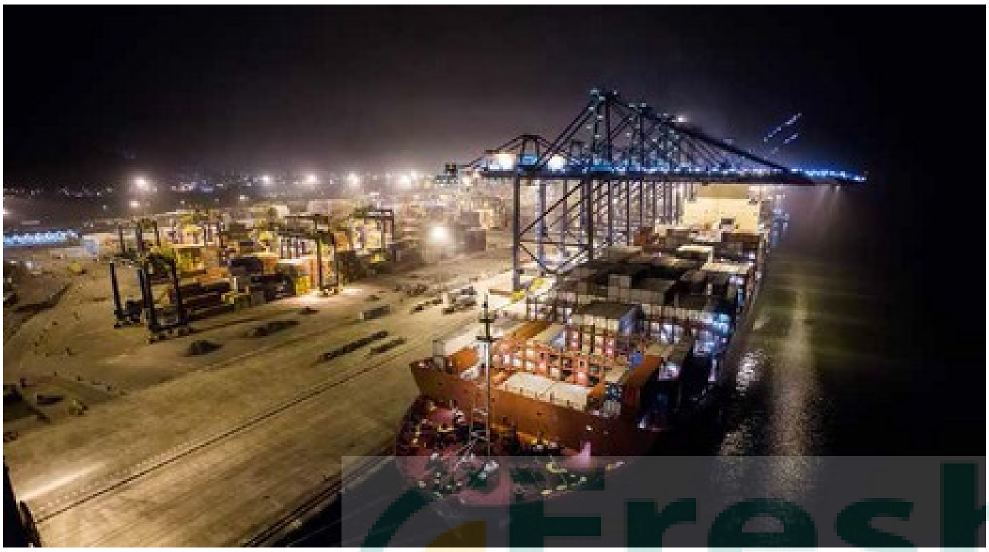
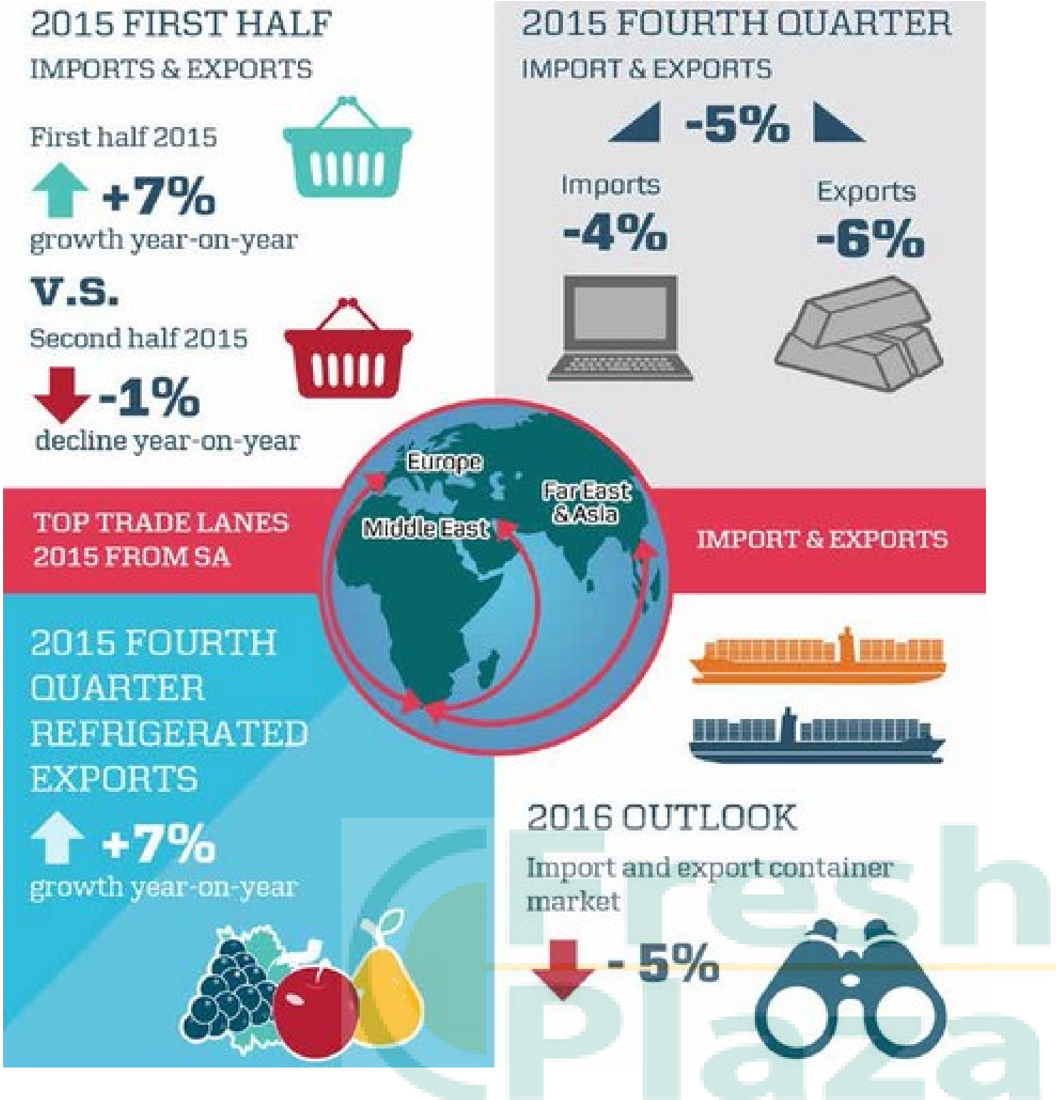
Q4 South African fruit exports good, expected to drop

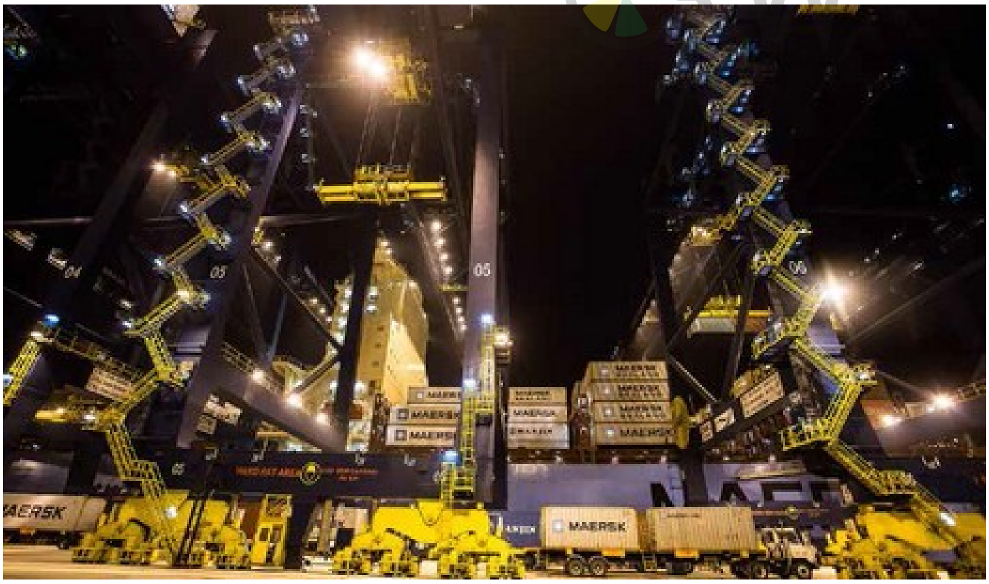
A recent report by Maersk Line, the world's largest shipping container line, highlighted the strong start to 2015 that South African container trade to off to, and it contrasted that start to the lackluster conclusion to year. An exception to this was the volume of fruit exports that South African shippers sent out through the year, though the report cautioned that domestic conditions could limit the amount of South African fruit exports in 2016.



Total container trade was up seven percent for the first half of 2015, when compared to Q1 and Q2 of the previous year. But trade declined by one percent for Q3 and Q4. The report pointed to a weakening currency in South Africa and lower consumer confidence as factors in weakening import demand. Export traffic was limited by declining global demand for chrome, manganese, scrap metal and copper – commodities which drive many South African economies.



Fruit exports, on the other hand, did well in 2015. The refrigerated export market saw growth of about seven percent throughout the year, which, according to Safmarine's Dirk Hoffman, can be attributed to strong crop output of apples, pears, grapes and citrus during the year. Grapes, in particular, showed exceptional growth when compared to 2014.



But fruit export growth could slow down in 2016 as drought and heat take their tolls on South African crops.

"The impact will vary widely based on geography, but the Western and Northern Cape are likely to be the hardest hit," said Hoffman. "Although it is expected that almost all fruit types will be negatively impacted by the drought, the full impact will only be determined in coming months when the fruit is picked."

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