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Citrus industry forecasts export growth despite port challenges

Sector stresses the importance of efficient ports for sustained growth of the important source of government revenue

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SA's citrus industry generates about R30bn in export revenue annually. Picture: SUPPLIED

Exports of SA citrus produce is expected to increase across all types, according a preliminary assessment for the 2024 season, a welcome boost for the economy.

However, the Citrus Growers Association of Southern Africa (CGA), said it was uncertain how shipments might be affected by possible delays at SA's ports and the EU's "discriminatory" phytosanitary regulations.

The industry, which generates about R30bn in export revenue annually, expects lemon shipments to increase by 7%, oranges by 4% for the navel variety and by 12% for the Valencia variety (which alone account for more than a third of total citrus exports), and by 14% for grapefruit.

Export volumes for soft citrus varieties, which make up less than 10% of total exports, are also expected to increase, though final estimates

aren't yet known for late-season varieties.

"This increase is a result of younger trees coming into production across a number of regions," Justin Chadwick, CEO of the CGA, said in a statement.

Last year total citrus exports increased by less than 1% to 165-million 15kg cartons, which was below the CGA's forecast of 170-million cartons.

"While this was an increase of approximately 800,000 cartons from the packed figures of the previous year, it was substantially below the long-term anticipated growth curve," Chadwick said.

"The industry can, if all role players work together, potentially reach the target of 200-million cartons in the next four years, and possibly 260-million cartons by 2032."

The citrus industry has experienced a period of rapid growth and is under pressure to increase exports and secure new markets. The area planted has expanded by more than 40,000ha over the past 10 years to roughly 100,000ha and could increase further to about 110,000ha by the end of the decade.

According to the Bureau for Food and Agricultural Policy, the expansion in cultivated area could see the production of oranges increase from 1.5-million tonnes to 2.2-million tonnes, lemons from about 625,000 tonnes to 1-million tonnes and soft citrus from 590,000 tonnes to 900,000 tonnes as orchards reach their full bearing potential.

Chadwick said while the increase in predicted export volumes for the 2024 season placed the industry on a higher trajectory, severe challenges remain.

In the previous seasons congestion at some of SA's largest ports, including Cape Town and Durban, has hampered growth in the sector.

"Transnet, in collaboration with industry stakeholders, has been addressing port efficiency in the past months and will continue unabated to do so, but the fear remains that equipment breakdowns and related disruptions might influence exports this season," Chadwick said.

The CGA said the expeditious introduction of International Container Terminal Services as the private operator at Durban Container Terminal Pier 2 was critical.

According to Paul Hardman, COO of the CGA, there was some initial improvement at the Durban container terminal (operated by Transnet Port Terminals) at the beginning of the year, but these gains haven't been maintained and the Durban container terminal is under pressure again. About half of SA's citrus exports go through the Port of Durban, Hardman said.

"Cape Town is struggling with equipment reliability at present and efficiency levels are not where they should be," he told Business Day.

Transnet Port Terminals told Business Day that initiatives aimed at improving volume throughput and operational efficiency was under way at all container terminals.

Container volumes handled at the Durban Container Terminal Pier 2 in February amounted to 137,000, up from 122,000 in January and 130,000 in December.

The Cape Town Container Terminal handled 63,000 units in February, up from about 40,000 in January and February.

SA's citrus exports to the EU, which account for more than a third of total exports, are under threat from the region's "discriminatory and unscientific phytosanitary regulations regarding citrus black spot fungal disease and false coddling moth", the CGA said.

Measures imposed in 2022 require, for example, enhanced cold treatment for citrus exports due to concerns about false coddling moth.

"Given the high stakes involved, the CGA hopes the SA government will soon call for the establishment of an independent World Trade Organisation panel that can adjudicate on the matter," Chadwick said.

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