SA citrus industry faces challenges in 2023 that threaten its sustainability

South African citrus growers are seeking answers from the government on what it said was the European Union's unfair regulations regarding the False Coddling Moth. The EU regulations require that oranges exported from South Africa must be kept at temperatures of two degrees Celsius or lower for 25 days, which is adding to farmers' costs.

CEO, Justin Chadwick, said months of consultations between the South African government and the EU at a World Trade Organisation level, have failed to reach mutually agreed concessions between both parties. According to Chadwick, an estimated 30% - or 120,000 tons of fruit - produced for the EU will not be sent this export season, and this may result in an overall estimated revenue loss of R500 million this year alone.

FNB economist Paul Makube, said in spite of the challenges, the sector has managed to achieve a steady annual compound growth rate of 11% in gross production value over the past five years. However, Makube said the 2023 export season will be challenging as declining "grow prospects" and rapidly rising inflation and interest rates, are starting to bite hard into the profitability of the citrus industry worldwide.

Source: algoafm.co.za (https://www.algoafm.co.za/business/strong-headwinds-face-sa-citrus-sector-in-2023)

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