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South Africa, Republic of

Fresh Deciduous Fruit

Semi-Annual

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Report Highlights:

South Africa's total production of apples, pears, and tablegrapes in MY2003 is expected to increase marginally from last year. The lower yields are due to an unexpected cold front. Export figures will remain stable or slightly higher. The continuing strengthening of the value of the Rand is unfortunately not favoring South African exporters. The deciduous fruit industry expands into new markets in the Far East.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary	Page 1 of 11
FRESH APPLES	Page 2 of 11
PSD Fresh Apples	Page 3 of 11
Exports, Fresh Apples	Page 4 of 11
Apples, Concentrated Juice	Page 5 of 11
FRESH PEARS	Page 5 of 11
PSD Fresh Pears	Page 6 of 11
Exports, Fresh Pears	Page 7 of 11
FRESH TABLE GRAPES	Page 7 of 11
PSD Fresh Table Grapes	Page 8 of 11
Exports, Fresh Grapes	Page 9 of 11
Trade	Page 9 of 11
Policy	Page 10 of 11
Marketing	Page 11 of 11

Executive Summary

South Africa's MY2002 fresh deciduous fruit production is expected to increase slightly (2%) from last year. Temperatures decreased significantly in most deciduous fruit growing areas from the beginning of August 2003. Heavy rains occurred in most areas that will have a positive effect on the water supplies.

Exports are also expected to rise a little (3%). Improvement of the value of the Rand is unfortunately not favoring exporters. Domestic consumption is expected to increase by 4%.

Deciduous Fruit Producers Trust

The Deciduous Fruit Producers' Trust (DFPT) was established from the liquidation of the Deciduous Fruit Board in October 1997. Within the five years of its existence, it has been exposed to existing restructuring and industry challenges.

In the first year of operation (1998), the South African Apple and Pear Producer Association (SAAPPA) provided grower services to the Trust. DFPT funded that year's promotional services, before taking over Unifruco Research Services (now Hortec). DFPT also took over funds from the South African Peach Organization (SAPO) and formed the South African Deciduous Fruit Exporters Forum. In the successive two years, DFPT services were maintained by voluntary levies funds before statutory levies were initiated in 2000.

FRESH APPLES

The table below shows actual figures on apple production, exports, domestic consumption and processing trends for a period of three years.

YEARS	2000	2001	2002
PRODUCTION	573,966	567,005	584,339
CONSUMPTION	155,538	148,525	158,684
EXPORTS	208,510	244,819	257,583
PROCESSING	209,918	173,661	168,072

PSD Fresh Apples

PSD Table						
Country	South Africa, Republic of					
Commodity	Fresh Apples				(HA)(1000 TREES)(MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2002		01/2003		01/2004
Area Planted	23500	23500	24000	24000		242000
Area Harvested	17700	17700	18000	18000		18300
Bearing Trees	16160	16160	16300	16300		16470
Non-Bearing Trees	6150	6150	6500	6500		6512
Total Trees	22310	22310	22800	22800	0	22982
Commercial Production	600000	584339	680000	600000		620000
Non-Comm. Production	0	0	0	0	0	0
TOTAL Production	600000	584339	680000	600000	0	620000
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	600000	584339	680000	600000	0	620000
Domestic Fresh Consump	150000	158684	200000	167000		170000
Exports, Fresh Only	342000	257583	320000	273000		287000
For Processing	108000	168072	160000	160000		163000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	600000	584339	680000	600000	0	620000

Exports, Fresh Apples

Export Trade Matrix			
Country	South Africa, Republic of		
Commodity	Fresh Apples		
Time period	Jan-Dec	Units:	MT
Exports for:	2001		2002
U.S.	10,641	U.S.	2,102
Others		Others	
United Kingdom	82,205	United Kingdom	69,691
Netherlands	39,210	Netherlands	25,850
Belgium	12,250	Belgium	22,392
Malaysia	11,550	Malaysia	17,039
Germany	10,991	Angola	10,552
Benin	6,200	Benin	9,310
France	5,139	Germany	8,928
Canada	5,055	Saudi Arabia	6,302
Mauritius	4,947	Canada	6,190
Singapore	4,678	Hong Kong	6,026
Total for Others	182225		182280
Others not Listed	51,953		73,201
Grand Total	244819		257583

Apples, Concentrated Juice

PSD Table						
Country	South Africa, Republic of					

Commodity	Concentrated Apple Juice				(MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2002		01/2003		01/2004
Deliv. To Processors	108000	168072	160000	160000	0	163000
Beginning Stocks	0	0	0	0	0	0
Production	26250	28000	30000	26000		27000
Imports	6000	6000	5900	7700		6000
TOTAL SUPPLY	32250	34000	35900	33700	0	33000
Exports	23000	24750	25000	24500		24000
Domestic Consumption	9250	9250	10900	9200		9000
Ending Stocks	0	0	0	0	0	0
TOTAL DISTRIBUTION	32250	34000	35900	33700	0	33000

FRESH PEARS

The table below shows actual figures on pear production, exports, domestic consumption and processing trends for a period of three years.

YEARS	2000	2001	2002
PRODUCTION	307,516	260,689	320,040
CONSUMPTION	60,379	55,890	53,766
EXPORTS	95,540	90,405	119,076
PROCESSING	151,597	114,394	147,198

PSD Fresh Pears

PSD Table						
Country	South Africa, Republic of					
Commodity	Fresh Pears				(HA)(1000 TREES)(MT)	
	2001	Revised	2002	Estimate	2003	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2002		01/2003		01/2004

Area Planted	13600	13600	14000	14000	14200	14200
Area Harvested	9700	9700	10000	10000		12000
Bearing Trees	8300	8300	8500	8500		10200
Non-Bearing Trees	5900	5900	6100	6100		6300
Total Trees	14200	14200	14600	14600	0	16500
Commercial Production	250000	320040	280000	340000		350000
Non-Comm. Production	0	0	0	0	0	0
TOTAL Production	250000	320040	280000	340000	0	350000
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	250000	320040	280000	340000	0	350000
Domestic Fresh Consump	62000	53766	78000	53000		50000
Exports, Fresh Only	118000	119076	130000	125000		140000
For Processing	68800	145998	70500	160500		158500
Withdrawal From Market	1200	1200	1500	1500		1500
TOTAL UTILIZATION	250000	320040	280000	340000	0	350000

Exports, Fresh Pears

Export Trade Matrix			
Country	South Africa, Republic of		
Commodity	Fresh Pears		
Time period	Jan-Dec	Units:	MT
Exports for:	2001		2002
U.S.	1,652	U.S.	510
Others		Others	
Netherlands	28,845	Netherlands	31,016

United Kingdom	20,322	United Kingdom	26,406
Belgium	8,797	Belgium	16,529
Germany	6,524	France	8,209
France	5,105	Germany	7,974
Malaysia	3,139	Malaysia	4,969
Russia	2,597	Russia	3,996
Hong Kong	2,215	Canada	2,962
Singapore	2,050	Singapore	2,533
Mauritius	1,524	Hong Kong	2,286
Total for Others	81118		106880
Others not Listed	7,636		11,686
Grand Total	90406		119076

FRESH TABLE GRAPES

The table below shows actual figures on table grapes production, exports, domestic consumption and processing trends for a period of three years.

YEARS	2000	2001	2002
Metric Units	Tons	Tons	Tons
*PRODUCTION	1,454,867	1,328,193	1,384,685
CONSUMPTION	22,929	24,555	26,623
EXPORTS	185,242	181,834	207,279
PROCESSING	1,246,695	1,121,804	1,150,783

* = total grape production, which can be subdivided as follows;

In Metric Tons	2000	2001	2002
Fresh t/grape prod.	356,594	351,686	368,583
Pressed grape prod.	1,098,273	976,507	1,016,102
Total grape prodn.	1,454,867	1,328,193	1,384,685

PSD Fresh Table Grapes

PSD Table						
Country	South Africa, Republic of					

Commodity	Fresh Table Grapes				(HA)(MT)	
	2002	Revised	2003	Estimate	2004	Forecast
	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]	USDA Official [Old]	Post Estimate [New]
Market Year Begin		01/2002		01/2003		01/2004
Area Planted	18500	18500	19000	19000		19200
Area Harvested	11300	11300	11800	11800		12200
Commercial Production	350000	368583	370000	359200		382600
Non-Comm. Production	0	0	0	0	0	0
TOTAL Production	350000	368583	370000	359200	0	382600
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	350000	368583	370000	359200	0	382600
Domestic Fresh Consump	25000	26623	28000	28600		30600
Exports, Fresh Only	185000	207279	190000	204000		220000
For Processing	140000	134681	152000	126600		132000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	350000	368583	370000	359200	0	382600

Exports, Fresh Grapes

Export Trade Matrix			
Country	South Africa, Republic of		
Commodity	Fresh Table Grapes		
Time period	Jan-Dec	Units:	MT
Exports for:	2001		2002
U.S.	8,919	U.S.	4,882
Others		Others	
Netherlands	65,125	Netherlands	61,801
United Kingdom	33,717	United Kingdom	45,023
Belgium	24,632	Belgium	33,799

Germany	12,429	Germany	16,393
France	6,131	Hong Kong	10,351
Hong Kong	5,307	Canada	5,747
Spain	5,086	France	3,791
United Emirates	2,515	Spain	3,566
Saudi Arabia	2,202	United Emirates	3,499
Italy	1,486	Saudi Arabia	3,216
Total for Others	158630		187186
Others not Listed	14,285		15,211
Grand Total	181834		207279

Trade

Europe still remains SA's major export destination, but increasingly South Africa's 80 exporters face stiff competition from the European Union and other exporters. South Africa's exports remain strong in the Middle East, with a 90% market share.

South Africa's total exports are expected to increase by 3% in CY2002. The Free Trade Agreement between Russia and South Africa, initially scheduled start by the beginning of 2003, is postponed indefinitely. The FTA was expected to benefit mainly the fruit industry. Currently, South Africa's fruit export to Russia has a 10% tariff. South Africa's exports of fruit to the Russian market exceeded \$25 million last year. Apples, pears and Kiwi fruit are the largest traded fruit, totaling \$5.5 million.

A World Apple and Pear Association (WAPA), established in 2001 by South Africa, Australia, United Kingdom, Uruguay, Argentina, Chile, France, New Zealand, the Netherlands, Germany, Belgium, Spain, Italy and Brazil, oversees the imbalances between demand and supply, variety adjustment, critical price situation, absence of new emerging markets, and the increasing role of food safety and standardization in food trade.

Policy

REGULATIONS AND REQUIREMENTS

To ensure that quality products are shipped, South Africa maintains strict grading standards and requirements for exports of stonefruit, table grapes, apples and pears destined for the EU and US.

South Africa's National Department of Agriculture requires that domestic and imported biocontrol products be registered before they are sold. To ensure that they meet government

approved standards, imported products are carefully scrutinized by the Directorate of Plant Health and Quality. Specific requirements for registration include identifying the technical grade active ingredient, formulating the Microbial Pest Control Agent (MPCA) and product standardizing. The Acts, the Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act(1947) and the Agricultural Remedies Act (Act 15 of 1973) regulates label specifications, use, storage and disposal. The Agricultural Pests Act of 1983 controls illegal importation of exotic species of entomopathogenic microbes.

TRACEABILITY

Traceability using human readable coding, mainly used for food safety and phytosanitary matters, is another statutory requirement in South Africa. Currently, the deciduous fruit industry is working with the International Fresh Produce Traceability (IFPT) project team by running pilots within the country.

LABELING

The Agricultural Production Standards Act regulates the Markings and Labeling of exports from SA. For more information on this topic, please read the South African FAIRS report, sf3023.

EUROGAP PROTOCOLS

South African deciduous fruit industry is implementating EuroGAP protocols on production. EuroGAP is a consumer-driven requirement that mandates Hazard Analysis Critical Control Point (HACCP) & International quality Management Organization (ISO 9000) in all areas of production for farms that want to export to the EU market.

Marketing

The fruit industry's strategy is to focus market development expansion in the Far East. In 2001, South African Table grapes (SAT) was converted to a Section 21(non-profit) company, with a logo and identity. The SAT functions as a representing body for the table grape industry for generic promotion and campaigns, and provides a central national database for packing and shipping, and for managing cold chain logistics. South African grapes are marketed internationally under 105 brands.