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## **South Africa, Republic of**

### **Citrus**

### **Annual**

### **2002**

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#### **Report Highlights:**

**Total CY 2002 citrus production is estimated to increase 5 percent to about 1.6 million tons, due to the positive effects of soil moisture content, sunlight, increased area harvested and improved cultivars in key citrus growing areas. Increases in output are estimated at 6% for oranges and 11% for lemons. Grapefruit area and output are stagnating based on weak international demand. The EU has imposed a zero-tolerance on imports from South Africa of citrus products affected by black spot. Planted area figures have been revised significantly based on a new census.**

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Includes PSD changes: Yes  
Includes Trade Matrix: Yes  
Annual Report  
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Executive Summary .....	1
Area .....	1
Production, Fresh Oranges .....	2
Exports, Fresh Oranges .....	3
Production, Processed Oranges .....	4
Production, Fresh Lemons .....	5
Exports, Fresh Lemons .....	6
Production, Fresh Grapefruit .....	7
Area planted .....	8
Exports, Fresh Grapefruit .....	8
Consumption .....	9
Trade .....	9
Policy .....	10
International Standards .....	10
Eurepgap .....	10
Phytosanitary issues .....	11
Marketing .....	11

## **Executive Summary**

Total CY 2002 production of oranges, grapefruit and lemons is estimated to increase to about 1.6 million tons, up 5% from last year due to the positive effects of enough soil moisture content following favorable weather, sunlight, increased area and improved cultivars in the citrus growing areas. Output increases are estimated at 6% for oranges, and 11% for lemons. Grapefruit output is expected to decline slightly as some growers switch to sugarcane. Consumption is expected to increase by about 2% from last year. Exports are expected to remain relatively unchanged from last year.

In 2001, South Africa's citrus industry established three new structures namely, Citrus South Africa, the Citrus Exporters' Association, and the Joint Management Association, to provide effective management of citrus exports. The strategy of South Africa citrus industry is to expand sales to new markets such as Japan and the US. However, South African exports must still overcome phytosanitary requirements in many countries.

South Africa's citrus industry is lobbying the government to establish domestic support schemes, as well as export enhancement programs to enable them meet the increasing strict phytosanitary requirements of importers and compete on a more level playing field with other suppliers.

### **Area**

We have revised planted and harvested area significantly based on a recent citrus census. Although it's not completely clear why such a large discrepancy has developed between the old and new numbers, two factors seemed to have played a key role; first, the last major census was carried out in the mid-1990's, and included overly optimistic projections for expanded citrus production and exports following the restoration of democracy in South Africa. Second, we have learned recently that the area estimates we had been receiving included citrus orchards in some neighboring countries, including Swaziland and Mozambique. We will continue to update the area figures as more accurate information becomes available.

**Production, Fresh Oranges**

PSD Table						
Country	South Africa, Republic of					
Commodity	Fresh Oranges				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Area Planted	54728	35000	55200	37000	0	39000
Area Harvested	44659	26000	45700	28000	0	30000
Bearing Trees	16722	11000	17300	12000	0	13000
Non-Bearing Trees	1954	3000	2100	4000	0	4000
TOTAL No. Of Trees	18676	14000	19400	16000	0	17000
Production	1119	1119	1150	1150	0	1220
Imports	1	1	1	1	0	1
TOTAL SUPPLY	1120	1120	1151	1151	0	1221
Exports	570	517	580	586	0	590
Fresh Dom. Consumption	197	295	270	295	0	301
Processing	353	308	301	270	0	330
TOTAL DISTRIBUTION	1120	1120	1151	1151	0	1221

South Africa's orange industry is primarily dominated by Valencias, followed by Delta's, Midnights and Navels. Citrus yields in mature orchards average about 40 to 60 tons per hectare.

CY 2002 orange production is expected to increase 6% from last year because of improved weather conditions. The devaluation of the Rand and improved export quality control are expected to bring better producer prices. Currently, only class 1 of the Valencia orange varieties are exported to the US. The tree census for 2002 indicates that South Africa's figures on area planted had always been elevated by including Zimbabwe, Mozambique and Swaziland orange production areas.

**Exports, Fresh Oranges**

Export Trade Matrix			
Country	South Africa, Republic of		
Commodity	Fresh Oranges		
Time period	Jan-Dec	Units:	Tons
Exports for:	2000		2001
U.S.	9367	U.S.	17080
Others		Others	
Netherlands	94109	Netherlands	117420
Belgium	85839	United kingdom	69165
United kingdom	64435	Saudi Arabia	64423
Saudi Arabia	59716	Belgium	60052
Spain	34629	Russia	59946
U.A. Emirates	30446	Spain	37340
Hongkong	26209	Hongkong	35802
Canada	21134	Italy	20603
Russia	19092	Canada	19287
France	17039	France	13829
Total for Others	452648		497867
Others not Listed	55097		71186
Grand Total	517112		586133

source: Dept. of Customs & Excise

**Production, Processed Oranges**

PSD Table						
Country	South Africa, Republic of			65	Degrees Brix	
Commodity	Juice, Orange				(MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Deliv. To Processors	353	308	301	270	0	330
Beginning Stocks	2500	3338	1600	4541	1210	4949
Production	20000	23501	20500	20790	0	25410
Imports	100	100	110	100	0	110
TOTAL SUPPLY	22600	26939	22210	25431	1210	30469
Exports	9500	9698	11000	7682	0	12960
Domestic Consumption	11500	12700	10000	12800	0	12900
Ending Stocks	1600	4541	1210	4949	0	4609
TOTAL DISTRIBUTION	22600	26939	22210	25431	0	30469

**Production, Fresh Lemons**

PSD Table						
Country	South Africa, Republic of					
Commodity	Fresh Lemons				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Area Planted	3550	3550	3550	3500	0	3612
Area Harvested	2970	2970	2980	2400	0	2542
Bearing Trees	1170	1170	1180	1180	0	1355
Non-Bearing Trees	216	216	230	230	0	633
TOTAL No. Of Trees	1386	1386	1410	1410	0	1988
Production	112	118	120	155	0	175
Imports	0	0	0	0	0	0
TOTAL SUPPLY	112	118	120	155	0	175
Exports	66	66	60	75	0	88
Fresh Dom. Consumption	9	9	20	20	0	10
Processing	37	43	40	60	0	77
TOTAL DISTRIBUTION	112	118	120	155	0	175

South Africa's lemon production is expected to increase by 11% from last year's figures because of improved weather conditions. South Africa exports a large volume of lemons, while a small percentage is sold on the fresh produce domestic markets. About 40% of all lemons are processed while around 45% are exported annually. CY 2002 fruit prices are expected to increase from last year, because of an anticipated improvement in the quality of production.

**Exports, Fresh Lemons**

Export Trade Matrix			
Country	South Africa, Republic of		
Commodity	Fresh Lemons		
Time period	Jan-Dec	Units:	Tons
Exports for:	2000		2001
U.S.	203	U.S.	116
Others		Others	
Saudi Arabia	12449	Saudi Arabia	13418
U.A. Emirates	10509	Belgium	11557
United Kingdom	7783	U.A. Emirates	10739
Hongkong	6192	Netherlands	7573
Belgium	5606	United kingdom	6626
Japan	4627	Hongkong	6441
Netherlands	4359	Italy	3525
Slovenia	1469	Japan	2663
Singapore	1342	Slovenia	2265
Spain	1230	Germany	2133
Total for Others	55566		66940
Others not Listed	10231		8141
Grand Total	66000		75197

source: Dept. of Customs & Excise



**Production, Fresh Grapefruit**

PSD Table						
Country	South Africa, Republic of					
Commodity	Fresh Grapefruit				(HECTARES)(1000 TREES)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/2000		01/2001		01/2002
Area Planted	4360	5000	4360	4900	0	4800
Area Harvested	3930	4750	3933	4960	0	4600
Bearing Trees	15400	1990	15410	2070	0	1850
Non-Bearing Trees	105	105	110	109	0	100
TOTAL No. Of Trees	15505	2095	15520	2179	0	1950
Production	186	186	240	195	0	190
Imports	1	1	1	1	0	1
TOTAL SUPPLY	187	187	241	196	0	191
Exports	134	134	180	129	0	125
Fresh Dom. Consumption	9	9	10	10	0	10
Processing	44	44	51	57	0	56
TOTAL DISTRIBUTION	187	187	241	196	0	191

Grapefruit production is suffering from weak demand and oversupply in international markets. The prospect for more processing of grapefruit has increased as a result of the continued decline in exports since CY 2000. The one exception is increased planting of Star Ruby variety, which has enjoyed good demand in the international market. Currently, its market share is 6.5% compared to 7.3% for Marsh grapefruit.

The international preference for larger fruit resulted in a reduction in average age of orchards because older trees produce smaller fruit. Emphasis has also shifted from quantity to quality. Many grapefruit farmers in the Mpumalanga, Malelane and Komatipoort areas uprooted orchards and replaced them with sugar cane as a result of the new irrigation scheme project established in the area. Therefore, the 2002 grapefruit tree number was lower than expected.

**Area planted**

Area planted to grapefruit is expected to fall much lower than estimated because most farmers are replacing the orchards with sugarcane around the Mpumalanga area as a result of the establishment of a new dam and irrigation

schemes.

### Exports, Fresh Grapefruit

Export Trade Matrix			
Country	South Africa, Republic of		
Commodity	Fresh Grapefruit		
Time period	Jan-Dec	Units:	Tons
Exports for:	2000		2001
U.S.	18	U.S.	273
Others		Others	
Japan	33031	Japan	46615
Netherlands	25258	Netherlands	20002
Belgium	24484	United Kingdom	15784
United Kingdom	20522	Belgium	13235
Mozambique	8229	Mozambique	9696
France	6479	Italy	7824
Canada	4917	Germany	3513
Italy	3316	Spain	3144
Hongkong	1839	France	1829
Spain	982	Hongkong	1193
Total for Others	129057		122835
Others not Listed	4494		6224
Grand Total	133569		129332

source: Dept. of Customs & Excise

## Consumption

Consumption is expected to increase slightly ( 2% ) from last year.

## Trade

South Africa's exports are expected to remain relatively unchanged in 2002. In 2001, exports increased 10 percent as a result of strong demand and a beneficial exchange rate. About 900,000 tons of South Africa's citrus fruit, 540,000 tons of oranges, 120,000 tons of grapefruit and 90,000 tons of lemons are exported annually. South Africa's export period for citrus is from April to October. Its main competitors are Argentina, Chile and Australia during the principal season, and Israel, Spain, Egypt and the US towards the end of the marketing season.

Capespan, South Africa's biggest fruit exporting industry, handles about 80% of the country's fruit exports. About 70% of South Africa citrus production trade is exported annually, with more than 50 million cartons sold in about 50 markets on 6 continents. South Africa's biggest export market is still Europe, followed by the Middle East, Japan, the Far East and the United States. Citrus export earnings continue to benefit from the Rand's devaluation, which fell over 50 percent against major currencies in 2001.

The deregulation of 1997 opened up new markets for SA produce. Japan, with a better profit margin than Europe, has become an important market for South Africa's citrus industry. Last year, three of SA's largest independent fruit exporters landed a contract to export about R100 million of citrus fruit to Japan. The export deal came as welcome news to fruit farmers after many seasons of poor returns.

The European Union introduced a zero tolerance ban on citrus blackspot (CBS). This will stop all exports from individual farmers whose farms are in CBS areas. Currently, the Western Cape, because of its winter rainfall climate, is the only area declared blackspot free within South Africa. Europe has been South Africa's largest citrus export market since 1930. Over this period, black spot has never been an issue between the EU and South Africa.

## Policy

During the 2001 season, the National Department of Agriculture, through the Citrus Growers' Association, instituted a product tracking system for citrus. The system provides that growers exporting under the Special Export Markets (USA, Japan, Korea and EU) must register with the department and obtain a production unit code (PUC) per orchard or farm (s). The purpose of the registration is to be able to identify and withdraw all fruit produced on a

particular production unit when the registration of a sample of that crop is declined.

## **International Standards**

South Africa's Codex Alimentary draft document, which will set a baseline criteria for production, is expected for release in 2003. The documented Maximum Residue Limit(MRL) information include: the local South Africa registered MRL and withholding period; an export default MRL and export withholding period; and the EU, USA and Codex MRL's, per fruit type. Export MRL's expected from the National Department of Health and Quality will include new Grading Standard Regulations based on the strictest MRL required in the EU Member States, Canada and the USA.

## **Eurepgap**

The first Eurepgap Africa regional conference was held on 13 March 2002 in Cape Town. Eurepgap Africa is established to contribute to regional harmonization of the Eurepgap protocol, compliance criteria and implementation guidelines. South Africans are debating the feasibility of Eurepgap since not all farmers and consumers can afford its usage, and the fact that it is also not widely used within Europe, e.g. Germany.

South African farmers are attempting to deal with different requirements of the exporting countries. Other than Europe's Eurepgap, the U.S. requires adherence to the (US)GAP and Codex.

By 2003, all South African exports to Europe will be required to meet the new requirements. However, farmers still need to comply with eurepgap requirements if they are to export to Europe this year.

## **Phytosanitary issues**

The Western Cape is free of Citrus Black Spot(CBS), and currently, only citrus produced in the region can be exported to the United States. USDA has a phytosanitary pre-clearance and inspection program in the Western Cape for South Africa citrus destined for the US market. Several other countries such as Japan, Korea, the EU also have pre-clearance programs for citrus exports to their markets.

## **Marketing**

A new international campaign, under the umbrella slogan, 'Fruit South Africa', was launched in 2000 to promote the

image of South Africa fruit products. The South African fruit industry under 'Fruit South Africa' participated in the Asia Fruit Conference held in Hong Kong in early May. The industry intends to continue to participate in international fruit trade fairs. The South African Fruit Exporter's Forum indicates that the fruit export industry is undergoing a fundamental change and adapting quickly to the requirements of the free market system.

South Africa's citrus industry has established a marketing forum which meets weekly to discuss all aspects of marketing. About 85% of growers have joined the organization and are working together to optimize sales to the overseas market.

In 2001, South Africa's citrus industry established three new structures, namely, Citrus South Africa, Citrus Exporters' Association, and the Joint Management Association, to provide more effective mechanisms for the management of citrus exports. About two-thirds of South Africa's total citrus crop is exported annually, earning the country around R2 billion in foreign exchange. The Citrus Exporters' Association, in co-operation with accredited exporters, is expected to secure minimum prices from exporters by applying strict quality standards.

South Africa's citrus industry is lobbying the government to establish domestic support schemes, as well as export enhancement programs to enable them meet the increasing strict phytosanitary requirements of importers and compete on a more level playing field with other suppliers.