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REQUIREMENTS FOR CONTRIBUTIONS

Deserving articles in the field of agricultural economics, for publication in this journal, will be welcomed.

These articles should have a maximum length of 10 folio pages (including tables, graphs, etc.), typed in double spacing. All contributions should be submitted in triplicate (preferably in both languages) to the editors, c.o. Department of Agricultural Economics and Marketing, Pretoria, and should be received by the editors at least one month prior to publication date.

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The South African Fruit and Vegetable Canning Industry and its Markets

by

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Development and importance of the industry

The development of the fruit and vegetable canning industry in South Africa over the past decade and a half can aptly be described as phenomenal. From small beginnings at the turn of the century, the industry developed slowly until the 1920s, when the rate of expansion increased.

At the time immediately prior to World War II, the total output of all products was 50,000,000 lb per annum. The war provided a tremendous impetus to the development, and each year brought a progressive increase in the volume of canned goods produced. From 1954, when the production of canned fruit was 30,538,948 lb, it rose to 330,522,157 lb in 1961 - which indicates the giant strides the industry has made in a period of about 15 years.

The fruit and vegetable canning industry in South Africa has become established in four main geographical regions, which generally may be described as follows:

- (a) The Cape and South-western areas, where deciduous fruits predominate and the bulk of the fruit canning industry is situated;
- (b) the Cape Eastern Province, where pineapples constitute the largest production;
- (c) Natal, where the canning of pineapples and vegetables is carried out; and
- (d) the Transvaal, where a small quantity of deciduous fruit and pineapples are canned, but where operations are centred on the canning of vegetables.

The main products produced by the industry are canned fruits, jams and marmelades, canned vegetables, canned fruit and vegetable juices and canned fruit pulps. By far the most important is canned fruit; the principal kinds of fruit processed being apricots, peaches, pears and pineapples, while the most important vegetables produced are peas, beans and tomatoes.

At the height of the canning season, when factories are working at full pressure, at least 25,000 workers are engaged turning out attractively labelled cans of high-quality fruit and vegetables, which make up an important part of the South African food requirements and which are also greatly prized by consumers overseas.

Practically all the raw materials used by the canning industry are grown or produced in South Africa. Besides fresh fruits and vegetables, the main raw materials the industry uses are sugar, cans, labels and cartons - all of which are obtained from South African manufacturers.

The welfare of the canners is intimately related to the economic well-being of a large section of the farming community in South Africa. In 1938/39 the canning industry processed 17,000 tons of all types of fresh fruit, whilst in 1961, i.e. 22 years later, the total tonnage processed exceeded 325,000 tons. Over 32,000 short tons of vegetables were utilised by canneries for processing during the year ended October 1961.

The South African Fruit and Vegetable Canners' Association, which is the national employers' organisation for the canning industry in South Africa, maintains close contact with growers' organisations, such as the Apricot/Peach Growers' Association, and is represented on the Citrus and Deciduous Fruit Boards.

Quality Control

The processing of canned fruit and vegetable products is controlled by special regulations which are administered by the Department of Agricultural Economics and Marketing, and which stem from the Marketing Act, as far as the local market is concerned, and the Agricultural Produce Export Act, as far as exports are concerned. All canned fruit and vegetable products are, therefore, subject to inspection. These quality specifications compare favourably with those of any other country in the world, and the South African canning industry's products have achieved high acclaim in all the markets to which they have been exported.

Canned fruit and vegetables which, incidentally, retain their nutritional value when processed, enable the consumer to enjoy various varieties of fruits and vegetables out of season; and, because of their long-keeping qualities, are a useful and necessary article in almost every household. To illustrate the high quality standards of South African canned fruit, it can be mentioned that in a recent publication of the booklet "WHICH?", compiled by the Consumers' Association of the United Kingdom, it was reported that South African canned peaches had been rated the highest quality in independent tests taken of canned peaches from various countries throughout the world. This is certainly a feather in the cap of the South African fruit canning industry.

Export Markets

The South African canned-fruit industry is essentially an export industry, and its export trade is virtually the industry's life-blood. In this regard it can be mentioned that nearly 90 per cent of the canned fruit produced is destined for export markets, and a very large proportion of the other kinds of commodities are also consigned to markets outside the Republic, as the following statistics of exports for the year ended October 1961 illustrate:

TABLE 1 - Exports of the Republic of South Africa of canned fruits, vegetables and juices to the United Kingdom and other markets during the 12 months 1.11.1960 to 31.10.1961.

Territory	Jam and marmelade lb	Canned fruit lb	Canned vegetables lb	Canned juices lb	Total lb	%
United Kingdom	9,583,376	216,661,102	8,181,504	16,145,389	250,571,371	87.34
Rest of Europe	4,089,908	29,543,472	239,559	2,456,531	36,329,470	12.66
Sub-Total	13,673,284	246,204,574	8,421,063	18,601,920	286,900,841	100.00
Africa	5,116,092	4,886,649	2,054,390	303,045	12,360,176	31.48
Australia and New Zealand	63,708	6,387,793	142,880	266,330	6,860,711	17.47
British West Indies	1,200	-	-	-	1,200	-
Far East and Asia	1,489,500	1,928,586	901,056	32,494	4,351,636	11.08
Mediterranean Islands	-	12,210	-	2,400	14,610	.04
Middle East	107,764	292,714	15,081	137,105	552,664	1.41
North America	148,092	13,848,726	45	525,465	14,522,328	36.99
South America	15,696	6,945	2,760	-	25,401	.07
Oceania (Islands in Indian Ocean)	159,188	253,326	113,007	48,714	574,235	1.46
Sub Total -	7,101,240	27,616,949	3,229,219	1,315,553	39,262,961	100.00
Grand Total -	20,774,524	273,821,523	11,650,282	19,917,473	326,163,802	
%	6.37	83.95	3.57	6.11	100.00	

Canned fruit and vegetable products are exported by South African canners to more than 70 countries throughout the world from the Fiji Islands in the Pacific to Iceland in the Northern Hemisphere and the Falkland Isles in the Southern Hemisphere. This is, therefore, a valuable foreign exchange earning industry, which brings in more than R30 million annually from markets beyond the Republic's borders.

The United Kingdom market

The industry's most important export market by far, however, is the United Kingdom, which takes more than 75 per cent of the total exports. In view of the importance of the United Kingdom market to the export trade of this industry, it is necessary to mention a few facts about that market.

Prior to World War II, South Africa was a relatively small supplier of canned fruit to the United Kingdom, and most of the canned fruit imported was obtained from the United States of America. After the war, however, the whole pattern of the importation of canned fruit into the United Kingdom market changed radically, and South Africa has now become one of the largest suppliers of canned fruit to that market.

Table 2, which has been taken from the publication "Fruit Intelligence", shows the quantities of canned fruit imported into the United Kingdom market during the period 1959-1961.

In the past few years, due to increasing supplies of canned fruit from various sources throughout the world, competition on the United Kingdom market has increased considerably, which has resulted in a general lowering of price levels. This fact is borne out by the figures in Table 3, also extracted from "Fruit Intelligence", which show the decline in average declared values of various kinds of canned fruits imported into the U.K. between 1957 and 1960.

Exports of the South African fruit and vegetable canning industry still enter the United Kingdom under the Commonwealth Preferential Tariff, which means that no import duty is levied thereon. In the case of other countries exporting canned fruit products to the United Kingdom, which do not fall under the Commonwealth Preferential Tariff, but fall under the Full Rate Duty Tariff, the following amounts are payable:

Canned apricots, peaches and pears - 12% plus $\frac{5}{8}$ % sugar duty

Canned pineapples - 50c per cwt, plus $\frac{5}{8}$ % sugar duty

The industry has watched with no little interest the negotiations which took place between England and the European Common Market in regard to that country's application for membership. It not only followed closely the developments, but was naturally concerned as to the possible ramifications, because this industry is so dependent on its export trade, and is particularly sensitive to any price or import-duty charges on its overseas markets.

It is clear from the latest reports on this matter that England has not been successful in its attempt to become a member of the E.C.M. and, according to some quarters, the break is final. However, time alone will tell whether in fact the break between England and the E.C.M. is a final one.

TABLE 2 - Canned fruit imported into the United Kingdom, 1959-1961

Sources	Weight - 000 cwt		
	1959	1960	1961
British Honduras	50	25	43
Canada	31	8	21
Kenya	62	49	50
Malaya and Singapore	520	425	472
Australia	1,480	1,501	1,104
Jamaica	67	99	107
Other Commonwealth Countries	74	77	45
China	45	24	17
Formosa	41	48	87
Hawaii	7	3	-
Israel	65	61	83
Spain	280	238	352
Netherlands	107	112	125
Italy	130	156	191
Japan	576	637	677
South Africa	1,373	2,028	2,012
United States	489	587	931
Other Foreign Countries	94	73	102
Total Commonwealth Countries	2,284	2,184	1,842
Total Foreign	3,207	3,967	4,577
TOTAL	5,491	6,151	6,419

TABLE 3 - Average declared values of various canned fruits imported into the United Kingdom during 1957-1960

	1957	1958	1959	1960	Percentage decrease 1957-1960
	s. d.	s. d.	s. d.	s. d.	%
Apricots	134. 0	131.11	113. 5	107. 0	20
Peaches	144. 6	142. 3	122.10	114. 8	20
Pears	154. 0	143. 6	131. 5	128. 2	17
Pineapples	126. 3	115. 6	104. 1	95. 3	25