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GAIN Report

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Citrus Annual

Uncertainty of Policy Changes in the European Union Cloud Forecast for South African Citrus Exports

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Report Highlights:

For MY 2013/2014, South African total citrus exports are forecasted to be strong as a result of a favorable exchange rate and a good production year for most citrus fruits; but the impact of upcoming policy changes in the European Union remain to be seen.

Executive Summary:

For MY 2013/2014, Post does not expect exports to reach the record set in MY 2012/2013 due to lower expected volumes of grapefruits. However, a favorable exchange rate and a good production year for most of the other citrus fruits should result in another solid export season. The industry continues to do market outreach, which is helping SA be known as a reliable exporter of quality citrus fruits. Despite increased competition in global markets, SA citrus production and exports have been increasing as industry adopts varieties that are in demand globally, shifts to improved management practices to improve fruit quality, and a continued favorable exchange rate.

Figure 1. Map of Citrus Producing Regions



Source: CGA

Harvest Season

The citrus season in South Africa (SA) typically starts in April and ends in September. However, the harvest time and marketing years (MY) vary depending on the type of fruit.

Marketing Year

There is a one year lag between the SA MY and the U.S. MY. For example, SA MY 2012/2013 for grapefruit is equivalent to March 2013 to February 2014 in the USDA PSD tables. (Please see PSD tables for the relevant marketing years for each commodity.)

Table 1. South Africa: Harvest Period for Citrus by Commodity

Citrus	Harvest Period
Marsh Grapefruit	April to June
Star Ruby Grapefruit	April to September
Lemons	June to September
Navel Oranges	June to July
Tangerines/Mandarins	July to August
Valencia Oranges	July to September

Export season outlook:

For MY 2013/2014, post does not expect total citrus exports to reach the record set in MY 2012/2013 due to lower expected volumes of grapefruits. However, a favorable exchange rate and a good production year for most of the other citrus fruits should result in another solid export season. The export season for MY 2012/2013 is considered by the SA industry as a record year in terms of citrus fruits packed and exported. The favorable exchange rate and growing demand in markets in the United States, the Middle East, and Russia, helped SA export record volumes. In addition, the industry continues to do market outreach, which is helping SA be known as a reliable exporter of quality citrus fruits.

Post is following closely any new policies that can add additional restrictions to the European Union (EU) market for SA exports on the 2014 shipping season. Citrus exports to the EU were banned for most South African citrus fruits on November 28, 2013 for the rest of the 2013 shipping season. The measure was taken by the EU Commission over fears with the fungal black spot disease. The ban did not affect SA exports to the EU in 2013 as the measure was imposed after the shipping season ended, which usually happens in October. The ban could be extended into 2014 if need be, but the EU Commission has not made a decision yet.

After technical discussions on November 25, 2013 between the Animal Plant Health Inspection Service (APHIS) and SA's Department of Agriculture, Forestry, and Fisheries (DAFF), APHIS granted a pilot program for the 2014 shipping season to reduce the cold treatment schedule to 22 days as a mitigation method to reduce False Codling Moth. If the one year pilot program is successful, the new 22 days schedule will stay in place for future shipping seasons to the United States from SA.

SOURCES

- Citrus Growers' Association (CGA)
- National Agricultural Marketing Council (NAMC)
- Perishable Products Export Control Board (PPECB)
- Global Trade Atlas (GTA)
- Jacobsens Harmonised Customs Tariff
- Euromonitor
- Tshwane Market
- South Africa Department of Agriculture, Forestry and Fisheries (DAFF)

Table 2. EXCHANGE RATES

	R- \$ (Dollar)	R- € (Euro)	R- £ (Pound)
June 2013	9.96	13.16	15.49
December 2013	10.35	14.24	16.83

Source: <http://www.exchange-rates.org>

Commodities:

Grapefruit, Fresh

Production:

Post forecasts a lower grapefruit production for MY 2013/2014 at 375,000 MT as a result of the grapefruit production cycle that exhibits a phenomenon of alternate yields for different years: a low-yield year will be followed by a high-yield year, and 2013 was a high-year yield. The fluctuations are more distinct in the northern growing regions of SA.

Post estimates MY 2012/2013 total South African grapefruit production at 410,000 MT as a result of good rainfalls in the eastern part of the country, new trees that came into production, and higher yields as a result of South Africa's grapefruit production cycle. Post revised downward MY 2011/2012 production to 300,000 MT based on industry data. Star Ruby variety is still covering most of the plantings as it is the most globally favored variety.

Consumption:

Post estimates 2013/2014 domestic consumption of fresh grapefruit to remain flat at 5,000 MT on stable consumer demand. The industry keeps its focus on the export market as local consumers have not acquired a strong taste for grapefruit. Efforts to increase awareness of the healthy attributes of the fruit are underway, but much work is still needed in the domestic market.

Grapefruit is also processed for juice, the majority of which is exported to the EU. The left over pulp following commercial juice extraction is an important source of grapefruit oil which is used as a flavoring in many soft drinks. The inner peel is a source of pectin and citric acid, which are both used by the food industry to preserve fruits, jams, and marmalades. Naringin is also extracted from grapefruit peel, and gives tonic-water its distinctive bitter flavor. Finally, the grapefruit peel oil is used in scented fragrances.

Trade:**Imports**

Post forecasts FY 2013/2014 imports at 500 MT, higher than the previous year, as a result of a lower forecasted domestic production. Post revised down its MY 2012/2013 estimates for imports at 320 MT as a result of a good domestic crop and trade data. Although South Africa is not a major grapefruit importer, imports typically come from Spain and Israel. These countries dominate the market for SA imports and, as a counter season producer, fills the demand gap towards the end of the calendar year.

Table 3. South Africa: Grapefruit Import Statistics

South Africa Import Statistics

Commodity: 080540, Grapefruit Including Pomelos, Fresh Or Dried				
Year Ending: December				
Partner country	Unit	Quantity		
		2011	2012	2013*
Spain	MT	138	146	199
Israel	MT	234	270	120
Zimbabwe	MT	210	0	0
Grand total	MT	645	467	319

*Imports for 2013 are from January to October

Source: GTA

(Note: In the PSD tables, quantities below 1,000 MT will be displayed as zero.)

Exports

Post forecasts exports of grapefruit for MY 2013/2014 at 215,000 MT based on a lower domestic production. South African grapefruit enter the European Union duty-free under their bilateral Trade Development Cooperation Agreement (TDCA); however, exports to the EU in 2014 are in danger if the 2013 ban due to CBS is re-established by the EU Commission. The EU has not made a decision yet about banning SA citrus for 2014 shipping season; therefore, Post estimates assume that the market will be open.

Post revised its export estimates for 2012/2013 grapefruit exports to 242,000 MT based on final trade data and expected higher production compared to 2011/2012. Japan and Europe are the SA's major export markets. Japan imposes a ten percent Most Favored Nation (MFN) duty on SA grapefruit.

Russia, which is becoming an important market for South Africa, imposes a five percent or \$27.96 /ton (whichever is the greater), while Canada, Hong Kong, and the UAE apply a zero percent MFN tariff on South African grapefruit imports. South African grapefruit can enter the United States duty free under AGOA.

Table 4. South Africa: Grapefruit Export Statistics

South Africa Export Statistics				
Commodity: 080540, Grapefruit Including Pomelos, Fresh Or Dried				
Year Ending: December				
Partner country	Unit	Quantity		
		2011	2012	2013*
Netherlands	MT	59,794	46,730	64,959
Japan	MT	55,749	49,788	51,961
Russia	MT	23,318	13,853	25,774
United Kingdom	MT	10,881	10,097	11,866
Italy	MT	10,140	9,251	12,508
China	MT	1,340	1,436	9,591
Grand Total	MT	217,233	178,255	241,323

*Exports for 2013 are from January to October

Source: GTA

Production, Supply and Demand Data Statistics:

Grapefruit, Fresh South Africa	2011/2012	2012/2013	2013/2014
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	Market Year Begin: Mar 2012		Market Year Begin: Mar 2013		Market Year Begin: Mar 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	9,900	9,900	9,900	9,900		9,900
Area Harvested	8,600	8,600	9,000	9,000		9,000
Bearing Trees	8,600	8,600	9,000	9,000		9,000
Non-Bearing Trees	1,000	1,000	900	900		900
Total No. Of Trees	9,600	9,600	9,900	9,900		9,900
Production	390	300	410	410		375
Imports	0	0	0	0		0
Total Supply	390	300	410	410		375
Exports	180	180	225	242		215
Fresh Dom. Consumption	5	5	5	5		5
For Processing	205	115	180	163		155
Total Distribution	390	300	410	410		375

HECTARES, 1000 TREES, 1000 MT

Commodities:

Oranges, Fresh

Production:

Post forecasts MY 2013/2014 oranges production (Valencia and Navel) at 1.5 million MT as a result of good weather and continued growth of exports markets such as the Middle East. Post revised down estimates for MY 2012/2013 total South African oranges production at 1.4 million MT based on industry data.

South African oranges are primarily comprised of two varieties; Valencias and the Navels. Producers prefer Valencia oranges over Navels for their growing characteristics that enable higher yields and maintain a longer shelf life than Navels.

The two leading regions for Valencia production are Limpopo and Mpumalanga (although Valencia oranges are also grown in Eastern Cape and Western Cape on a smaller scale). Close to half of Valencias are grown in Limpopo, which is characterized by warm to hot climatic conditions needed for Valencia production. The main cultivars for Valencias are Delta and Midnight, and the harvest season extends from July to September.

The three leading regions for Navel production are Eastern Cape, Western Cape, and Limpopo. Unlike Valencia oranges, Navels require cool growing conditions as can be found in the provinces above. The main cultivar for Navels is Palmer, and the harvest season extends from June to July.

Consumption:

Post estimates 2013/2014 fresh local orange consumption to remain flat at 140,000 MT on static consumer demand. Fresh oranges are still popular in South Africa and are widely consumed.

Trade:

Imports

Post estimates for 2012/2013 imports is revised down at 400 MT based trade data. These limited imports come in the country around the months of November and December to close supply gaps and satisfy year long demand.

Table 6. South Africa: Orange Import Statistics

South Africa Import Statistics				
Commodity: 080510, Oranges, Fresh Or Dried				
Year ending: December				
Partner country	Unit	Quantity		
		2011	2012	2013*
Israel	MT	106	92	174
Spain	MT	152	273	127
Netherlands	MT	0	12	17
Grand total	MT	808	378	319

*Imports for 2013 are from January to October

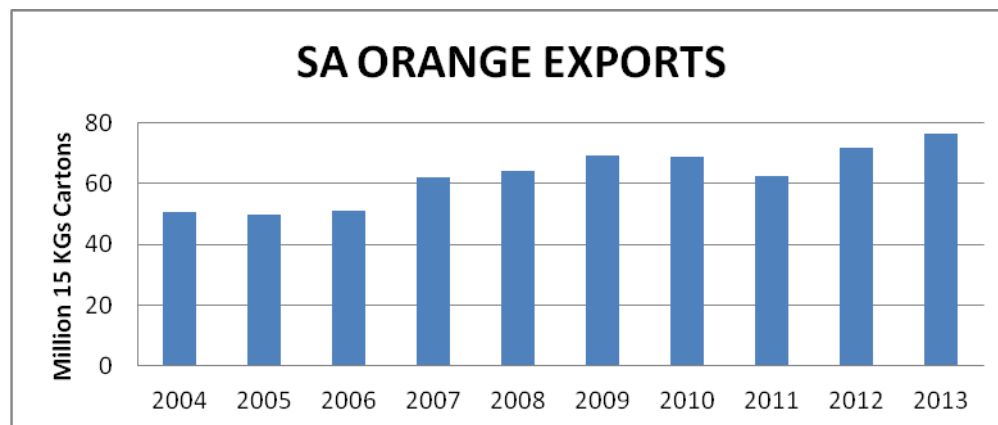
Source: GTA

(Note: In the PSD tables, quantities below 1,000 MT will be displayed as zero.)

Exports

Post forecasts exports for MY 2013/2014 at 1.2 million MT based on strong demand, favorable market conditions, and a weak Rand. Exports to the EU are in danger after some shipments were found to have CBS disease in 2013. Since the issue is still under discussion and exports have not been halted for the 2014 shipping season, our numbers do not reflect a closure of the market.

Post kept its estimates for MY 2012/2013 orange exports at 1.1 million MT based on a good crop and a relatively weaker Rand. Although the Netherlands has been SA’s traditional market, industry reports show that citrus shipments are increasing to new markets like the Middle East and Russia. These markets are recovering from the global recession, while sluggish demand persists in Europe, the UK, and Japan. Another reason is that Egypt has increased production over the years, and it is exporting good quality oranges to the European market. Egypt has a freight advantage in the European market over South African producers. Below is a graph showing the growth of SA orange exports since 2004.



Source: CGA

Note: This graph includes Valencia and Navel oranges

Table 7. South Africa: Orange Export Statistics

South Africa Exports Statistics				
Commodity : 080510, Oranges, Fresh Or Dried				
Year ending: December				
Partner country	Unit	Quantity		
		2011	2012	2013*
Netherlands	MT	175,039	201,185	222,217
Russia	MT	122,986	120,051	133,097
United Arab Emirates	MT	78,659	93,912	107,264
Saudi Arabia	MT	89,456	101,266	92,882
United Kingdom	MT	66,868	65,985	77,203
Portugal	MT	29,566	42,821	41,134
United States	MT	36,897	37,736	40,576
Grand total		984,243	1,097,299	1,157,943

*Exports for 2013 are from January to October

Source: GTA

Production, Supply and Demand Data Statistics:

Oranges, Fresh South Africa	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Feb 2012		Market Year Begin: Feb 2013		Market Year Begin: Feb 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	41,400		42,000	42,000		42,000
Area Harvested	39,500		39,500	39,500		39,500
Bearing Trees	39,500		39,500	39,500		39,500
Non-Bearing Trees	2,800		2,800	2,800		2,800
Total No. Of Trees	42,300	0	42,300	42,300		42,300
Production	1,450		1,500	1,400		1,500
Imports	0		0	0		0
Total Supply	1,450	0	1,500	1,400		1,500
Exports	1,065		1,100	1,100		1,200
Fresh Dom. Consumption	140		140	140		140
For Processing	245		260	160		160
Total Distribution	1,450	0	1,500	1,400		1,500

HECTARES, 1000 TREES, 1000 MT

Commodities:

Orange Juice

Production:

Post forecasts 2013/2014 deliveries of domestic oranges for processing to be at 160,000 MT, the same as the previous year. Post revised down its estimates of 2012/2013 oranges destined for processing to 160,000 MT as a result of a lower domestic orange production. Producers in SA divert their fresh orange production for the export market, instead of the processing sector, because producers receive a higher premium for fresh fruit in export markets. It is also expected that growth in total fruit/vegetable

juice volume sales over the next few years is expected to be slightly slower than that recorded last five year. This will be mainly due to increasing maturity.

Industry statistics for orange juice (200911, 200912, and 200919) are largely unavailable in SA given the highly competitive nature of the industry. The production, supply, and distribution data are comprised of information extracted from various sources and represent Post’s best effort to estimate statistics for frozen orange juice concentrate.

Consumption:

Post estimates 2013/2014 domestic consumption for orange juice to stay at 7,400 MT, as consumers switch to lower-cost beverages due to budgetary pressures. Lingering price sensitivity among South Africans in the wake of the recent downturn and inflation pressures restrict growth in fruit/vegetable juice consumption. The negative impact of the effects of the crisis had on juice consumption was compounded as rising raw material costs and inflationary pressures continued to push unit prices upwards.

Trade:

Imports

Post estimates 2013/2014 SA imports of frozen juice concentrate at 1,500 MT, higher than the previous year, to compensate for the lower expected deliveries of domestic oranges to processors.

Exports

Post forecasts exports of frozen orange juice for 2013/2014 at 14,000 MT, the same level as the previous year, as a result of lower carry over and fewer oranges destined for processing. Post revised its 2012/2013 export estimates of frozen orange juice concentrate at a lower level as 2011/2012 at 14,000 MT. The main export markets for SA orange juice are Netherlands, and other African markets like Zimbabwe; Mozambique, and Angola.

Production, Supply and Demand Data Statistics:

Orange Juice South Africa	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Apr 2012		Market Year Begin: Apr 2013		Market Year Begin: Apr 2014	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Deliv. To Processors	245,000	245,000	260,000	160,000		
Beginning Stocks	1,898	1,898	1,848	1,848		1,448
Production	23,850	23,850	25,000	20,000		20,000
Imports	1,500	1,500	1,000	1,000		1,500
Total Supply	27,248	27,248	27,848	22,848		22,948
Exports	18,000	18,000	18,000	14,000		14,000
Domestic Consumption	7,400	7,400	7,400	7,400		7,400
Ending Stocks	1,848	1,848	2,448	1,448		1,548
Total Distribution	27,248	27,248	27,848	22,848		22,948

MT

Commodities:

Tangerines/Mandarins, Fresh

Production:

Post forecasts production for MY 2013/2014 of soft citrus production at 160,000 MT on relatively good weather in major producing areas. Post estimates for MY 2012/2013 soft citrus production was kept at 160,000 MT on good weather conditions in the Eastern Cape and younger orchards that started to mature.

Soft citrus grows best in the cool climatic conditions of the Eastern Cape and Western Cape regions. The SA soft citrus varieties are Clementines, Mandarins, Naartjie, and Satsuma, with Mandarins being the most popular cultivars. Post estimates planted area for soft citrus in 2012/2013 at 5,300 ha on growing consumer demand overseas.

Consumption:

Post estimates local consumption of soft citrus at 10,000 MT in 2013/2014, as domestic demand remains flat. The small size of soft citrus along with its easy-peeling nature and seedless characteristics make soft citrus a desirable snack for all consumers.

Trade:**Imports**

Post forecasts soft citrus imports at 900 MT for the MY 2013/2014 to provide year-round supplies. For MY 2012/2013, post also estimates soft citrus imports at 900 MT. South African production can meet most of its domestic demand.

Table 10. South Africa: Soft Citrus Import Statistics

South Africa Import Statistics				
Commodity: 080520, Mandarins (Tang & Sats) Clementines & Wil- Kings & Sim Citrus Hybrids, Fresh/Dried				
Year Ending: December				
Partner country	Unit	Quantity		
		2011	2012	2013*
Israel	MT	574	547	594
Spain	MT	272	352	298
Grand Total	MT	846	899	897

*Imports for 2013 are from January to October

Source: GTA

(Note: In the PSD tables, quantities below 1,000 MT will be displayed as zero.)

Exports

Post forecasts soft citrus exports for MY 2013/2014 at 130,000 MT based on growing market opportunities in the Middle East and a favorable exchange rate. Post estimates for MY 2012/2013 soft citrus exports are revised up at 133,000 MT, higher than the previous year as a result of final trade data. The United Kingdom remains the leading importer of soft citrus from South Africa, but exporters are focusing on the Middle East and Russia as growing markets for South African soft citrus.

EU member states impose a 1.6 percent preferential tariff for South Africa for all naartjies originating from South Africa. Russia imposes a five percent or \$41.93 /ton (whichever is the greater) general tariff Most Favored Nation (MFN), while Canada, Hong Kong, the UAE, and Saudi Arabia impose a zero percent MFN duty. South African naartjies enter the U.S. duty-free as a result of AGOA preferences.

Table 11. South Africa: Soft Citrus Export Statistics

South Africa Exports Statistics				
Commodity: 080520, Mandarins (Tang & Sats) Clementines & Wil- Kings & Sim Citrus Hybrids, Fresh/Dried				
Year Ending: December				
Partner	Unit	Quantity		
		2011	2012	2013*
United Kingdom	MT	40,801	48,180	50,126
Netherlands	MT	17,878	24,003	30,219
Russia	MT	12,613	12,098	12,499
Canada	MT	5,181	5,990	6,955
United Arab Emirates	MT	5,549	4,921	6,093
Grand Total	MT	107,945	122,058	132,554

*Exports for 2013 are from January to October

Source: GTA

Production, Supply and Demand Data Statistics:

Tangerines/Mandarins, Fresh South Africa	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Nov 2011		Market Year Begin: Nov 2012		Market Year Begin: Nov 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post
Area Planted	5,300	5,300	5,300	5,300		5,400
Area Harvested	4,800	4,800	4,800	4,800		5,000
Bearing Trees	4,800	4,800	4,800	4,800		5,000
Non-Bearing Trees	800	800	800	800		800
Total No. Of Trees	5,600	5,600	5,600	5,600		5,800
Production	155	150	160	160		160
Imports	0	0	0	0		0
Total Supply	155	150	160	160		160
Exports	115	115	120	126		130
Fresh Dom. Consumption	10	10	10	10		10
For Processing	30	25	30	24		20
Total Distribution	155	150	160	160		160

HECTARES, 1000 TREES, 1000 MT

Commodities:

Lemons, Fresh

Production:

Post forecasts production at 265,000 MT for the MY 2013/2014 as a result good weather conditions in the major production region. In addition, returns for producers continue to be attractive, which is creating an incentive to produce more. Planting area is estimated to be 5,000 ha. SA is currently the 6th largest producer of lemons, with a global production share of about 5 %.

Post lowered its final estimate for 2012/2013 lemon production to 245,000 MT as a result of damages from hailstorms in the Western Cape Province. Post estimates planted area for lemons in 2012/2013 at 4,900 ha.

Consumption:

Post forecasts 2013/2014 domestic consumption of lemons at 12,000 MT on stable demand. Lemons are used as flavorings for grilled or fried poultry and fish dishes. Lemon juice can also be used in the drink, cleaning and pharmaceutical industries. In the food industry, lemon juice is used as a flavor agent, in cakes, tarts, biscuits, candies, ice creams and salad dressing sauces. In the drink industry, it is used to make lemonade, smoothies, juices and liquors. In the cleaning industry, lemon juice has been used as a degreaser and disinfectant, due to its high concentration of citric acid, which can inhibit the proliferation of some molds and bacteria.

Trade:**Imports**

Post forecasts 2013/2014 import of fresh lemons to be marginal as a result of sufficient domestic production to supply the domestic market and relatively low domestic consumption. Post forecasts imports to be at 100 MT to ensure all year round fresh lemon supplies.

Post estimates for 2012/2013 imports of fresh lemons are slightly higher at 150 MT as a result of SA's lower crop compared to last year.

Table 13. South Africa: Lemon Import Statistics

South Africa Import Statistics				
Commodity: 080550, Lemons (Citrus Limon/Limonum) & Limes (Citrus Aurantifolia/Latifolia), Fr/Dried				
Year ending: December				
Partner	Unit	Quantity		
		2011	2012	2013*
Brazil	MT	0	1	60

Spain	MT	0	47	44
El Salvador	MT	79	46	35
Zimbabwe	MT	154	0	0
Grand Total	MT	235	94	139

*Imports for 2013 are from January to October

Source: GTA

(Note: In the PSD tables, quantities below 1,000 MT will be displayed as zero.)

Exports

Post forecasts exports for the MY 2013/2014 at 170,000 MT as result of a favorable exchange rate and the assumption that the EU market will continue to be open for SA. It is expected that demand in Middle Eastern countries and Russia will continue to be strong.

Post estimates MY 2012/2013 lemon exports are revised slightly higher at 175,000 MT as a result of increasing shipments to markets in the Middle East and Russia and final South African trade data. The Middle East continues to be a major importer of SA lemons. In addition, markets like Canada provided new opportunities to SA exporters. Exports to the Canadian market jumped from 2,620 MT in 2012 to 6,654 MT in 2013.

Table 14. South Africa: Lemon Export Statistics

South Africa Exports Statistics				
Commodity: 080550, Lemons (Citrus Limon/Limonum) & Limes (Citrus Aurantifolia/Latifolia), Fr/Dried				
Year Ending: December				
Partner country	Unit	Quantity		
		2011	2012	2013*
United Arab Emirates	MT	25,009	33,825	35,191
Russia	MT	27,186	19,171	29,301
Saudi Arabia	MT	20,652	18,828	20,987
Netherlands	MT	19,193	19,674	15,947
United Kingdom	MT	14,316	16,221	10,268
Hong Kong	MT	10,431	11,086	9,787
Grand Total	MT	165,223	165,827	174,983

*Exports for 2013 are from January to October

Source: GTA

Production, Supply and Demand Data Statistics:

Lemons/Limes, Fresh South Africa	2011/2012		2012/2013		2013/2014	
	Market Year Begin: Jan 2011		Market Year Begin: Jan 2012		Market Year Begin: Jan 2013	
	USDA Official	New Post	USDA Official	New Post	USDA Official	New Post

Area Planted	4,900	4,900	4,900	4,900		5,000
Area Harvested	4,200	4,200	4,200	4,200		4,300
Bearing Trees	4,200	4,200	4,200	4,200		4,300
Non-Bearing Trees	600	600	600	600		700
Total No. Of Trees	4,800	4,800	4,800	4,800		5,000
Production	260	260	260	245		265
Imports	0	0	0	0		0
Total Supply	260	260	260	245		265
Exports	160	165	160	175		170
Fresh Dom. Consumption	11	11	11	11		12
For Processing	89	84	89	59		83
Total Distribution	260	260	260	245		265
HECTARES, 1000 TREES, 1000 MT						

Policy Issues:

Possible trade disruption to the European Union

Citrus exports to the EU were banned for most SA citrus fruits on November 28, 2013 for the rest the 2013 shipping season. The measure was taken by the EU Commission over fears with the fungal black spot disease, which is not currently found in Europe. The ban did not affect exports to the EU in 2013 as the measure was imposed after the shipping season ended, which usually happens in October; however, the ban could be extended into next year if need be. The EU Commission has not made a decision about the 2014 season yet.

United States cold-steri protocol

After technical discussions on November 25, 2013 between the Animal Plant Health Inspection Service (APHIS) and SA's Department of Agriculture, Forestry, and Fisheries (DAFF), APHIS granted a pilot program to reduce the cold treatment schedule to 22 days as a mitigation method to reduce False Codling Moth. If the one year pilot program is successful, the new 22 days schedule will stay in place for future shipping seasons from SA to the United States. All SA exports under the pilot program will be destined to the ports of Newark and Philadelphia; however, if the program is successful, SA will also have access to Houston and New Orleans in 2015 and beyond. The change in the cold treatment schedule is critical for the SA industry as local officials maintained that the former provision of 24 days resulted in losses between six and 15 percent of a shipment due to cold damage.

Labor strikes

In early 2013, South Africa experienced several labor strikes in various economic sectors demanding higher wages. The situation did not affect the citrus industry, since the strikes began after the MY 2012/2013 packing season. The strikes resulted in an increase of the minimum wage to R155/day. The new minimum wage policy will have an effect in producers' revenues, but FAS/Pretoria does not foresee an impact in production or trade in the upcoming shipping season. It has been reported as of November that new farm workers in SA's Western Cape region started to organize new strikes demanding further labor action. FAS Pretoria will continue to follow the situation.

