

Rudi Richards – South African Fruit Juice Association

South African lemon juice exporters surprised by US dumping allegation



Right: a bin of processing lemons

The South African lemon juice industry received notice on 6 January that Californian citrus juice producer Ventura Coastal had lodged a petition with the US Government, seeking antidumping duties against lemon juice concentrate from Brazil and South Africa. The complaint does not concern fresh lemons.

US lemon juice manufacturers have in the past called for the same measures against Argentine and Mexican lemon juice concentrate.

“On the one hand it’s come as quite a big surprise to us but on the other we will cooperate fully with the US authorities,” says Rudi Richards, general manager of the South African Fruit Juice Association.

“We’re not in the business of dumping product and there’s no point in dumping below your cost, as you’re not going to be making any money. Our objective is to achieve the best possible prices.”

Before the end of this week the South African fruit juice industry has to submit data on its lemon juice concentrate exports to the USA over the past few years. It is a far smaller market for South African lemon juice concentrate than its domestic market or Europe, its main export market.

The petition brought by Ventura Coastal mentions South African producers Cape Fruit Processors and Venco Fruit Processors as the subjects of the probe.

USA: small but attractive market for SA lemon juice exports

“South Africa is really not a big player in the US market which is another reason the dumping allegation was a source of surprise to us. Our lemon juice concentrate exports are below US\$10 million which represents at most 10% of the lemon juice concentrate market in the USA.”

He notes, however, the attractiveness of the US market for lemon juice concentrate exports, whose potential could be dashed if antidumping duties (a figure of 128% has been mentioned) were introduced. Currently, there is a low tariff on South African lemon juice concentrate entering the USA under the AGOA Act which gives South Africa preferential treatment as trading partner.

It has been put forward, by others in the citrus industry, that a possible motivation for the dumping complaint is the lower production costs of South African lemon juice concentrate as compared to US lemon juice concentrate production costs.

Richards says that the South African circumstances in this matter could be very different from Brazil's, which is the world's biggest orange juice producer.

“The way these antidumping legal processes go, we could be in for a long haul here,” he cautions. Already some South African lemon juice producers have observed that their legal costs in this matter could exceed their turnover on lemon juice exports to the USA.



For more information:
Rudi Richards
South African Fruit Juice Association
Email: rudi@safja.co.za
www.safja.co.za

Publication date: Wed 12 Jan 2022

Author: [Carolize Jansen](#)

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