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Citrus growers urge Ramaphosa to intervene in EU orange export battle

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The Citrus Growers Association of South Africa (CGA) has urged President Cyril Ramaphosa to provide an update on whether the government intends to intervene in the industry battle with the EU over its rules for the country's orange exports.

CGA CEO Justin Chadwick called on Ramaphosa, ahead of his reply to the State of the Nation Debate on Thursday, to urgently announce whether the government will convene a World Trade Organization (WTO) panel to adjudicate on the new False Codling Moth (FCM) regulation governing the importation of SA oranges to the EU.

"The CGA believes that a panel is the only option to put a stop to the unjustified and discriminatory regulation, which threatens the survival of citrus growers and the tens of thousands of jobs they sustain," Chadwick said.

He added that there had been several engagements between government officials and their EU counterparts over the past few weeks, and the matter had received attention at ministerial and presidential level. However, despite ample evidence showing the new regulation was contrary to scientific evidence, unnecessarily trade restrictive, and allegedly in contravention of requirements for phytosanitary trade regulations, the EU

had refused to make any concessions ahead of the 2023 export season, which starts in March.

“These new requirements, where all oranges shipped to the EU will need to be precooled to below 2° C and then maintained for 20 days, will have a devastating financial impact on growers. To comply, additional costs and potential loss of income will amount to more than R500 million in 2023, while an investment in cold storage technology and capacity of nearly R1.4bn will be required to enable full compliance,” Chadwick said.

This follows the R200 million in additional costs the industry had to spend in 2022, when the regulations were introduced in the middle of the export season, causing major disruptions to shipments to the EU.

“The local industry faced an extremely tough season in 2022, where a surge in farming input prices and transport costs, as well as astronomical shipping price hikes, resulted in already tight margins for citrus producers being squeezed to the point where only one in five farms made a positive return,” Chadwick said.

He warned that if the new regulation was enforced in 2023, many growers’ businesses and jobs would be lost.

The citrus industry contributes 140 000 jobs and makes R30bn in export revenue annually.

“With the EU refusing to budge on the matter, the CGA calls on President Ramaphosa to use his reply to the Sona debate as an opportunity for the South African government to draw a line in the sand by announcing that they will proceed with convening a WTO panel,” Chadwick said.

He added that the CGA was committed to working with the government to protect the livelihoods of growers, their employees, and the value chain that relies on the local citrus industry.

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