

USDA Foreign Agricultural Service

# GAIN Report

Global Agricultural Information Network

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**Date:** 7/1/2010

**GAIN Report Number:**

## **South Africa - Republic of**

### **Citrus Semi-annual**

### **Citrus Semi - annual**

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**Report Highlights:**

For marketing year 2009/10, Post estimates an increase in orange production to 1,500 million MT thanks to good weather conditions and good yields per hectare, while both the grapefruit and export figures are expected to decrease from the previous marketing year.

South Africa's citrus industry is currently involved in the 'Beautiful Country, Beautiful Fruit' campaign which is aimed at promoting the grapefruit in the United Kingdom (UK). Historically, the UK is South Africa's most important fruit export destination. However, the grapefruit exports to the UK have been declining in volume and value after 2005 hence the quest to revive the grapefruit exports in that country.

**Executive Summary:**

South Africa ranks as number 12 in terms of world citrus production, but it is the second biggest exporter of fresh citrus fruit after Spain, thus SA dominates the southern hemisphere in terms of overall citrus. SA dominates total southern hemisphere citrus exports (62 percent market share) and in particular the grapefruit (93 percent) and oranges (75 percent) while the lemon sector is dominated by Argentina. South Africa's citrus is exported via the ports of Durban and Port Elizabeth or via the Maputo port. Sixty percent of citrus exports depart from Durban; thirteen percent of citrus exports to European markets use the Cape Town port and citrus destined for the Middle East is shipped through the Port Elizabeth port. The citrus export season for South Africa runs from May to September.

For marketing 2009/10, the citrus industry estimates that the total orange exports will amount to 942,797 MT while the grapefruit exports will be about 189,019 MT and the lemons exports will be about 134,850 MT.

last year, the United States declared the magisterial districts of Boshof, Fauresmith, Jacobsdal, Koffiefontein, and Philippolis in the Free State Province; Christiania and Taung in the North West Province; and Barkly-wes/west, Gordonia, Hay, Herbert, Hopetown, Kenhardt, Kimberely, Namakwaland, and Prieska in the Northern Cape Province meet the criteria with respect to freedom from citrus black spot, and accordingly, the areas are recognized as pest-free areas for citrus black spot. On the market front, the South African citrus industry is determined to increasingly expand the marketing of its products across the United States to give consumers in all US states access to its high quality fruit and this year the industry will be aggressively marketing their products in the West Coast and the Midwest states regions of the US.

**USD (\$) 1: R7. 54**

**Commodities:**

Grapefruit, Fresh

Oranges, Fresh

Orange Juice

Lemons, Fresh

**Production:**

**Commodity**

**Grapefruit, Fresh**

Production of grapefruit in South Africa seems to exhibit patterns in production that alternate between high and low production volumes yearly. For marketing year 2009/10, a "down" year is expected as opposed to last year's big production volumes. When production per tree is less, the size of the fruit tends to be bigger. This poses a challenge for certain markets like Japan which prefer a small sized fruit.

**Commodity:**

## **Oranges, Fresh**

Post estimates an increase in orange production to 1,500 million MT thanks to good weather conditions and good yields per hectare.

### **Commodity:**

#### **Orange juice**

The three major citrus juice processors in South Africa are: Granor Passi; Letaba Citrus Processors (LCP) and the Port Elizabeth-based Valor, with Granor Passi being the largest followed by LCP and then Valor. All the three processors are strategically located in the country's major citrus producing regions.

Granor Passi processes approximately 220,000 tons of fruit per annum and citrus accounts for more than 75 percent of the annual production. The original company was established in 1956 as a small enterprise processing mainly Granadillas and Oranges. In 1972, a Swiss company, Passi AG bought shares in Granor which opened the door for international trade and the company's name was changed to Granor Passi (Pty) Ltd. LCP which is South Africa's second largest citrus processor after Granor Passi was built in partnership with Coca-Cola in 1961 to supply for its Minute Maid brand products.

### **Commodity:**

#### **Lemons, Fresh**

Post estimates an increase in lemon production up to 250,000 MT for marketing 2009/10 due to increase in number of bearing trees.

### **Consumption:**

#### **Grapefruit, Fresh**

For marketing 2008/09 total fresh domestic grapefruit consumption amounted to 4,379 MT and the local sales averaged to USD 13,504.14 per ton while the export net realization was USD 20,440.94 per ton.

For marketing year 2007/08, total fresh domestic grapefruit consumption amounted to 3,660 MT and the local sales averaged to USD 17,342 per ton while the export net realization was USD 27, 898.00 per ton.

## **Orange, Fresh**

For marketing 2008/09 total fresh domestic orange fruit consumption amounted to 135,833 MT and the local sales averaged to USD 10, 819.00 per ton while the export net realization was USD 25,960.22 per ton.

For marketing year 2007/08, total fresh domestic orange fruit consumption amounted to 132,978 MT and the local sales averaged to USD1, 283 per ton while the export net realization was R2, 832 per ton.

### **Lemons, Fresh**

For marketing 2008/09 total fresh domestic lemon consumption amounted to 12,681 MT and the local sales averaged to USD 24,784.00 per ton while the export net realization was USD 29,813.16 per ton.

For marketing year 2007/8, total fresh domestic lemon consumption amounted to 11,218 MT and the local sales averaged to USD 18,812.30 per ton while the export net realization was USD 29,813.16 per ton.

### **Trade:**

#### **Grapefruit, Fresh**

#### **Imports**

South Africa is not a big importer of grapefruit and for marketing 2008/09, South African total grapefruit imports amounted to 999 MT with most of those imports coming from Zimbabwe and Israel.

## Exports

For marketing year 2009/10, the citrus industry estimates total grapefruit export crop at 189,019 MT. This is 21,167 MT down compared to total export figure for marketing year 2008/09 which was 210,186 MT as reported by the industry. According to the industry 2009/10 was a down year in terms of production of grapefruit hence the exports are expected to be low as well.

The export data from the GTA differs from industry data and the post recognizes this difference and adopts the South African citrus industry data. Semi citrus report for CY 2009 reported the same challenge of differing data figures and even last year the industry figures were adopted.

## Industry export estimates

To Week 20 - 1,000 MT	Packed		Shipped		Original estimate 2010	Latest Prediction 2010	Final Packed 2009	Final Shipped 2009
	2009	2010	2009	2010				
Grapefruit	100,500	<b>88,500</b>	60,000	<b>33,000</b>	189,000	183,000	213,000	205,500
Soft Citrus	48,000	<b>60,000</b>	30,000	<b>37,500</b>	112,500	118,500	102,000	90,000
Lemons	45,000	<b>66,000</b>	27,000	<b>28,500</b>	135,000	135,000	130,500	115,500
Navels	58,500	<b>69,000</b>	16,500	<b>21,000</b>	321,000	321,000	291,000	286,500
Valencia	-	3,000	1,500	-	619,500	619,500	577,500	577,500
	251,500	72,000						

Source: PPECB

## Packed versus Shipped

Differences have been noted between the packed and shipped data. Industry is looking into the issue to determine the reasons some citrus goes through the extensive costly procedure necessary for export and then end up remaining in South Africa. In the past years (2007 and 2008), lack of markets; Phytosanitary interceptions before shipping were indicated as possible reasons for differences between the packed versus shipped. The citrus industry continues to identify the reasons for the differences and hopes that by implementing an electronic data interchange system, the difference will be minimized.

The export season for grapefruit is currently on and abnormal rain which occurred in the Northern regions of South Africa during the month of May caused some delays in the packing of Grapefruit and Lemons. This has an impact on the product flow to the ports of Maputo and Durban and it is expected to affect the volumes of fruit scheduled for ships due to load.

The top five markets for South African grapefruit are: Japan; Netherlands; Russia; Canada and the UK. The UK is South Africa's traditional important fruit export destination and the grapefruit exports to this country have been declining in volume and value after 2005. South African citrus industry has embarked in a campaign to

promote the grapefruit and dispel myths about the taste of the fruit among the UK customers. The campaign is called a 'Beautiful Country, Beautiful Fruit' and its main objective is to promote South African grapefruit in the UK market during May, June and July. The industry draws strength from the success achieved by the pilot project undertaken for South African plum in the UK which led to plum market growing by 10.3 percent in value and 47.2 percent in volume in the UK.

The Grapefruit campaign will feature a combination of activities designed to educate shoppers about the sweet taste of South African grapefruit particularly the red varieties like the Star Ruby. In supermarkets, tasting events are being organized and information and recipe leaflet, with competition to win a holiday to South Africa is part of promotional activities. A new website to support the campaign is up and running at [www.beautifulcountrybeautifulfruit.co.uk](http://www.beautifulcountrybeautifulfruit.co.uk) and was this website was launched in November 2009.

## **Oranges, Fresh**

### **Imports**

South Africa is not a big importer of oranges and for marketing 2008/09, South African total orange imports amounted to 1,699 MT with most of those imports coming from Zimbabwe.

For marketing year 2007/08, South African total oranges imports amounted to 6,784 MT with most of those imports coming from Zimbabwe.

### **Exports**

For marketing year 2009/10, the citrus industry estimates total orange export crop at 942,797 MT and this shows an increase of 74,276 MT in the orange export fruit compared to marketing year 2008/09. For marketing 2009/10 the export season is currently on and the first million cartons (20,000 MT) of navels have been packed, but export volumes remain limited, exports have been to the Middle East and Russia. About 35 percent is destined for Middle East compared to last year's 41 percent and about 26 percent is destined for Russia.

## **Lemons, Fresh**

### **Imports**

South Africa is not a big importer of lemons and for marketing 2008/09, South African total lemon imports amounted to 96 MT with most of those imports coming from Israel.

For marketing year 2007/08, South African total lemons imports amounted to remained constant at 10 MT with most of those imports coming from Turkey.

### **Exports**

The top markets for South African lemons are: United Arab Emirates; United Kingdom; Netherlands and Russia. For marketing year 2009/10, the citrus industry estimates total lemon export crop at 134,850 MT.

## **Policy:**

The citrus industry has been excited about the developments in the US cold steri protocol. The cold steri protocol for 2010 has been amended, with the support of the USDA and APHIS, leading to the reduction in the cold steri period from 24 days to 22 days.

These earlier hopes on the reduction of the cold steri period starting this year have been dashed since the US and South African authorities have been unable to agree on the early implementation.

**Marketing:**

South African citrus industry targets expansion in West Coast and Midwest of the United States, with the aim of increasingly expanding marketing of its products across the United States to give consumers in all US states access to its high quality fruit. New initiatives in 2010 to support the export program to the United States include the option of using smaller conventional reefer vessels and ensuring a more efficient container program.

**Beautiful Country beautiful fruit campaign in the UK**

UK is South Africa’s critical fruit export destination and the grapefruit exports to UK have declined in volume and value after 2005. The South African Citrus Growers Association (CGA) has joined the ‘Beautiful Country, Beautiful Fruit’ campaign which was started by the South African Deciduous Fruit last year in UK to promote the grapefruit and amongst other things dispel the myth about the taste of the grapefruit. The campaign will feature a combination of activities designed to educate shoppers about the sweet taste of South African grapefruit particularly the red varieties like the Star Ruby.

In supermarkets, tasting events are being organized and information and recipe leaflet, with competition to win a holiday to South Africa is part of promotional activities. The campaign is aimed for the months of May, June and July and specific activities to promote the fruit are planned in stores and in the Media. A new website [www.beautifulcountrybeautifulfruit.co.uk](http://www.beautifulcountrybeautifulfruit.co.uk) to support the campaign was launched in November 2009.

CGA is the third industry organization, following the deciduous and Table Grapes to embark in this promotional campaign to promote South African fruits to British consumers throughout the year. A pilot project was undertaken for South African plum in the UK and very positive results were obtained whereby the plum grew by 10.3 per cent in value and 47.2 per cent in volume in the UK.

**Production, Supply and Demand Data Statistics:**

**PSD Table**

Grapefruit, Fresh South Africa	2007/2008			2008/2009			2009/2010			
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010			
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	
Area Planted	8,588	8,100	8,588	9,116		9,075	9,500		9,562	(HECTARES)
Area Harvested	7,900	7,200	7,900	8,436		8,388	8,200		8,874	(HECTARES)
Bearing Trees	8,352	2,800	8,352	8,500		8,182	8,900		8,400	(1000 TREES)
Non-Bearing Trees	814	400	814	900		946	950		1,000	(1000 TREES)
Total No. Of Trees	9,166	3,200	9,166	9,400		9,128	9,850		9,400	(1000 TREES)
Production	388	300	340	341		370	390		345	(1000 MT)

Imports	0	10	4	0		9	2		9	(1000 MT)
Total Supply	388	310	344	341		379	392		354	(1000 MT)
Exports	261	210	196	195		210	200		195	(1000 MT)
Fresh Dom. Consumption	4	12	4	3		4	3		4	(1000 MT)
For Processing	123	88	144	143		165	189		155	(1000 MT)
Total Distribution	388	310	344	341		379	392		354	(1000 MT)
TS=TD			0			0			0	

*Export figures used for 2009 were industry figures because the figure given in GTA even exceeds the production figure as reported by the Citrus Industry and the Department of Agriculture.*

Oranges, Fresh South Africa	2007/2008			2008/2009			2009/2010			
	Market Year Begin: Feb 2008			Market Year Begin: Feb 2008			Market Year Begin: Feb 2009			
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	
Area Planted	37,632	37,700	37,632	38,684	38,300	38,684	39,200		39,200	(HECTARES)
Area Harvested	35,932	35,600	35,932	40,384	36,600	40,384	38,900		38,900	(HECTARES)
Bearing Trees	41,813	23,900	41,813	42,500	24,500	42,500	43,200		43,200	(1000 TREES)
Non-Bearing Trees	1,906	1,400	1,906	2,000	1,200	2,000	2,200		2,200	(1000 TREES)
Total No. Of Trees	43,719	25,300	43,719	44,500	25,700	44,500	45,400		45,400	(1000 TREES)
Production	1,410	1,550	1,526	1,526	1,470	1,445	1,600		1,500	(1000 MT)
Imports	5	0	7	6	0	2	6		2	(1000 MT)
Total Supply	1,415	1,550	1,533	1,532	1,470	1,447	1,606		1,502	(1000 MT)
Exports	1,015	1,070	971	1,077	1,050	867	1,130		950	(1000 MT)
Fresh Dom. Consumption	200	220	150	180	220	136	201		150	(1000 MT)
For Processing	200	260	412	275	200	444	275		402	(1000 MT)
Total Distribution	1,415	1,550	1,533	1,532	1,470	1,447	1,606		1,502	(1000 MT)
TS=TD			0			0			0	

Orange Juice South Africa	2008/2009			2009/2010			2010/2011			
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010			
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	
Deliv. To Processors	200,000		307,934	229,435		323,331			340,000	(MT)

Beginning Stocks	2,500		2,500	1,300		1,300			0	(MT)
Production	18,000		20,015	26,500		14,913			22,100	(MT)
Imports	900		0	990		5			5	(MT)
Total Supply	21,400		22,515	28,790		16,218			22,105	(MT)
Exports	11,000		583	17,550		15,865			10,005	(MT)
Domestic Consumption	9,100		20,632	10,240		353			10,500	(MT)
Ending Stocks	1,300		1,300	1,000		0			1,600	(MT)
Total Distribution	21,400		22,515	28,790		16,218			22,105	(MT)
TS=TD			0			0			0	

Lemons/Limes, Fresh South Africa	2007/2008			2008/2009			2009/2010			
	Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010			
	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	USDA Official	Old Post	New Post	
Area Planted	4,360	4,360	4,426	4,408	4,400	4,449	4,500		4,472	(HECTARES)
Area Harvested	4,180	4,180	4,246	4,230	4,220	4,269	4,300		4,292	(HECTARES)
Bearing Trees	2,780	2,780	4,360	4,360	2,800	4,164	4,400		4,440	(1000 TREES)
Non-Bearing Trees	140	140	66	66	150	284	80		350	(1000 TREES)
Total No. Of Trees	2,920	2,920	4,426	4,426	2,950	4,448	4,480		4,790	(1000 TREES)
Production	200	200	230	144	210	214	160		260	(1000 MT)
Imports	0	0	10	24	0	96	24		90	(1000 MT)
Total Supply	200	200	240	168	210	310	184		350	(1000 MT)
Exports	110	110	166	166	120	143	170		180	(1000 MT)
Fresh Dom. Consumption	10	10	12	0	10	11	10		30	(1000 MT)
For Processing	80	80	62	2	80	156	4		140	(1000 MT)
Total Distribution	200	200	240	168	210	310	184		350	(1000 MT)
TS=TD			0			0			0	



