BFAP
DATA DRIVEN INSIGHT

Navigating turbulent waters:
Unlocking opportunities in an uncertain world

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Bureau for Food and Agricultural Policy (BFAP)

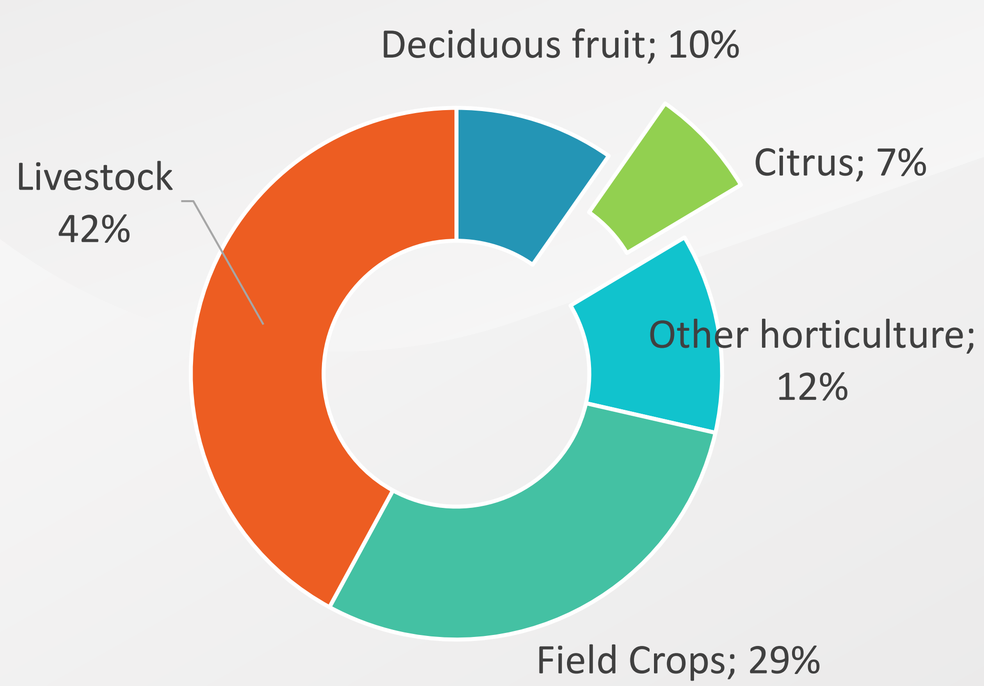
The 5th CGA Citrus Summit, Gqeberha

11-13 March 2025

Citrus still a major contributor to SA Economy

Faced with a highly dynamic environment in recent years

Citrus is 5th biggest contributor to Ag. GPV



Biggest agri exporter 1.8 Bn USD in 2024 → 12% of total agri & food

Employs approx. 140 000 people → 15% of agriculture

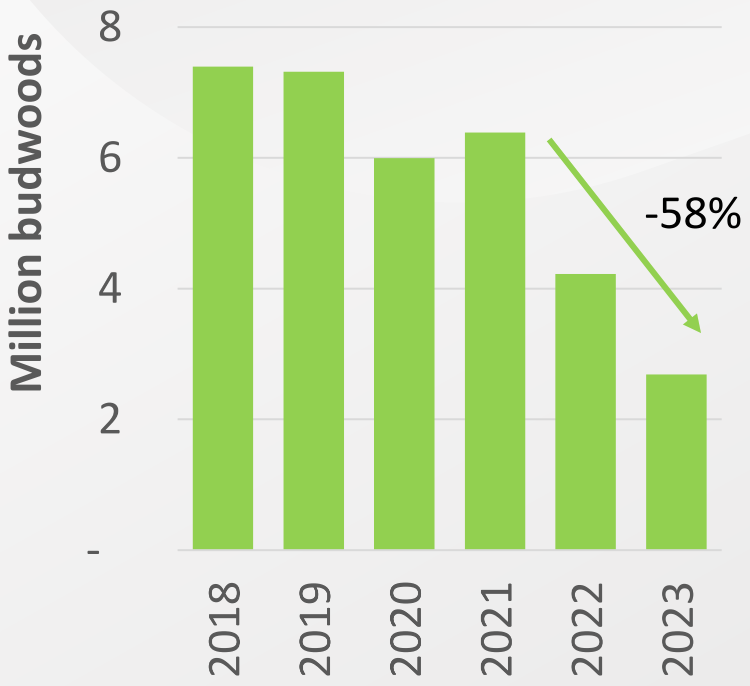
Expansionary cycle has slowed – some rebalancing of supply & demand in recent years

- SH production down 2% in 2023
- SA export volume down 6% in 2024
- Price +22% from 2022 to 2024

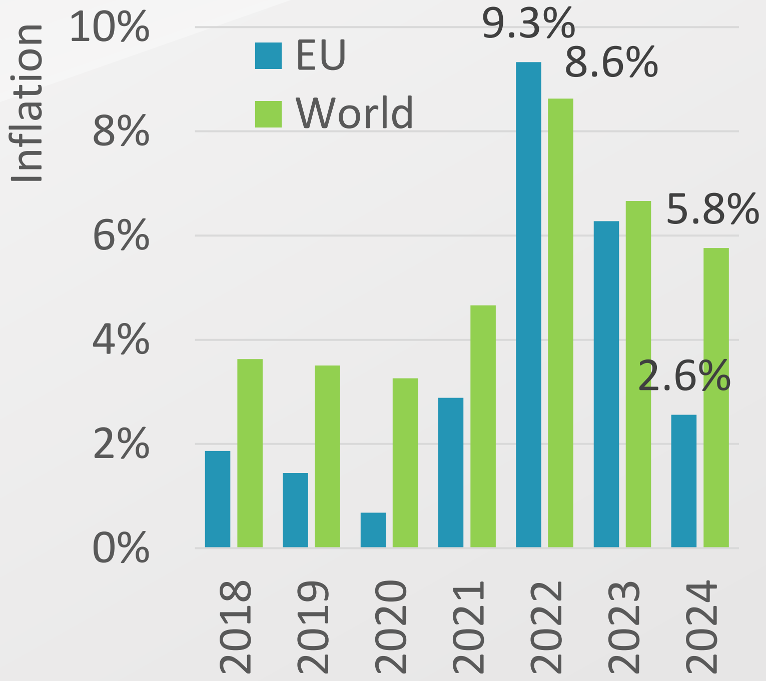
External environment has improved since 2022

Although some bigger risks were resolved, new ones arise

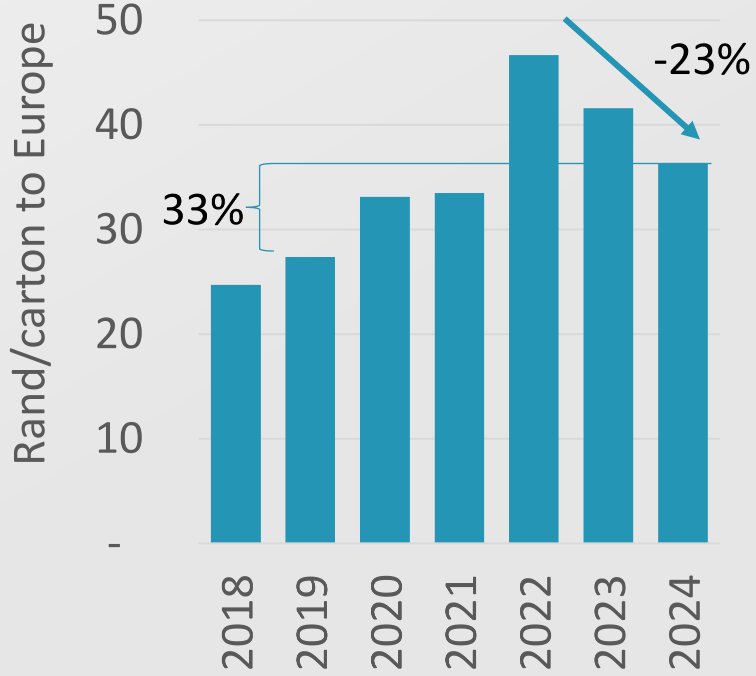
Expansionary cycle has slowed
BUDWOOD SALES



Spending power has improved
INFLATION

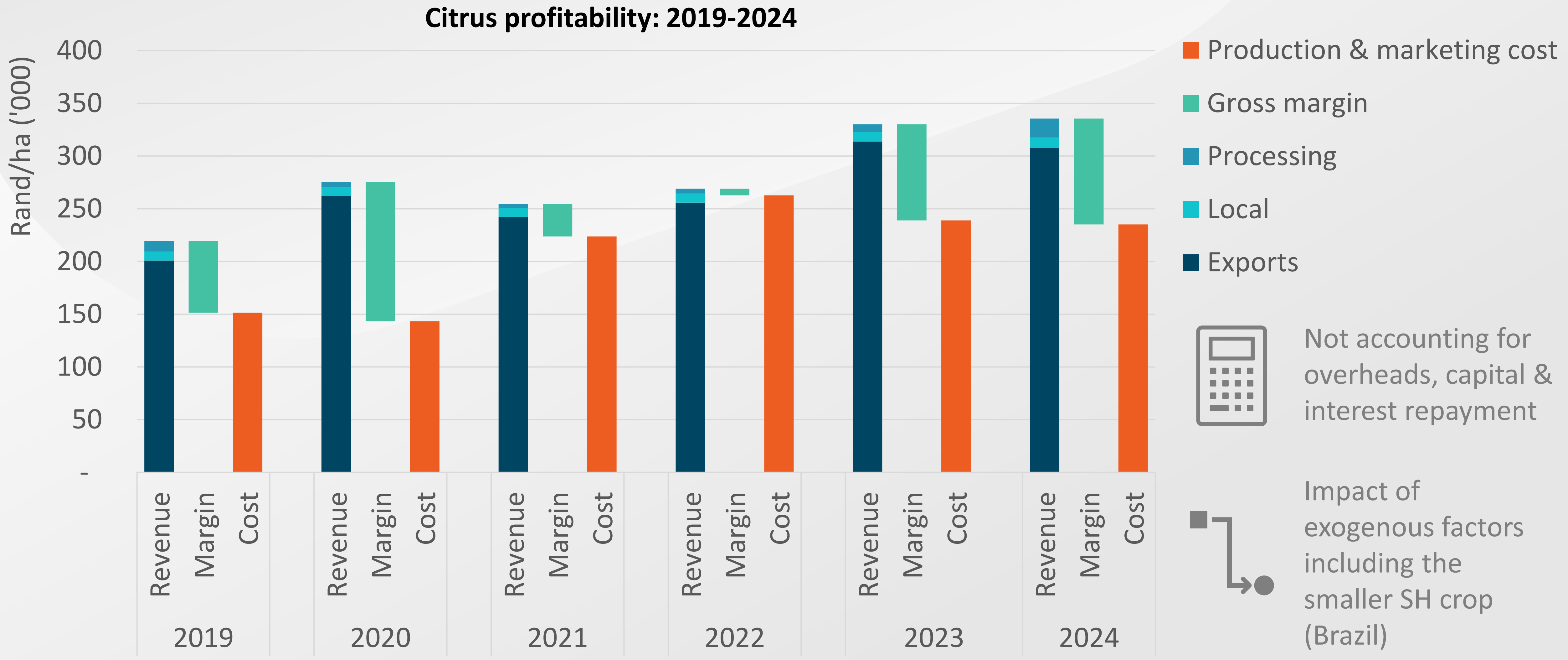


Logistics environment stabilising
FREIGHT RATES



Profitability has improved in 2023 & 2024

Exceptional volatility in recent years also influenced by exogenous factors



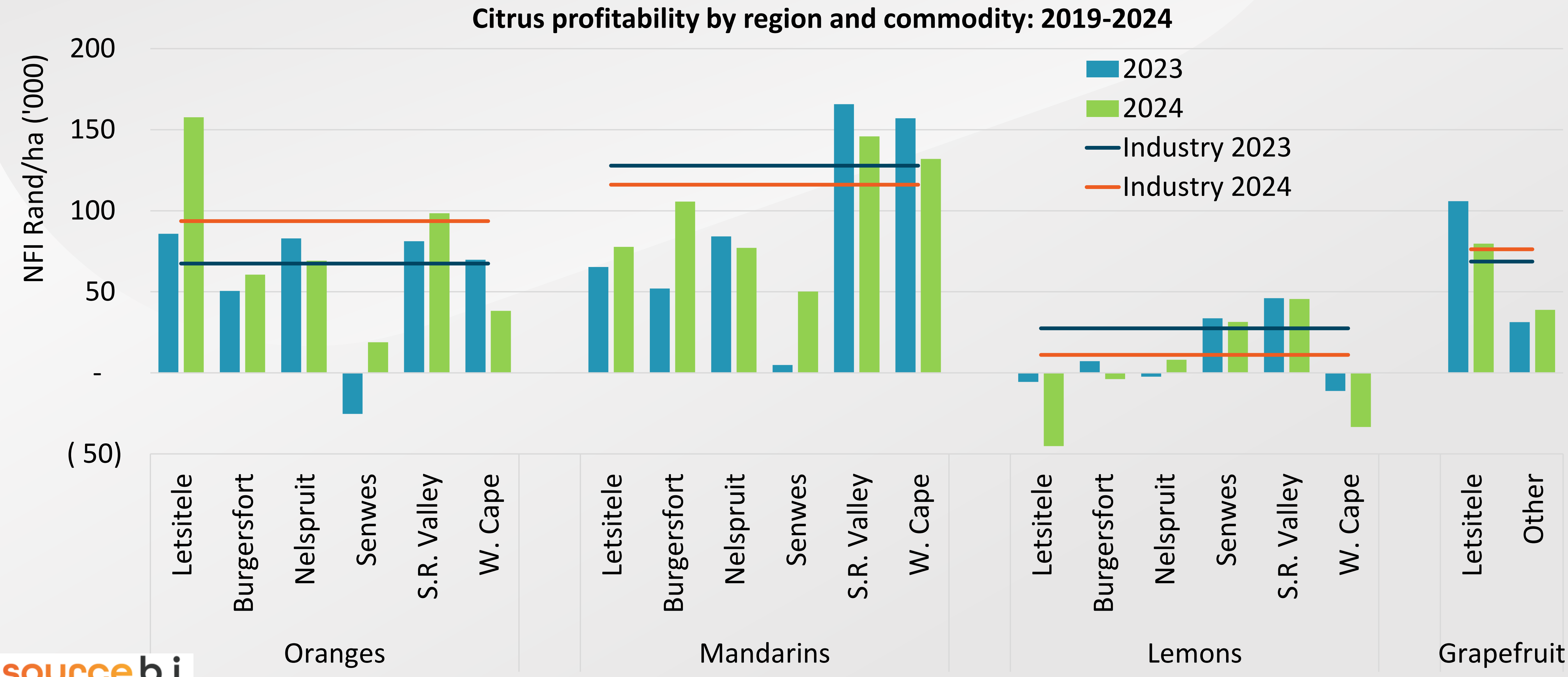
Not accounting for overheads, capital & interest repayment

Impact of exogenous factors including the smaller SH crop (Brazil)

Sources: SARS (2025); Source BI (2024)

Substantial differences remain across regions & products

NFI per region and industry average based on study group data (2023 and 2024 prelim)



source b.i.

Sources: Agrihub (2024); Frudata (2024); PPECB (2024); Source BI (2024); BFAP (2025); SARS (2025)

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Several exogenous factor will continue to influence future prospects

1) Baseline given current realities
2) Risks remain…
3) Opportunities to unlock…

Outlook is set within an increasingly complex environment

Global & domestic uncertainties influence baseline projection

Global growth prospects divergent & uncertain

IMF steady at 3.3%
Ample downside risk
China growth concern

Global inflation declining but policy uncertainty a risk

Faster convergence to target in developed world
Currency risk in emerging markets
Changes in govt – voters want change?

Geopolitical tension & fragmentation remains a challenge

Ongoing conflict – Ukraine, Middle East, Mozambique
Increasingly complex trade environment risk to growth
Policy uncertainty increasing – AGOA, "Trump Tariffs"

Sustainability high on policy agenda

Additional costs of compliance
Market access implications?
Productivity in EU?

SA economic & consumer environment

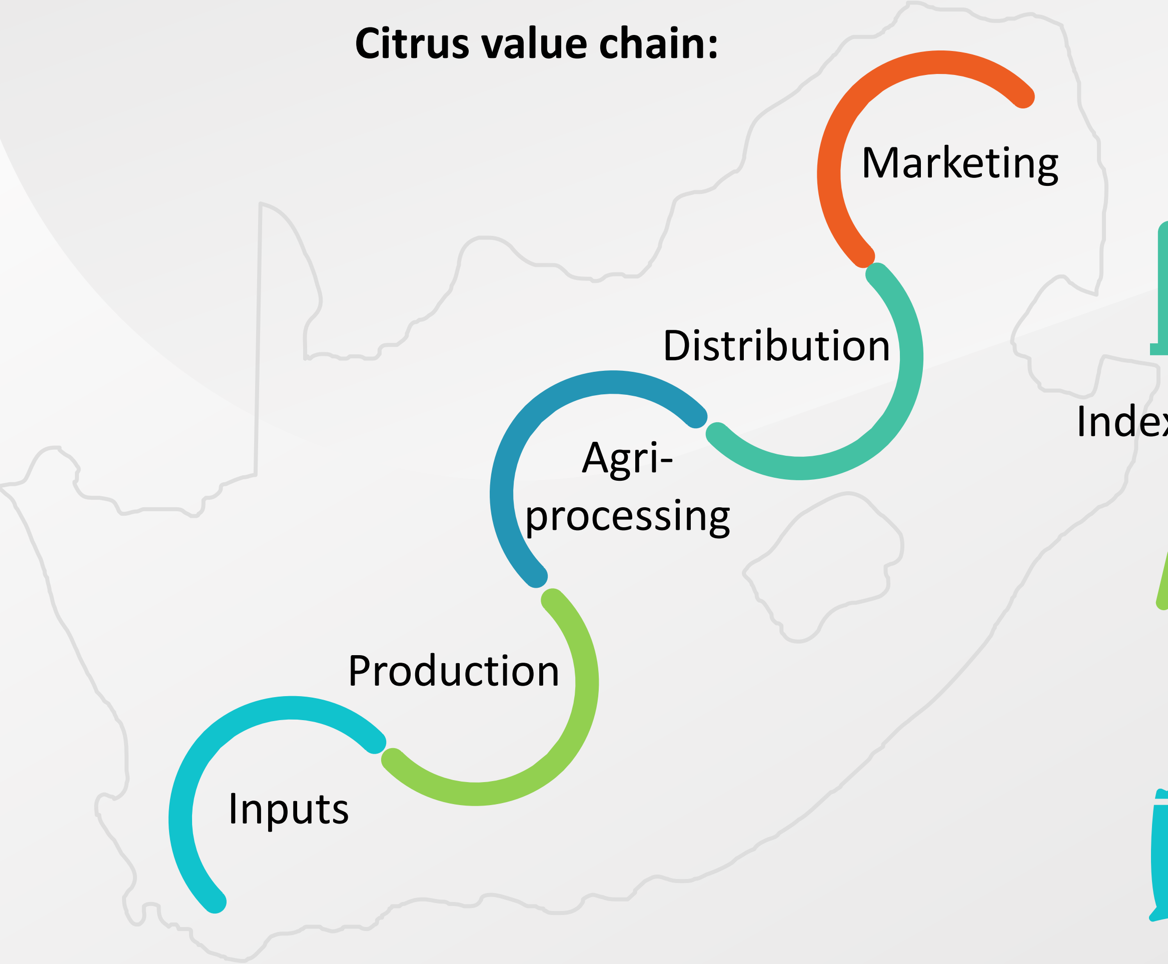
Sentiment improved with new GNU
Some green shoots but also risks
Accelerated reforms required to improve growth

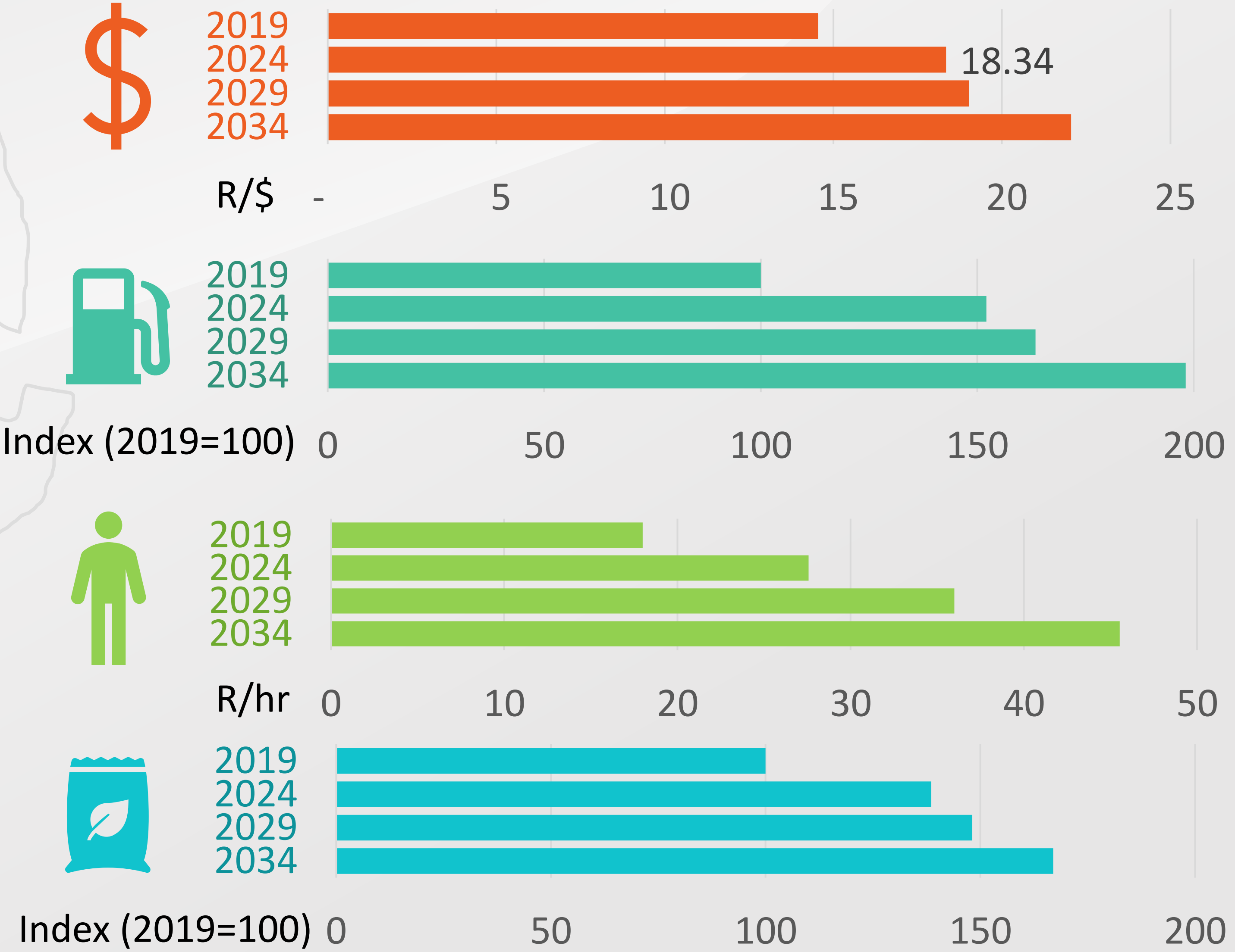
Structural challenges remain in SA that inhibit competitiveness

Municipal service delivery
Electricity & water
Ports & logistics
Broader transport infrastructure

Costs generally still rising faster than prices

Exchange rate supportive to prices but also driving costs





Baseline outlook: Stable area but growing production

Focus more on intensification than extensification given real price projection

Historic & projected average annual growth rates	AREA TO STABILISE NORMAL REPLACEMENT		PRODUCTION GROWING PRODUCTIVITY GAINS		REAL EXPORT PRICE: PRICES RISE SLOWER THAN INFLATION	
	2019-2024:	2024-2034:	2019-2024:	2024-2034:	2019-2024:	2024-2034:
Oranges:	0.3%	-0.2%	1.3%	1.8%	2.3%	-2.6%
Mandarins:	6.0%	-0.3%	15.1%	2.6%	-1.3%	-1.8%
Lemons:	1.9%	-0.2%	10.0%	2.5%	-8.3%	-0.9%
Grapefruit:	1.3%	-0.7%	4.0%	-0.4%	6.3%	-2.5%

Exports still growing as production volumes rise

Recent decline also influenced by weather, ports & viability of alternative outlets

Profitability outlook given price & cost projections

Short to medium term remains risky as real prices are expected to stagnate

Full bearing base year ('24) assumptions (weighted avg. across commodities):

FOB export price (R/carton)
R213

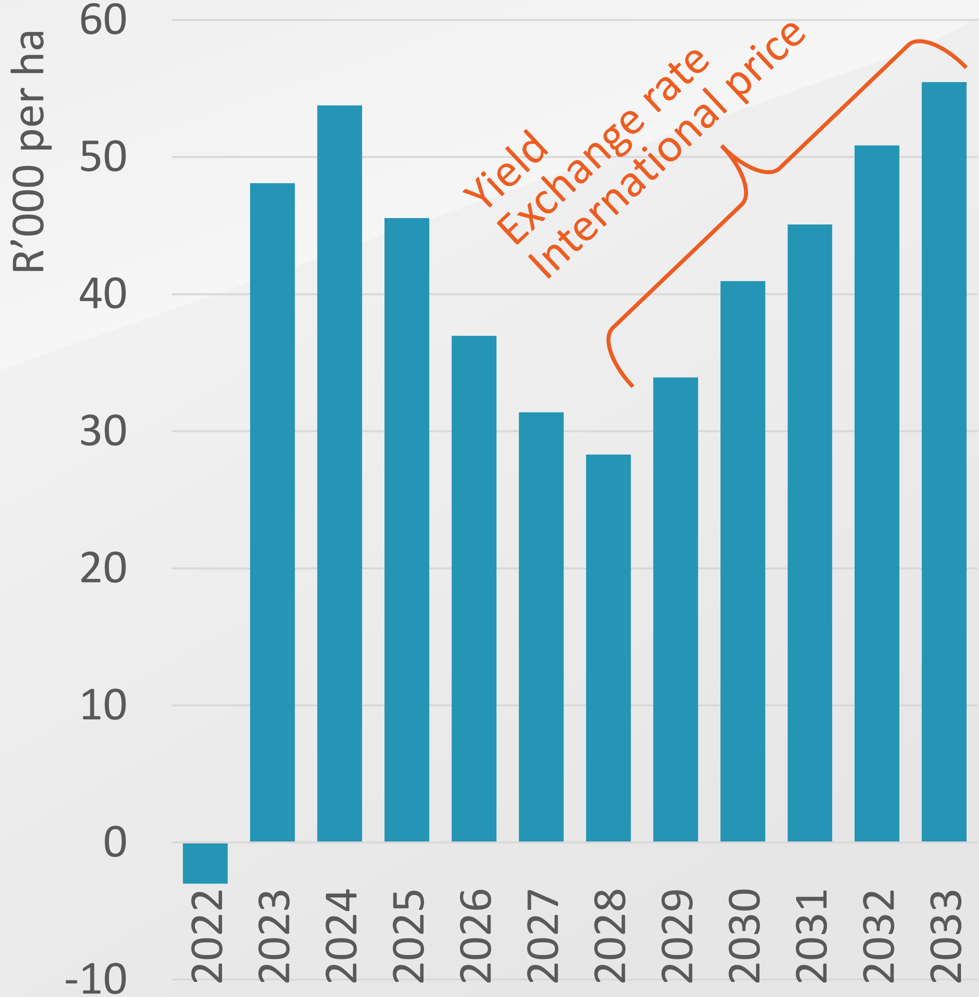
Exports (cartons/ha)
2 040

Yield (tonne/ha)
52

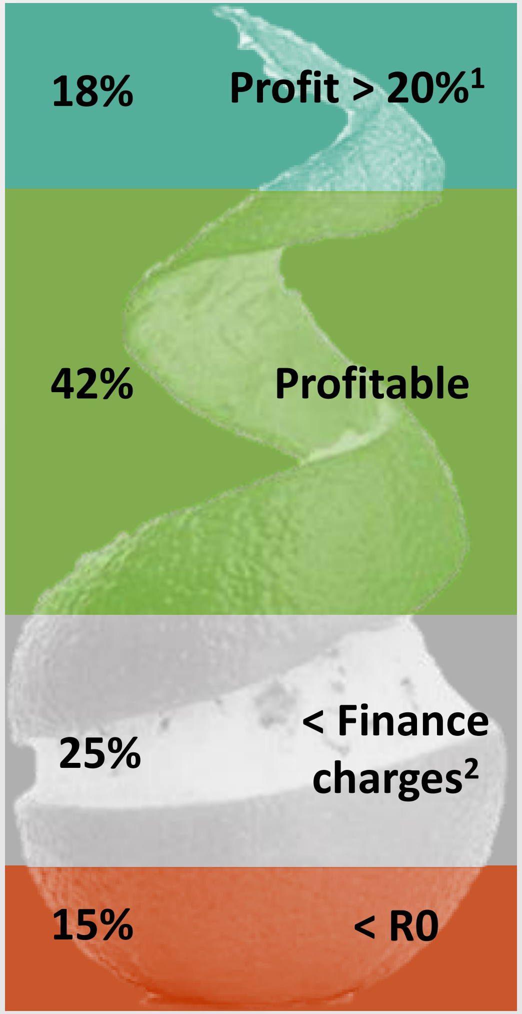
Cost (R/ha)

Farm gate to FOB:	**R246 386**
Production:	**R114 778**
Overheads:	**R 45 758**

NFI projection (normal replacement cycle):



Average risk profile:



[1] NFI exceeds 20% of total capital requirement (R300 000/ha in 2024; grow annually in nominal terms)

[2] Interest on overdraft (production cost and overheads for 6 months) and financing capital requirement over 10 years @ prime rate

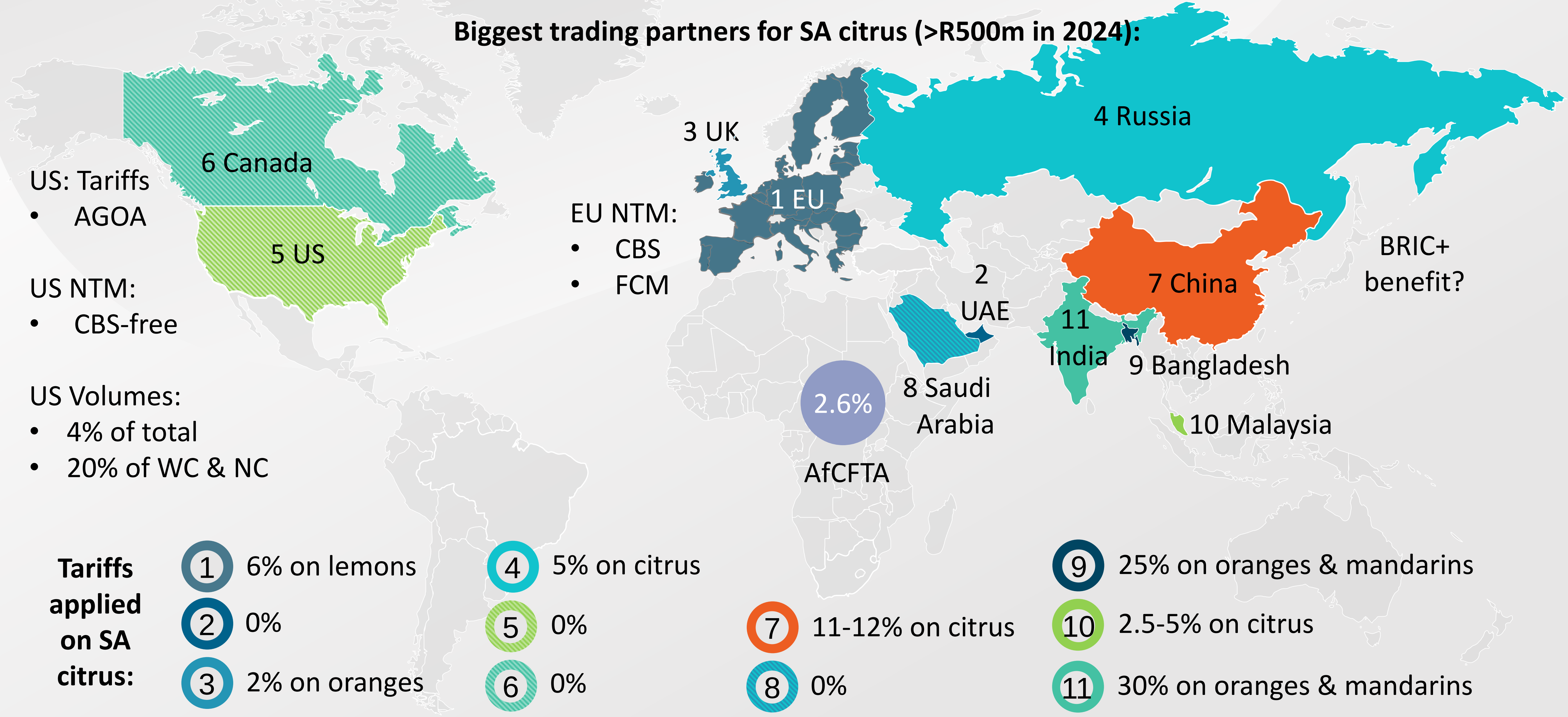
Several factors contributing to suboptimal growth outlook

1) Trade environment
2) Policy from core trade partners
3) Logistics

Trade environment and its associated risks & challenges

Tariff, non-tariff measures and purchasing power all influence trade trends

Biggest trading partners for SA citrus (>R500m in 2024):



US: Tariffs
- AGOA

US NTM:
- CBS-free

US Volumes:
- 4% of total
- 20% of WC & NC

EU NTM:
- CBS
- FCM

Tariffs applied on SA citrus:

1 6% on lemons

2 0%

3 2% on oranges

4 5% on citrus

5 0%

6 0%

7 11-12% on citrus

8 0%

9 25% on oranges & mandarins

10 2.5-5% on citrus

11 30% on oranges & mandarins

Sources: ITC (2025); MacMap (2025)

EU policy still likely to influence pesticide options

The EU Green Deal has been set aside, but focus on banning hazardous pesticides remain

In the **European Green Deal**, the Farm to Fork Strategy amongst others aimed to, by 2030:

- **Reduce use and risk of pesticides** by 50%
- Reduce hazardous pesticides use by 50%
- **Reduce MRL's** for certain chemicals

But the Sustainable Use of pesticides regulation was rejected by EU Parliament in Feb 2024.

And now the Green Deal has been 'set aside' (Feb 2025).

New: EU Agri-Food Vision 2040

"The Commission will push for stricter alignment of production standards on imported goods, particularly regarding pesticide use and animal welfare.

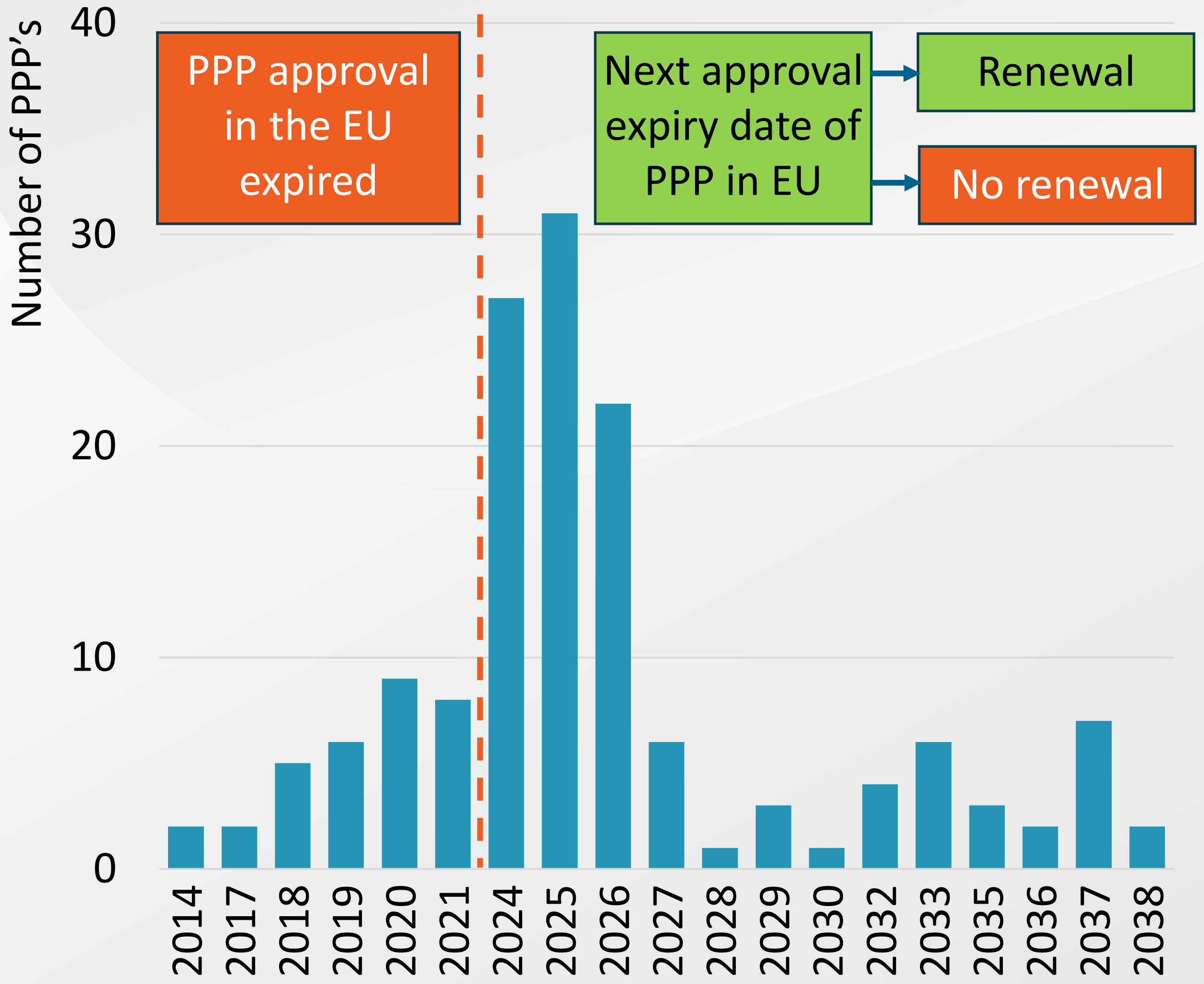
As a guiding principle, hazardous pesticides banned in the EU for health and environmental reasons should not be allowed back into the market through imported products."

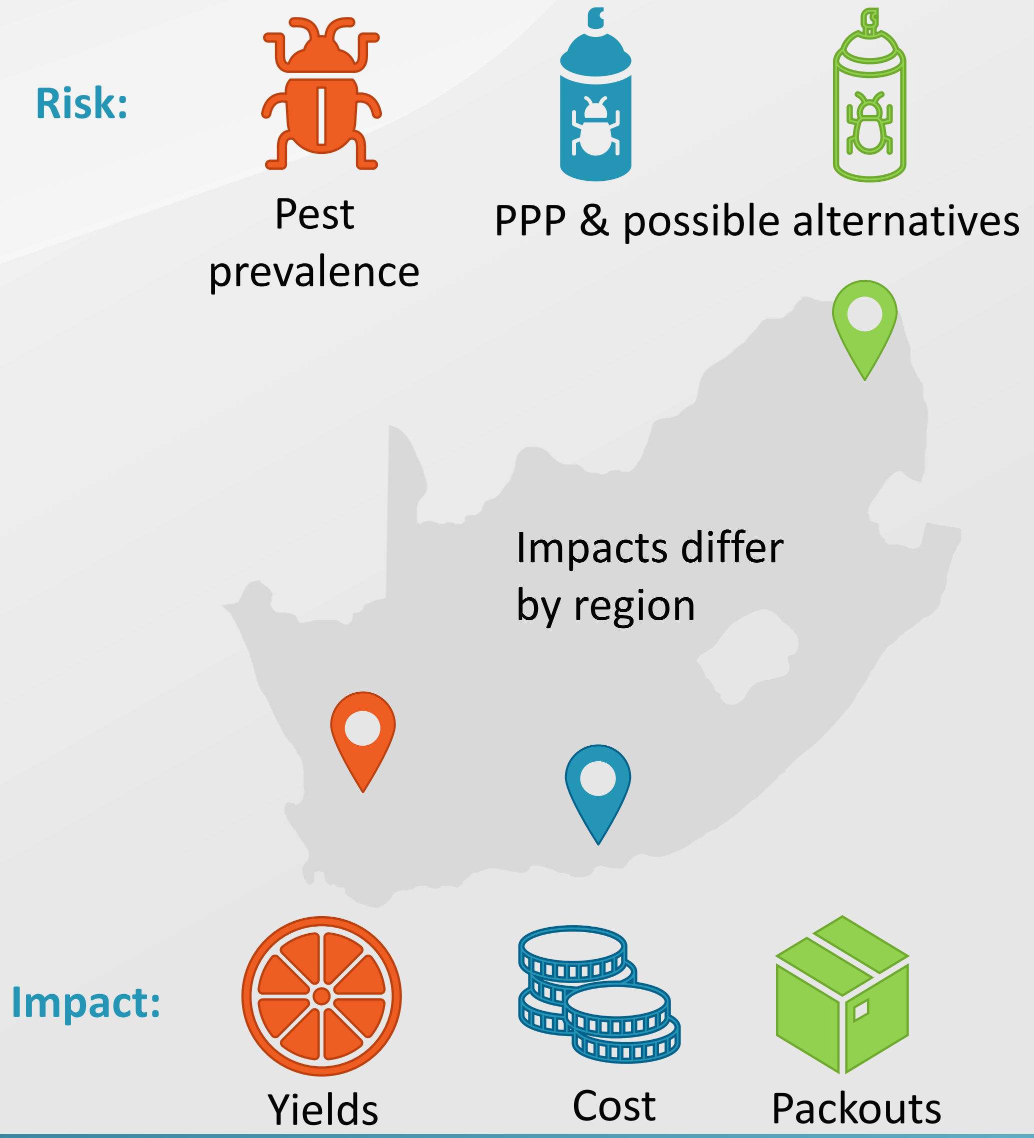
Sources: EU Commission (2024; 2025)

Impact of PPPs not renewed in the EU on SA citrus

Depending on the risk and the impact, profitability and/or supply and prices will change

EU expiration of approval of plant protection products (PPP's)





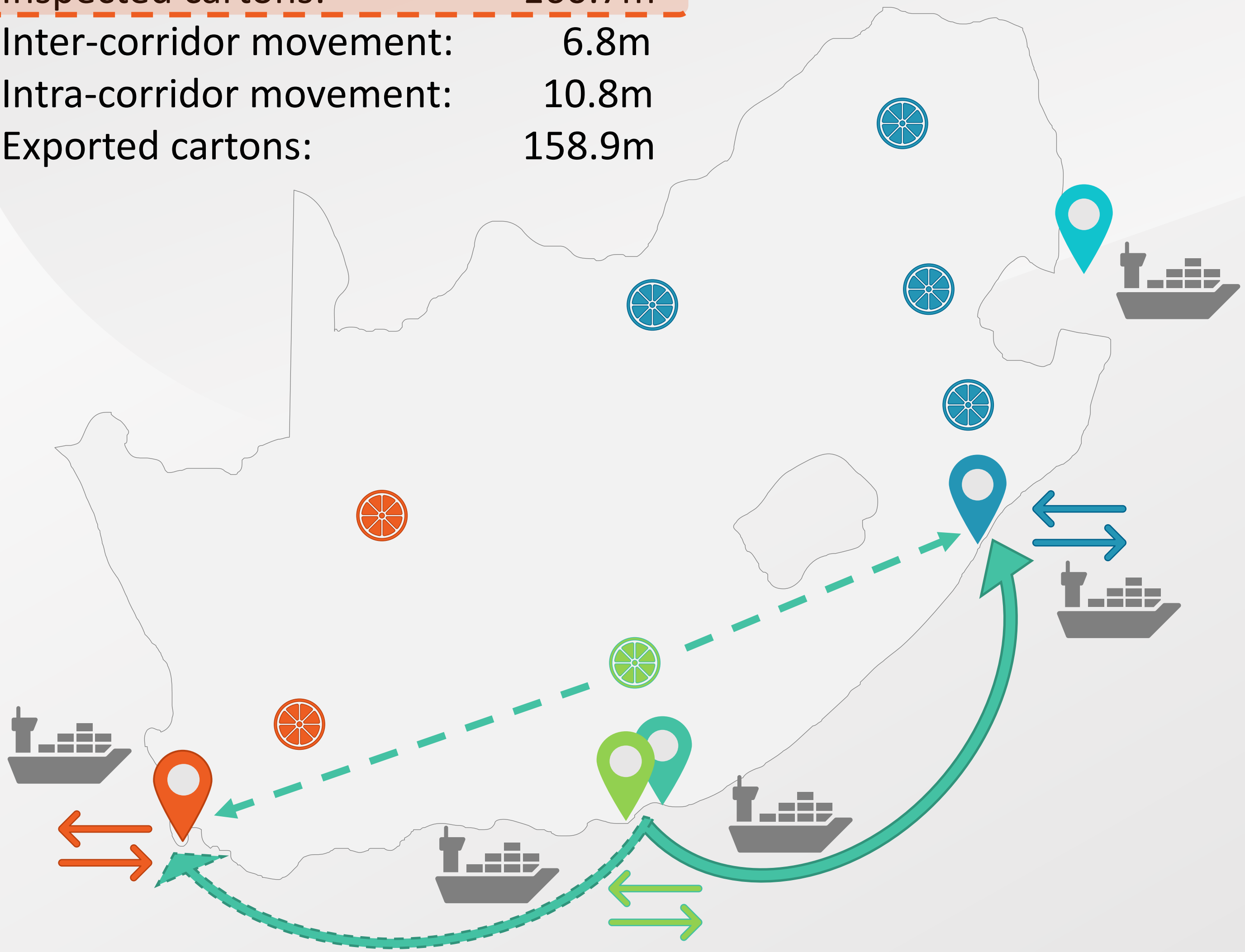
Link to study:

Source: Agri-Intel (2024)

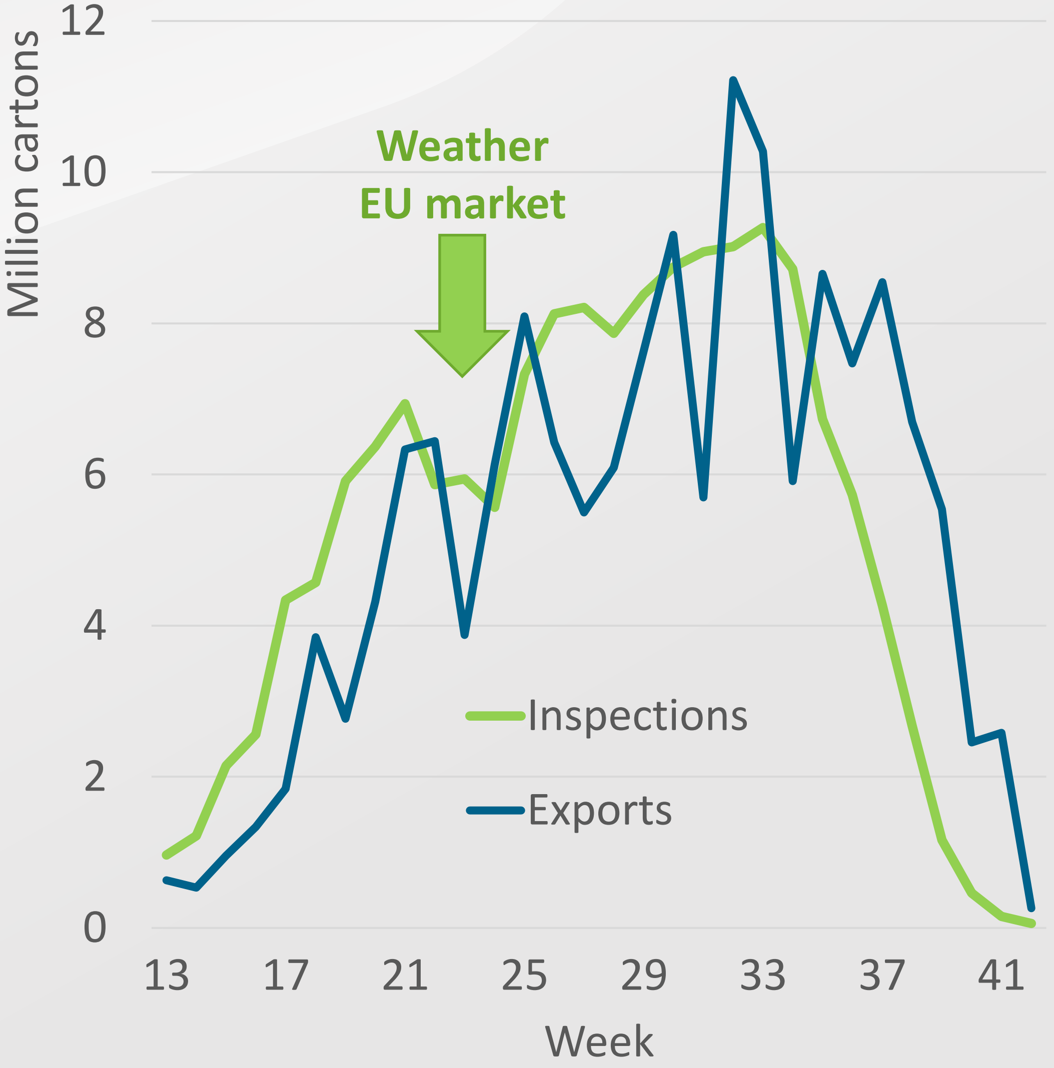
Price of logistical inefficiencies in SA citrus value chain

Irregular shipments the biggest driver of fluctuations in market supply

Inspected cartons:	160.7m
Inter-corridor movement:	6.8m
Intra-corridor movement:	10.8m
Exported cartons:	158.9m



Weekly citrus inspection and export volumes: 2024



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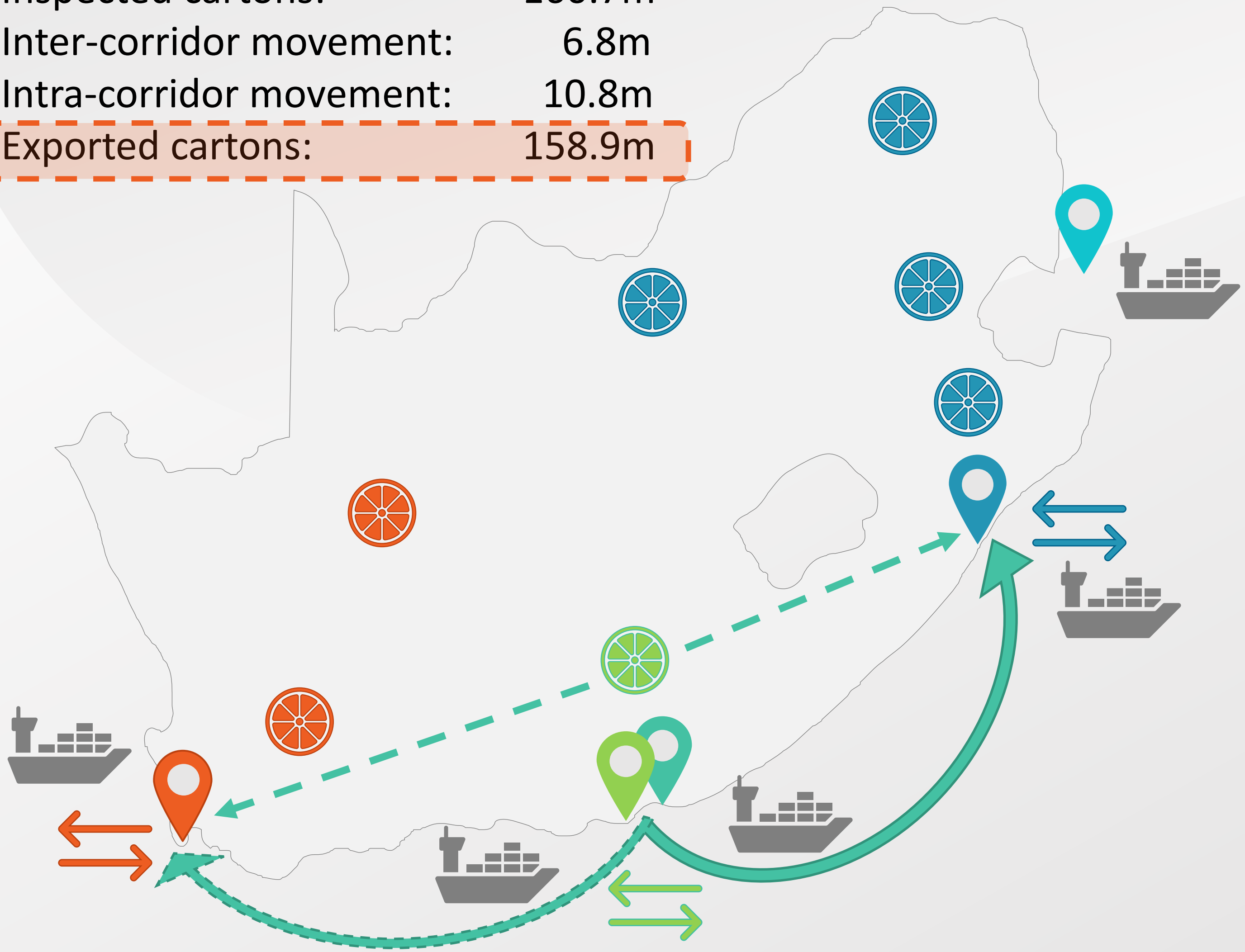


	Industry	Per carton	Components
Direct	R1.6bn	R10	Shipping, Trucking, Repacking
Indirect	R2.6bn	R16	Price, Claims, Rerouting
Unsold	R1.1bn	R7	Repacking, Packhouse, Orchard

Unlocking opportunities in the value chain to reach the industry's biological potential

On farm: Cost-effective production practices

Maximising returns per unit of input – learnings from top performers in study groups

FERTILISER & CHEMICALS

Top third spends, on average:

- R4 500 per ha more
- 2% less per tonne
- 12% less per export carton

SALARIES & WAGES

Top third spends, on average:

- R5 000 per ha more
- 6% less per tonne
- 14% less per export carton

OUTPUT

Top third realises, on average:

- 14% higher yields
- 12% higher export packouts
- ±540 cartons per ha (+26%)

FINANCE CHARGES

R12.83 per export carton (32% of the citrus industry average NFI for 2024)

In the chain: Gaining efficiency to minimise losses

Recovering margins by reducing expenditure creep and irregular market supply

Road to rail

25% saving (R5.00/carton) on Northern Corridor

Single cold storage cycle

R0.97/carton saving, on average

Additional cost to shipping due to delays

R3.78/carton

Price fluctuation

R9.94/carton (€0.50) in export price

Impact of improvements in the value chain

Derisking production though cost-effective practices and efficiency gains in the chain

Value chain for full bearing export carton		Current state R/carton	Improved state R/carton
FOB	Exports	213	224
	Other	29	23
	Total revenue	**241**	**247**
	Port cost & commission	44	45
DIP	Exports	168	179
	Other	28	23
	Total revenue	**196**	**202**
	Packing, cooling, transport, levies	77	73
Farm gate		**119**	**129**
	Production cost	56	48
Gross margin		**63**	**81**
	Overheads	22	18
Net farm income		**41**	**63**
	Finance charges	13	0
Net returns		**28**	**63**

Efficiency gains

Cost-effective

NFI (R/ha)

R82 887 → R162 436

Net returns impact even greater

Net gains (R/carton)

10

Less 'other income' per export carton

Increase in commission

Yield (tonne/ha)

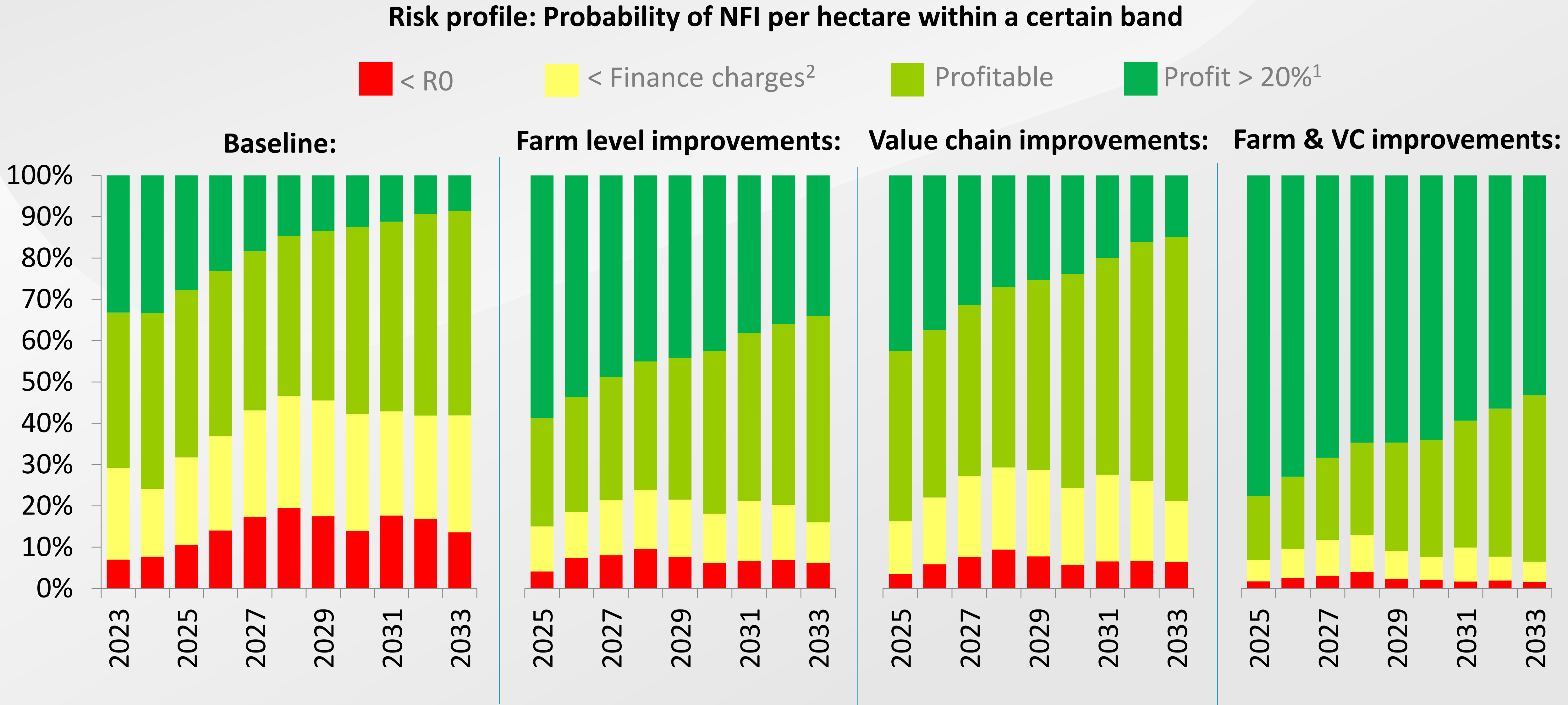
52 → 59

Exports (cartons/ha)

2 040 → 2 580

Impact of improvements in the value chain

Derisking production though cost-effective practices and efficiency gains in the chain



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Defining 'agriculture' through an integrated value chain lens

Why Agriculture is more than "just agriculture" – your contribution is wider than you think!

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Citrus: 7% of AgGPV

INPUTS

Farm inputs
Finance
Technology
Services
Land

AGRICULTURE

SA farm economy produce outputs as valued at the farm gate:
- Livestock
- Field crops
- Horticulture

AGRO PROCESSING

Manufacturing firms produce products that originate from farms:
Meat | Dairy | Grain & Feed | Fruit & Veg | Oils | Beverages | Other

TRADE SERVICES

Agri-food system trade:
- Wholesale Trade
- Retail Trade
- Food service & restaurants
- Exporters & Importers

SUPPORT SERVICES

Government Services
Producers Associations
Research & Development
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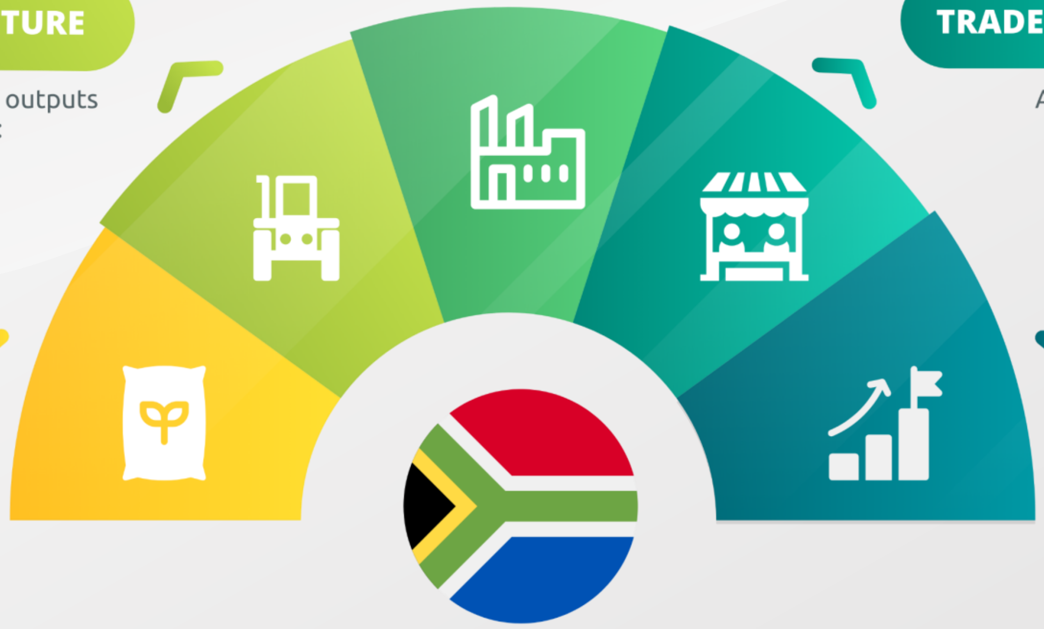

The true impact of the citrus industry reaching its full potential is far greater!

2.6% | R145 Bill	2.8% | R155 Bill	5.1% R285 Bill	3.3% | R186 Bill	Unknown | TBC

~14% contribution to the SA Economy in 2021

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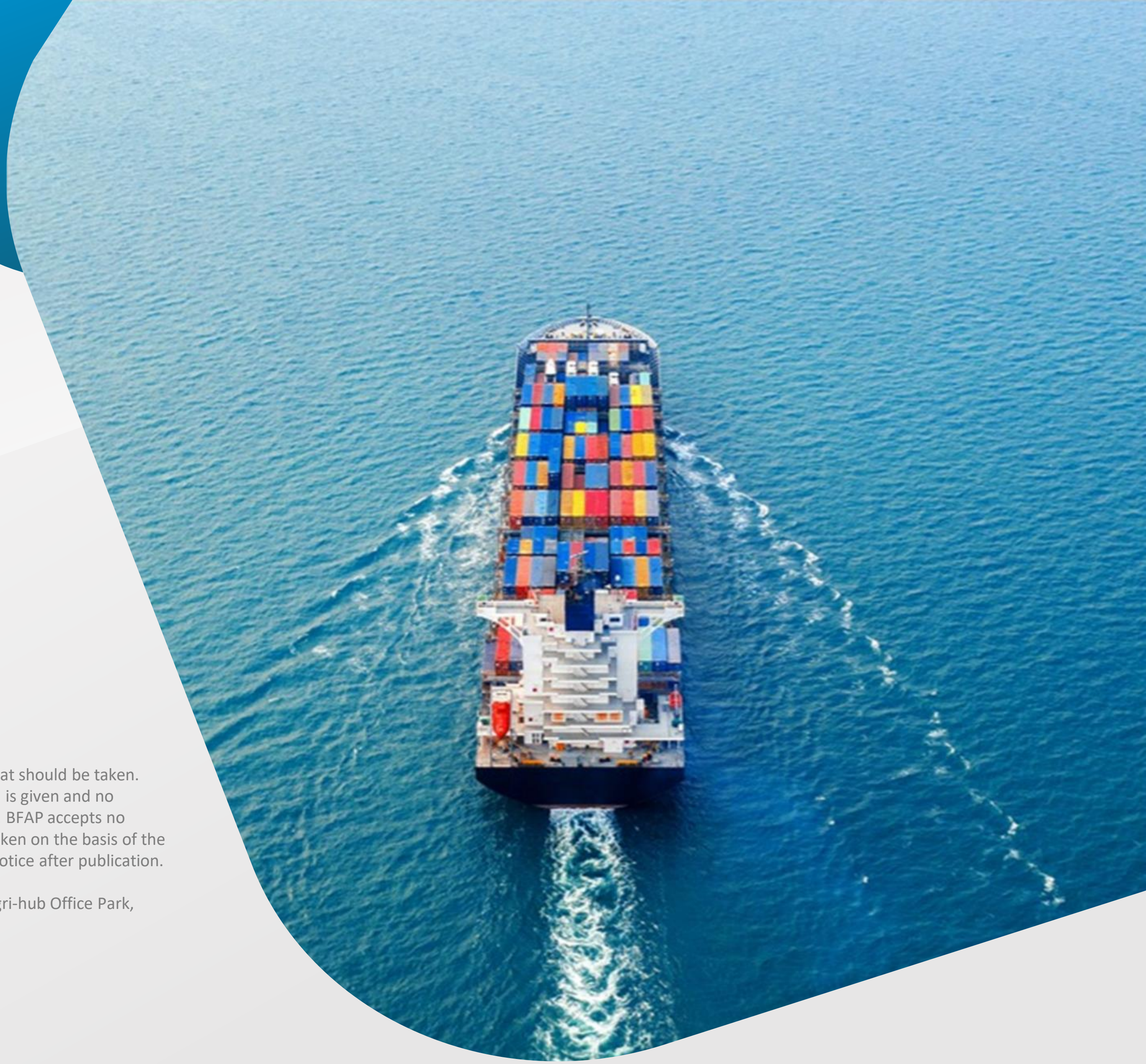

Thank you!

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