

“Don’t judge each day by the harvest you reap but by the seeds that you plant” Robert Louis Stevenson

LOGISTICS AND SHIPPING SET TO BE SERIOUS IMPEDIMENT IN 2022

On 24 November 1992 the Queen of England made sure that the Latin term “annus horribilis” (meaning horrible year) became well known throughout the world as she spoke about the problems faced by the Royal Family. 2021 was an annus horribilis for the southern African citrus industry – with many stating that they had never experienced such a horrible year.

During 2021 Mitchell Brooke wrote extensively on the challenges faced at South African ports. Unfortunately, the challenges experienced during the citrus season continued throughout the table grape season. The performance of the South African Container Terminals continues at levels far below international norms or acceptable levels. Equipment challenges coupled with weather delays and the fact that hundreds of key personnel have left Transnet after being offered a Voluntary Severance Package (VSP), has seen performance continue to deteriorate resulting in extended shipping delays.

Mitchells advice to CGA members is to be aware and be prepared! An update on this situation as well as how to best manage it will be delivered in a presentation to be given at the CRI workshops (see www.citrusres.com) and at CGA roadshows (end February/early March).

It is likely that port operations in 2022 will be constrained – the necessary resources to bring about the needed improvement in efficiency will take some time to come to fruition. Exporters need a thorough and well developed logistics plan for 2022. Once this good plan is developed, exporters will need to keep their ear to the ground to ensure they are aware of events that impact on the plan – and be prepared to adapt to these changes. One thing we learnt in 2021 was to expect the unexpected – hopefully in 2022 this does not include an insurrection or a cyberattack – but who knows what will be thrown at us. CGA will engage daily with the port operator on operational issues, we will feed through information/intelligence as it gets known, and we will encourage and support the port operator wherever possible. In this way the thousands of logistics decisions made on a daily basis will be informed decisions, and we can get to not only export the big volume anticipated for 2022, but export it timeously and in line with marketing plans. By planning well, adapting quickly and working together we may be able to ensure 2022 is an annus mirabili (wonderful year).

BRICS

In 2023 South Africa takes the Chair of BRICS (Brazil, Russia, India, China, South Africa) grouping. On Friday 21/1/22 business leaders met to discuss the theme for BRICS 2023, priorities, and the deliverables. In the past, agricultural issues have not received the attention they deserve in BRICS meetings, and membership of BRICS hasn’t shown tangible benefits in terms of trade, tariff reduction and non-tariff barriers.

In terms of citrus exports, the BRICS countries are extremely important – receiving 17% of total export volumes from South Africa in 2021. Almost 400 000 metric tonnes of South African citrus was exported to BRICS countries, with China the third biggest receiver (200 000 tonnes), Russia the fifth biggest receiver (170 000 tonnes), and India eighteenth biggest (22 000 tonnes).

Looking at the populations in these countries, the increasing middle class population and their diets there is definitely potential to grow these volumes. With new South African leadership in the agriculture and agro processing section of BRICS, there is optimism that the trade inhibiting factors will be addressed, and that the political will to reduce barriers will result in tangible benefits.