



CGA Citrus Summit 2023: Key challenges needed to be overcome in order to ensure South Africa's R30 billion industry survives



The Citrus Growers' Association of Southern Africa (CGA) Citrus Summit took place in Gqeberha on 15 and 16 March 2023. Usually held every second year, this year's event was the first Summit held since 2019 due to the Covid-19 pandemic. The gathering, held in partnership with Standard Bank, saw over 500 delegates attend including growers, government representatives and other stakeholders from across the citrus value chain.

With South Africa's citrus exports expected to grow by 10 million (15kg) cartons per year for the next decade, hitting 260 million cartons by 2032, the event focused on what opportunities needed to be leveraged and challenges overcome to ensure this increased production could be shipped and absorbed by key export markets so that the industry remains profitable and sustainable over the short and long-term. Currently, the sector sustains 140 000 jobs and brings in R30 billion in export revenue annually. The industry could potentially sustain a further 100 000 jobs and generate an additional R20 billion in annual revenue should the ten-year 260 million carton projection be achieved.

Opening the summit, Agriculture, Land Reform and Rural Development Minister Thoko Didiza acknowledged the many challenges faced by growers over the past year including load shedding and the new False Coddling Moth regulations passed by the European Union (EU), which threatens orange exports to the region. She stated the government's commitment to supporting the industry through broadening its multilateral relations with Vietnam, Philippines, and Singapore to promote greater market access, while also working closely with the Load Shedding Response Task Team recently established by her department in order to come up with solutions to mitigate the impact of power outages on the agricultural sector.

A panel discussion on increased market access was also held, which highlighted that prioritised markets for expanded access over the next few years were the United States, European Union, Thailand, South Korea, India, Japan, Vietnam Philippines, and Thailand. However, the leading discussion topic was the impact of the EU FCM regulations during the upcoming season which could result in additional costs and loss of income of more than R500 million for growers this year.

Achieving greater transformation in the industry was another key focus area of the Summit with this panel discussion being led by Agbiz Chief Economist Wandile Sihlobo and including black growers from across South Africa.

Speaking on specific challenges faced by black growers, Mme Louisa Maloka-Mogotsi, a grower in the North West, expressed her frustration with the lack of funding support provided by government and financial institutions. She said: "I belong in this country. I need this country to look after me. We want to farm, but we need financial assistance." Another grower from the Eastern Cape, Eric Nohamba, also added that the Agriculture and Agriprocessing Masterplan must be more than just paper – it must actually be implemented to support black growers.

The importance of well-functioning South African ports and broader logistics, which pose a serious challenge to the ability of growers to get their fruit to global markets was discussed. CEO of Transnet Portia Derby shared the state entities vision to support industry growth, specifically focusing on the challenges of rail and operational challenges at ports. Critically, she confirmed that private sector participation in Durban and Gqeberha ports would be finalised in April 2023.

The final focus area of the Summit was sustainability and energy resilience in the context of the growing demand globally for citrus. Specific topics of discussion were on the European Green Deal, the South African energy outlook, as well as global changes in the citrus industry and areas for innovation.

Speaking on the CGA Citrus Summit and Vision260, CEO Justin Chadwick said: “Vision260, and the purpose of this summit is not only to develop a plan for future growth, but to also come together to create opportunities and more prospects for development of our inclusive growth plan, which will empower especially black growers.”

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Publication date: Fri 17 Mar 2023

