

■ OPINION

JUSTIN CHADWICK: Asian markets hold rich promise as destinations for citrus exports

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by JUSTIN CHADWICK



In September, I joined an SA delegation that visited Beijing as part of the Forum on China-Africa Co-operation (Focac). The initiative has been widely welcomed as a success for SA agriculture.

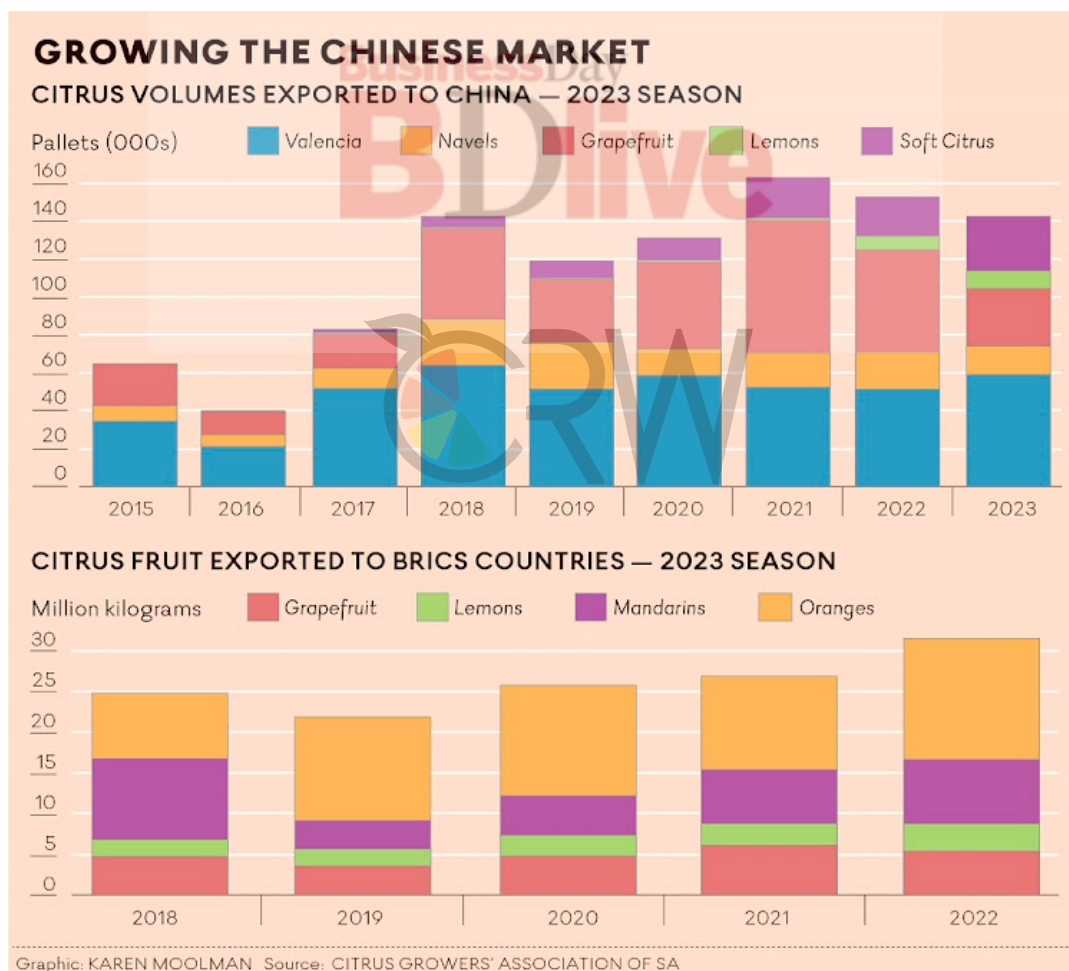
Shortly after the forum a delegation of the Citrus Growers' Association of Southern Africa (CGA) visited Hong Kong, and last week the association also visited Japan, Thailand, South Korea and the Philippines. These engagements will hopefully provide momentum for further agreements on agricultural exports in the near future. An increase in citrus exports to China and the wider Asian market has the potential to contribute significantly to our economy.

The China-Africa forum left many participants optimistic and energised, which is not always the case with such governmental gatherings. Seeing the president and ministers of the government of

national unity (GNU) file into the large business meeting in Beijing, there was a positive atmosphere. One got the sense that this was a group working together in the best interests of the people of SA.

Agriculture minister John Steenhuisen has signed several agreements that will have a positive effect on agricultural trade with China – in dairy, wool and meat. This is important, as the balance of trade is hugely skewed in favour of China. We need to shift towards a more equitable trading relationship.

SA citrus gained access to the Chinese market in 2004, making this year the 20th year of exports to this market. It now makes up almost 10% of our exported citrus. Over the past few years there was an increase in mandarin export volumes. Another big development was a change to the lemon access conditions in 2021, stimulating exports and securing an additional R325m in revenue and 800 new jobs in the industry.



In fact, since 2004 export protocols have been revised a number of times, each time resulting in improved entry requirements that stimulated more trade. The Chinese approach of sound scientific justification for import requirements is welcomed. There needs to be

continuous engagement as research establishes risk mitigation measures that are less trade restrictive.

The SA citrus industry invests more than R180m each year in cutting-edge research to ensure our exports comply with the requirements of the market, most importantly phytosanitary (plant health) requirements. Re-assessments and the establishment of effective but less inhibitive export measures make scientific, as well as business, sense.

Over the next decade, export volumes from Southern Africa will grow substantially as extensive new plantings bear fruit. Every market opportunity must be maximised. China is a market that can grow beyond the 180,000 tonnes of citrus it presently receives from us.

At present, duties are imposed on our citrus imports into China, putting us at a disadvantage compared to competitors with free or preferential trade agreements. This is an area in which one hopes the momentum for mutual benefit in agricultural trade can yield results.

A look at developments in another Asian market provides some context. Earlier in 2024, South Korea decided to extend a tariff waiver on imported grapefruit. The South Korean finance ministry announced this measure as part of interventions to ease the burden of food inflation and bolster food security.

This type of decision also has a nutritional dimension — the health benefits of citrus are well documented. The result of the tariff drop? The people of South Korea benefited greatly, and so too did many of the grapefruit growers in Limpopo and Mpumalanga.



Citrus being packaged for export. Picture: SUPPLIED

Earlier in October, a group of my colleagues also attended Asia Fruit Logistica in Hong Kong. This huge annual gathering of role players in the fruit trade made it clear once again that Southern African citrus has a unique appeal, valued for its freshness and quality. India, in particular, should be mentioned in this regard. The SA government and the CGA are making strides in improving our export protocol for oranges to India.

If the Brics bloc partnership could move from a political grouping to one more engaged in improving the trade environment, member countries' citizens stand to benefit greatly. Tariffs and access are aspects that should be part of future discussions between Brics countries.

The SA citrus industry is in the exceptional position that, because of its long-term projected growth, it could create no fewer than 100,000 new jobs in the next eight years if new markets are created, existing markets expanded and local challenges – such as port and rail inefficiency – are addressed. It offers a true opportunity through which partnerships and agreements with India and China can unlock real growth.

Many Asian markets besides China and India show true potential for our citrus. Recently, the orange export market to Vietnam was opened to SA after nearly a decade of negotiations. Better conditions

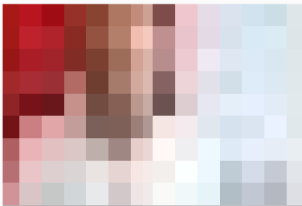
of access to Japan and Thailand could also see export volumes increase from current levels going into this market.

SA growers are also expected to continue to benefit from the opportunities presented by the Philippines, where there is a steady trend of increasing volumes. The first year SA exported citrus to the Philippines under a new protocol was in 2021. The volumes shipped in 2023 doubled from the previous season, albeit from a low base.

The momentum from recent agricultural engagements in Asia should be kept alive and channelled into more concrete results, such as increased foreign revenue and the creation of rural jobs. This is the remarkable line of opportunity that connects the street-side grocery shopper in Guangzhou or Manila and the farmworker in Letsitele or Patensie.

• *Chadwick is CEO of the Citrus Growers' Association of Southern Africa.*





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