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South Africa - Republic of

Citrus Annual

South Africa Citrus Annual Report

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Report Highlights:
The South African 2014/15 MY (Marketing Year) citrus exports are forecasted to decrease based on the uncertainty in the EU market. South African citrus exports to the United States continue to increase and are expected to surpass 50,000 MT in the 2014/15 MY at the back of support from the United States through a pilot program of reducing the cold treatment schedule to 22 days, and in future through the amendment to the regulation proposed by APHIS to permit CBS areas to export to the United States is passed.

Executive Summary

Post forecasts that the 2014/15 MY grapefruit production in South Africa will increase by six percent to 400,000 MT as a result of the annual cyclical fluctuations of grapefruit production. The production of oranges and lemons is forecasted to decrease to 1,600 million MT (- 1%) and 270,000 MT (-6%), respectively in the 2014/15 MY as weather conditions return to normal following the exceptionally good weather conditions in 2014. Post forecasts that the 2014/15 MY production of tangerines/mandarins in South Africa will remain flat at 190,000 MT based on normal weather conditions.

South Africa voluntarily suspended citrus exports to the European Union on September, 8, 2014. The voluntary suspension excluded soft citrus and citrus produced in Citrus Black Spot (CBS) free areas. While post contacts have indicated that exports will resume in 2015, Post forecasts that uncertainty in the EU market will result in decreases in the 2014/15 MY exports of lemons/limes (-11%), oranges (-6%) and grapefruit (-4%) while tangerines/mandarins exports will remain flat. South African exports of fresh citrus to the United States is forecasted to continue growing as South Africa seeks to diversify its exports as well as the support being provided by the United States under the cold sterilization program and the proposed regulation that could allow CBS areas in South Africa to export to the United States.

Post forecasts that the 2014/15 MY imports of fresh citrus will remain flat based on a static domestic consumption and sufficient domestic production to supply the local market. Domestic consumption is forecasted to also remain flat based on the low economic growth forecast of the South African economy and the financial pressure faced by consumers.

Post forecasts that the 2014/15 MY production of orange juice will increase by seventeen percent to 40,803 MT as more fresh oranges are diverted for processing. The 2014/15 MY exports of orange juice by South Africa is also forecasted to increase by seventeen percent to 36,000 MT, based on the increase in production, and the drive by industry to obtain higher export prices at the back of a weakening rand exchange rate.

Key Sources

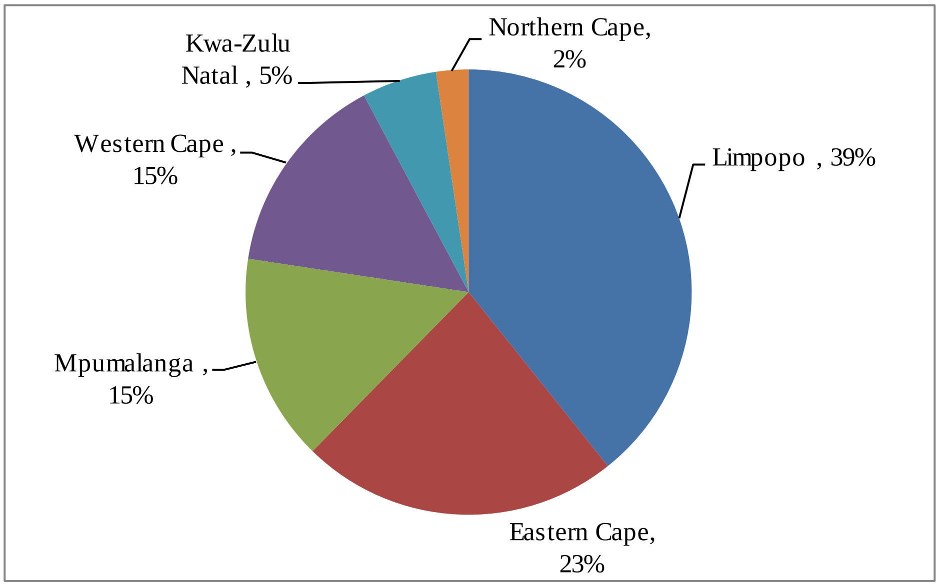
Name of source	Website
Citrus Growers Association (CGA)	www.cga.co.ca
South African Department of Agriculture, Forestry and Fisheries (DAFF)	www.daff.gov.za
National Agricultural Marketing Council (NAMC)	www.namc.co.za
Fresh fruit portal	www.freshfruitportal.com
Global Trade Atlas	http://www.gtis.com/gta/usda/
Perishable Products Export Control Board (PPECB)	www.ppecb.com
Selected Citrus Processors	

Exchange rate
Rand/US$ Exchange = 11.5

Background

In the 2012/13 MY, approximately 63,060 hectares (Ha) was planted to citrus in South Africa. The Limpopo, Western Cape, Mpumalanga, Eastern Cape, KwaZulu-Natal and Northern Cape provinces are the main citrus growing regions in South Africa. **Figure 1** below shows that Limpopo has the largest area planted, followed by Eastern Cape, Mpumalanga and Western Cape. The Western Cape and Eastern have a cooler climate which is suited for the production of the navel oranges, lemons and easy peelers such as clementines and satsumas. The Mpumalanga, Limpopo and KwaZulu-Natal Provinces have a warmer climate which is better suited to the cultivation of grapefruit and Valencia oranges.

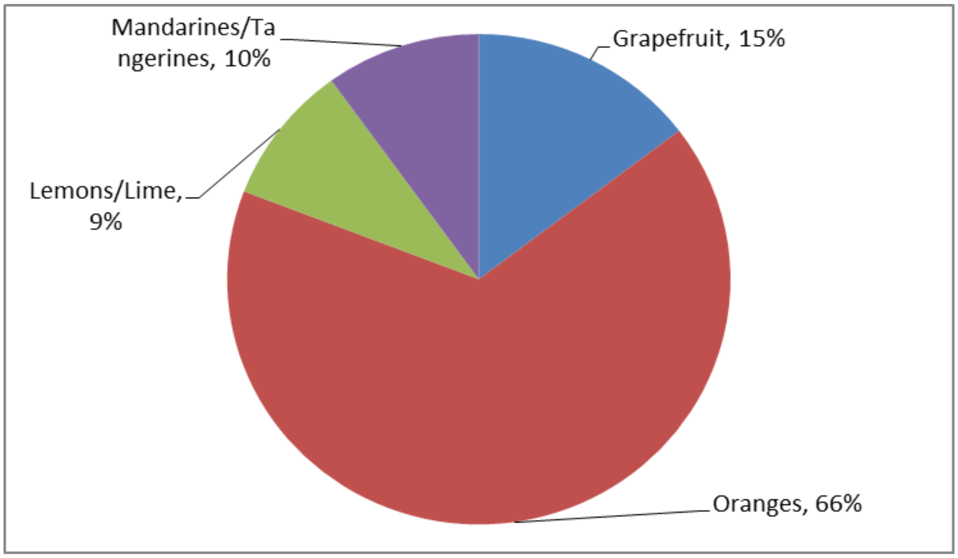
Figure 1: Citrus Production Regions



Source: Citrus Growers Association (CGA)

Figure 2 shows that oranges are the biggest citrus type produced in South Africa and accounted for 66 percent of the total citrus area planted in the 2013 MY.

Figure 2: Distribution of Citrus Production



Source: CGA

Table 1: 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

There are approximately 210 commercial varieties being planted in South Africa. **Table 2** shows the most common citrus varieties planted in South Africa. Star Ruby is the most planted grapefruit variety due to its high global demand. Producers prefer Valencia oranges over Navels as Valencia's have a longer shelf life and produce more yields than Navels. Nardocott is one of the most popular soft citrus cultivars in South Africa, however, there is growing interest in the Tango cultivar, which is seedless and is still waiting to be granted its Plant Breeders Rights.

Table 2: 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 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

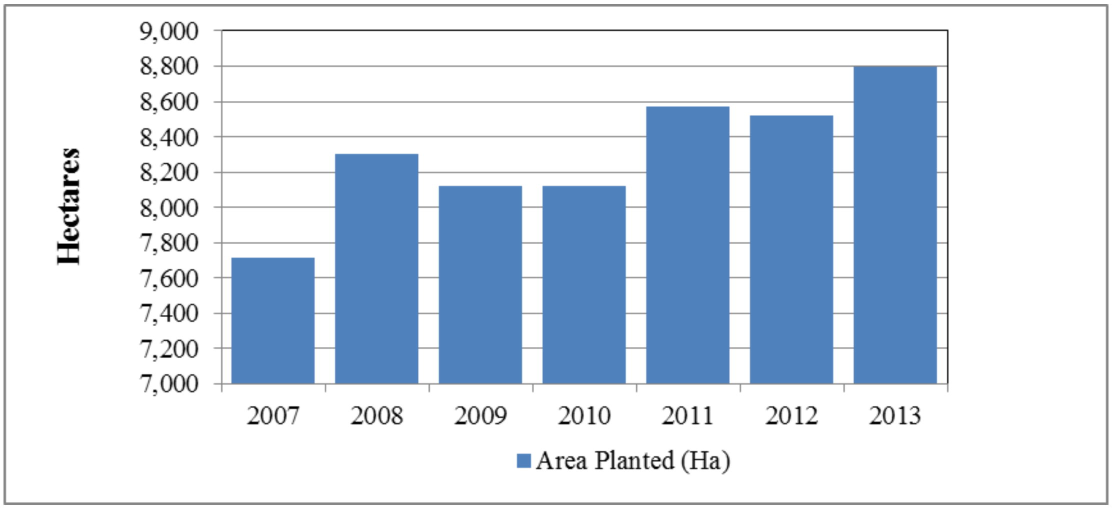
Commodities
Grapefruit, Fresh

Production

Post forecasts that the 2014/15 MY grapefruit production in South Africa will increase by six percent to 400,000 MT as a result of the annual cyclical fluctuations of grapefruit production where a low production season is usually followed by a high production season. The 2013/14 MY production was a low production season. Grapefruit producers usually switch production to lemons or vice versa, depending on the expected prices and production cycle.

The 2013/14 MY estimate remains at 390,000 MT, and the 2012/13 MY grapefruit production remains at 434,070 MT based on industry data. The 2012/13 MY grapefruit production at 434,070 MT, remains the highest production in the past seven years as a result of good rainfalls in the eastern part of the country and an increase in planted area. **Figure 3** below shows that the 2012/13 MY area planted of 8,796 hectares is the highest since the 2007/08 MY. **Figure 3** also confirms that a low grapefruit production season is always followed by a higher production season.

Figure 3: Area Planted to Grapefruit



Source: CGA

Consumption

Post forecasts that the 2014/15 MY grapefruit domestic consumption will remain flat at 5,000 MT. Domestic consumption of grapefruit is low as most South African consumers especially the younger generation has not acquired the taste for grapefruit. In addition, the consumption of grapefruit slowed down a few years ago following the negative press and perceptions on the medical effects of grapefruits in South Africa.

Grapefruit is also processed for 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 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. Finally, the grapefruit peel oil is used in scented fragrances.

Exports

Post forecasts that the 2014/15 MY grapefruit exports will decrease by four percent to 215,000 MT based on the uncertainty of South African citrus exports to the European Union (EU) due to the citrus black spot. Refer to the following link to read the GAIN report on South Africa voluntarily suspending its citrus exports to the EU on September, 8, 2014 as a result of the citrus black spot detections (Download GAIN report). Post revised upwards the 2013/14 MY exports to 225,000 MT based on the higher than anticipated exports up to October 2014. Grapefruit exports from January to October 2014 are already at 217,305 MT.

Europe and Asia are South Africa’s major export markets. There is also a growing emphasis to grow the Middle East and Africa markets. South Africa grapefruit can enter the United States duty free under the African Growth and Opportunity Act (AGOA). South Africa also has a free trade agreement with Europe providing for duty free access for South African citrus exports. Japan imposes a ten percent Most Favored Nation (MFN) duty on SA grapefruit. Russia which is the third largest market for South

Africa's grapefruit export, imposes a five percent or US$27.96/ton (whichever is greater), while Canada, Hong Kong and the UAE apply a zero percent MFN tariff.

Table 3: South African Fresh Grapefruit exports

South Africa Export Statistics					
Commodity: 080540, Grapefruit, Fresh Or Dried					
Year To Date: January - December					
Partner Country	**Unit**	**Quantity**			
		2011	**2012**	**2013**	**2014***
World	T	217,233	178,255	241,827	217,305
Netherlands	T	59,795	46,731	65,063	49,331
Japan	T	55,750	49,789	51,967	48,222
Russia	T	23,318	13,854	25,774	18,008
Italy	T	10,141	9,252	12,508	10,096
United Kingdom	T	10,882	10,097	12,161	9,812
China	T	1,340	1,436	9,591	14,007
Swaziland	T	0	0	9	15,899
Mozambique	T	11,376	9,351	8,126	66
Canada	T	5,694	5,128	7,974	8,804
United Arab Emirates	T	3,444	3,722	5,810	4,829
Taiwan	T	3,020	4,573	5,769	3,392
France	T	4,703	2,645	5,259	4,198
Hong Kong	T	5,594	5,054	4,680	4,558
Portugal	T	1,332	2,203	3,464	2,979
Germany	T	3,275	3,082	2,887	1,378
Ukraine	T	1,710	840	2,084	1,268
Spain	T	2,989	1,150	2,048	2,259
Greece	T	1,497	1,365	1,932	1,117
Singapore	T	637	877	1,372	833
Lithuania	T	720	502	1,341	821
Saudi Arabia	T	1,426	774	1,136	1,050
Ireland	T	529	540	1,122	1,092
Mauritius	T	752	668	704	662
Belgium	T	1,319	239	528	283
United States	T	275	76	393	1,051
Other	T	5,715	4,307	8,123	11,290

*** 2014 exports are from January to October.**
Source: GTA

Imports

Post forecasts that the 2014/15 MY grapefruit imports will be 10,000 MT. Post revised upwards the 2013/14 MY to 15,000 MT, based on the updated GTA data which now includes Swaziland imports. South Africa is not a major importer of grapefruit. Imports mainly originate from Swaziland, Spain and Israel to fill the demand gap towards the end of the year.

Table 4: South African Fresh Grapefruit imports

South Africa Import Statistics					
Commodity: 080540, Grapefruit, Fresh Or Dried					
Year To Date: January - December					
Partner Country	**Unit**	**Quantity**			
		2011	**2012**	**2013**	**2014***
World	T	581	467	461	11,413
Swaziland		0	0	0	10,898
Israel	T	234	270	236	116
Spain	T	138	146	218	21
Netherlands	T	0	10	8	0
Turkey	T	0	41	0	28
Zimbabwe	T	210	0	0	330
France		0	0	0	21

*** 2014 exports are from January to October.**
Source: GTA

Prices

Table 5 shows the local, export and processed market prices for grapefruit since 2004. Grapefruit prices tend to follow the production cycles of grapefruit, in years with high production prices are low, vice versa. Domestic price have grown from R1,434 (US$125) in the 2003/04 MY to R2,352 (US$205) in the 2012/13 MY.

Table 5: Grapefruit Prices

Season	Local Market	Export Market	Processed

	Average Price Rand/Ton	Gross Price Rand/Ton	Gross Price Rand/Ton
2004	1,434	2,399	325
2005	1,487	925	325
2006	1,493	1,764	386
2007	1,796	2,712	237
2008	2,283	3,658	152
2009	1,839	1,846	240
2010	1,437	4,351	268
2011	2,107	3,723	383
2012	2,275	2,668	377
2013	2,352	3,405	374

Source: CGA

Table 6: PSD Grapefruit, Fresh

Grapefruit, Fresh South Africa	2012/2013		2013/2014		2014/2015		
	Market Year Begin: Jan 2013		Market Year Begin: Jan 2014		Market Year Begin: Jan 2015		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Planted	8,796	8,796	8,000	8,000		8,500	
Area Harvested	8,532	8,532	7,700	7,700		8,000	
Bearing Trees	8,500	8,500	7,500	7,500		7,700	
Non-Bearing Trees	300	300	500	500		400	
Total No. Of Trees	8,800	8,800	8,000	8,000		8,100	
Production	434	434	390	390		400	
Imports	0	0	4	15		10	
Total Supply	434	434	394	405		410	
Exports	236	242	220	225		215	
Fresh Dom. Consumption	6	6	5	5		8	
For Processing	192	186	169	175		187	
Total Distribution	434	434	394	405		410	
HECTARES, 1000 TREES, 1000 MT							

Source: PSD Tables and Post forecast

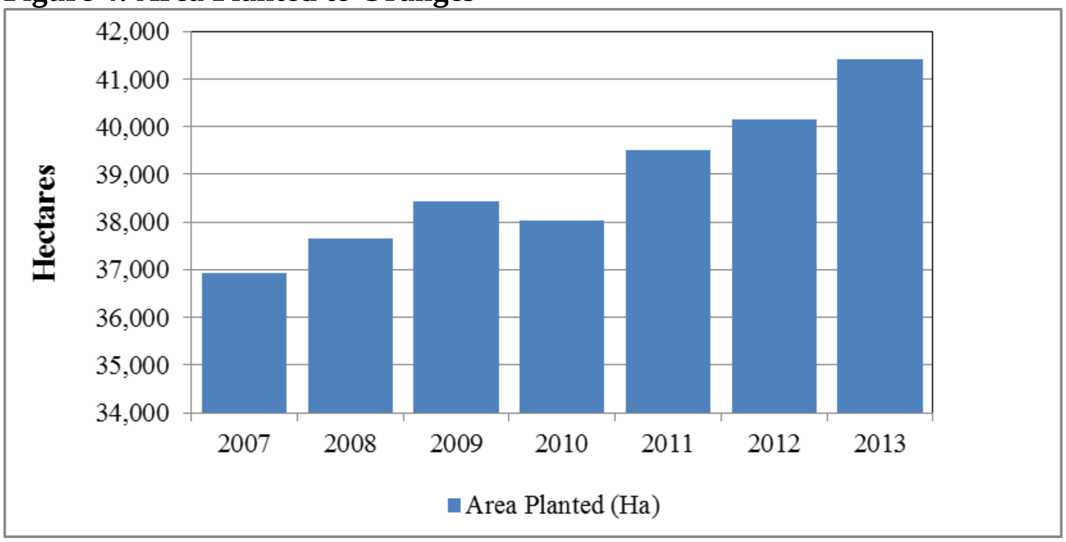
Commodities
Oranges, Fresh

Production

Post forecasts that the 2014/15 MY production of oranges will decrease by one percent to 1,600 million MT based on normal weather conditions in 2015. The 2013/14 MY production was revised upwards to a peak of 1,620 million MT as a result of exceptionally good weather conditions and an increase in area planted in 2014.

The 2012/13 MY orange production remains at 1,560 million MT based on industry data. The area planted with oranges in South Africa has grown steadily since the 2006/07 MY. **Figure 4** shows that the area planted has grown by at least twelve percent from 36,921 hectares in 2006/07 MY to 41,426 hectares in 2012/13 MY.

Figure 4: Area Planted to Oranges



Source: CGA

Consumption

Post forecasts that the 2014/15 MY domestic consumption of oranges will remain flat at 130,000 MT based on static consumer demand as a result of the slow economic growth in South Africa and the financial pressure faced by consumers. Fresh oranges are the most popular citrus consumed in South Africa. The 2013/14 MY domestic consumption estimate remains at 130,400 and the 2012/13 MY domestic consumption remains at 127,674 MT based on industry data.

Exports

Post forecasts that the 2014/15 MY exports of oranges by South Africa orange will decrease by six percent to 1,100 million MT based on the uncertainty of South African citrus exports to the European Union due to the citrus black spot. The impact of the decrease in citrus exports to South Africa`s export revenue is expected to be offset by the weakening rand exchange rate.
The 2013/14 MY citrus exports will remain at 1,170 million MT, based on the year to date exports up to October 2014 which are already at 1,130 million MT. Post revised the 2012/13 MY exports to 1,162 million MT based on GTA data.

Europe remains South Africa's largest market for orange exports, accounting for approximately forty percent of the total export market. However, exports to Asia and the Middle East have grown steadily over the years, and are expected to take up at least 50% of the South African citrus exports in the 2013/14 MY. Post forecasts that South African citrus exports to the United States could surpass 50,000 MT in the 2014/15 MY, especially when the amendment to the regulation proposed by APHIS to permit CBS areas to export to the United States is passed.

Table 7: South African Fresh Orange exports

South Africa Export Statistics					
Commodity: 080510, Oranges, Fresh					
Year To Date: January - December					
Partner Country	**Unit**	**Quantity**			
		2011	**2012**	**2013**	**2014***
World	T	984,243	1,097,293	1,161,511	1,130,159
Netherlands	T	175,039	201,186	222,812	206,405
Russia	T	122,986	120,051	130,902	122,293
United Arab Emirates	T	78,659	93,912	106,782	120,494
Saudi Arabia	T	89,456	101,267	92,882	92,866
United Kingdom	T	66,869	65,986	81,464	66,519
Kuwait	T	30,323	32,969	50,604	51,249
Portugal	T	29,566	42,821	41,157	39,939
United States	T	36,897	37,737	40,576	39,224
Italy	T	29,510	31,960	36,663	36,430
Mozambique	T	22,269	34,658	35,444	6,499
Canada	T	30,650	34,968	34,929	33,944
Bangladesh	T	32,073	30,072	30,573	38,839
France	T	16,099	23,118	25,873	18,072
China	T	12,720	18,446	24,917	33,872
Malaysia	T	16,744	23,947	24,626	27,799
Hong Kong	T	49,252	35,115	20,197	34,246
Spain	T	15,773	23,019	18,559	12,051
Oman	T	9,126	12,402	11,158	8,159
Singapore	T	8,675	10,045	9,676	11,933
Germany	T	10,022	10,745	9,019	4,068
Sweden	T	6,678	7,213	8,392	4,908
Zambia	T	2,580	5,192	8,373	7,716
Ukraine	T	14,800	12,590	8,311	13,648
Lithuania	T	2,513	4,032	6,000	6,146
Qatar	T	4,686	5,101	5,715	6,913
Philippines	T	2,440	3,754	5,457	1,832
Bahrain	T	3,884	5,888	5,211	3,797

Angola	T	2,617	4,710	4,625	3,043
Japan	T	7,785	5,921	4,376	5,523
Korea South	T	1,681	2,583	4,033	4,430
India	T	1,839	7,751	3,898	4,721
Ireland	T	2,174	3,403	3,487	3,696
Mauritius	T	2,939	3,316	3,346	3,088
Sri Lanka	T	690	2,120	2,866	2,952
Belgium	T	4,786	3,860	2,663	1,557
Vietnam	T	1,809	1,564	2,483	3,258
Switzerland	T	719	277	2,308	3,326
Norway	T	2,246	1,990	2,169	4,031
Other	T	34,669	31,604	28,985	40,673

*** 2014 exports are from January to October.**
Source: GTA

Imports

Post forecasts that the South African 2014/15 MY imports will be 20,000 MT. Post revised upwards the 2013/14 MY imports to15,000 MT based on GTA data which now includes Swaziland imports. Oranges are imported to South Africa in the months of November and December to close supply gaps and satisfy year-long demand.

Table 8: South African Fresh Orange imports

South Africa Import Statistics					
Commodity: 080510, Oranges, Fresh					
Year To Date: January - December					
Partner Country	**Unit**	**Quantity**			
		2011	**2012**	**2013**	**2014***

World	T	736	378	386	12,301
Swaziland	T	0	0	0	8,360
Israel	T	107	92	192	167
Spain	T	152	273	176	187
Netherlands	T	0	12	17	21
Angola	T	0	0	0	11
Pakistan	T	0	0	1	0
Egypt	T	48	0	0	0
Zimbabwe	T	429	0	0	3,450
Turkey	T	0	0	0	11
Other Countries	T	0	0	0	94

*** 2014 exports are from January to October.**
Source: GTA

Prices

Table 9 shows the local, export and processed market prices of oranges. The export market provides the highest prices, followed by the domestic market and the processed prices last. Local market prices have increased by 91 percent from R1,090 (US$95) in 2003/04 MY to R2,077 (US$181) in 2012/13 MY.

Table 9: Oranges Prices

	Local Market Average Price Rand/Ton	**Export Market Gross Price Rand/Ton**	**Processed Gross Price Rand/Ton**
2004	1,090	2,425	274
2005	1,111	1,580	229
2006	1,025	1,843	301
2007	1,278	2,832	354
2008	1,430	3,443	419
2009	1,483	3,235	268
2010	1,599	4,043	349
2011	1,763	4,691	551
2012	1,897	4,443	555
2013	2,077	4,952	589

Source: CGA

Table 10: PSD Oranges, Fresh

Oranges, Fresh South Africa	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Feb 2013		Market Year Begin: Feb 2014		Market Year Begin: Feb 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	41,426	41,426	42,500	42,500		42,600
Area Harvested	37,573	37,573	39,000	39,000		39,000
Bearing Trees	37,600	37,600	38,000	38,000		38,100
Non-Bearing Trees	3,860	3,860	3,800	3,800		3,800

Total No. Of Trees	41,460	41,460	41,800	41,800		41,900
Production	1,560	1,560	1,600	1,620		1,600
Imports	0	0	0	15		20
Total Supply	1,560	1,560	1,600	1,635		1,620
Exports	1,149	1,162	1,170	1,170		1,100
Fresh Dom. Consumption	128	128	130	130		130
For Processing	283	270	300	335		390
Total Distribution	1,560	1,560	1,600	1,635		1,620
HECTARES, 1000 TREES, 1000 MT						

Source: PSD Tables and Post forecast

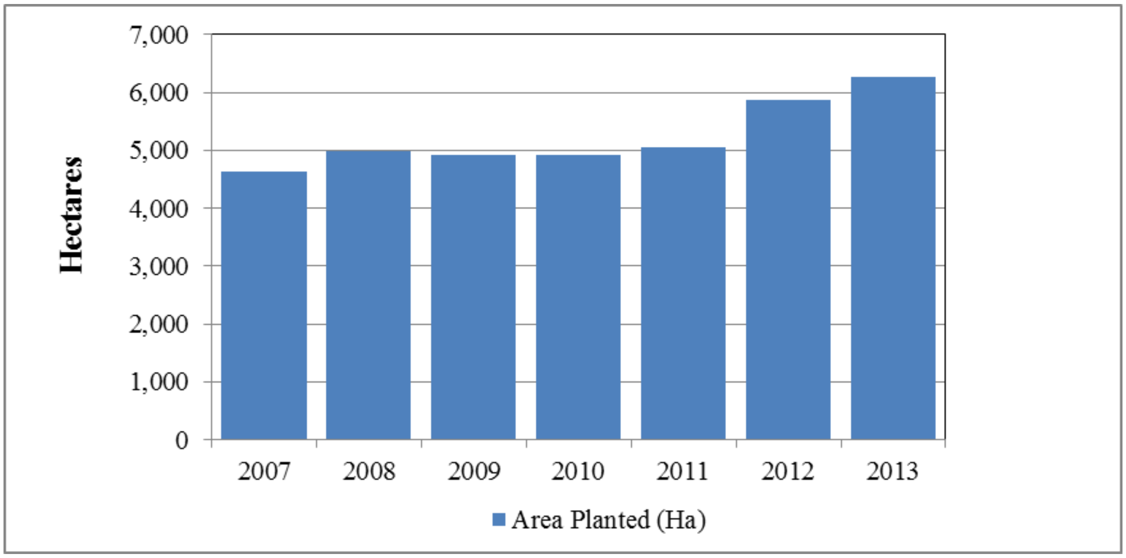
Commodities
Tangerines/Mandarins, Fresh

Production

Post forecasts that the 2014/15 MY production of tangerines/mandarins in South Africa will remain flat at 190,000 MT based on normal weather conditions. Post revised upwards the 2013/14 MY production to 190,700 MT based on good growing conditions and an increase in area planted in the following regions; Senwes, Patensie, Sundays River, Boland, Western Cape, and East Cape Midlands. The 2012/13 MY production of tangerines/mandarins remains at 146,270 MT based on final industry data.

Figure 5 shows that the growth in area planted with tangerines/mandarins from the 2006/07 MY to the 2010/11 MY was flat. However, there was an increase in area planted from 5,044 hectares in 2010/11 MY to 5,863 hectares in 2011/12 MY and 6,273 hectares in 2012/13 MY as a result of new orchards being planted and growers responding to the increasing global demand for soft citrus.

Figure 5: Area Planted to Tangerines/Mandarins



Source: CGA

Consumption

Post forecasts that the 2014/15 MY domestic consumption of tangerines/mandarins will remain flat at 10,000 MT because of the slow economic growth and increasing financial pressure faced by domestic consumers. The 2013/14 MY and 2012/13 MY domestic consumption remains at 10,400 MT and 9,786 MT, respectively, based on industry data.

Exports

Post forecasts that the South African 2014/15 MY exports of tangerines/mandarins will remain flat 170,000 MT based on growing market opportunities in the Middle East and Asia, and the weakening of the rand exchange rate. Post revised upwards the 2013/14 MY exports of tangerines/mandarins to 170,000 MT based on year to date exports up to October 2014 which are already at 153,222 MT. In addition, tangerines/mandarins were not affected by the voluntary suspension of exports to the EU by South Africa. The 2012/13 MY exports remains at 132,917 MT based on GTA data.

South African naartjies enter the US duty free as a result of AGOA preferences. EU member states impose a 1.6 percent preferential tariff for South Africa for all naartjies originating from South Africa. Russia imposes a five percent or US$41.93/ton (whichever is the greater) general tariff. Most Favored Nation (MFN). Canada, Hong Kong, the UAE, and Saudi Arabia impose a zero percent MFN duty.

Table 11: South African Fresh Tangerines/Mandarins exports

South Africa Export Statistics

Commodity: 080520, Mandarins (Including Tangerines And Satsumas); Clementines, Wilkings And Similar Citrus Hybrids, Fresh Or Dried					
Year To Date: January - December					
Partner Country	**Unit**	**Quantity**			
		2011	**2012**	**2013**	**2014***
World	T	107,945	122,058	132,917	153,222
United Kingdom	T	40,802	48,181	50,271	52,560
Netherlands	T	17,879	24,003	30,220	30,258
Russia	T	12,614	12,099	12,603	11,183
Canada	T	5,182	5,990	6,955	7,368
United Arab Emirates	T	5,549	4,921	6,093	9,855
Hong Kong	T	6,904	4,626	4,639	8,237
United States	T	4,236	7,592	3,555	7,444
Saudi Arabia	T	2,319	896	2,319	3,231
Ireland	T	1,782	1,901	1,946	3,800
Malaysia	T	655	2,066	1,821	2,725
Kuwait	T	955	668	1,583	829
France	T	603	765	1,555	1,845
Germany	T	26	428	1,219	1,120
Philippines	T	265	909	1,098	824
Mauritius	T	705	1,003	947	1,136
Singapore	T	377	570	653	1,003
Finland	T	353	252	450	549
Senegal	T	411	426	443	736
Portugal	T	214	160	442	852
Angola	T	718	838	385	636
Vietnam	T	134	0	351	1,003
Sweden	T	0	34	321	485
Bangladesh	T	3	0	275	1,472
Zimbabwe	T	83	388	247	183
Qatar	T	49	159	245	384
Spain	T	465	618	232	209
Gabon	T	203	159	187	175
Kenya	T	68	142	184	214
China	T	52	96	136	71
Other	T	4,339	2,168	1,542	2,837

*** 2014 exports are from January to October.**
Source: GTA
Imports

Post forecasts that the 2014/15 MY imports of Tangerines/Mandarins will remain flat at 1,000 MT. South African 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: 080520, Mandarins (Including Tangerines And Satsumas); Clementines, Wilkings And Similar Citrus Hybrids, Fresh Or Dried					
Year To Date: January - December					
Partner Country	**Unit**	**Quantity**			
		2011	**2012**	**2013**	**2014***
World	T	846	899	1,395	525
Israel	T	574	547	804	371
Spain	T	272	351	552	145
Netherlands	T	0	0	38	0
Angola	T	0	0	0	9

*** 2014 exports are from January to October.**
Source: GTA

Prices

Table 13: Tangerines/Mandarins Prices

	Local Market Average Price Rand/Ton	**Export Market Gross Price Rand/Ton**	**Processed Gross Price Rand/Ton**
2004	1,705	3,638	251
2005	1,279	3,977	165
2006	2,133	4,423	188
2007	2,543	3,758	214
2008	3,038	4,965	367
2009	3,042	4,635	275
2010	3,805	5,618	214
2011	4,091	5,637	315
2012	3,760	7,133	419
2013	4,366	8,531	413

Source: CGA

Table 14: Table 5: PSD Tangerines/Mandarins, Fresh

Tangerines/Mandarins, Fresh South Africa	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Feb 2013		Market Year Begin: Feb 2014		Market Year Begin: Feb 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	6,273	6,273	6,400	6,400		6,400

Area Harvested	4,642	4,642	4,800	4,800		4,800
Bearing Trees	4,650	4,650	4,700	4,700		4,700
Non-Bearing Trees	1,630	1,630	1,700	1,700		1,700
Total No. Of Trees	6,280	6,280	6,400	6,400		6,400
Production	146	146	160	191		190
Imports	1	1	1	1		1
Total Supply	147	147	161	192		191
Exports	132	133	140	170		170
Fresh Dom. Consumption	10	10	10	10		10
For Processing	5	4	11	12		11
Total Distribution	147	147	161	192		191
HECTARES, 1000 TREES, 1000 MT						

Source: PSD Tables and Post forecast

Commodities
Lemons/Limes, Fresh

Production

Post forecasts that the 2014/15 MY production of lemons/limes will decrease by six percent to 270,000MT based on normal weather conditions. The 2013/14 MY production of lemons/limes was revised upwards to the peak of 286,680 MT based on exceptional good weather conditions and an increase in area planted in 2014. The main regions that resulted in the increase in 2013/14 production are the Sunday River and Senwes due to increased plantings and good growing conditions. The 2012/13 MY production of lemons/limes remains at 229,059 MT based on published industry data.

Figure 6 shows that the growth in area planted with lemons/limes from the 2006/07 MY to the 2009/10 MY was flat. However, area planted increased gradually from 4,667 hectares in the 2010/11 MY to 5,457 hectares in the 2011/12 MY and 5,828 hectares in the 2012/13 MY.

Figure 6: Area Planted to lemons/lime

Source: CGA

Consumption

Post forecasts that the 2014/15 MY domestic consumption of lemons/limes will increase by three percent to 13,000 MT as domestic demand remains flat because of the slow economic growth and increasing financial pressure faced by domestic consumers. The 2013/14 MY and 2012/13 my domestic consumption of lemons/limes will remain at 12,000 MT and 12,033 MT, respectively.

Lemon juice is used as flavorings for grilled or fried poultry and fish dishes, and a flavor agent in cakes, tarts, biscuits, candies, ice creams and salad dressings. In the drink industry lemons/lime 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

Post forecasts that the 2014/15 MY exports of lemons/limes by South Africa will decrease by eleven percent to 200,000 MT based on the uncertainty of South African citrus exports to the European Union due to the citrus black spot. Post revised upwards the 2013/14 MY exports of lemons/limes to 225,000 MT based on year to date exports up to October 2014 which are already at 218,908 MT. The peak 2013/14 MY exports are a result of increased production, growth in the Asian and Middle East market, and the weakening rand exchange rate. The 2012/13 MY exports remain at 175,061 MT based on final GTA data.

Table 15: South African Fresh Lemons/Limes exports

South Africa Export Statistics

Commodity: 080550, Lemons And Limes, Fresh Or Dried					
Year To Date: January - December					
Partner Country	**Unit**	**Quantity**			
		2011	**2012**	**2013**	**2014***
World	T	165,223	165,828	175,061	218,908
United Arab Emirates	T	25,009	33,826	35,191	40,184
Russia	T	27,186	19,171	29,310	30,678
Saudi Arabia	T	20,652	18,828	20,987	19,806
Netherlands	T	19,193	19,675	15,994	22,312
United Kingdom	T	14,316	16,222	10,449	12,586
Hong Kong	T	10,431	11,087	9,784	31,054
Kuwait	T	7,501	8,586	8,522	7,336
Canada	T	2,518	2,620	6,654	9,524
Germany	T	1,349	1,383	5,352	5,774
Malaysia	T	3,258	3,324	4,076	6,576
Ukraine	T	3,628	2,895	4,048	3,313
Singapore	T	2,463	2,369	3,419	3,964
Italy	T	7,837	4,241	2,566	5,590
Bahrain	T	2,609	2,525	2,421	2,026
Azerbaijan	T	251	1,540	2,027	629
Qatar	T	1,476	2,095	1,621	2,097
Oman	T	820	1,914	1,554	576
Angola	T	1,061	1,684	1,269	1,117
Jordan	T	103	354	1,002	258
Mozambique	T	208	576	887	655
Georgia	T	659	924	883	963
Ireland	T	312	312	656	447
Mauritius	T	692	676	612	506
France	T	1,178	742	480	540
Vietnam	T	308	3	458	1,535
Finland	T	296	376	412	427
Spain	T	389	51	247	725
Japan	T	562	578	240	499
Portugal	T	1,063	862	170	829
Greece	T	1,172	777	153	1,146
Other	T	6,723	5,612	3,617	5,236

*** 2014 exports are from January to October.**
Source: GTA
Imports

Post forecasts that the 2014/15 MY imports of limes/lemons will remain flat at 320 MT as a result of sufficient domestic production to meet local demand.

Table 16: South African Fresh Lemons/Limes imports

South Africa Import Statistics					
Commodity: 080550, Lemons And Limes, Fresh Or Dried					
Year To Date: January - December					
Partner Country	**Unit**	**Quantity**			
		2011	**2012**	**2013**	**2014***
World	T	235	94	320	203
Spain	T	0	47	163	45
Brazil	T	0	1	135	97
El Salvador	T	79	46	22	0
Russia	T	0	0	0	25
Swaziland	T	0	0	0	22
Angola	T	0	0	0	5
Turkey	T	0	0	0	4
Egypt	T	2	0	0	1
Zimbabwe	T	154	0	0	0
Other Countries NES	T	0	0	0	4

*** 2014 exports are from January to October.**
Source: GTA

Prices

Table 17: Lemons/Limes Prices

	Local Market Average Price Rand/Ton	**Export Market Gross Price Rand/Ton**	**Processed Gross Price Rand/Ton**
2004	1,525	3,240	338
2005	1,692	1,476	258
2006	1,753	2,478	178
2007	2,460	3,238	396
2008	3,105	3,961	611
2009	3,346	2,120	542
2010	3,940	5,329	731
2011	3,489	5,426	982
2012	4,291	5,426	720
2013	5,668	6,994	596

Source: CGA

Table 18: Table 5: PSD Lemons/Limes, Fresh

Lemons/Limes, Fresh South Africa	2012/2013	2013/2014	2014/2015

	Market Year Begin: Jan 2013		Market Year Begin: Jan 2014		Market Year Begin: Jan 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	4,900	5,457	5,000	5,900		5,900
Area Harvested	4,200	3,984	4,300	4,400		4,400
Bearing Trees	4,200	4,000	4,300	4,300		4,300
Non-Bearing Trees	600	1,455	700	1,600		1,600
Total No. Of Trees	4,800	5,455	5,000	5,900		5,900
Production	245	229	265	287		270
Imports	0	0	0	0		0
Total Supply	245	229	265	287		270
Exports	175	175	170	225		200
Fresh Dom. Consumption	11	12	12	12		13
For Processing	59	42	83	50		57
Total Distribution	245	229	265	287		270
HECTARES, 1000 TREES, 1000 MT						

Source: PSD Tables and Post forecast

Commodities
Orange Juice

Production

Post forecasts that the 2014/15 MY production of orange juice will increase by seventeen percent to 40,803 MT based on the forecasted increase in fresh oranges that will be delivered for processing to 390,000 MT in the 2014/15 MY.

Post revised upwards the 2013/14 MY production of orange juice to 35,007 MT, and the 2012/13 MY production of orange juice was revised downwards to 28,379 MT based on the updated quantity of fresh oranges delivered for processing.

Industry statistics for orange juice (200911, 200912 and 200919) are largely unavailable in South Africa. The production, consumption and stock data are comprised of information extracted from various sources, and represent Post`s best effort of the South African orange juice supply and distribution statistics.

Consumption

Post forecasts that the 2014/15 MY domestic consumption of orange juice will remain flat at 7,200 MT based on static domestic demand as a result of the increases in food price inflation, low economic growth and increasing financial pressure faced by domestic consumers. This has resulted in restricted growth in the domestic consumption of fruit juices especially the 100% fruit juice, and the shift in demand to orange juice concentrates.

Export

Post forecasts that the 2014/15 MY exports of orange juice will increase by seventeen percent to 36,000 MT based on the increase in production and the weakening rand exchange rate. The 2013/14 MY and 2012/13 MY exports of orange juice will remain at 30,884 MT and 21,989 MT, based on GTA data.

Producers in South Africa prefer to export fresh oranges than to process the oranges to juice as fresh orange export prices are much higher than the domestic fresh oranges as well as the domestic prices for orange juice. Netherlands is the biggest market for South African orange juice exports, followed by Mozambique, Zambia and Zimbabwe.

Table 19: South African Orange Juice exports

South Africa Export Statistics					
Commodity: 200911, Orange Juice, Frozen, Whether Or Not Sweetened; 200912, Orange Juice, Not Frozen, Of A Brix Value Not Exceeding 20; 200919, Orange Juice, Other Than Frozen, Whether Or Not Sweetened					
Year To Date: January - December					
Partner Country	**Unit**	**Quantity**			
		2011	**2012**	**2013**	**2014***
World	T	17,891	21,989	30,884	34,147
Netherlands	T	3,751	6,358	11,848	9,192
Mozambique	T	1,540	2,041	3,101	3,366
Zimbabwe	T	1,696	3,109	1,237	2,485
Zambia	T	1,535	1,547	1,368	1,112
Botswana	T	0	0	959	4,553
Israel	T	200	326	1,305	1,306
Swaziland	T	1	0	568	2,147
Lesotho	T	0	0	406	1,505
Namibia	T	0	0	398	1,726
Angola	T	797	1,012	722	553
Ghana	T	452	518	418	106
Nigeria	T	390	206	260	139
Japan	T	310	363	294	166
Spain	T	0	0	888	873
Mauritius	T	409	332	380	349
Congo	T	124	404	1,014	539
Korea South	T	784	910	462	143
Gabon	T	610	863	406	47
United Arab Emirates	T	586	222	333	298
Philippines	T	168	171	305	261
Madagascar	T	127	182	282	186
Reunion	T	253	237	245	195
Tanzania	T	192	212	251	186

China	T	46	82	202	113
Netherlands Antilles	T	230	166	151	139
Singapore	T	161	172	137	119
France	T	2	25	220	70
Pakistan	T	8	15	246	111
United States	T	95	31	167	208
India	T	280	531	156	342
Other	T	3,144	1,954	2,155	1,531

*** 2014 exports are from January to October.**
Source: GTA

Imports

Post forecasts that the 2014/15 MY imports of orange juice will be 1,000 MT. South Africa only imports a small quantity of orange juice, as there is sufficient domestic production to supply the local market.

Table 20: South African Orange Juice imports

South Africa Import Statistics					
Commodity: 200919, Orange Juice, Other Than Frozen, Whether Or Not Sweetened					
Year To Date: January - December					
Partner Country	**Unit**	**Quantity**			
		2011	**2012**	**2013**	**2014***
World	T	1,263	763	1,362	158
Zimbabwe	T	118	21	1,050	17
United Kingdom	T	0	7	53	15
Yemen	T	0	0	41	0
Korea South	T	0	0	34	3
Portugal	T	16	25	30	19
South Africa	T	354	0	21	0
United Arab Emirates	T	33	38	20	1
Cyprus	T	13	14	10	6
Pakistan	T	3	22	6	0
Israel	T	0	0	4	39
Turkey	T	3	0	3	4
Saudi Arabia	T	32	39	3	8
Thailand	T	0	16	1	17
Netherlands	T	25	3	0	0
Brazil	T	432	82	0	0
Bulgaria	T	18	0	0	0
China	T	20	0	0	0
France	T	0	0	0	15

Italy	T	9	16	0	0
Japan	T	0	151	0	0
Spain	T	176	308	0	0
Other	T	11	21	86	14

*** 2014 exports are from January to October.**
Source: GTA

Table 21: Table 5: PSD Orange Juice, Fresh

Orange Juice South Africa	2012/2013		2013/2014		2014/2015	
	Market Year Begin: Apr 2013		Market Year Begin: Apr 2014		Market Year Begin: Apr 2015	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	283,485	271,248	300,000	334,600		390,000
Beginning Stocks	3,460	3,033	3,986	3,186		1,671
Production	29,152	28,379	31,000	35,007		40,803
Imports	763	763	1,400	1,362		1,000
Total Supply	33,375	32,175	36,386	39,555		43,474
Exports	21,989	21,989	27,000	30,884		36,000
Domestic Consumption	7,400	7,000	7,400	7,000		7,000
Ending Stocks	3,986	3,186	1,986	1,671		474
Total Distribution	33,375	32,175	36,386	39,555		43,474
MT						

Source: PSD Tables and Post forecast

Policy Issues:

United States cold-sterilization protocol

The Western Cape Province is the major region which exports to the United States under the cold treatment schedule of 24 days to reduce False Codling Moth. Following discussions by the United States Animal Plant Health Inspection Service (APHIS), and the South African Department of Agriculture, Forestry and Fisheries (DAFF), APHIS granted a pilot program to reduce the cold treatment schedule to 22 days which will be hugely beneficial to South Africa in preventing losses estimated to be between six and fifteen percent due to cold damage. Exports under the pilot program will be destined to the ports of Newark and Philadelphia, and if the program is successful South Africa will also have access to Houston and New Orleans in 2015 and beyond. In September 2014, South Africa successfully exported citrus under this program to the port of Houston.

South African citrus exports from 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 regions, including the magisterial districts of Hartswater and Warrenton, as well as relevant districts of the Free State and North West. On August, 28, 2014, the United States Animal and Plant Health Inspection Service (APHIS), issued a notice proposing to amend the fruits and vegetables regulations to allow the importation 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. 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.

Tightening of the European Market

South African citrus exports enter the EU duty free under the bilateral Trade Development Cooperation Agreement (TDCA). On September, 8, 2014, South Africa voluntarily suspended citrus exports to the European Union (EU) as a precaution not to reach the five CBS detections that could have resulted in the EU further strengthening the citrus import measures or imposing additional restrictions to South African citrus exports. The current EU Commission import measures against CBS which were imposed in 2014 are found on the following link, http://europa.eu/rapid/press-release_IP-14-614_en.htm. South Africa has indicated that these measures are unscientific and directed at prohibiting South African citrus exports to the EU. The voluntary suspension by South Africa excluded soft citrus and citrus produced in CBS free areas. The South African Minister of Trade and Industry has been quoted by media stating that South Africa will be lodging a formal dispute to the World Trade Organization (WTO) against the EU. Post contacts indicated that while they are in the process of preparing for this appeal, industry has been continuously engaging the EU to address the CBS issue. South Africa is expected to continue to aggressively diversify its citrus exports to other markets.

Custom duties

Table 22 shows the applicable custom duties when exporting citrus to South Africa

Table 22: Custom duties applicable to exports to South Africa

HS Code	Article description	Unit	Rate of Duty			
			General	EU	EFTA	SADC
08.05	Citrus fruit, fresh or dried:					

0805.10.10	Fresh	kg	4%	free	4%	free
0805.10.90	Other	kg	4%	free	4%	free
0805.20	**Mandarins (including tangerines and satsumas); clementines, wilkings and similar citrus hybrids:**					
0805.20.10	Fresh	kg	4%	free	4%	free
0805.20.90	Other	kg	4%	free	4%	free
0805.40	**Grapefruit, including pomelos:**					
0805.40.10	Fresh	kg	4%	free	4%	free
0805.40.90	Other	kg	4%	free	4%	free
0805.50	**Lemons (CitrusLimon, Citrus Limonium) and limes (Citrus aurantifolia, Citrus latifolia):**					
0805.50.10	Fresh	kg	4%	free	4%	free
0805.50.90	Other	kg	4%	free	4%	free
2009.1	**Orange juice**					
2009.11	Frozen	kg	25%	free	25%	free
2009.12	Not frozen, of Brix value not exceeding 20	kg	25%	free	25%	free
2009.19	Other	kg	25%	free	25%	free

Source: South African Revenue Services (SARS)

South African import regulation

The following links provides useful resources and regulations pertaining to importing fruit in South Africa:

Procedures to be followed when exporting fresh citrus 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

Foodstuffs, cosmetics and disinfectants Act 54 of 1972

http://www.nda.agric.za/vetweb/Legislation/Other%20acts/Act%20-%20Foodstuffs,%20Cosmetics%20and%20Disinfectants%20Act-54%20of%201972.pdf