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South Africa - Republic of

RAISIN ANNUAL

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Report Highlights:

For the 2009/10 marketing year (crop harvested in 2009) total raisin production is estimated at 29, 995MT almost 25 percent lower than in the 2008/09 marketing year. The lower production has been a result of severe cold along the Orange River production area during the blooming stage of the grapes.

South Africa's total raisin production for marketing year 2008/09 was 40, 201MT; almost 4 percent lower than the 2007/08 marketing year. The substantially better prices received for early seedless table grapes on the export market caused growers to market potential raisin grapes as table grapes.

Raisin production is expected to rebound in 2010/2011 (crop harvested in 2010), with production forecast at 39,090MT.

In 2008 South Africa exported 38,747 MT of raisins. For the 2009/10 marketing year it is expected that exports will decrease to 23,532 MT This decrease in exports is due to small crop size.

Executive Summary:

South Africa's total raisin production for 2009/10 Marketing Year (crop harvested in 2009) is estimated at 29,995 MT. This represents a 25 percent decline from the previous year's production of 40,201MT. The low tonnage was due to the decline in the production of sultanas; which was caused by severe cold during the blooming stage in October. It is estimated that the production of sultans will be as low as 1,800 MT compared to previous year's 8,790 MT. There will be a slight increase in the Golden sultana at 12, 800 MT; Thompson seedless will decrease from 19,121 to 15, 315MT. The Raisins Muscat will remain unchanged at 0,080MT.

For Marketing Year 2008/9 South Africa's total production of raisins was 40, 201 MT, almost 4 percent from down compared to the 2007/08 marketing year's production of 41,832 MT. The reason for this decline was that early seedless table grapes that were potential raisin grapes were marketed on the export market because of better prices received.

Commodities:

Raisins

Production:

Raisins are produced mainly in the western and southern parts of the Western Cape Province and the Lower and Upper Orange River areas in the Northern Cape Province. Seventy percent of the sultana grapes grown in the Lower Orange River Region are used for vine fruit products. The following vine fruit products are produced in the Northern Cape: Sundried Thompson Seedless Raisins; Dipped Orange River Sultanas; Golden Sultanas; Muscat Raisins and Monuca Raisins.

SAD Vine Fruit (Pty) Ltd owns the largest dried vine fruit processing and packaging plant in South Africa. As much as 80 percent of vine fruit grown in South Africa is exported, primarily to Europe but also to Japan, Taiwan, Korea, Canada and the United States of America.

The popular Thompson's seedless raisin is made from the sultana grape. They are directly sun-dried in the open air on cement slabs. Sultanas are dipped in a weak lye solution to speed up the drying process and then placed on drying-racks in partial shade. The result is an amber-brown, sweet sultana ideal for baking. Golden sultanas are obtained by lye dipping and sulphuring sultana grapes, prior to the drying process. They are then laid out on wooden trays in complete shade. The golden-yellow sultana is sweet-sour and well suited to salads and cooking.

For marketing year 2008/9, raisins production in South Africa amounted to 40,201MT almost 4 percent lower than the 41,832MT produced in the 2007/08 marketing year. The substantially better prices received for early seedless table grapes on the export market caused growers to market potential raisin grapes as table grapes.

Post forecasts that total raisins production will increase to 39,090 MT for marketing year 2010/11 (crop harvested in 2010).

The production of raisins in South Africa - MT

Fruit type	2007	2008	2009
	Marketing year 2008/2009	Marketing year 2009/2010	Marketing year 2010/2011
Sultans type			
Sultanas	8,790	1,800	5,000
Golden	12,210	12,800	13,000
Thompson seedless	19,121	15,315	21,000
Raisins Muscat	80	80	90
Total	40,201	29,995	39,090

Source: Dried Fruit Technical Services; *= Post estimates

Raisin farmers in South Africa face risks throughout the growing and harvesting season. Farmers face the risk of frosts, a serious threat to the crops. Dry and hot weather helps to develop the natural sugars in the grapes. However, excessive heat threatens to halt development of the grapes and even has the potential to damage the crop. Drying takes place near the source of the fruit.

Consumption:

Raisins have long enjoyed a variety of applications as snacks, prominent ingredients in mixes, sauces and condiments, and in a wide variety of baked goods and confections. The baking industry is still the largest consumer of raisins in South Africa. Christmas, Easter and Ramadan seasons are the peak consumption periods for raisins. They are used in a variety of products such as biscuits; cake; buns that are consumed during these festive times. It is foreseen that the demand for dried fruit products such as raisins should continue to improve as the trend indicates that consumers' preferences are moving to healthier and natural choices. Raisins are seen as the ideal healthy "fast food" for snacking on the run.

The flow of the marketing chain locally is as follows: from the producer (farmer) to the secondary processors then to retail and finally to the consumer. The price of locally sold raisins varies according to the size of the crop and quality. Producers and processors negotiate with each other on price for example if the crop is small the price be higher due to low supply. A stable tonnage of about 10,000 – 12,000 tons of raisins is usually consumed locally.

Trade:

There are eight countries competing for the world Raisin Market: Australia, Chile, Greece, Iran, Mexico, South Africa, Turkey, and the United States. In the southern hemisphere (Argentina, Chile and South Africa), fruit is harvested in February – March, with new crop product coming to market in late April or May. Greece, Turkey

and the U.S. harvest crops in late August and September, with availability in the early fall.

Imports

South Africa traditionally imports from the United States of America; Sweden and Turkey but other countries like Iran and China have penetrated the market as well. For marketing year 2009/10 Turkey has been the main importing partner of South Africa at 22MT while the United States of America plummeted to 0MT, even the first quarter import shows that all imports are from Turkey.

Exports

Post forecasts that South Africa's marketing year 2010/11 raisins exports will be 23,532 MT. For marketing year 2009/10, Canada will continue to dominate the export market of South African raisins. In 2008, South Africa exported 9,270MT to Canada while 5,312MT was exported to the United States. In the first five months of 2009, trade data shows that South Africa has exported 1,141MT to Canada while it has only exported 317 MT to the United States. Shipment of raisins from South Africa normally takes place for 15 months and thus flows into a following year and the product is easily stored for this time.

Both local and exporting marketing of raisins is free from government intervention; however in case of exports the Phyto - sanitary requirements and quality standards must be adhered to. Raisins are exported to the United States of America under the AGOA that means it's duty free.

Stocks:

South Africa's raisins stock levels exhibit a trend of fluctuating between 6,010 and 6,020 MT. Post forecasts drastic decrease of stock for marketing year 2009/10 due to the small size crop.

Policy:

For deciduous fruit including raisins; South African export legislation requires *inter alia* that-

- Only chemical remedies registered in terms of The Fertilizers, Farm Feeds, Agricultural Remedies and Stock Remedies Act (Act No. 36 of 1947) are used on the specific crop;
- Crops or agricultural products exported should not exceed the maximum chemical residue limits of the importing countries; and
- Record is kept of the chemical remedies used in spray/fumigation programs and as post harvest treatment.
- Perishable Products Export Control Board (PPECB) is mandated by the National Department of Agriculture to issue export certificates for deciduous fruit including raisins under the requirements of Agricultural Product Standards Act of 1990. PPECB also audits the use of legislated pesticides on a regular basis; by sampling the consignments of Food Business Operators (FBOs) destined for export according to Maximum Residue Level (MRL) Standard Operating Procedure.

www.daff.co.za; www.ppecb.com

Marketing:

Based on the quality of the production; raisins in South Africa can be marketed locally as industrial grade and this can be done through the secondary processor or directly to the retail sector. On the other hand, choice grade which is of superior standard can be exported. Raisins of various sizes are sold on the domestic market.

Prices for raisins

Raisins Prices (Rand/Ton)				
Sultana type	Years			Percentage change 07/08
	2006	2007	2008	
Golden	7,650	8,075	10,935	35.4
Thompson seedless	5,310	5,317	7,218	36
Other raisins	5,550	6,000	10,422	73.6

Source DFPT

Prices for golden raisins increased from by 35 percent to R10, 935 a ton in marketing year 2009/2010. because of increased demand due to small crop size. Prices of other raisins increased to as much as R10, 422 a ton.

Production, Supply and Demand Data Statistics:

PSD

Raisins Africa	South	2007			2008			2009		
		2008/2009			2009/2010			2010/2011		
		Market Year Begin: Jan 2008			Market Year Begin: Jan 2009			Market Year Begin: Jan 2010		
		USDA Official Data		Post	USDA Official Data		Post	USDA Official Data		Post
			Data			Data			Data	
Area Planted		9,140	9,140	9,140	9,160	9,160	9,160		9,160	
Area Harvested		8,600	8,600	8,600	8,620	8,620	8,620		8,620	
Beginning Stocks		6,000	6,000	6000	6,010	6,010	6,020		0	
Production		40,201	40,201	40,201	40,300	40,300	29,995		39,090	
Imports		10	10	10	10	10	65		65	
Total Supply		46,211	46,211	46,211	46,320	46,320	36,080		39,155	
Exports		31,300	31,300	38,747	31,400	31,400	23,532		23,532	
Domestic Consumption		8,901	8,901	1,454	8,900	8,900	6,463		9,538	
Ending Stocks		6,010	6,010	6,010	6,020	6,020	0		6,020	
Total Distribution		46,211	46,211	46,211	46,320	46,320	29,995		39,090	

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Exports

Year (Jan - Dec)	US	Canada	Netherlands	UK	France	Algeria	Others	Total
2007	4,519	12,075	3,740	3,052	2,778	2,204	12,794	41,162
2008	5,312	9,270	3,923	3,481	2,529	1,761	12,471	38,747
2009 (Jan-May)	317	1,141	287	646	776	1,759	2,942	7,868

Source: Global Trade Atlas

Imports

Year (Jan - Dec)	US	Sweden	Turkey	Others	Total
2007	1	0	0	93	94
2008	1	0	22	42	65
2009 Year (Jan - May)	0	0	792	72	864

Source: Global Trade Atlas