

Strong rand puts damper on bigger citrus crop

By Lindi Botha

22 February 2026 | 5:00 am

The growing citrus crop is expected to put pressure on South African farmers this year as existing export markets near saturation. Compounding the effect is a stronger exchange rate, which is set to erode margins.



With volumes in the citrus industry increasing, and a stronger exchange rate, farmers will need to be more meticulous when selecting fruit for export markets. *Image: Lindi Botha*



"Nobody's budget is balancing at this stage," a citrus farmer told *Farmer's Weekly* on condition of anonymity.

"The exchange rate will be our biggest challenge this season. Margins have been under pressure for many years, but farmers who exported could make up some margin off the back of a weakened currency.

"But with the rand strengthening against the US dollar by around 25% over the last year, the margins are gone."

He explained that to avoid suffering losses on the export market, farmers will need to be more meticulous in packing only the best quality and sizes this season, leaving the marginal fruit at home.

"But juice prices are also under pressure, so there is a risk that farmers will rather take a chance on the export market with lower-quality fruit, which will hurt the whole industry."

South Africa is expected to export around 206 million 15kg cartons of citrus this year, up from last year's record of 203,7 million cartons.



Speaking to *Farmer's Weekly*, Juan Winter, managing director of Source BI, said the bumper crop will put pressure on prices, although the higher volumes could benefit growers.

"Nothing brings return on investment like volumes in the citrus industry. The higher the volumes, the lower the production cost per unit."

Looking at gross income, Winter said citrus farmers' income had peaked in 2020 at R129 725/ha, but had fallen to around R120 000/ha last year.

"This is a good number at which citrus production is profitable. The price pressure could, however, see this number dropping further."

Limited help from tariff relief

In January, the US announced that South Africa would continue to benefit from the African Growth and Opportunity Act at least for 2026. While this brought some relief for the year, mandarins still face a 30% import tariff.

In February, South Africa and China signed the Framework Agreement on Economic Partnership for Shared Prosperity, which will reduce the import tariff for South African goods to 0%.

Dr Boitshoko Ntshabele, CEO of the Citrus Growers' Association of Southern Africa (CGA), told *Farmer's Weekly* that this was a significant development for the citrus industry, since many of South Africa's competitors already had preferential access to China.

"This could level the playing field and expand competition in one of the world's largest and most dynamic markets."

He added that an Early Harvest Agreement is expected to be in place by the end of April, which means the 0% duty will coincide with the start of South Africa's main citrus season.

However, the anonymous farmer was sceptical over how much relief the Chinese tariff will bring the industry.

"The Chinese market has been very flat over the past few years. It's not a lucrative market, and high-quality produce doesn't always fetch adequate prices. But any diversification in markets always bodes well for the industry," he explained.

Ntshabele said that the CGA's biggest priorities for the season are increasing market access and ensuring sustained progress on logistics efficiency.

"We are urging government to prioritise and finalise trade agreements that would see citrus receive better access to the US, the EU, China, and India. Tariff and non-tariff barriers currently

limit our access to these important markets. Only if these are addressed will the increase in volume be able to translate into economic growth.”



On the logistics front, Ntshabele was optimistic about the continued reform in South Africa’s ports, not only within Transnet but also in terms of private-sector participation.

“Transnet has improved equipment availability and introduced new labour incentive systems over the past year. This meant that there were no serious problems at the ports during the past citrus season.

“More reason for optimism this year is that it will be the first citrus season to benefit from the joint venture between Transnet and [Philippine company International Container Terminal Services] at Durban’s Container Terminal Pier 2, from where most of South Africa’s citrus is shipped. We expect the partnership to bring further expertise and steadiness to operations.”

Expanding markets in the East

While the EU, South Africa’s main citrus export market, is nearing saturation amid strong competition from Egypt in particular, opportunities in the East look promising.

The farmer said it appears the government is doing significant work to open eastern markets, which bodes well for the growing citrus volumes.

“There is a lot of potential in Indonesia, which is the fourth most populated country in the world. Vietnam is also promising.

“But we need to be smart about how we grow these markets. During the past year, South Africa oversupplied Bangladesh and India, and the fruit sat. Many exporters got hurt.

“We need to understand how much the markets can take and carefully manage volumes and quality. Oversupply puts everyone under pressure, and importers will be very cautious in the coming season as a result.”

Ntshabele said that, given the serious global competition in the industry, it is clear why improved market access for South African citrus is so important.

Enjoyed this article?

Get trusted farming news from **Farmers Weekly** in Google Top Stories.

 Add Farmers Weekly to Google

✓ Takes 10 seconds · ✓ Remove anytime

Lindi Botha

Lindi Botha is an agricultural journalist and communications specialist based in Nelspruit, South Africa. She has spent over a decade reporting on food production and has a special interest in research, new innovations and technology that aid farmers in increasing their margins, while reducing their environmental footprint. She has garnered numerous awards during her career, including The International Federation of Agricultural Journalists (IFAJ) Star Prize in 2019, the IFAJ-Alltech International Award for Leadership in Agricultural Journalism in 2020, and several South African awards for her writing.

in

farmer's weekly

