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Citrus exports lower than forecast as headwinds persist

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Southern

African citrus growers packed 165.1-million cartons for delivery to global markets during the 2023 export season – an increase of about 800 000 cartons year-on-year but 500 000 cartons lower than forecast at the start of the season.

The Citrus Growers Association of Southern Africa (CGA) notes that exports for the season are also substantially below the anticipated growth curve based on plantings that can see the industry potentially hitting 200-million cartons in the next four years and possibly 260-million cartons by 2032.

This highlights that growers continued to face a number of challenges when it comes to getting their fruit to key markets,

CGA CEO Justin Chadwick says.

"Following an extremely challenging two years, where only one in five growers made a profit, this year's better market prices and reduced shipping costs offered a measure of relief to many growers.

"However, they continued to face a number of challenges which negatively impacted the amount of citrus they could export and their profits. These included sustained high levels of loadshedding, which impacted their ability to irrigate, fertilise, pack and cool citrus, the latter being an essential phytosanitary requirement for many export varieties," he comments.

The general surge in farming input costs continued during the season and placed pressure on growers. Devastating floods in the Western Cape in June also impacted on farms in that province. The flood caused damage of at least R500-million to citrus farms in the Citrusdal valley, the CGA points out.

"Another significant challenge was the worsening logistics crisis, which has paralysed large segments of our country's export economy. Congestion at ports and a dysfunctional freight rail network has cost farmers dearly and is, in effect, halting growth opportunities for the citrus industry.

"The CGA continues to engage with Transnet on these issues but is in full support of Transnet expediting public-private partnerships both in the ports and the rail system as a matter of urgency. In this regard, the CGA has welcomed the announcement of International Container Terminal Services (ICTSI) as the preferred bidder to develop and take over the operations of Durban Container Terminal Pier 2 and has

already started engaging with the company ahead of it taking over the terminal next year," Chadwick says.

He adds that the biggest challenge faced by the industry this season has been an intensification of the "unjustified" phytosanitary regulations imposed on growers by the European Union (EU).

"Taken together, the unnecessary protocols and proactive measures against Citrus Black Spot (CBS) and False Coddling Moth (FCM) are costing the local citrus industry R3.7-billion annually. The CGA is working with the Department of Trade, Industry and Competition and the Department of Agriculture, Land Reform and Rural Development to fight these discriminatory and anticompetitive regulations which are aimed solely to benefit European citrus producers like Spain. The regulations resulted in a continued decrease of orange exports to the EU.

"Looking ahead to the 2024 season, stricter control measures or an EU market closure will surely devastate entire farming communities across South Africa. The CGA remains committed to working with government to overcome these serious threats to the sustainability and profitability of the industry and the 140 000 jobs it sustains. South African jobs need to be defended on the level of the World Trade Organisation (WTO) through urgent action. A call for a WTO panel must be declared on the FCM regulations and consultations called for regarding the CBS regulations," Chadwick says.



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