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South Africa - Republic of

Citrus Semi-annual

Strong Growth of South African Soft Citrus Exports to the United States Continues

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Report Highlights:
South Africa`s production of grapefruit, oranges and lemons/limes is estimated to increase in the 2017/18 MY, based on the growth in area planted and on the normal weather conditions in the main growing regions of Limpopo, Eastern Cape and Mpumalanga. The drought conditions in the Western Cape are expected to result in a decrease in the production of tangerines/mandarins. However, duty free exports of tangerines/mandarins to the United States under the African Growth Opportunity Act (AGOA) are expected to continue their strong annual growth.

Commodities:

Citrus, Other, Fresh
Grapefruit, Fresh
Oranges, Fresh
Tangerines/Mandarins, Fresh
Lemons, Fresh
Orange Juice

Exchange rate: Rand/US$ Exchange = 13
Marketing Year (MY) – January to December
MT – Metric Tons

Executive Summary

Post estimates that the production of grapefruit will increase by 5 percent to 370,000 MT in the 2017/18 MY, due to the rise in area plated and on the normal weather conditions in the main growing regions of Limpopo and Mpumalanga. Grapefruit exports are estimated to increase by 4 percent to 240,000 MT in the 2017/18 MY, based on the increase in production, strong demand in Asia and some countries in the European Union, and the year to date exports up to April 2018.

The production of oranges is estimated to increase by 8 percent to 1.47 Million MT in the 2017/18 MY, due to normal rainfall, and an increase in area planted in the main growing regions of Limpopo, Eastern Cape and Mpumalanga, which account for about 82 percent of the total orange production. Exports of oranges are estimated to increase by 4 percent to 1.22 Million MT in the 2017/18 MY, based on the increase in production, growth in demand from China and Hong Kong, and South Africa`s successful efforts in addressing the Citrus Black Spot (CBS) challenges in the EU market.

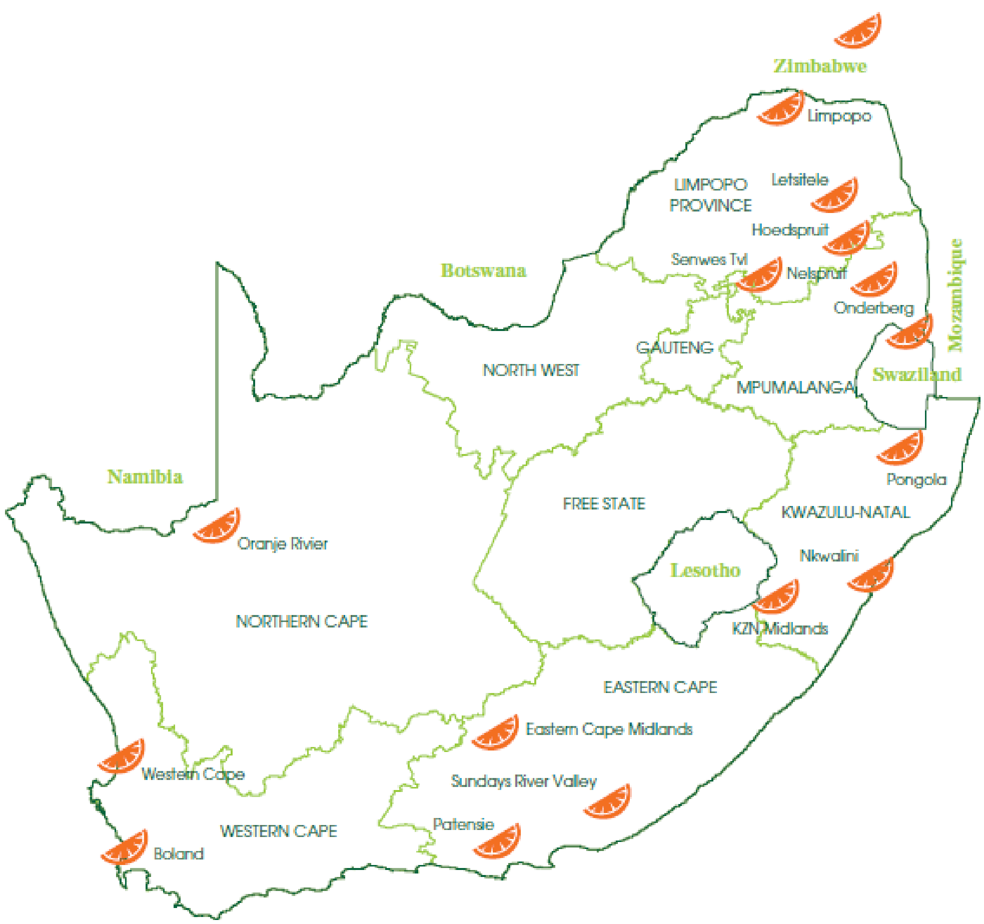
The production of tangerines/mandarins is estimated to decrease by 2 percent to 255,000 MT in the 2017/18 MY, mainly due to the impact of the drought which resulted in lower yields in the predominant production region of the Western Cape. The South African 2017/18 MY exports of tangerines/mandarins is estimated to increase by 5 percent to 220,000 MT, based on the industry strategy of prioritizing export markets over domestic markets and the strong demand for soft citrus in global markets.

The production of lemons/limes is estimated to increase by 7 percent to 460,000 MT in the 2017/18 MY, due to the increase in area planted, new orchards coming full production, normal weather conditions in the main production areas of Eastern Cape and Limpopo, which account for about 80 percent of the production. The exports of lemons and limes is estimated to increase by 7 percent to 320,000 MT in the 2017/18 MY, based on the increase in production and growth in demand from the Middle East and Asian markets.

Background

Citrus in South Africa is grown across the country mainly in the Limpopo, Eastern Cape, Western Cape, Mpumalanga, Kwa Zulu Natal, Northern Cape and North West provinces. **Figure 1** below shows the map of the citrus growing areas in South Africa. A total of 74,902 hectares was planted to citrus in South Africa in the 2016/17 MY. The Limpopo province is the largest citrus production area accounting for 43 percent of the total area planted, followed by the Eastern Cape (27 percent), Western Cape (17 percent), Mpumalanga (8 percent), Kwa Zulu Natal (2 percent), Northern Cape (2 percent), and North West (less than 1 percent). The Western Cape and Eastern Cape have a cooler climate, which is suited for the production of the navel oranges, lemons, limes, and mandarins/tangarines (soft citrus). The Mpumalanga, Limpopo and KwaZulu-Natal provinces have a warmer climate which is better suited to the production of grapefruit and valencia oranges.

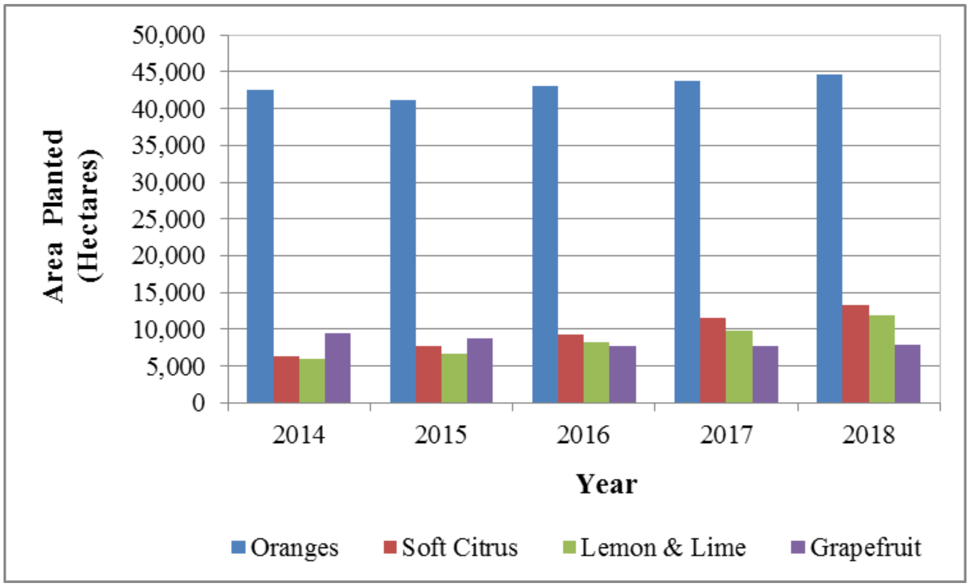
Figure 1: Citrus Growing Areas in South Africa.



Source: Citrus Growers Association (CGA)

Figure 2 shows that while oranges are the biggest citrus type produced in South Africa and account for about 58 percent of the total citrus area planted, there has been notable growth in the area planted to soft citrus and lemons/limes.

Figure 2: Area Planted by Citrus Type



Source: CGA

Table 1 shows the most common citrus varieties planted in South Africa. In 2016, the tango citrus variety, which was developed by the University of California Riverside, was granted the plant breeders right in South Africa and is expected to offer competition to the Nardocott variety.

Table 1: Citrus Varieties

Citrus	**Variety**
Grape fruit	Star Ruby, Marsh, Rose, Flame, Nelspruit Ruby (Nelruby), Flamingo
Oranges	**Valencias -** Delta, Midknight, Turkey (Juvalle), Oukloon (Olinda, Late), Du Roi, Benny. **Navels -** Palmer, Bahianinha, Washington, Robyn, Navelina, Lane Late, Newhall, Cambria, Cara Cara, Rustenburg, Autumn Gold
Mandarins/ Tangarines	**Clementine -** Nules, Marisol, SRA, Oroval, Esbal, Clemenpons, Oronules. **Mandarin** – Tango, Nadorcott (Afourer), Nova, Or (Orri), Minneola, Mor , B17, Tambor , Naartjie, Thoro Temple, Sonet, B24 (African Sunset) **Satsuma -** Miho Wase, Owari, Kuno, Miyagawa Wase, Okitsu Wase, Aoshima.
Lemons/Lime	Eureka, Eureka SL, Lisbon, Limoneira, Genoa

Source: CGA

Table 2: South Africa Harvest Period for Citrus

Citrus	**Harvest Period**
Marsh Grapefruit	April to June
Star Ruby Grapefruit	April to September
Navel Oranges	June to July
Valencia Oranges	July to September
Mandarins/Tangarines	July to August
Lemons/Lime	July to September

Source: CGA

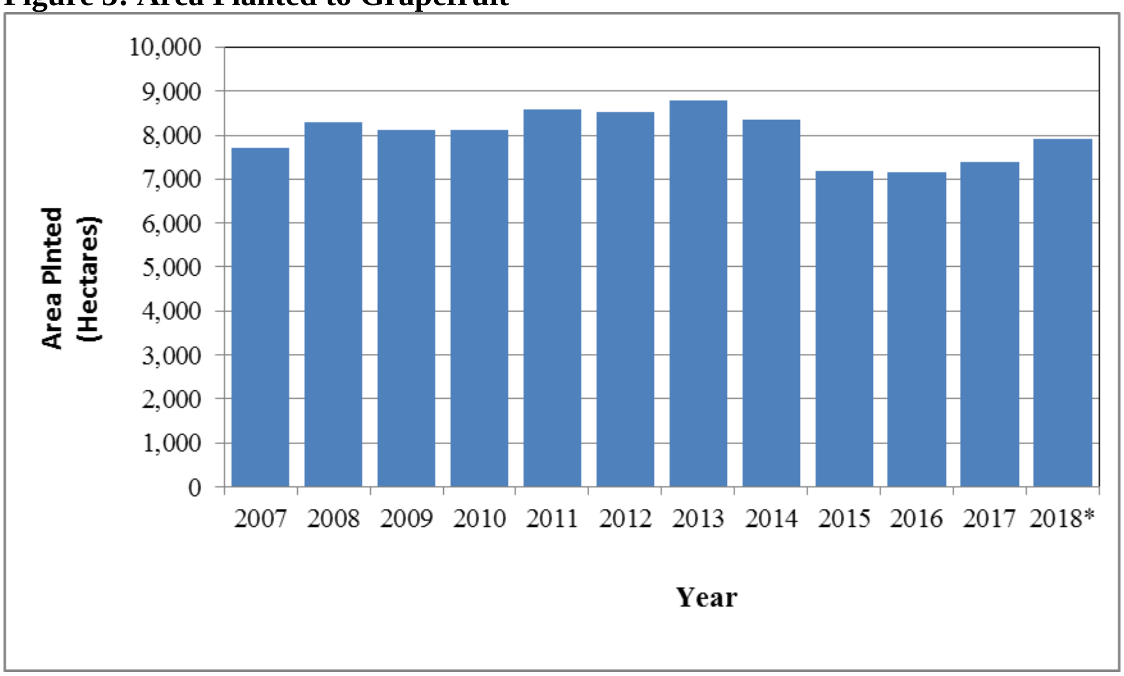
Grapefruit, Fresh

Production

Post estimates that the production of grapefruit will increase by 5 percent to 370,000 MT in the 2017/18 MY, from 354,000 MT in the 2016/17 MY. This is due to the rise in area planted and on the normal weather conditions in the main growing regions of Limpopo and Mpumalanga. The increase was partially offset by hail damage in the Mpumalanga region. The 2016/17 MY production of grapefruit was revised downward based on final industry data. Limpopo is the leading growing region for grapefruit accounting for at least 59 percent of the total production, followed by Mpumalanga (22 percent), Kwa-Zulu Natal (10 percent), Northern Cape (6 percent) and the Western Cape (less than 1 percent). The predominant variety produced is the Star Ruby accounting for 84 percent of the production due to its high global demand, followed by the Marsh variety at 13 percent. Other grapefruit varieties produced in small volumes include Rose, Redheart, Pomelit, Ja Shaddock, Flame, and Fe 1(Jackson).

Figure 3 below illustrates that the area planted to grapefruit is estimated to increase by 7 percent to 7,900 ha in the 2017/18 MY, from 7,393 ha in the 2016/17 MY. This is due to the industry responding to the increasing global market demand and prices for grapefruit in the past two seasons.

Figure 3: Area Planted to Grapefruit



*Estimate.
Source: CGA

Consumption

Post estimates that grapefruit consumption in South Africa will rise to 7,000 MT in the 2017/18 MY, from 6,000 MT in the 2016/17 MY. This is due to the increase in production, and to the growth in demand driven by the perceived health benefits or trend of grapefruit in the domestic market. The fresh grapefruit per capita consumption in South Africa is still relatively low at below 1 kg per annum because the majority of the population has not acquired the taste for grapefruit.

Processing

Post estimates that the grapefruit delivered for processing will increase by 8 percent to 127,000 MT in the 2017/18 MY, from 118,000 MT in the 2016/17 MY, based on the increase in production. The 2016/17 MY grapefruit delivered for processing was revised downwards based on the lower production and updated industry figures. Grapefruit is processed to juice, the majority of which is exported to Europe. The left-over pulp following commercial juice extraction is an important source of grapefruit oil which is used as a flavoring agent in many soft drinks. The inner peel is a source of pectin and citric acid, which are both used by the food industry to preserve fruits, jams, and marmalades. Naringin is also extracted from grapefruit peel, and gives tonic-water its distinctive bitter flavor. The grapefruit peel oil is used in scented fragrances.

Exports

Post estimates that grapefruit exports will increase by 4 percent to 240,000 MT in the 2017/18 MY, from 230,663 MT in the 2016/17 MY. This is due to the increase in production, strong demand in global markets especially Asia and some countries in the European Union, and the year to date exports up to April 2018. The 2016/17 MY exports of grapefruit were slightly revised downward based on final Global Trade Atlas figures.

Although South Africa has a free trade agreement with the Europe Union which allows duty free access for its citrus exports, it continues to face challenges due to Citrus Black Spot (CBS) in the European Union (EU) market. In October 2017, South Africa suspended its exports of grapefruit to Europe in order to minimize the risks of further CBS interceptions which could have jeopardized South Africa’s market access to the European Union. Industry estimates that it is costing South Africa almost R1 Billion (US$77 Million) to address and comply with the CBS requirements in the EU market. There is also a growing emphasis to increase exports to the Middle East and Africa markets. While total volumes are still low, grapefruit exports to the United States have been growing exponentially by an average of 65% per annum in the past five years, from 76 MT in the 2012/13 MY, to 4,293 MT in the 2016/17 MY. Grapefruit exports to the United States are expected to continue growing based on the continuation of duty free access through the African Growth and Opportunity Act (AGOA).

Table 3: South African Fresh Grapefruit Exports

Commodity: 080540, Grapefruit, Fresh Or Dried		
Year Ending: December		
Partner Country	Unit	Quantity

		2014	2015	2016	2017	2018*
World	MT	217,194	220,262	202,501	230,663	9,429
Netherlands	MT	49,169	53,256	59,220	63,870	4,720
Japan	MT	48,222	44,802	31,155	39,505	26
China	MT	14,029	19,971	17,462	20,254	297
Russia	MT	18,008	18,020	15,835	19,215	387
United Kingdom	MT	9,812	11,415	9,946	11,990	472
Korea South	MT	5,928	9,032	9,738	10,532	73
Italy	MT	10,073	11,976	9,365	9,532	1,010
Hong Kong	MT	4,517	5,034	5,850	7,266	771
Canada	MT	8,783	7,126	5,022	6,658	67
Portugal	MT	2,979	4,367	6,008	6,232	97
Swaziland	MT	15,908	3,576	3,228	4,462	31
United States	MT	1,052	1,803	3,736	4,293	0
United Arab Emirates	MT	4,807	4,625	4,239	3,966	595
Taiwan	MT	3,350	2,802	2,012	3,344	89
France	MT	4,198	5,816	3,183	3,251	0
Germany	MT	1,378	1,819	5,015	2,386	26
Ukraine	MT	1,268	1,123	1,016	1,494	0
Greece	MT	1,116	1,318	1,127	1,326	113
Vietnam	MT	411	69	431	919	65
Sweden	MT	530	888	767	872	0
Bulgaria	MT	336	754	534	830	0
Kuwait	MT	335	816	321	774	0
Lithuania	MT	821	1,011	877	773	22
Singapore	MT	834	988	824	765	93

*Exports up to April 2018.
Source: Global Trade Atlas (GTA)

Imports

South Africa is not a major importer of grapefruit. Imports mainly originate from Swaziland, Spain, Turkey and Israel to fill the small demand gap towards the end of the season. The increase in local production over the past five years has resulted in a steady decline in grapefruit imports.

Table 4: South African Fresh Grapefruit Imports

South Africa Import Statistics		
Commodity: 080540, Grapefruit, Fresh Or Dried		
Year Ending: December		
Partner Country	Unit	Quantity

		2014	2015	2016	2017	2018
World	MT	11,506	7,047	3,807	1,160	343
Spain	MT	95	424	474	513	179
Turkey	MT	46	167	275	354	93
Israel	MT	116	55	137	224	41
Swaziland	MT	10,898	6,356	2,863	66	30
Netherlands	MT	0	0	21	0	0
Canada	MT	0	0	19	0	0
China	MT	0	21	19	0	0
Other Countries	MT	0	27	0	0	0
Zimbabwe	MT	330	0	0	0	0
France	MT	21	0	0	0	0

*Imports up to April 2018.
Source: GTA

Prices

Table 5 shows the local, export and processed market prices for grapefruit since the 2004/05 MY. Grapefruit prices for the export and local markets have increased over the past five years based on the weakening rand to the United States dollar. Processed prices tend to fluctuate based on supply. Export prices continue to provide the highest prices for South African grapefruit which explains` why the industry is export oriented.

Table 5: Grapefruit Prices

MY	Local Market	Export Market	Processed
	Average Price	Gross Price	Gross Price
	Rand/ MT	Rand/ MT	Rand/ MT
2004/05	1,487	925	325

2005/06	1,493	1,764	386
2006/07	1,796	2,712	237
2007/08	2,283	3,658	152
2008/09	1,839	1,846	240
2009/10	1,437	4,351	268
2010/11	2,107	3,723	383
2011/12	2,275	4,371	377
2012/13	2,352	5,060	376
2013/14	3,020	5,247	401
2014/15	3,866	5,737	310
2015/16	5,154	7,898	409
2016/17	2,472	7,762	596

Source: CGA

Table 6: PSD Grapefruit, Fresh

Grapefruit, Fresh	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jan 2016		Jan 2017		Jan 2018	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	7161	7161	7600	7393	7900	7900
Area Harvested	6445	6445	6900	6730	7000	7000
Bearing Trees	6800	6800	7000	7000	7100	7200
Non-Bearing Trees	350	350	600	600	650	650
Total No. Of Trees	7150	7150	7600	7600	7750	7850
Production	315	315	366	354	400	370
Imports	4	4	1	1	4	4
Total Supply	319	319	367	355	404	374
Exports	203	203	232	231	250	240
Fresh Dom. Consumption	5	5	6	6	7	7
For Processing	111	111	129	118	147	127
Total Distribution	319	319	367	355	404	374
(HECTARES) ,(1000 TREES) ,(1000 MT)						

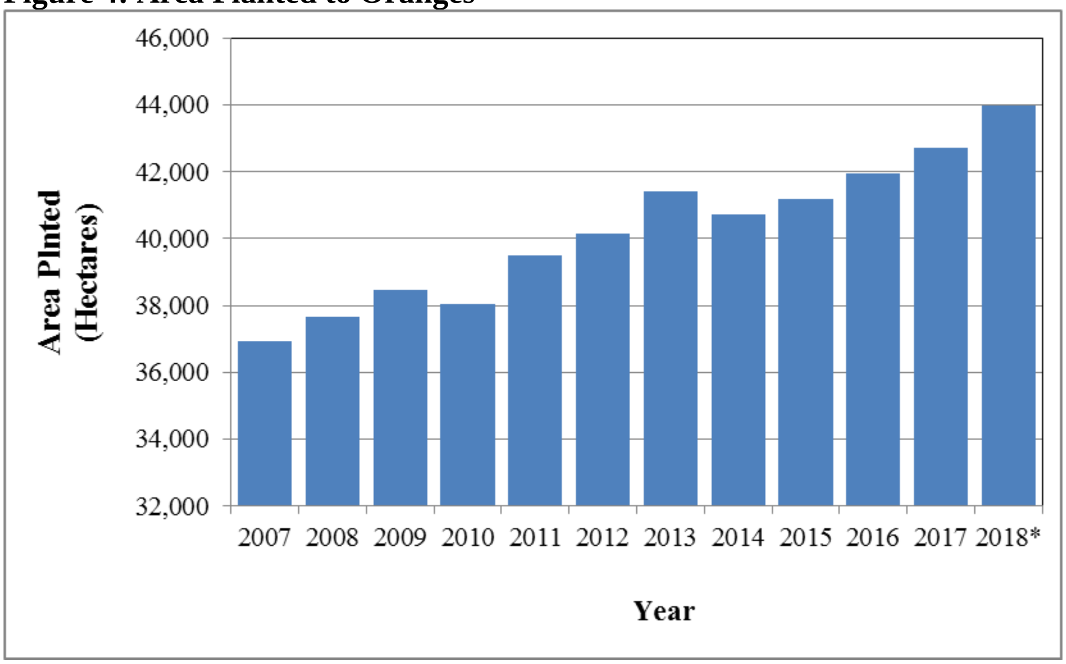
Oranges, Fresh

Production

The production of oranges is estimated to increase by 8 percent to 1.47 Million MT in the 2017/18 MY, from about 1.36 Million MT in the 2016/17 MY. This is due to normal rainfall, and an increase in area planted in the main growing regions of Limpopo, Eastern Cape and Mpumalanga, which account for about 82 percent of the total orange production. These increases were partially offset by hail damage in the Mpumalanga region and the drought conditions in the Western Cape growing region. The Western Cape accounts for about 15 percent of the total orange production, and is undergoing a severe drought. As a result, dam levels are less than 30 percent in the 2017/18 MY.

The area planted with oranges is estimated to grow marginally by about 3 percent to 44,000 hectares (ha) in the 2017/18 MY, from 42,711 hectares (ha) in the 2016/17 MY, based on the increases in area planted to seedless orange varieties, especially in the Limpopo region. This rise was partially offset by the industry shift from orange production to soft citrus in the Western Cape. Valencia's account for about 61 percent of the total area planted to oranges, and navels account for 39 percent. **Figure 4** below shows the trend in the area planted to oranges since 2007.

Figure 4: Area Planted to Oranges



*Estimate.
Source: CGA

Consumption

Post estimates that the 2017/18 MY consumption of oranges will increase by 1 percent to 72,000 MT, from 71,000 MT in the 2016/17 MY, based on the growth in production. Fresh oranges are the most popular citrus consumed in South Africa with a per capita consumption of about 1.5 kg per annum.

Exports

The export of oranges is estimated to increase by 4 percent to 1.22 Million MT in the 2017/18 MY, from 1.17 Million MT in the 2016/17 MY, based on the increase in production, growth in demand from China and Hong Kong, and South Africa`s successful efforts in addressing the CBS challenges in the EU market. South Africa prioritizes supplying export markets, and the surplus oranges are supplied to the domestic fresh and processed markets. The EU remains South Africa's largest export market for oranges, accounting for approximately 40 percent of the total export market. However, exports to Asia and the Middle East have grown steadily over the years due to the focus being placed by industry in growing these markets. Exports to the United States are expected to continue growing based on the duty free access under the African Growth and Opportunity Act (AGOA). A gradual shift from oranges to soft citrus exports is expected, as South African farmers supplying the United States market have been switching their orchards from oranges to soft citrus in response to market preferences and the higher premium received in the United States market.

Table 7: South African Fresh Orange Exports

South Africa Export Statistics						
Commodity: 080510, Oranges, Fresh						
Year Ending: December						
		Quantity				
Partner Country	**Unit**	**2014**	**2015**	**2016**	**2017**	**2018***
World	MT	1,142,642	1,159,430	1,063,855	1,170,575	3,649
Netherlands	MT	206,059	231,979	221,672	258,478	24
United Arab Emirates	MT	120,911	116,097	99,483	86,155	277
Saudi Arabia	MT	92,796	86,906	93,219	81,541	95
Russia	MT	126,192	89,439	68,247	79,242	276
China	MT	33,998	44,269	48,643	78,291	0
United Kingdom	MT	66,546	67,296	60,153	73,361	28
Hong Kong	MT	34,556	43,448	49,893	69,031	3
Portugal	MT	39,918	54,840	57,873	67,515	0
Bangladesh	MT	39,999	38,861	32,603	45,517	0
United States	MT	39,225	44,721	40,416	39,837	0
Italy	MT	36,151	36,362	33,518	38,038	0
Canada	MT	33,943	37,875	32,507	31,857	51
Malaysia	MT	28,581	28,214	28,936	28,211	0
Kuwait	MT	51,347	47,246	25,943	23,238	0
Singapore	MT	12,294	11,335	9,083	12,475	0
India	MT	4,721	11,128	4,266	11,474	0
Oman	MT	8,186	7,511	5,266	11,247	0
Germany	MT	4,070	3,556	10,796	10,705	2
Qatar	MT	6,963	6,713	4,123	8,916	0
Bahrain	MT	4,062	4,614	4,810	8,833	0
France	MT	17,841	25,589	16,949	6,728	0

Sweden	MT	4,908	7,008	7,046	6,496	0
Mozambique	MT	6,832	11,318	4,487	5,340	277

*Exports up to April 2018
Source: GTA

Imports

The import of oranges is estimated to rebound to 10,000 MT in the 2017/18 MY, based on imports from Swaziland that will resume following their recovery from the drought. Oranges are usually imported into South Africa in November and December to close supply gaps and satisfy year-end demand.

Table 8: South African Fresh Orange Imports

South Africa Import Statistics						
Commodity: 080510, Oranges, Fresh						
Year Ending: December						
		Quantity				
Partner Country	Unit	**2014**	**2015**	**2016**	**2017**	**2018***
World	MT	12,716	12,704	1,158	2,245	730
Spain	MT	275	361	531	1,151	568
Swaziland	MT	8,686	11,891	349	806	27
Egypt	MT	0	139	24	121	135
Saudi Arabia	MT	0	0	0	113	0
Bahrain	MT	0	0	0	27	0
Turkey	MT	11	0	26	24	0
Israel	MT	168	0	11	6	0
Zimbabwe	MT	3,450	0	0	0	0
United Kingdom	MT	0	20	0	0	0
Angola	MT	11	0	0	0	0
Belgium	MT	0	0	50	0	0
China	MT	0	221	0	0	0
Netherlands	MT	21	25	122	0	0
Other Countries	MT	94	19	0	0	0

*Imports up to April 2018.
Source: GTA

Prices

Table 9 shows the local, export and processed market prices of oranges. The export market provides the highest prices. As a result, the South African citrus industry is export oriented because the domestic and processed markets offer lower prices.

Table 9: Oranges Prices

	Local Market	Export Market	Processed
MY	**Average Price**	**Gross Price**	**Gross Price**

	Rand/ MT	Rand/ MT	Rand/ MT
2003/04	1,090	2,425	274
2004/05	1,111	1,580	229
2005/06	1,025	1,843	301
2006/07	1,278	2,832	354
2007/08	1,430	3,443	419
2008/09	1,483	3,235	268
2009/10	1,599	4,043	349
2010/11	1,762	4,691	529
2011/12	1,895	4,318	564
2012/13	2,054	4,975	591
2013/14	2,230	5,781	618
2014/15	2,535	6,576	652
2015/16	3,799	8,570	1,002
2016/17	3,604	8,656	1,069

Source: CGA

Table 10: PSD Oranges, Fresh

Oranges, Fresh	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jan 2016		Jan 2017		Jan 2018	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	41956	41956	42100	42711	42500	44000
Area Harvested	34000	34000	35600	36500	37000	38000
Bearing Trees	37800	37800	38000	38000	38300	38300
Non-Bearing Trees	3900	3900	4000	4000	4100	4100
Total No. Of Trees	41700	41700	42000	42000	42400	42400
Production	1275	1275	1400	1363	1430	1470
Imports	1	1	3	2	10	10
Total Supply	1276	1276	1403	1365	1440	1480
Exports	1064	1064	1170	1171	1180	1220
Fresh Dom. Consumption	70	70	72	71	75	72
For Processing	142	142	161	123	185	188
Total Distribution	1276	1276	1403	1365	1440	1480
(HECTARES) ,(1000 TREES) ,(1000 MT)						

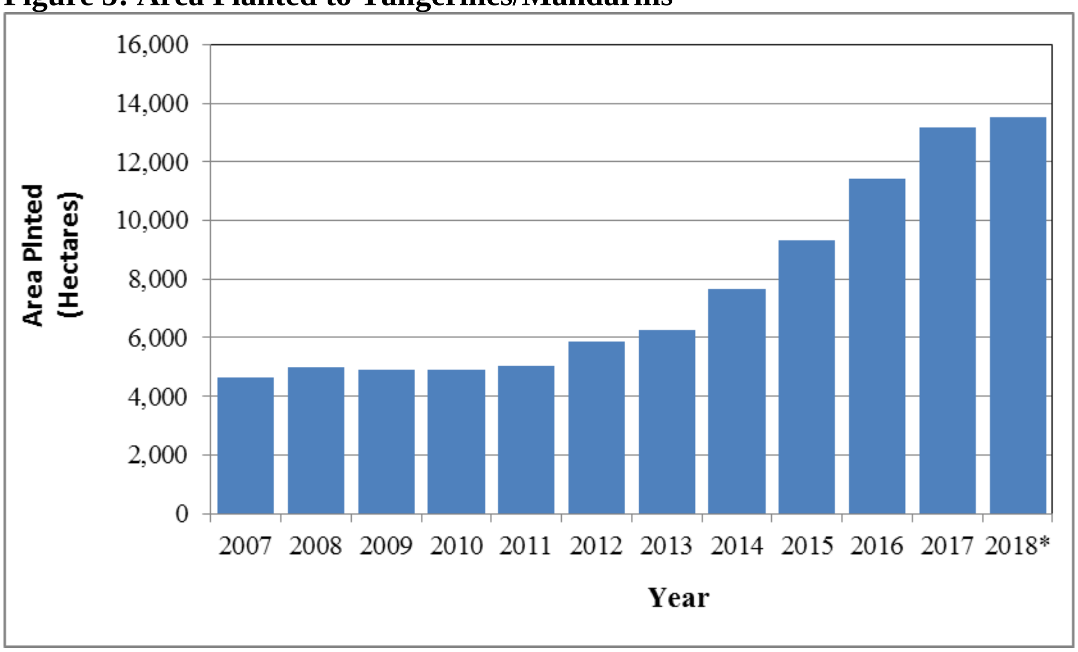
Tangerines/Mandarins (Soft Citrus), Fresh

Production

The production of tangerines/mandarins is estimated to decrease by 2 percent to 255,000 MT in the 2017/18 MY, from 261,046 MT in the 2016/17 MY. This is due to the impact of the drought, which resulted in lower yields in the Western Cape, partially offset by increases in production in other growing regions such as the Eastern Cape, Limpopo and Mpumalanga. About 42 percent of tangerines/mandarins are produced in the Western Cape, followed by 31 percent in the Eastern Cape and 21 percent in Limpopo. The Western Cape is a winter rainfall region and is currently undergoing a severe drought. The below average rainfall received in 2017 and the low dam levels (about thirty percent) in the Western Cape will severely impact the availability of irrigation water in the 2017/18 MY. In the short term, farmers in the Western Cape are expected to prioritize irrigation of higher yielding varieties and orchards, while the remaining orchards would be irrigated just to keep the trees alive. There are also indications that some farmers cut down some trees to reduce costs and uprooted older orchards.

The area planted to tangerines/mandarins is estimated to increase by 2 percent to 13,500 hectares in the 2017/18 MY, from 13,182 Ha in the 2016/17 MY, due to growers responding to the increasing global demand for seedless tangerines/mandarins, partially offset by the impact of the drought in the Western Cape. **Figure 5** shows that the area planted with tangerines/mandarins was flat from the 2006/07 MY to the 2010/11 MY. However, there has been a significant increase in area planted since the 2010/11 MY due to growers responding to the increasing global demand for seedless tangerines/mandarins and the increased investment, which was driven by high revenue as a result of the weaker rand.

Figure 5: Area Planted to Tangerines/Mandarins



*Estimate.
Source: CGA

Consumption

The consumption of tangerines/mandarins is estimated to decrease by 7 percent to 26,000 MT in the 2017/18 MY, from 28,000 MT in the 2016/17 MY, due to the decrease in production and the industry strategy of prioritizing export markets.

Exports

Despite the decrease in production, the exports of tangerines/mandarins is estimated to increase by 5 percent to 220,000 MT in the 2017/18 MY, from 209,801 MT in the 2016/17 MY, due to the industry strategy of prioritizing export markets over domestic markets. Demand for tangerines/mandarins remains strong in the export markets. Exports to the United States under the AGOA have grown by an average of 15 percent per year over the past four seasons, from 7,443 MT in the 2013/14 MY, to 11,180 MT in the 2016/17 MY. Tangerines/mandarins are not impacted by South Africa's CBS challenges in the EU market.

Table 11: South African Fresh Tangerines/Mandarins Exports

South Africa Export Statistics						
Commodity: Tangerines/mandarins , Tangerines/mandarins (080520, 080521, 080522, 080529)						
Year Ending: December						
		Quantity				
Partner Country	Unit	2014	2015	2016	2017	2018*
World	MT	153,213	156,589	189,601	209,801	22,707
United Kingdom	MT	52,507	61,307	66,152	63,212	8,292
Netherlands	MT	30,146	32,022	47,254	49,705	5,809
Russia	MT	11,227	14,468	14,200	20,222	6,338
Hong Kong	MT	8,215	4,573	9,228	12,309	129
United States	MT	7,443	8,638	10,287	11,180	105
United Arab Emirates	MT	9,854	7,126	6,732	8,038	527
Canada	MT	7,368	6,208	6,729	8,035	223
Ireland	MT	3,799	3,742	5,637	5,044	956
Portugal	MT	852	1,102	2,412	4,347	0
Bosnia & Herzegovina	MT	0	96	969	3,004	0
China	MT	71	421	777	2,257	0
Saudi Arabia	MT	3,231	1,911	2,335	2,170	24
Bangladesh	MT	1,471	247	1,216	2,129	0
Vietnam	MT	1,003	1,036	984	1,952	0
Malaysia	MT	2,751	1,416	1,385	1,602	0
Mauritius	MT	1,137	1,128	1,219	1,494	5
Germany	MT	1,120	2,057	1,559	1,459	0

*Exports up to April 2018.
Source: GTA

Imports

Post estimates that the 20217/18 MY imports of tangerines/mandarins will remain flat at 1,000 MT. South African tangerines/mandarins imports are only marginal in order to satisfy out of season demand.

Table 12: South African Fresh Tangerines/Mandarins Imports

South Africa Import Statistics						
Commodity: Tangerines/mandarins , Tangerines/mandarins (080520, 080521, 080522, 080529)						
Year Ending: December						
		Quantity				
Partner Country	Unit	2014	2015	2016	2017	2018*
World	MT	940	849	962	1,350	877
Spain	MT	557	530	584	1,033	561
Israel	MT	370	285	308	200	273
United Kingdom	MT	0	0	21	49	0
Turkey	MT	0	0	22	46	0
Canada	MT	0	0	0	22	0
Swaziland	MT	0	31	0	0	0
Thailand	MT	3	5	0	0	0
Angola	MT	9	0	0	0	0
Egypt	MT	0	0	0	0	43
Germany	MT	0	0	25	0	0

*Imports up to April 2018.
Source: GTA

Prices

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

Table 13: Tangerines/Mandarins Prices

	Local Market	Export Market	Processed
	Average Price	Gross Price	Gross Price
MY	Rand/ MT	Rand/ MT	Rand/ MT

2003/04	1,705	3,638	251
2004/05	1,279	3,977	165
2005/06	2,133	4,423	188
2006/07	2,543	3,758	214
2007/08	3,038	4,965	367
2008/09	3,042	4,635	275
2009/10	3,805	5,618	214
2010/11	4,091	5,637	315
2011/12	3,760	7,133	419
2012/13	5,159	8,542	334
2013/14	5,442	10,004	465
2014/15	5,606	11,392	391
2015/16	6,785	14,242	532
2016/17	6,037	13,489	614

Source: CGA

Table 14: PSD Tangerines/Mandarins, Fresh

Tangerines/Mandarins, Fresh	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jan 2016		Jan 2017		Jan 2018	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	11433	11433	12500	13182	12400	13500
Area Harvested	9375	9375	10100	11100	9000	11000
Bearing Trees	6000	6000	6400	6400	6300	6500
Non-Bearing Trees	2000	2000	2400	2400	2700	2600
Total No. Of Trees	8000	8000	8800	8800	9000	9100
Production	226	226	252	261	230	255
Imports	1	1	1	1	1	1
Total Supply	227	227	253	262	231	256
Exports	190	190	211	210	180	220
Fresh Dom. Consumption	26	26	28	28	28	26
For Processing	11	11	14	24	23	10
Total Distribution	227	227	253	262	231	256
(HECTARES) ,(1000 TREES) ,(1000 MT)						

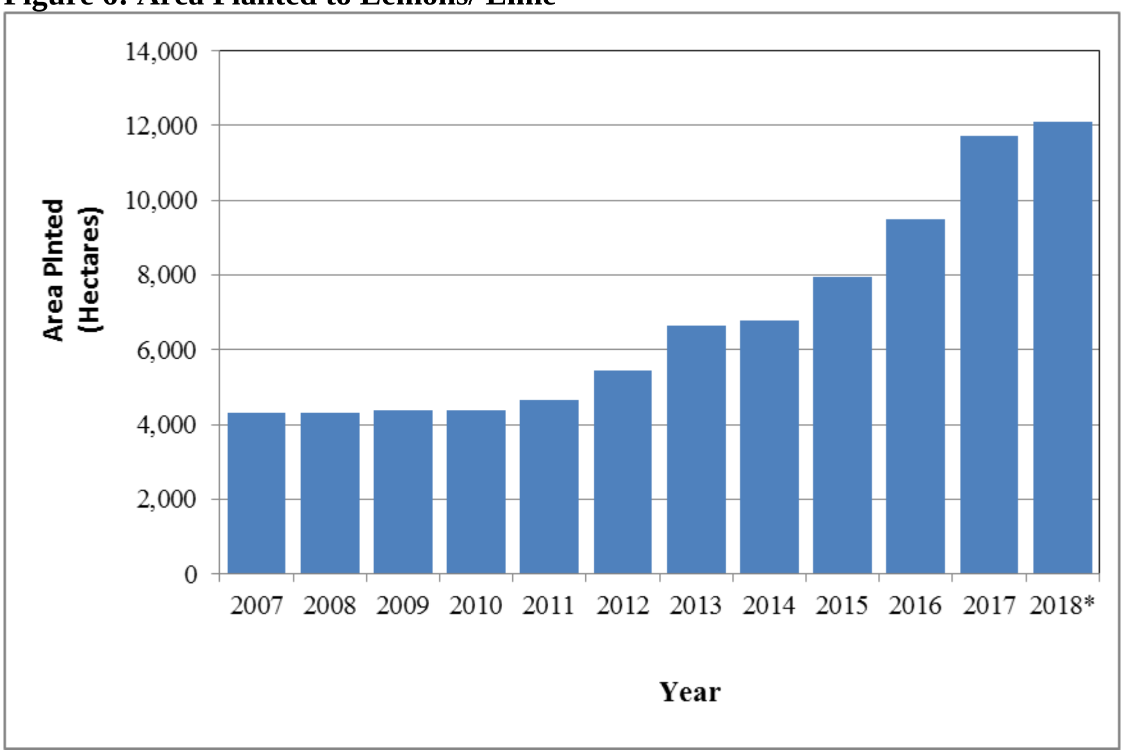
Lemons/Limes, Fresh

Production

The production of lemons/limes is estimated to increase by 7 percent to 460,000 MT in the 2017/18 MY, from 430,305 MT in the 2016/17 MY. This is due to the increase in area planted, new orchards coming to full production, and normal weather conditions in the main production areas of Eastern Cape and Limpopo, which account for about 80 percent of the production. These increases are forecast to be partially offset by the lower production in the drought stricken production areas in the Western Cape, which produces about ten percent of the total lemons/limes. The most popular variety of lemons planted in South Africa is the Eureka accounting for about 83 percent of the area planted, followed by Lisbon (9 percent), Limoneira 8A (4 percent), and Genoa (3 percent).

Figure 6 shows that the area planted with lemons/limes was initially flat from the 2006/07 MY to the 2009/10 MY. However, similar to tangerines/mandarins, the area planted increased gradually from 4,667 hectares in the 2010/11 MY, to an estimated 12,100 hectares in the 2017/18 MY, in response to growth in demand and higher prices in the export market.

Figure 6: Area Planted to Lemons/ Lime



*Estimate.
Source: CGA

Consumption

The domestic consumption of lemons is estimated to increase by 6 percent to 18,000 MT in the 2017/18 MY, from 17,289 MT in the 2016/17 MY, based on the growth in production. Lemon juice is used as flavoring for poultry and fish dishes, and a flavor agent in cakes, tarts, biscuits, candies, ice creams and salad dressings. In the beverage industry lemons/limes are used to make lemonade, smoothies and liquors. In the cleaning industry, lemon juice is used as a degreaser and disinfectant, due to its high concentration of citric acid which can inhibit the proliferation of some molds and bacteria.

Exports

The exports of lemons and limes is estimated to increase by 7 percent to 320,000 MT in the 2017/18 MY, from 299,260 MT in the 2016/17 MY, based on the increase in production and growth in demand from the Middle East and Asian markets. The European Union still remains the main export market for South African lemons and limes.

Table 15: South African Fresh Lemons/Limes Exports

South Africa Export Statistics						
Commodity: 080550, Lemons And Limes, Fresh Or Dried						
Year Ending: December						
Partner Country	**Unit**	**Quantity**				
		2014	**2015**	**2016**	**2017**	**2018***
World	MT	219,456	246,294	236,867	299,260	44,073
United Arab Emirates	MT	40,202	48,747	49,116	52,510	10,178
Netherlands	MT	22,288	23,735	33,941	33,986	1,009
Saudi Arabia	MT	19,801	25,812	28,952	31,925	8,603
Russia	MT	30,679	31,440	18,019	30,483	6,799
Hong Kong	MT	31,000	20,474	15,372	26,039	3,828
United Kingdom	MT	12,564	16,174	20,428	22,702	443
Kuwait	MT	7,337	12,465	14,540	18,915	1,302
Canada	MT	9,471	10,636	9,224	12,454	1,591
Italy	MT	5,589	5,122	8,656	10,455	607
Malaysia	MT	6,575	7,006	6,857	8,382	2,241
Vietnam	MT	1,535	4,000	2,944	6,209	292
Portugal	MT	829	1,572	3,308	5,880	0
Singapore	MT	3,964	7,724	3,826	4,053	1,114
Bahrain	MT	2,026	2,920	2,993	3,463	872
Qatar	MT	2,098	3,218	1,768	3,449	1,146
Iraq	MT	0	0	0	2,599	531
Oman	MT	576	548	608	2,345	1,742
France	MT	540	690	771	2,183	27
Germany	MT	5,776	7,310	2,975	2,105	28
Greece	MT	1,146	1,101	1,135	1,639	108

Azerbaijan	MT	629	1,011	147	1,481	87
Ukraine	MT	3,313	2,944	988	1,434	180
Georgia	MT	963	2,970	2,198	1,420	28
Japan	MT	499	375	552	1,235	0
Indonesia	MT	517	51	674	1,097	29
Sweden	MT	277	552	279	1,067	0
Ireland	MT	447	562	451	1,056	77

*Exports up to April 2018.
Source: GTA

Imports

Post estimates that the 2017/18 MY imports of lemons/limes will remain flat due to the available domestic production which sufficiently meets the local demand. Imports are minimal from Spain, Swaziland Brazil.

Table 16: South African Fresh Lemons/Limes Imports

South Africa Import Statistics						
Commodity: 080550, Lemons And Limes, Fresh Or Dried						
Year Ending: December						
Partner Country	**Unit**	**Quantity**				
		2014	**2015**	**2016**	**2017**	**2018***
World	MT	676	422	448	487	336
Spain	MT	399	206	155	181	97
Swaziland	MT	24	34	24	138	150
Brazil	MT	162	138	128	102	25
United Kingdom	MT	0	0	0	34	0
Turkey	MT	29	44	91	29	64
Other Countries NES	MT	4	0	0	3	0
United Arab Emirates	MT	0	0	52	0	0
Angola	MT	5	0	0	0	0
Egypt	MT	1	0	0	0	0
France	MT	0	1	0	0	0
Namibia	MT	30	0	0	0	0
Russia	MT	25	0	0	0	0

*Imports up to April 2018.
Source: GTA

Prices

Export markets provide the highest prices for South African lemons/limes as shown in **Table 17**.

Table 17: Lemons/Limes Prices

MY	Local Market Average Price Rand/ MT	Export Market Gross Price Rand/ MT	Processed Gross Price Rand/ MT
2004/05	1,692	1,476	258
2005/06	1,753	2,478	178
2006/07	2,460	3,238	396
2007/08	3,105	3,961	611
2008/09	3,346	2,120	542
2009/10	3,940	5,329	731
2010/11	3,489	5,426	982
2011/12	4,291	5,426	720
2012/13	5,668	6,994	596
2013/14	6,619	11,058	1,288
2014/15	7,453	12,340	1,378
2015/16	7,697	16,483	1,842
2016/17	7,445	13,289	1,657

Source: CGA

Table 18: PSD Lemons/Limes, Fresh

Lemons/Limes, Fresh	2015/2016		2016/2017		2017/2018	
Market Begin Year	Jan 2016		Jan 2017		Jan 2018	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	9485	9485	11000	11710	11500	12100
Area Harvested	7967	7967	8900	9700	9200	10000
Bearing Trees	5700	5700	6200	6200	6300	6400
Non-Bearing Trees	2000	2000	2000	2100	2100	2200
Total No. Of Trees	7700	7700	8200	8300	8400	8600
Production	308	308	397	430	420	460
Imports	1	1	1	1	1	1
Total Supply	309	309	398	431	421	461
Exports	237	237	300	299	310	320
Fresh Dom. Consumption	16	16	17	17	18	18
For Processing	56	56	81	115	93	123
Total Distribution	309	309	398	431	421	461
(HECTARES) ,(1000 TREES) ,(1000 MT)						

Orange Juice

Production

The production of orange juice is estimated to significantly increase to 30,000 MT in the 2017/18 MY, from 19,367 MT in the 2016/17 MY. This is due to the increase in the quantity of fresh oranges delivered for processing and the higher juice extraction achieved as a result of the better quality of oranges.

Industry coordinated statistics for orange juice are largely unavailable in South Africa. The production, consumption and stock levels represent Posts` forecast based on information derived from various sources, contacts and calculations of extractions from fresh oranges delivered for processing.

Consumption

The domestic consumption of orange juice is estimated to significantly increase to 6,000 MT in the 2017/18 MY, from 4,600 MT in the 2016/17 MY, based on the increase in production and supply availability. The relatively high food price inflation has resulted in restricted growth in the domestic consumption of fresh fruit juices especially the one hundred percent fruit juice, and the shift in demand to orange juice concentrates.

Export

Post estimates that the 2017/18 MY exports of orange juice will increase by 3 percent to 28,500 MT, from 27,742 MT in the 2016/17 MY, based on the available supply, increase in production and the year to date exports up to April 2018. The 2016/17 MY exports of orange juice were revised upwards to 27,742 MT, based on final GTA data. Post adjusted the orange juice export data to the equivalent of 65 Degrees Brix based on the respective conversion factors shown on the export tables below. Degrees Brix represents the strength of the juice based on the sugar content. Thus, 65 Degrees Brix means that the orange juice has at least 65 grams of sucrose per 100 grams of orange juice.

Producers in South Africa prefer to export fresh oranges rather than to sell to processors as export prices are eight times higher than prices achieved from processors. Netherlands, Botswana, Mozambique, Mauritius, Zambia and Zimbabwe are the biggest markets for South African orange juice exports.

Table 19: South African Orange Juice Exports – HS200919

South Africa Export Statistics
Commodity: 200919, Orange Juice, Other Than Frozen, Whether Or Not Sweetened

Year Ending: December						
		Quantity				
Partner Country	Unit	2014	2015	2016	2017	2018*
World	MT	30,419	37,297	30,649	23,722	8,424
Botswana	MT	5,632	7,065	7,228	6,530	3,176
Namibia	MT	1,969	3,208	4,936	4,562	1,454
Swaziland	MT	2,554	3,229	3,464	3,008	1,016
Zimbabwe	MT	3,408	3,516	1,920	2,536	956
Lesotho	MT	1,812	2,512	1,893	1,341	380
Zambia	MT	1,312	1,372	1,014	1,258	242
Mozambique	MT	1,974	2,893	1,320	871	255
Ethiopia	MT	68	1,061	789	665	182
Netherlands	MT	7,768	7,230	3,534	377	326
Malawi	MT	62	91	290	342	122
Italy	MT	330	507	533	196	122
Angola	MT	272	176	83	187	1

*Exports up to April 2018.
Source: GTA and Post adjustments to 65 Degrees Brix (Conversion Factor 1.02).

Table 20: South African Orange Juice Exports – HS200911

South Africa Export Statistics						
Commodity: 200911, Orange Juice, Frozen, Whether Or Not Sweetened						
Year Ending: December						
		Quantity				
Partner Country	Unit	2014	2015	2016	2017	2018*
World	MT	7,176	6,242	3,766	3,496	1,049
Netherlands	MT	4,646	4,669	2,361	2,659	789
Botswana	MT	382	373	553	328	79
India	MT	159	0	126	133	0
Hong Kong	MT	0	0	0	78	0
United Kingdom	MT	0	31	60	70	14
Spain	MT	580	89	68	68	98
United States	MT	171	0	0	51	0
Mauritius	MT	63	38	0	33	0

*Exports up to April 2018.
Source: GTA and Post adjustments to 65 Degrees Brix (Conversion Factor 1.00).

Table 21: South African Orange Juice Exports – HS200912

South Africa Export Statistics
Commodity: 200912, Orange Juice, Not Frozen, Of A Brix Value Not Exceeding 20
Year Ending: December

Partner Country	Unit	Quantity				
		2014	2015	2016	2017	2018
World	MT	1,336	1,662	310	524	2,250
Philippines	MT	55	55	8	57	118
Mozambique	MT	366	214	85	52	179
Mauritius	MT	60	760	20	35	74
United Arab Emirates	MT	61	57	9	34	201
Botswana	MT	27	4	43	28	1
Madagascar	MT	42	36	9	27	30
Taiwan	MT	10	0	16	23	0
Ghana	MT	17	18	1	21	146
Angola	MT	65	19	5	20	37
Congo	MT	114	141	0	19	150
Tanzania	MT	40	28	3	18	46
Ethiopia	MT	2	4	9	12	8
Korea South	MT	36	31	8	12	14
Reunion	MT	38	28	1	12	26
Seychelles	MT	12	14	5	11	43
Singapore	MT	26	29	5	11	43
Netherlands Antilles	MT	30	21	1	10	4

*Exports up to April 2018.
Source: GTA and Post adjustments to 65 Degrees Brix (Conversion Factor 0.18).

Imports

The imports of orange juice is estimated to increase significantly to 5,000 MT in the 2017/18 MY, from 2,693 MT in the 2016/17 MY, based on the anticipated low orange juice supply in South Africa following the previous two seasons' low orange production. Zimbabwe, Brazil and Spain are the main suppliers of orange juice to South Africa. Post also adjusted the orange juice import data to the equivalent of 65 Degrees Brix based on the respective conversion factors shown on the import tables below.

Table 22: South African Orange Juice Imports – HS200919

South Africa Import Statistics
Commodity: 200919, Orange Juice, Other Than Frozen, Whether Or Not Sweetened
Year Ending: December

Partner Country	Unit	Quantity				
		2014	2015	2016	2017	2018*
World	MT	179	1,307	1,043	2,168	288
Zimbabwe	MT	18	706	692	771	0
Brazil	MT	0	0	232	642	203
Spain	MT	0	0	0	450	65
Swaziland	MT	4	2	0	161	0
United Arab Emirates	MT	1	428	47	0	0
Pakistan	MT	0	28	5	29	4
Botswana	MT	0	0	4	19	1
Mexico	MT	0	0	0	17	0
Portugal	MT	27	18	22	14	5
Other Countries	MT	128	119	40	63	10

*Imports up to April 2018.
Source: GTA and Post adjustments to 65 Degrees Brix (Conversion Factor 1.02).

Table 23: South African Orange Juice Imports – HS200911

South Africa Import Statistics						
Commodity: 200911, Orange Juice, Frozen, Whether Or Not Sweetened						
Year Ending: December						
Partner Country	Unit	Quantity				
		2014	2015	2016	2017	2018*
World	MT	0	0	51	514	0
Argentina	MT	0	0	0	422	0
Brazil	MT	0	0	51	73	0
Israel	MT	0	0	0	19	0

*Imports up to April 2018.
Source: GTA and Post adjustments to 65 Degrees Brix (Conversion Factor 1.00).

Table 24: South African Orange Juice Imports – HS200912

South Africa Import Statistics						
Commodity: 200912, Orange Juice, Not Frozen, Of A Brix Value Not Exceeding 20						
Year Ending: December						
Partner Country	Unit	Quantity				
		2014	2015	2016	2017	2018*

World	MT	0	0	5	11	3
Other Countries NES	MT	0	0	0	11	0
Vietnam	MT	0	0	0	0	3
Zimbabwe	MT	0	0	5	0	0

*Imports up to April 2018.

Source: GTA and Post adjustments to 65 Degrees Brix (Conversion Factor 0.18).

Table 25: PSD Orange Juice

Orange Juice	2015/2016		2016/2017		2017/2018	
Market Begin Year	Dec 2016		Dec 2017		Dec 2018	
South Africa	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	142000	142000	161000	123000	185000	188000
Beginning Stocks	29003	29003	8679	10539	3179	257
Production	19317	21177	22000	19367	26000	30000
Imports	1101	1101	2700	2693	5000	5000
Total Supply	49421	51281	33379	32599	34179	35257
Exports	34742	34742	24000	27742	25500	28500
Domestic Consumption	6000	6000	6200	4600	6400	6000
Ending Stocks	8679	10539	3179	257	2279	757
Total Distribution	49421	51281	33379	32599	34179	35257
(MT)						

Policies and Regulations:

United States Cold Sterilization Protocol

The Western Cape Province is the only growing region in South Africa authorized to export citrus to the United States under the cold treatment schedule to address False Codling Moth (FCM). The United States Animal Plant Health Inspection Service (APHIS) has reduced the cold treatment schedule from 24 to 22 days, which has been hugely beneficial to South Africa in terms of reducing shipping costs and in reducing fruit loss from cold damage. Exports to the United States are through the ports of Newark, Philadelphia, Houston and New Orleans.

South African Citrus Exports from Citrus Black Spot (CBS) Areas to the United States

Currently, South Africa can only export citrus to the United States from official CBS free areas. The CBS free areas are found in the Western Cape and Northern Cape, as well as relevant districts of the Free State and North West Provinces. On August, 28, 2014, APHIS issued a notice proposing to amend the fruits and vegetables regulations to allow the import of several varieties of fresh citrus fruit, as well as Citrus hybrids, into the United States from areas in the Republic of South Africa where citrus black spot has been known to occur. The regulation would authorize imports on condition of satisfying certain systems and SPS treatment procedures. This proposal can be found on the following link; http://www.regulations.gov/#!documentDetail;D=APHIS-2014-0015-0001. The deadline for submitting comments closed on October, 27, 2014. The final regulation is still to be finalized.

Citrus Black Spot Challenges in the European Union Market

South Africa still faces challenges in the European Union (EU) market as a result of the stringent CBS requirements, and normally voluntarily suspends citrus exports to the EU every season to avoid any further interceptions of fruit with CBS. For example, in October 2017, South Africa voluntarily suspended citrus exports to the EU, as a precaution and risk mitigation measure to prevent a ban on citrus exports to the EU. Complying with the EU requirements for CBS costs the industry a lot of money, constrains the already limited government capacity and the scientific basis for these measures have been questioned. In addition, Argentina and Uruguay are reported to have higher CBS interceptions than South Africa. Thus South Africa considers these EU measures an unnecessary technical trade barrier. Industry estimates that the cost of complying with the EU CBS requirements is around R1 Billion (US$77 Million) and may not be sustainable in the long run.

South Africa Fresh Produce Importers Association

The Fresh Produce Importers Association assists members with the importation of fresh fruit and vegetables in South Africa. Information on their members, contact details and services they provide can be obtained from the following website link, http://www.fpia.co.za/contact-us/ .

Custom Duties

United States citrus exports face a 4 percent customs duty in South Africa. **Table 26** reflects the applicable custom duties when exporting citrus to South Africa

Table 26: Custom Duties Applicable to Exports to South Africa

HS Code	**Article description**	**Unit**	**Rate of Duty**				
			General	**EU**	**EFTA**	**SADC**	**MERCOSUR**
08.05	**Citrus fruit, fresh or dried:**						
0805.10	**Oranges**						
0805.10.10	Fresh	kg	4%	free	4%	free	4%
0805.10.90	Other	kg	4%	free	4%	free	4%
0805.2	**Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids:**						
0805.21	**Mandarins (including tangerines and satsumas)**						
0805.21.10	Fresh	kg	4%	free	4%	free	4%
0805.21.90	Other	kg	4%	free	4%	free	4%
0805.22	**Clementines:**						
0805.22.10	Fresh	kg	4%	free	4%	free	4%
0805.22.90	Other	kg	4%	free	4%	free	4%
0805.29	**Other:**						
0805.29.10	Fresh	kg	4%	free	4%	free	4%
0805.29.90	Other	kg	4%	free	4%	free	4%
0805.40	**Grapefruit, including pomelos:**						
0805.40.10	Fresh	kg	4%	free	4%	free	4%
0805.40.90	Other	kg	4%	free	4%	free	4%
0805.50	**Lemons (CitrusLimon, Citrus Limonium) and limes (Citrus aurantifolia, Citrus latifolia):**						
0805.50.10	Fresh	kg	4%	free	4%	free	4%
0805.50.90	Other	kg	4%	free	4%	free	4%
0805.90	**Other:**						
0805.90.10	Fresh	kg	4%	free	4%	free	4%
0805.90.90	Other	kg	4%	free	4%	free	4%
2009.1	**Orange juice**						
2009.11	Frozen	kg	25%	free	25%	free	25%
2009.12	Not frozen, of Brix value not exceeding 20	kg	25%	free	25%	free	25%
2009.19	Other	kg	25%	free	25%	free	25%

Source: South African Revenue Services (SARS)

South African Import Regulation

The following links provide useful resources and regulations pertaining to importing fruit into South Africa:

Export Procedures to South Africa
http://www.nda.agric.za/doaDev/sideMenu/plantHealth/docs/importProcedure.pdf.

Maximum Residue Limits
http://www.nda.agric.za/doaDev/sideMenu/foodSafety/doc/South%20African%20Citrus%20MRLs%202013.pdf

Agriculture Product Standards Act No 119 of 1990
http://www.nda.agric.za/doaDev/sideMenu/Food%20Import%20&%20Export%20Standard/docs/Agric%20Product%20Standards%20Act%20No%20119%20%20of%201990.pdf

Agricultural Pests Amendment Act, 9 of 1992
http://www.nda.agric.za/doaDev/sideMenu/APIS/doc/Agricultural%20Pests%20Act.pdf