

Eight-fold boost for SA citrus exports to USA

Through the African Growth and Opportunities Act (AGOA), the South African citrus industry managed an eight-fold increase of citrus exports, particularly oranges, to the USA since 2001.

This was according to a recent research report by Trade & Industrial Policy Strategies (TIPS), a non-profit economic research institution, commissioned by the Department of Trade and Industry.

TIPS recommended that SA should engage the USA to seek permanent or at least a minimum extension of 10 years of the

AGOA framework, which expires in 2015, to encourage long-term agricultural investments.

AGOA was passed in the USA in 2000 as part of the Trade and Development Act. It provided duty-free access to the US market for almost all products exported from about 38 sub-Saharan African (SSA) countries, including South Africa. The legislation was aimed at promoting free-market systems, so as to expand US-African trade and investment.

In 2011, the USA imported US\$33,33 million (R330 million) worth

of fresh or dried oranges from SA, an eight-fold increase from 2001 figures. Oranges accounted for 91% of South Africa's total citrus exports to the USA in 2011.

South Africa has been the largest supplier of fresh oranges to the USA for the past decade.

Justin Chadwick, SA Citrus Growers Association (CGA) CEO, said exporting duty-free to the USA gave the SA industry an advantage.

Chadwick said South Africa exported about 3 million cartons of 15kg each to the USA every year.

"This is only fruit from the Western Cape

and Northern Cape," said Chadwick.

He said the USA only imported fruit from areas free of citrus black spot.

According to the Department of Agriculture, Forestry and Fisheries (DAFF), under AGOA, SA agricultural exports to the USA increased from US\$21,5 million (R215 million) in 2001 to US\$138 million (R1,38 billion) in 2008.

The report said that despite AGOA's success in boosting orange exports to the USA, South Africa had not fully exploited the legislation across a range of fresh and

dried agricultural products, including fruit mixtures, pears, quinces, avocados and grapefruit.

This was due to a combination of economic, technical and political challenges, such as high production costs, extra costs associated with the sanitary and phytosanitary measures imposed by the USA, and perceptions about the complexity of the US market.

South Africa is not exporting avocados to the US yet, due to phytosanitary requirements.

— Peter Mashala