

IMPORTS AND EXPORTS

New citrus service a boon for fruit exports – CGA

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South Africa could ramp up citrus exports of 15-kilogram cartons by 20 million through improved market access and more streamlined logistics, the Citrus Growers Association (CGA) has said.

Speaking after attending last week's Fruit Logistica convention in Berlin, CGA chief executive Justin Chadwick said it is therefore welcome news that Hamburg line, Hapag-Lloyd, will now also be exporting South African citrus from the ports of Durban and Ngqura.

The new service will be active by the end of May, in time for the bulk of the 2024 season's citrus, and run until September.

Writing in his weekly newsletter, Chadwick said: "Hapag-Lloyd's entry is a direct result of an advisory project launched by a number of fresh produce associations, including the CGA, in 2022.

"In that same year, a study by the Bureau for Food and Agricultural Policy (BFAP) found that four out of five citrus growers made a loss, with extremely high shipping rates being a major contributing factor to the decrease in profitability."

Cahdwick said the CGA's role in facilitating Hapag-Lloyd's entry into the market was undertaken in the hope of increasing both capacity and competition, so that long-term sustainability for the sector can be ensured.

“Recent shipping price spikes due to attacks on vessels in the Red Sea, as well as drought-related complications affecting the Panama Canal, have shown how exposed many fruit exporters are to increases in shipping rates, and the CGA views any measure that can introduce some stability and competition into the shipping market as a step forward.

“The citrus industry and the broader economy need as much access to shipping as possible.

“Apart from keeping the market competitive and flexible, a new entrant is also welcome in the context of the large projected increase in citrus yield over the next few years.”

Chadwick pointed out that if all involved in the local citrus business work together in securing market access and more streamlined logistics, South Africa could significantly increase its citrus exports.

It is the CGA's goal to export an additional 100 million cartons by 2032.

“Last year we exported 165.1 million cartons,” Chadwick said.

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