

Opportunities for South African exporters

Orange juice prices surge due to Brazil's crop issues

Orange juice futures have seen a significant increase on the Intercontinental Exchange in New York, with prices nearly doubling over the past year. This surge is attributed to the adverse effects of changing weather patterns and disease on Brazil's orange crop. Brazil, alongside California, stands as a leading exporter of orange juice, whereas South Africa ranks as the world's second-largest citrus exporter.

In light of the global orange juice shortage, Justin Chadwick, CEO of the Citrus Growers Association, discussed the potential benefits for local growers in South Africa. He highlighted the dramatic rise in processed orange juice prices within the country, from around R1,000 a ton to over R3,000 a ton. This price increase presents an opportunity for growers to divert some of their marginal fruit towards juice production, potentially bolstering the industry.

Despite the challenges posed by Transnet's port failures in 2023, the citrus export sector was largely unaffected due to the timing of their seasonal cycle. However, Chadwick expressed concern for the upcoming season, citing a lack of investment in new port equipment and the aging infrastructure, which could pose risks to this year's exports.

Source: ewn.co.za (<https://www.ewn.co.za/2024/05/29/orange-juice-shortage-and-soaring-prices-present-opportunity-for-sa-growers>)

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