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EXPORT AND ECONOMY

Citrus industry's sweet and sour state

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Bounty: SA's economic woes have made citrus exports more competitive on the global market. Picture: THE HERALD

One man's meat is another man's poison. Sure, the weakening rand will inevitably hike farming input costs with increases in the prices of fuel, fertiliser, pesticides, machinery and equipment.

But SA's domestic economic woes also make the country's products more competitive in the global market place, presenting an opportunity amid all of the negativity.

Of the R14bn the citrus industry earned the fiscus in 2015, 92% hinged on export. And this has helped the industry put bread on the tables of 71,500 people in the form of on-farm jobs.

Sustaining an industry of this size requires continued innovation and benchmarked risk mitigation. That is why sustainable production is at the heart of the industry — not least because it aids compliance with international regulations and resultant market retention.

Take citrus black spot, for example. This fungal disease, which is transmitted through the movement of infected plant material, has given rise to a continuing dispute between SA and the EU since 1992.

This is notwithstanding the fact that science has refuted the EU's claims that citrus fruit is a pathway for transmission. Besides, the EU climate is unsuitable for establishment of the disease.

Nonetheless, SA has borne the brunt of citrus black spot interceptions for what has seemed like an interminable time. But, thanks to ground-breaking research work by Citrus Research International (CRI), the interceptions have dwindled from 35 in the 1980s to 27, 15 and finally four in 2016.

CRI and the citrus growers' attention to detail has turned what could have been a crisis into a nonevent.

The CRI's R59m annual budget, a staff complement of nearly 80 and a formidable network of researchers are what collectively continue to benchmark SA's risk mitigation and initiatives against the best in the world.

And while toiling to retain markets, SA's citrus industry is also charting new ones.

The country has recently been granted access to the Port of Houston in Texas, US. This will significantly reduce logistics costs relevant to delivering produce to markets across the US.

And in October 2016, a memorandum of understanding was signed with Wang Junbing, secretary-general of China Entry-Exit Inspection Authority and Quarantine Association.

From this initiative, the South African citrus industry hopes for more seamless export of the fruit to China, especially when it comes to the required paperwork.

China's mainland and Hong Kong are the largest importers of South African citrus in Asia, with Hong Kong and mainland China importing 120,000 tonnes annually.

Brexit also presents opportunities for SA's citrus industry. It is hoped that an independent UK will review plant health regulations and reconsider tariffs imposed on products not produced in the UK.

On the domestic front, there is a concern in the industry regarding nationalisation and its resultant higher intellectual property cost.

Land reform is also contentious, especially since the jury is still out on an implementation option that will achieve a nationally constructive outcome.

With a 1,400-strong grower base and more than a century of experience under the belt, the association and its citrus growers have come a long way

And when it comes to transformation, the industry continues to explore avenues for holistic empowerment initiatives for black growers.

But for any industry to thrive, it needs a constant supply of young minds adept at innovating.

SA's farming fraternity in the primary agricultural sector is dwindling and there are legitimate concerns regarding food security.

There were 128,000 commercial farmers in the 1980s and about 30,000 in 2014. AgriSA confirms that the average age of South African farmers is 62.

The Citrus Growers' Association's Citrus Academy has been the mainstay when it comes to attracting young talent and providing them with funding through its bursary fund.

They team up with various tertiary institutions to educate youth on career opportunities in the industry. To date, the programme has provided more than 600 agricultural bursaries to young South Africans, putting paid to the myth about a lack of viable careers in the industry. This bursary fund is by far the largest in SA's primary agricultural sector.

With a 1,400-strong grower base and more than a century of experience under the belt, the association and its citrus growers have come a long way. And this industry is

certainly not showing any signs of getting long in the tooth.

But there is no getting away from the fact that the entire agricultural sector is navigating turbulent waters.

Agricultural Business Chamber economist Tinashe Kapuya confirms that SA's farm debt is estimated at about R160bn. And this can only further increase pressure on lending.

But the South African citrus industry will continue to seek to leverage opportunities to grow the industry as well as the agricultural sector.

This is only possible with the continuing support of the government in order to continue to provide jobs and contribute to the fiscus.

- *Chadwick is CEO of the Citrus Growers' Association of Southern Africa.*

