

South African citrus industry faces US\$283 million logistics cost

The Citrus Growers' Association of Southern Africa says it hopes Finance Minister Enoch Godongwana will prioritise South Africa's logistics constraints in the upcoming budget speech, citing the financial impact on the citrus export chain.

An independent study by the Bureau for Food and Agricultural Policy finds that the combined direct and indirect cost of inefficient logistics to the citrus industry reached US\$283 million in the 2024 season. According to the CGA, this reflects lost foreign revenue and reduced capacity for employment creation across the value chain.

Dr Boitshoko Ntshabele, incoming CEO of the CGA, said, "The huge cost makes it clear that large-scale public-private partnerships at ports across South Africa are urgently needed. While the findings of the impact assessment are deeply concerning, the CGA views this as an opportunity to collaborate with stakeholders and implement effective solutions."

Outgoing CEO Justin Chadwick noted that citrus, as a perishable product with limited shelf life, is highly exposed to delays in the logistics system. "The study quantifies the effects of slow port throughput, deteriorating road and rail infrastructure, unreliable schedules, inefficiency surcharges imposed by shipping lines, and missed market opportunities," he said.

For the 2024 citrus season, BFAP estimates direct cost increases of US\$84 million, indirect costs amounting to US\$140 million from lower realised prices, and waste valued at US\$59 million. These losses and added costs place pressure on the long-term viability of citrus production and affect emerging growers and new entrants most strongly.

Gerrit van der Merwe, chairperson of the CGA and a grower in Citrusdal, said, "Finally quantifying the damage is an important step. In a certain sense, South Africa has gotten used to the destruction of value that has been happening on a greater or lesser scale over the last few years. It's incredibly frustrating for the growers and their rural communities, who feel the impact directly."

Citrus remains South Africa's largest agricultural export sector, supporting close to 140 000 jobs at the farm level. With harvest volumes projected to increase, the industry estimates potential exports of 260 million 15kg cartons by 2032, compared with 165 million cartons exported last year, alongside the creation of 100 000 jobs.

Dr Ntshabele said infrastructure constraints remain the main limiting factor. "More fruit will be coming off our trees, but physically moving them to all the many markets that have a taste for our high-quality citrus is a problem. If not addressed soon, our ports, already beset with these delays, will not be able to handle the increased volumes at all."

Chadwick added that the CGA supports President Cyril Ramaphosa's commitment to logistics reform through the Freight Logistics Roadmap, but said the pace of change remains limited. He stated that efficient export logistics could expand tax revenue and that public-private partnerships remain the long-term mechanism to improve system performance.

Source: Pretoria News (<https://pretorianews.co.za/sunday-tribune/news/2025-02-18-inefficient-logistics-cost-citrus-industry-r5-2-billion/>)

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