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Citrus exports to Russia hang in the balance

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Source: Food for Mzansi

South Africa's citrus industry – the second-strongest in the world by export volume after Spain – finds itself in a wait-and-see situation over the conflict in Ukraine, with no certainty whether or not fruit exports to Russia will continue in 2022.

The recent bungling by President Cyril Ramaphosa and the Minister of International Relations and Cooperation, Naledi Pandor, about the country's official position regarding Russia's war on its western neighbour didn't help much.

Other forked-tongue revelations, that ANC cadres flocked to the Russian embassy to toast the 'success' of its invasion, and news over the weekend that Transport Minister Fikile Mbalula apparently visited Ukraine, are also not helping to cement a clear and cogent foreign affairs standing by South Africa in relation to the conflict.

In the absence of clear leadership from the country, and the governing party making no secret of its patronage of the Putin regime, citrus exporters are none the wiser about what 2022 holds for fruit meant for Russia.

If only South Africa's position were made official, citrus exporters could prepare for fruit exports to Russia, depending on what the resulting backlash might be from governments that are imposing sanctions on Russia and how it could affect trade with pro-Ukraine countries.

For the time being, the Citrus Growers Associations (CGA) is carefully monitoring developments in Ukraine and adopting a sanguine approach.

According CGA chief executive, Justin Chadwick, "In 2021, the Russian Federation was number five in terms of export destinations for South African citrus, importing 11.2 million (15kg) cartons.

"Overall, South Africa exports approximately 8% of its fresh fruit to Russia. Currently, our local citrus industry isn't severely impacted by the conflict in Ukraine as our export season has not yet started in big volumes.

"However, should it not be possible to export citrus to the region once the 2022 season kicks off in earnest, then fruit destined for Russia may end up in other markets – which could lead to an oversupply with resultant lower prices."

For now, exporters are concerned about what the unfolding crisis could mean for South Africa's logistics chain and payment schedule.

Chadwick said: "The CGA has been engaging with exporters who are aware of the present risks and will manage these based on their commercial decisions and will consider alternative options, should the risk increase."

The association would continue to assess the war in Ukraine to mitigate its impact on the value chain of South Africa's citrus industry, Chadwick added.

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