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## **The future looks bright for the South African kiwifruit industry**

The South African kiwifruit industry could experience impressive expansion, as with blueberries, which were stagnant for a long time and expanded greatly as global demand spurred SA farmers to increase their production.

This is the view of leading local kiwifruit experts who participated in PMA Southern Africa's live broadcast in partnership with Beanstalk.Global on 21 October. The panel included Louw Pienaar from the Bureau for Food and Agricultural Policy (BFAP), Pieter de Jongh from Fresh World, Flippie Viljoen from Top Fruit, Malcolm Deacon from Gold Tree Farms, and Athol Currie from The Fruit Farm Group South Africa (TFFGSA).

"Globally, the kiwifruit industry has seen a significant growth considering imports and price increases over time. It is expected that the growing trend will continue over the next few years," said Louw Pienaar of BFAP.

The SA kiwifruit industry is small (about 300-400ha under cultivation), though production dates back more than 40 years. The fruit is grown in Limpopo, Mpumalanga, KwaZulu Natal, and there has been a resurgence recently in the Western Cape. South Africa has different varieties of kiwifruit that are suited to various areas.

While the local kiwifruit industry has operated in the shadows of other fruits for many years, interest is definitely growing. This is partly driven by changing global consumer preferences which are focusing on healthy diets, and retailer promotions.

Pienaar said: "An annual growth rate of 6,7% in value terms has been seen for the past ten years, whilst the volume growth rate is slightly lower at 1,2%. Since the volumes did not increase as much as the value of imports, there were decent price increases in the market over time."

In 2020, the world kiwifruit market was valued at around US\$3,5 million and 1,5 million tons were imported globally, at a unit price of US\$2,38 per kilogram.

China is the largest kiwifruit producing country worldwide, producing 2,3 million tons on average over the last three years but is still a major importer of the fruit. Other prominent players include New Zealand, Italy, Iran, Greece, Chile and some others with much smaller volumes..

New Zealand is far ahead in terms of average yield, with a average production yield of more than 40 tons per hectare consistently. New Zealand is the largest exporter of kiwifruit, exporting an average of 630,000 tons. They are mainly targeting Japan, China and Europe. Chile, South Africa's other major competitor in

the Southern Hemisphere is also a big player exporting around 177,000 tons, primarily to the US and the EU in 2020.

"SA is still a net importer of kiwis although 550 tons were exported last year. There is significant scope for expansion due to our latitude and seasonal timing for getting into the market ahead of New Zealand. In addition, South Africa's route to European markets is much closer than our competitors," Pienaar said.

"The bulk of New Zealand's and Chile's kiwifruit enter the market from April to August. South Africa is slightly earlier, around February to March, when we see reasonable prices in the importing markets. Our industry has the opportunity to extend the season to replace imports by selling produce in the local market."

According to Currie, the formation of the SA Kiwi Association is a big plus. "In unity, there is strength. The industry needs to work together to put a South African kiwifruit brand out there. As the industry is maturing, it will make headway into the European markets. Kiwi SA aims to set quality standards across varieties and to find funding for research and development", said Currie.

De Jongh believes it is necessary to focus on varieties that deliver high Brix levels and the application of efficient farming practices to achieve a large fruit size. Thus far, the local industry has produced small fruit, which is difficult to market. "With kiwifruit, size matters. The larger the fruit, the higher the price," he said. Deacon was in agreement., "We need to produce size, volume and high quality fruit for South Africa to be recognised globally as a credible producer."

### ***About Produce Marketing Association***

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