



BACKGROUND

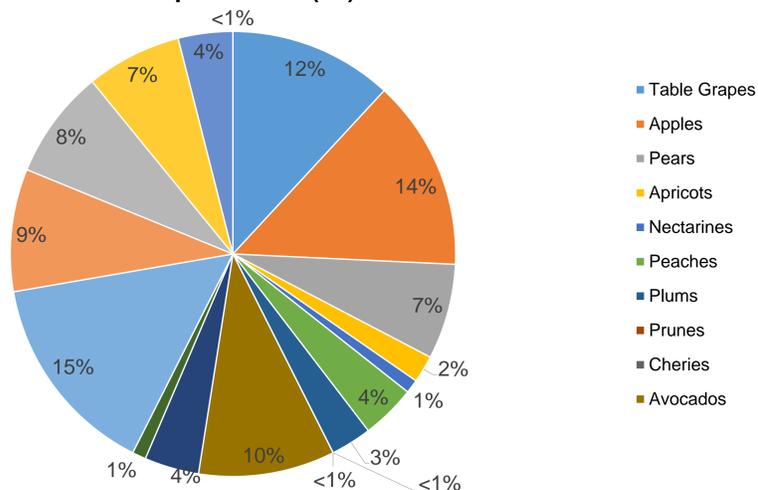
Fruit SA is a non-profit industry body that was established in 2001 with an aim of serving interests of the fruit industry. Fruit SA consists of 5 main members with the vision to facilitate a competitive, equitable and sustainable South African fruit industry (Fruit SA, 2018). The following 5 organisations represent the bulk of fruit production in South Africa:

- HortGro
- The South African Table Grape Industry (SATI)
- Citrus Growers Association of South Africa
- Fresh Produce Exporters Forum (FPEF)
- South African Sub-Tropical Fruit Growers Association (Subtrop)

PRODUCTION

Fruit SA reported that in the 2018 production year, 176 000 hectares were under fruit production. The figure 1 below illustrates the percentage proportions of land under fruit production per fruit type. The figure indicates that in 2018 season, Valencia oranges, apples, table grapes and avocados were produced on above half of the land that is under fruit production (51%).

Figure 1: Land under fruit production (ha) as of 2018



Source: Fruit SA (2018)

Furthermore, a total of 4.8 million tons of fruits were produced and 63% of the produce was exported (Fruit SA, 2018). Of the remaining, only 11% was destined for the local market and 26% was processed. The production of these fruits more importantly within the South African context needs more than 1.3 labourer per hectare (Fruits SA, 2018). The industry managed to create 241 676 direct jobs and the total market value of the fruit industry exceeded R44 billion rand in the 2018 production year (FruitSA,2018).

MARKET ANALYSIS

Fruit SA (2018) projected that the fruit industry has the potential to grow between 10% to 15% within the next 5 years. This positive projection can assist in reducing the unemployment figures in South Africa given the large numbers of manual labour that is required for the export market. The Fruit industry significantly contributed to creating employment in South Africa, in the 2018/19 financial year the industry created 241 676 jobs and impacted on an estimated 986 659 dependences. Table 1 below indicates the various fruit types and the impact on employment in the industry. The table shows that the citrus, table grapes and apples are the sectors that employ majority of individuals in the fruit sector.

Table 1: Number of employees and direct dependants per fruit type

Fruit type	Employees	Dependents
Apples	27 319	109 276
Pears	13 181	52 725
Apricots	3 257	13 027
Nectarines	2 394	9 577
Peaches	7 113	28 453
Plums	6 967	27 868
Cherries	737	2 949
Avocados	6 480	25 920
Mangoes	13 845	55 380
Litchis	1 130	4 520
Citrus	100 000	400 000
Table Grapes	59 253	256 965
Total	241 676	986 659

Source: Fruit SA (2018)

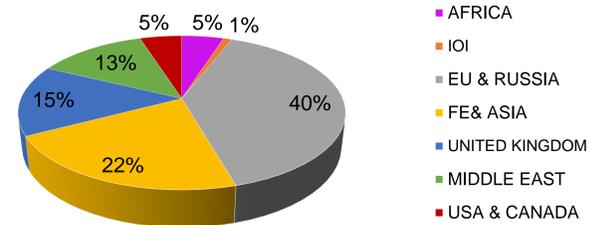
ACKNOWLEDGMENTS



IMPORTS AND EXPORTS

As of 2018, 63% of the fruits that were produced in the country were exported to 92 countries. As illustrated on figure 2 below, South Africa is the biggest fruit exporter in the Southern hemisphere with the European Union and Russia alone being the biggest export destination (40%) for South African fruit. Only 4% of fruit that is consumed in South Africa is imported. It is estimated that the average South African consumes 9.61kg of fruit per annum. According to the Fresh Fruit Portal (2019), citrus alone generated a revenue of R20 billion from exports despite the ongoing challenges such as drought and shipment delays.

Figure 2: Export destinations of South African fruit

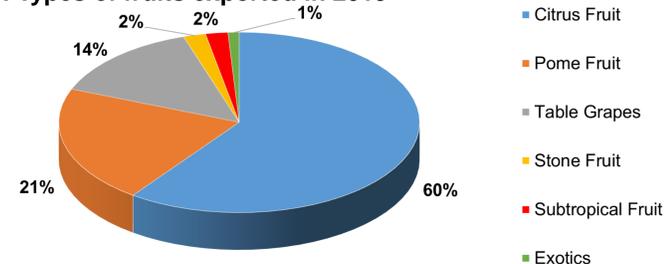


Source: Fresh Produce Export Forum (2019)

The key export markets targeted for future growth include the USA, Africa and the middle East. Fruit SA identified the following as products with the highest growth potential in South Africa: olives, macadamias, pecan nuts, avocados, vegetables, mangos, bananas, litchis, apples, pears nectarines, citrus, table grapes and raisins.

Figure 3 below indicates the percentages of fruit exported in the 2019 production year. According to the Fresh Fruit Portal (2019), citrus alone generated a revenue of R20 billion from exports despite the ongoing challenges such as drought and shipment delays. As indicated by figure 3 below, 60% of the fruits exported from South Africa in 2019 were citrus, followed by pome fruit and table grapes while the remaining 5% of fruits exported were Stone fruit, subtropical and exotic fruits.

Figure 3: Types of fruits exported in 2019



Source: Fresh Produce Export Forum (2019)

Due to the outbreak of COVID-19, the citrus industry is expected to export more than 140 million tonnes of citrus in the 2020 season, compared to 127 million tonnes in 2019 (AgriSA,2020). This is related to the fact that citrus is vital for vitamin C required by the immune system to be able to withstand the colds and flu.

SECTOR CHALLENGES

- Market access for various fruit produced;
- A fierce competitive environment for SA fruit in the world market;
- Import tariffs, import permits and phytosanitary measures are some of the barriers to trade;
- Relevant and reliable infrastructure to support the fruit value chain especially within the context of the COVID 19 restrictions that are in place;
- Very high initial capital investment required;
- Far greater needs of new entrants/black farmers (land, water, inputs & on-farm infrastructure).

REFERENCES

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4. AGRI-SA. (2020). Agriculture Drought Report 2019/20.