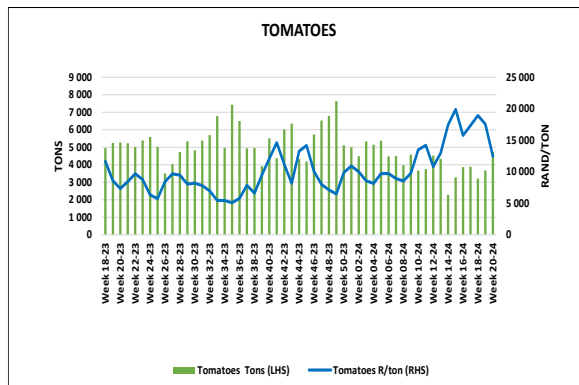
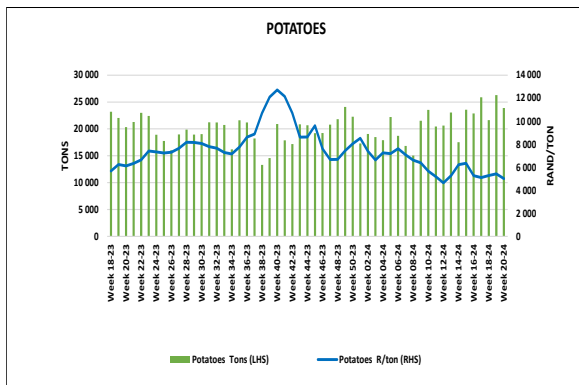




Summary

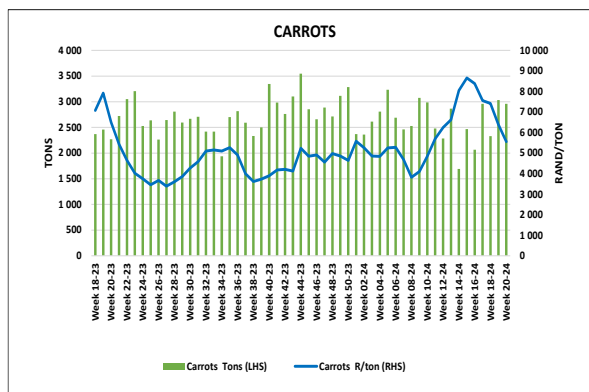
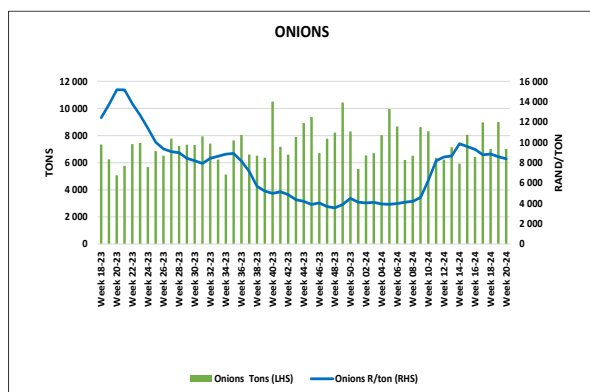
Several key growth opportunities for the local wine industry were highlighted at the South African Wine Summit that was held this week. In terms of the demand outlook, the global wine drinking population is expected to increase at a compound annual growth rate of 3% over the next five years. This may result in an additional volumetric demand of 78 million liters of wine. It was also reported that by 2022, wine tourism had managed to fully recover from the effects of the coronavirus pandemic. In 2020, wine tourism was valued at R9.3 billion, an increase of 29% year-on-year (y/y). Wine tourism is integral to the local wine industry and represents 17.3% of the total turnover of wine cellars that crush grapes. Regarding the 2024 harvest, the national wine grape harvest is estimated at 1.09 million tons, which is approximately 7.1% lower than the small crop harvested in 2023. This could be attributed to adverse climactic events such as frost, heavy winter rainfall, floods, wind, and low summer rainfall that took place in 2023. Despite this being the smallest harvest recorded in the last two decades, winemakers remain optimistic about the excellent wine quality they expected. This excellent quality will be because of smaller berries, good ripening tempo, and moderate and dry conditions during the harvesting period.

Potatoes and Tomatoes



- In week 20-2024, **potato** prices decreased by 8% week-on-week (w/w) to R5 005/ton due to lower demand. Market supply also contributed by increasing by 9% w/w to 23 887 tons. Prices are expected to move sideways to downwards over the next two months from higher availability.
- **Tomato** prices declined by 29% w/w to R12 470/ton as volumes picked up. Supply increased by 28% w/w to 4 711 tons. Prices are expected to remain under pressure in the coming week due to the higher volumes.

Onions and Carrots



- **Onion** prices declined by 2% w/w to R8 380/ton from lower consumer demand. Market supply decreased by 21% w/w to 7 021 tons. Prices as expected to remain bearish until August 2024 due to rising market supply.
- **Carrot** prices decreased by 13% w/w to R5 560/ton. This was due to lower demand and market supply that increased by 2% w/w to 2 961 tons. Prices are expected to remain generally sluggish over the winter months.

Fruit Trends on all NFPMs in South Africa

Commodity	Rand per ton		% change (w/w)	Ton		% change (w/w)
	Week ending			Week ending		
	10 May	17 May		10 May	17 May	
Apples	8 540	8 560	↑ 0.2%	4 029	3 699	↓ -8%
Pears	8 420	8 760	↑ 4%	1 153	1 049	↓ -9%
Bananas	7 890	7 440	↓ -6%	6 825	6 167	↓ -10%
Oranges	5 540	5 160	↓ -7%	2 498	2 616	↑ 5%
Avocados	13 090	13 390	↑ 2%	735	665	↓ -10%

- **Apple** prices increased marginally by 0.2% w/w to R8 560/ton supported by demand. Market volumes tightened by 8% w/w to 3 699 tons, which also supported prices. Prices are expected to continue their broadly sideways trend over the next two months.
- **Pear** prices increased by 4% w/w to R8 760/ton on the back of higher consumer demand. Market supply also decreased by 9% w/w to 1 049 tons. In line with apple trends, pear prices are also expected to move sideways over the coming months.
- **Banana** prices decreased by 6% w/w to R7 440/ton due to lower demand. Market volumes also played a part as they expanded by 10% w/w. Prices are expected to remain under pressure until the end of July 2024 due to an influx of market supply.
- **Orange** prices decreased by 7% w/w to R5 160/ton as market supply increased by 5% w/w. Prices could remain under pressure until August 2024 due to harvesting pressure.
- **Avocado** prices increased by 2% w/w to R13 390/ton. This was due to higher market demand and a 10% w/w decline in supply as more fruit was diverted to export markets. Prices are expected to firm until the end of next month at an average of R15 000/ton.

Pome Fruit Exports

Week 16 Weekly Volumes 12.50 kg Cartons	2023 Exports (a)	2024 Exports (b)	y/y Change (a/b)	Cumulative Volumes YTD 2023 (c)	Cumulative Volumes YTD 2024 (d)	y/y Change (c/d)
Apples	1 775 629	1 804 568	↑ 2%	12 065 107	11 805 320	↓ -2%
Pears	798 119	920 197	↑ 15%	9 806 087	11 072 012	↑ 13%

Week 16-2024 exports (No industry update)

- South Africa exported 1.8 million cartons (12.5kg) of **apples** in week 16-2024, increasing by 2% y/y. **Pear** exports increased by 15% y/y to 920 197 cartons. The cumulative export volume of apples declined by 2% while pears rose by 13% y/y.
- The bulk of the consignment of apples was shipped to the Far East and Asia (49%) and Africa (23%). South African pears were mainly shipped to the European Union (EU) (23%), the Far East and Asia (22.5%), and the Middle East (21%).
- 2024 projections are for apple exports to increase by 6% y/y and pears by 5% y/y.

Avocado Exports

Weekly Volumes 4kg Cartons	SA Exports to EU			EU Imports from the World		
	Week 21	Week 22	w/w Change	Week 21	Week 22	w/w Change
Hass	1 649 000	1 056 000	↓ -36%	4 903 000	4 143 000	↓ -16%
Green Skin	286 000	188 000	↓ -34%	620 000	558 000	↓ -10%
Total	1 935 000	1 244 000	↓ -36%	5 523 000	4 701 000	↓ -15%

Week 22-2024 exports:

- South Africa's **avocado** exports to the EU market are expected to decline by 36% w/w to 1.24 million cartons (4kg) in week 22-2024, after peaking in week 21-2024. Hass exports will decrease by 36% w/w to 1.05 million cartons, while Green Skin exports are to decline by 34% w/w to 188 000 cartons.
- A total of 4.7 million cartons of avocados will be received by the EU market in week 22-2024. This is a 15% decrease w/w as the Spain and Israeli export seasons come to an end.
- Peru will remain the dominant exporter to the EU market in week 22-2024, with a total of 2.8 million cartons expected to get shipped, making this a market share of 60% of total EU imports. Despite the inconsistent shipping volumes over the past couple of weeks due to South Africa's logistical issues, prices were reported to be stable.

Citrus Exports

Week 19 Million 15kg Cartons	Packed 2023	Packed 2024	Packed Difference y/y	Shipped 2023	Shipped 2024	Shipped Difference y/y	Original Annual Estimate 2024	Latest Annual Prediction 2024	Final Annual Packed 2024
Grapefruit	5.9	6.3	↑ 6.8%	4.4	3.8	↓ -13.6%	16.8	16.0	14.7
Soft Citrus	5.5	6.1	↑ 10.9%	3.2	3.4	↑ 6.2%	43.0	43.0	38.0
Lemons	13.7	11.6	↓ -15.3%	11.1	8.0	↓ -27.9%	37.9	36.8	35.6
Navels	1.1	1.2	↑ 9.1%	0.3	0.2	↓ -33.3%	25.7	25.7	24.8
Valencia	-	-	-	-	-	-	58.3	58.3	52.0
Total	26.2	25.2	↓ -3.8%	19.0	15.4	↓ -19%	181.7	179.8	165.1

Week 19-2024 exports:

- **Grapefruit** exports decreased by 13.6% y/y to 3.8 million cartons (15kg). The latest grapefruit prediction is almost 5% less than the original estimate of 16.8 million cartons.
- **Soft citrus** shipments increased by 6.2% y/y to 3.4 million cartons. The latest soft citrus prediction is on par with the original estimate of 43 million cartons.
- **Lemon** exports declined by 28% y/y to 8 million cartons. The latest lemon prediction decreased by 2.9% to 36.8 million cartons.
- **Navel** exports declined by 33.3% y/y to 200 000 cartons, while the latest Navel prediction remains on par with the original estimate of 25.7 million cartons.
- Overall, total citrus exports are forecast to increase by almost 9% y/y to 179.8 million cartons. According to the Citrus Growers Association of Southern Africa (CGA), steady increases in the production of grapefruit, lemons, soft citrus, and oranges are projected until week 25-2024, causing an anticipated surge in exports through the Durban port. On the global front, orange juice prices remain elevated. Much of this is on the back of lower orange production in major growing regions such as Brazil, which is impacted by unfavourable weather and the Asian greening disease. This has led to lower orange juice stocks as more fruit is diverted to fresh and export markets. While growers can benefit from the high juice prices in the short-term, fruit processors have indicated that high prices for juicing oranges are not sustainable. There is a price ceiling, and once juicing oranges go over that ceiling, processors may switch to cheaper substitutes such

Sources

Agri-Market Trends.

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Department of Agriculture Land Reform and Rural Development.

Fresh Plaza.

Hortgro.

South African Avocado Growers Association.

South African Table Grape Industry.

Subtrop.

South African Wine.

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