

USDA Foreign Agricultural Service

GAIN Report

Global Agricultural Information Network

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South Africa - Republic of

Raisin Annual

South Africa's raisin supply and demand report

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Report Highlights:

Post forecasts that the raisin production will increase by four percent to 51,000 MT in the 2016/17 MY, from 49,000 MT in the 2015/16 MY based on the increase in area production. The 2015/16 MY raisin production was revised downwards to 49,000 MT based on the impact of rain damage to grapes during the harvest period early in 2016.

Commodities:

Raisins

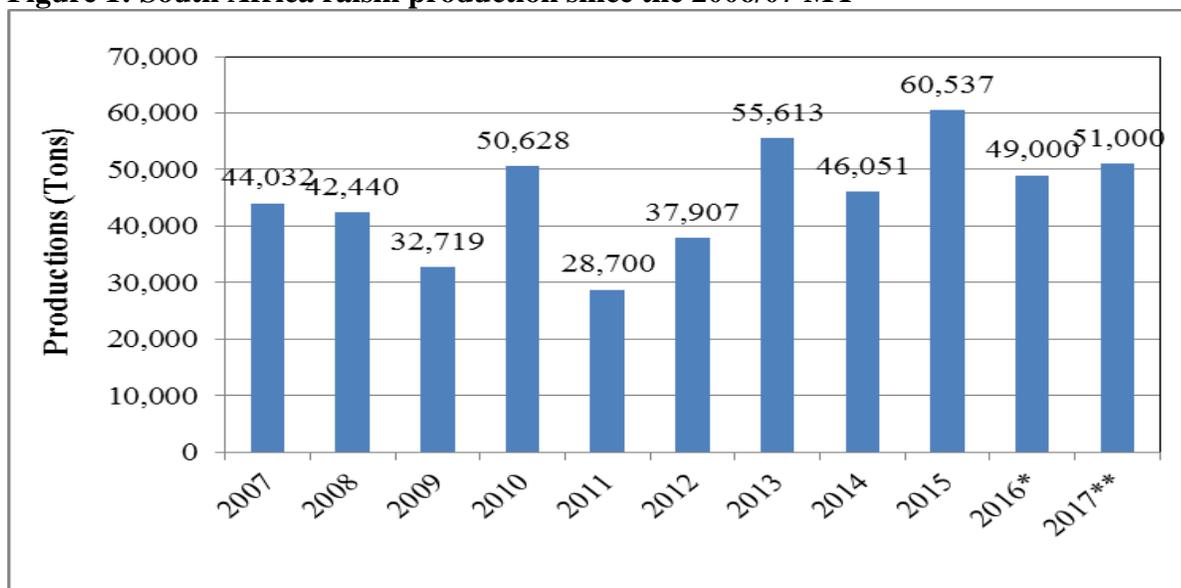
Production

Post forecasts that the raisin production will increase by about four percent to 51,000 MT in the 2016/17 MY, from 49,000 MT in the 2015/16 MY based on the increase in area under production which is expected to be partially offset by the impact of the current dry weather conditions. The 2015/16 MY raisin production was revised downwards to 49,000 MT based on the impact of rain damage to grapes in early 2016 during the harvest period and the diversion of some grapes to the wine cellars. The 2014/15 MY raisin production was revised downwards to 60,537 MT based on final industry data at the back of excellent weather conditions, expansion of area planted and the diversion of wine grapes to raisins production as a result of lower prices for wine grapes. The production figures are based on the dried raisin weights.

Raisins are mainly produced along South Africa's longest river, the Orange River in the Northern Cape Province, due to its ideal climate for drying raisins. Grapes used for the production of raisins are mainly produced further east of the Orange River, and are harvested later than table grapes, usually from January to March in order to maximize the sugar content in the grapes. In the 2014/15 MY, the Thompson seedless were the most produced raisin cultivar in South Africa, accounting for 52 percent of total production followed by Goldens (33 percent), Sultans (9 percent) and Currants cultivars (6 percent). The Thompson seedless raisin is the cultivar of choice because it is suitable for various drying methods.

There are seven major raisin processors in South Africa, namely, Bokomo Foods, Red Sun Raisins, Carpe Diem Estate, The Raisin Company, Fruit du Sud, Northern Cape Raisins and Farmers Pride.

Figure 1: South Africa raisin production since the 2006/07 MY

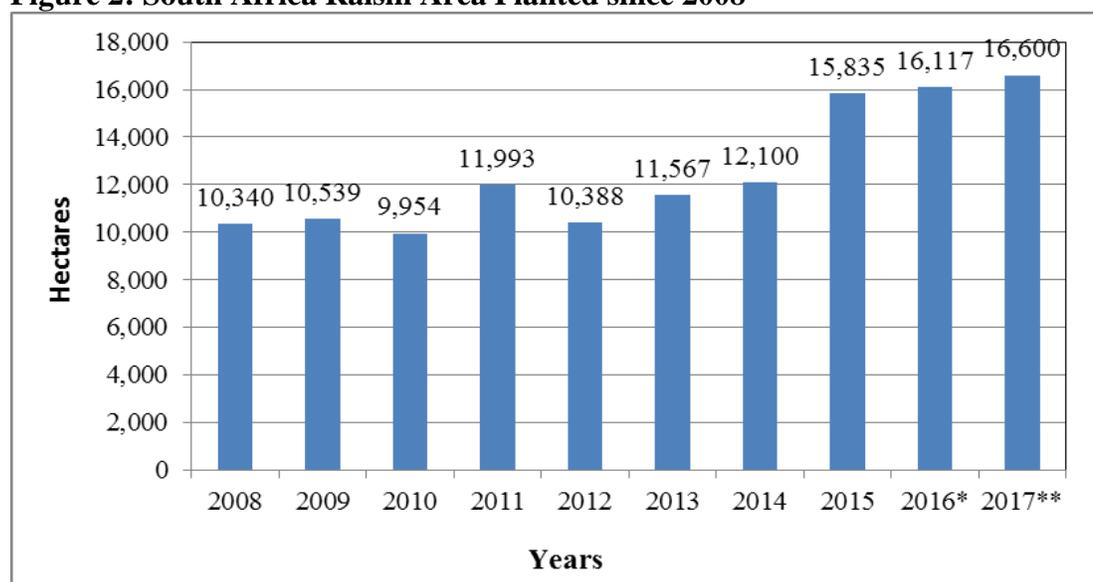


Source: HORTGRO, *Estimate, ** Forecast

Area Planted

The 2016/17 MY area planted to grapes for raisin production is forecasted to reach a peak of 16,600 hectares based on the increase in investment in the horticulture sector driven by the weaker rand to the U.S dollar, as well as increases in area planted of the Merbein seedless variety. The Merbein Seedless variety is becoming more attractive to producers as its production is evenly spread out during the season and has high yields. Post revised upwards the 2015/16 MY area planted with raisins to 16,117 based on updated industry estimates. The 2014/15 MY area planted to raisins remains unchanged at 15,835 ha. **Figure 2** shows that the area planted with grapes for raisin production has been growing since the 2007/08 MY.

Figure 2: South Africa Raisin Area Planted since 2008



Source: HORTGRO

*Estimate, ** Forecast

Consumption

Post forecasts that the South African consumption of raisins will remain flat at 8,000 MT in the 2016/17 MY, based on the available raisin crop and slow economic growth in South Africa. The 2015/16 MY and 2014/15 MY domestic consumption of raisins was revised downwards to 8,000 MT and 7,906 MT, respectively, based on the decrease in production and updated industry data.

The baking industry is still the largest consumer of raisins in South Africa for products like biscuits, cakes, and buns that are consumed during festive times such as Christmas, Easter and Ramadan. Sweet sultana are ideal for baking while the golden –yellow sultana are sweet-sour and well suited for salads and cooking. Raisins are also consumed as snacks, and it is foreseen that the demand for raisins as a snack will continue to improve as consumers’ preferences are moving towards more healthier and natural choices. However, domestic consumption of raisins in South Africa is largely influenced by available supply, prices, competition from fresh table grapes and consumers income growth.

Stocks

South Africa usually has minimal or no closing stocks at the end of each marketing year as raisin production is largely contracted and considered sold at the end of the season. Post forecasts that there will be no closing stocks in the 2016/17 MY and 2015/16 MY.

Exports

Post forecasts that South Africa`s raisin exports will increase by five percent to 43,400 MT in the 2016/17 MY, from 41,450 MT in the 2015/16 MY based on the increase in production. The 2014/15 MY exports remain unchanged at 52,935 MT based on Global Trade Atlas (GTA) data at the back of peak production levels in South Africa.

Europe remains South Africa`s largest market for raisins accounting for almost 55 percent of the export market share. Other important markets include Algeria (13 percent), Canada (10 percent) and the United States (9 percent). There are eight countries competing for the world raisin market, namely, Australia, Chile, Greece, Iran, Mexico, South Africa, Turkey and United States. In the Southern hemisphere (Argentina, Chile and South Africa), fruit is largely harvested from February to March, with new products coming to market the in late April to May. Greece, Turkey and the United States harvest crops in late August and September, with availability from September.

Table 1: South Africa raisin exports

South Africa Export Statistics				
Commodity: 080620, Grapes, Dried (Including Raisins)				
Year Ending: December				
Partner Country	Unit	Quantity		
		2013	2014	2015
World	T	31,962	35,041	52,935
Germany	T	3,919	4,364	12,261
Algeria	T	3,203	4,967	6,752
Netherlands	T	3,794	3,957	5,247
Canada	T	4,052	4,525	5,242
United States	T	3,535	2,139	4,829
France	T	2,625	2,273	3,059
United Kingdom	T	2,413	2,088	2,361
Brazil	T	1,021	2,196	1,622
Belgium	T	564	494	1,349
Spain	T	327	506	1,268
Sweden	T	117	694	1,173
Denmark	T	345	288	669
Australia	T	677	796	616
Portugal	T	185	266	547
Norway	T	352	545	521
Switzerland	T	722	855	478

United Arab Emirates	T	30	82	456
Malaysia	T	433	261	448
Finland	T	199	287	393
Japan	T	266	352	349
Philippines	T	0	79	343
New Zealand	T	435	514	297
Egypt	T	0	74	201

Source: Global Trade Atlas (GTA)

Imports

South Africa is not a major importer of raisins as it produces in excess of domestic demand. Namibia is the traditional exporter of minimal amounts of raisins to South Africa.

Table 2: South Africa raisin imports

South Africa Import Statistics				
Commodity: 080620, Grapes, Dried (Including Raisins)				
Year Ending: December				
Partner Country	Unit	Quantity		
		2013	2014	2015
World	T	30	151	304
Namibia	T	20	148	264
United Kingdom	T	0	0	20
Belgium	T	0	0	19

Source: GTA

Producer prices

The producer prices for raisins are sensitive to supply and demand factors. Producers normally agree price and supply contracts with raisin processors in advance, and this usually leads to financing challenges in the event that producers have more than the contracted stock. In years with high raisin production, producer raisin prices are usually low, while years with low production are usually accompanied by high raisin prices.

Table 3: Historical price trends: Raisins Producer Prices

Raisins Varieties	2008	2009	2010	2011	2012	2013	2014	2015
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	R/To n							
Goldens	10,98 0	17,00 0	12,70 0	19,30 0	19,80 0	17,60 0	18,00 0	17,20 0
Thompson Seedless	7,300	11,50 0	8,800	13,00 0	14,20 0	13,80 0	14,15 0	13,12 0
Other Raisins	8,590	11,50 0	10,40 0	16,00 0	16,90 0	16,00 0	16,20 0	15,30 0
Average	8,957	13,33 3	10,63 3	16,10 0	16,96 7	15,80 0	15,40 6	14,76 2

Source: HORTGRO

Policy

The applicable regulations when importing raisins into South Africa are as follows;

Procedures to be followed when importing plants and plant products into South Africa;

<http://www.nda.agric.za/doaDev/sideMenu/plantHealth/docs/importProcedure.pdf>.

Agricultural product standards Act, 1990 (Act No. 119 of 1990) - Regulations relating to the quality, packing and marking of dried fruit intended for sale in the republic of South Africa;

http://www.nda.agric.za/doaDev/sideMenu/foodSafety/doc/localImportRegulations/gg37949_nn653%20APSA%20-%20Regulations%20re%20quality%20etc%20dried%20fruit%20in%20SA.pdf.

The Foodstuffs, Cosmetics and Disinfectants Act (54/1972);

<http://www.health.gov.za/index.php/shortcodes/2015-03-29-10-42-47/2015-04-30-09-10-23/2015-04-30-09-11-35/category/181-act>

South Africa is in the process of amending the regulations relating to the labeling and advertising of foods. The draft amended regulation is on the following link;

<http://www.health.gov.za/index.php/shortcodes/2015-03-29-10-42-47/2015-04-30-09-10-23/2015-04-30-09-11-35/category/36-documents-for-comment>

Tariff Rates

Table 4 shows custom duties applicable to South African raisin imports. United States raisin exports face a 10% customs tax.

Table 4: Tariff Rates, Dried Grapes

	Description	Unit	General	EU	EFTA	SADC
0806.20	Dried grapes	kg	10 percent	free	10 percent	free

Source: SARS Customs schedule

Table 5: Production, Supply and Demand Tables

Raisins Market Begin Year South Africa	2014/2015		2015/2016		2016/2017	
	Jan 2015		Jan 2016		Jan 2017	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	0	15,835	0	16,117	0	16,600
Area Harvested	0	14,409	0	14,000	0	15,400
Beginning Stocks	0	0	0	0	0	0
Production	58,000	60,537	55,000	49,000	0	51,000
Imports	200	304	200	450	0	400
Total Supply	58,200	60,841	55,200	49,450	0	51,400
Exports	45,000	52,935	45,000	41,450	0	43,400
Domestic Consumption	13,200	7,906	10,200	8,000	0	8,000
Ending Stocks	0	0	0	0	0	0
Total Distribution	58,200	60,841	55,200	49,450	0	51,400
(HA) ,(MT)						