



Scheduled Report - Public Distribution

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GAIN Report SF9008

South Africa, Republic of
Fresh Deciduous Fruit
Special Stone Fruit Report
1999

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Report Highlights:

Although the crops harvested during 1999 did not vary much from 1998 crops, exports increased substantially. The increased exports are due to the deregulation of the marketing system, bringing about the phasing out of all marketing boards and the entrance of new exporters.

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

Executive Summary	1
PS&D: Peaches	2
Production	2
Trade & Marketing	2
Trade Matrix: Peaches	3
Policy	3
PS&D: Plums	4
Production	4
Export Matrix:Plums	5

Executive Summary

Despite uncertainties brought about by deregulation of fruit marketing, the stone fruit industry in South Africa seems to be thriving. Competition in international markets is fierce and South Africa's stone fruit industry is vulnerable due to the unfair advantage enjoyed by subsidized competitors, especially in the EU.

Most of South Africa stone fruit are exported to the EU while the UK is the major single market for South African plums. Sources indicate that South Africa is not very competitive in the export of desert peaches, because of low quality from the old cultivars planted. Not much, if any, peaches or nectarines are exported to the U.S.A. South Africa has a very successful variety breeding program and approximately 70-80% of all stone fruit exported are locally bred varieties. More fruits were exported in 1998 compared to previous year because of the good sunny weather South Africa experienced.

Prospects for the 1999 crop look promising and another season of steady growth is expected.

US Dollar 1 = Rand 6.16, 04/16/99

PS&D: Peaches

PSD Table						
Country:	South Africa					
Commodity:	Fresh Peaches & Nectarines					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		01/1997		01/1998		01/1999
Area Planted	0	9585	0	9600	0	9625
Area Harvested	0	8364	0	8375	0	8400
Bearing Trees	0	7912	0	7950	0	7975
Non-Bearing Trees	0	1192	0	1200	0	1225
Total Trees	0	9104	0	9150	0	9200
Commercial Production	0	239832		240176	0	245000
Non-Comm. Production	0	0	0	0	0	0
TOTAL Production	0	239832	0	240176	0	245000
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	0	239832	0	240176	0	245000
Domestic Fresh Consump	0	59999	0	47599	0	45000
Exports, Fresh Only	0	3489	0	2951	0	5000
For Processing	0	176344	0	189626	0	195000
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	0	239832	0	240176	0	245000

Production

The Western Cape is ideally suited to the growing of quality stone fruit and is the major production area in South Africa. This area enjoys a mild Mediterranean-type climate with a diversity of unique micro-climate areas and varying soil conditions, which enables the production of more than 280,000 tons of stone fruit varieties during the harvesting season which commences in October and lasts until April. More than 30,000 tons of stone fruit are exported every year. The tables indicate a small increase in production in 1999 compare to 1998 because of the good sunny weather South Africa experienced. Peach production ended in March and quality was reportedly good.

Trade & Marketing

Marketing deregulation of the industry opened up opportunities. As a result Outspan International (the traditional citrus marketer) and Unifruco (the traditional deciduous fruit marketer) combined their resources to form Capespan Group Holdings Ltd., effective 1 January 1999, which in turn joined forces with the international company, Fyffes. Another positive development was the entry of Dole, the world's largest fresh fruit company into the South Africa industry. The launch of the new European currency (EURO) will ease the

administration of exports to the EU, the main market. Deregulation has been good for the producers and exporters, leading to increased sales, while the devaluating exchange rate has been in their favor. In the deregulation process, however, the industry lost all government export assistance.

Trade Matrix: Peaches

Export Trade Matrix			
Country:		Units:	metric tons
Commodity:			
Time period:	Jan-Dec		
Exports for	1997		1998
U.S.	0	U.S.	0
Others		Others	
UK	4376		0
Saudi Arabia	331		0
Belgium	310		0
U A Emirate	292		0
Mauritius	252		0
Kuwait	137		0
Mozambique	133		0
Zimbabwe	127		0
Germany	121		0
	0		0
Total for Others	6079		0
Others not listed	533		0
Grand Total	6612		0

Policy

The enactment of the New Agricultural Products Marketing Act sets in motion the deregulation of the entire South African Agricultural Marketing system. Regarding stone fruits on the domestic market, it completed the deregulation process that started in 1989. According to industry sources, the deregulated marketing environment, has given producers or farmers greater choice, and most are starting to explore the different marketing opportunities afforded to them, i.e producers receive more money and a lot quicker, as the competition is intense. On a negative side the competition has led to the export of lower quality fruit in some cases and consequent lower prices. In summary the crop size has been good, and we understand that more fruits were exported during 1999 compared to previous years.

PS&D: Plums

PSD Table						
Country:	South Africa, Republic of					
Commodity:	Fresh Plums & Prunes					
		1997		1998		1999
	Old	New	Old	New	Old	New
Market Year Begin		01/1997		01/1998		01/1999
Area Planted	0	4014	0	4017	0	4020
Area Harvested	0	3606	0	3610	0	3615
Bearing Trees	0	5031	0	5115	0	5122
Non-Bearing Trees	0	658	0	576	0	574
Total Trees	0	5689	0	5691	0	5696
Commercial Production	0	36317	0	35430	0	36500
Non-Comm. Production	0	0	0	0	0	0
TOTAL Production	0	36317	0	35430	0	36500
TOTAL Imports	0	0	0	0	0	0
TOTAL SUPPLY	0	36317	0	35430	0	36500
Domestic Fresh Consump	0	4659	0	6340	0	6000
Exports, Fresh Only	0	31351	0	28670	0	30000
For Processing	0	307	0	420	0	500
Withdrawal From Market	0	0	0	0	0	0
TOTAL UTILIZATION	0	36317	0	35430	0	36500

Production

Compared to 1997, 1998 plums and prunes production decreased from 36,317 to 35,430 tons. This decrease was due to inclement climatic conditions experienced in some plum producing areas. The 1999 crop reached about 36,500 tons again due to more favorable weather conditions. As for the growth in exports, it is due to the demand for plums in the EU markets and the good prices realized.

Export Matrix:Plums

Export Trade Matrix			
Country:		Units:	Metric ton
Commodity:			
Time period:	Jan-Dec		
Exports for	1997		1998
U.S.	85	U.S.	0
Others		Others	
U.K	15407		0
Belgium	6895		0
Saudi Arabia	2504		0
Spain	1658		0
Germany	1019		0
U A Emirates	629		0
France	549		0
Israel	379		0
Kuwait	357		0
Mauritius	353		0
Total for Others	29835		0
Others not listed	1516		0
Grand Total	31351		0