

“Only when everyone contributes wood will the fire burn brightly” Chinese Proverb

FORUM ON CHINA-AFRICA COOPERATION (FOCAC)

The CGA has attended many Presidential and Ministerial gatherings over many, many years – these have too often yielded little in terms of concrete benefits to industry and furthering trade objectives. In some cases they only presented an opportunity for posturing and self-importance. Somehow, this week in Beijing, the atmosphere seemed a little different. Seeing the Government of National Unity President and Ministers file into the Business meeting, there seemed to be a positive atmosphere – the body language was one of a group who were working together in the best interests of the people of South Africa. In the agricultural sector the Minister signed a number of agreements that will positively impact on agricultural trade with China – in dairy, wool and meat. Recently, avocados gained access to the Chinese market and the work to get stone fruit accepted is far advanced.

This additional trade is very important for South Africa as the balance of trade is hugely skewed in favour of China; we need to get more exports to China to get it into balance. In addition, most of South Africa’s exports are of primary products, while imports are of manufactured goods. There is a debate as to whether fresh fruit is a processed product or not. Considering the fact that an orange in the orchard differs a lot from the orange that arrives in the market, there is a strong case to be made that fresh fruit exports form part of the agro-processing sector. Just take a walk through a packhouse and witness the processes that fruit goes through before being packed into a carton.

I was privileged to serve on a panel at the Business Forum. This panel dealt with agriculture and manufacturing. Each panellist was given 2 minutes to introduce themselves. Since many of the delegates are not familiar with citrus and the southern African region, my introduction included the following: the Citrus Growers’ Association of Southern Africa represents growers of oranges, mandarins, lemons and grapefruit in South Africa, Zimbabwe, Eswatini, Namibia, Botswana and Mozambique; SA is the world’s second largest exporter of citrus and the largest in the southern hemisphere – exporting 2.5 million tonnes of fruit to 120 countries around the globe on an annual basis; China is an important market for SA citrus receiving 8 to 10% of exported fruit; the citrus industry employs 140 000 people on farms and in packhouses, with additional jobs secured in upstream and downstream activities; the industry invests R180 million annually in cutting edge research to ensure that fruit is safe and that exports comply with the requirements of the market, most importantly phytosanitary requirements.

What are the challenges faced by SA citrus exporters in accessing the Chinese market?

- South Africa gained access for citrus to the Chinese market in 2004 – this year marking the 20th year of exports.
- Since 2004 the export protocol has been revised a number of times, each time resulting in improved entry requirements stimulating more trade. The Chinese approach of sound scientific justification for import requirements is welcomed. There needs to be continuous engagements as research continues to establish risk mitigation measures that are less trade restrictive.
- Over the next ten years, export volumes from southern Africa will continue to grow – every market opportunity must be maximised and China is seen as a market that can grow beyond the 180 000 tonnes it presently receives from South Africa.
- Import duties are imposed on SA citrus imports putting SA at a disadvantage compared to competitors with free or preferential trade agreements.
- The BRICS partnership needs to move from a purely political grouping to one where BRICS members engage on improving the trade environment to benefit member countries' citizens.

PACKED AND SHIPPED

End of Week 35 Million 15 Kg Cartons	Packed	Packed	Packed	Shipped	Shipped	Original Estimate	Latest Prediction	Final Packed	Vision 260
SOURCE: PPECB/AGRIHUB	2022	2023	2024	2023	2024	2024	2024	2023	2024
Grapefruit	17.5 m	14.2 m	14.1 m	13.2 m	13.4 m	16.8 m	15 m	14.7 m	16.2 m
Mandarins	32 m	37.4 m	39.5 m	33.7 m	33.4 m	43 m	42 m	38.0 m	39.6 m
Lemons	36.5 m	35.6 m	34 m	35 m	31.7 m	37.9 m	33.9 m	35.6 m	39 m
Navels	28.4 m	24.8 m	24.1 m	23.8 m	20.3 m	25.7 m	24.4 m	24.8 m	22.3 m
Valencia	43.2 m	43.6 m	37.8 m	32.6 m	26.7 m	58.3 m	49.1 m	52.0 m	55.4 m
Total	157.6 m	155.6 m	149.5 m	138.3 m	125.5 m	181.7m	164.4 m	165.1 m	172.5 m