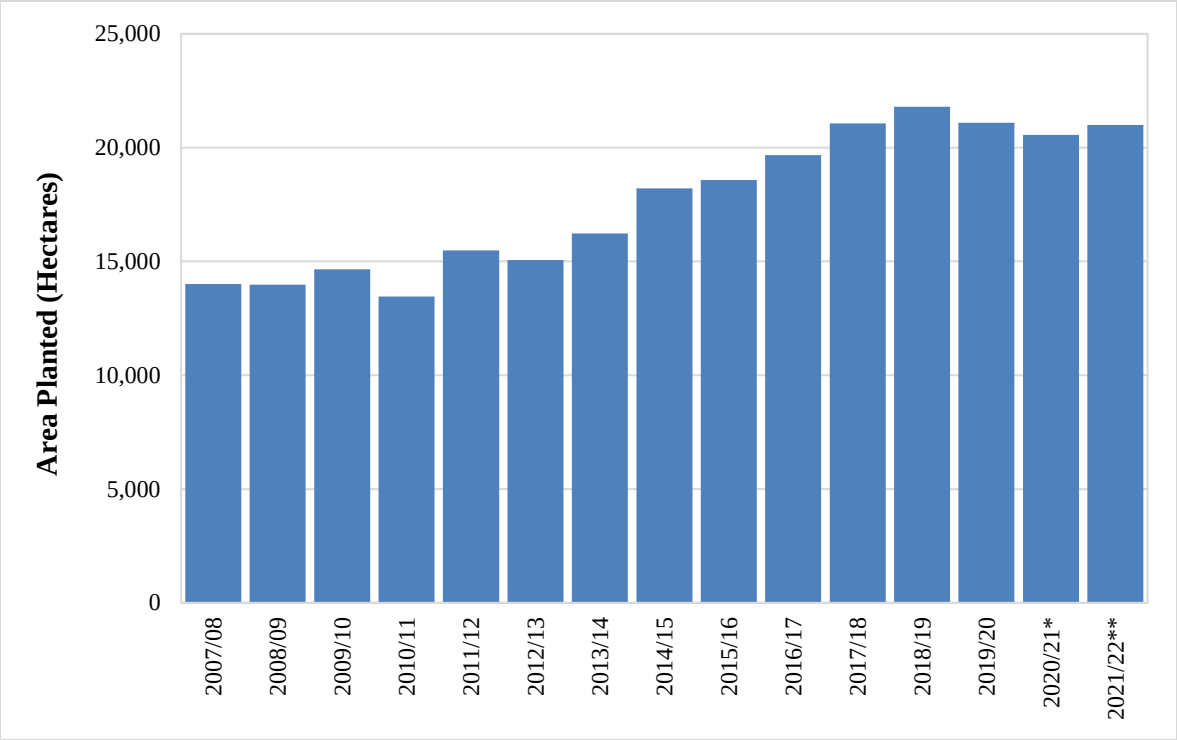
Pears, Fresh	2019/2020		2020/2021		2021/2022	
Market Year Begins	Jan 2020		Jan 2021		Jan 2022	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	12674	12674	12800	12913	0	13000
Area Harvested (HA)	11900	11900	12000	12000	0	12400
Bearing Trees (1000 TREES)	15700	15700	16000	16000	0	16400
Non-Bearing Trees (1000 TREES)	1100	1100	1300	1300	0	1400
Total Trees (1000 TREES)	16800	16800	17300	17300	0	17800
Commercial Production (MT)	407455	407455	410000	422554	0	425000
Non-Comm. Production (MT)	0	0	0	0	0	0
Production (MT)	407455	407455	410000	422554	0	425000
Imports (MT)	100	100	100	100	0	100
Total Supply (MT)	407555	407555	410100	422654	0	425100
Domestic Consumption (MT)	180855	180869	180100	181000	0	179100
Exports (MT)	226700	226686	230000	241654	0	246000
Withdrawal From Market (MT)	0	0	0	0	0	0
Total Distribution (MT)	407555	407555	410100	422654	0	425100
(HA) ,(1000 TREES) ,(MT)						

Table Grapes, Fresh:

Area Planted

The area planted to table grapes is forecast to grow by 2 percent to 20,900 hectares in the 2021/22 MY, from 20,564 hectares in the 2020/21 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 under financial stress in the Western Cape being converted to table grapes. Water rights are a constraint to the area planted to table grapes in South Africa. **Figure 7** shows that the area planted to table grapes has been increasing since the 2007/08 MY. This increase is correlated to increased export revenues, and the decline in area planted to wine grapes. Occasional dips in area planted such as in 2019/20 MY, 2012/13 MY and 2010/11 MY are either due to drought, hail damage or frost damage.

Figure 7: Area Planted to Table Grapes in South Africa



*Estimate.**Forecast.
Source**:** SATI & Post Estimates

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 (27 percent), Berg River (23 percent), Northern Provinces (13 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 a peak of 2,589 hectares in the 2018/19 MY, due to new varieties and plantings coming into full production, and improved orchard management practices by growers. Table grapes are normally harvested from October to May. Harvest starts in week 43 (beginning of October) in the Northern Cape and Northern Province growing regions. 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		2020/21 MY	
	Area Planted (Ha)	%	Area Planted (Ha)	%	Area Planted (Ha)	%	Area Planted (Ha)	%	Area Planted (Ha)	%
Hex River	6,453	33%	6,397	30%	6,619	30%	6,563	31%	6,406	31%
Orange River	5,688	29%	6,147	29%	6,195	28%	5,857	28%	5,626	27%
Berg River	4,459	23%	5,109	24%	5,210	24%	4,934	23%	4,789	23%
Northern Provinces *	1,737	9%	2,096	10%	2,589	12%	2,522	12%	2,575	13%
Olifants River	1,337	7%	1,318	6%	1,185	5%	1,224	6%	1,168	6%
Total	**19,674**	**100%**	**21,067**	**100%**	**21,798**	**100%**	**21,100**	**100%**	**20,564**	**100%**

*The Northern Province includes all the growers in the Limpopo Province.
Source: SATI

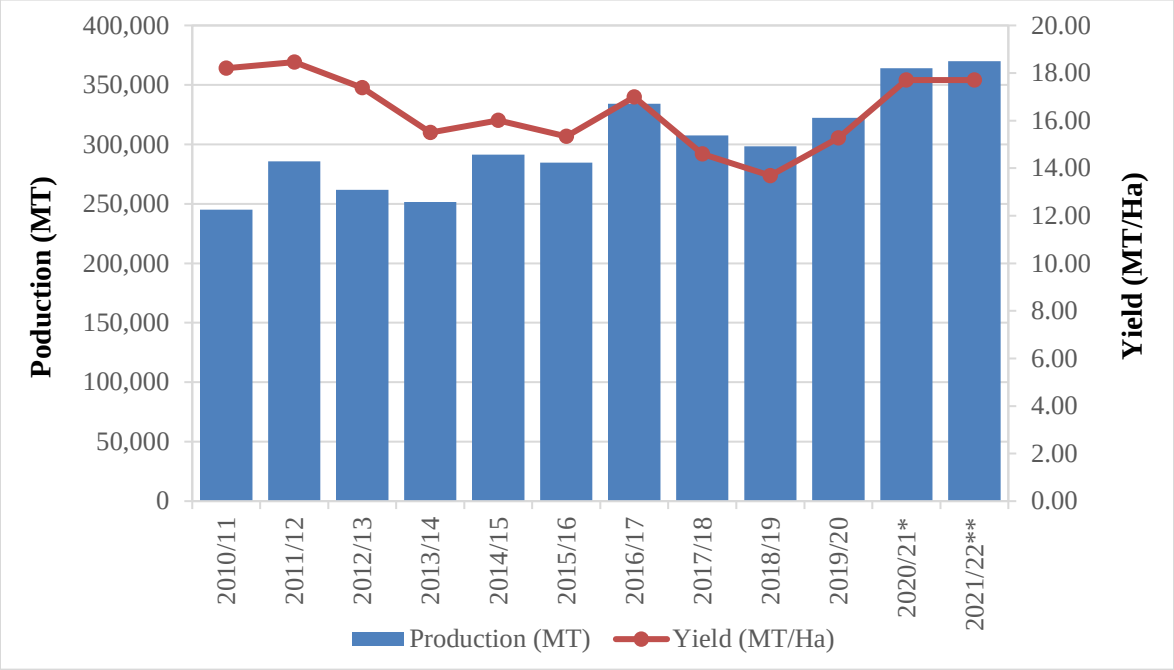
The leading varieties of table grapes based on area planted are Crimson Seedless at 18 percent, followed by the Prime (8 percent), Sweet Celebration (5 percent), Sweetglobe (5 percent), Sugrathirtyfive (5 percent), Sugranineteen – Scarlotta Seedless (4 percent), Tawny Seedless (4 percent), Thomson Seedless (4 percent), Sugrathirteen – Midnight Beauty (3 percent), Starlight (3 percent), Sugraone (3 percent), Redglobe (3 percent), Grapaes (3 percent), Sugrasixteen (3 percent), and Flame Seedless (3 percent). The cultivar profile in South Africa has changed significantly over the past decade. Seeded cultivars are declining as consumers prefer seedless grapes, and therefore the production of seedless table grapes varieties has increased. Less than 8 percent of current vineyards are still seeded table grapes. 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 as consumers don't like chewing seeds. There is also an increasing shift to mid and late season varieties, which are currently more economically attractive.

Production

The production of table grapes is forecast to grow by 2 percent to 370,000 MT in the 2021/22 MY, from 364,063 MT in the 2020/21 MY, based on the increase in area planted, improved yields, normal weather conditions, availability of irrigation water following a normal winter rainfall season in 2021, and high yielding new varieties and plantings coming into full production. The impact of COVID-19 on table grapes production has been minimal. There are only a few organic table grape growers and production is limited.

Figure 8 shows that the production of table grapes has increased significantly from 245,112 MT in the 2010/11 MY, to an estimated 370,000 MT in the 2021/22 MY.

Figure 8: Table Grapes Production and Yields



Source**:** SATI & Post Estimates

Consumption

Domestic consumption of table grapes is forecast to increase by 1 percent to 36,500 MT in the 2021/22 MY, from 36,000 MT in the 2019/20 MY, based on the available supply. 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 grow by 2 percent to 343,500 MT in the 2021/22 MY, from 338,063 MT in the 2020/21 MY, based on the increase in production, industry continued efforts to grow the export markets and industry's ability in managing shipping container shortages, disruptions, and shipping costs. Chile and Peru are the biggest competitors for South African exports.

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 and United Kingdom. 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 25,000 MT, accounting for only7 percent of the total exports in the 2020/21 MY. The main varieties

exported to the United States are the Autumn Crisp, Red Seedless and Adora Seedless. The industry has indicated that there is interest in growing exports to the United States.

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. The new protocol reduces the cost of shipment and maintains the quality of fruit better than the previous protocol. There are possibilities that in future, South Africa could submit a similar request for the United States to adjust its cold treatment protocols for South African table grapes exports. South Africa is also in the process of negotiating market access for South Korea and Philippines.

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*	338,063
2021/2022**	343,500

*Estimates. **Forecast
Source: SATI and Post Estimates.

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 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 as shown in **Table 14**.

Table 13: South African Fresh Table Grapes Imports

South Africa Imports from the World								
Commodity: 080610, Grapes, Fresh								
Annual & YTD Series								
		Calendar Year				January-September		
Partner Country	Unit	2017	2018	2019	2020	2019	2020	%Δ 2020/19
World	T	7,449	8,601	10,645	8,753	6,343	6,038	-4.81
Egypt	T	2,645	2,740	3,899	3,363	3,899	3,350	-14.08
Spain	T	3,044	3,539	3,573	3,077	1,971	2,477	25.67
Namibia	T	1,052	1,777	3,062	2,271	373	169	-54.69
Portugal	T	0	0	0	41	0	41	0
South Africa	T	367	130	53	0	53	0	-100
Unidentified	T	53	161	29	0	29	0	-100
United Kingdom	T	0	0	17	0	17	0	-100

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	2019/2020		2020/2021		2021/2022	
Market Year Begins	Oct 2019		Oct 2020		Oct 2021	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted (HA)	21100	21100	21500	20564	0	20900
Area Harvested (HA)	17100	17100	18000	18000	0	18500
Commercial Production (MT)	322180	322180	330000	364063	0	370000
Non-Comm. Production (MT)	0	0	0	0	0	0
Production (MT)	322180	322180	330000	364063	0	370000
Imports (MT)	10300	10645	5000	10000	0	10000
Total Supply (MT)	332480	332825	335000	374063	0	380000
Fresh Dom. Consumption (MT)	34680	34986	10000	36000	0	36500
Exports (MT)	297800	297839	325000	338063	0	343500
Withdrawal From Market (MT)	0	0	0	0	0	0
Total Distribution (MT)	332480	332825	335000	374063	0	380000
(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 in comparison to the local and processed markets. Information on table grape prices is unavailable.

Table 16: Price of Apples and Pears

	APPLES			PEARS		
Season	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	11,504	2,017	6,335	11,600	1,938
2019/2020	6,288	13,159	1,975	6,198	13,745	1,884

*1US$ = R14.61 as at October 21, 2021.
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.

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	https://www.gov.za/documents/foodstuffs-cosmetics-and-disinfectants-act-2-jun-1972-0000#:~:text=The%20Foodstuffs%2C%20Cosmetics%20and%20Disinfectants,to%20provide%20for%20incidental%20matters
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