

Briefing Document

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TO:

PARLIAMENTARY PORTFOLIO COMMITTEE

FROM:

DIRECTOR-GENERAL

SUBJECT:

BRIEFING ON THE STATUS OF THE CITRUS BLACK SPOT ISSUE ON SOUTH AFRICAN CITRUS EXPORTED TO THE EUROPEAN

UNION

CLASSIFICATION: CONFIDENTIAL

1. **PURPOSE**

To brief the Portfolio Committee on Agriculture, Forestry & Fisheries on the current status of Citrus Black Spot in South Africa

BACKGROUND ON CITRUS BLACK SPOT (CBS)

- 2.1 Citrus Black Spot (CBS) is a progressive fungal disease that occurs in most South African Citrus producing areas, with the Western Cape, Northern Cape and Free State being free of CBS. On fruit, symptoms manifest as superficial blemishes and tend to develop over time during storage. Visual detection is difficult.
- 2.2 Although this is a cosmetic defect and the fruit is suitable and safe for consumption, the causative organism is a quarantine pest for some trading partners, including the European Union (EU).
- The South African Citrus Industry plays an important role in job maintenance 2.3 and job creation (employing around 100 000 workers) in the relevant value chain in SA. South Africa is the second largest Citrus exporter in the world with between 45% to 50% of its export volumes going to the EU.

THE SOUTH AFRICAN CBS RISK MANAGEMENT SYSTEM 3.

An intensified CBS-risk management system (RMS) has been designed through the collaboration of various stakeholders and implemented in 2013 by DAFF and the Perishable Products Export Control Board (PPECB). This includes consideration of the risk profiles of the various citrus commodities, the different growing regions in SA, the various pack houses around the country, and value chain practices, summarised as follows:

- 3.1.1 The CBS RMS identifies sources of fruit that may constitute a risk and advances appropriate management options. It aims to place an appropriate burden of responsibility on producers as well as exporters, complementing quality inspections by the PPECB as well as the inspections and certification by DAFF Directorate Inspection Services (DIS).
- 3.1.2 In terms of the CBS RMS, phytosanitary registration and approval of production units (PUs) and pack houses (PHs) with DAFF is mandatory, with a producer-undertaking that CBS shall not be present in orchards where fruit intended for export to the EU is harvested. The DPH manages and maintains the phytosanitary registration system for PUCs and PHCs as well as an "Alert list" and a "Black list". Details of disqualified production units are sent daily to DAFF DIS, PPECB, and appropriate Industry representatives.
- 3.1.3 Citrus fruit exported to the EU is certified only after mandatory orchard inspections by DAFF DIS and inspections by PPECB at the pack house. The DIS also conducts phytosanitary inspections at ports of exit, as specified. For production units outside the pest free areas (PFAs) for CBS, DIS conducts orchard inspections at any time prior to harvest. Should CBS be detected, the producer shall stop supplying/ packing citrus fruit from the relevant orchard or citrus type (i.e. Grapefruit; Lemons and Limes; Easy-peelers/ Soft citrus; Navels; Other Oranges, and Kumquats) or PU, as relevant. Disqualified PUs (4 "hits" in an export season) must apply for re-instatement. This has been reduced to 3 for the 2014 season and may be further reduced.
- 3.1.4 Pack houses undertake to make every effort to exclude CBS infected fruit to be exported to the EU; DAFF DIS audits the systems in place in pack houses and profiles pack houses according to the level of risk. The PPECB must officially inform the pack house(s) and DAFF of an interception within 12 hours. From the date of interception, the orchard, PUC/ citrus type involved is excluded from the EU export programme according to a risk-based system of "hits" agreed with industry. Disqualification is effective for the remainder of a season or until the PUC and citrus type is re-instated, according to an agreed procedure; should a second interception occur, the PUC/citrus type is excluded for the rest of a season. All interceptions will be communicated within 9 working hours to DAFF DPH, where the registered PUC list is updated on a daily basis. For all official notifications of interceptions by the EU, the

PUC(s) affected in the rejected consignments(s) are immediately suspended from further exports to the EU pending a full investigation.

4. THE EUROPEAN UNION'S LEGISLATION IN RESPECT OF CBS

- 4.1 The current EU phytosanitary regulations for CBS (as embodied in Council Directive 2000/29/EC) apply to all EU member states whilst only a few member states actually produce citrus. Thus, the regulated area far exceeds the size of the potentially endangered area (those EU member states that produce citrus).
- 4.2 South Africa considers the current EU phytosanitary legislation in respect of CBS for imported Citrus fruit as scientifically unfounded and excessively trade restrictive. This view has been communicated to the EU over an 18 year period through technical engagements.
- 4.3 The relevant EU import control measures were strengthened in 2012 when the EC announced an intention to institute a five-interception cut-off point for CBS in fruit from SA during the 2013 season. It indicated it would consider instituting procedures to ban further imports once that threshold was reached. Such measures could have dire consequences for the South African Citrus Industry and the jobs it sustains along the entire value chain.
- 4.4 Given the occurrence of the fungus in some citrus-producing areas in SA and the progressive nature of the disease, it is to be expected that blemished fruit may be intercepted during trade in these products. In 2011, 33 CBS interceptions were recorded; this decreased to 29 in 2012. To date in 2013, 21 CBS interception notifications have been received from the EU. Historically, interceptions increase toward the season's end.

5. SA-EU DISPUTE ON THE EU CBS-MEASURE

5.1 Given the South African position that the EU measures are overly restrictive and SA's submission of a draft CBS pest risk analysis in May 2000, SA (in 2010) engaged the technical dispute settlement mechanism available under the International Plant Protection Convention (IPPC). Because of capacity constraints in the IPPC Secretariat, the matter was not addressed until October 2012. The IPPC process resulted in a facilitated bilateral discussion in February 2013.

- 5.2 The facilitated bilateral discussion did not resolve the excessively restrictive regulations or the five-interception threshold. However, the EU undertook to:
 - Provide all relevant information to SA following each interception and allow SA to communicate the corrective actions taken,
 - Consult SA before the EC considered initiating procedures to introduce an import ban on South African Citrus, and
 - Open the EU CBS Pest Risk Assessment (PRA) for international scrutiny.
- 5.3 In March 2013, a technical delegation from DAFF met with officials of the EU Directorate General of Health & Consumers Commission (DG SANCO) to further engage on the five interception threshold and again present the current South African CBS risk management system.
- 5.4 The EC upheld its position but allowed SA to declare if the pest status of any farm changed while Citrus fruit are en route to the EU. Such a declaration would not serve as an interception but if EU inspectors found CBS, the consignment would not be allowed entry and SA would be notified accordingly.
- 5.5 Furthermore, the EC committed to the finalisation of the European Food Safety Authority (EFSA) CBS Pest Risk Analysis and its consultation with the international community.
- 5.6 South Africa (DAFF) subsequently lodged a formal trade concern during a meeting of the World Trade Organisation Committee on the Application of Sanitary and Phytosanitary Measures (WTO SPS Committee) in Geneva, Switzerland (June 2013).

6. CBS interceptions/ incidences of EU bound Citrus consignments

After the sixth CBS interception, the DAFF Counsellor-Agriculture at the South African Embassy to Belgium and Luxemburg and Mission to the EU in Brussels, Belgium, was called to an emergency meeting with DG SANCO Director Safety of the Food Chain (4 September 2013). Subsequently, an urgent discussion with a DAFF technical team took place in Brussels on 13 September 2013, by which time a further two notifications had been sent. Subsequently, the EU has informed SA that there should be no further interceptions of CBS in the EU after 03 October 2013. To date, 21

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interceptions have been received, one dated 3 October and one dated 7 October 2013.

6.2 In addition, DAFF sent fourteen (14) notifications to the EU regarding 11 farms (Production Units) of which the CBS-health status had changed whilst a consignment was en route to the EU. This fruit was diverted to markets which are not sensitive for CBS. The EC has reminded DAFF that it expects this to be done only in exceptional circumstances and that these 11 farms could be regarded as having been intercepted for CBS.

7. Additional CBS risk management measures for EU-bound Citrus

- 7.1 Industry has scheduled its shipments to arrive in the EU prior to the October 16 seasonal tariff increase. For the remaining few days of Citrus exports to the EU, the EU may carry out more intensive inspections on fruit from SA and SA is expected to significantly reinforce its CBS-risk management in order to achieve a drastic reduction in risk and interceptions of phytosanitary non-compliance in the EU.
- 7.2 After consideration of what would be both effective and feasible at this late stage of the export season, additional risk management steps were communicated to the EC (on 18/09/2013), as follows:
 - 1. All fruit packed for the EU since 16/09/2013 was subject to intensified inspection, including increased pre-sorting inspections at packing houses;
 - 2. Packing of all Oranges as the most CBS-susceptible variety, evidenced by EU interceptions to date was terminated from 18/09/2013, except fruit originating in production units in the official CBS Pest Free Areas (PFAs), i.e. those PFAs already accepted by the EU: Western Cape, Hartswater and Warrenton, and those officially accepted by South Africa (SA) and proposed to but not yet accepted by the EU;
 - All fruit packed for the EU from 16/09/2013 to 18/09/2013 was only from a provided list of low-risk production units.
- 7.3 The volumes of fruit in transit and still to be exported (Oranges) were also provided to the EC, namely as estimated on 26/09/2013, 3.9 million cartons (48 750 pallets), excluding potential further exports from South Africa's official CBS pest free areas.

8. NEXT STEPS REGARDING CBS

8.1 The EU continues to inspect Citrus fruit from SA and, therefore, it is possible

for SA to incur further CBS interceptions in 2013. The SA Citrus Industry has

been requested to withdraw any risky production units in order to further

increase compliance with the EU requirements.

8.2 Now that SA has incurred further interceptions (so far one on and one after 3

October 2013), it is anticipated that the EU will indicate what additional steps

or measures it intends to take (i.e. further restrict or ban further imports). This

is likely to be communicated to SA after the next scheduled meeting of the EC

Standing Committee on Plant Health on 24-25 October 2013, if not sooner.

8.3 Mindful that the outcomes of the EU (EFSA) PRA on CBS may not necessarily

bring relief, ensure that the South African CBS Risk Management System is

further strengthened in anticipation of Directive 2000/29/EC still being in place

for the 2014 season.

8.4 South Africa must continue pursuing the need for the EU to ensure

scientifically justified and least trade restrictive import measures for CBS.

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SUBJECT:	BRIEFING ON THE STATUS OF THE CITRUS BLACK SPOT ISSUE ON SOUTH AFRICAN CITRUS EXPORTED TO THE EUROPEAN UNION AS AT 20 SEPTEMBER 2013

DECISION TAKEN:	
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Date:	