POME & STONE FRUIT

Pome and stone fruit volumes increase despite drought

Despite the widespread drought in parts of the Western Cape, the province's deciduous fruit production has generally stayed on track.

Pome fruit volume was higher in 2016 than in the 2015 season, which could be attributed to new orchards coming into production, as well as some regions recovering from the adverse weather conditions of the previous season. This was according to Jacques du Preez, general manager for trade and markets at Hortgro.

Du Preez added that apple and pear exports were expected to increase slightly during 2017 due to current favourable stone fruit harvesting conditions.

He said that the drought remained a challenge for producers, but a positive spin-off was that hot weather improved the taste and flavour of fruit due to a higher sugar content.

"This year, we also experienced more moderate temperatures during the fruit set and cell division period.

"We expect that this will have a positive impact on fruit size, which in turn will have a direct positive [effect] on producers' payouts."

ABOVE: SA's deciduous fruit production has remained buoyant despite the drought. JEANDRÉ DU PREEZ

The deciduous fruit industry was hopeful that South African pears would gain access to the Chinese market in 2017. Over the past five years, the industry had seen a consistent increase in hectares planted to apples and pears. It was therefore important to unlock new markets, but also maintain traditional markets and win greater market share, Du Preez said.

He added that the African market was under slight pressure. This was particularly the case in West Africa, where the lower oil price had had a negative impact on people's purchasing power. Trade was also conducted in US dollars and a shortage of the currency had adversely affected exports, he said.

Du Preez was optimistic about possible opportunities in East Africa, however, and the prospect of South African pome fruit being exported once again to Mexico. – *Jeandré du Preez*

OLIVE OIL

Higher international prices good for local olive oil

South Africa's olive industry is expecting an above-average crop in the coming season.

"So far, the fruit set on the trees is very good. We'll have to see how much rain we get in the next few months, but at this stage the harvest for 2017 looks promising," Barry Anderson, general manager at Gabriëlskloof Wine Estate, said.

SA Olive chairperson, Nick Wilkinson, said that current forecasts indicated an increase in total olive oil production. "In 2016, South Africa produced two million litres of olive oil, but in 2017 the production total will probably amount to 2,5 million litres."

According to Wilkinson, olive oil consumption in South Africa was still low, despite a five-million litre increase in consumption for local and imported oil, from two million litres in 2000 to seven million litres in 2015.

"In contrast to traditional olive oil-consuming [regions] such as Europe, where per capita consumption of olive oil is as high as 38ℓ, the average South African consumes a mere 150ml/annum. Our biggest opportunity is to educate South African consumers about the quality of our olives and extra virgin olive oil, and inform them about its health benefits," he said.

Tapping into the African market, including countries such as Angola, Mozambique and Mauritius, presented another opportunity for the local olive industry.

"They have a Portuguese cultural heritage, so olives and olive oil are a natural choice for them," he said. In addition, global markets were still favourable for SA olive oil due to the Mediterranean harvest being under pressure.

According to the International Olive Council's November newsletter, the international producer price for extra virgin olive oil in Spain had increased at a constant rate in recent months, closing at €3,37/kg (R59) at the end of November. "The higher the international price, the more expensive it'll become to import olive oil. This will encourage South Africans to buy local extra virgin olive oil," Anderson said. – *Jeandré du Preez*

MACADAMIAS

Drought impedes macadamia growth prospects

The drought was a major impediment to the macadamia industry in 2016, with a 30% decline in yield to 38 500t, and the effects are expected to remain evident in the coming year.

This was according to Alan Sutton, chairperson of the Valley Macadamias Group, who said that the 12% annual growth in yield forecast as a result of new trees coming into production might thus not materialise.

"A lack of water results in smaller nuts, which ultimately results in lower income for farmers, as prices are determined according to nut size and quality," he said.

SA had to compete with Kenyan producers for exports to the US, with these smaller-sized nuts making it harder to achieve good prices. Despite volumes in the global market being lower as a result of the drought, prices did not increase, due to excess levels of smaller nuts and a shortage of larger ones, Sutton said.

The SA industry needed to invest in marketing macadamias as a premium product to counter competition from Kenya where macadamias were produced at a far lower cost. "There are many orders from 2016 that will be carried over to 2017, [due to the lower] yield, which will further reduce any chances of a price increase [this] year," he said.

The local industry was closely monitoring the Australian crop, as a decline in supply from that country could see prices rising later in the season. Retailers could also remove macadamias from product lists due to reduced availability, he added. – *Siyanda Sishuba*

ABOVE: The South African sugar cane industry anticipates that the coming season will see it recover from the severe drought.
LLOYD PHILLIPS

SUGAR CANE

Sugar cane farmers expecting production recovery in 2017

If the drought in the sugar cane production areas of KwaZulu-Natal and Mpumalanga has truly been broken, farmers can look forward to significantly increased production in 2017.

According to SA Canegrowers, the forecast for total sugar cane production in the 2016/2017 season ending in March this year had already increased 10% to 16,5 million tons. This was mainly due to good rainfall received in winter, spring and early summer during the current season.

SA Canegrowers' economic research manager, Richard Nicholson, said the estimated final recoverable value price paid to sugar cane farmers was expected to reach R4 941,92/t by March.

"The forecasted opening price for the 2017/2018 season is 3% lower at R4 811,80/t. This is mainly due to increased production as a result of improved tonnages delivered by growers and greater exposure to the world market," he said.

Nicholson added that a promising trend that could possibly benefit South Africa's sugar industry and its growers was the improvement in global market prices for sugar. This could be attributed to the decline in the global sugar surplus and the supply deficit being forecast for the foreseeable future.

"This may be beneficial, as the 2017/2018 season's production estimates show a marked improvement, meaning that more [South African] sugar will be available for [sale on] the world market," he said.

The fact that the majority of its members had survived "one of the toughest droughts in living memory" was indicative of growers' resilience and ability to absorb shocks of this nature, SA Canegrowers said in a statement.

"Growers continue to battle with increasing input costs at a rate greater than the rate of price increases. This means that growers have to ensure that all resources at their disposal – environmental, technological, management – are used as efficiently and effectively as possible. The implementation of back-to-basics management practices, and continued application of technological advances made in the industry, will allow growers' profitability and sustainability to continue," the statement said. – *Lloyd Phillips*