PRESS STATEMENT BY PAUL HARDMAN
ACTING CEO OF THE CITRUS GROWERS' ASSOCIATION OF SOUTHERN AFRICA (CGA)

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South African citrus growers export 161.6 million cartons of fruit despite tough 2021 season

Southern African citrus growers delivered 161.6 million cartons of local citrus across the world during 2021, an increase of 18.6 million cartons when compared to last year, despite an extremely difficult and complex season that put the entire industry under severe strain.

The sector faced a number of serious challenges including the global shipping crisis, stringent additional phytosanitary measures by the European Union (EU) that are costing the industry more than R4 billion annually, as well as serious operational challenges at South African ports.

The ongoing issues at the ports were intensified by the violence and looting that hit parts of KwaZulu-Natal and Gauteng in mid-July, that cost at least 243 lives, which resulted in Durban port being closed for days on end. This was followed by Transnet declaring a force majeure across all ports as a result of a cyberattack, which coincided with the height of the citrus export season. These challenges had a major impact on the timeous arrival of fruit programs in overseas markets, which negatively affected grower revenue.

Growth was seen across a number of citrus varietals with 29.5 million cartons of soft citrus exported which was an increase of 5.9 million cartons from 2020. Grapefruit volumes also increased by almost 16%, with 17.2 million cartons shipped this season. A record 27.2 million cartons of navel oranges were also packed, up from the previous record of 26.7 million cartons shipped in 2018. Export volumes of lemons also increased by nearly 5%, with 29.7 million cartons shipped in 2021.

Despite this impressive growth, the global shipping crisis saw logistics prices soaring, while the slow turnover of ships caused major uncertainty in shipping schedules and backlogs at ports across the world. As a result, there was a dramatic increase in logistics prices (on average freight costs increased by approximately 30% to 40% when compared to last year) and a global shortage of containers which meant cargo had to be stored at ports, and across the supply chain, for longer and at a greater cost.

On top of this, vessel schedules also became erratic as a result of shipping lines responding to a strong demand on the East-West trade routes. These changing schedules meant that growers were also unable to optimise between markets, in particular the fast growing Far East market. Shipping to the Middle East from southern ports in the country became near impossible at times, which meant growers had no choice but to ship from the Durban port infrequently.

Compounding these global challenges was the unprecedented domestic events in July that resulted in South African ports being shut down at the peak of the season causing major backlogs across the citrus value chain. In order to ease congestion, growers were requested to stop packing fruit in August.

The CGA convened daily disaster management meetings throughout the crisis to understand the current state of events, communicate with growers about the implications and engage with partners to reduce the impact of these exceptional problems.

While the remarkable efforts of stakeholders across the value chain meant that fruit continued to be exported throughout the season, this still came at a major personal and financial expense to everyone involved.

Fruit arrived way too late in some markets (in some cases by over a month) while there was an under-supply in other regions. Finally, the global and domestic challenges also resulted in an over-supply in other key markets, which drove down prices particularly for lemons and soft citrus. As a result, the increased volumes of citrus exports in 2021 did not translate into higher returns for local growers.

The ongoing challenge faced by South African growers, is the European Union's (EU) import measures on citrus black spot (CBS), which is a major threat to future growth in this market and is currently costing the local industry in excess of R4 billion annually (with FCM measures) in order to comply with these market access conditions. This is despite the fact that there is scientific evidence that citrus fruit without leaves is not a pathway for the spread of the CBS pest.

With these challenges in mind, the fact that the local industry achieved another record breaking export season in 2021, is truly remarkable. This was only possible due to the close collaborations and partnerships within the industry and with government and the extraordinary efforts of growers.

With the local industry expected to export 200 million cartons of fruit within the next 5 years, it is critical that challenges experienced during this season are resolved ahead of 2022.

The CGA remains committed to working with all stakeholders and partners in government to ensure the local industry continues expanding, optimising and retaining key markets across the globe so our sector creates even more jobs (over and above the 120 000 it currently sustains) and brings in increased revenue for the country's economy in the future.

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Note to Editors: Please attribute quotes to Paul Hardman, Acting CEO of the CGA.

Media Enquiries:
Nicole Mirkin (Account Manager)
084 552 3122