

Transshipment to Russia resumes, some say, but even if fruit makes it there, will growers get paid?

No dumping of South African fruit in Europe, says Hortgro

Fourteen days into the most difficult and unpredictable season in memory and South African exporters are noting their appreciation for the assistance provided by the Perishable Products Export Control Board and the Department of Agriculture, Land Reform and Rural Development this week in diverting product destined for Russia to Europe.

"A successful diversion depends on the fruit type and how it was presented for inspection. For example, plums have the same phytosanitary requirements for Russia and the EU but the quality requirements are not the same – in this case there is a differentiation for broken pit," Cyril Julius, PPECB's chief operations officer, says.

"For citrus fruit it will depend under which codes it was presented for inspection. Some codes can be diverted away from Russia to the EU without any re-inspections whilst for other codes it will be impossible. Growers, packers and exporters will have to plan carefully for the upcoming season."

Fortunately, he adds, the food safety requirements are the same for Russia and the EU.

Unconfirmed dumping claims

There have been claims of South African grapes and stonefruit being officially dumped and destroyed in Europe but Jacques du Preez, manager: trade and markets at Hortgro, the industry organisation for deciduous fruit, denies that this is the case.

"No-one is going to dump fruit," he says. "They're trying to find alternative markets at the best prices. It's just the fruit on the water that poses an immediate problem, around 500,000 cartons of pears."

The PPECB also state that they have not heard of claims that South African fruit is being dumped in Europe.

Those exporters contacted confirmed that they were not dumping their fruit in the sense of destroying it, although they now had fruit in Europe for which they had no market while simultaneously being pressured by shipping lines to return the containers empty.

The suggestion of donating unmarketable shipments (for instance small Packham pears) to humanitarian relief for Ukrainian refugees is being investigated.

Mixed messages about change of destination and transshipments

There had been tense days and mixed messages as to whether it would be possible to tranship containers already in Rotterdam, Bremerhaven and Antwerp to St Petersburg.

"We actually have no idea what is happening at the moment," says a shipping agent, adding: "Nor do the shipping lines."

"Shipping lines were advising everybody to discharge because if it gets stuck in Russia it's going to be horrendously expensive. If it goes wrong in Russia, it'll go *properly* wrong. It can go less wrong in Rotterdam or Bremerhaven," says another shipping agent.

“A few days ago we were told by shipping lines everything has to be COD’d [a change of destination requested], which caused a lot of worry, especially for the fruit already in Rotterdam which wasn’t inspected for the EU or it’s not the right sizing or the right packaging for the EU.”

Looking around for alternatives, some in the industry considered the possibility of getting fruit to Mersin, Turkey, and overland to Russia via Georgia. That would, however, require an entirely new bill of lading, a new container and thousands of US dollars in extra costs.

“Even if you get fruit into Russia, is it worth it?”

There is, FreshPlaza was told, a feeder vessel with South African fruit on board on its way to St Petersburg (at the time of writing, shipping lines have not confirmed this) and it is arriving soon in Russia, but is it worth the effort, some wonder.

“Fruit will land with a massive delay, the cost is very high for Russian importers who have to find US Dollars to pay us, and then they have to get the US Dollars to us. Even if you get your fruit there, no matter how, you have no guarantee you’ll be getting payment for it,” explains an exporter to Russia, adding that the value of the Rouble is plummeting.

“Your Russian buyers can’t pay, even if they want to,” notes another exporter. “Our biggest worry is getting our money. You need amazing relationships with your receivers for you to get your money at the end of the day.”

Therefore there is a sentiment among some that it is “massively irresponsible” to be sending fruit to St Petersburg now. There’s no assurance on whether fruit that is offloaded, will be able to leave St Petersburg.

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