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Report Name: Fresh Deciduous Fruit Semi-annual

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Report Category: Fresh Deciduous Fruit

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Report Highlights:

The production of apples and table grapes is estimated to grow in the 2019/20 Marketing Year (MY), due to the increase in area planted and available irrigation water following improved 2019 winter rainfall. The impact of COVID-19 on production is expected to be minimal or nil as harvesting is almost complete. However, decreases in apple and pear exports are expected in the 2019/20 MY, due to the impact of COVID-19 on global demand, bottlenecks or closures at some ports, limited availability of containers and constrained shipping capacity. 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

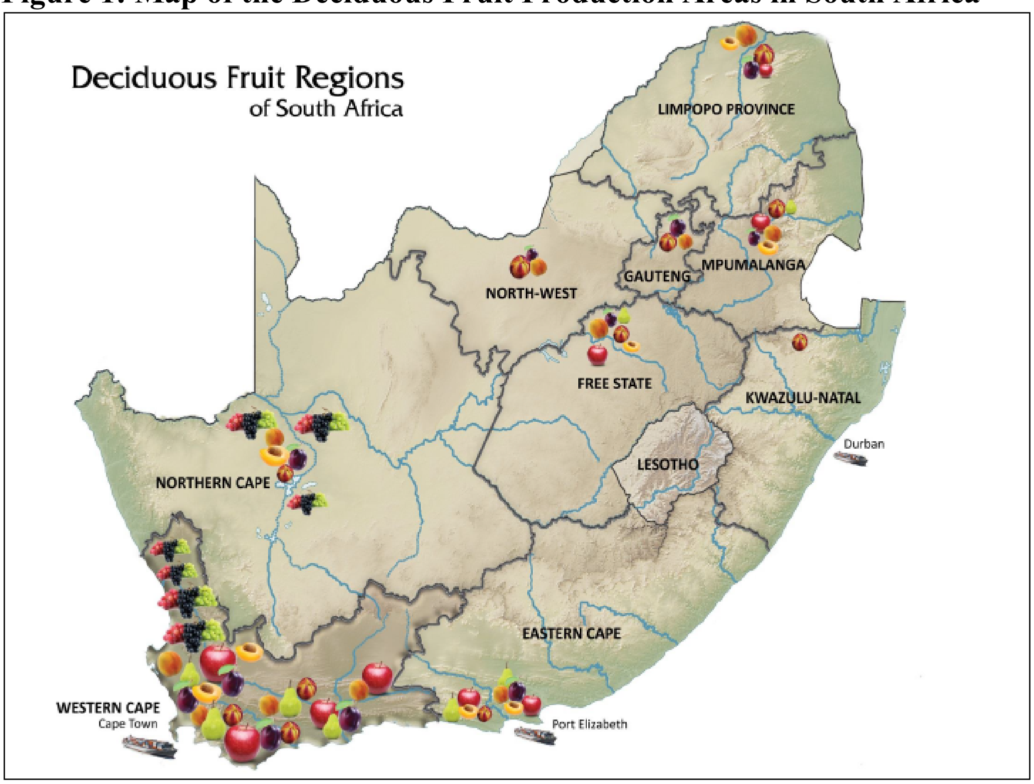
Apples and Pears Marketing Year (MY) – January to December.
Table Grapes MY – October to September.
MT – Metric Tons

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.

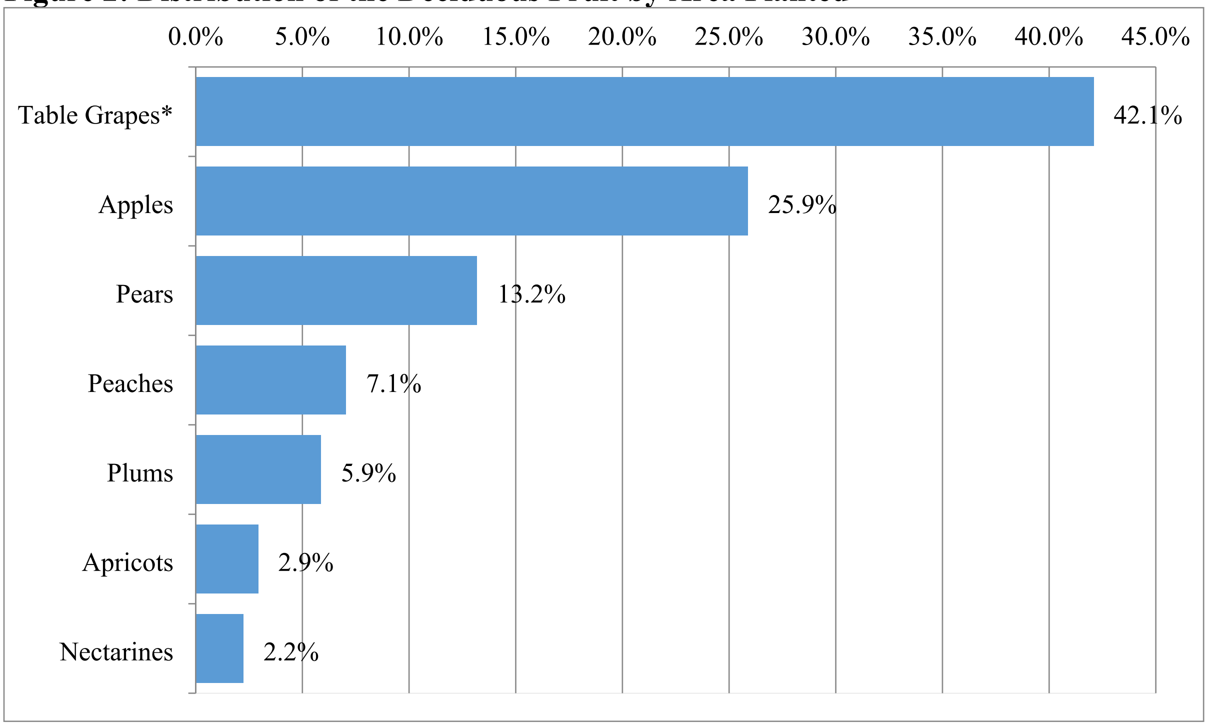
Figure 1: Map of the Deciduous Fruit Production Areas in South Africa



Source: HORTGRO

Deciduous fruit is the largest sub-sector of the South African fruit industry in terms of area planted, which rose to 93,350 hectares in the 2018/19 MY, from 92,167 hectares in the 2017/18 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 (26 percent), pears (13 percent), peaches (7 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

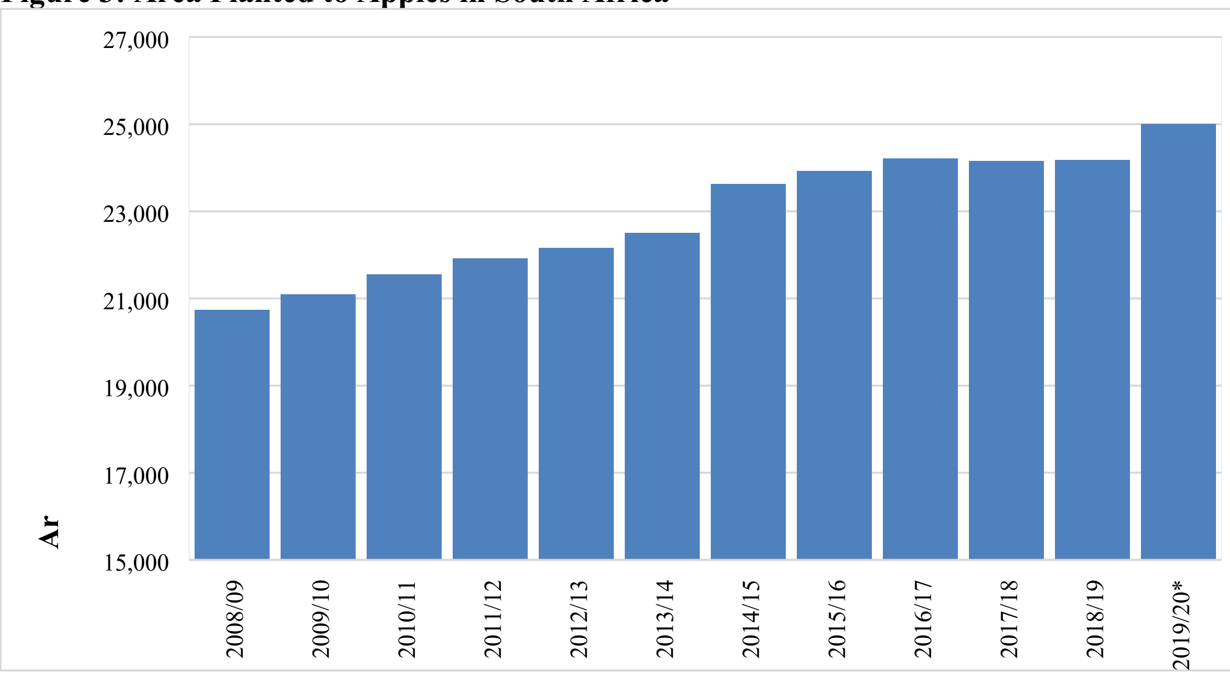
The South African Table Grapes Producers Association (SATGI) represents the interests of table grapes producers, mainly through Market Access and Development; Information and Knowledge Management; Transformation and Training, and Research and Technical Transfer. Apple and pear producers are members of 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

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. Increases in area planted are both from new land under cultivation and land being diverted from wine grapes. Post estimates that the area planted to apples in the 2019/20 MY will increase by 3 percent to 25,000 hectares, from 24,176 hectares in the 2018/19 MY, due to normal weather conditions, available irrigation water and new plantings.

Figure 3: Area Planted to Apples in South Africa



*Estimate.
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 31 percent of the area planted, followed by Groenland (27 percent), Villiersdorp (16 percent), Langkloof East (14 percent) and Langkloof West (4 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 23 percent of the total area planted to apples in South Africa, followed by the Royal Gala cultivar at 17 percent and Granny Smith at 15 percent. Other cultivars which have been growing steadily are the Pink Lady (11 percent), Top Red (10 percent), Fuji (9 percent) and Cripps Red (6 percent).

Production

The production of apples is estimated to increase by 5 percent to 942,203 Metric Tons (MT) in the 2019/20 MY, from 893,846 MT in the 2018/19 MY. This is due to the increase in area planted and yields, available irrigation water following improved 2019 winter rainfall, and improved water management techniques by farmers. The impact of COVID-19 to the 2019/20 MY production is expected to be minimal as South Africa has harvested most of the fruit, and the agriculture sector was classified as an essential service with full operations continuing during the national lock-down. The 2018/19 MY production of apples was revised upwards to 893,846 MT based on updated industry figures and improved yields.

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

Domestic consumption of apples is estimated to increase by 7 percent to 220,000 MT in the 2019/20 MY, from 205,597 MT in the 2018/19 MY. This is based on the increase in production, lower domestic prices, and some fruit that was destined for the export market being diverted to the local market. 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, some fruit that was destined for the export market is being diverted to the local market or processed into juice. Domestic consumption is expected to be partially offset by depressed demand from some consumers who are under financial pressure and limited trading in the informal sector due to the impact of COVID-19.

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 estimated to decrease by 2 percent to 480,000 MT in the 2019/20 MY, from 489,973 MT in the 2018/19 MY. This is mainly due to the impact of COVID-19 which has resulted in depressed demand in global markets, interruptions in the supply chain such as bottlenecks or closures at some ports, limited availability of containers, constrained shipping capacity and the slow pace of exports to date. The 2018/19 MY apple exports were revised downwards to 489,973 MT, based on final Trade Data Monitor (TDM) data.

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 2019/20 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. This is expected to continue in the 2019/20 MY. Exports to Africa are largely driven by strong demand, 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 or no disruptions to this market 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 1** shows the breakdown of the major export countries for South African apples.

Table 1: South African Fresh Apple Exports

South Africa Exports to _World						
Commodity: 080810, Apples, Fresh						
Annual & YTD						
Partner	**Unit**	**2015**	**2016**	**2017**	**2018**	**2019**
_World	T	465,715	510,897	553,048	448,668	489,973
United Kingdom	T	87,828	107,614	153,104	83,597	65,186
Nigeria	T	55,395	41,121	35,949	33,590	41,765
Malaysia	T	53,651	51,311	48,422	37,646	41,093
Bangladesh	T	17,778	25,082	35,068	23,825	40,293
Zambia	T	14,555	14,113	11,329	10,613	32,413
Kenya	T	15,482	18,166	17,089	17,341	18,896
Senegal	T	11,038	13,342	14,942	15,263	18,779
Russia	T	7,857	14,739	17,774	16,922	15,214
United Arab Emirates	T	19,360	23,207	18,633	12,790	14,893
Netherlands	T	15,215	16,773	14,873	20,991	14,614
Botswana	T	11,376	13,003	12,406	11,683	12,934
China	T	403	551	1,040	2,720	10,120
Singapore	T	12,745	11,356	10,385	10,715	9,736
Mozambique	T	5,457	6,362	7,109	8,265	9,725
Zimbabwe	T	13,713	13,946	10,869	10,323	9,696

Namibia	T	9,813	9,623	9,699	8,794	9,352
Ghana	T	7,358	9,256	8,626	7,558	7,956
Cote d'Ivoire	T	4,730	5,364	6,158	5,931	7,399
Angola	T	12,743	8,725	10,012	8,403	6,987
Cameroon	T	4,886	6,403	6,500	6,028	6,261
Hong Kong	T	2,657	2,349	2,836	2,925	6,229
Eswatini	T	6,839	6,548	6,729	6,178	5,996
Mauritius	T	6,056	6,333	6,454	5,893	5,981
Togo	T	2,088	2,845	4,863	5,018	5,777
Taiwan	T	7,128	13,495	12,344	5,982	5,736
Saudi Arabia	T	2,537	4,661	3,467	2,961	5,530
Sri Lanka	T	831	2,745	3,533	3,790	4,526
Germany	T	3,507	4,884	4,739	4,734	4,042

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 2**; 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 3**. 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). A market expansion request to include apples from areas regulated for apple maggot is still being negotiated by the United States and South Africa government. 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 2: South African Fresh Apple Imports

South Africa Imports from _World						
Commodity: 080810, Apples, Fresh						
Annual & YTD						
Partner	**Unit**	**2015**	**2016**	**2017**	**2018**	**2019**
_World	T	239	332	551	463	340
Netherlands	T	0	0	0	0	206
Other countries	T	235	270	436	394	133
Unidentified	T	0	0	0	0	1
Russia	T	0	0	22	24	0
Singapore	T	0	0	25	0	0
Sri Lanka	T	0	19	0	0	0
Taiwan	T	0	0	23	0	0
United Kingdom	T	0	0	0	23	0
Kenya	T	0	0	0	23	0
Malaysia	T	0	0	22	0	0

Source: Trade Data Monitor

Table 3: 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 4: Production, Supply and Demand (PSD) of Fresh Apples

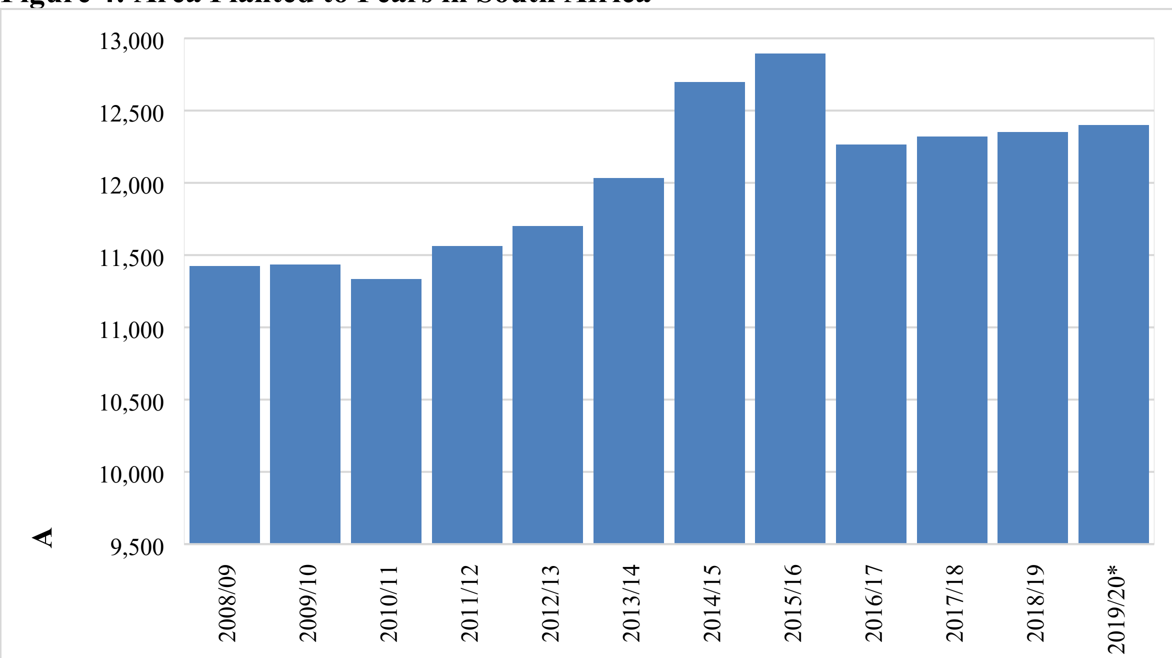
Apples, Fresh	2017/2018		2018/2019		2019/2020	
Market Begin Year	Jan 2018		Jan 2019		Jan 2020	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	24156	24156	24176	24176	25000	25000
Area Harvested	18842	18842	19000	18858	19500	19500
Bearing Trees	25000	25000	26000	26000	26500	26500
Non-Bearing Trees	3000	3000	3300	3300	3400	3400
Total Trees	28000	28000	29300	29300	29900	29900
Commercial Production	835873	835873	860000	893846	910000	942203
Non-Comm. Production	0	0	0	0	0	0
Production	835873	835873	860000	893846	910000	942203
Imports	500	463	100	340	100	350
Total Supply	836373	836336	860100	894186	910100	942553
Fresh Dom. Consumption	197694	197689	270030	205597	210000	220000
Exports	448700	448668	480000	489973	570000	480000
For Processing	189979	189979	110070	198616	130100	242553
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	836373	836336	860100	894186	910100	942553
(HA) ,(1000 TREES) ,(MT)						

Pears, Fresh:

Area Planted

Figure 4 shows that the area planted with pears has increased steadily 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 estimated to increase by less than 1 percent to 12,400 hectares in the 2019/20 MY, from 12,350 hectares in the 2018/19 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



*Estimate.
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 Langkloof East (14 percent), Wolseley/Tulbagh (12 percent), Groenland (12 percent), Villiersdorp (9 percent), and Klein Karoo (8 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 (26 percent), William Bon Chretien (19 percent) and Abate Fetel (6 percent).

Production

The production of pears is estimated to decrease by 1 percent to 407,455 MT in the 2019/20 MY, from 413,245 MT in the 2018/19 MY. This is due to lower yields in areas that were affected by the above normal hot weather conditions during the flowering and fruit set time. The decrease in production was partially offset by increases due to the growth in area planted, available irrigation water following improved 2019 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. Pear production is only expected to return to normal production levels in the 2019/20 MY, based on normal winter rainfall received in 2019 and improved measures by famers to mitigate drought conditions, e.g. adopting water saving techniques such netting or removing lower yielding older orchards.

Consumption

Domestic consumption of pears is estimated to decrease by 3 percent to 42,000 MT in the 2019/20 MY, from 43,414 MT in the 2018/19 MY, due to the decrease in production, depressed domestic demand and competition from apples. 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 2019/20 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.

Exports

The 2019/20 MY pear exports are estimated to decrease by 7 percent to 210,000 MT, from 224,874 MT in the 2018/19 MY. This is mainly due to the impact of COVID-19 which has resulted in depressed demand in global markets, interruptions in the supply chain such as bottlenecks or closures at some ports, limited availability of containers, constrained shipping capacity and the slow pace of exports to date. The 2018/19 MY pear exports were revised upwards to 224,874 MT, based on final 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 (16 percent), and Africa (8 percent). Exports to the United States are minimal and range between 281 to 1,200 MT.

Table 5: South African Fresh Pears Exports

South Africa Exports to _World						
Commodity: 080830, Pears, Fresh						
Annual & YTD						
Partner	**Unit**	**2015**	**2016**	**2017**	**2018**	**2019**
_World	T	205,198	250,254	265,792	222,097	224,874
Russia	T	14,897	19,550	34,583	33,511	36,033
Netherlands	T	47,265	63,561	68,448	41,581	30,339
United Arab Emirates	T	22,022	25,170	23,674	22,316	20,897
India	T	6,029	7,681	9,217	14,569	14,939
Italy	T	8,708	7,842	7,757	6,393	9,341

France	T	7,200	9,492	9,203	7,959	9,193
Indonesia	T	3,570	7,847	8,401	7,028	8,837
United Kingdom	T	14,552	13,283	20,588	11,607	8,159
Malaysia	T	8,565	9,149	7,360	6,287	7,854
Saudi Arabia	T	5,577	8,585	7,959	7,763	7,541
Vietnam	T	1,168	1,119	2,153	4,516	7,020
Canada	T	3,921	8,194	7,332	5,870	6,392
Portugal	T	3,792	5,774	5,899	5,088	5,504
Hong Kong	T	7,125	8,404	5,285	3,470	5,454
Germany	T	13,501	12,887	9,891	4,482	4,743
Bangladesh	T	95	311	716	1,672	3,626
Singapore	T	4,308	4,384	4,318	3,975	3,359
Oman	T	1,588	2,058	3,403	3,535	3,307
Nigeria	T	3,819	3,221	2,630	2,616	2,911
Mauritius	T	1,918	2,157	2,384	2,346	2,389
Qatar	T	402	441	736	2,095	2,134
Botswana	T	1,793	2,074	1,926	1,871	2,093
Kuwait	T	411	1,058	1,141	1,663	1,789
Senegal	T	595	1,148	969	1,008	1,635
Namibia	T	1,374	1,131	1,267	1,299	1,437
Bahrain	T	1,094	1,298	1,399	795	1,317
Mozambique	T	858	1,638	883	1,177	1,097
Spain	T	1,439	1,932	1,473	1,510	1,079
Angola	T	1,954	1,526	1,843	1,494	1,064

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.daff.gov.za/daffweb3/Branches/Agricultural-Production-Health-Food-Safety/Plant-Health/Import-into-SA/Import-protocols. 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 **Figure 7**.

Table 6: South African Fresh Pears Imports

South Africa Imports from _World						
Commodity: 080830, Pears, Fresh						
Annual & YTD						
Partner	**Unit**	**2015**	**2016**	**2017**	**2018**	**2019**
_World	T	288	353	218	196	295
Other	T	144	264	95	119	96
China	T	119	65	103	77	69
Russia	T	0	24	0	0	50
Netherlands	T	0	0	0	0	32
Portugal	T	0	0	0	0	24

Source: Trade Data Monitor

Table 7: 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 8: PSD of Fresh Pears

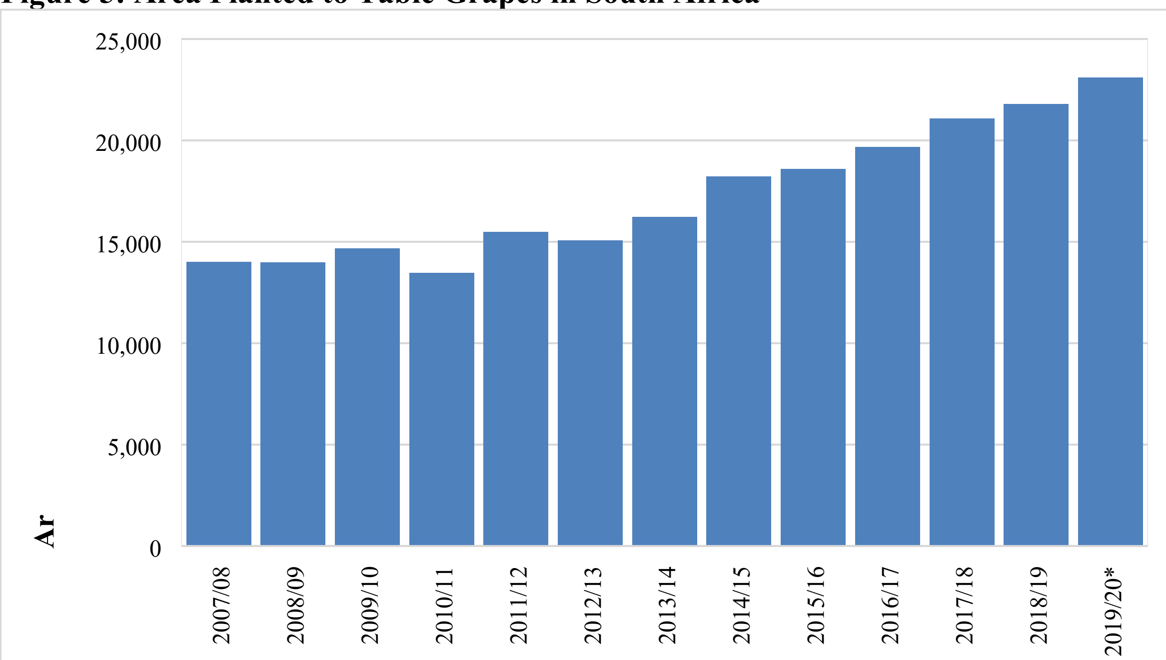
Pears, Fresh	2017/2018		2018/2019		2019/2020	
Market Begin Year	Jan 2018		Jan 2019		Jan 2020	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	12319	12319	12350	12350	12400	12400
Area Harvested	11500	11500	11800	11800	11900	11900
Bearing Trees	15000	15000	15500	15500	15700	15700
Non-Bearing Trees	800	800	1000	1000	1000	1100
Total Trees	15800	15800	16500	16500	16700	16800
Commercial Production	408146	408146	410000	413245	415000	407455
Non-Comm. Production	0	0	0	0	0	0
Production	408146	408146	410000	413245	415000	407455
Imports	200	196	200	295	200	200
Total Supply	408346	408342	410200	413540	415200	407655
Fresh Dom. Consumption	42151	42150	43000	43414	43500	42000
Exports	222100	222097	240000	224874	245000	210000
For Processing	144095	144095	127200	145252	126700	155655
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	408346	408342	410200	413540	415200	407655
(HA) ,(1000 TREES) ,(MT)						

Table Grapes, Fresh:

Area Planted

The area planted to table grapes is estimated to increase by 6 percent to 23,100 hectares in the 2019/20 MY, from 21,798 hectares in the 2018/19 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



*Estimate.
Source**:** SATGI

The Hex River in the Western Cape Province is the major growing area for table grapes, accounting for 30 percent of the total area planted in South Africa, followed by the Orange River (28 percent), Berg River (24 percent), Northern Provinces (12 percent) and Olifants River (5 percent), as shown in **Table 9**. 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 9: Table Grapes Area Planted per Region

Growing Regions	2015/16 MY		2016/17 MY		2017/18 MY		2018/19 MY	
	Area Planted (Ha)	Percentage	Area Planted (Ha)	Percentage	Area Planted (Ha)	Percentage	Area Planted (Ha)	Percentage
Hex River	6,154	33%	6,453	33%	6,397	30%	6,619	30%
Orange River	5,367	29%	5,688	29%	6,147	29%	6,195	28%
Berg River	4,237	23%	4,459	23%	5,109	24%	5,210	24%
Northern Provinces *	1,577	8%	1,737	9%	2,096	10%	2,589	12%
Olifants River	1,240	7%	1,337	7%	1,318	6%	1,185	5%
Total	**18,575**	**100%**	**19,674**	**100%**	**21,067**	**100%**	**21,798**	**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 (6 percent), Sugranineteen – Scarlotta Seedless (4 percent), Tawny Seedless (4 percent), Flame Seedless (4 percent), Sugrathirteen – Midnight Beauty (4 percent), Redglobe (3 percent) and the Sugraone (3 percent) variety. 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 estimated to increase by 7 percent to 320,000 MT in the 2019/20 MY, from 298,315 MT in the 2018/19 MY. This is based on the increase in area planted, normal weather conditions, availability of irrigation water following a normal winter rainfall season in 2019, and new varieties and plantings coming into full production. The 2018/19 MY table grape production remains unchanged based on final industry data.

Consumption

Domestic consumption of table grapes is estimated to increase by 14 percent to 36,000 MT in the 2019/20 MY, from 31,506 MT in the 2018/19 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 market or supplied to juice processors.

Exports

The export of table grapes is estimated to increase by 6 percent to 293,000 MT in the 2019/20 MY, from 275,777 MT in the 2018/19 MY, based on the increase in production and the pace of exports from October 2019 to March 2020.

Europe is the leading historical export market for South African table grapes, accounting for 72 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 4 percent of the total exports in the 2018/19 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.

Table 10: 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*	293,000

*Estimate.
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 11**. The customs duties applicable to different countries are shown in **Table 12**. 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 11: South African Fresh Table Grapes Imports

South Africa Imports from _World						
Commodity: 080610, Grapes, Fresh						
Annual & YTD						
Partner	**Unit**	**2015**	**2016**	**2017**	**2018**	**2019**
_World	T	5,602	6,298	7,263	7,894	8,968
Egypt	T	1,220	1,757	2,640	2,745	3,899
Spain	T	2,873	2,801	2,976	3,262	3,043
Namibia	T	1,324	1,102	931	1,159	1,808
Unidentified	T	50	0	0	130	112
South Africa	T	18	329	378	263	53
Zambia	T	96	196	126	54	35
United Kingdom	T	0	0	0	0	17
Norway	T	0	27	0	220	0
Turkey	T	0	20	20	0	0
Russia	T	0	0	56	39	0
Saudi Arabia	T	0	20	20	0	0
Singapore	T	0	0	29	0	0
Germany	T	0	19	15	20	0
Israel	T	22	0	18	0	0

Source: Trade Data Monitor

Table 12: 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 13: PSD of Fresh Table Grapes

Grapes, Fresh Table	**2017/2018**		**2018/2019**		**2019/2020**	
Market Begin Year	**Oct 2017**		**Oct 2018**		**Oct 2019**	
South Africa	**USDA Official**	**New Post**	**USDA Official**	**New Post**	**USDA Official**	**New Post**
Area Planted	21067	21067	21798	21798	23000	23100
Area Harvested	16000	16000	16500	16500	17000	17100
Commercial Production	307541	307541	298315	298315	310000	320000
Non-Comm. Production	0	0	0	0	0	0
Production	307541	307541	298315	298315	310000	320000
Imports	7900	7894	7300	8968	7000	9000
Total Supply	315441	315435	305615	307283	317000	329000
Fresh Dom. Consumption	36041	36041	30615	31506	32000	36000
Exports	279400	279394	275000	275777	285000	293000
Withdrawal From Market	0	0	0	0	0	0
Total Distribution	315441	315435	305615	307283	317000	329000
(HA) ,(MT)						

Prices

The apple and pear prices shown in **Table 14** 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 14: 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

*1US$ = R18.8
Source: HORTGRO

Policies and Regulations:

Table 15 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) 2019 Report.

Table 15: List of Key Legislations and Regulations

Policy or Regulation	Link
Agriculture Product Standards Act No 119 of 1990	http://www.nda.agric.za/doaDev/sideMenu/Food percent20Import percent20& percent20Export percent20Standard/docs/Agric percent20Product percent20Standards percent20Act percent20No percent20119 percent20 percent20of percent201990.pdf

Agricultural Pests, Act, 36 of 1983	**Agricultural Pests Amendment Act, 9 of 1992** http://www.nda.agric.za/doaDev/sideMenu/APIS/doc/Agricultural percent20Pests percent20Act.pdf
Foodstuffs, cosmetics and disinfectants Act 54 of 1972	http://www.nda.agric.za/vetweb/Legislation/Other percent20acts/Act percent20-percent20Foodstuffs, percent20Cosmetics percent20and percent20Disinfectants percent20Act-54 percent20of percent201972.pdf
Procedures for exporting to South Africa	http://www.nda.agric.za/doaDev/sideMenu/plantHealth/docs/importProcedure.pdf.
Maximum Residue Limits	http://www.daff.gov.za/daffweb3/Branches/Agricultural-Production-Health-Food-Safety/Food-Safety-Quality-Assurance/Maximum-Residue-Limits
Regulations relating to standards, grading, packing and marking	**Apples** http://www.nda.agric.za/doaDev/sideMenu/foodSafety/doc/localImportRegulations/Apples_regulations.pdf **Pears** http://www.nda.agric.za/doaDev/sideMenu/foodSafety/doc/localImportRegulations/Pears_regulations.pdf **Grapes** http://www.nda.agric.za/doaDev/sideMenu/foodSafety/doc/localImportRegulations/gg35395 percent20nn422 percent20APS percent20table percent20grapes.pdf

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

Attachments:

No Attachments