

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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South Africa - Republic of

Citrus Semi-annual

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Report Highlights:

Post expects total citrus exports in MY 2010/11 will decline five percent from the record export volumes of 1.5 MMT in MY 2009/10 on hail storms that reduced Navel yields in the Groblersdal and Marble Hall production areas.

Executive Summary:

Background:

South Africa (SA) ranks as the world’s second largest exporter of fresh citrus fruit by volume behind Spain, and is ranked 14th in world citrus production. Despite the increased competition in global markets, SA citrus production has been increasing as its industry adopts varieties that are in demand globally and adopts improved management practices to ensure consistently high quality fruit is delivered to markets. Approximately 62 percent of citrus in SA is grown for export markets, 23 percent is juiced, while 15 percent is sold on the local market.

The South African citrus industry prides itself on excellent quality fruit in terms of taste, size, and color. The industry broke a record in 2009/10 when it exported 1.5 MMT of citrus fruit. Sixty percent of South Africa’s citrus exports depart from Durban. Thirteen percent of citrus exports transit the Cape Town port, while the balance is shipped through Port Elizabeth or Maputo ports.

Figure 1. Map of Citrus Producing Regions



Source: CGA

Harvest Season

The citrus season in South Africa typically starts in April and ends in September. However, the harvest time and marketing years vary depending on the fruit and variety.

Marketing Year

There is a one year lag between the South African (SA) marketing year (MY) and the U.S. marketing year (MY). For example, SA MY 2011/2012 is equivalent to U.S. MY 2010/2011. As such and to ensure data continuity, the current South African MY 2011/12 will be referred to as U.S. MY 2010/11 throughout this report. (Please see PSD tables for the relevant marketing years.)

South Africa: Harvest Period for Citrus by Commodity

Citrus	Harvest Period
Marsh Grapefruit	April to June
Star Ruby Grapefruit	April to September
Lemons	June to September
Navel Oranges	June to July
Tangerines	July to August
Valencia Oranges	July to September

Export season outlook:

A slight decline is expected for the 2010/11 export season in South Africa on hail storms in some of the producing areas which negatively affected the Navels. Current industry estimates for 2010/11 show an increase in grapefruit exports, a slight decline in oranges (Navels) and slight increases in soft fruit and lemons. The 2009/10 export season was characterized by a strong Rand, which affected the profitability of producers exporting to Northern Europe and United Kingdom (UK) markets, rains that disrupted the first weeks of the harvesting season, and a disruptive strike at ports that caused major delays of exports. Still, South African producers had a record export season in 2009/10 with total citrus exports amounting to 1.5MMT on good weather conditions.

The area planted to citrus is expanding regardless of the increasing cost of establishing new orchards on growing demand for SA citrus in the United States, growing at 10 percent annually. The industry is receiving foreign direct investment from companies like Sunkist to help supply growing markets. U.S. retailers like Wal-mart and Wholefoods are sourcing fruit from SA as well. SA exported grapefruit to the United States for the first time in 2010 following the USDA's recognition of several SA production areas as free of citrus black spot disease.

Sources

- Citrus Growers' Association (CGA)
- National Agricultural Marketing Council (NAMC)
- Perishable Products Export Control Board (PPECB)
- Global Trade Atlas (GTA)
- Jacobsens Harmonised Customs Tariff
- Euromonitor
- Tshwane Market
- South Africa Department of Agriculture, Forestry and Fisheries (DAFF)

EXCHANGE RATE

	R- \$ (Dollar)	R- € (Euro)	R- £ (Pound)
June 2011	6.69	9.87	11.02
June 2010	7.59	9.81	11.49

Source: CGA

Commodities:

Grapefruit, Fresh

Production:

Post expects 2010/11 South African grapefruit production at 377,000 MT, a ten percent increase from the previous year, on South Africa's grapefruit production cycle that exhibits a phenomenon of alternate yields for different years: a low yield year will be followed by a high yield year.

Post revises 2009/10 grapefruit production at 343,173 MT based on industry reports. This represents a seven percent decrease over the previous year on changes in South Africa's grapefruit production cycle.

Grapefruit is mainly grown in Limpopo (3,202 ha), Mpumalanga (2,997 ha) and KZN (1,812 ha) production regions which are characterized by warm subtropical temperatures favorable for grapefruit production. The cooler areas of the Eastern Cape (180 ha), Northern Cape (93ha), and Western Cape (21 ha) have fewer plantings. The Star Ruby and Marsh are the most popular grapefruit varieties in South Africa. Star Ruby is a seedless variety and has a long harvest season running from April to September. The Marsh variety is cultivated mainly for processing because of its abundant and flavorful juice. South African grapefruit is harvested from April to late June.

Area Planted

Post expects the area planted to grapefruit at 9,150 hectares (ha) for 2010/11, a modest increase from the previous year on expanded market access to the United States for South African grapefruit. Post estimates the area planted to grapefruit for 2009/10 at 9,100 ha on increased plantings of the Star Ruby variety. Grapefruit producers have been shifting away from the Marsh variety to the Star Ruby since 2005, as Star Ruby prices have become more attractive to producers and worldwide consumer trends show an increasing preference for pigmented grapefruit over white.

Consumption:

Post expects 2010/11 domestic consumption of fresh grapefruit will decrease 20 percent to 4,000 MT, on reduced consumer demand for grapefruit. Local consumers have not acquired a taste for grapefruit, and as a result, the domestic consumption figures usually remain around 5,000 MT. Grapefruits are expensive when compared to oranges on a per unit basis. A box containing six grapefruit costs R52 in the wholesale market, while a box of 16 oranges cost R61. Post revises 2009/10 local consumption at 5,000 MT based on citrus industry reports.

Grapefruit is also processed for juice, the majority of which is exported to the European Union (EU). 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.

Trade:**Imports**

Post expects 2010/11 grapefruit imports to decline to 600 MT, from 1,000 MT in the previous year, as SA supplies enough grapefruit to the local market to satisfy its domestic demand. (Note: In the PSD

tables, quantities below 1,000 MT will be displayed as zero.) Israel and Zimbabwe are the major importing partners for SA. Israel dominates the market for SA imports and, as a counter season producer, fills the demand gap towards the end of the calendar year.

Table1. South Africa: Grapefruit Import Statistics

South Africa Import Statistics				
Commodity: 080540, Grapefruit Including Pomelos, Fresh Or Dried				
Year Ending: December				
Partner country	Unit	Quantity		
		2008	2009	2010
Israel	MT	188	336	409
Zimbabwe	MT	0	480	151
Turkey	MT	138	25	20
Other not listed	MT	119	158	19
Grand total	MT	445	999	599

Source: GTA

Exports

Post expects grapefruit exports at 221,000 MT in 2010/11 on increased exportable supplies. Japan and Northern Europe are the SA’s major export markets followed by Southern Europe, UK, and Russia.

South African grapefruits enter European Union member states’ markets duty-free through a preferential tariff for South Africa while Japan imposes a ten percent Most Favored Nation (MFN) duty on grapefruit originating from South Africa. Russia imposes a five percent or \$27.96 /ton (whichever is the greater) while Canada, Hong Kong, and the UAE apply a zero percent MFN tariff on South African grapefruit exports.

Post revises 2009/10 export volumes for grapefruit at 187,056 MT based on industry reports. The industry figure for 2009/10 grapefruit exports is slightly different from the GTA number, but both numbers indicate a decrease in 2009/10 grapefruit exports on short available supplies. Post recognizes this difference and has decided to use the industry figure in the PSD as they reflect the current situation. The GTA table shows the individual countries destined for SA exports.

Table 2. South Africa: Grapefruit Export Statistics

South Africa Export Statistics				
Commodity: 080540, Grapefruit Including Pomelos, Fresh Or Dried				
Year Ending: December				
Partner country	Unit	Quantity		
		2008	2009	2010

Netherlands	MT	47,791	72,932	50,098
Japan	MT	59,580	91,834	45,553
Russia	MT	14,070	19,509	17,424
Mozambique	MT	9,605	13,059	12,820
UK	MT	18,776	14,104	11,218
US	MT	82	92	184
Others not listed	MT	45,860	159,169	42,313
Grand Total	MT	195,764	370,699	179,610

Source: GTA

Table 3. South Africa: Production, Supply, and Distribution Data

Grapefruit, Fresh Africa	South	2008/2009		2009/2010		2010/2011		
		Market Year Begin: Mar 2009		Market Year Begin: Mar 2010		Market Year Begin: Mar 2011		
		USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Planted		9,100	9,075	9,200	9,100		9,150	(HECTARES)
Area Harvested		8,600	9,075	8,700	9,100		9,150	(HECTARES)
Bearing Trees		8,400	8,128	8,600	8,200		8,250	(1000 TREES)
Non-Bearing Trees		1,000	946	1,200	1,000		1,054	(1000 TREES)
Total No. Of Trees		9,400	9,074	9,800	9,200		9,304	(1000 TREES)
Production		340	370	370	343		377	(1000 MT)
Imports		1	0	1	1		0	(1000 MT)
Total Supply		341	370	371	344		377	(1000 MT)
Exports		189	210	200	187		221	(1000 MT)
Fresh Dom. Consumption		3	4	4	5		4	(1000 MT)
For Processing		149	156	167	152		152	(1000 MT)
Total Distribution		341	370	371	344		377	(1000 MT)
TS=TD			0		0		0	

Commodities:

Oranges, Fresh

Production:

Post expects SA's 2010/11 orange production (Valencia and Navel) will decline 8 percent to 1.3 MMT on bad weather conditions that affected some of the citrus producing region. Hail storms in the

Groblersdal and Marble Hall production areas negatively affected the oranges during the flowering stage. Although the Orange River region was also negatively affected by bad weather and floods towards in December 2010, the impact on citrus was minimal. Post revises 2009/10 total orange production at 1.4 MMT based on industry reports.

South African oranges are comprised of two varieties: Valencias and the Navels. Producers prefer Valencia oranges over Navels for horticultural characteristics that enable them to bear higher yields and sustain a longer shelf life than Navels. The two leading regions for Valencia production are Limpopo and Mpumalanga (although Valencia oranges are also grown in Eastern Cape and Western Cape on a smaller scale). Approximately 49 percent of Valencias are grown in Limpopo which is characterized by warm to hot climatic conditions needed for Valencia production. The main cultivars for Valencias are Delta and Midnight, and the harvest season extends from July to September.

The three leading regions for Navel production are Eastern Cape, Western Cape, and Mpumalanga. Unlike Valencia oranges, Navels require cool growing conditions as can be found in the provinces above. The main cultivars for Navels are Palmer, and the harvest season extends from June to July.

Area Planted

Post estimates area planted to oranges to increase to 40,300 ha in 2010/11, on increased plantings to Valencia oranges. Producers favor Valencia oranges over other cultivar as they bear higher yields and sustain a longer shelf life.

Post revises area planted to oranges in 2009/10 at 40,000 ha on increased plantings for Valencia. The area planted to Valencias in 2009/10 declined slightly by one percent from 24,186 ha to 23,976 ha on excessive flooding in some of the production areas of the Western Cape. Although the area planted to Valencias declined, the overall total area planted to oranges remained virtually unchanged because the area planted to navels increased.

Consumption:

Post expects 2010/11 fresh local orange consumption to remain flat at 135,000 MT on static consumer demand. Post revises the 2009/10 local consumption at 135,000 MT based on industry reports of static consumer demand.

Fresh oranges are popular in South Africa and are widely consumed. Oranges form part of the national food basket of goods which is monitored quarterly by the South African National Marketing Council (NAMC) to track food price inflation. The Johannesburg and Tshwane Fresh Produce markets rank fresh oranges among the top consumed fruits in South Africa and the price for a 15 kilogram bag costs R61. Oranges destined for the local market are consumed as fresh fruit or processed as orange juice.

Trade:

Imports

Post expects 2010/11 orange imports to remain flat at 1,400 MT based on industry data. South African producers are largely able to satisfy domestic demand but imports from Israel do come in the country around the months of November and December to close supply gaps and satisfy year long demand.

Table 4. South Africa: Orange Import Statistics

South Africa Import Statistics				
Commodity: 080510, Oranges, Fresh Or Dried				
Year Ending: December				
Partner country	Unit	Quantity		
		2008	2009	2010
Zimbabwe	MT	3,934	1,140	1,022
Israel	MT	480	355	187
Other not listed	MT	2,370	204	46
Grand total	MT	6,784	1,699	1,255

Source: GTA

Exports

Post estimates 2010/11 orange exports at 930,000 MT, approximately an 11 percent decrease compared to the 2009/10 export quantities on lower exportable supplies which resulted from hail damage in some of the producing areas.

Post revises 2009/10 orange exports at 1.0 MMT based on industry reports. Although the EU has been SA's traditional market, industry reports show that citrus shipments are shifting from the European Union into new markets like the Middle East and Russia. Industry officials posit that these markets have recovered from the global recession, while sluggish demand persists in Europe, UK, and Japan.

South African oranges enter European Union member states (Netherlands, UK, Italy and Belgium) through a preferential tariff for South Africa. The tariffs are the result of the Trade, Development and Cooperation Agreement (TDCA) between the European Union and South Africa while South African oranges gain access into the USA through both the African Growth and Opportunities Act (AGOA) and the General System of Preferences (GSP).

The industry figure for 2009/10 orange exports are slightly different from the GTA number but both numbers indicate an increase in 2010 orange exports on good weather conditions. Post recognizes this difference and uses the industry figure in the PSD as they reflect the current situation. The GTA table will help to show the individual countries destined for SA exports.

Table 5. South Africa: Orange Export Statistics

South Africa Export Statistics				
Commodity: 080510, Oranges, Fresh Or Dried				
Partner country	Unit	Quantity		
		2008	2009	2010
Netherlands	MT	189,823	151,982	197,813
Russia	MT	102,747	98,490	138,939
United Arab Emirates	MT	79,849	100,743	104,064
Saudi Arabia	MT	138,308	72,204	88,914
United Kingdom	MT	82,856	71,441	69,711
Mozambique	MT	48,390	39,799	52,764

Other not listed	MT	435,232	499,303	457,406
Grand total	MT	1,077,205	1,033,962	1,109,611

Source: GTA

Table 6. South Africa: Production, Supply, and Distribution Data

Oranges, Fresh South Africa	2008/2009		2009/2010		2010/2011		
	Market Year Begin: Mar 2009		Market Year Begin: Mar 2010		Market Year Begin: Mar 2011		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Planted	39,700	39,618	40,000	40,000		40,300	(HECTARES)
Area Harvested	37,700	39,618	38,000	40,000		40,300	(HECTARES)
Bearing Trees	38,200	37,156	38,100	38,250		39,100	(1000 TREES)
Non-Bearing Trees	2,500	2,462	2,800	2,800		3,100	(1000 TREES)
Total No. Of Trees	40,700	39,618	40,900	41,050		42,200	(1000 TREES)
Production	1,600	1,445	1,650	1,428		1,309	(1000 MT)
Imports	1	2	1	1		1	(1000 MT)
Total Supply	1,601	1,447	1,651	1,429		1,310	(1000 MT)
Exports	1,100	869	1,150	1,045		930	(1000 MT)
Fresh Dom. Consumption	161	135	161	135		135	(1000 MT)
For Processing	340	443	340	249		245	(1000 MT)
Total Distribution	1,601	1,447	1,651	1,429		1,310	(1000 MT)
TS=TD		0		0		0	

Commodities:

Tangerines/Mandarins, Fresh

Production:

Post expects 2010/11 SA soft citrus production at 155,000 MT, on an increase in the number of trees coming into full bearing.

Post revises 2009/10 soft fruit production at 145,799 MT, a 6 percent decline when compared to the previous year, on drought in the Eastern Cape. Soft citrus grows best in the cool climatic conditions of

the Eastern Cape and Western Cape regions. The SA soft citrus cultivars are Clementines, Mandarins, Naartjie, and Satsuma, with Clementines being the most popular cultivar.

Area Planted

Post expects the area planted to soft citrus (i.e. Clementine, Satsuma, and Mandarins) in 2010/11 will continue to increase to 5,200 ha based on growing consumer demand in the United States. Of the citrus types, the soft citrus is attractive to producers as it has very good export margins on its easy peeling and seedless horticultural characteristics. Post estimates the 2009/10 area planted to soft citrus at 5,000 ha on increased plantings. Although the cost of establishing new orchards is increasing, the returns from the growing demand in the United States is offsetting the costs. Industry officials expect to continue expanding the area planted to soft citrus over the next three to five years.

Consumption:

Post expects local consumption of South African soft citrus to remain flat at 9,000 MT in 2010/11 on static demand from consumers. Domestic consumption of soft citrus has been stable at approximately 9,000MT for the past four years. The small size of soft citrus along with its easy-peeling nature and seedless characteristics make soft citrus a desirable snack for both children and adults. The average price in local markets for soft citrus was R3,042 per ton in 2009. Post revises 2009/10 local consumption at 9,045 MT based on industry reports.

Trade:

Imports

Post expects 2010/11 soft citrus imports at 750 MT, as South Africa can meet its domestic demand.

Imports from Israel do come in the country around the months of November and December to close the gap and provide year long availability.

Table 7. South Africa: Soft Citrus Import Statistics

South Africa Import Statistics				
Commodity: 080520, Mandarins(Tang & Sats)Clementines & Wil- Kings &Sim Citrus Hybrids,Fresh/Dried				
Year Ending: December				
Partner country	Unit	Quantity		
		2008	2009	2010
Israel	MT	467	364	548
Spain	MT	215	171	181
Turkey	MT	120	102	22

Other not listed	MT	0	23	0
Grand total	MT	802	660	751

Source: GTA

Exports

Post expects exports of 2010/11 soft citrus at 120,000 MT, a six percent increase from the previous year on increased exportable available supplies. Post revises 2009/10 soft citrus exports at 113,034 MT, a ten percent increase from the previous year, on higher available supplies. Of all the SA citrus fruit, soft citrus had the highest export profit margin of R4,631 per ton in 2009/10. The United Kingdom is still the leading importer of soft citrus but producers are diverting to other markets and the Middle East and Russia are increasingly becoming important consumers of South African soft citrus. Growers also consider the United States an increasingly important market for soft citrus fruit.

European Union 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 \$41.93 /ton (whichever in the greater) general tariff Most Favored Nation (MFN) while Canada, Hong Kong, the UAE, and Saudi Arabia impose a zero percent MFN duty. South African naartjies enter the USA market duty-free as a result of AGOA preferences.

The industry figure for 2009/10 for soft citrus exports is slightly different from the GTA number; however both numbers indicate a decrease in 2010 exports. Post recognizes this difference and has decided to use the industry figure in the PSD on view that they reflect the current situation, GTA table help to show the individual countries destined for SA exports.

Table 8. South Africa: Soft Citrus Export Statistics

South Africa Exports Statistics				
Commodity: 080520, Mandarins(Tang & Sats)Clementines & Wil- Kings &Sim Citrus Hybrids,Fresh/Dried				
Year Ending: December				
Partner country	Unit	Quantity		
		2008	2009	2010
UK	MT	48,207	55,585	45,266
Netherlands	MT	17,719	14,798	18,932
Russia	MT	13,028	8,430	12,136
United States	MT	4,370	6,427	8,448
United Arab Emirates	MT	3,341	5,337	5,393

Other not listed	MT	25,584	36,562	25,703
Grand total	MT	112,249	127,139	115,878

Source: GTA

Table 9. South Africa: Production, Supply, and Distribution Data

Tangerines/Mandarins, Fresh South Africa	2008/2009		2009/2010		2010/2011		
	Market Year Begin: Feb 2009		Market Year Begin: Feb 2010		Market Year Begin: Feb 2011		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Planted	5,000	4,960	5,100	5,000		5,200	(HECTARES)
Area Harvested	4,750	4,960	4,800	5,000		5,200	(HECTARES)
Bearing Trees	4,700	4,628	4,750	4,750		4,820	(1000 TREES)
Non-Bearing Trees	350	332	400	400		500	(1000 TREES)
Total No. Of Trees	5,050	4,960	5,150	5,150		5,320	(1000 TREES)
Production	170	155	180	146		155	(1000 MT)
Imports	0	0	0	0		0	(1000 MT)
Total Supply	170	155	180	146		155	(1000 MT)
Exports	140	102	145	113		120	(1000 MT)
Fresh Dom. Consumption	9	10	9	9		9	(1000 MT)
For Processing	21	43	26	24		26	(1000 MT)
Total Distribution	170	155	180	146		155	(1000 MT)
TS=TD		0		0		0	

Commodities:

Orange Juice

Production:

Post expects 2010/11 oranges destined for processing to decline to 245,000 MT, on lower available supplies. Post revises 2009/10 oranges destined for processing at 249,000 MT, about a 66 percent decline from the previous year on strong competition from the fresh market. Oranges destined for processing compete against oranges destined for the fresh export market and producers receive a higher premium for fresh fruit in export markets hence the industry's priority to exporting fresh fruit and diverting whatever remains to processing.

In 2008/09, supplies to juicers were higher given the low volume of exports. Post attributes the jump up in stocks in 2009/10 to the higher available supplies of oranges to processors in the previous year. Post recommends revising stocks data in previous years to adjust for new available information.

Industry statistics for orange juice (200911, 200912, and 200919) are largely unavailable in SA given the highly competitive nature of the industry. SA has approximately 16 fruit juice processors with three of the largest facilities in Limpopo and Eastern Cape. The production, supply, and distribution data are comprised of information extracted from various sources and represent Post's best effort to estimate statistics for frozen orange juice concentrate. Data were derived from visits to citrus processors and information extracted from sources primarily focused on ready to drink juices in domestic market such as Euromonitor.

Consumption:

Post expects domestic consumption for orange juice to increase to 11,500 MT for 2010/11 on higher available supplies.

Post estimates consumption of orange juice will increase to 12,000 MT for MY 2009/10 on higher available supplies. In the local market, orange juice is sold for use as a blend with other fruit juices and is also sold to local dairy processors for use in products like yoghurt. SA oranges have a high acid to sugar ratio which causes juice makers to blend orange juice with other fruits.

According to Euromonitor, 100 percent reconstituted juice lead growth in the domestic market for juice in value and volume terms in 2009. Reconstituted juice is popular with SA consumers because it has a long shelf life, and is perceived to be as healthy as 100 percent juice, while lower in price. Nectars, which are made from the fruit puree mixed with cane sugar and water, are also popular in the local market.

The most popular juice brands in SA are Ceres Fruit juice, Liqui-Fruit, and Clover Beverages. Ceres Fruit juice was a leading brand in terms of retail market share at 15 percent followed by Liqui-Fruit at 11 percent in 2009. The rising incomes of an expanding middle class, the lower relative prices of substitute fruit juice, and the consumer's preference for its taste have driven the demand for reconstituted juice in SA.

Trade:

Imports

Post expects SA imports at 400 MT of frozen orange juice concentrate in 2010/11, as South Africa produces sufficient supplies to meet domestic consumer demand.

Exports

Post expects 2010/11 exports of frozen concentrate orange juice at 17,500 MT. The main export partners for SA orange juice are Netherlands, Israel, as well as nearby Angola and Mozambique. Strong demand from oil rich Angola is expected to drive up SA's exports of frozen orange juice.

Table 10. South Africa: Production, Supply, and Distribution Data

Orange Juice South Africa	2008/2009		2009/2010		2010/2011		
	Market Year Begin: Apr 2009		Market Year Begin: Apr 2010		Market Year Begin: Apr 2011		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Deliv. To Processors	323,33 1	443,00 0	340,00 0	249,00 0	340,00 0	245,00 0	(MT)
Beginning Stocks	1,300	596	7,487	13,029	16,120	8,282	(MT)
Production	29,100	39,870	30,600	22,410	30,600	22,050	(MT)
Imports	104	434	42	399	29	400	(MT)
Total Supply	30,504	40,900	38,129	35,838	46,749	32,732	(MT)
Exports	10,557	17,388	7,509	15,556	15,800	17,500	(MT)
Domestic Consumption	12,460	10,483	14,500	12,000	16,600	11,500	(MT)
Ending Stocks	7,487	13,029	16,120	8,282	14,349	3,732	(MT)
Total Distribution	30,504	40,900	38,129	35,838	46,749	32,732	(MT)
TS=TD		0		0		0	

Commodities:

Lemons, Fresh

Production:

Post expects 2010/11 lemon production at 220,000 MT, a modest increase on more trees reach full bearing potential. Post revises 2009/10 lemon production at 217,989 MT, about one percent up from the previous year, on an increase in the number of bearing trees. Hail did impact the Groblersdal area, the

second largest production area, however the impact was minimal. Approximately 44 percent of lemons are grown in the Eastern Cape and the most popular cultivar is Eureka.

Some lemon producers have tried producing the seedless lemon variety of Eureka. Seedless fruit is sought after in the Western countries where it attracts premium prices, but the world’s first seedless lemons developed in South Africa have been reported to be disappointing. The seedless variety of Eureka has low yields, is susceptible to root rot, and has proved costly in terms of production.

Area Planted

Post expects 2010/11 area planted to lemons will continue to increase to 5,080 ha to supply strong demand from Middle Eastern countries. Post estimates area planted to lemons in 2009/10 at 4,800 ha based on industry reports on increased lemon plantings which almost doubled in 2010. Lemons are favored by producers as they have higher margins in export markets.

Consumption:

Post expects 2010/11 local domestic consumption to increase slightly to 12,000 MT on higher available supplies. Post revises the 2009/10 local domestic consumption at 11,372 MT based on industry reports.

Lemons are used as flavorings for grilled or fried poultry and fish dishes. Lemon juice can also be used in the drink, cleaning and pharmaceutical industries. In the food industry, lemon juice is used as a flavor agent, in cakes, tarts, biscuits, candies, ice creams and salad dressing sauces while in the drink industry, it used to make lemonade, smoothies, juices and liquors. In the cleaning industry, lemon juice has been used as a degreaser and disinfectant, due to its high concentration of citric acid, which can inhibit the proliferation of some molds and bacteria.

Trade:

Imports

Post expects 2010/11 imports for fresh lemons to remain at 54 MT, as SA can supply its domestic market.

Table 11. South Africa: Lemons Import Statistics

South Africa Import Statistics
Commodity: 080550, Lemons (Citrus Limon/Limonum) & Limes (Citrus Aurantifolia/Latifolia), Fr/Dried
Year Ending: December

Partner country	Unit	Quantity		
		2008	2009	2010
El Salvador	MT	22	0	22
Israel	MT	11	46	4
Zimbabwe	MT	24	0	8
Other not listed	MT	39	50	20
Grand total	MT	96	96	54

Source: GTA

Exports

Post expects 2010/11 lemon exports to remain flat at 146,000 MT, on bad weather conditions that affected some of the growing areas, resulting in a moderate reduction of exportable supplies. The Middle East is a critical importer of SA lemons as Middle Eastern populations make extensive use of lemons for religious occasions. In 2010, 34 percent of SA exports were destined for the Middle East with United Arab Emirates being the major importer.

Post revises 2009/10 lemon exports at 144,829 MT, based on industry reports and this represents about 11 percent increase above the previous year. SA lemon producers enjoyed a good 2009/10 season since Argentina, the biggest supplier of lemons to Northern Hemisphere markets, experienced unfavorable weather conditions in the 2009/10 season, resulting in a shortages in the markets. This created an opportunity for South Africa to export more lemons in 2009/10 than in 2008/09.

South African lemons do not have preferential access into the European markets. This is an indication that lemons did not form part of the list of products whose tariffs were to be reduced when the TDCA came into effect. They may have been on the list that the European Union member states classified at sensitive products and therefore did not form part of the negotiations. Limes however enter the European Union through preferential tariffs for South Africa. In the case of the UAE, Hong Kong and Kuwait, the Most Favored Nation (MFN) tariffs apply.

Table 12. South Africa: Lemon Export Statistics

South Africa Exports Statistics				
Commodity: 080550, Lemons (Citrus Limon/Limonum) & Limes (Citrus Aurantifolia/Latifolia), Fr/Dried				
Year Ending: December				
Partner country	Unit	Quantity		
		2008	2009	2010
United Arab Emirates	MT	27,294	131,196	28,370
Russia	MT	8,794	28,031	21,896
Netherlands	MT	27,073	13,855	21,186

Saudi Arabia	MT	18,559	64,324	19,056
UK	MT	23,601	15,889	17,103
Other not listed	MT	60,336	143,650	42,995
Grand total	MT	165,657	396,945	150,606

Source: GTA

The industry figure for 2009/10 lemon exports is slightly different from the GTA number. Post recognizes this difference and has decided to use the industry figure in the PSD on view that they reflect the current situation, GTA table help to show the individual countries destined for SA exports.

Table 13. South Africa: Production, Supply, and Distribution Data

Lemons/Limes, Fresh South Africa	2008/2009		2009/2010		2010/2011		
	Market Year Begin: Jan 2009		Market Year Begin: Jan 2010		Market Year Begin: Jan 2011		
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post	
Area Planted	4,449	4,449	4,470	4,800	4,500	5,080	(HECTARES)
Area Harvested	4,269	4,449	4,240	4,800	4,270	5,080	(HECTARES)
Bearing Trees	4,164	4,164	4,300	4,380	4,350	4,500	(1000 TREES)
Non-Bearing Trees	284	284	300	400	350	460	(1000 TREES)
Total No. Of Trees	4,448	4,448	4,600	4,780	4,700	4,960	(1000 TREES)
Production	214	214	230	218	250	220	(1000 MT)
Imports	0	0	0	0	0	0	(1000 MT)
Total Supply	214	214	230	218	250	220	(1000 MT)
Exports	130	130	146	145	150	146	(1000 MT)
Fresh Dom. Consumption	11	11	11	11	11	12	(1000 MT)
For Processing	73	73	73	62	89	62	(1000 MT)
Total Distribution	214	214	230	218	250	220	(1000 MT)
TS=TD		0		0		0	

Policy:

United States cold-steri protocol

The cold-steri protocol for 2010 had been amended, with the support of the USDA, leading to a reduction in the cold-steri period from 24 days to 22 days. However, the United States and South African authorities have been unable to agree on the implementation. Thus, the protocol remains at 24 days to control false codling moth. Industry officials maintain that this provision of 24 days has resulted in losses between six and 15 percent of a shipment due to cold damage. Under the 22 days cold storage requirement, the losses were limited to three percent.

Extended pest-free areas for citrus black spot

United States declared the following provinces and magisterial districts free of citrus black spot last year:

- Free State: Boshof, Fauresmith, Jacobsdal, Koffiefontein, and Philippolis

- North West Province: Christiania and Taung
- Northern Cape: Barkly-wes/west, Gordonia, Hay, Herbert, Hopetown, Kenhardt, Kimberely, Namakwaland, and Prieska

Table 16. South Africa: Tariffs on Citrus Fruit

Fruit type	Unit	General	EU	EFTA	SADC
Citrus	kg	5%	free	5%	Free