

South African citrus summit to tackle logistics, market access, and export growth

The South African citrus industry will convene at the fifth Citrus Summit from March 11-13 in Gqeberha, hosted by the Citrus Growers' Association of Southern Africa (CGA). The summit aims to address barriers hindering the industry's growth, focusing on logistics and market access.

Citrus is South Africa's largest agricultural export sector, supporting 140,000 livelihoods at the farm level. In the previous year, 164.5 million 15kg cartons were packed for global markets. New plantings have been made, and production is projected to rise. The goal is to export 260 million cartons by 2032, potentially creating 100,000 jobs.

Logistics remains a challenge. A Bureau for Food and Agricultural Policy (BFAP) study found that inefficient logistics cost the industry R5.27 billion in the 2024 season. This loss affects foreign revenue and job creation. South African ports suffer from inefficiencies and congestion, impacting competitiveness. Streamlining operations, investing in infrastructure, and improving cold chain management are essential for timely and cost-effective delivery.

President Cyril Ramaphosa emphasized public-private partnerships to enhance port efficiency. However, legal action by a losing bidder delayed the partnership at Durban's Pier 2 container terminal between Transnet and International Container Terminal Services Inc. (ICTSI). Without competition and private expertise, ports may struggle with increasing citrus volumes, affecting job and revenue growth.

The publication of Transnet's second Network Statement in December 2024 outlines private sector entry into the rail network. Currently, over 90% of citrus reaches ports via roads. A functional rail network would be more cost-effective and reduce road congestion. The CGA projects that weekly truck trips from Northern citrus regions will rise from 2,200 to over 3,800 in three years.

Market access is another key topic. President Ramaphosa identified increasing market access as a priority. The EU receives over one-third of South African citrus. The government is challenging the EU's trade measures at the World Trade

Organisation. A favorable outcome could boost the industry. China's demand for South African citrus presents opportunities, despite duties disadvantaging exporters. Trade negotiations could enhance agricultural trade potential. India is another market, with exports tripling to 30,000 tons since 2020. Addressing in-transit cold treatment and high import tariffs could benefit growers.

The African Growth and Opportunity Act is vital. The US market has potential, with exports nearly doubling since 2017. Allowing access to other provinces could stimulate rural economies. International trade complexities will be central at the Summit. South Africa needs all available markets due to increased production.

Failure to act could cost jobs and revenue, impacting South Africa's reputation as a reliable supplier. The Citrus Summit provides a platform for growers, government, and stakeholders to collaborate for the industry's and economy's benefit.

Source: IOL (<https://www.iol.co.za/business-report/economy/summit-is-a-pivotal-moment-for-south-africas-citrus-industry-cga-565c7c82-4f40-4724-98ba-0cc308f176ef>)

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