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SOUTH AFRICAN FRUIT TRADE FLOW

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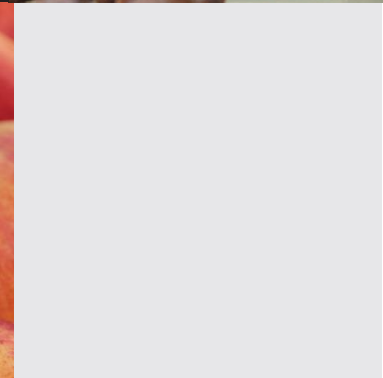
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Issue No. 54: June 2024



Beautiful country, beautiful fruit

Compiled by Thabile Nkunjana, Solly Molepo, Matume Maila, Lesedi Mokoena, Bhekani Zondo, Vusimusi Sithole, and Maremo Mphahlele

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1. Background

South Africa's unique temperature and weather patterns allow it to develop and produce a diverse assortment of fruits, vegetables, flowers, and nuts for both domestic and international markets. In the worldwide fruit sector, the country is well-known for producing and exporting citrus, deciduous, and subtropical fruits. The current edition of the South African Fruit Trade Flow Report focuses on citrus items such as oranges, lemons and limes, grapefruit, and mandarins. To assess the export and production performance of these fruits in recent growing seasons, as well as the factors that contribute to South Africa's reputation as a trustworthy supplier to both domestic and international markets, the report employs a trend analysis research approach.

2. A 10-year analysis of South Africa's citrus trade

By Thabile Nkunjana

Global

Citrus was the 279th most traded product in the world in 2022, with a total trade value of R242.9 billion (US\$15 billion) (ITC, 2024). Citrus fruits include grapefruit, oranges, lemons, and mandarins; South Africa is one of the world's leading exporters of these fruits. The value (Rand) trends of citrus exports worldwide from 2012 to 2022 are shown in **Figure 1**. Based mostly on trade map data, citrus exports have expanded by 147% during this time, with South Africa, Egypt, Spain, Morocco, Australia, and the Netherlands being the main drivers. Citrus exports worldwide increased by a near 0.4% between 2021 and 2022, from R242.0 billion to R242.9 billion (ITC, 2024). Spain leads the world in terms of value, with exports of R60.4 billion and a market share of 25% in 2022. South Africa is next with 12%, China with 7%, Turkey with 6%, and the United States with 6%.

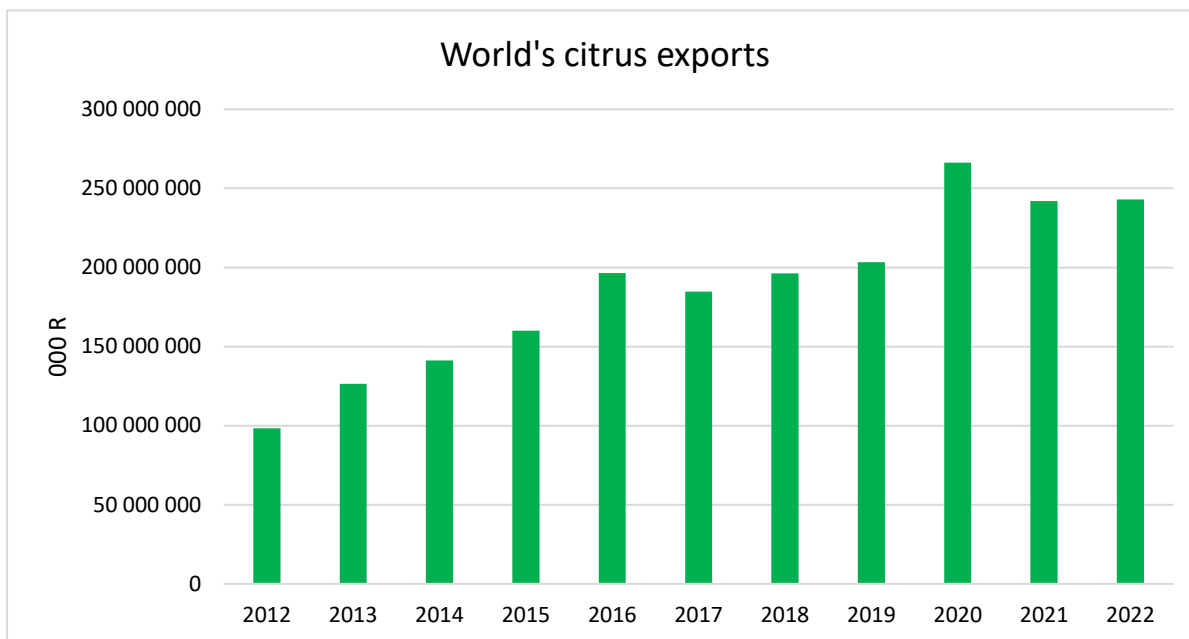


Figure 1: Global citrus exports trends

Source: ITC, 2024

Domestic

Over the past ten years, South Africa's citrus production area has expanded steadily due to continued investments in the comparatively high returns from export markets. Consequently, citrus exports from South Africa reached a record R33.9 billion (US\$1.8 billion) in the marketing year 2023, up from R28.3 billion in 2022 a 20% rise. Despite the issues the citrus industry faces, particularly those related to the market, the demand to boost production is expected to lessen due to new phytosanitary restrictions imposed by the European Union (EU). This can have a detrimental effect on the industry's profitability, which has been increased over time by exports.

Figure 2 shows the value-wise trend of South Africa's citrus exports to various regions globally from 2013 to 2023. The EU-28 is South Africa's top trading partner, accounting for R14.8 billion in exports in 2023 or 44% of all citrus exports as the data illustrates. Asia and Middle East R11.3 billion (33%) came second, followed by the Americas R4.1 billion (12%), and Africa R817.5 million (2%). With exports worth R11.4 million, the highest amount throughout the observation period, Oceania accounted for the smallest portion of South Africa's citrus exports in 2023 (ITC, 2024).

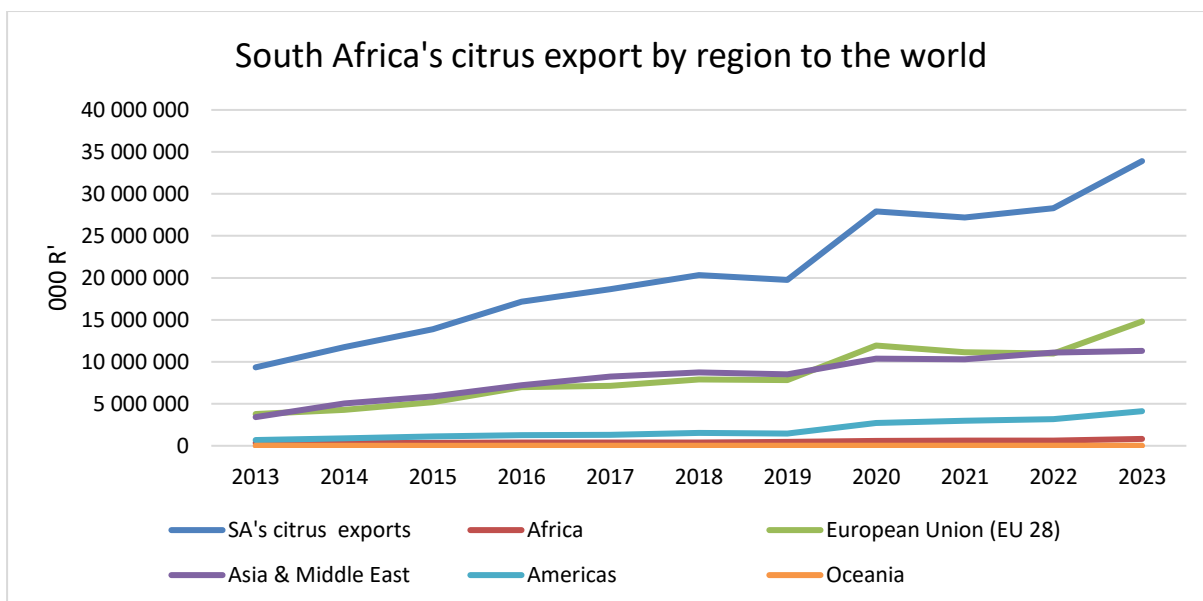


Figure 2: South Africa's citrus exports trend to the world between 2013 and 2023.
Source: ITC, 2024

The European Union (EU-28)

Citrus exports were valued at R7.7 billion (52%) of the R14.8 billion in citrus exports by South Africa to the EU-28 in 2023, the Netherlands was the top market. The United Kingdom (UK), with R2.9 billion (20%), Portugal, with R1.4 billion (9%), Italy, with R910.9 million (6%), and Spain, with R521.6 million (4%), trailed the Netherlands. Greece, Germany, Ireland, and France are a few other noteworthy markets.

Asia-Middle East

Asia and Middle East are rapidly becoming South Africa's key market. In recent times, several bilateral trade agreements have been signed for various agricultural products. Citrus exports to Asia-Middle East region have increased by 231% between 2013 and 2023, from R2.7 billion to R11.3 billion. In 2023, the top markets are the United Arab Emirates (UAE) (28%), China (17%), Hong Kong, China (9%), Saudi Arabia (9%), and Malaysia (7%).

Americas

Despite the political uncertainty in South Africa and the United States, the Americas as a market is increasingly becoming an important market for South African citrus. The United States accounted for 59% of the R4.1 billion in exports to the Americas, followed by Canada (40%). Colombia, Brazil, and Argentina had minor shares.

Africa

Although Africa is South Africa's largest market for all agricultural products exports, it remains a minor market for fruit in share, especially citrus, though it has increased noticeably at the lower end. South Africa's citrus exports to Africa increased by at least

124% throughout the assessment period, from R292.7 million to R817.5 million. There was a 28% year on year increase between 2022 and 2023.

Oceania

As previously stated, South Africa's citrus exports in 2023 totalled only R11.4 million to the Oceania region. Papua New Guinea accounted for 60% of that market share, with exports valued at R6.8 million in 2023, followed by Fiji at R2.1 million (19%), Nauru at R1.7 million (15%), and Australia at R774 thousand (7%).

Conclusion

As previously stated, production has driven South Africa's citrus exports growth. According to data from the Citrus Growers Association (CGA), this has positively impacted export revenues. However, market restrictions from the EU are proving to be a barrier over time. Furthermore, infrastructure inefficiencies, as well as rising transportation prices in recent years to 2024, are posing a challenge to South Africa's citrus exports, considering the industry's recent production volumes. The industry predicts a rise in exports in 2024. The problems described above are likely to play a role in the industry seeing this increase in exports. South Africa's citrus exports are doing well in the United States thanks to the AGOA. This includes Asia and the Middle East, particularly considering the EU market's recent market issues for South Africa.

3. South African orange performance is resilient amidst numerous challenges

By Solly Molepo

Introduction

The world production of orange for 2023/24 is expected to rise slightly to 48.8 million tons as lower production in Brazil and the European Union is offset by larger crops in Argentina, the United States of America and Turkey. Globally, consumption and exports are increasing due to higher production. However, 2023/24 forecast for South Africa is flat at 1.6 million tons, while improving fruit quality is projected to increase demand for exports. South Africa export oranges to more than 80 countries around the globe, but the European Union is estimated to remain the top market with approximately 30 % market share (USDA, 2024a).

Figure 3 highlights South Africa's orange production quantities in metric tons and gross value of production in millions of South African rands. It shows that volumes of oranges produced was increasing over the past ten years. The gross value of production increased by 89 % as from 2013/14 to 2022/23, while production volumes increased by 1.12 % as from 2013/14 to 2022/23 seasons. The gross value of production has been increasing as from 2013/14 to 2018/19 but started to fluctuate immediately afterwards until 2022/23. The increase was driven primarily by export volumes, production quantities and weakening of the South African Rand against

major currencies of trading partners. Despite the stringent phytosanitary requirements in European markets, oranges are leading other fruits in terms of gross value of R12.04 billion, followed by apples with R11.78 billion and table grapes with R11.81 billion.

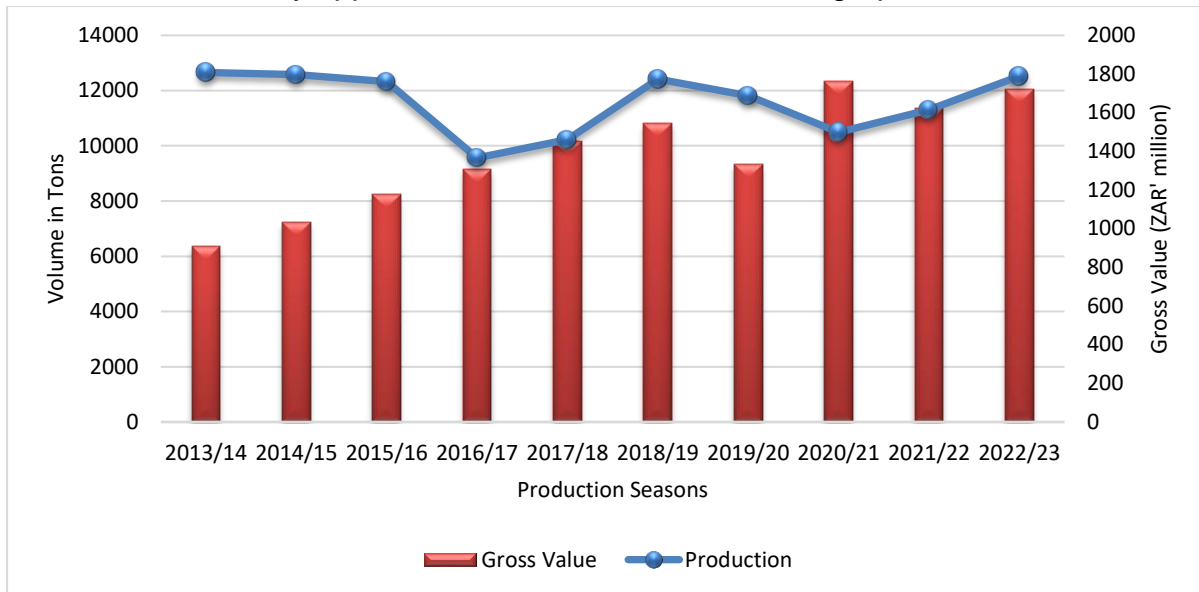


Figure 3: South African orange volumes in tonnes and gross value of production
Source: DALRRD, 2024

Figure 4 below shows the distribution channels of local orange from 2018/19 to 2022/23 production seasons. The information as depicted by **Figure 4** indicates that for the period under review, exports are dominating channel which constitutes over 64 % of the total domestic production of oranges. The second largest marketing channel is processing with a share of 23% and least marketing channel is the National Fresh Produce Markets (NFPM) with a share of 6 %. Despite exports being the major marketing channel for South African oranges, they have suffered a decline of 1.9% between 2021/22 and 2022/23 production seasons. However, both processing and NFPM sales realised an increase during the same period of 61% and 23%, respectively.

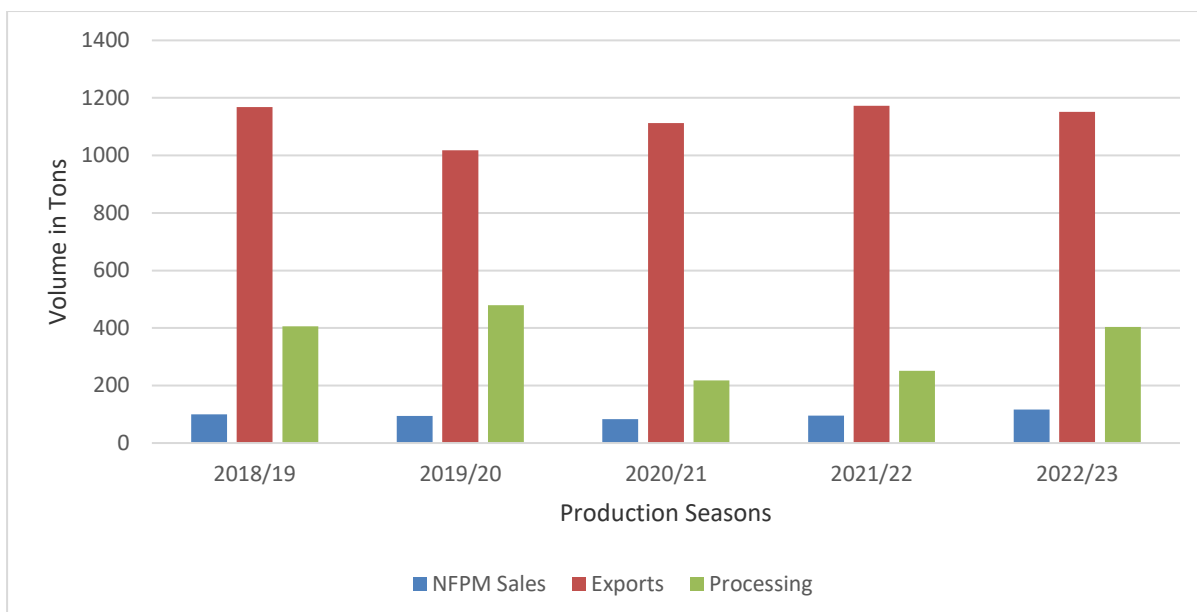


Figure 4: Distribution channels of orange in South Africa between 2018/19 to 2022/23

Source: DALRRD, 2024

Table 1 shows exports destination and imports origin for South Africa's oranges with growth rates between 2022 to 2023. It is evident that the South African exports of orange to its top five destination markets increased (with 34% for Netherlands; 63% for United Arab Emirates; 38% for United States of America and 19% for Russia), except for China which decreased by 11%. Furthermore, the top five imports origin consists of Eswatini, Spain, Turkiye, Zimbabwe and Namibia. The imports from Eswatini increased by 46%, while imports from Spain decreased by 31% for the period under review.

Table 1: South Africa's Orange export markets and imports' origin

Export Markets	2022	2023	Growth rates	Import Origin	2022	2023	Growth rates
	R 1 million				R' 000		
Netherlands	2 274	3 042	34	Eswatini	4 569	6 691	46
UAE	998	1626	63	Spain	7796	5382	-31
USA	839	1162	38	Turkiye		258	
Russian	861	1025	19	Zimbabwe		92	
China	1131	1009	-11	Namibia		18	

Source: Trade Map, 2024

Conclusion

Over the years, the European Union has always been a major export market for oranges originating from South Africa. The EU accounts for 32% of the South African orange exports, 24% of oranges are destined to Asian market, Middle East accounts for 21%, North America accounts for 9%, Russia accounts for 7%, while United

Kingdom is responsible for 6% and 1% is for other markets (CGA, 2022). Therefore, South Africa remains the net exporter of oranges and biggest player in the Southern Hemisphere. However, South African industry is subjected to stringent phytosanitary measures regarding the Citrus Black Spot (CBS) and False Coddling Moth (FCM), particularly in the European Union. The industry working in partnership with government and other role players need to open alternative markets, while engaging on research to breed cultivars resistant to diseases and pests. Furthermore, the industry and government should continue to engage with EU counterparts and World Trade Organisation (WTO) to find an amicable solution regarding planning, implementation and enforcement of regulations which will enable continuous access to the EU markets.

4. South Africa's lemon/lime exports continue to expand

By Matume Maila & Lesedi Mokoena

Introduction

South Africa's agricultural economy is extensive and growing rapidly, including lemon production. Lemon production in South Africa contributes significantly to the country's economy and plays an important part in global lemon markets. Certain parts of South Africa have a suitable climatic and soil characteristic, making them excellent for lemon advancement. In recent years, the demand for South African lemons has been increasing in international markets due to their exceptional quality and taste. This has resulted in increased industrial investment and the use of new agriculture practices to improve output efficiency. This review will provide an overview of South Africa's lemon exports by markets and its contribution to food security and jobs creation.

The area planted with lemons

Figure 5 shows the areas planted with Lemons. The Eastern Cape province, which accounts for 40% of the overall cultivated area, is the main planting area for both lemons/limes in South Africa; followed by Limpopo and Western Cape with 33% and 13% respectively. Eureka is the most prominent lemon cultivar produced in South Africa, accounting for 75% of total area. It is preceded by Lisbon 8%, and 2PH Seedless 6% (CGA, 2024). Due to increased demand and rising global prices, South Africa's lemon and lime plantation area increased by more than double in the past 7 years. A decline in new plantations is anticipated to be indicated by the 4% projected drop in the area planted with lemons and limes in 2023/24.

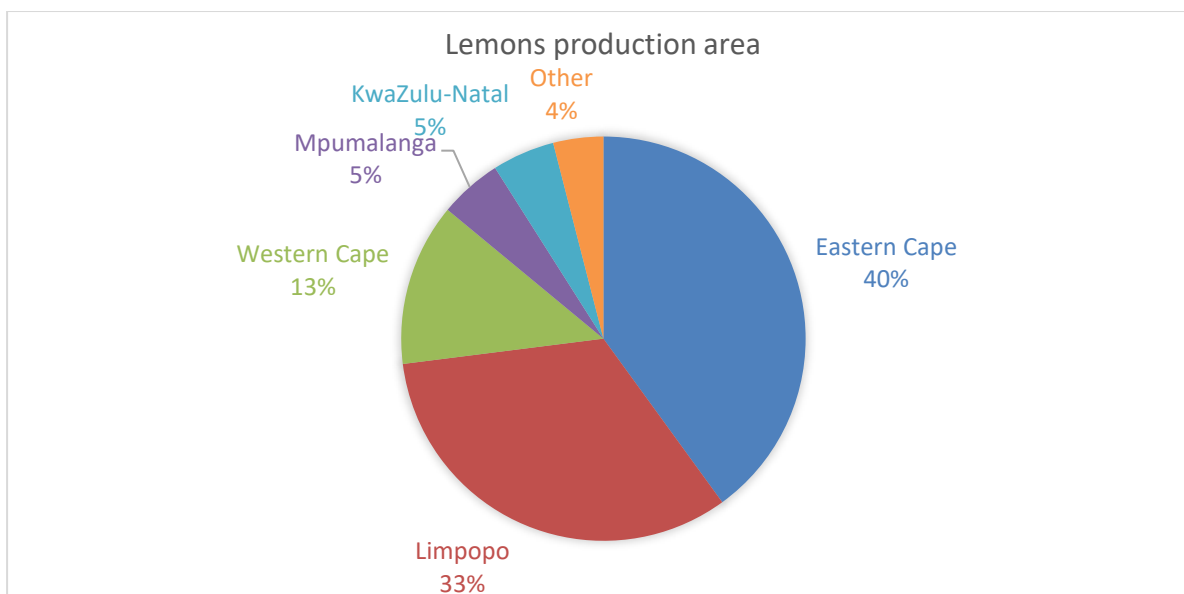


Figure 5: Lemon Production Area

Source: CGA 2024

Lemon Prices

Table 2 shows the historical price trends of lemon from 2014 to 2024. The year-on-year comparison shows that there was 15% increase in the average export price of lemon in 2022/2023, while the processed average price showed a sharp decrease of 53% in the same period. according to **Table 2**, there was an increase (20%) in the gross value of lemon in South Africa. Furthermore, the sale on the 20 major fresh produce markets in South Africa, depict that the average market price of lemons increased by 10% per ton on a year-on-year basis. The increase in the average market price of lemons can be attributed to the adoption and implementation of innovative and technological practices leading to yield gain.

Table 2: Historical Price Trends

Year	Sales on Markets* Average Price R/Ton	Processed Average Price R/Ton	Exports Average Price R/Ton	Gross Value (R'000)
2014	6619	988	11059	2461807
2015	7453	1378	12340	3121078
2016	8271	1842	16483	4080107
2017	7474	1646	13277	4230831
2018	6697	1463	11151	3738265
2019	6494	2301	11710	4407937
2020	5804	770	13570	4791332
2021	5695	568	10359	5120585
2022	5061	307	10508	5560380
2023	5573	145	12104	6676347

*Sales on the 20 major fresh produce markets

Source: CGA 2024

Exports

Figure 6 shows the major export destinations of lemons in 2023. It can be observed that Europe and Middle East are the major export destinations, importing 40% and 28% of Lemons from South Africa, respectively. United Kingdom, Russia and South East Asia, only received 8% of the lemon exported by South Africa, while Asia and other African countries receive a least amount of lemon. South African lemon/lime exports are estimated to rise by 12% to a record high of 640 000 tons in 2023/24 driven by a predicted rise in the cultivation of exportable fruit (Citrus industry, 2024).



Figure 7: Major Export Destination 2023

Source: Agri-Hub; CGA

Conclusion

The South African lemon industry has grown extensively in recent years, owing to substantial demand from both domestic and foreign markets. The adoption and application of innovative farming practices and the utilization of contemporary technology by lemon/lime farmers have helped the country's lemon industry thrive. As a result, South Africa has emerged as a major supplier of lemons, serving the demands of consumers globally. With its sustained development pattern and ongoing dedication to organic products, the South African lemon sector is prepared for sustained growth and expansion, but reliable market must be maintained while production expands.

5. Exploring South Africa's citrus industry performance in 2023/24 season: focusing on mandarins and grapefruit

By Bhekani Zondo, Vusimusi Sithole, & Maremo Mphahlele

The South African citrus industry is largely export driven, exporting about 69% of its citrus to the rest of the world while 25% is processed and 6% consumed domestically (CGA, 2023). Although this is crucial for generating foreign earnings and encouraging investments in the sector, it makes the sector more susceptible to global shocks such as the rising protectionism through non-tariff measures. Oranges (Valencia/midseason) are the leading exportable citrus product by South Africa, followed by lemons (22%), mandarins (20%), navel oranges (17%), and grapefruits accounting for only 10% of exports. In addition, most of South Africa's citrus is destined for Europe (33%), followed by Middle East (19%), South-East Asia (13%), and United Kingdom and North America (9%), among others (CGA, 2023). Despite the African continent accounting for most of South Africa's agricultural exports, in terms of citrus exports the continent only accounts for 2% of South Africa's exports. The aim of this article is to explore South Africa's mandarins and grapefruits exports performance for the 2022/23 and forecasted 2023/24 season.

Domestic and global production performance of mandarins and grapefruit in the 2022/23 and 2023/24* seasons

In South Africa citrus production spans over 99 697 hectares (ha) with mandarins accounting for about 27% (26 760 ha) while grapefruits account for only 9% (8 837 ha) of the area planted of citrus. **Table 3** below illustrates domestic and global production of performance of mandarins and grapefruits in the 2022/23 and 2023/24 (forecasted) seasons. South Africa's production of mandarins is forecast to increase by 4% from 710 000 tons to 740 000 tons in the current year 2023/24 compared to the previous year.

Table 3: Domestic and global production performance of mandarins and grapefruit in the 2022/23 and 2023/24* seasons.

Marketing Year	Mandarins Production (In 1000 Tons)		Grapefruit Production (In 1000 Tons)	
	South Africa	Global	South Africa	Global
2022/23	710	36 826	420	6 834
Jan 2023/24*	740	37 977	400	6 914

Source: USDA (2024b)

NB: Jan 2023/24*- estimates as of January 2023 of the 2022/23 season

In contrast, grapefruit production is forecast to decrease by 5% from 420 000 tons in 2022/23 season to 400 000 tons in the 2023/24 season. On the other hand, the

production of both mandarins and grapefruits globally is forecast to increase marginally by 3% and 1%, respectively. Global production of mandarins is forecasted at 36.8 million tons while grapefruit production is forecasted at 6.8 million tons. The increase in global production of mandarins is attributed to higher yields due to favourable climatic conditions in major producers such as China and Turkey. In addition, high production of grapefruits in China is forecast to offset decreased production in South Africa, hence, forecasted global increase.

Export performance of South Africa’s mandarins and grapefruits in the 2022/23 and 2023/24 season

Figure 8 presents South Africa’s mandarins and grapefruit export in quantities for seasons 2022/23 and 2023/24 (January). Both South Africa’s mandarins and grapefruits exports are expected to perform exceptionally, increasing by 5% and 6%, respectively. In the 2022/23 marketing year about 600 000 tons were forecast to be exported and this is expected to grow to 630 000 tons in the current year. On the other hand, exports of grapefruits will grow from 218 000 tons to 230 000 tons in the current year. Although, the production of grapefruits is forecast to decrease, exports are expected to increase mainly because of a reduction in processing and improved port operations in the Port of Durban during the commencement of the export season.

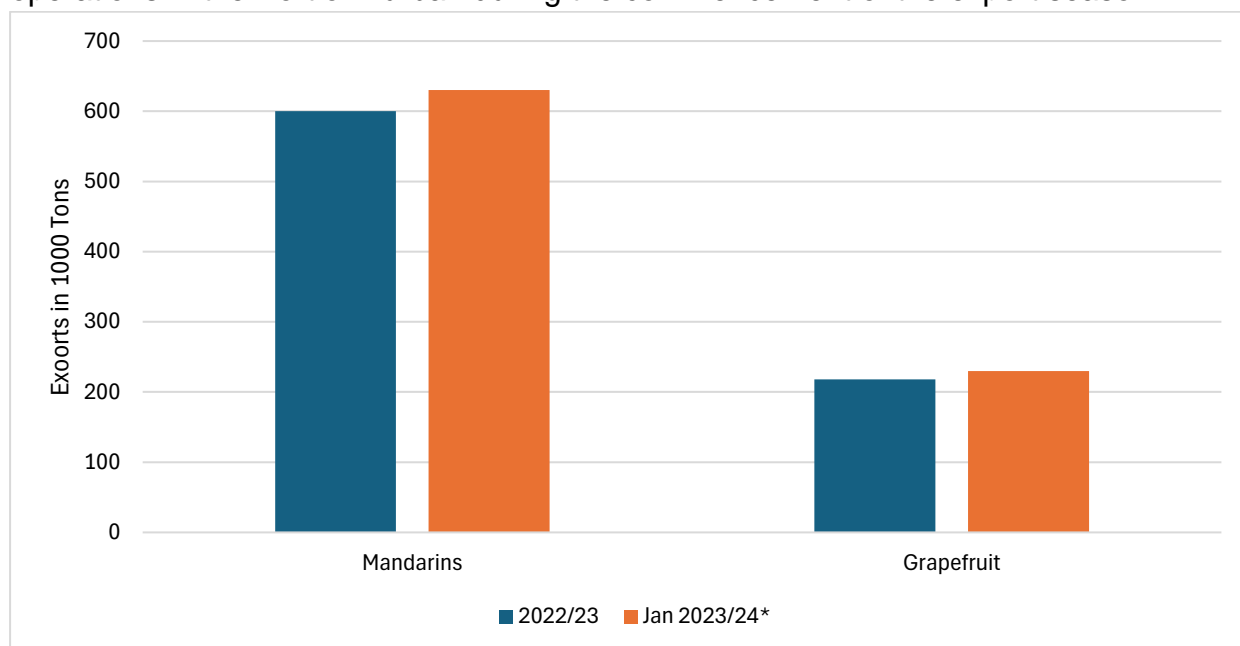


Figure 8: South Africa’s exports of mandarins and grapefruits in the 2022/23 and 2023/24

Source: USDA (2024b)

Table 4 below presents South Africa’s actual grapefruits and mandarins that were packed and shipped for export as of week 21 of the 2022/23 season compared to current 2023/24 season. As of the end of week 21 of the current season, grapefruits packaged and shipped for exports were at 6.1 million cartoons compared to 6.7 million cartoons in the previous season. This equates to a 9% decline in grapefruit exports,

while exports of mandarins increased by 7% compared to the same period last year. In the 2023/24 season, mandarins packed and shipped for exports as of week 21 were estimated at 6.3 million cartons compared to 5.9 million cartons in the previous year.

Table 4: Exports of grapefruits and mandarins shipped as of Week 21 of the 2023/24 season.

End of Week 21	Citrus Shipped for Exports (in Million 15 Kg Cartoons)	
	2023	2024
Grapefruit	6.7	6.1
Mandarins	5.9	6.3

Source: CGA (2024)

Conclusion

South Africa's citrus industry remains a vital contributor to the country's economy, driven predominantly by exports. Despite global challenges such as rising protectionism, the industry continues to thrive, particularly in the production and export of mandarins and grapefruits. The 2023/24 season forecasts an increase in mandarin production, while grapefruit production is expected to decline. Nonetheless, exports are anticipated to grow, with mandarins and grapefruits seeing increases of 5% and 6% respectively. This growth in exports is facilitated by improved operational efficiencies at key ports. The global production trends also show slight increases, primarily driven by favorable conditions in major citrus-producing countries. As such, the South African citrus industry continues to adapt and expand its footprint in the global market, underscoring its resilience and strategic importance.

5. References

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- USDA, 2023c. Citrus Annual. SF2023-0047


6. Useful Links

Agrihub	<u>www.agrihub.co.za</u>
Bureau for Food and Agricultural Policy (BFAP)	<u>www.bfap.co.za</u>
Citrus Growers' Association (CGA)	<u>www.cga.co.za</u>
Department of Agriculture, Forestry and Fisheries (DAFF)	<u>www.daff.gov.za</u>
Food and Agriculture Organisation (FAO)	<u>www.fao.org/docrep</u>
Fresh Produce Exporters' Forum (FPEF)	<u>www.fpef.co.za</u>
Hortgro Services	<u>www.hortgro.co.za</u>
National Agricultural Marketing Council (NAMC)	<u>www.namc.co.za</u>
Perishable Products Export Control Board (PPECB)	<u>www.ppecb.com</u>
Quantec Easy Data	<u>www.quantec.co.za</u>
South African Subtropical Growers' Association (Subtrops)	<u>www.subtrop.co.za</u>
South African Table Grape Industry (SATGI)	<u>www.satgi.co.za</u>



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