

Voluntary Report – Voluntary - Public Distribution

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Report Name: South African Citrus Exports Expected to Reach Record Levels Amid COVID-19

Country: South Africa - Republic of

Post: Pretoria

Report Category: Agricultural Situation, Agriculture in the News, Citrus

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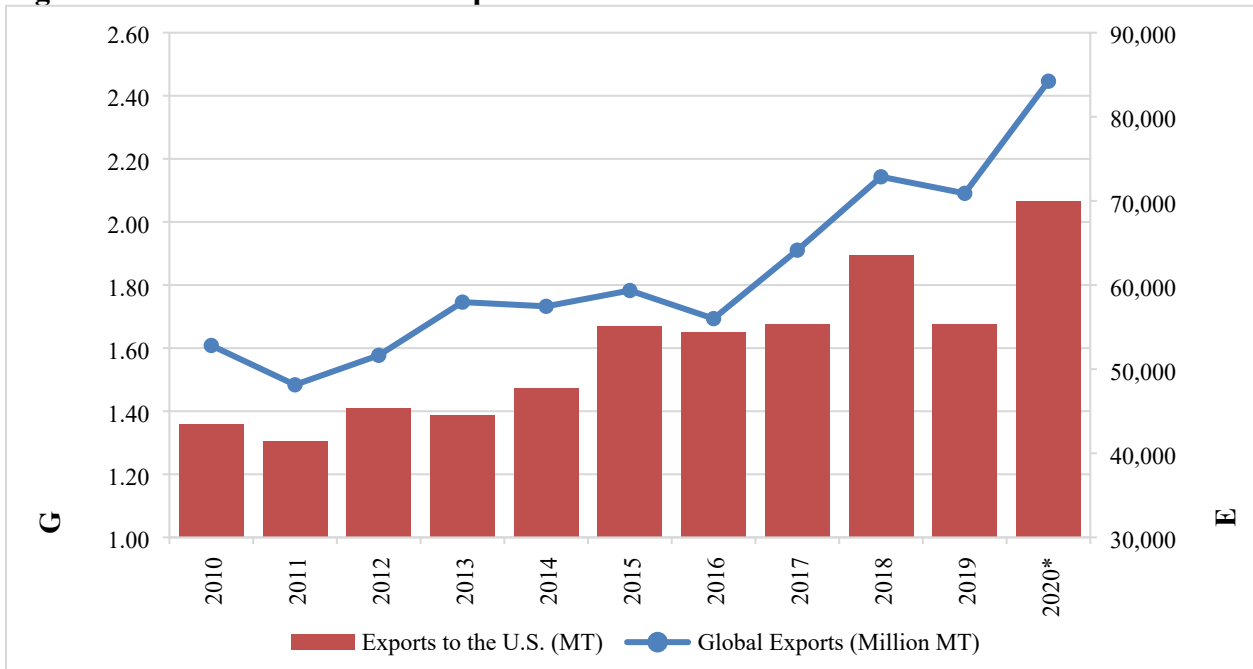
Report Highlights:

South African citrus exports, both globally and to the United States (U.S.), are expected to reach record levels in 2020. This is based on the pace of exports up to August 2020, increased production, a spike in demand for health reasons and limited logistics disruptions from COVID-19. The United States is considered a premium market and South African citrus exports to the U.S. are expected to reach record levels of above 70,000 Metric Tons (MT) in 2020, up 10 percent from the previous record of 63,544 MT in 2018. South African citrus enters the U.S. duty free under the African Growth Opportunity Act (AGOA).

Background

South African citrus exports are expected to continue growing aggressively, reaching record levels in the year 2020 despite COVID-19. While the final export data will only be finalized in December 2020, Post expects citrus exports to grow by 17 percent to reach a peak production of 2.5 million Metric Tons (MT) in the year 2020, as shown in **Figure 1**. This is based on the pace of exports up to August 2020, increased production, and a spike in global demand. Disruptions to logistics caused by COVID-19 were minimal and trade has continued uninterrupted. South African citrus exports to the United States are expected to reach record levels of above 70,000 MT in the year 2020. South African citrus enters the U.S. duty free under AGOA.

Figure 1: South African Citrus Exports



*Estimate

Source: Trade Data Monitor (TDM)

Enabling Environment for Peak Citrus Exports

South Africa's record export crop is unsurprising, given the strong growth in production over the past years. Post has previously published a GAIN report on the significant investments and aggressive new plantings of soft citrus, lemons, and new varieties of oranges in South Africa. This report (No. SF2020-0028) may be downloaded on the following website, <https://gain.fas.usda.gov/#/search>. This growth is mainly driven by the attractive investment returns and profit margins from citrus, and grower's response to a spike in global demand especially for soft citrus and lemons.

The benefits of citrus in boosting immunity and as a source for Vitamin-C during the COVID-19 pandemic has also been instrumental in the global demand spike for citrus. The breakdown of the citrus

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types exported by South Africa and year to date exports are shown in **Table 1**. South Africa exports its citrus from the end of March to August, and this period coincided with the national lockdown due to COVID-19 between March and August 2020. However, all agricultural production including citrus were considered an essential service during the national lockdown and remained operational. While there were initial challenges at some of the ports in Cape Town and Durban, such as congestion, shortage of containers, and closures of ports for limited periods due to COVID-19 cases, the citrus industry was able to work around these challenges. The citrus industry established a COVID-19 Response Committee, and the joint efforts from government, port authorities, and shipping companies were critical in ensuring that South Africa could reach the peak export volumes. The Animal and Plant Health Inspection Service was able to operate their pre-clearance program for South African citrus bound for the United States with minimal disruptions.

Table 1: South Africa Citrus Exports to the World in Metric Tons

Description	2016	2017	2018	2019	01/2019 - 08/2019	01/2020 - 08/2020	% Change
Oranges	1,064,089	1,170,813	1,278,935	1,186,426	782,702	895,170	14%
Lemons & Limes	237,131	299,323	315,197	350,245	316,918	418,447	32%
Grapefruit	202,527	230,635	288,155	258,423	248,391	232,496	-6%
Soft Citrus*	189,730	209,754	260,850	295,606	251,947	327,081	30%
All	1,693,477	1,910,525	2,143,137	2,090,701	1,599,958	1,873,194	17%

* Includes Mandarins (Including Tangerines And Satsumas); Clementines, and Wilkings.

Source: TDM

All time High Citrus Exports to the United States

South African citrus exports to the United States, which are counter seasonal, are expected to reach record levels of above 70,000 MT in the year 2020, based on the pace of exports up to August 2020 as shown in **Table 2**, and the spike in demand for citrus in the United States. Exports are 57 percent higher than there were at the same time last year. While South African citrus exports to the U.S. only account for about 3 percent of the total citrus exports, the U.S. is considered a premium market and is considerably important to the Western Cape and some parts of the Northern Cape citrus growing areas. Despite the low market share of exports, South African citrus imports account for 4 percent of total U.S. citrus imports and is the fifth supplier of citrus to the U.S as shown in **Figure 2**. The low market share of 3 percent is mainly due to South Africa only being permitted to export citrus to the U.S. from official Citrus Black Sport (CBS) free areas, and high export volumes to traditional markets such as Europe, Middle East and recently Asia.

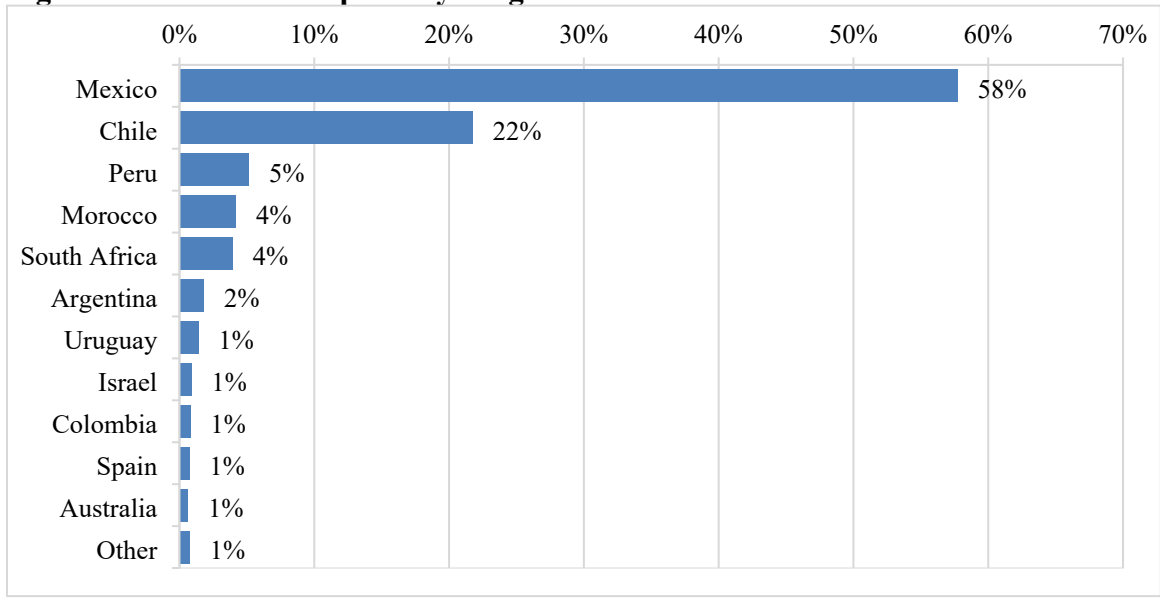
Table 2: South Africa Citrus Exports to the U.S. in Metric Tons

Description	2016	2017	2018	2019	01/2019 - 08/2019	01/2020 - 08/2020	% Change
Oranges	40,416	39,838	45,120	30,990	24,622	39,499	60%
Soft Citrus*	10,287	11,180	13,695	18,690	15,237	25,586	68%
Grapefruit	3,737	4,293	4,729	5,347	4,285	4,418	3%
Lemons & Limes	0	0	0	320	320	513	60%
All	54,440	55,311	63,544	55,346	44,464	70,017	57%

* Includes Mandarins (Including Tangerines and Satsumas); Clementines, and Wilkings.

Source: TDM

Figure 2: U.S. Citrus Imports by Origin



Source: TDM

Attachments:

No Attachments.