

South Africa: CGA lists key issues for citrus sector in 2018

As we enter the second month of 2018 and the upcoming citrus season draws closer and closer, Citrus Growers Association of Southern Africa (CGA) CEO Justin Chadwick has given some thoughts on what can be expected in the campaign.

Writing in a weekly newsletter, the representative said:

- Although the crop estimates will only be prepared in March, it can be anticipated that export volumes will be impacted by the drought in the Western Cape and parts of the Eastern Cape.
- New plantings of lemons and soft citrus will continue to reach export bearing fruit age, but the increase in export volumes will be influenced by the drought.
- The FCM Management System (FMS) will result in new challenges and disruption to normal procedures. Growers and supply chain partners will need to ensure that the FMS works.
- The rand has strengthened and pundits foresee that it will strengthen further. Those who rely on rand weakness to ensure profitability will need to rethink. A leading grower/exporter calculated that a 10% rand strengthening would result in a 35% decrease in farm gate prices. Pundits forecast that the rand could strengthen to below R10.50 to the US\$.
- Progress in market access initiatives – particularly wider access to the USA, and changed protocol conditions for China. [This will be] essential for the future sustainability of the industry.
- More policy certainty – but not necessarily agricultural friendly – as the ANC [African National Congress] comes under new leadership and prepares for 2019 elections.

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