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South Africa, Republic of

Dried Fruit

Annual

2002

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Report Highlights:

CY 2002 raisin production reached about 40,000 MT, a 21% increase from a year earlier because of exceptionally good weather with relatively dry conditions in dried-fruit producing areas. Of the total, 32,029 MT were Thompson seedless, a variety that increased over 90% from last year as a result of improved weather conditions.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Pretoria [SF1], SF

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Executive Summary

CY 2002 total dried fruit production increased to 47,303 MT, the largest production since 1997. CY 2002 raisin production reached about 40,000 MT, a 21% rise from last year because of good season with relatively dry conditions in key dried-fruit producing areas, particularly the Western Cape and the Orange river sites. Of total raisin output, about 32,000 MT was Thompson seedless, a variety that increased over 90% from last year, as a result of improved weather conditions.

Export value is expected to decrease because of surplus raisins in international market as a result of over production in first world countries.

Production

South Africa's fruit growing and drying regions are divided into two distinctively different climatic zones; the Lower Orange river, suitable for vine fruit production because of its arid conditions, and the Western Cape, with its Mediterranean climate and winter rainfall, which is suitable for tree fruit production.

The dry, semi-desert conditions of the Lower Orange River in the Northern Cape are ideally situated for the growing and drying of raisins and sultanas. Raisins producing vineyards, situated between the river and the desert, are exposed to both intense heat and enough water for growth and development.

Since the deregulation of fruit marketing, demands have shifted to quality production rather than volume-driven production. South Africa's raisin production is traditionally of good quality, as the grapes are picked at the stage of optimum ripeness. The sustainable production of high quality fresh fruits, especially grapes, is vital for the dried fruit industry to continue to grow, as it provides healthy alternatives to regular snacks, as well as much needed job opportunities. A large amount of fruit is needed to produce 1 Kg of dried fruit.

South Africa seldom experiences adverse weather conditions that result in crop damage. It is more typical of sultana vines to overbear one year with a lighter crop the next year. This is the major determining factor for the volume of Unbleached, Golden yellow, and Thompson seedless sultana raisins produced according to the quality. Annually, about 20% of the total sultana crop are used for fresh tablegrapes, and wine making, leaving approximately 150,000 MT for drying.

The table below indicates the dried vine fruit production over the past 5 years:

Fruit-type	1998	1999	2000	2001	2002
Sultana - Type					
Unbleached	3,700	5,097	4,709	9,158	2,591
Golden Sultana	6,945	8,539	4,028	7,490	5,656
Thompson seedless	10,451	26,722	27,622	16,552	32,092
Currants	1,181	1,702	1,463	1,420	1,837
Hanepoot	91	534	320	223	179
Total Raisins	22,335	42,594	38,142	34,843	42,355

Note: Total raisin production indicated in the ps&d table below excludes the currants production.

Production

PSD Table						
Country	South Africa, Republic of					
Commodity	Raisins				(HA)(MT)	
	Revised	2000	Preliminary	2001	Forecast	2002
	Old	New	Old	New	Old	New
Market Year Begin		01/2001		01/2002		01/2003
Area Planted	12800	12000	13000	12200	12300	12300
Area Harvested	12800	11200	13000	11300	11400	11400
Beginning Stocks	9505	9505	9506	6449	7507	11305
Production	34000	34843	40000	42355	39000	42000
Imports	1	1	1	1	0	1
TOTAL SUPPLY	43506	44349	49507	48805	46507	53306
Exports	21000	25900	28500	27000	28800	29000
Domestic Consumption	13000	12000	13500	10500	11200	13000
Ending Stocks	9506	6449	7507	11305	6507	11306
TOTAL DISTRIBUTION	43506	44349	49507	48805	46507	53306

CY 2002 season has been good for dried fruit production because of the increased volume of fruit sent for drying than for juice and wine-making compared to last year. Raisin production increased significantly by 21% from 2001 because of expanded area and improved climatic conditions. However, driers preferred to produce more of the Thompson seedless than the light colored unbleached raisins fearing discoloration as a result of more wet and humid conditions of last year.

The industry is concerned about the tendency of producers to distribute and export raisins of low quality (not well-dried) which negatively impact the industry's image and receipts, as both the agents and importers may seek future imports from other sources.

Consumption

Domestic consumption is expected to decrease by about 8% in CY2002 as more raisins will be sent for exports.

Exports, Raisins

The export arm of industry, South African Dried (SAD) Food industry, is a major South African dried fruit exporter, contributing about 87% of the total annual exports.

Export Trade Matrix			
Country	South Africa, Republic of		
Commodity	Raisins		
Time period	Jan-Dec	Units:	Tons
Exports for:	2000		2001
U.S.	1,145	U.S.	979
Others		Others	
Canada	4,994	Canada	7,131
Germany	3,700	Germany	3,610
France	2,785	Netherlands	2,485
Netherlands	2,689	United Kingdom	2,223
United Kingdom	1,966	Portugal	2,024
Japan	1,584	France	1,825
Phillipines	407	Japan	1,420
Hong Kong	233	Australia	1,178
New Zealand	168	New Zealand	534
Total for Others	18526		22430
Others not Listed	1330		2,699

Grand Total	21001		26108
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Source: Dept. of Customs & Excise

In CY2002, export volume is expected to rise by 15% from a year earlier. However, South Africa Dried fruit industry (SAD) estimates that export value of SA raisins will decline significantly because of the expected glut of quality raisins in the international market. Nevertheless, it is hoped that the devaluation of the Rand will boost producer profits.

Policy

South Africa's National Department of Agriculture has specific regulations on raisin quality, packaging, and standards for domestic sale and exports which are regulated under the Agricultural Product Standards Act of 1990. A draft of similar regulations for imports was released in September 2001.

Marketing

The Agricultural Product Marketing Act of 1997 liberalized the South African raisin market. Thus, both domestic and international sales of raisins operate under a free marketing system. However, exports should adhere to phytosanitary requirements and quality standards set by the importing countries.

Since 1997, the South African Dried Fruit (SAD) formed a joint-venture with a US-based food multinational, HJ Heinz. SAD is distributing Heinz sauces and condiments, imported from Zimbabwe, Indonesia, Britain and the US.

The domestic market is rather stagnant at about 10,000 MT of raisins/sultanas in all variety and quality groups. South Africa exports on average (5 years) about 35,000 MT of dried vine fruits, 85% of which is exported by SAD Food Exports alone.

Export prices are based on world trends. The SAD offered 2002 seedless raisins at US\$930, Goldens at US\$1350, sultanas at US\$1150 and currants at US\$1300, all prices CIF buyersport.

South African raisins exports to the US are eligible for preferential duty entry under African Growth and Opportunity Act (AGOA).