

FROM THE DESK OF THE CEO (10/23)

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"If you are filled with pride, then you will have no room for wisdom" African Proverb

PREDICTED SOUTHERN AFRICAN CITRUS EXPORTS REFLECT CONTINUED CHALLENGING OPERATIONAL ENVIRONMENT IN 2023

Ahead of the Southern African 2023 citrus export season kicking off next month, citrus growing varietal focus groups presented their predicted export volumes for the upcoming season at the Citrus Marketing Forum (CMF) held this week. The CMF was held as a virtual meeting with 215 delegates logging in. The current estimate stands at 142 480 652 (15kg) cartons of fruit, with some mandarin varieties estimates still outstanding.

The 2023 export season comes after an extremely tough year for growers, which resulted in 5.7 million cartons less cartons being packed for export in 2022 (164.8 million cartons in total), than what was predicted at the start of the season as well as only 1 in 5 growers making a positive return.

The challenges faced include: a surge in farming input prices and transport costs as well as astronomical shipping price hikes which made the cost of getting fruit to market commercially unviable for many growers. The introduction of the unjustified and discriminatory new False Coddling Moth (FCM) regulations passed by the European Union (EU) mid-season; ongoing decay of public infrastructure and an erratic electricity supply added to industry woes.

As a result of many of these challenges expected to persist in 2023, with some even worsening, such as increased bouts of load shedding and ever-growing input costs, the crop forecast for a number of varieties show only moderate growth or a decrease when compared to 2022. The following estimates have been provided for the upcoming season (the final mandarin estimates will be available by mid-April 2023):

Lemons

The current prediction is that 37.3 million (15kg) cartons will be exported to key markets, which is an increase of 2.6 million cartons when compared to 2022. This increase is a result of younger trees coming into production across a number of regions including the Western Cape, Eastern Cape and KwaZulu-Natal. However, the recent heavy rains in the Northern parts of the country and hail in Eastern Cape could potentially decrease the overall volumes exported as the impact of these weather events materialises.

To date over 800 000 cartons of lemons have been shipped, over 200 000 cartons more than 2021, and 330 000 more than 2020. Middle East remains destination of choice with 49% of volume (2021 46%). There has also been an increase to Asia to 22% (2021 18%) and UK to 3% (2021 2%). This has been at the expense of Russia down to 18% (2021 23%) and North America to 7% (from 10% in 2021).

Navels

Current predictions show a 2.5 million decrease in (15kg) cartons of navels that will be shipped during the coming season, with 25.3 million cartons expected to be exported in total. The reason for the decline was farms in some regions deciding not to export in 2023. Recent hail storms in the Western Cape has also impacted volumes from the region as well as ongoing load shedding which has impacted farmers' ability to irrigate crops.

Valencias

An estimated 54.5 million (15kg) cartons of valencia's is predicted to be exported in 2023, which will be a 700 000 increase from the 53.8 million cartons shipped last season. Good weather conditions in a number of regions have resulted in the predicted increase in production levels. However, feedback from some markets have revealed a decrease in consumption levels of citrus in some countries, which could impact the final amount shipped.

Grapefruit

An estimated 12.7 million (17kg) cartons of grapefruit is predicted to be exported during the upcoming season, which is a 2.1 million decrease when compared to 2022. One of the reasons for the drop in predicted numbers is many regions not planning to pack class 2 and fruit for processing purposes (PP) for export this year. In 2021 approximately 2 million cartons of PP fruit were packed for export.

