



South African 2023 citrus export season reflects continued challenging operating environment



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 held last week.

The 2023 export season comes after an extremely tough year for growers, which resulted in 5.7 million cartons less 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.

As a result of many of these challenges are expected to persist in 2023, with some even worsening, such as increased bouts of load shedding and ever-growing input costs, the estimates 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 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.

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 not exporting their fruit. 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 processed grade fruit for export this year.

Conclusion

The industry which sustains 140 000 jobs and brings in R30 billion in export revenue enjoyed an upward trajectory over the last few years, but has only achieved moderate growth over the past two years due to the numerous challenges mentioned above. This trend is expected to continue in 2023, putting the survival of thousands of growers and the jobs they sustain at risk.

At the same time, the local industry offers even further potential as a key exporter and economic contributor with current forecasts predicting that exports could potentially continue to grow by 10 million cartons per year (on average) for the next decade, hitting 220 million tons being shipped overseas in the next 5 years and up to 260 million in the next ten years. This means the industry could potentially sustain a further 100 000 jobs and generate an additional R20 billion in annual revenue bringing its total contribution to 240 000 jobs and R50 billion in revenue.

However, to achieve this we need to work with government and value chain stakeholders to overcome the challenges mentioned above and, most importantly, to optimise, secure and retain as many market access opportunities as possible. Key markets that offer major potential for expanded access and require particular attention during the coming season are the United States, India, Vietnam, Thailand and Korea.



For more information:

Justin Chadwick

Citrus Growers' Association of Southern Africa

Tel: +27 31 765 2514

Email: justchad@iafrica.com

www.cga.co.za (<http://www.cga.co.za>)

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