

FROM THE DESK OF THE CEO (06/24)

(Follow me on X [justchad_cga](#))

Justin Chadwick 9 February 2024



“You don’t lose if you get knocked down, you lose if you stay down” Muhammad Ali

VISION 260: SHIPPING OPTIONS FOR FURTHER GROWTH OF SOUTHERN AFRICAN CITRUS EXPORTS

The Citrus Growers Association of Southern Africa (CGA) welcomes the announcement that a leading global liner shipping company, Hapag-Lloyd, is now offering its services in exporting 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.

Hapag-Lloyd's entry is a direct result of an advisory project launched by a number of 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.

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 and the CGA views any measure that can introduce some stability and competition into the shipping market as a step forward.

The citrus industry and the broader economy need 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.

WORLD CITRUS ORGANISATION AND FRUIT LOGISTICA

Nine significant citrus growing countries attended a World Citrus Organisation (WCO) meeting in Berlin, as the organisation continues to grow, with eleven full member countries and 27 (soon to be 29) associate members. Countries not yet represented on the WCO are encouraged to join so that the Association can strengthen citrus as a leading fruit sector in the world. A roundtable discussion revealed a number of weather events impacting the international crop, and general agreement that these climatic events are a key risk for the industry. Drought and excessive heat was a common concern across the world. Climate change is also impacting the dynamics of pests and diseases. The world's leading orange producer, Brazil, reported devastating Asian Greening dynamics that is impacting the availability of juicing oranges.

Sharing best practice and learning from each other is a key objective of the WCO. Discussions also took place around the promotion of the sector and sustainability – with work groups formed to discuss these aspects of the citrus business.

Those who thought that Fruit Logistica is being replaced by Fruit Attractions need to think again. The trade show in Berlin was its usual frenetic occasion. The South African stand was abuzz from day one. The layout of the stand was excellent with lots of tables for delegates to engage – despite bringing in more tables and chairs, possession of a table was jealously guarded as more and more South African fruit industry role-players met at the stand. Congratulations to Fresh Produce Exporters Forum for putting it all together (with particular praise for Marletta Kellerman and her energy and enthusiasm). Thanks to the Embassy for receiving visitors at reception, to the DTIC for partial funding and SATI, HORTGRO, CGA, BerriesZA, SUBTROP, Fruit SA and FPEF for funding the balance at short notice.

THE CGA GROUP (CRI, RIVER BIOSCIENCE, XSIT, CGA CULTIVAR COMPANY, CGA GROWER DEVELOPMENT COMPANY & CITRUS ACADEMY) ARE SUPPORTED BY AND WORK FOR THE CITRUS GROWERS' ASSOCIATION OF SOUTH AFRICA