

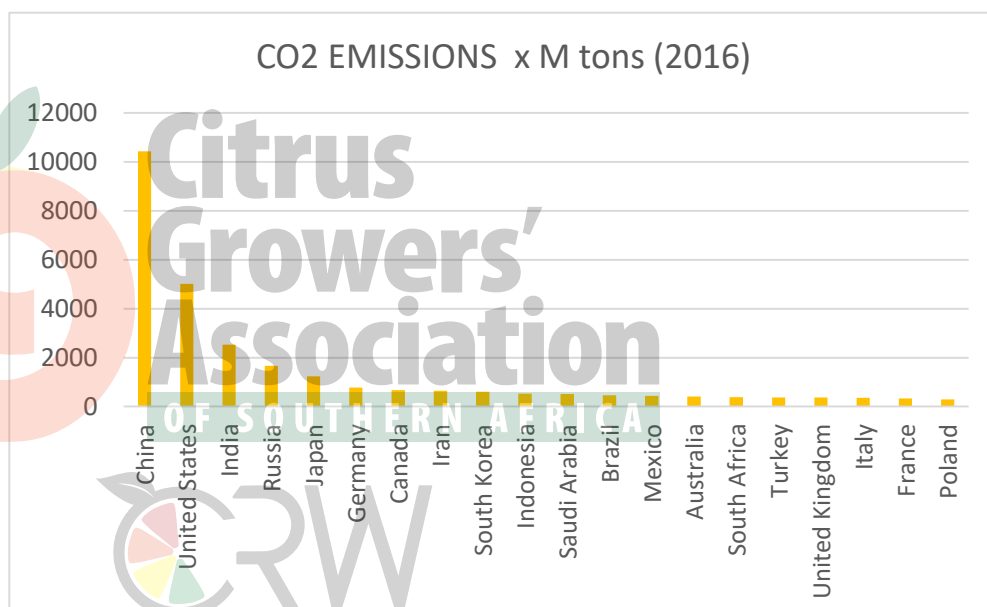
"There is no worse tyranny than to force a man to pay for what he does not want merely because you think it would be good for him." R Heinlein

CARBON BORDER ADJUSTMENT MECHANISM (CBAM) (PAUL HARDMAN)

As part of the broader European Union Green Deal initiative, the EU CBAM Regulation was published (16th May 2023). Effectively, the CBAM is about taxing parties that import and export goods into and from the EU based on carbon emissions generated in the production and delivery of those goods, less any carbon offsets and carbon sequestrations (carbon sinking) that might have occurred in that reporting period. The CBAM seeks to set a "fair price" for carbon emissions based on the performance of local EU manufacturers of similar products using the Emissions Trading System (ETS). The CBAM will be applied in phases over time. Cement, iron and steel, aluminium, fertilizers, electricity and hydrogen are commodities covered in Phase I. This means companies involved with these commodities will need to start measuring and sharing information on their emissions now, and from 1st January 2026, will be compelled to report annually using the specified EU methodology. The EU Commission expects revenue of 1 billion euro per annum from 2026 to 2030.

Importantly, agricultural products have NOT been included in Phase I or Phase II, and are unlikely to be impacted directly by the Regulation for now. However, buyers of agricultural goods might place significant emphasis on where they source their products from and thus indirectly impact businesses upstream.

Wolfe Braude (Agbiz Fruit Desk) unpacked the CBAM regulations in significant detail at the Citrus Sustainability Forum held on Tuesday last week. Recordings of this session are available by contacting Paula Bester (pb@cga.co.za).



CITRUS MARKETING FORUM (CMF)

Please be advised that the next CMF meeting will take place on Thursday, 28 September 2023 at 14h15 via ZOOM. To get the link please contact Portia Magwaza portia@cga.co.za.

PACKED AND SHIPPED

End of Week 37 Million 15 kg cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed
SOURCE: PPECB/AGRIHUB	2021	2022	2023	2022	2023	2023	2023	2022
Grapefruit	20.2 m	16.6 m	14.7 m	14.6 m	13.6 m	14.4 m	14.9 m	16.7 m
Mandarins	30.0 m	31.1 m	36.9 m	29.7 m	36.5 m	34.1 m	37.5 m	31.8 m
Lemons	30.5 m	34.2 m	35.4 m	33.0 m	35.3 m	37.3 m	35.9 m	34.7 m
Navels	26.9 m	27.1 m	24.7 m	25.7 m	24.5 m	25.3 m	24.9 m	27.8 m
Valencia	49.1 m	49.0 m	48.6 m	38.3 m	40.8 m	54.5 m	51.0 m	53.8 m
Total	156.7m	158.0m	160.3m	141.3 m	150.7 m	165.6 m	164.2 m	164.8 m