



# agriculture, forestry & fisheries

Department:  
Agriculture, Forestry and Fisheries  
**REPUBLIC OF SOUTH AFRICA**

## MARKET ANALYSIS BULLETIN NO 1 OF 2011: TABLE GRAPES

### RECENT DEVELOPMENTS

The Deciduous Fruit Producers' Trust (DFPT) Research is now known as Fruitgro Science. The vision of Fruitgro Science is "to provide a sustainable top class research service to benefit all South African fruit growers". Fruitgro Science will place a greater emphasis on technology transfer by making better use of its expertise to increase the uptake of new technologies that are made available through research and developments.

### INTRODUCTION

The following text is a review of the table grapes marketing environment. This analysis is updated on a quarterly<sup>1</sup> basis. The interval covered in the current issue is from quarter 4 of 2009 to quarter 4 of 2010. This period is subdivided into five, three-month long quarters. The key issues discussed in the review are the trends in producer prices, production volumes and gross value, sales in the National Fresh Produce Markets (NFPMs), as well as volumes and gross values of both exports and imports.

### 1. AVERAGE PRODUCER PRICE OF TABLE GRAPES

Table 1 and Figure 1 below illustrate the average producer price of table grapes during the period under review.

**Table 1: Average producer price of table grapes**

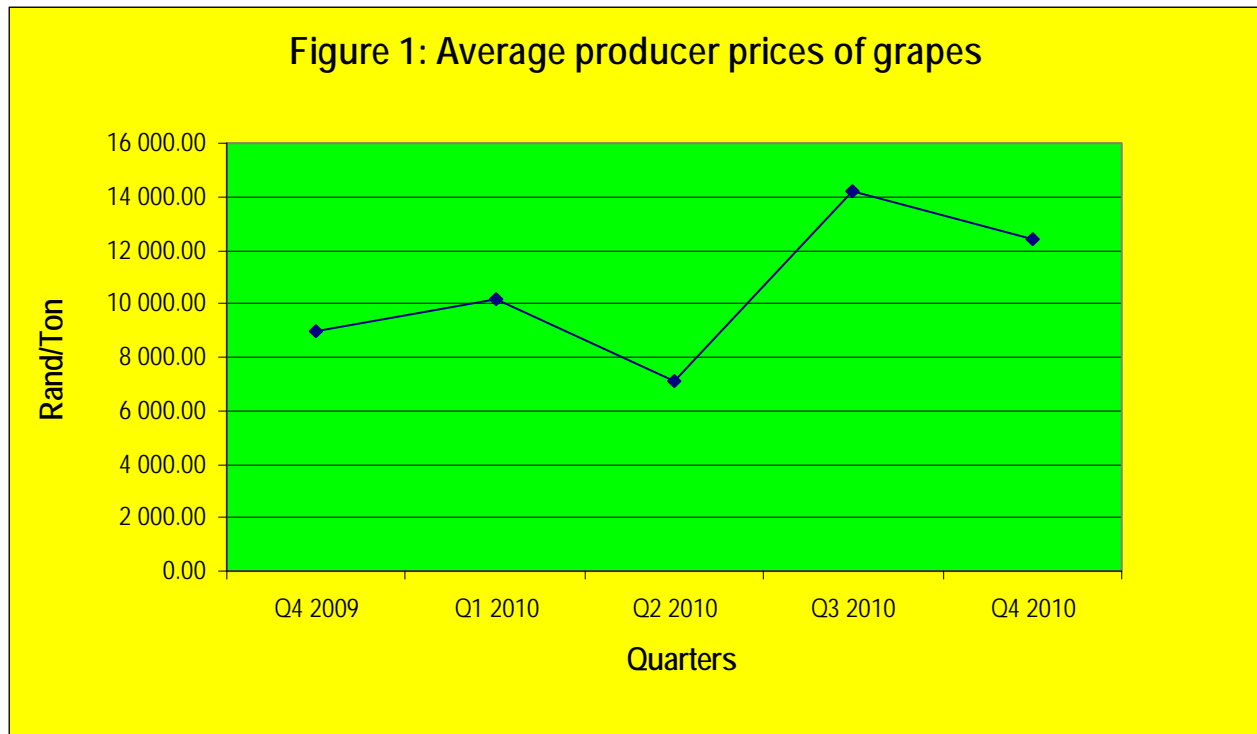
Quarters	Quarter 4 2009	Quarter 1 2010	Quarter 2 2010	Quarter 3 2010	Quarter 4 2010
Price in Rand/Ton	R8 953.63	R10 141.84	R7 132.27	R14 176.40	R12 389.30

Source: Agricultural Statistics, DAFF

The quarterly producer price for table grapes was R12 389.30/ton in quarter 4 of 2010 which was 13% lower than the average price of the previous quarter (quarter 3, 2010) and 38% higher than the average price at the same time in the previous season (quarter 4, 2009). It is interesting to note the increase in table

<sup>1</sup> Quarter 1 (January to March), Quarter 2 (April to June), Quarter 3 (July to September), Quarter 4 (October to December)

grape prices on a quarter-on-quarter basis. Generally one would have expected prices in the fourth quarter of 2010 to be in the same region as they were in the fourth quarter of 2009. This may have been the result of a significant increase in the demand for table grapes during the fourth quarter of 2010. Another main reason for the higher average price may be the low volumes of table grapes produced during the fourth quarter of 2010.



Source: Agricultural Statistics, DAFF

## 2. TOTAL DOMESTIC PRODUCTION OF TABLE GRAPES

Table 2 and Figure 2 below illustrate the quarterly production of table grapes from quarter 3 of 2009 to quarter 3 of 2010.

**Table 2: Quarterly production of table grapes**

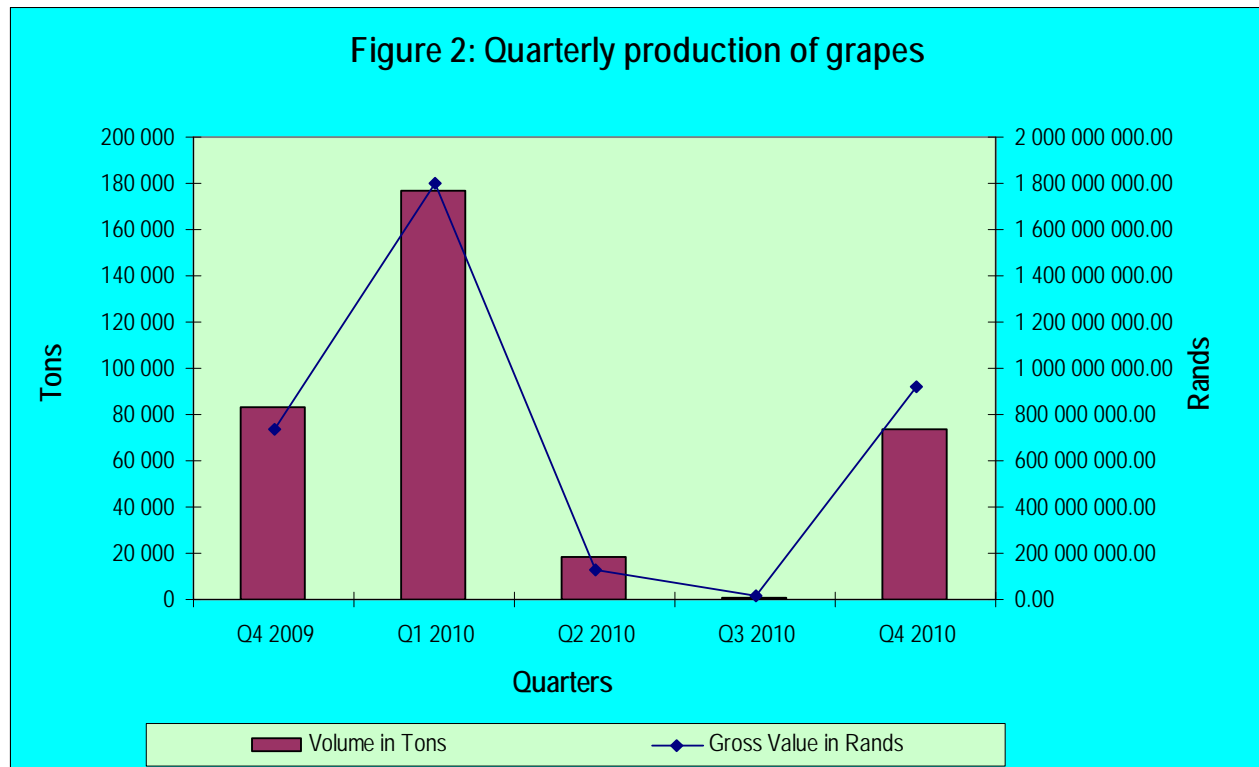
Quarters	Quarter 4 2009	Quarter 1 2010	Quarter 2 2010	Quarter 3 2010	Quarter 4 2010
Gross Value in Rands	R739 541 926	R1 796 328 691	R131 874 714	R12 546 118	R916 472 980
Volume in tons	82 862	176 981	18 490	885	73 973

Source: Agricultural Statistics, DAFF

Table grapes worth R916.5 million were produced during the fourth quarter of 2010. The figure was 7 205% higher than the quarterly production value in the previous quarter (quarter 3, 2010) and 24% higher than the quarterly production value at the same time in the previous season (quarter 4, 2009). The gross value of production is usually correlated with the volumes produced during a particular period. Other factors

that determine the total gross value of production include the exchange rate, international prices, the distribution of the produce according to various uses, etc.

The quarterly production volume of table grapes was 73 973 tons in quarter 4 of 2010 which was 8 259% higher than the quarterly production volume of the previous quarter (quarter 2, 2010) and 30% higher than the quarterly production volume at the same time in the previous season (quarter 4, 2009). Generally, the trend follows the seasonal nature of the product. Table grape production peaks in quarter 1 of each year as it is the table grape harvesting season.



Source: Agricultural Statistics, DAFF

### 3. SALES AT THE NATIONAL FRESH PRODUCE MARKETS

Table 3 and Figure 3 below illustrate quarterly volumes and prices of table grapes sold at National Fresh Produce Markets (NFPMs).

**Table 3: Quarterly sales of table grapes at NFPMs**

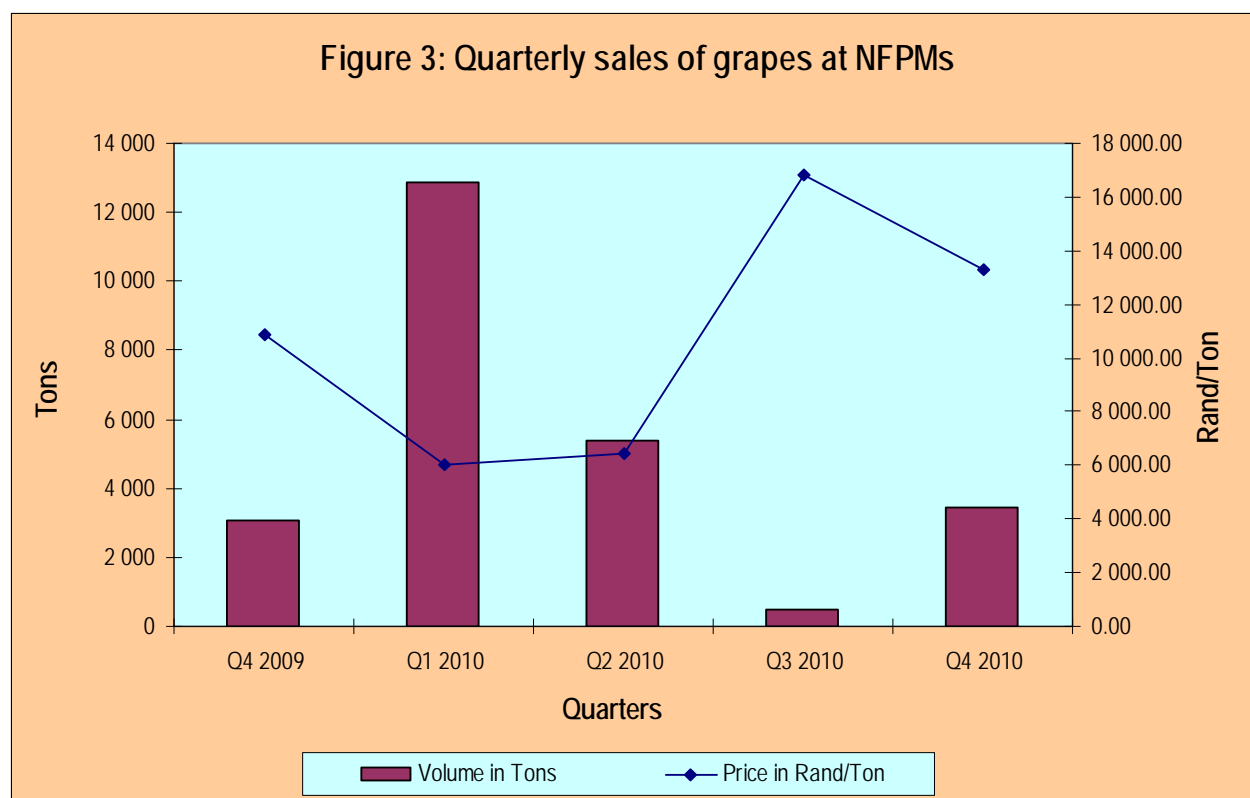
Quarters	Quarter 4 2009	Quarter 1 2010	Quarter 2 2010	Quarter 3 2010	Quarter 4 2010
Price in Rand/Ton	R10 859.25	R6 029.89	R6 430.33	R16 841.20	R13 272.84
Volume in Tons	3 058	12 888	5 370	492	3 457

Source: Agricultural Statistics, DAFF

The quarterly prices at NFPMs for table grapes was R13 272.84/ton in quarter 4 of 2010 which was 21% lower than the quarterly price of the previous quarter (quarter 3, 2010) and 22% higher than the quarterly prices at the same time in the previous season (quarter 4, 2009). Average prices of table grapes sold at the NFPMs are generally higher during the third and fourth quarters due to lower volumes available for sale in the markets.

A total of 3 457 tons of table grapes were sold at the NFPMs in quarter 4 of 2010. This was 603% higher than the quarterly volumes of the previous quarter (quarter 3, 2010) and 13% higher than the quarterly volumes at the same time in the previous season (quarter 4, 2009). The increase in the volumes sold at the NFPMs on a quarter-on-quarter basis may be attributed to increased demand for table grapes during the fourth quarter of 2010.

Generally, the prices of table grapes in the NFPMs are governed by the law of supply and demand. When the supply of table grapes exceeds the demand, prices tend to be lower than average. Similarly, when the demand for table grapes exceeds the supply, prices tends to rise. Often small changes in quantities offered for disposal on the NFPMs have a magnified effect on prices.



Source: Agricultural Statistics, DAFF

#### 4. EXPORTS AND IMPORTS

Table 4 and Figure 4 below illustrate the quarterly export volumes and values whereas Table 5 and Figure 5 illustrate the quarterly import volumes and values of table grapes.

**Table 4: Quarterly exports of table grapes**

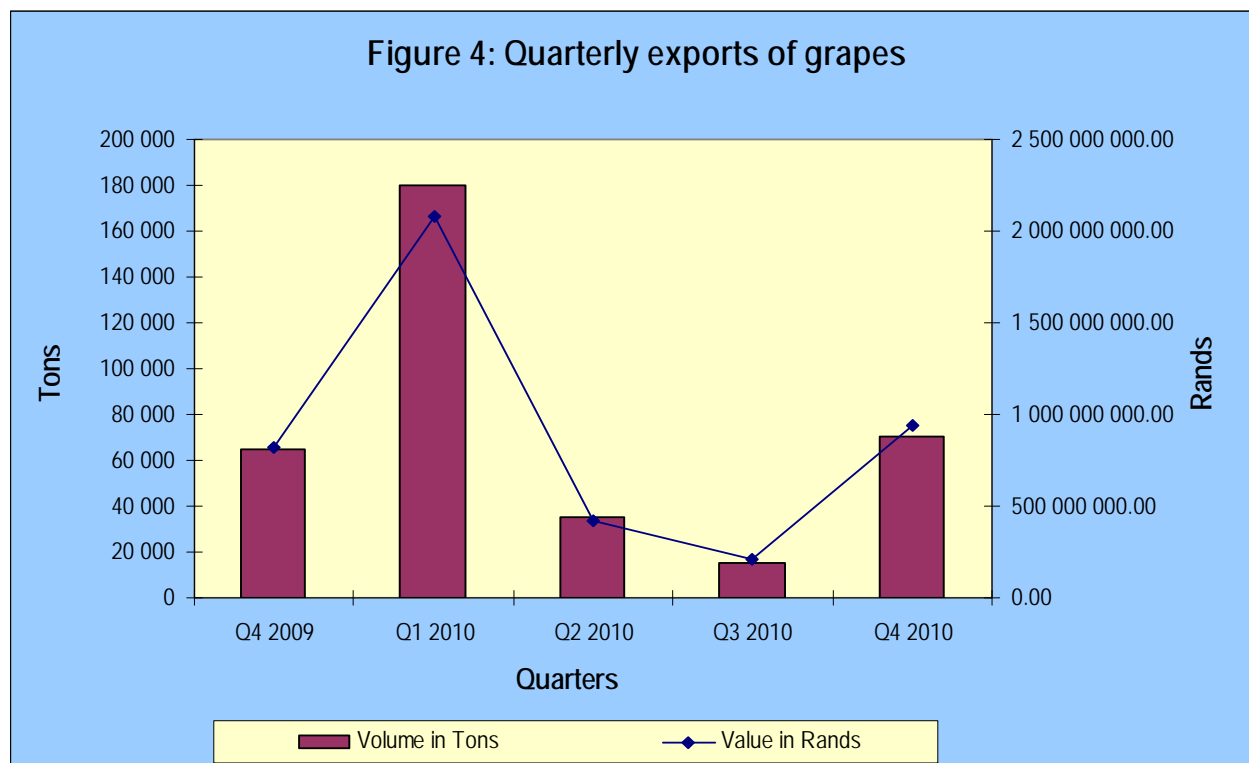
Quarters	Quarter 4	Quarter 1 2010	Quarter 2 2010	Quarter 3 2010	Quarter 4 2010
Value in Rands	R824 173 245	R2 081 004 752	R423 887 033	R211 417 351	R938 082 614
Volume in Tons	65 086	179 642	35 243	14 903	70 290

Source: Agricultural Statistics, DAFF

Table grapes worth R938.1 million were exported during the fourth quarter of 2010. The figure was 344% higher than the quarterly export value in the previous quarter (quarter 3, 2010) and 14% higher than the quarterly export value at the same time in the previous season (quarter 4, 2009). This is as expected given the fact that harvesting of table grapes start during the fourth quarter every year.

The quarterly export volumes of table grapes was 70 290 tons in quarter 4 of 2010 which was 372% higher than the quarterly export volumes in the previous quarter (quarter 3, 2010) and 8% higher than the quarterly export volumes at the same time in the previous season (quarter 4, 2009). The increase in volumes exported during the fourth quarter may be attributed to reduced volumes supplied for processing as well good prices prevailing in international markets.

Usually the table grape export market is determined by both the supply-side factors and demand-side factors. The supply side include amongst others climate, proximity of the grower to the market and the timing of the growing season. Other supply factors include the availability of financial capital, infrastructure, capacity to market the produce and the ability to access the market. The demand side factors include amongst others changing demographics and consumption trends. It is evident from both table 4 and figure 4 that the value of exports follow the same pattern as export volume as they both peak in quarter 1 of 2010.



Source: Agricultural Statistics, DAFF

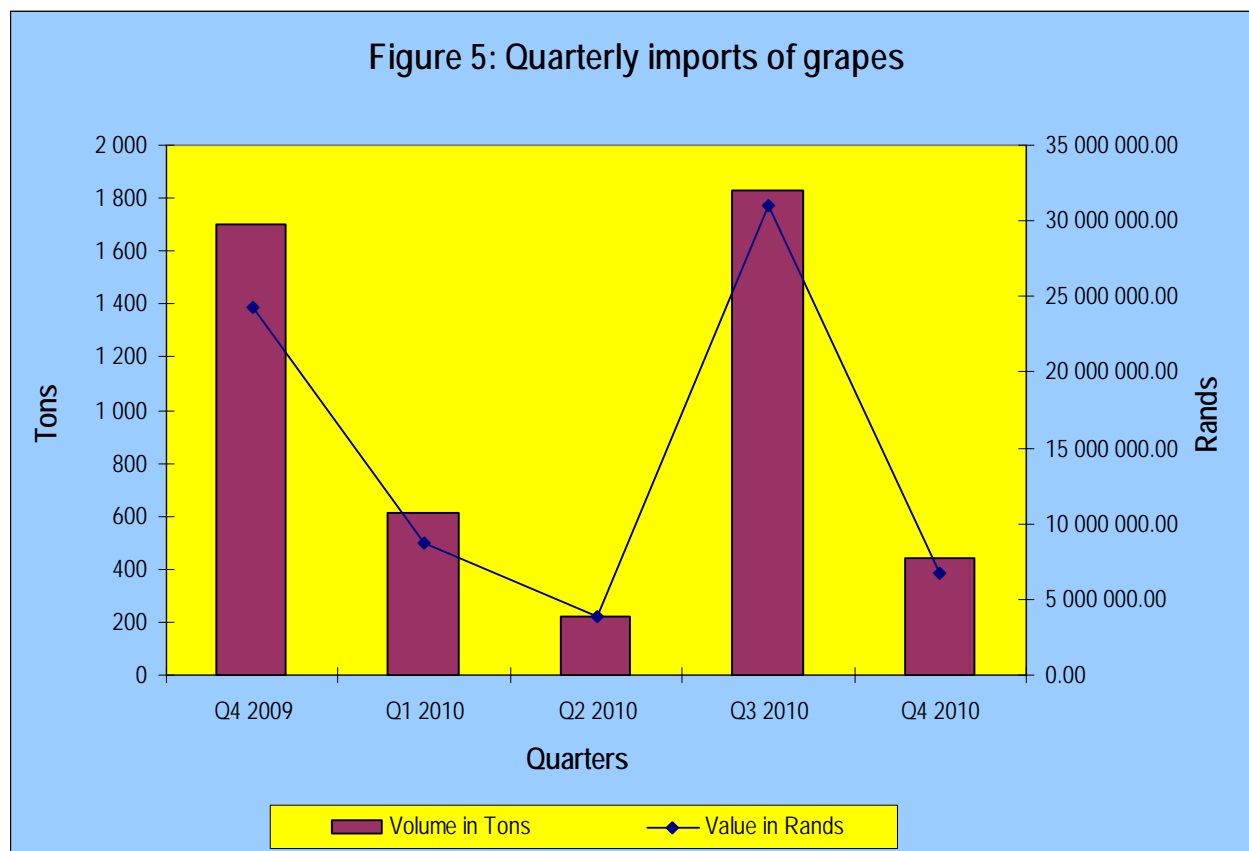
**Table 5: Quarterly imports of table grapes**

Quarters	Quarter 4 2009	Quarter 1 2010	Quarter 2 2010	Quarter 3 2010	Quarter 4 2010
Value in Rands	R24 324 258	R8 676 003	R3 857 536	R30 957 863	R6 779 430
Volume in Tons	1 701	609	219	1 827	440

Source: Agricultural Statistics, DAFF

During the fourth quarter of 2010 South Africa imported table grapes worth R6.8 million. This was 78% lower than the quarterly import value in the previous quarter (quarter 3, 2010) and 72% less than the quarterly import value at the same time in the previous season (quarter 4, 2009). This resulted in a trade balance of R931.3 million in value terms during the fourth quarter of 2010.

The quarterly import volumes of table grapes was 440 tons in quarter 4 of 2010 which was 76% less than the quarterly import volumes in the previous quarter (quarter 3, 2010) and 74% less than the quarterly import volumes at the same time in the previous season (quarter 4, 2009). It is evident from both Table 5 and Figure 5 that the value of imports follows the same pattern as import volume as they both peak in quarter 3. This is the period when domestic production is at its lowest (see Figure 2).



Source: Agricultural Statistics, DAFF

Both Table 4 and 5 illustrate that South Africa is self-sufficient in table grapes during the on-season (quarter 1 to quarter 2) hence there are comparatively low levels of table grape imports compared to exports. South Africa is however not self-sufficient in table grapes during the off-season (quarter 3 to 4) hence there are comparatively high levels of table grape imports compared to exports.

## 5. GROWTH, VOLATILITY & STABILITY ANALYSIS

Table 6 presents the results of growth and coefficient of variation estimations. They were calculated using quarterly statistics and covered the same five-quarter period under review beginning in quarter 4 of 2009 and ending in quarter 4 of 2010. The coefficient of variation is a measure of volatility or stability in producer prices, production volume and gross value, sales at NFPMs, volumes and values of both exports and imports. When the coefficient of variation is less than 1, it is said to be relatively stable and that there are minimal changes. When the coefficient of variation is more than 1, it is said to be volatile and that there are major changes.

Table 6: Table grape industry Growth Rates & Variation Coefficients (Quarter 4 of 2009 – Quarter 4 of 2010)

Category	Subcategory	Growth Rate (%)	Coefficient of Variation
<i>Producer price</i>	Price	-	0.26
<i>Production</i>	Gross Value (GV)	5.51	0.99
	Volume	-2.80	0.98
<i>Sales at NFPMs</i>		5.15	0.43
	GV/Price (GV)	(GV)	(price)
	Volume	3.11	0.93
<i>Export</i>	Gross Value	3.29	0.81
	Volume	1.94	0.87
<i>Import</i>	Gross Value	-27.34	0.80
	Volume	-28.68	0.78

Source: Calculated from Agricultural Statistics

As shown in the table above, the table grape industry generally experienced a positive growth rate from quarter 4 of 2009 to quarter 4 of 2010, with the exception of production volume and gross value and volume of imports, which experienced negative growth during the same period.

The table also shows various levels of volatility at different levels of the table grape industry's quarterly figures over the same period (quarter 4 of 2009 to quarter 4 of 2010). Low volatility was indicated by the coefficients of variation that were less than one ( $<1$ ). All variables have values less than 1, which means that on a weighted variance scale, they displayed minimal changes during the five quarters under review.



## 6. ACKNOWLEDGEMENTS

Acknowledgement is given to the following information sources:

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