Soapbox 1

Citrus industry gathered and assessed its future at decisive moment

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By Boitshoko Ntshabele · 23 Mar 2025 04:00

Image: Darren Stewart/Gallo Images via Getty Images via Bloomberg

In about two weeks' time, tens of thousands of citrus cartons will start to move out of South Africa as the 2025 citrus export season officially starts. Citrus is South Africa's largest agricultural export industry. Every two years, the entire citrus industry comes together for an industry summit hosted by the Citrus Growers' Association of Southern Africa (CGA). The event has become a key date on the agri-calendar. The Citrus Summit was held in Gqeberha last week, and, ahead of the 2025 season, the gathered delegates and guests were keenly aware of the industry's strengths and challenges – and what steps have to be taken for the South African economy to achieve higher levels of export-led growth.

The taste and quality of South African citrus have long been cherished by consumers across the globe. Last year, we exported just over 164 million 15kg cartons of citrus. The industry supports 140 000 jobs on farm level, and more across the full value chain

As Minister of Agriculture John Steenhuisen aptly stated in his keynote address, citrus is "one of the success stories of our country" and a significant job creator in rural communities. Yet, as research and analysis presented at the summit confirmed, the next chapter of the success story will remain uncertain as long as three factors are not dealt with: logistics challenges, market accessibility, and climate pressures.

Michelle Phillips, the group chief executive officer of Transnet, addressed the summit on the progress Transnet has made in increasing the efficiency of the rail system and the ports. Quantifying the progress at the ports, she reported equipment acquisitions in the 2024/2025 year of R3.4 billion across eight terminals, and a planned R4 billion across five terminals in 2025/2026. This, along with the recent opening of the rail network to private operators, represents real progress that should be celebrated. But among many of the attendees the feeling was strong that structural change must take place in the form of urgent Private Sector Participation ventures at especially our ports' container terminals in order for there to be material improvement in port performance.

Read: **'Spurious' legal battle over Durban port threatens SA economy**

Logistics expert Thomas Eskesen reminded delegates that port inefficiency comes at a real cost to the industry and the broader South African economy. In his expert opinion, the recent study by the Bureau for Food and Agricultural Policy (BFAP) that found the total cost of inefficient logistics to the citrus industry amounted to R5.2 billion in 2024, was very conservative.

Even with such an alarming figure, last year's citrus season was, in a certain sense, a reprieve on the logistics front. Climatic factors and an unusually high local juicing price reduced export volumes. This resulted in no paralysing bottlenecks materialising at our ports. All must be done to make sure that, should we have a normal season, severe backlogs and delays are avoided in 2025. While Transnet's new equipment helps in this regard, the only long-term solution to the crisis remains increased private sector investment and expertise. At the summit, attendees were disappointed to hear the news from Phillips that the court case holding up private participation at Durban's Pier 2 was postponed.

Because of extensive new plantings, more citrus will be produced in the next couple of years. If all obstacles are removed, this can boost exports from 164 to 260 million cartons by 2032. This growth would add an estimated 100 000 jobs to our industry. But more fruit will also place serious pressure on our ports, rail network, and roads. For jobs to be created, the ports must be able to handle the increased volumes and smoothly facilitate delivery to foreign markets.

Market access was a big topic at the summit. Coincidentally, at the same time the industry was gathering in Gqeberha, the European Union and the South African government met in Cape Town for their 8th summit. This gathering was of keen interest to our growers, because 36% of all our citrus is exported to the EU, by far our single largest market.

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Unnecessary phytosanitary (plant health) measures the EU imposes on SA citrus, ostensibly to counter Citrus Black Spot and False Codling Moth, are impeding greater access to the EU market. These unscientific measures are the focus of two historic cases at the World Trade Organisation's trade dispute body. The success of the EU-SA summit last week sparked hope among growers that progress can be made in understanding the economic damage caused by the measures, which are not supported by science. The EU regulations cost SA's growers no less than R3.7 billion a year – keeping especially emerging growers out of the EU market.

The African Growth and Opportunity Act (Agoa) was also a topic under discussion at the Citrus Summit. Should the United States remove SA from AGOA, it would have a severely negative impact on rural communities, especially in the Western Cape, which supplies the majority of citrus exports to the US.

Read all our Agoa coverage **here**.

Markets that offer hope for increased access in the future include China and India. Trade tariffs and non-streamlined plant health protocols remain barriers to greater access to Asian markets in general.

The impact of climatic changes to the global citrus industry is significant. South Africa did not face the debilitating climate-related problems that brought the Brazilian citrus industry almost to its knees during the last few seasons, but our challenges are serious. During the 2024 season, warmer and drier conditions in South Africa affected fruit sizes somewhat, while flooding, wind and freezing temperatures also affected specific areas' production.

We must increase our climate resilience – through steps like securing flood-proof roads in Citrusdal to supplying our growers with techniques that can counter climate-related challenges such as water scarcity or crop weather damage. The CGA invests over R180 million annually in research, of which climate resilience forms a huge part.

While mitigating climate concerns is extremely difficult, the challenges regarding logistics and market access can and should be addressed urgently by all stakeholders to unlock export-led economic growth for the entire South Africa.

We have an opportunity to write the next chapter of the citrus success story. We are generally well-positioned in the global citrus trade. As Eric Imbert, a lead researcher from the agricultural research centre CIRAD, pointed out at the summit, SA has a relatively diversified market, innovative research capability, a large and fast-evolving variety range, and a strong industry organisation with significant capacity.

The summit's attendees agreed that our industry is facing a critical moment. We hope that when the season officially starts in earnest in April, it will mark the start of a bright new chapter for South African citrus.

Boitshoko Ntshabele is the incoming CEO of the CGA.

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