

***Justin Chadwick, CEO of the Citrus Growers' Association of Southern Africa, spoke about the challenges and triumphs of SA's citrus industry at the recent Citrus Summit.***

Growth and expansion are a mark of success in any business, no matter the size.



*Justin Chadwick, CEO of the Citrus Growers' Association of Southern Africa.*

The South African citrus industry has had another year of tremendous growth with bumper exports to more than 100 countries internationally, despite tough conditions including severe drought in some regions. Dividends from this growth in the sector are evident in the jobs the industry provides to some 100 000 South Africans and the partnerships it establishes and fosters with small-scale growers and developing farmers, Chadwick said.

This year, citrus growers from Southern Africa will ship a record crop of close to 137 million boxes of citrus to foreign countries, generating a revenue of nearly R19 billion.

However, growth and expansion are not without challenges and risks. The Citrus Growers' Association (CGA) discussed these challenges at the recent Citrus Summit that took place in Port Elizabeth on 13 and 14 March.

This year's engagements included the global outlook for citrus production and exports, entry into overseas markets, biosecurity and the logistical challenges that South African exporters face with transport. Access to cold storage facilities and congestion at harbours, where citrus leaves the country, were also in the spotlight.

According to industry forecasts, citrus exports in South Africa are likely to grow by between 15% and 20% in the next three years, so it's imperative that the entire value chain continues to work smoothly.

With increased production volumes, and exports, comes another challenge – how to deal with logistical constraints. Export growth will result in increased demand for cold storage capacity and refrigerated trucks and, perhaps most challenging of all, amplify delays at the already congested port of Durban.

As a solution, the CGA is proposing a new, centralised truck staging facility in the Durban precinct where vehicles will be positioned. This will bring about better flow of traffic to Durban's port, improve the movement of containers and reduce queues.

During one of the panel discussions at the summit, black citrus growers shared with delegates the challenges they experience accessing finance, raising capital and expanding production. The biggest obstacle they face is the lack of ability to get title to land.

Without title these farmers cannot provide the surety to secure loans from financial institutions. This lack of capital forces many black growers to operate on tight budgets with often outdated farming equipment.

The CGA's Grower Development Company, which represents black growers, will in the coming year have in-depth discussions with the Department of Agriculture Forestry and Fisheries, the Department of Rural Development and Land Reform and the Land Bank proposing different funding models and policies to address the land ownership issue.

On the global front, citrus producers have come to realise that sustainable farming practices are no longer a nice-to-have but an absolute necessity.

Worldwide, climate change is having a visible impact on the quality of crops and on revenues, which in turn affects trade and consumption.

Fortunately, the citrus industry in South Africa is at the forefront of new technology and research to protect crops from the realities of climate change, such as unstable rainfall, soaring temperatures and strong winds.

Delegates heard that globally citrus exports are increasing more slowly than citrus production. This is a challenge the South African citrus sector is facing – how to stimulate demand amid the rise in production of especially lemons and soft citrus which require new markets for increased volumes.

South African citrus is already well represented in the European Union, but China and other east Asian markets, as well as the Middle East, are also lucrative destinations for this country's citrus. Developing relationships and trade ties with these countries will be the industry's focus in the months to come.

The grave issues of South Africa's unemployment and skills shortages were also topics for discussion. While the citrus industry collectively created 10 000 new jobs throughout the supply chain; in orchards and packhouses, and in services such as transport and port handling, we recognise that a truly equal and inclusive industry is an ideal that requires smart, dedicated and determined development.

The Citrus Academy is integral to this development and is investing heavily in bursaries, internship and training. Training programmes aim to equip future employees in the citrus industry with new knowledge and skills to meet the demands of the fourth industrial revolution, which is already a reality in many orchards and packhouses.

The challenges facing the citrus industry are not insurmountable. The sector's record production for two consecutive years despite the many obstacles is testament to growers' resilience and collaboration now and in the future. – *Press release*