BIZCOMMUNITY

Citrus growers urge swift action on logistics post-Sona

As the South African Parliament engages in discussions around President Cyril Ramaphosa's State of the Nation Address (Sona), citrus growers are urging faster action on logistics reforms, following the President's commitments on state-owned enterprises (SOEs) and infrastructure improvements.

Source: cocoparisienne via Pixabay

In his SONA, President Ramaphosa emphasised the need to revitalize SOEs like Transnet to ensure world-class infrastructure and promote competition. While citrus growers have welcomed this focus, they are calling for greater urgency in addressing ongoing logistics challenges, particularly at the ports.

Dr Boitshoko Ntshabele, the newly appointed CEO of the Citrus Growers' Association (CGA), stressed the importance of immediate action, saying, “2025 must be a year of action on the logistics front. There seems to be a general assumption that the logistics crisis is over, but we are not out of the woods yet.”

Reform must deliver results

Citrus farming is a key sector in South Africa's agricultural industry, employing over 140,000 people at farm level. The CGA is hopeful that the government’s renewed focus on SOE reforms will translate into meaningful improvements. However, the association cautions that previous reform efforts have been slow to deliver results.

According to the CGA, public-private partnerships remain the best solution to improving the efficiency of container terminals.

The citrus sector is on track to expand production, with exports expected to increase from 165 million 15kg cartons to 260 million cartons over the next seven years. This growth is projected to create an additional 100,000 jobs and generate significant foreign exchange revenue.

Dr Ntshabele explained: "The only long-term way to achieve this [improvement] is through public-private partnerships that government has committed to enacting.”

Ports make progress, but challenges remain

While Transnet has made strides in improving port operations, including the introduction of new cranes and equipment, the citrus industry remains concerned about the efficiency of container terminals. Increased citrus production will place additional pressure on the ports, which must be equipped to handle the anticipated growth in exports.

“The efficiency of the container terminals at our ports must improve. Container terminal efficiency remains low, and the expected increase in citrus production will place further pressure on the ports,” said Dr. Ntshabele.

The CGA also welcomed President Ramaphosa’s mention of the new Transnet Network Statement, which will allow private rail operators to access the freight rail system. Currently, 90% of citrus exports are transported by road, which is a more costly option. Rail improvements are seen as crucial to reducing transportation costs.

“Urgency on the rail front will also boost our industry, as 90% of all citrus is currently moved to ports via roads, a more costly form of transport,” Dr. Ntshabele noted.

Expanding export markets

In his Sona, President Ramaphosa highlighted efforts to open new export markets for South African agricultural products, including citrus. The citrus industry is optimistic that increased access to markets in Asia and the United States will support growth in exports.

Dr Ntshabele expressed support for the President’s remarks, adding, ‘‘New and expanded access to markets in Asia and the United States will not only benefit the local economy, but the consumers in the destination countries as well, as South African citrus is widely valued for its counter-seasonal supply of quality citrus.’’

South Africa is the second-largest exporter of citrus in the world. The CGA echoes President Ramaphosa’s call to ensure that South African agricultural produce reaches international markets, securing jobs and generating essential revenue for the economy.

‘‘The industry passionately shares the President’s goal, which is to ‘ensure that South African minerals, vehicles and agricultural produce reach international markets, securing jobs and earning much-needed revenue for our fiscus,'' said Dr Ntshabele.