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Uncertain times ahead in South Africa

Apple and pear industry anticipate impact of Covid-19 will be felt for a long time

South Africa's apple and pear industry has indicated it expects the current uncertainty surrounding Covid-19 to have a long-term impact on the country's agricultural sector.

A multi-industry committee dealing with media enquiries on the impact of Coronavirus has stated the present concerns focus primarily on the availability of shipping containers in the industry.

Adele Ackermann, group brand manager of Capespan and coordinator of the committee, said 'normal business' is almost a redundant term when it comes to explaining the present situation.

"Producers and packhouses have to deal with a myriad of requirements which have to be put in place to ensure the safety of agricultural workers and to contribute to fight the virus along with the rest of the country," said Ackermann.

She noted the entire logistics and supply chain is under pressure, including transport, employee working conditions, availability of fruit labels, export documentation and, of course, shipping.

Referring to international supply, Ackermann noted a great deal of uncertainty regarding demand and logistics.

"In countries in Asia and Africa, where 'wet markets' and the informal trade is of critical importance, we've experienced a reduced demand over the past two weeks," said Ackermann.

"The fact is that in countries where people are under the same conditions as we are, they cannot get to these markets or street markets. We hope the situation will improve as countries manage to get the virus under control."

Despite the current pressure, export numbers have been performing strongly, with Asia receiving around 40 per cent of South Africa's apple exports at the end of week 13.

The multi-industry committee also noted the strength in domestic demand, suggesting consumers are being driven by wanting to follow a healthy diet.

“Apples in particular is one of the fruits that most people have on their shopping list and is therefore not an impulsive purchase as some of the exotic fruits are. With reduced numbers of people in retail outlets and the limited time they spend there during the lock down, we still expect that apple sales will remain relatively strong,” noted Ackermann.

Generally speaking, many exporters are not interested in commenting about the present situation – but many say they are concerned, suggesting the best course of action is to carry on with business as best they can.

While the general threat at the moment is the impact of coronavirus, and the closure of many country borders, there is another issue that the South African apple industry will have to face in future.

South African apples have made major inroads in Africa over the past two decades, to the extent that it now represents one of the country’s major markets.

Central and West Africa are two key markets for apples grown in South Africa, however, they are markets driven by oil. With the present oil price of around US$25m it is hardly enough to sustain those economies and therefore general demand.