

"If we could first know where we are, and whither we are tending, we could then better judge what to do, and how to do it." - Abraham Lincoln

URGENCY IS OF ESSENCE FOR SA/US NEGOTIATIONS

The Trump Administration sent out letters on 7 July to 14 countries, including South Africa. While one has been left wondering on how the 14 countries were selected, as no specific reasoning has been outlined, the implications of the letters are clear. They were sent with 1 August as deadline for the implementation of a reciprocal US tariff of 30%, creating great uncertainty among many South African citrus growers. This follows the announced 90-day reprieve that was given in April, which would have ended on 9 July. The 30% tariffs, once effected, will make South African citrus uncompetitive in the US. Competitors like Peru and Chile, amongst others, are levied the universal 10% tariff. The threat of a US tariff means that many of our growers are unable to plan for the remainder of the season, which will only end in October. Rural communities in the Northern and Western Cape are very vulnerable to external shocks. Towns like Citrusdal have been sustained by US exports. The growers of these regions have worked hard to develop this market and have built relationships with exporters and US consumers, who truly love our flavourful and zestful citrus.

The Citrus Growers' Association of Southern Africa (CGA) believes that a mutually beneficial trade deal between South Africa and the US is possible by 1 August, or, at the very least, that an exemption for citrus and other seasonal fresh produce can be negotiated. We call on government, especially the Department of Trade, Industry and Competition to expeditiously negotiate with the US and conclude discussions that were started in May this year. Seasonal fresh produce is not like a product produced year-round in a factory. SA citrus growers do not threaten growers of US citrus or even US jobs. In fact, because we are counter-seasonal, quite the opposite is true. South Africa's citrus sustains interest when local US citrus is out of season, eventually benefitting US growers when we "hand over" consumers at the end of our season – to the benefit of per capita consumption for citrus, when compared with other fruit types. With a massive increase in local citrus production projected for the next few years, the local citrus industry can create no less than 100,000 jobs by 2032. But this cannot be done without improving existing market access and the acquisition of new markets. Considering the scale of growth projected, securing favourable access to the US market should be a priority, and so should improving access to China and India, two countries where South African citrus also faces tariffs.

There is a deep appreciation of South African citrus by US consumers. Exports to that market have almost doubled from 2017 onwards. The market has immense potential for growth, especially if the goal of wider market access to the US can be achieved, so that all provinces can export citrus to the US, not just the Western and Northern Cape, as is currently the case.

CGA COMMUNICATION PLATFORM SHUTDOWN

As previously mentioned in our communications over the past few months, the old CGA Communications Tool will be deactivated by the end of July. If you would like to continue receiving this newsletter and other updates, please make sure you are registered on the new CRM at <https://www.cga.co.za/user-registration/>. For any questions, feel free to contact albert@cga.co.za.

PACKED AND SHIPPED

End of Week 27 million 15 Kg Cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed	Vision 260
SOURCE: PPECB/AGRIHUB	2023	2024	2025	2024	2025	2025	2025	2024	2025
Grapefruit	11.7 m	12.3 m	12.7 m	10.8 m	11.5 m	15.3 m	15.0 m	14.4 m	16.8 m
Lemons	28.8 m	26.3 m	30.1 m	22.6 m	27.4 m	32.9 m	34.3 m	34.7 m	41.5 m
Mandarins	20.4 m	20.0 m	24.2 m	15.6 m	20.7 m	44.9 m	47.4 m	41.6 m	43.9 m
Navels	15.6 m	14.2 m	18.0 m	10.8 m	15.2 m	26.1 m	26.9 m	25.1 m	21.7 m
Valencia	9.1 m	7.4 m	9.7 m	3.7 m	7.1 m	52.0 m	52.0 m	48.8 m	58.0 m
Total	85.6 m	80.2 m	94.7 m	63.5 m	81.9 m	171.1 m	175.6 m	164.6 m	181.9 m