DRIVING SUSTAINABILITY

In recent years, the South African citrus industry has taken several significant steps toward driving sustainability.

By Albert Coetzee

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Sustainability efforts within the citrus industry focus on the environmental, economic, and social aspects to create a more sustainable and resilient agricultural system. These are crucial in ensuring the long-term viability of farming communities and ecosystems. It further serves to demonstrate to our trading partners our commitment to true sustainability, which – in turn – maintains the competitiveness of the South African citrus industry in the global market.

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The CGA was recently invited to various discussions on the role of sustainability efforts in reducing our carbon footprint. The focus on carbon footprints and the upcoming implementation of the European Carbon Border Adjustment Mechanism (CBAM) for agriculture – presumably in 2030 – necessitate the debate around true sustainable practices, and the hefty price tag accompanying these efforts.

So far, the most recent engagements include the Agricultural Economics Association of Southern Africa Conference, a panel discussion held by Food for Mzansi at the recent Nampo Cape exhibition, and the role of Agtech in our efforts to use fewer resources, hosted by Greencape. Through these discussions and engagements, it was evident that our main challenge is not the willingness to adopt more sustainable practices, but rather the cost of conversion, and the unreasonable and inflexible expectations of retailers.

The exorbitant costs of converting from traditional coal-based electricity to renewables can leave growers breaking even only after six years. Plus, erecting netting structures and installing high-tech, climate-smart irrigation also come with a hefty price tag.

Furthermore, uptake in the use of integrated pest management (IPM) is being hampered by the private food safety requirements of many retailers abroad. They are reluctant to show flexibility around the number of active substances allowed on a fruit, whether at legal maximum residue levels (MRLs) or below. Therefore, adoption of these practices is met with limited willingness due to an increased risk of not being able to supply to these retailers, if more than the allowable number of actives is found on a fruit. Chemical intervention in an IPM approach might mean a grower has to apply a target-specific chemical close to harvest. Inevitably, though MRLs haven't been exceeded, this will leave a residue on the fruit. So, to avoid the additional residue, growers often apply broad-spectrum chemistry early in the season which contravenes true IPM. Hence, growers are caught between a rock and a hard place.

Climate- and green finance are in the spotlight as very few of the current financing options really incentivise conversion to more sustainable practices. Notably, through engagements with all the major commercial banks, the Land Bank, and private role-players, the sentiment is changing. There's a growing focus on flexible finance solutions to help mitigate these conversion costs. In the process, we've managed to build a database of financing solutions from both local and international institutions, with different requirements.

With CBAM and our local Nationally Determined Contributions under the Climate Change Act on the horizon, all role-players in the citrus industry and in the rest of the agriculture sector will need to adopt a much more flexible approach.

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