

New shipping service to increase capacity and competition in citrus export market

The Citrus Growers Association of Southern Africa (CGA) has welcomed the announcement that a prominent global liner shipping company, Hapag-Lloyd, will be providing export services for citrus from the ports in Durban and Gqeberha. The new service will be active by the end of May, in time for the bulk of the 2024 season's citrus, and run until September.



Source: Couleur via [Pixabay](#).

Hapag-Lloyd's entry is a direct result of an advisory project launched by several fresh produce associations, including the CGA, in 2022. In that same year, a study by the Bureau for Food and Agricultural Policy (BFAP) found that four out of five citrus growers made a loss, with extremely high shipping rates being a major contributing factor to the decrease in profitability.

The CGA's role in facilitating Hapag-Lloyd's entry into the market was undertaken in the hope of increasing both capacity and competition, so that long-term sustainability for the sector can be ensured.



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Lisa Baertlein 8 Jan 2024

Recent shipping price spikes due to attacks on vessels in the Red Sea, as well as drought-related complications affecting the Panama Canal, have shown how exposed many fruit exporters are to increases in shipping rates. The industry views any measure that can introduce some stability and competition into the shipping market as a step forward, adding that both the citrus sector and the broader economy require as much access to shipping as possible.

"Apart from keeping the market competitive and flexible, a new entrant is also welcome in the context of the large projected increase in citrus yield over the next few years. If all role-players work together in securing market access and more streamlined logistics, South Africa could very well increase its citrus exports with 20 million 15kg cartons of citrus in the coming season.

"It is the CGA's goal to export an additional 100 million cartons by 2032. Last year we exported 165.1 million cartons," says Justin Chadwick, CEO of the Citrus Growers Association of Southern Africa.

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