

“The best thing one can do when it’s raining is to let it rain” Henry Wadsworth Longfellow

SOUTH AFRICA INITIATES WTO DISPUTE AGAINST EU CITRUS BLACK SPOT CITRUS REGULATIONS

The Department of Agriculture, Land Reform and Rural Development (DALRRD) and the Department of Trade, Industry and Competition (the DTIC) have announced that SA has requested consultations with the European Union in the World Trade Organisation in relation to phytosanitary trade regulations imposed on South African citrus by the European Union (EU).

This action was initiated to find a lasting solution to the EU's phytosanitary regulations on Citrus Black Spot (CBS), in order to protect the livelihoods of tens of thousands of people in the local citrus industry. The steps taken by the SA Government has the support of the Citrus Growers' Association of Southern Africa (CGA)

CBS is a fungal infection that can result in cosmetic blemishes on the affected fruit. Despite the world’s leading scientists proving that CBS cannot be transmitted through the actual fruit as a pathway, the EU has continued to enforce measures on South African citrus growers. These involve a detailed spray programme and inspections at orchard and packhouse level with significant financial burden and other unintended consequences for the South African industry.

Thoko Didiza, Minister of Agriculture, Land Reform and Rural Development highlighted the importance of jobs in the citrus industry. "Rural economies throughout the country depend on the export of citrus for their income. Currently, the industry cannot afford the almost R2 billion that is needed to comply with the EU’s trade-restrictive regulations." Ebrahim Patel, Minister of Trade, Industry and Competition stressed that “the EU market makes up one-third of all citrus exports from South Africa and is central to the profitability of the citrus industry. The EU's volumes cannot be absorbed by other markets. The consultations are a critical step in the WTO toward an effective resolution of South Africa’s concerns. This follows many years of attempts by South Africa, through good faith engagement, to find a solution to trade-restrictive measures by the EU against South African products. It is our view that the measures by the EU are not justified, proportionate or appropriate”.

The citrus industry welcomes the government's actions and the industry is hoping for an efficient resolution of the matter in view that the consultations are initiated as this year's citrus export season commences. Projections show that if all industry stakeholders come together, the industry will be able to produce an additional 100 million 15kg cartons over the next eight years. This can create 100,000 more jobs and generate an additional R20 billion in annual revenue, but this potential will surely be lost if the EU market narrows.

The action by the South African government seeks to safeguard an agricultural sector that contributes significantly to the economy. The South African government and the industry look forward to constructive consultations with the EU to find an amicable solution.

CITRUS MARKETING FORUM (CMF)

Please be advised that the next CMF meeting will take place on Thursday, 25 April at 10h15 via ZOOM. To get the link please contact Portia Magwaza portia@cga.co.za.