

“Despite all our accomplishments, we owe our existence to a six-inch layer of topsoil and the fact it rains.” Paul Harvey

LATEST ON EUROPEAN UNION DEBACLE

The CGA has been engaging with DALRRD on a daily basis to ensure that the current detained containers at EU ports are released on an urgent basis. The department has committed to issuing new phyto-sanitary certificates, that should hopefully result in the majority of these containers being released in the next few days.

Our initial estimates indicated that 1350 containers (floating consignments) would be affected by the implementation of the new EU FCM regulations. Our latest reports would indicate that of this amount, 820 containers will be issued new phytos. DALRRD, through their spokesperson Reggie Ngcobo, estimates that of these, only 300 containers have received their replacement phytos. This will hopefully provide relief over the short-term to local growers.

However, this does not resolve the massive ongoing threat to the citrus industry, which is the long-term implementation of the unjustified, impractical and discriminatory EU FCM regulation on South African oranges, which are going to be impossible to implement by the local industry going forward.

To date, the current impasse has cost local citrus growers over R200 million in losses. The CGA can also confirm that growers will more than likely also receive half their expected returns on any fruit that is released, due to the fact that most containers have been standing for a few weeks, and have therefore missed their programmes due to late arrival.

PAPER PRICE INCREASES: THE HITS KEEP ON COMING

The advisory to customers that SAPPI will increase containerboard products by between 20% and 22% comes as a hammer blow to growers already reeling from the impact of increased freight rates, increased input costs and the EU debacle. It is often said that the product pays – but what happens when the product cannot pay? Along the supply chain input suppliers and service providers are price takers – they estimate their costs and then add on their required margin which is then presented to the customer to pay. With all costs in the chain increasing at double digit amounts – the announcement by SAPPI is seen as opportunistic; most agricultural sectors have indicated that they simply cannot afford such a price increase. When the product cannot pay the owners of the product make a plan – if they can, they dig into reserves, if they can, they go into more debt; and if they cannot they go out of production. It is time for those along the supply chain to rethink their view on returns in 2022 and beyond; otherwise they may not have customers in the years to come. Citrus exporters are now in survival mode – input suppliers and service providers should assist them in this survival – in that way they will secure their own sustainability.

SAPPI has been an amazing partner to the citrus industry – as a lead sponsor of the Citrus Symposium, and in the testing of cartons, SAPPI have defined their commitment and support to the citrus industry – now is the time to sharpen pencils and ensure that the citrus industry continues from strength to strength.

PACKED AND SHIPPED

End of Week 31 Million 15 Kg Cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed
SOURCE: PPECB/AGRIHUB	2020	2021	2022	2021	2022	2022	2022	2021
Grapefruit PP (17kg)		2.5 m	2.5 m	2.0 m	2.0 m			
Grapefruit Class1&2 (17kg)		12.0 m	11.2 m	11.5 m	9.8 m			
Grapefruit	15.1 m	16.4 m	15.5 m	15.4 m	13.4 m	16.8 m	15.4 m	17.5 m
Mandarins	18.7 m	22.9 m	23.9 m	17.6 m	21.7 m	34.5 m	34.1 m	30.9 m
Lemons	24.9 m	26.7 m	31.1 m	23.5 m	28.9 m	32.3 m	32.4 m	31.0 m
Navels	22.4 m	23.4 m	22.5 m	18.6 m	20.7 m	28.7 m	26.9 m	27.2 m
Valencia	21.7 m	21.2 m	20.4 m	11.5 m	14.1 m	58.2 m	56.2 m	55.0 m
Total	102.8 m	110.5 m	113.4 m	86.6 m	98.8 m	170.5 m	165.0 m	161.6 m