

PRESS STATEMENT BY JUSTIN CHADWICK

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SA citrus 2022 export estimates predict positive growth despite ongoing challenges

With the 2022 South African citrus export season kicking off later this month, a number of citrus growing regions across the country have provided their predicted export volumes for the upcoming season. These estimates reveal that the industry will continue to see steady growth across most citrus varieties, with an estimated 4% growth in exports across these categories.

This is good news for the South Africa economy in light of the local industry sustaining 120 000 jobs and bringing in R30 billion in export revenue last year alone. However, several challenges facing the sector, which include: soaring input costs including fuel and fertilizer price hikes and a major increase in freight rates; red tape hampering access to some overseas markets, as well as ongoing operational challenges at the country's ports, continues to threaten the profitability and future sustainability of growers.

Regions have provided estimates for the following varieties for the upcoming season (the mandarin estimates will be available by 14 April 2022):

Lemons

The current prediction is that 32.3 million (15kg) cartons will be exported to key markets, which is an increase of 1.3 million cartons when compared to 2021. Young trees beginning to bear fruit in some regions including the Western Cape and Senwes in Limpopo will contribute to this growth. However, a cooler summer could result in smaller fruit in some regions, which could impact the final number of cartons packed and shipped.

Navels

Current predictions show a 1.5 million increase in (15kg) cartons of navels that will be shipped during the coming season, with 28.7 million cartons expected to be exported in total. While hailstorms in some areas such as the Eastern Cape Midlands resulted in a decrease in predicted estimates, good rains in other areas such as the Sundays River Valley means this region should enjoy a 9% growth in navel export volumes.

Valencias

An estimated 58.2 million (15kg) cartons of valencias is predicted to be exported in 2022, which will be a 3.2 million increase from the 55 million cartons shipped last season. However, the final number shipped could decrease depending on market conditions towards the end of the season, in particular narrowing market windows which could make it difficult to ship remaining volumes.

Grapefruit

An estimated 14.8 million (17kg) cartons of grapefruit is predicted to be exported during the upcoming season. However, a number of outside forces could negatively impact this total including the Russian conflict in Ukraine due to Russia being a major importer of South African grapefruit.

Furthermore, should fuel and shipping costs continue to escalate, PP fruit that is sent for processing and Class 2 grapefruit will not be exported which will also reduce the final export total.

It is clear that, in order for the industry to continue on the upward trajectory it has enjoyed over the past few years, government and stakeholders across the value chain need to work together to improve the operational capacity and efficiency at the country's ports and to secure, maintain, and retain as many market access opportunities as possible.

Key markets that offer major potential for expanded access and require particular attention during the coming season are the United States and India. This is the only way the growers will be able to offset increasing input costs that are squeezing their profit margins and for the industry to remain competitive, particularly considering local production is expected to grow by another 300 000 tons over the next two years.

The CGA remains committed to working with all role players to ensure the continued inclusive growth of the sector and, in turn, the creation of more jobs and revenue for the country.

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Note to Editors: Please attribute quotes to Justin Chadwick, CEO of the Citrus Growers' Association.

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