

FROM THE DESK OF THE CEO (46/24)

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Justin Chadwick 15 November 2024

"Fast is fine, but accuracy is everything" Wyatt Earp



FINAL EXPORT FIGURES SLIGHTLY DOWN AFTER A VERY UNUSUAL CITRUS YEAR

In the 2024 export season Southern African citrus growers packed 164.5 million 15kg cartons for delivery to global markets. While this is 600 000 cartons less than last year, the slight decline is still a strong performance for the sector, given the truly uniquely demanding circumstances growers faced.

A number of unforeseen factors forced the Citrus Growers' Association of Southern Africa (CGA) to adjust its export estimates regularly during the year. The initial estimate for total exports was 181.7 million 15kg cartons. The final figure falls 9% short of this.

One of the most prominent factors affecting export volumes was the high price offered for oranges destined for local processing. Precious Kunota, Business Intelligence & Data Manager at the CGA, explains: "Sources in the juice industry reported a significant increase of between 60% to 80% in volumes of oranges processed at their facilities, compared to the 2023 season. It's estimated that about 6 million 15kg cartons of oranges - that is 7% - destined for exports were diverted to juice plants."

Another factor was the abnormally hot and dry conditions during the mid to late summer period, which led to smaller fruit sizes. This meant that approximately 4% more fruit were required to fill the same carton than in the previous year. No less than three severe weather events also had an impact on exports. Freezing temperatures in Limpopo, floods in the Western Cape (Citrusdal), and strong winds that caused fruit to drop in the Eastern Cape resulted in a reduction of fruit packed for global markets.

It is important to note that even though export numbers have declined slightly from 2023, the amount of citrus being produced in South Africa continues to increase. It is estimated that in total 10.1 million cartons were diverted to local juicing and lost to weather events. Considering this, the CGA is confident that, if all role-players come together, our long-term growth target of exporting 260 million cartons and creating 100 000 jobs by 2032 is achievable.

The final packed figures for 2024:

- This year 14.3 million cartons (15kg equivalent) of **Grapefruit** were packed for export. This is 300 000 less than in the 2023 season and is a 14% shortfall from the initial estimates made in April 2024.
- 41.6 million cartons of **Mandarins** were packed, representing a notable 3.6 million increase since the previous season. It is, however, 3% less than the initial estimate.
- **Lemons** showed a decrease compared to both the previous season and the estimate: 34.7 million cartons of Lemons were packed in 2024, being 9% down from the estimate and 1.1 million cartons down from 2023.
- **Navel Oranges** packed for export have shown an increase of 400 000 cartons compared to 2023. This year 25.1 million cartons of Navels were packed, a 2% decrease from the original estimate.
- A total of 48.7 million cartons of **Valencia Oranges** were packed this year. Notably, this is 4.7 million less than in the 2023 season and is a significant 16% shortfall from the initial estimates.

Port efficiency remained a serious concern for the citrus industry during the past season. The lower-than-expected citrus export volumes reduced peak volumes at ports dramatically, which eased pressure on the container terminals. However, all indications are that this is just a temporary reprieve in pressure on our underperforming ports and will not last. Volumes will increase over the next few seasons and if ports are not improved and capable of handling it, citrus exports and the wider economy will suffer greatly.

"The CGA is of the strong opinion that more public-private partnerships are needed urgently. Although the partnership between Transnet and International Container Terminal Services Inc. (ICTSI) on Durban Pier 2 has been delayed because of legal matters, there must be a renewed urgency to improve container terminals and unlock the economic potential of our ports," said Mitchell Brooke, the CGA's Logistics Development Manager.

It should also be noted that the European Union's unscientific and unnecessarily restrictive trade measures on Citrus Black Spot (CBS) and False Coddling Moth (FCM) continued to have a dampening effect on exports. These measures still represent an entire opportunity cost for local growers of R3.7 billion. South Africa's historic cases against these measures at the World Trade Organisation are making progress and are set to enter the next phase in the dispute process in mid-December.

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' OF SOUTHERN AFRICA