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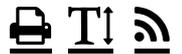


South African citrus remains a success story despite ongoing CBS issues

by Jim Butler

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South Africa exports 4m cartons of soft citrus to the UK annually



Justin Chadwick of CGA



The UK remains a principal destination for South African citrus exports despite the spat with the European Union (EU) over Citrus Black Spot (CBS) disease showing no sign of reaching a conclusion. Produce Business UK talks to some of South Africa's leading guns to assess the current impasse with the EU and to learn why soft citrus continues to be a real success story for UK supply

As the dying embers of 2015 finally go out it's unfortunate that when looking back on another year's successful trading for South African citrus into the UK, all conversation is still dominated by the complex situation of **Citrus Black Spot** (CBS).

The bare facts are that in 2015, the UK usurped Russia to become the single biggest country to receive South African citrus, with just over 11m cartons (11,046,000 cartons) arriving on our shores. And yet, most of the discussion still revolves around the prevalence of CBS and the EU's stringent entry requirements. **PRODUCE BUSINESS UK**

Justin Chadwick, the affable chief executive officer at the **South African Citrus Growers' Association** (CGA), likes to dwell on the positives, but it's apparent that CBS remains not so much the elephant in the room, but the unmissable neon-clad monster stomping around the room in belligerent disgust.

"We had a very good year last year [2014], with only 15 consignments intercepted out of an increased volume into the EU," he says. "A very good result. And obviously that's testimony to all the work the industry has put in – the growers and also the Department of Agriculture. All the work that has gone into it has resulted in this really good **outcome**."

But the entry requirements – labelled '**very draconian**' in 2014 by the **Fresh Produce Consortium's** (FPC) CEO, **Nigel Jenney** – remain in place and South Africa has no other option but to comply. This brings about additional costs and reduces market opportunity and the ability of traders to trade.

"Until we get conclusion on the scientific dispute it's something we have to comply with," Chadwick continues. "Until that happens we have to continue every year this charade."



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Resolving the issue

Moreover, from where Chadwick sits it appears the EU has no appetite to resolve the dispute. When asked how close all the parties are to an agreement – particularly in relation to the science – he replies regretfully that they are no closer than they were five years ago, when the International Plant Protection Convention (IPPC) was asked to intervene.

Chadwick says: “We’re engaging with government now to see what our options are to bring this to a conclusion because it’s an artificial trade barrier and as long as it persists we continue to face these additional costs.

“From our point of view, we understand a country’s right to protect its domestic industry – its domestic flora and fauna. We fully agree with the IPPC and the measures to reduce the spread of pests and diseases through trade. But we are absolutely adamant that these need to be technically justified and, in this case, the world experts on CBS, not just from South Africa, but every CBS scientist in the world, has said that there is no chance food can be a pathway and the climate is totally unsuitable.”

Chadwick points out that in 110 years of exporting citrus to the EU, CBS has never established itself on the European continent, which then poses the question whether the current stringent entry requirements are justified.

Unsurprisingly, it appears the UK market is as irritated as those in South Africa. The aforementioned Jenney strikes a more diplomatic tone when asked for his thoughts on the current standoff, stating: "Harmonised EU plant health controls mean the UK is subject to the same requirements to prevent Citrus Black Spot from entering the country, even though we do not grow citrus in this country and the disease poses no risk to other UK crops. Citrus is a popular range for UK consumers and South Africa is a key source of citrus at a time when volumes are not available from European growers."

He points out that the FPC is still working hard with the CGA to maintain citrus imports to the UK under the current EU control measures, while the association continues to advise members of the levels of interceptions found on citrus from other sources.



Chadwick's colleague **Deon Joubert** (pictured left) is the CGA's special envoy to the EU, and he adds that while the current situation is infuriating, South Africa's citrus growers have received a lot of support from the UK and the Netherlands, not least in sharing information and data. But he also notes that South Africa is still spending one billion rand (approximately £44 million) a year in trying to mitigate the risk. A figure he believes is neither sustainable nor appropriate.

"The science doesn't think it's a problem," he says. "Anything we export to the UK or Holland, or Belgium, or Germany, or France, or Norway there's no way it would pose a threat even if it was possible for the fungus to transfer, which we still maintain it can't. The fungus needs heat and warmth – the cold air wouldn't allow it to thrive."

In fact, he says the transfer of the disease occurs through dried leaves and therefore is not present in the fruit South Africa exports. The fungus transfers through the leaves, not the scar that the disease leaves on the fruit.



Committing to historical UK ties

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As a consequence, South Africa has redoubled its focus on the markets of northern Europe. Spanish suppliers can buy its fruit from northern ports if they want, Joubert says, and indeed they do. But he wonders why they do this if the fruit is deemed a risk.

“There is interest from Spain in re-establishing trade,” he says, “but we’d rather stick with where we have been for the last 100 years and where we have a good following.”

For Chadwick and Joubert then, the relationship with the UK stands strong and will remain so, despite the current difficulties.

“The UK is a massive part of our success story,” enthuses Joubert. “Your fresh produce organisations are very well established and very good to work with. We are extremely pleased with the volumes going into the UK. The UK is by far the most dominant in terms of soft citrus market share and I expect it to grow.”

Chadwick says South Africa exports 4m cartons of soft citrus to the UK, out of 8m cartons exported worldwide. “People call them easy peelers or mandarins, whatever you want to call them, we call them soft citrus here,” he clarifies. “I can’t see that figure changing in the medium term,” he adds confidently.

The impact of emergent markets

Asia, meanwhile, continues to represent a market that vies for South Africa's attention. Chadwick explains: "There's definitely a tendency to try and diversify our markets and Asia is one of them – it's no secret. Open any trade magazine and you'll see that all countries are looking towards Asia. It's the future, and it's definitely on our radar. But that doesn't mean to say that fruit will be diverted away from the EU, our industry is growing every year in terms of export volume.

"There's still more planting going on," he continues. "So the probability is that our export volumes will continue to grow, so we need to find homes for all that additional fruit. It's a case of making sure there will be markets for this increased supply, rather than diverting away from the EU. We never see the EU as being anything but the most important market for us."

As for Russia, despite no CBS requirements, exports have dramatically decreased because of the local economy. "The devaluation of the rouble influenced their ability to pay," says Chadwick.

New varieties and future promise

In the meantime, work continues in developing new varieties, says Chadwick. Quite a few companies are looking at procuring new varieties and there are a lot of test trials occurring. The big interest is soft citrus, in particular late season mandarins when there's a big demand for the fruit.

"There's work [being done] on varieties for [production in] different regions – looking at soft citrus that can grow in warmer climates where we've battled before," Chadwick reveals. "Most of our soft citrus comes from the south of the country, which is cooler. There's a lot of work going on. We're constantly looking at new products and improving the yield and the brix level, improving colour and the like."

Looking ahead, another two hot properties are lemons and mandarins into the UK, while Joubert also praises the performance of grapefruit this year. "Lemons are going through the roof," he says, pleased. "It's a wonderful commodity. The guys are planting a lot so I think that growth will be sustained. Lemons seem to go with everything and because the UK is cosmopolitan I only think the demand will grow."

The UK is clearly helping to fuel South Africa's citrus export boom, and absorbed 39% of its volume this year – up by 3%, according to Joubert. "We are extremely pleased with the volumes going into the UK," he concludes.



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