

SA under US' radar for dumping lemon juice

By [Ursula Human](#)

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The South African (SA) lemon juice industry recently received complaints from its United States (US) counterpart, accusing SA of dumping lemon juice at lower prices. According to a radio interview on SAFM that was published on Money Web, the local lemon juice industry is now at risk of paying anti-dumping tariffs if investigations, which are being conducted in the US, show that SA is dumping cheaper lemon juice that unfairly benefits from higher profit margins compared to their US counterparts.



Source: [123RF](#)

One of the companies being investigated for dumping lemon juice is Venco Food Processors. In the SAFM radio interview, Hannes de Waal, chairperson of Venco Food Processors, said the investigation came as a surprise. The company that filed a petition at the end of December is Ventura Coastal LLC.

"We received notice early in January and the team said the process (had) formally started just before the end of December," he said. "We are still investigating what was alleged at this time, and the process that we are involved in with the American trade authorities is to co-operate. The information that they've requested to date has been extremely basic, so we are still learning where it's going to end."

Local lemon juice market still developing

De Waal explained that the lemon juice market for export is about \$130 million in total for all countries that export to the US. Argentina, Mexico, Italy, Brazil and Spain are the major competitors for SA. The lemon juice market, said De Waal, is one that is still developing for SA. Lemons are prohibited from being exported to the US due to crop residues of products used to contain the fungal disease, black spot, which gives SA access to exporting lemons to the European Union. Although the lemon juice export market in the US is an attractive market, it still makes up a small section of SA's lemon export market.

According to De Waal, they will lobby the industry to contest the complaint, since the local lemon industry is expanding rapidly, and access is needed to all market channels which SA can export to globally. De Waal said, "It seems to us that the cost at which we've been able to sell was substantially lower than the US cost. However, those are the same prices that we use to sell all over the world. We sell a lot of juice in Europe at those prices, and we also sell quite a bit of juice today in SA at those prices. If we look at the tariff that is being quoted, 128%, that means they want us to sell at double-plus.

"We're not selling at lower than our cost of production because that would be plain stupidity. We don't have that kind of money and, as you can imagine, shipping a container of lemon juice concentrate to the US is extremely expensive. If you look at the shipping challenges, why ship something we're not going to make pay? That would be silly," said De Waal.

To find out more, listen to the radio interview [here](#).

ABOUT THE AUTHOR

Ursula Human is author at AgriOrbit.

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