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South Africa - Republic of

CITRUS SEMI-ANNUAL

Changes to South African Citrus Production and Trade

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Report Highlights:

South African grapefruit and Valencia exports are forecast up from last year due to increased demand in overseas markets. Lemons and Navels are forecast to fall slightly. A new citrus export levy went into effect on January 1, 2009. The 38c/Rand per carton tax will be collected at the time of pack house inspection.

Executive Summary:

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Citrus production remains relatively flat compared to last year. Exports, however, were up slightly in 2008 and are expected to remain near that level into 2009. Grapefruit exporters have become more selective of the fruit quality entering the export chain, resulting in slightly higher volumes going into processing.

Commodities:

Grapefruit, Fresh
 Oranges, Fresh
 Lemons, Fresh

**Production:
Production**

Post estimates current orange production down slightly from its November estimate to 1.42 million MT due to uprooting of older bearing trees and increasing area for new plantings, which will not come into production for several years.

Post estimates CY2008 orange production at 1.405 million MT, down from November's estimate based on industry reports.

No changes are made to lemon or grapefruit production estimates.

No changes are made to Post's orange juice concentrate production.

Consumption:**Consumption**

Grapefruit going to processing is increased slightly from last year due to lower quality, smaller fruit being diverted from export channels. Post increases CY2008 grapefruit for processing to 204,000 MT. For CY2009, the number is expected to fall slightly to 180,000 MT as producers and exporters adjust to the new demands of the export channels and divert less to processing.

Trade:**Trade**

The citrus industry forecasts total 2009 exports will be about 3 percent higher than last year due to increases in grapefruit and Valencia exports and modest increases in soft citrus volumes. Lemon and Navel volumes are forecast down slightly.

To Week 24 - 1,000 MT	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed	Final Shipped
Source :	2008	2009	2009	2009	2008	2008
PPECB						
Grapefruit	100.5	97.5	226.5	210	192	186
Soft Citrus	54	51	111	106.5	109.5	97.5
Lemons	67.5	43.5	141	129	144	132
Navels	82.5	78	324	306	322.5	318
Valencia	7.5	4.5	645	631.5	642	606

	282	274.5	1447.5	1383	1410	1339.5
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Source: PPECB

Total citrus shipped as of Week 46, 2008, as compiled by the Citrus Growers Association (CGA), was 1.341 million MT, a 3 percent increase from 2007.

CGA exports in 2007 were 1.299 million MT. Exported products are Valencia (47.2 percent), navels (21.9 percent), grapefruit (16.3 percent), soft citrus (7.1 percent), and lemons and limes (7.5 percent).

To Week 46 – 1,000 MT	Shipped	Shipped	Original Estimate	Final Prediction	Final Shipped
Source : PPECB	2007	2008	2008	2008	2007
Grapefruit	214.5	186	195	186	214.5
Soft Citrus	94.5	97.5	111	97.5	94.5
Lemons	99	132	121.5	132	99
Navels	280.5	318	295.5	318	280.5
Valencia	610.5	604.5	621	607.5	610.5
	1299	1338	1344	1341	1299

Source: PPECB

The data above differ from data found in the WTA. Due to the inspection procedures that are followed for citrus exports, the data from the PPECB, noted above, is relied upon as official data, as official levies are paid against this export data. Post recognizes the differences and adopts the PPECB export numbers as post data.

Grapefruit Exports

Grapefruit exporters are being diligent in controlling the quality and size of grapefruit that are sent through the export channel. Unpopular varieties and small-sized fruits are being diverted from exports and into the processing sector. Because of this activity, the industry grapefruit export estimates were reduced by 7 percent from original estimates of 15.1 m cartons (226,500 MT). The new export forecast is 210,000 MT (14 m cartons). Post adopts this estimate as its CY2009 grapefruit export forecast.

Post reduces the CY2008 grapefruit export estimate to 186,000 MT based on PPECB data.

Packed vs. Shipped

Difference have been noted between packed and shipped data. Industry is looking into the issue to determine the reasons some citrus goes through the extensive, and costly, procedures necessary for export, and then ends up remaining in South Africa. In 2007 and 2008, four to five percent of what was packed and passed for export did not get shipped.

