Citrus Growers Association

Annual Report 2008

Citrus Growers Association of Southern Africa

Citrus Growers Association of Southern Africa
Reg. No. 2000/010147/08

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Mission Statement

The Citrus Growers Association will maximise the long-term profitability of its members by:

- providing the industry with access to global markets
- optimising cost effective production of quality fruit
- continual commitment to research, development and communication withall stakeholders
- caring for the environment and the community within which we operate.

Key Objectives

- Gain and retain market access
- Set standards for fruit and quality
- Fund and control research and development
- Drive industry transformation
- Represent the growers
- Communicate effectively
- Optimise the structure of the CGA

Contents

Thanks to Ochre Works for some of the citrus photographs.

The Citrus Growers Association of Southern Africa (CGA) has in the past year remained committed to the mandate given by its members to:

- Ensure that our industry has retained a *competitive edge in the global marketplace.*
- Support the endeavours of our members to *operate profitably* in a highly demanding and challenging environment.
- Enable the South African Citrus producers to *stand proudly* when evaluated against the socio-economical and socio-political challenges posed by our unique and diverse regions and communities.

Dr Hoppie Nel
Chairman/Voorsitter

The extent to which the CGA has succeeded in the goals set by its shareholders is most apparent in the record volume of export cartons – more than 90 million – which last year arrived safely and soundly in the hands of our highly appreciated and appreciative receivers and service providers on global shores.

Our membership has entrusted us with almost R28 million to attend to their instructions and requirements.

For the 2007/08 financial year the key areas of expenditure were:

- Market Access programmes - 10%
- Research and Development - 63%
- Transformation, Extension and Training-17%

The achievements for 2007/08 for the various operational divisions, committees and subsidiaries of the CGA are reported on in detail elsewhere in this annual report.

It is my pleasure to highlight the following activities:

Research, Extension and Technical Development

The staff of Citrus Research International (CRI), under the excellent guidance of the Chairman, Board and CEO CRI, has again walked the extra mile to develop, implement and steer research, support and extension programmes focusing on:

- Market Access issues such as False Codling Moth, Citrus Black Spot and other phytosanitory pests and diseases.
- Integrated Pest Management and good agricultural practises.
- Finding affordable solutions for combating Citrus diseases – pre- and post harvest.
- Developing techniques to enable our members to be competitive in terms of fruit quality and fruit specification parameters.
- Keeping CGA members at the forefront of rootstock and cultivar development and plant improvement.
- Supplying sufficient disease free planting materials to satisfy the growing demand for high performance planting material for our region.
- Expanding our extension capacity and appointing dedicated staff to focus on the interests of emerging growers.
- The cold chain - A new initiative commissioned in the last year was the establishment of a post harvest/cold chain forum through which all the technical aspects of packaging and the maintenance of the integrity of the cold chain are evaluated in order to develop and communicate measures to mitigate damage in the post harvest handling of our produce.

River Bioscience

The 2007/08 financial year is River Bioscience's fourth financial year under the ownership of the CGA. With its staff of twelve, River Bioscience increased its product portfolio to three fully commercialised products. In addition to Cryptogran, it acquired the global supply rights (excluding Spain) to the M3 fruit fly bait station and the Sensus fruit fly trapping system.

Registration of the second virus product, Helicovir - for bollworm control - is still pending. River Bioscience was pleased to see the establishment of Xsit as a fully operational FCM SIT company during the past financial year. River Bioscience now holds a 50% ownership in this company – PlantBio being the other shareholder. Cryptogran sales continued to grow at a significant rate to a turnover exceeding R10 million and the company is in a sound financial state. With the endorsement of the CGA, River Bioscience has implemented a dividend policy, which includes returning profits to the shareholder (CGA) and investing in the development of new products. River Bioscience's long term goal remains the generation of sufficient profits for the CGA to reduce its sole reliance on the levy for research funding.

Market Access

Apart from the many challenges to administer and steer the activities of the CGA, the CEO of the CGA has been encumbered by having to drive the "political" side of the Market Access process. In terms of this we have high appreciation for the support he has been given by the National Department of Agriculture, aided by the extremely valuable technical support of the CEO and staff of the CRI. Progress in terms of Market Access might seem slow to many stakeholders in our region, but I can assure all concerned that almost everything possible is being done to achieve our targets in terms of market access. Significant progress has been made in the reporting year on the following:

- Advancing our cause with the European authorities on CBS.
- Clementines to Japan
- USA access for more areas.
- Re-assessment of some demanding protocols for exports.

Apart from this some very important new risks for continued market access have been identified for which pro-active strategies have been put in place.

Consumer Assurance

Global focus on food safety has increased exponentially over the last few years and the CGA's Industry Affairs Manager has been almost overwhelmed with the challenges to coordinate Citrus Industry efforts in order to maintain our regions' ability to export.

Besides the almost routine changes to the statutory and official Food Safety and Quality Assurance requirements the pressure applied by demanding consumers and retailers, mainly to reduce dependency on the use of plant protection products, adds to the complexity of on-farm operations. These new commercial and regulatory requirements typically add to the cost and burden of compliance. Nevertheless - good progress has been made for example with:

- Global harmonization of MRL's and the development of a comprehensive MRL database.
- Making UK retailers aware of the complexities involved with matching higher packing standards with fewer tools.
- The SA PIP programme
- Carbendazim trials
- Food Safety Learner Guides.
- Improved relationships with the United States on Phytosanitary Issues.

Towards the end of 2007/08 the CGA's industry affairs activities have also started to focus on major future challenges such as:

- Ethical Trade
- Carbon Footprint and Food Miles

Transformasie

Die CGA se betrokkenheid by en toewyding tot transformasie is nie net beperk tot grond restitusie en – eienaarskap nie. Uiters belangrike werk word ook gedoen m.b.t.:

- Navorsing – om tegniese probleme uniek aan opkomende produsente aan te spreek.
- Voorligting – waar gefokus word op die tegniese ontwikkeling van en mentorskap vir opkomende produsente.
- Opleiding – via die Sitrus Akademie waar meer as die helfde van die tyd van personeel gewy word aan programme om "nuwe" Sitrus kundiges op te lei beide in formele en praktiese verband.

The Citrus Academy

The Citrus Academy was established as a separate Section 21 company on the 1st of April 2007. During its first year of independence, the Academy continued to render skills development services to the citrus industry through the Citrus Growers' Association.

The Citrus Academy progressed extremely well with the development of learning material and learning programmes for the citrus industry, and with the management of the Citrus Academy Bursary Fund. Forty-three students were assisted by the fund in 2007, increasing to 47 in 2008. At the end of 2007, fourteen Bursary Fund students graduated and were placed with companies in and around the citrus industry. The Citrus Industry Trust remained the major source of bursary funding.

The Citrus Academy also added skills planning to its bouquet, and is now able to provide this service to emerging farmers. The Academy also successfully implemented high-end capacity building workshops, aimed at improving the facilitation and subject-specific skills and knowledge of those involved in skills transfer.

Inligting, Kommunikasie en Netwerke

Goeie vordering is ook die afgelope jaar gemaak om die basis van besluitneming vir produsente deur die verskaffing van verbeterde inligting te bevorder. Die verskillende industrie forums onder leiding van leier produsente doen waardevolle werk om detail inligting t.o.v. geskatte produksie volumes ens. op 'n standaard te kry waar goed ingeligde bemarkings en produksie besluite geneem kan word. Die Inligtings Bestuurder van die CGA werk hard agter die skerms om die inligting vanaf vele bronne sodanig te koordineer dat 'n verstaanbare databasis vir al ons lede beskikbaar word. Heelwat uitdagings lê nog voor om internasionale mark en tegniese tendense beter te interpreteer. Op streeksvlak bly dit 'n teleurstelling dat die Elektroniese Data Koppelvlak stelsel (EDI) nog nie na wese funksioneer nie.

Beide die CGA en CRI verskaf waardevolle inligting op hulle webwerwe. Die Hoof Uitvoerende Beampte van die CGA het ook 'n proses begin waar hy deur middel van weeklikse nuusbriewe CGA lede op hoogte hou van belangrike nuus en verwikkelings. Hierbenewens is die jaarlikse "Road Shows" waar senior personeel van die CGA en CRI saam met Streeks Direkteure terugvoering gee oor die belangrikste sake op die CGA se agenda ook goed bygewoon in meeste van die CGA se 18 streke.

Die CGA se kantoor personeel verdien spesiale vermelding vir die toegewyde koordinering van ons kommunikasie sisteme en netwerke.

Meeste van die suksesse wat die CGA die afgelope jaar behaal sou nie moontlik gewees het sonder die ondersteuning van ander belange groepe in die Suider Afrikaanse vrugte bedryf nie. Die bydrae van die "Fresh Produce Exporters Forum (FPEF)" en die Departement van Landbou (DoA) verdien veral vermelding. Ook die bydrae van verskeie rolspelers in die logistieke dienste sector was onontbeerlik. Alhoewel "Fruit South

Africa" as die vrugte industrie se koordinerings forum ontbind is heers daar uitstekende samewerking tussen die verskillende vrugte bedryfs liggame via gereelde gesprekke tussen die uitvoerende beamptes.

Voorbereidings vir een van die hoogtepunte op ons kommunikasie kalender naamlik die twee-jaarlikse Navorsings simposium het reeds in Oktober 2007 begin. Hierdie symposium wat deur die CRI gereel word is geskeduleer vir Augustus 2008 en sal gehuisves word in die KwaZulu-Natalse Drakensberg.

Finances

The financial status of the CGA is healthy and our systems and procedures expertly monitored and guided by the CGA's audit committee.

Our financial staff is well in control of our expenditure book and associated statutory requirements. Matching export volumes (actual vs equivalent) to Levy income remains an extraordinary challenge which will require a detailed re-assessment and adaption of our levy collection systems.

Preparations for the application for the renewal of the CGA's statutory levy has progressed well. Well attended Roadshows were held in all regions where unanimous support was given by our members to not only increase the amount of the levy but to actually further increase the proposed amount of the levy in order to accommodate new grower needs in terms of:

- market development and
- the improvement of the logistical processes which are currently seriously impeding our competitiveness.

Acknowledgements

I wish to sincerely thank the Board and the Executive Committee of the CGA, the Chairpersons and members of CGA Committees and the Boards and staff of CGA subsidiaries for their dedication and loyalty to the cause of Southern African citrus producers during the past year. The staff of the CGA deserves a special word of thanks for their commitment and loyalty and I have no hesitation in saying that without them many citrus farmers in South Africa would not be in business today.

Our members remain the hub of our interests and the focus of our activities – we therefore wish all our producers to flourish under all the challenges of an exacting industry and our hearts go out to those members whose livelihood is threatened by circumstances beyond their and our control.

Ceo's Statement

Justin Chadwick
Chief Executive Officer

Rugby world cup glory clearly showed the value of a good coach, a good game plan and most importantly – a good team. Over the years the Citrus Growers Association (CGA) has recognized and appreciated the value of teaming up with other role players and stakeholders. Since the start CGA has built a close relationship with those directorates within Department of Agriculture (DoA) that impact most on the citrus industry. In particular the Directorate Plant Health and Agricultural Products Inspection Services have been close allies in the fight to gain, maintain and optimize market access. Regular meetings are held and a close working relationship on many aspects has been formed. The annual coordinating meeting convened by these directorates is a fantastic opportunity for industry to interact with DoA, reviewing the previous year's season, and planning ahead for the forthcoming season. It is this planning that can lead to fewer hassles during the season.

On the food safety side, regular meetings and interaction with the Food Safety and Quality Assurance and Analytical Services directorates ensures that food safety issues are given the attention that is required for market assurance around the globe. The Directorate International Trade has also kept in close contact through the Agricultural Trade Forum. The CEO's Forum is an opportunity to network with top management at DoA.

As a government assignee, the Perishable Products Export Control Board (PPECB) plays a vital role in quality assurance and cold chain management – and the CGA has regular contact with PPECB in regard to these essential roles. In addition PPECB is essential in the provision of industry information, with many hours spent on teasing out the best way to collect, collate and distribute this information.

Close collaboration has also been forged between CGA (and its subsidiaries) and other fruit sectors. For many years CGA has been in partnership with the Deciduous Fruit Producers trust (DFPT) and Fresh Produce Exporters Forum (FPEF) in the production of the bi monthly S A Fruit Journal. Together with DFPT, FPEF, S A Table Grape Industry (SATI) and Subtropical Growers Association (Subtrops) (under the Fruit South Africa label) the Fruit Industry Plan was developed. More recently DFPT Research has taken the lead in a carbon footprint initiative in which the CGA/CRI is involved. On ethical trading joint initiatives are being progressed, while the Citrus Academy is in talks with both Subtrops and SATI regarding the translation of the citrus learning material into material relevant for their industries – as well as other joint opportunities. For many years now CGA and FPEF have jointly funded and convened the Citrus Marketing Forum (CMF). This citrus industry forum has allowed a joint platform for the discussion of a wide range of industry issues over a number of years. Researchers are a closely knit group – and they are in close contact and share findings and experience across all fruit sectors. There are many examples of joint trials and sharing of research findings between researchers from the different fruit sectors.

"Co opetition" (a blend of competition and cooperation) was the buzz word for 2007 – and CGA has grasped the concept with both hands. In its second year the Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE) citrus data sharing exercise has improved; weekly shipping by destination market from Argentina, Australia, Chile, Peru, South Africa and Uruguay are collated by the SHAFFE secretariat and distributed to those who contribute. As this initiative goes on, historical comparisons and trends will emerge as useful tools in decision making. Coupled with this information, Freshfel (European Importer and Exporter Association) and SHAFFE joined forces in the convening of global citrus

An Historic Meeting of all the Southern Hemisphere Citrus Producing Countries at Fruit Logistica, Berlin

production trends and market conditions were northern and southern hemisphere producer representatives and importers from the leading citrus importing countries in Europe. Freshfel also convened a Suppliers Forum which considers a number of global trade issues – CGA is kept informed and makes input into the different debates.

CGA has also signed up as an Associate member of the body representing citrus industries from countries in the Mediterranean basin (CLAM). This allows the sharing of data, information and opinions with the worlds leading citrus trading block. In addition, closer links are being forged with the Spanish citrus industry – as the first and second biggest citrus global citrus exporters there are many areas of common interest.

The international network of researchers is a strong brotherhood – witnessing the meeting of these contemporaries one can see the mutual respect and enthusiasm for citrus research that these individuals possess. The South African citrus industry is privileged to have the calibre of research personnel working in our sector, and their networks abroad are far reaching and strongly formed.

As a grower association mandated to perform certain activities on behalf of our members, CGA is aware of the possibility of achieving more through teamwork and joint initiatives. We will continue to harness the abilities of those around us to grow as a globally competitive industry.

Governance

The Citrus Growers Association (CGA) is governed by a nineteen member Board of Directors representing seventeen citrus growing regions in southern Africa, and two directors representing emerging growers.

During the year under review four new directors were appointed to the CGA Board.

Region	Outgoing Director	New Director
Hoedspruit	Francois Erasmus	Flip Smit
Zimbabwe	Frank Reed	Chris Maggs
Patensie	Herman Malan	Gerhard Uys
South – PDI	Harry Gxotiwe	Phindi Kema

The Chairman welcomed new board members. Directors give selflessly of their time and expertise to direct the activities of the CGA in the interests of all its grower members. In addition, the Councillor of the National Agricultural Marketing Council responsible for citrus also attended Board meetings as an observer.

The Executive Committee
during 2007/8 was as follows:

Antoine Rouillard - Chairman of CGA to November 2007

Hoppie Nel - Vice Chairman to November 2007, Chairman since November 2007

Fanie Viljoen - Vice Chairman since November 2007

Tini Engelbrecht,

Gabrie van Eeden.

Meetings of the CGA Information Committee

Members: PJ Nicholson (Chairman), M Slabber, PJ Nortjé, P Smit, J Alberts

Date	Apologies
July 07	P Nortjé
January 08	None

Meetings of the CGA Audit Committee

Members: PJ Nortjé (Chairman), CH Engelbrecht, both to November 2007 SJ Viljoen, MC van Niekerk and RA Rouillard since November

Date	Apologies
July 07	None

Meetings of the CGA Board and its Executive Committee

Date	Meeting	Apologies
May 07	Executive (telcon)	None
June 07	Executive (telcon)	SJ Viljoen
July 07	Executive (telcon)	None
August 07	Executive (telcon)	GJ van Eeden
September 07	Board	DJ Nel, RA Rouillard, JE Danckwerts, PS Noddeboe
October 07	Executive (telcon)	None
November 07	Board	PJ Nicholson, HF Malan
November 07	Executive	None
January 08	Executive (telcon)	GJ van Eeden
February 08	Executive (telcon)	None
March 08	Board	MR Woodburn, MC van Niekerk

Representation:
The CGA is represented as follows:

Citrus Industry Trust	Mark Fry
Fruit South Africa	Gabrie van Eeden
Market Access Work Group (Department of Agriculture)	Justin Chadwick and Vaughan Hattingh
Agricultural Trade Forum	Justin Chadwick
Logistic/Shipping Work Group	George Hall and Tini Engelbrecht
Citrus Research International (Pty) Ltd	Jock Danckwerts, Hoppie Nel, Gerhard Scheepers, Louis von Broembsen, Mark Fry, Kobus de Kok.
AgriSA	Antoine Rouillard and Israel Nemoarani
Standards Work Group	Martli Slabber, Jan Alberts, Piet Smit, Peter Nicholson, Pieter Nortjé
River Bioscience Board	Pieter Nortjé and George Hall
Citrus Marketing Forum	Peter Nicholson, Hoppie Nel and Gabrie van Eeden
Sanitary and Phytosanitary Committee	Justin Chadwick
Market Access Work Group	Justin Chadwick and Vaughan Hattingh
Mediterranean Citrus Industry (CLAM)	Vaughan Hattingh
Southern Hemisphere Association of fresh Fruit Exporters (SHAFFE)	Justin Chadwick

CLAM

CLAM is the body representing citrus industries in the Mediterranean region (France, Spain, Morocco, Algeria, Italy, Israel, Cyprus, Greece, Turkey, Tunisia and Egypt). This block represents about 60 to 70% of citrus exported globally. South Africa has built up close relationships with CLAM and its members, and in 2007 joined CLAM as an Associate Member.

Vaughan Hattingh attended the CLAM AGM held in Italy in October 2007, while Justin Chadwick attended the CLAM meeting held in Berlin, Germany in February 2008.

PPECB

Two CGA nominations to the Minister for representatives on the PPECB Board were accepted, Maxwell Hawes (who was subsequently elected as Chairman of PPECB) and Tini Engelbrecht.

Department of Agriculture (DoA)

CGA's links with DoA are essential in carrying out its mandate.

Market Access Work Group:

This work group is convened by DoA's plant health department, and meets on a six weekly basis throughout the year. Fresh fruit and vegetable representatives are invited to these meetings. All technical aspects of market access are discussed, and progress is monitored.

Agricultural Trade Forum (ATF):

This high level forum is convened by DoA and includes representatives from all agricultural commodities. It deals with all agricultural trade issues, with an emphasis on World Trade Organisation matters such as tariffs and duties. The ATF meets on a monthly basis.

Annual Co-ordinating meeting:

On an Annual basis, the DoA convenes a meeting to discuss plant health and protocol issues arising from the past season, and plans for the next season. Variety Focus Group Chairmen attend this meeting.

Fruit South Africa (FSA)

FSA is a joint venture between CGA, Deciduous Fruit Producers Trust (DFPT), Sub Tropical Growers Association and Fresh Produce Exporters Forum. FSA is involved in trade shows and promotion activities. During 2007 lengthy debate was held regarding the future of FSA. Although there are many common areas for all fruit types, it proved difficult to agree on any way forward. Although a number of joint initiatives have been started between two or more fruit representative organisations, a truly joint project under the FSA umbrella was an elusive goal. CGA took a decision to continue pursuing projects with other fruit sectors on a joint project by project basis.

Communication

Communication is an essential tool to ensure growers are kept up to date with matters pertaining to the myriad of issues facing the industry.

The **S A Fruit Journal** is a joint venture communication tool between Citrus Growers Association, (CGA) the Deciduous Fruit Producers Trust (DFPT) and the Fresh Produce Exporters Forum (FPEF) which is sent out to all growers of fruit in South Africa. The articles cover a wide range of subjects, with Citrus Research International (CRI) submitting regular reports on research achievements, CGA on Food Safety, Market Access, Transformation and Training as well as stories of interest. The Citrus Academy also has regular articles.

The CGA has built up a formidable **database** which can be split into various groups such as growers per region, stakeholders, export agents, focus groups and cultivars. In this way the CGA staff can reach any group and send e-mails of particular interest to that group.

The **CGA website** (*www.cga.co.za*) continues to be a very popular and informative communication tool. Apart from items of interest on the general pages of the website, there is a section which is password-restricted aimed at providing vital information to growers and export agents. This information includes weekly statistics on the packed and shipped volumes during the citrus season and is updated every Thursday.

Visits to CGA website — **Countries - Top 15**

Countries	Number of visits	Hits
South Africa	696 (56.9%)	14117
Unknown	142 (11.6%)	2679
United States	57 (4.7%)	1324
Netherlands	35 (2.9%)	592
Spain	28 (2.3%)	421
Great Britain	32 (2.6%)	624
Germany	28 (2.3%)	525
France	19 (1.6%)	396
Canada	15 (1.2%)	345
Ivory Coast (Cote D'Ivoire)	11 (0.9%)	213
China	9 (0.7%)	184
Macedonia	6 (0.5%)	76
Bahrain	7 (0.6%)	131
Australia	7 (0.6%)	155
Japan	6 (0.5%)	104
Others	126	2917

Number of hits per month

Month	Unique visitors	Hits
March 2007	787	25103
March 2008	819	24803
February 2008	925	28951
January 2008	893	28644
December 2007	507	13339
November 2007	889	27611
October 2007	1109	36707
September 2007	807	26097
August 2007	903	36899
July 2007	786	32182
June 2007	859	40158
May 2007	752	35276
April 2007	603	25058
Total	**9852**	**355725**

Gloria Weare
PA to CEO/Office Administrator

During the year under review Justin Chadwick initiated a **weekly newsletter** "From the Desk of the CEO", a one pager covering up to date news and opinions on issues facing the South African citrus sector, as well as brief updates on the season's progress in terms of volumes packed and shipped. This newsletter is e-mailed to growers and stakeholders on request, as well as being on the CGA website.

Roadshows were undertaken as follows during January, February and March this year:
To start the ball rolling, Justin Chadwick, Jacomien de Klerk and Vaughan Hattingh visited Senwes at the end of January 2008. Justin, Vaughan, or Hennie le Roux, and Maxwell Hawes visited the Western Cape, Boland, Letsitele, and Limpopo. Tim Grout accompanied Justin and Maxwell to the Hoedspruit area and Hannes Bester visited Hartswater and Kakamas with Justin in early March.

Paul Hardman, Jacomien de Klerk and Tim Grout visited Swaziland, Onderberg and Nelspruit, with Vaughan accompanying Paul and Jacomien on the roadshows at Patensie, Sundays River and Eastern Cape Midlands. Hennie le Roux represented CRI at the roadshow held at Nkwalini with Paul and Jacomien, and for the final meeting in Southern KZN, Paul was supported by CGA staff John Edmonds and Gloria Weare.

At these roadshows, the representatives for the variety focus groups were elected and the growers were shown a presentation on the proposed new levy application which would commence from the 2009 season, as well as new expectations from growers with regard to the role of the CGA. There was very positive support shown for the way forward as endorsed by the CGA Board.

FINANCES

Levy

Citrus Growers Association administers a levy which is utilized for research, market access, information, transformation, administration and communication. The levy is currently 0.32c per 15 kilogram carton and is collected on every carton exported. The current levy collection period expires at the end of the 2008 season and application has been made, with the grower's approval, to the NAMC for a new levy. This application makes allowance for a levy that will increase over the next 4 year period – starting at 38c per 15 kilogram carton in 2009, increasing to 41 cents per 15 kilogram carton in 2012.

Income

The board used 73.5 million cartons as a basis for determining levy income. The actual levy collected was on 89 million cartons, resulting in levy income exceeding budget by R5.18 million.

Other income included a mentorship programme grant from the Department of Agriculture (R1.2 million), a grant from AgiSETA for bursaries, internships and apprenticeships (R190 000) and a contribution to transformation costs by the Citrus Industry Trust (R139 500).

Expenditure

The budgeted expenditure for the season was R24.6 million. Actual expenditure was R1.2 million less than budgeted. This was due to a reduction in the provision for doubtful debts as the CGA has managed to collect outstanding levies.

Budget 2008/9

Income is based on an estimated crop of 75 million cartons. Other income expected is a dividend from River Bioscience of R300 000 and a contribution from the Citrus Industry Trust of R300 000.

The budget requires a draw down from reserves of R1.4 million in 2008/9.

Robert Miller
Business Administrator

Citrus information is supplied to the citrus industry in terms of an agreement with PPECB which is funded by Citrus Growers' Association (CGA) and the Fresh Produce Exporters Forum (FPEF), and is supplied on a regular basis to all members of the Citrus Marketing Forum (CMF). The CMF is a voluntary forum made up of growers, exporters and other stakeholders in the industry. Within the CMF, growers are grouped into variety focus groups whilst exporters group themselves into market focus groups. The Information Committee which is made up of the chairmen of the different focus groups (see administration section) oversees the activities of the Information Manager and forms a vital link between the CGA and the variety focus groups.

John Edmonds
Information Manager

Tree Census

Tree census information is included in the Citrus Statistics booklet, published by CGA on an annual basis. An interactive web page is being designed to enable growers to update their tree census information in the current database.

Citrus Statistics Booklet

The CGA has published the citrus statistics booklet on an annual basis since 2002. This booklet is sent to all grower members of CGA. The booklet includes tree census information, export information, crop distribution and price trends.

Estimates

At the first CMF meeting of the season the CGA compiles estimates determined by the various variety focus groups. These estimates are regularly reviewed and new projections made as the season unfolds. The table below shows the original 2007/8 estimates, the actual volumes achieved, and the estimates for the 2008/9 season. All figures are in 15 kilogram equivalents.

The goal of the Association is for estimates to be within 10% of final actual shipped volumes. This was only achieved for lemons (-3%). Navels were close at 11%. Total citrus export volumes were only within 20% of the estimate. Soft citrus estimates were off by 21%, while grapefruit and valencia were way off the mark (almost 30%). Some reasons put forward for the large discrepancy included better trading conditions due to the California freeze, South American freeze, Australian drought together with lower CLAM expectations for 2007/8. The influence of a good 2006 season and a greater spread of cultivars such as late mandarins and late navels may also have played a part.

The estimate for 2008/9 was prepared for the first CMF meeting in March 2008. There is an expectation that all citrus varieties will experience a small increase in volumes shipped, with only grapefruit showing a notable decline. The estimated volume (in total) is estimated to be 1% less than 2007/8.

Type	2007/8 Estimate (CGA)	Actual	Difference (Actual vs. Estimate)	2008/9 Estimate (CGA)	% Diff Actual 2007/8 vs. Estimate 2008/9
Grapefruit	11 441 800	14 604 727	+28%	12 983 016	-11%
Soft Citrus	5 596 762	6 755 488	+21%	7 391 347	+9%
Lemons	7 558 224	7 342 845	-3%	8 116 128	+11%
Navels	16 850 000	18 715 519	+11%	19 728 124	+5%
Valencia	34 200 000	43 523 025	+27%	41 414 871	-5%
Total	75 646 786	90 941 604	+20%	89 633 486	-1%

Packed Figures

Information on volumes packed was supplied by PPECB on a weekly basis. These figures were then placed on the CGA website (www.cga.co.za). The packed figures reflected the actual volumes packed to date, previous year's packed figures and the estimated packed figures for the current season. These figures were presented on a weekly and cumulative basis.

Shipped Figures

Information on volumes shipped was also supplied by PPECB and posted on the website on a weekly basis. These figures showed per variety, per week what had been shipped into the different markets. Previous year's shipping was also reflected.

Long Term Crop Projections

In 2005 the CGA contracted a consultant to model future trends in terms of volumes exported. According to the updated projection the SA crop is predicted to increase by 15.1% over the next 15 years, with the forecast figure for 2022 being 110 million. This model is updated on an annual basis. Details are available from CGA.

Global Database

During 2007/8 CGA compiled a database with production, consumption and export data gleaned from various sources such as CLAM, SHAFFE and FAO. Various reports can be readily derived from the database as required.

Electronic Data Interchange

In late 2006 an initiative was launched by the Citrus, Pome and Stone fruit industries to get inspection and shipping data transmitted electronically from loading stations to the PPECB's database. This would require collaboration between the fruit industries, PPECB and the main information service providers. The first phase started in March 2007 with the focus on ensuring shipping information was timeous and accurate.

In January 2008 the second phase of the plan was initiated where inspection information would be incorporated into the process. This required necessary changes to the information service providers' systems to facilitate this transfer.

Although the emphasis was on EDI of shipping information in 2007, the PPECB did receive the first voluntary EDI of intake information in June 2007. By the end of the season about two percent of citrus pack-houses had more than fifty percent of their intake information transmitted; forty-seven percent of pack-houses had some information transmitted and fifty-one percent of pack-houses had no EDI transmissions.

Running parallel to this initiative another project was launched in September with the objective of finding an ideal, long term solution looking at the latest technology and processes. This solution would address issues such as phytosanitary security, food safety, integrity of the export certificate and accurate information and traceability.

The cooperation of all role-players such as government, exporters, service providers, the PPECB and the grower associations is essential to this collaborative effort which will improve the competitiveness of the South African fruit industry.

Variety Focus Groups

The variety focus groups met regularly during the season 2007/8 season, with the main business being updating crop predictions, dealing with dispensation requests (referred to them by the DoA), determining standards, discussing market conditions and monitoring packed and shipped information. The CGA Information Manager is tasked with convening the meetings and acting as secretariat.

The Chairmen of the variety focus groups serve as the CGA Information Committee, and also attend the Citrus Marketing Forum meetings.

The following tables show dates of VFG meetings and the elected committee members.

Month	Grape-fruit	Valencia	Navel	Lemon	Soft	Total Citrus
April	2	0	1	1	1	5
May	4	1	1	1	2	9
June	3	1	1	1	1	7
July	2	1	1	1	1	6
August	1	1	1	0	0	3
September		1	1	1	1	4
October		1	0			1
Total	12	6	6	5	6	35

Region	Valencia	Navel	Lemon	Grapefruit	Soft Citrus
Boland			R Allen		S Bruwer
Western Cape	G van der Merwe*	G van Eeden*	R Groenewald*		M Slabber**
Patensie	D Joubert	P Ferreira	P Dempsey		M Odendaal
Sundays River	D Joubert	P Nortjé**	J Alberts**	P Nortjé	J Ferreira
Eastern Cape Midlands		C Painter	D de Villiers		J Danckwerts*
Vaalharts		L du Preez			
KZN Midlands	K Claassen	R Crausaz	K Claassen (replaced by P Button)		
Pongola				A Rouillard	
Nkwalini	D du Toit (replaced by S Dellis)			T Wafer*	
Onderberg	J Snyman			C van Veyeren	
Nelspruit	A Muller	G Piner	P Kieviet		W Potgieter
Swaziland	P Noddeboe			P Noddeboe	
Letsitele	B Vorster	N Gubitz	C Landman	P Smit**	B Offer
Hoedspruit	F Meyer		G Bezuidenhout	K van Staden	
Limpopo	P Nicholson**		P Nicholson	B Dillman (replaced by D Erasmus)	
Senwes	J van Zyl (replaced by Ista Upton)	K Schoeman	W Engelbrecht		W Engelbrecht (replaced by G Dickson)

*** Chairman * Vice Chairman*

In Feb/March 2008 all regions reviewed their representation, with the following changes;

Region	Variety	Outgoing	Incoming
KZN Midlands	Lemons	K Claassen	P Button
Nkwalini	Valencia	D du Toit	S Dellis
Senwes	Valencia	J van Zyl	Ista Upton
Senwes	Soft Citrus	(Vacant)	G Dickson
Vaalharts	Grapefruit	(Vacant)	J de Wet

International Information Exchange

Mediterranean Citrus Industry (CLAM):

The CLAM organization represents interests of citrus industries in the Mediterranean region, the largest citrus trading block in the world, representing 6 million tons (66%) of the world trade in fresh citrus fruit (total 9 million tons). CGA is a member of CLAM, and was represented by Vaughan Hattingh and Justin Chadwick at meetings held during 2007/8. CLAM supplies CGA with information pertaining to production and exports from their members. CGA reciprocates by sending similar information to CLAM.

Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE):

During 2007/8 SHAFFE members supplied information of volumes shipped and destination to the SHAFFE secretariat, who in turn supplied this information to SHAFFE members. All southern hemisphere countries except Brazil participate in this initiative which will continue during 2008/9.

Citrus Marketing Forum (CMF):

The CMF is a joint forum between growers, export agents and other role-players. It provides a platform for the sharing of information, initiating research and investigations, and making recommendations on a wide range of industry issues. During the year under review the CMF met twice (July and October), with a season preview meeting in March 2007 (for the 2007/8 season). During 2007 the CMF was chaired by Arend Venter, with Marguerite van Rensburg providing secretarial services to the CMF. The CGA would like to thank Arend and Marguerite for the time and energy they put into making the CMF work.

GENERAL

Tariffs

Despite global talks aimed at decreasing tariff levels, tariff levels remain high in many markets. Although in general these high tariffs are found in non WTO members, the levels charged by WTO members are also trade inhibiting. Tariff levels are being discussed with government in a bid to decrease these levels.

During 2007 there was hope that an Economic Partnership Agreement (EPA) would be concluded between SADC and the European Union. The tariff levels which were being negotiated for citrus were extremely beneficial, and would have put South Africa on an equal footing with many of our southern hemisphere competitors. Unfortunately South Africa decided not to sign the agreement, due to certain concerns with regard to the final text. There is hope that the EPA will be revisited in 2008.

There are also bilateral talks on tariff levels between India and South Africa – CGA has submitted a request to seriously consider the exhorbitant tariff levels as applied to citrus imports into India. Iran also remains a problem due to high import tariffs.

During 2007 South Africa completed a Free Trade Agreement with the European Free Trade Area (EFTA). EFTA's members are Iceland, Lichtenstein, Norway and Switzerland. Since 2005 exports to these countries have increased from 250 000 cartons to over 500 000 cartons.

Biosecurity

A key function of CRI is to assess biosecurity risks, and work with DoA in preventing the introduction of new pests and diseases. During 2007, CRI and DoA maintained fruit fly trapping activities on South Africa's borders as an early warning system for any new fruit fly species heading south.

In addition, CRI determined that Brazilian trees are being planted in Angola. There is a concern regarding the status of these trees, and CRI is following up on the issue.

Quality Standards

The procedure for setting of standards has now been set with a meeting by industry (held on October 3 and 4, 2007) with Department of Agriculture (DoA) in attendance; and an official DoA standards workshop (held on 12 November 2007). These meetings were well attended, with vigorous debate. The end result is a continuous improvement in quality standards, and a bringing into line the standards required by the market, and those promulgated by the authorities. Differentiated standards are still in place for Japan, USA, South Korea and South East Asia.

During the season the variety focus groups (VFG's) once again assisted DoA by making recommendations on the different dispensation requests. What is worth noting is the small number of such requests, and the professional manner in which these requests are handled. There is a good working relationship between DoA and CGA (and the respective focus groups) with respect to dispensation procedures.

Thailand

In May 2007 DoA lodged the necessary information with Thai Plant Health for market access for all citrus fruits. This has been an extremely frustrating process, with our position set back by regime change and other problems.

Australia

In April 2007 DoA submitted information to Australian plant health officials.

Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE)

During 2007 Justin Chadwick served a second year as President of SHAFFE – a body representing interests of fruit industries in Argentina, Australia, Brazil, Chile, New Zealand, Peru, South Africa and Uruguay. SHAFFE held two meetings during the year under review – in Houston, Texas at the PMA Trade Show in October 2007, and in Berlin at Fruit Logistica in February 2008. Apart from sharing information regarding SHAFFE member countries, SHAFFE have data sharing initiatives in apples, pears, citrus and table grapes. The CGA Information

Manager is responsible for the South African citrus data sharing responsibilities. All citrus exporting countries submit their weekly export information – including destination market. In addition to information and data sharing, SHAFFE addresses issues of common concern.

Over the years there has been attention given to harmonisation of food safety and GAP standards. In Houston citrus exporting countries with access to the USA also discussed the possibility of joining forces to increase demand in the USA for summer citrus. There was also a session held on carbon footprints and food miles. In Berlin the dominance of supermarkets in the supply chain was also discussed.

A new initiative by SHAFFE in partnership with Freshfel has been the setting up of global citrus teleconferences. These teleconferences include some supplier representatives from both the northern and southern hemisphere, and buyer representatives from the European markets. During the year under review these teleconferences took place in July, November and December 2007. These were opportunities to discuss the change over between northern and southern hemisphere seasons, and forecasts for the forthcoming crop.

CHINA

The protocol allowing exports to China was first signed in 2004, and revised in 2006. The revised protocol included cold sterilisation as an alternative to FCM orchard freedom.

Early in 2007 there was further good news. After bilateral discussion between DoA and their Chinese contemporaries two significant changes were made to the China protocol. Firstly, the Chinese have agreed to add two southern ports (Guangzhou and Shenzhen) as ports of entry. This will significantly reduce shipping and handling costs to the Chinese market. Secondly, the Chinese have done away with the requirement of biannual AQSIQ inspections. The costs of these inspections have in the past been borne by the CGA – this change will result in some cost saving, as well as eliminating the time spent (by DoA, CGA and growers) and interruptions associated with such visits.

In line with the new protocol (and before the need for biannual inspections was removed), CGA requested DoA to invite AQSIQ to South Africa to inspect new production units for China. A list of 589 new production units was sent to AQSIQ. AQSIQ inspectors visited South Africa from 29 January to 9 February 2007. Although the main reason for their visit was to inspect the grape industry, they included a visit to selected orchards from the 589 list. This list was accepted by AQSIQ and these production units were registered for China.

During April 2007 the CGA joined with S A Table Grape Industry (SATI) in assisting with an inward buying mission of Chinese buyers. This assistance was in the form of paying for the inclusion of an interpreter in the touring party. The interpreter is employed at the South African Consulate in Shanghai, and it was a great opportunity for her to see South Africa.

During September 2007 the CGA was invited to accompany the Director General of Agriculture on a trip to China. Antoine Rouillard accompanied the DG on this trip. This was an opportunity to engage with high level DoA officials in respect to citrus industry issues.

EUROPEAN UNION (EU)

Synopsis of SA's technical interaction with EU on phytosanitary import requirements for fresh Citrus fruit from SA in respect of CBS (Citrus Black Spot)

At the time of introducing harmonised EU phytosanitary legislation in **1992**, SA notified the EU that it considered the proposed legislation pertaining to Citrus Blackspot as being excessively restrictive. The proposed measures were nonetheless implemented by the EU. SA continued communicating with the EC on the issue of the EC's phytosanitary import conditions in respect of Citrus Black Spot (CBS) for fresh Citrus fruit from SA in accordance with WTO SPS technical procedures.

Chronological background

1. In view of the South African Citrus Industry opinion that the severity of phytosanitary import restrictions for SA Citrus into the EU does not correspond with the risk and that they are technically unjustified, the National Plant Protection Organisation of SA submitted a Pest Risk Analysis (PRA) to the EC in **May 2000** (*CBS on citrus Exports from South Africa to the EU,* dated May 2000, covering letter dated 31 May 2000).

2. The southern African citrus industry engaged (**October 2001**) with various parties in Europe in an attempt to expedite a response to SA's submission of May 2000.

3. The Commission Working Group responded to SA (**dated 24 October 2001**) with various questions and concerns.

4. SA convened a group of specialist to address the questions raised by the EC Working Group.

In the SA response (covering letter dated **28 August 2002**), SA addressed most of the questions raised, but also indicated that scientists in SA were conducting further research to clarify certain points raised by the EC. In particular, reference was made to further clarification of whether spores from infected fruit could infect fallen leaves in the EC if infected fruit were to reach its citrus producing territories. The need for a detailed climate matching study to support SA's contention that the fungus that causes CBS will not be able to establish in a Mediterranean climate, which has dry summers and wet winters, was also indicated.

5. The report on a climate matching study with respect to CBS was submitted in **December 2003**, with SA's request that it be viewed in combination with the PRA as one aspect of risk mitigation to be considered in combination with the others described in the PRA. SA voiced the opinion that the climate matching study provides strong support for the conclusions of the PRA.

6. The EC advised SA (**2 February 2004**) that it looked forward to studying the climate report together with SA's research results on the potential of fallen leaves as a pathway for the spread of CBS.

7. Research results on the potential fallen leaf pathway were submitted to the EC in **July 2004**, with the request that the two reports in question be evaluated together with the PRA (*CBS on Citrus Exports from South Africa to the EU*), the response of the EC Working Group (24 October 2001), as well as the response from SA (covering letter dated 28 August 2002).

8. The EC acknowledged receipt (**27 July 2004**) of the final data package supplied by SA and indicated that the EC Working group would again be convened to consider the data and formulate a response to SA.

9. The SA citrus industry engaged (**May and October 2006**) with various parties in Europe in an attempt to facilitate a response to SA from the EC.

10. The EC Working Group was convened on **15-16 June 2006** to consider the additional scientific information supplied by SA since 2002. The EC Working Group's report was finalised in **November 2006** and forwarded to SA.

11. SA convened a CBS Expert Working Group on **01 June 2007**, to formulate a response to the EC. The SA Working Group responded to the questions raised by the EC in their November 2006 report. The SA Working Group (June 2007) concluded that SA had provided (collectively over the past 7 years) adequate scientific evidence for the matter to be concluded on technical grounds and proposed that failure to reach resolution at this point should lead to third party review. The SA CBS Working Group's response was supplied to the EC Standing Committee for Plant Health on **27 August 2007**.

12. The SA citrus industry engaged (**September 2007**) with various parties in Europe to provide supportive information for the South African position on CBS.

13. The SA CBS Expert Working Group's report of June 2007 was tabled for discussion at the EC Standing Committee for Plant Health on **10 December 2007** and the Committee decided to refer the matter to the European Food Safety Authority (EFSA) for their scientific opinion.

14. The SA citrus industry engaged (**February 2008**) with various parties in Europe to establish the status of progress with the CBS issue, but was advised that the dossier had not as yet been referred to EFSA.

15. During March 2008 the CGA representative in Brussels was able to ascertain that the dossier has been received by EFSA, and would be discussed at their May 2008 meeting.

CGA REPRESENTATIVE APPOINTED IN BRUSSELS

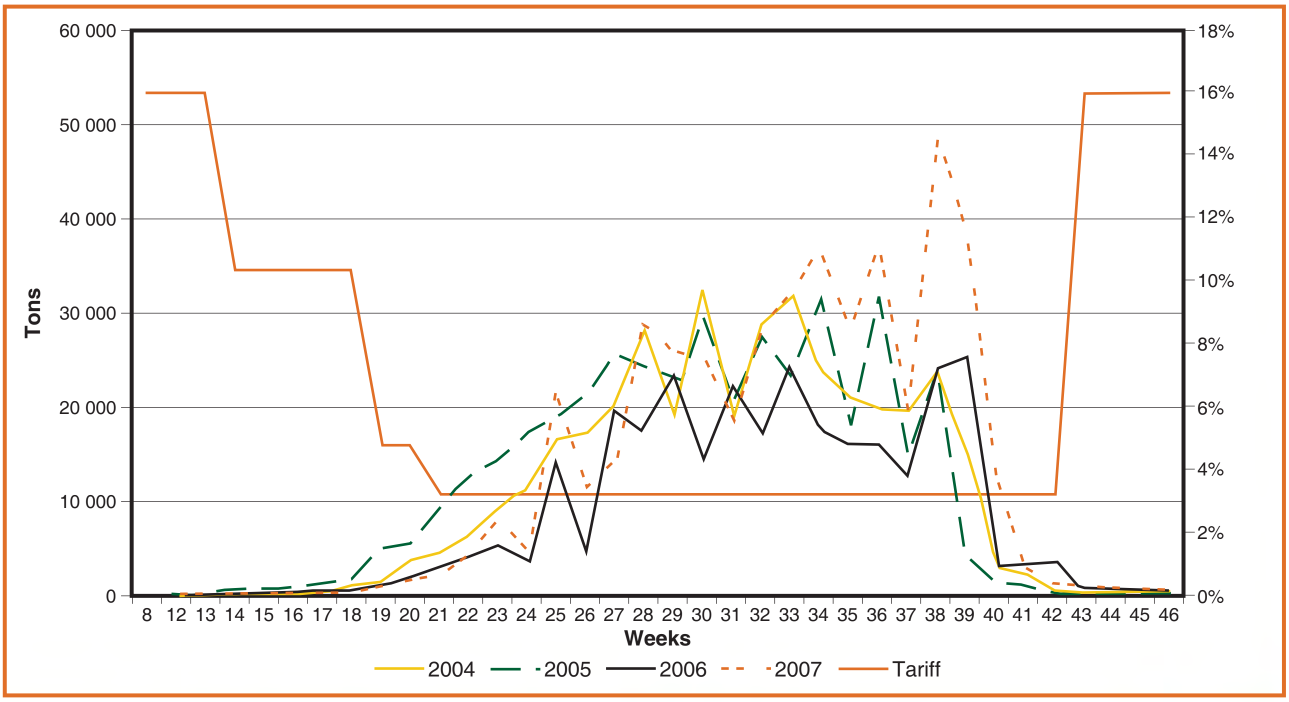
During 2007 the CGA appointed Landmark Europe to represent the South African citrus industry in Brussels, with specific emphasis on furthering the CBS dossier. The representative has been in close contact with the South African Embassy in Brussels, in particular with the agricultural attaché. He has also canvassed the opinion of member states on the CBS issue, and garnered support to progress the issue. He is now in close contact with EFSA to ensure that progress is not stalled.

Large volumes shipped to EU at end of season

Towards the end of the 2007/8 season considerable volumes of Valencia oranges were sent into the EU market. This is said to have caused a collapse in orange prices, having a significant negative effect on the start of the Spanish navel season. Justin Chadwick met with DG Agric and DG Trade of the European Commission on 11 and 12 February 2008 to provide an explanation. As a result of this meeting, he was invited back to take part in a working group on citrus meeting in Brussels on 14 April 2008. The higher volume of citrus at the end of the season is evident in the graph (below).

On 15 October (the duty deadline) each year the duty on imported citrus increases from 3.2% to 16%. As a result importers order citrus in order to get it into the EU before the duty deadline, resulting in a spike in the volume exported at the end of September (allowing for two weeks delivery time).

It has been suggested to the EU authorities that a delay in the duty to the end of October (or no duty at all) would result in a more measured delivery of citrus as importers would not have to guess what to order in order to keep shelves full until the onset of the Mediterranean season. Other reasons for the higher than usual end of year volumes included the media releases stating a smaller than usual Mediterranean crop, excellent prices achieved in the EU market and a favourable exchange rate.



JAPAN

In a reversal of the previous year's trend exports to Japan increased by 35%, and was at levels just below those last seen in 2003 and 2004. The overall increase in volumes was due to big increases in grapefruit (38%), and oranges (35%) volumes, while lemon volumes decreased by 14%.

As in the previous years, the cartons passed at inspection points was excellent – lemons 100% (2006 99%), oranges 92% (2006 93%) and grapefruit 95% (2006 96%).

Clementine growers were relieved to hear that after twelve years the Japanese authorities have approved the addition of Clementines to the list of accepted citrus varieties. This says much for the tenacity of researchers at Citrus Research International and our own personnel at Plant Health. The news was delivered on 7 June 2007, in time to export about 5 000 cartons into Japan. Feedback from the market was positive.

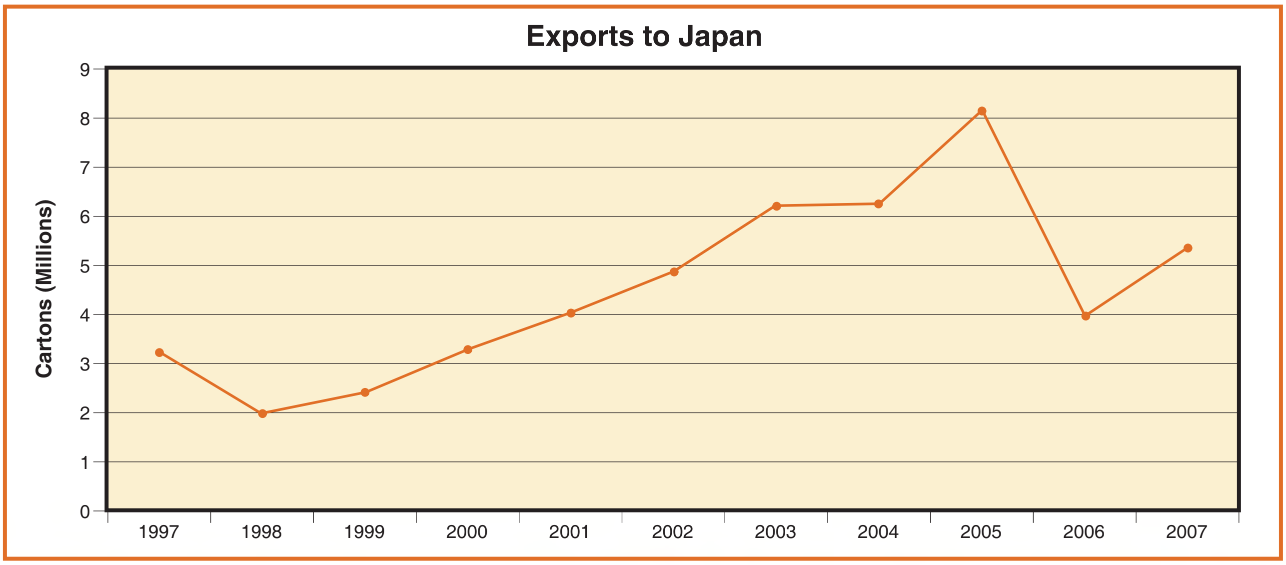
Two port terminals in Durban handled exports to Japan. Fresh Produce Terminals handled 2.6 million cartons, while Maydon Wharf Fruit Terminals handled 3.2 million cartons. Both terminals recorded 96% approval rates for cartons inspected.

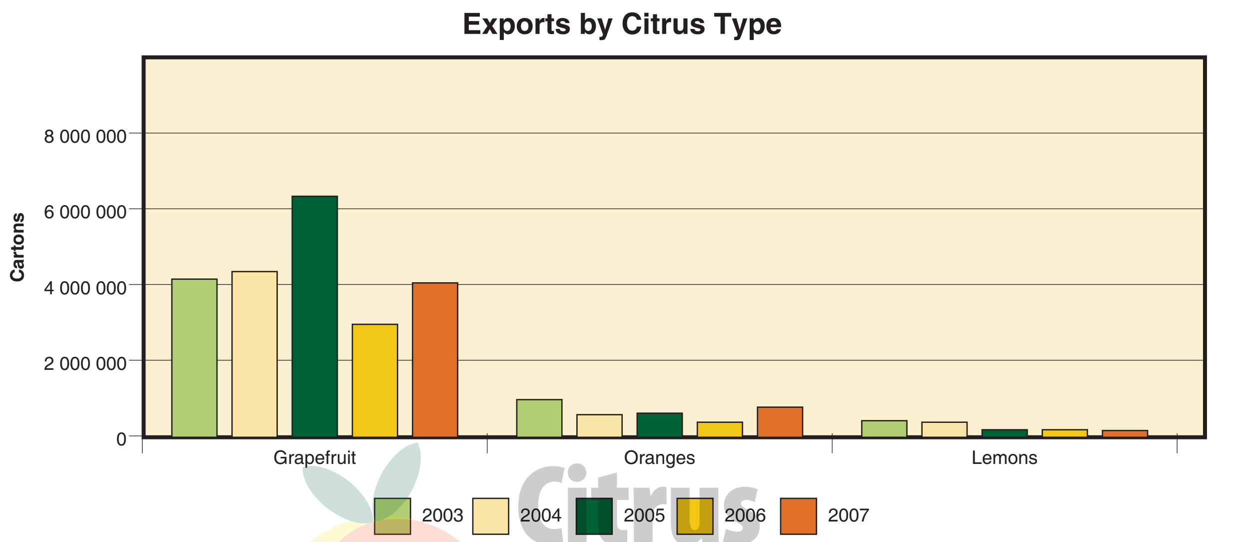
Once again grapefruit growers (through the vehicle of the Grapefruit Focus Group) employed co-ordinators in both South Africa and Japan. These individuals kept growers, exporters and importers aware of fruit flow and stock build ups which was a contributing factor to the successful Japanese programme. Comprehensive weekly reports are prepared and sent to all those operating in the Japanese market. This initiative shows that the South African industry is serious about managing exports into the important Japanese market. Export agents also contributed towards the funding of these positions.

During the year under review a trial was done on loading ships over a 24 hour period. The results were extremely satisfying, and this would be rolled out further in 2008.

During 2007 grapefruit growers and the DTI funded research on promotions in Japan. The research has been completed, and recommendations are provided. The grapefruit industry will now need to discuss how to proceed.

During 2007 the Japanese authorities accepted the trial procedures, and CRI completed Phase IV (the final phase) of the trial work. The trial report is now under consideration at CRI, who will then provide a report on to DoA for submission to Japan Ministry of Agriculture, Fishery and Forestry (MAFF). Their response will determine whether any additional trial work is necessary.





SOUTH KOREA

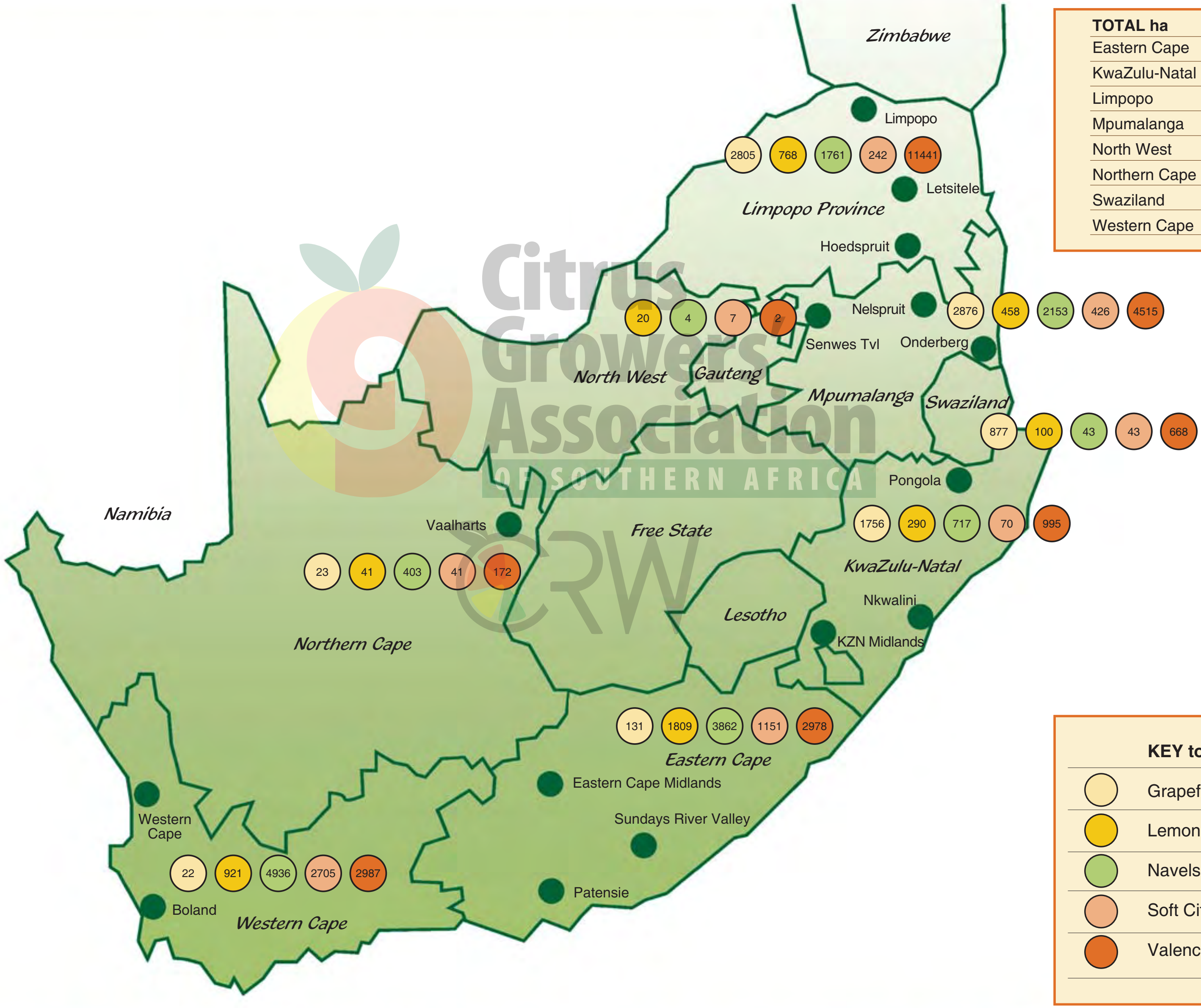
South Korean export volumes in 2007 were disappointing, with less than 170 000 cartons exported. These are levels similar to the first year of shipments to South Korea back in 2000.

As for 2006, approval levels were excellent with 95% of cartons presented for inspection being passed.

During the 2007/8 season all South Korean exports took place through Fresh Produce Terminals (FPT) in Durban.

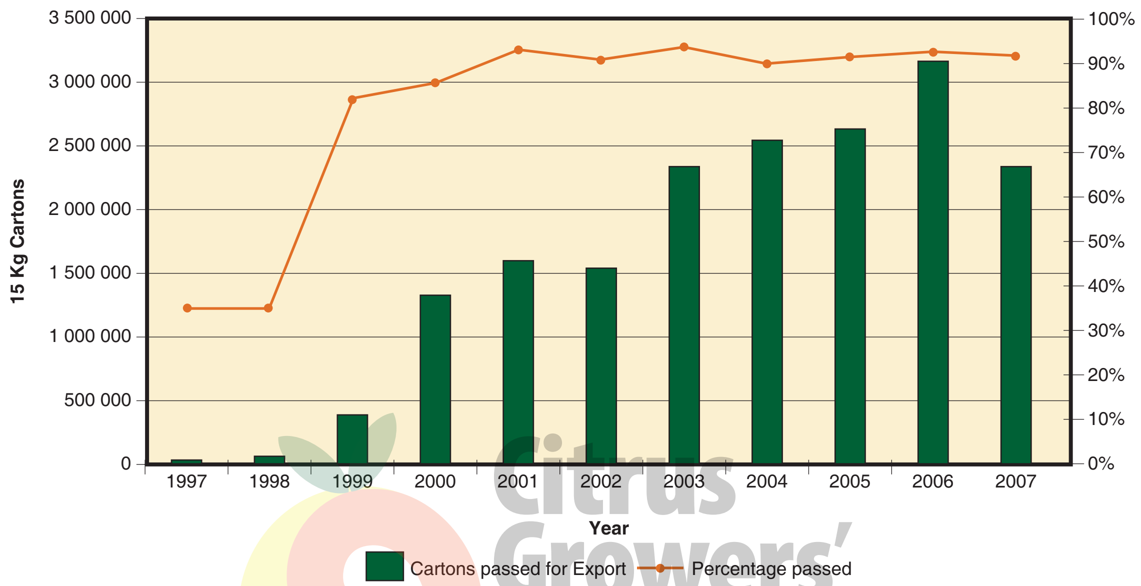
Applications for grapefruit, lemons and soft citrus to be added to the protocol to South Korea are still being processed.

	Cartons Presented	Cartons Approved	Cartons Rejected	Perc. Rejected
2000	270 390	173 410	96 980	36%
2001	144 300	91 480	52 820	37%
2002	206 250	134 410	71 840	35%
2003	422 290	297 430	124 860	30%
2004	462 884	432 535	30 349	7%
2005	325 845	243 995	81 850	25%
2006	321 945	308 235	13 710	4%
2007	177 380	169 320	8 060	5%



TOTAL ha	
Eastern Cape	10 054
KwaZulu-Natal	4 022
Limpopo	17 457
Mpumalanga	10 764
North West	34
Northern Cape	683
Swaziland	1 764
Western Cape	11 853

KEY to ha	TOTAL
Grapefruit	8 451
Lemons	4 408
Navels	13 875
Soft Citrus	4 684
Valencias	23 757
	55 175



USA

Pest related problems at the start of the season, and heavy rainfall, meant a sharp decline in the USA programme. Volumes dropped to levels last seen in 2003 at just over 2.3 million cartons – a decrease of 26%. Fortunately pass rates improved to 92% (2006 90%).

The split between the different cultivars is presented below (all in 15Kg equivalents):

Comparisons with 2006 Programme: There was a 47% decrease in the volume of clementines exported, and an 18% decrease in the volume of navels. Midknight exports decreased by 39%, with an increase of 66% in minneolas. Mandarin volumes increased by 39%.

During the year under review, George Hendrikse, who has managed the Special Export Programmes for the CGA for the past four years, bid the CGA farewell to pursue a career in the fruit export industry.

Wider Access: Two applications for wider access have been lodged with USDA APHIS. The first deals with extending the regions recognised as pest free to include magisterial districts in the Northern Cape and eastern Free State. During the year there has been correspondence in this

Cultivar	Cartons Presented	Cartons Approved	Cartons Rejected	% Approved	% Rejected
Clementines	450 864	397 321	53 366	88%	12%
Navels	1 540 543	1 375 835	164 908	89%	11%
Midknights	426 380	397 100	29 260	93%	7%
Minneola's	118 752	110 744	8 008	93%	7%
Cara Cara	29 680	25 270	4 410	85%	15%
Mandarins	34 647	34 647	0	100%	0%
TOTALS	**2 600 866**	**2 340 917**	**259 949**	**90%**	**10%**

regard, USDA have acknowledged receipt of the survey data, and it seems that this procedure may be completed without too much delay.

The second application deals with pest free places of production in an area of low pest prevalence – particularly areas of the northern Limpopo province. This is a new concept to USDA, and as such will be thoroughly investigated by them. Growers in the region have been briefed by the DoA, and delimiting surveys have been carried out on the farms.

It is anticipated that a delegation from USDA will visit South Africa during April 2008.

Cold Treatment for FCM: Exporters to the USA are still frustrated by the continued use of the prolonged cold sterilisation period for FCM. Despite implementing new standard operating procedures in packhouses, and good agricultural practices in orchards, the extended cold sterilisation remains. It is hoped that the April 2008 visit will result in some progress.

Early Season Problems

Due to the interception of fairly high pest levels at the start of the season, the US programme for oranges out of the Western Cape was suspended on 8 June 2007. After intense negotiations with USDA, and the imposition of various new measures, the programme was reinstated. All in all disruption to the programme was kept at a minimum, while ensuring the phyto security of export consignments. The DoA, CRI, Citrus Producers Forum and USDA APHIS must be commended in the manner in which this problem was handled and resolved.

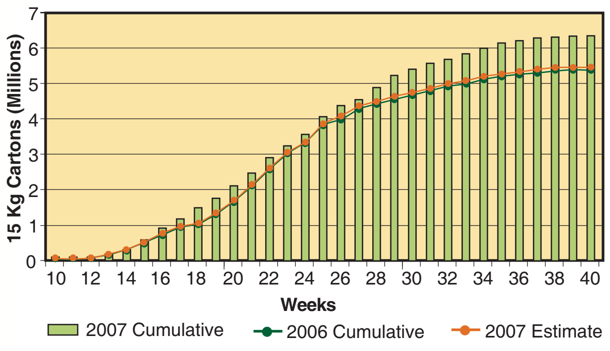
AFRICAN GROWTH AND OPPORTUNITY ACT (AGOA)

At the invitation from government, CGA submitted a paper to the AGOA summit held in Ghana in July 2007. While applauding the US for enacting AGOA, with its advantages for the industry in terms of duty free access, the CGA also asked for assistance in dealing with technical barriers to trade.

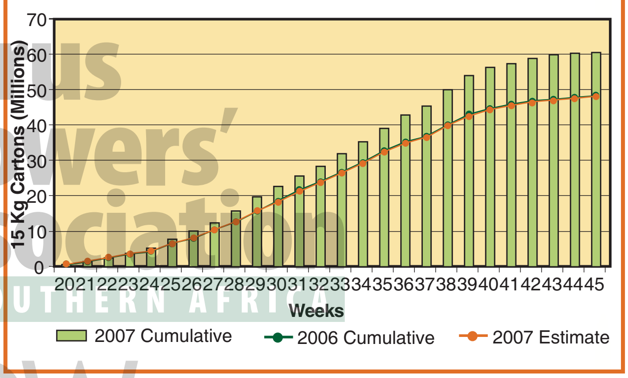
Government Relations Consultant

CGA continued to engage a consultant in Washington. During 2007 he assisted with the new levy applications, the proposed roll back of the treatment period, and in sourcing funding for the Sterile Insect technology (SIT) program in the Western Cape. Importers to the US assist in funding this position. He also keeps an eye on impending legislative changes, commenting on their possible impact on the South African industry.

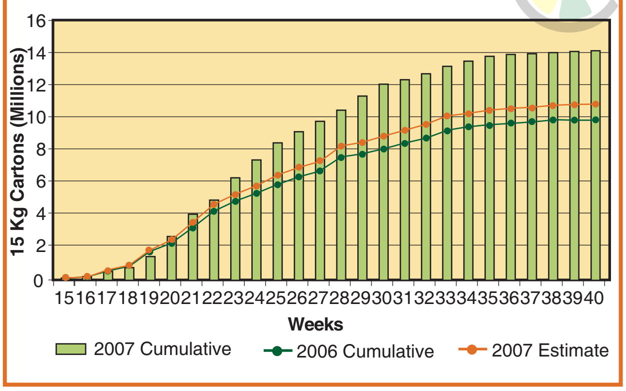
Soft Citrus passed for Export



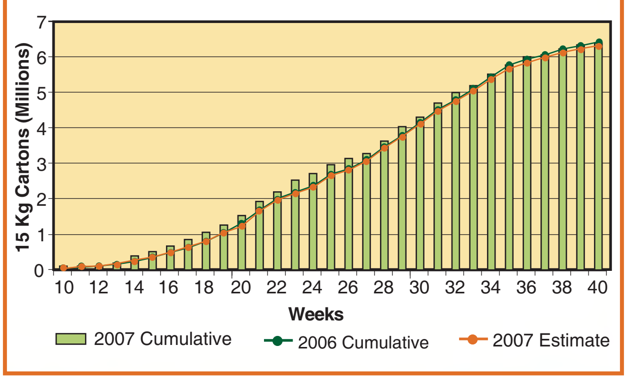
Oranges passed for Export



Grapefruit passed for Export



Lemons passed for Export



The 2007/8 financial year began with reasonable expectations that the Food Safety and Quality Assurance requirements for Southern Africa citrus producers would be more complicated and less favourable than in previous years. These expectations were justified as one considers the pattern where Plant Protection Products (PPPs) Maximum Residue Levels (MRLs) have become more restrictive, retailers have limited the number of 'permitted' PPPs, and private and official schemes to ensure food safety and quality compliance remain onerous and costly. All this against a backdrop where phytosanitary control measures (including the use PPP) have become increasing essential to retain key markets. A potentially bleak set of circumstances indeed. Looking back, however, in many respects the Southern African citrus industry finds itself in a more favourable position in terms of Food Safety and Quality Assurance than where it was 12 months ago despite the numerous challenges that arose during the year.

Paul Hardman
Industry Affairs Manager

Highlights during the year

MRLs Harmonized: The EU Standing Committee on the Food Chain reached a milestone on the 1st March 2008 when they published a list of Temporary MRLs that would become effective on 1st September 2008, effectively activating legislation (396/2005/EC) conceived in 2005 to hasten the process of MRL harmonization across EU Member States. While the process of concluding the final lists had taken longer than expected – leaving many EU trading partners uncertain about the final status of those MRLs to be harmonized – it is pleasing to report that in every case except one the published EU temporary MRLs are less stringent than what was applied in the SA citrus industry previously. On this basis some restrictions in the *Recommended Usage Restrictions for Plant Protection Products on Southern African Export Citrus* were relaxed by CGA/CRI.

UK Retailers: Pressure from retailers (particularly those in Germany and UK) to change production practices toward a zero-detectable residues strategy, or at least levels less than the official MRL, intensified with some retailer representatives visiting South Africa to evaluate for themselves the feasibility of this approach. The co-ordination of policy and technical responses by CGA to questions raised by retailers proved highly effective and efficient. In fact, going into the 2008/9 season a number of previously "prohibited" PPP were re-categorized by some retailers and certification schemes to make provision for essential uses. There is no doubt that this drive by retailers is unlikely to relent over the next few years but the type of engagement with retailers remains frank but cooperative. CGA plan to meet with a wider number of retailers in 2008/9, particularly in mainland Europe, to convey the message that much is being done in southern Africa to reduce dependency on PPPs, and to explain the phytosanitary implications should key pests and disease not be effectively controlled.

SA PIP: The SA Pesticide Initiative Programme (SA PIP) drew to a conclusion on the December 2007 along with the successful completion of all CGA/CRI projects. Over the programme's four years Good Agricultural Practice (GAP) trials and Adaptive Research (to reduce dependency on PPPs) valued at R4.3 million and approximately R4.0 million, respectively, was undertaken.

1) In total the cash contribution from CGA was only R655 000 for the GAP trials, while the balance required to achieve the 50/50 industry contribution was included in the CRI budget or formed part of the "in-kind" contributions..

The objective of the GAP trails was to generate appropriate data that would lead either to the successful retention of key EU MRLs (Import Tolerances) or help determine the practices under which the PPP could be used in SA should the EU MRL be lowered. Seven Import Tolerances data packages were generated, while an additional four residue breakdown trials were finalized in

2007/8. **Carbendazim trials** on citrus completed under the SA PIP helped to maintain appropriate EU MRLs for Carbendazim ensuring this valuable PPPs use on citrus for the foreseeable future.

Participation in the SA PIP has helped to strengthen working relationships between CGA, Department of Agriculture, agricultural chemical companies, service providers and relevant European Commission representatives. It was hoped this level of engagement would have developed and extended in to a follow up programme (such as SA PIP II). This has not materialized despite effort and lobbying, although indications are that funding streams may become available from 2009.

Improved relationships with the US: CGA's Industry Affairs Manager participated in the Cochran Fellowship Programme during September/October 2007 in Washington DC, USA. This US Food Safety Policy and Audits programme was a valuable opportunity to engage with US counterparts and to learn and observe the US approach to official food safety control. Prior to 2007 very little contact between CGA and US food safety officials had occurred, and the SA citrus industry is now better placed should a food safety incident ever arise.

Food Safety Learner Guides: Citrus Academy Food Safety and Quality Assurance Learn Guides for Levels 2 through 4 were made available during the year. This material fills a need previously identified by growers to build appropriate food safety and quality assurance capacity and skills right at the "coal face" of citrus operations. Growers are now encouraged to make use of these learner guides.

MRL Database: During the course of the year CGA enhanced the information management system used to store PPP information. While this work happens "behind the scenes" it provides underlying support/justification to many of the recommendation made by CGA/CRI, and is becoming increasingly valuable given the growing volume of available data, and the complexity and quantity of queries CGA fields weekly.

Regulatory affairs: CGA Industry Affairs Manager has worked hard to keep the Department of Agriculture and PPECB aware of citrus industry affairs and needs during the year. The most critical areas that required engagement with DoA and PPECB were:

- Slow progress of registrations for new and old PPPs at the Registrar (Act 36 of 1947).
- Slow progress on the implementation of recommendation made by the EU Food and Vetenary Organization including improving and upgrading analytical laboratory capacity.
- Improving communication and sharing vital information that could impact the citrus industry (such as notifications by trading partners via World Trade Organization).
- Updating and maintaining Standard Operating Procedures (e.g. Traceability, Sampling)
- Harmonization of food safety controls between non-regulated and regulated products
- Tracking progress by the CODEX committees dealing with relevant food safety concerns.

Challenges during the year

Imazalil MRL Exceedances: An unusually high number of suspected MRL exceedances from post-harvest treatments in the Eastern and Western Cape lead to a concerted effort between DoA: Food Safety and Quality Control, DoA: Analytical Services, PPECB, CGA and CRI to identify the source of the problem. From the evidence CGA was of the opinion that these "exceedances" were false positives caused by differences in the analytical methods used to determine the residue level. The disruption to trade was significant as consignments were held back until verification samples could be drawn and analyzed. These follow-up samples were invariably compliant to the MRLs. Of greater concern was the observed change to packhouse practices in response to the higher incidence of exceedances. These changes were against CRI recommendations and were exposing the SA industry to residence build up to key fungicides. Appropriate mechanisms were put in place to handle new cases where the MRL had been "exceeded" and CGA will monitor the progress closely in 2007/8.

Harmonization of Standards: During February 2008 SHAFFE called a meeting with major European retailers (the Global Food Safety Initiative) in order to address prevailing concerns around the lack of harmonization in GAP standards. The lack of harmonization in these standards means more audits and cost faced by producers. Disappointingly retailers showed little willingness to change the status quo. The on-going challenge for CGA will be to find ways to engage with retailers, perhaps on a one-to-one basis, to try to this lighten the burden on growers.

PQMS: Since 2006 CGA had actively pursued the introduction of official Product Quality Management Systems (PQMS) and variations thereof as an alternative to official End Point Inspections (EPI) – the prevailing method of food safety and quality inspections for export citrus. The envisaged benefits of a PQMS approach were lower cost and more operational flexibility, while maintaining or improving quality control.

Ultimately, however, the CGA Executive Committee instructed CGA staff to abandon the push for PQMS for now, when it became clear that an impasse had been reached. DoA were no longer likely to sanction official PQMS until concerns about 1) phytosanitary security (inspections of each consignment) and 2) trading partners acceptance of PQMS were adequately addressed. Factors outside the scope of the PQMS debate would influence the progress on these two concerns.

On-going work is being conducted to ensure the EPI system is being implemented effectively and efficiently by PPECB both through citrus grower representation on the PPECB board and the small working committee set up to consider inspection operations.

Future Challenges

Ethical Trade: The SA fruit sector has been categorized by some retailers as "high risk" regarding the perceived level of compliance to codes of good ethics to be poor in South Africa. This categorization was done prior to any farm visits and surely cannot be justified given the progressive labour legislation in South Africa. CGA can play a vital role in helping citrus producers to understand the Ethical Trade audit requirements, while also engaging with retailers on behalf of growers to ensure the audit process remains relevant, relatively inexpensive but accurate and informative.

Carbon Footprint and Food Miles: Consumers in the UK and mainland Europe are becoming more conscious of the carbon footprint and the number of miles food travels before it arrives on the store shelf. In other words, consumers are concerned about how the food they eat is produced and transported and that these activities do not unnecessary harm to the environment. The emergence of this issue has clearly demonstrated a need to provide facts about the production of citrus in SA. CGA is well placed to communicate information, while CRI will be involved in studies looking at aspects like carbon calculators and carbon footprints that will provide the scientific basis for a SA citrus industry position on Carbon footprints and food miles.

cri citrus research international

Introduction

Vaughan Hattingh
CEO

The industry research and technical support services provided by the CRI Group Alliance continued to be coordinated by CRI, along the lines of the processes and procedures that have served the industry well over the past few years. The majority of the funding continued to be derived from the levy on export citrus, as administered by the CGA. Priorities were again updated through a process of consultation with growers and other industry role players. A set of Advisory Committees were maintained to provide recommendations on the composition of research portfolios and the allocation of funds. CRI continued its operations within the following Divisions: Research, Extension, Cultivar Development and the Citrus Improvement Scheme; with the overarching priority of Market Access. This report briefly refers to some of the more topical developments over the past year, but interested parties are referred to the CRI Annual Research Report for a comprehensive review of Research and Technical support.

Market access technical coordination

A strong focus was placed on the **EU** Phytosanitary Regulations pertaining to Citrus Blackspot (CBS) to drive this lengthy process of engagement to conclusion. The CEOs of CRI and CGA undertook numerous engagements with relevant parties in Europe at various levels, including Spanish citrus industry role players, European scientists, European regulators, trade and political representation up to EC Parliamentary level and diplomatic representatives. A large panel (14 members) of South African scientists and regulators with expertise in CBS was convened by CRI, in close collaboration with the SA DoA. A comprehensive scientific position was formulated that supported South Africa taking a firm position. Accordingly, SA called upon the EU to conclude the matter on the basis of the scientific information provided over the preceding seven years, or subject the matter to third party facilitation. The European Commission's Standing Committee on Plant Health considered the submission and referred the matter to the European Food Safety Authority (EFSA) for a scientific opinion. It is expected that this opinion will be forthcoming towards the end of 2008.

The initial SA application to **Japan** to commence exporting soft citrus was made in 1996. A great deal of research and numerous exchanges between SA and Japan ensued. In 2007 agreement was reached on a cold treatment protocol for the disinfestation of fruit flies and Clementine exports commenced. Progress was made in revising the time temperature conditions for the cold treatment of all SA citrus exports to Japan, by Japan's acceptance of SA's proposed experimental protocol. The results of the research will be officially communicated in 2008.

An application was made to **USA** to recognize the Northern Cape and Western Free State as a CBS-free area, on the basis of surveys conducted over preceding years through a collaborative effort between CRI and DoA. Likewise CRI provided technical information for communication with USA in support of SA's proposal to commence exports from CBS free places of production. CRI participated in bilateral meetings between SA and USA to establish conditions for reversion from the 24 day cold treatment for FCM to a 22 day treatment. Unfortunately, progress with this matter was frustrated by high levels of FCM infestation in the 2007 export season. Reversion to a 22 day treatment for exports to China and South Korea remained pending resolution of the matter between SA and USA.

A process to include soft citrus in SA exports to **South Korea** was initiated in 2007. CRI provided DoA with a data package to support SA's proposal to broaden access to the South Korean market by including Grapefruit and lemons. CRI also provided additional scientific data to support SA's proposal to commence citrus exports to **Australia**.

for future exports of SA citrus to Thailand. CRI provided DoA with a pack of data to address the many problematic aspects of the draft protocol. This was communicated with Thailand, but progress has been delayed by Thailand's announcement that it has embarked upon a process of revising all its import conditions.

Research Programme

A strong focus of attention and resources in the **Integrated Pest Management Programme** continued to be directed towards improved management of FCM. FCM is recognized as being an area of research of top strategic significance to the industry because of its potential implications for access to export markets. A wide range of new control options progressed towards future application through research conducted in the year. The Sterile Insect Technique (SIT) that was previously developed by CRI in an international collaborative research project, was commercially implemented across 1500 ha in the Citrusdal region by Xsit (Pty) Ltd. Xsit is a subsidiary of River Bioscience, the industry owned technology commercialisation company. The expansion of the technology's use and roll out to other regions is the subject of ongoing research attention. Research on a wide range of issues pertaining to fruit flies was also undertaken. This included pre-emptive development of management strategies for exotic fruit flies that do not as yet occur in SA, but may establish in SA in the future. This is strategically important work and aims to minimize the potential detrimental impact of such future developments on the industry's access to export markets.

Within the **Disease Management Programme**, CBS continued to be a high priority, but here the focus shifted from basic research to Market Access Technical Coordination inputs required to address the phytosanitary regulatory issues. Post Harvest Pathology continued to be a strong focus area in light of the ongoing losses that the industry experiences for post-harvest decay. There was greatly elevated concern about the industry's future ability to manage post harvest decay in light of evidence of the build up of fungicide resistance by post harvest pathogens. A breakthrough in averting this imminent crisis was achieved with the introduction of new chemistry for post-harvest decay control in packhouses. Strong research and technical inputs were made in the Graft Transmissible Disease area in recognition of the critical role that this branch of pathology plays in Biosecurity of the industry.

Good progress continued to be made in the **Crop and Fruit Quality Management Programme**. The basic research designed to advance the frontiers of scientific understanding of Rind Condition, continued to progress with the prospect of useful practical applications in the future. Within the Production and Quality project, research focused on aspects of improving colour, fruit size and crop load optimization, irrigation optimization, potential manipulation of the size of navel end openings and the tolerance of fruit to a range of irradiation doses. Irradiation presents an interesting prospect as a potential post-harvest disinfestation treatment. Efficacy against fruit flies is known and recent research indicated that FCM is another candidate for control. Unfortunately the 2007 research results indicated that sensitivity of citrus fruit rind to a range of irradiation dosages presents a serious constraint to the potential commercial application of this technology as a disinfestation treatment.

Cultivar Development

CRI's approach to Cultivar Development was subjected to review. A lengthy and delicate process culminated in the CRI Board of Directors approving a revised policy guideline that was endorsed by the CGA. The objective of the revised policy is to strengthen focus on the development of cooperation among all industry role players in the cultivar development arena.

Citrus Improvement Scheme

The Citrus Improvement Scheme continued to operate on a voluntary participation, non-statutory, basis. Support remained high and the sales of propagation material started recovering strongly, enabling good progress to be made towards recovery of the economic self sufficiency target for the Citrus Foundation Block. Despite the protracted nature of ongoing discussions about potential future implementation of the scheme on a statutory basis.

Extension

CRI Extension's brief was broadened during the report period, to include the hosting of an Industry Transformation Extension post. This post is funded directly by CGA, but is operated by CRI and housed within the CRI Extension Division. The objective of the position is to facilitate integration of new entrant farmers into the industry's technical support structures, including the regional Technology Transfer Groups. A cooperation agreement was signed with the Limpopo Department of Agriculture, whereby this new extension capacity will support the Limpopo Department of Agriculture Extension personnel to become engaged in this process.

CRI's industry extension support continued to operate very successfully on the basis of 27 Regional Technology Transfer Groups. The support services of various citrus consultants were maintained on a contractual basis. CRI Extension made excellent progress in coordinating the establishment and commencement of activities of the Citrus Cold Chain Forum (CCCF). The following structures were put in place to establish the forum: the Packhouse & Handling Panel, the Packaging Working Group, the Exporters Technical Panel, and CRI's Cold Chain Research Project. The formation of the Packhouse & Handling Panel was a particularly noteworthy development. Five regional Packhouse Study Groups were formed to constitute this Panel and the first round of annual pre-season meetings was held in 2007, with great success. The CCCF provides the industry with an excellent opportunity to strengthen its global competitiveness, but the sustainability of this initiative is dependant on adequate resourcing of its structures. CRI Extension only provided temporary support to form and initiate the functioning of the CCCF, but it's ongoing maintenance is not within the current mandate of the CRI. Means of ensuring continuation of the CCCF initiative are therefore required.

Composition of CRI Advisory Committees 2007

CRI Board of Directors

Jock Danckwerts	Chairman – grower nominee
Hoppie Nel	Vice chairman – grower nominee
Gerhard Scheepers	Grower nominee
Kobus de Kock	Grower nominee
Louis von Broembsen	Grower nominee
Mark Fry	Grower nominee
Chris Kellerman	Consultants Association nominee
Steve Truner	Exporters Forum nominee
Anton Ströh	University of Pretoria nominee
Gerhard Jacobs	Stellenbosch University nominee
Org van Rensburg	ARC nominee

CEO: Vaughan Hattingh

Routinely invited:

CGA Chairman & Justin Chadwick - CEO CGA

CRI Executive Committee
Jock Danckwerts — Chairman
Hoppie Nel
Gerhard Scheepers
CEO: Vaughan Hattingh

CRI nominees on River Bioscience (Pty) Ltd Board of Directors
Jock Danckwerts
Gerhard Scheepers
CRI CEO: Vaughan Hattingh

CRI nominees on Xsit (Pty) Ltd Board of Directors
Gerhard Scheepers
CRI CEO: Vaughan Hattingh

Cultivar & Rootstock Evaluation Committee
Jock Danckwerts — Chairman
Hennie le Roux
James Miller (replaced by Ballie Wahl)
Andrew Lee
Routinely invited:
V Hattingh
T du Toit
P Kingston
P Turner (replaced by F Veldman)

Cultivar Development Committee
CRI Executive Committee & CRI CEO

Disease Management
Chris Kellerman — Acting chairman
John Mildenhall
Ballie Kotze
Barry Manicom
Lise Korsten
Paul Fourie
V Hattingh
T Grout
H le Roux

Integrated Pest Management
Kobus de Kock — Chairman
Deon Begemann
Martin Gilbert
Dave Gerber
Kevin Language
Ken Pringle
Routinely invited:
V Hattingh
T Grout
H le Roux

Crop and Fruit Quality Management
Gerhard Scheepers — Chairman
Piet van Rensburg
Graham Barry
Ballie Wahl
John Bower
Steve Turner
Mark Fry
Malcolm Dodd
Routinely invited:
V Hattingh
T Grout
H le Roux
H Bester
P Cronje
S Verreynne

CIP Advisory Committee

Standing committee:

Chairperson	J Danckwerts
Manager CIS (convenor)	T du Toit
CGA	M van Niekerk
SACNA	P Kingston
CRI	V Hattingh
Post Entry Quarantine	B Manicom
Industry Pathologist	H le Roux / P Fourie
Industry Virologist	F van Vuuren / G Pietersen
Industry Manager Cultivar Development	A Lee
Cultivar Management Companies	P Turner
Routinely invited / co-opted:	
DoA Agricultural Products Inspection Services	M Holtzhausen
DoA Plant Improvement Act	C Arendse (replaced by J Sadie - acting)
DoA Plant Breeders Rights Act	M Schaffner
DoA Agricultural Pests Act	JH Venter / M Rambauli
South African Nurseries Assoc (SANA)	P Vonk
CEO CGA	
CEO CRI	
Industry Manager Research & Technical	
Industry Manager Extension Services	

Citrus Academy Board of Directors

The Citrus Academy is governed by a board of directors initially consisting of five members. In March 2008 the board of directors of the Citrus Growers' Association approved two additional seats on the Citrus Academy board of directors, bringing the total number of directors to seven.

The members of the board and their representation on the 31st of March 2008 are as follows:

Group	Name	Date of Appointment	Date of Resignation
CGA – Chairperson	Hoppie Nel - Vice Chairperson	2007/04/01	
CGA – Emergent FarmerRepresentative	Israel Nemaorani	2007/04/01	
CGA – Emergent Farmer Representative	Harry Gxotiwe	2007/04/01	2007/09/30
CGA – Emergent Farmer Representative	Phindi Kema	2007/10/01	
CGA	Flip Smit	2008/03/18	
Donors	Mark Fry - Chairperson	2007/04/01	
Service Providers	Abraham van Rooyen	2007/04/01	2008/03/06
Skills Development Specialist	Vacant		

The Chief Executive Officer of the CGA, Justin Chadwick, attends Citrus Academy board meetings as an observer.

The following board meetings were held during the period under review:

Date	Meeting	Apologies
2007/03/30	Inaugural Board Meeting	Harry Gxotiwe
2007/05/31	Strategic Planning Workshop	Mark Fry
2008/01/24	Board Meeting	Israel Nemaorani; Justin Chadwick
2008/03/14	Board Meeting (Telcon)	Phindi Kema; Justin Chadwick

Citrus Academy Bursary Fund

Applications for bursaries are made through the websites of the Citrus Academy from June to September every year. Academic institutions with which the Academy has established close relationships over the last two years are contacted to ensure that students are aware of application deadlines.

Shortlists are submitted to the main donors, the Citrus Industry Trust (CIT), for their consideration. Additional funding is sought for applications that the CIT is not able to fund and that are deemed worthy.

The following allocations were made in the period under review:

Description	2007	2008
Value of Bursary Fund	R736 950	R699 438
Number of Students	43	46

The Citrus Academy provides students with opportunities for vocational training to supplement their theoretical knowledge and better prepare them for absorption into the industry on completion of studies. The numbers of students that were placed in vocational learning programs in the period under review are as follows:

Category	2007	2008
Vacation Work	17	n/a
Internships	8	10
Workplace Experience Grants	0	5
Industry Exposure Programme	3	n/a

Thirteen bursary fund students graduated at the end of 2007 and were successfully placed with organisations linked to the citrus industry.

Jacomien de Klerk
Manager - Citrus Academy

Learning Material Development

The Citrus Academy manages a project aimed at developing citrus-specific learning material that complies with the requirements of registered unit standards and qualifications. Material is developed for unit standards that form part of production and packing qualifications. The learning material is made available for free download from the websites of the Citrus Academy.

The learner guides for production unit standards are also produced in high-quality printed format. Learner guides will be sold in four sets, one per NQF level. The sets will be available for sale in 2008.

The Citrus Academy started negotiations with the South African Subtropical Growers' Association and South African Table Grape Industry about making the Citrus Academy learning material available for adaptation to other commodities. It was agreed that commodity organisations will pay a licensing fee that will allow them to adapt the material for their own use. It is expected that this process will get underway in 2008.

Learning Programme Development

The Citrus Academy develops learning programmes in response to needs expressed by citrus growers or related enterprises. Learning programmes are aimed at specific target groups or learning needs. Learning programmes are in most cases based on the Citrus Academy learning material, but new material is developed when required. Programme development also refers to the unit standard alignment and outcomes-based adaptation of existing programmes.

In 2007/8 the Citrus Academy worked on the following programmes:

- Citrus short course
- Top of the Class programme
- Recordkeeping programme
- Institutional orientation programme
- Nursery workers' programme

Capacity Building Workshops

Early in 2008, the Citrus Academy identified the need for improving the quality of skills delivery by capacitating those involved in skills transfer, specifically accredited service providers, extension officers, mentors, lecturers, and production managers. It was found that there was a need for both building own knowledge and skills, and for developing the skills to facilitate learning more effectively.

The first capacity building workshop was held in February 2008 on Production Management in Stellenbosch, facilitated by Louis von Broembsen. Workshops are being planned for 2008 on Marketing and Industry Overview, Plant Nutrition and Soil Management, Irrigation and Water Quality, and Food Safety. The workshop schedule is available on the websites of the Citrus Academy.

Skills Planning

Skills planning is essential to effective skills development implementation. Skills planning is what prevents training for the sake of training, ensuring that skills development initiatives are focussed on outcomes and not inputs.

The Citrus Academy developed an implementation plan for skills planning and is able to assist emergent farmers with this process. A pilot project was undertaken in February 2008 to test the implementation plan, at Makonde Citrus Farmers Cooperative in Venda.

Desiree Schonken
Assistant Manager

Introduction

Andile Maxwell Hawes
Transformation Manager

Year 2008 is the fifth year of implementation of the transformation programme and is regarded as the year for Citrus Growers Association (CGA) to look back and critically assess the impacts of its programme. The major indicators for the success of the programme is the increase in the number of exporting black farmers and the increase in the number of quality export cartons produced by black growers or owners. However such can only be achieved if farmers have the necessary support structures and a healthy operating environment.

During this period, a wide range of activities took place in the form of project implementation and direct interaction with different stakeholders. The interaction was very useful as it has provided full insight into what needs to be done in order to steer the transformation agenda to higher levels. The highlights of 2007 had major projects that overlapped with the current season which were establishment and management of a database, mentorship, establishment of institutional structures, skills development, capacity building and business enterprise development.

The realism for the success of transformation is when all policies aimed at affecting citrus development reach the areas of impact. The major policies that have an effect on the success of transformation are skills development, comprehensive agricultural support programmes (CASP), mentorship, land reform, fiscal and farmer organisation. Although these policy frameworks are regarded as the best in the world, there are areas of concern regarding the implementation, and that has been communicated to policy makers with the hope that a review will take place.

Comparing the initial stages of transformation and the mileage gained and personal growth by the majority of farmers, it suffices to say the programme has more benefits in terms of knowledge, organisational and technical understanding. Financial benefits have not started to show significant improvement, but there is a trend that is now being established.

Policies that impact on citrus production

This period of transformation did not dwell on assessment of impacts by individual policy and it therefore puts a challenge to the programme to plan for a complete assessment. Such a survey will provide opportunities of quantifying the impacts and assess the nature of impact of this category of farmers to the whole economic environment. The most glaring issue is the lack of linkages between the departments in charge with policy management and the commodity groups. The ease with which the mentorship policy has been implemented has provided lessons on what could be achieved if proper linkages are formed with commodity groups.

Programme and Project Implementation

Establishment and management of Database for emerging citrus farmers

Historically the bulk of citrus farms were owned by white farmers and for the last five years blacks have acquired land through government interventions, a process that government has committed to speed up in the future. The figures presented in the table below reflect only those projects that interacted with the Citrus Growers Association. The figures could be more considering the number of farms acquired through the restitution process and proactive land reform policy.

The lack of proper coordination between provincial offices and commodity groups is the cause for the understatement of figures. The representation of national targets therefore does not reflect failure by the industry to support land reform objectives. The majority of farms in question have only started to export and those exporting are not reflecting the full potential of the farm, mainly due to lack of financial support. The land reform not only impacts on the number of black farmers, but also

Table 1: List of policies identified as having impacts to citrus emerging farmers

Policies	Areas of Impacts
Comprehensive Agricultural Support Programme (CASP)	Provides financial support on issues that improve competitiveness
Farmers organisation	Favours the support of organisation of small scale farmers, cooperative policy has been reviewed to this effect
Mentorship	Provide financial support and a framework for carrying out programme implementation
Agricultural Black Economic Empowerment (AGRI-BEE)	Provides clear targets that will have to be achieved in order to engage small-scale farmers in the economic activities of the country, but does not commit funding for BEE deals
Land Reform	Skew distribution of land is being addressed but high value of citrus makes access difficult.
Skills Development policy and levies	Promotes improvement of skills, literacy levels and provide financial support for training
Fiscal Policy	The medium term expenditure funding prioritise all areas that impact to small-scale development and funding is committed

Table 2: Statistical Data for Emerging Farmers in Citrus Producing Areas

Province	Production Area	District	Area Under Citrus (ha)	Provincial Area (ha)	Emerging Sector (ha)	Land Share %	30% Target (ha)	Potential (ha)
	Total		4 008	54 142	4 008	7%	16 243	498
Limpopo		Vhembe	208	17 451	1 645	9%	5 235	
	Limpopo	Bohlabelo	467					
		Capricorn	195					
	Letsitele	Mopani	357					
	Senwes	Waterberg	418					
KwaZulu-Natal	Nkwalini	Mlalaze	484	4 022	570	14%	1 207	140
	Richmond	Ithala	86					
Mpumalanga	Nelspruit	Mbombela	295	10 762	497	3%	3 229	50
		Mbombela*	116					
		Malelani	86					
Eastern Cape	Eastern Cape Midlands	Mathole	288	10 054	944	9%	3 016	448
	Patensie	Kouga	179					
	Sundays River Valley	Sundays River	477					
Western Cape	Western Cape	Citrusdal	352	11 853	352	3%	3 556	

** Lemon Oil Projects*
30 % target assumes that productive land will be made available for transfer to emerging sector
Note: The figures given above do not include projects that are under Land claim process ***or equity holdings****.*

has an impact on citrus production as well. Some of the farms are more likely to be out of production should the issue of support services not be properly addressed.

Mentorship programme

Mentorship programme is aimed at improving the decision making process of the emerging citrus farmers. Since the inception of the programme government has granted R 2.95 million to this programme. The major outcome of this initiative is improvement in the management of orchards and change in attitudes of new farmers.

Funding restraints limits the opportunity to expand this programme. It is hoped that the positive results from the programme will encourage more government funding.

Establishment of Institutional Structures

Proper organisational structures are crucial for emerging citrus farmers to be able to share information, experiences and ideas related to production, research and strategic business issues. A partnership between National Department of Agriculture and European Union provided funding to the tune of R 236 400 to assist farmers to organise study groups and establish institutional structures on a provincial basis. Citrus Research International would now be able to communicate research results through organised structures.

The intention is not to have separate structures in perpetuity, but to create a platform through which new farmers could be empowered before joining established citrus structures. Such arrangement also provides an opportunity for CRI to realign itself to the needs of emerging farmers.

Skills development

Citrus production is heavily reliant on export markets and the processes within this market demand that farmers have the ability to adapt to and embrace ever changing technological changes. Many new farmers are not adequately skilled. Acknowledging such challenges, the National Department of Agriculture and European Union provided an amount of R 205 000 to pilot a project that will improve skills of farmers on the issues of food safety and training of extension officers on safe use of chemicals. Food safety issue are crucial for farmers to be able to access discerning markets through accreditation.

The pilot project of training farmers on issues of consumer health and food safety was undertaken at Mabunda and Mariveni in the Tzaneen area. The project involved 50 beneficiaries and the participating projects were able to get GLOBALGAP and Natures Choice accreditation in 2008. The outcome of the project was raising awareness on issues of food safety and actual knowledge about elements that constitute consumer health and food safety. CGA has also co-funded the project and the total project amount was R 337 750. Future roll out of the project will depend on the availability of funds.

Capacity Building

An effective extension service is one of the elements of the citrus production systems that is important, especially when farmers have low levels of education and are producing a complicated product. It has often been said that extension is the best conveyor of technical information on any particular crop. The collapse of extension services post 1994 resulted in emerging farmers not having a dedicated extension service. CGA, in partnership with provincial agricultural departments endeavours to resuscitate the citrus extension services. Capacitating extension officers on citrus production is the main drive. Citrus Research International coordinates the programme through the newly employed extension coordinator and this is a major commitment by CGA.

Ten extension officers from Eastern Cape and Limpopo Provincial Departments of Agriculture received facilitation training on citrus production. The plan is to provide intensive training for all extension officers involved with emerging farmers. The high turnover of departmental staff remains a serious challenge in all provinces. Limpopo is the only province that has signed a Memorandum Of Understanding and specific individuals have been allocated to citrus commodity. The extension officers are currently being trained on how to develop an extension programme for citrus production. Five district offices are engaged in this exercise.

The training may take a while as most extension officers have no practical experience in citrus production. The distribution of information is another area that would need to be improved, with a review of provincial organisational structures.

Conclusion

In concluding it can be said that the transformation programme has been able to bring about some change despite hurdles slowing down the delivery process. There is a serious concern regarding the impact of land reform implementation, which not only affects the individual farms but has ripple effects through the whole value chain.

CGA need to pursue stronger ties with Provincial Department of Agriculture as they are the ones with the ability and necessary powers to partner with the citrus commodity for the development and growth of the rural economy. The development of emerging citrus farmers should become a component of government's medium term budgetary process in order to ensure the appropriate allocation of resources. Another important factor to pursue is the increased involvement of farmers in mentorship, done as a private/public partnership.

	Actual 2006/07	Budget 2007/08	Actual 2007/08	Budget 2008/09
Income	**26,642,067**	**23,490,000**	**31,115,254**	**24,900,000**
RSA Levy	22,371,036	22,400,000	28,018,421	23,360,000
Swaziland / Zimbabwe Levy	372,219	540,000	588,160	540,000
Bad debts recovered	412,400			
Interest	345,165	250,000	636,384	400,000
Other Income	3,141,247	300,000	1,872,289	600,000
Expenditure	**24,100,185**	**24,603,245**	**23,432,444**	**24,900,000**
Staff Costs	1,777,775	2,158,663	2,310,824	2,428,917
Travel & Accommodation	100,911	116,000	197,952	121,000
Office - Rent & Equipment	163,594	216,582	201,634	231,730
Office Expenses (Stationery, tel, copies)	228,735	250,000	256,774	245,000
Board Expenses	346,081	330,500	313,612	330,500
Services (Accounting & Legal)	136,448	60,000	111,158	65,000
Suscriptions	224,980	421,000	404,089	216,000
SA Fruit Journal	56,284			
Communication		180,500	197,241	210,000
Industry Statistics				30,000
Market Access	1,320,116	1,992,000	1,277,794	2,115,000
Reseach Programmes - Citrus Research International	13,186,570	16,000,000	16,000,000	17,300,000
Reseach Programmes - Citrus Research Trust				-1,465,532
Transformation / Citrus Academy	2,001,994	2,176,000	3,316,786	2,827,385
RSC Levy	17,494			
Levy Collection - PPECB		224,000	174,961	
Depreciation	34,700	15,000	32,132	15,000
General	29,204			
Information	605,299	463,000	400,169	230,000
Provision for doubtful debts / Bad Debts	3,870,000		-1,762,682	
NET SURPLUS / (LOSS) FOR YEAR	**2,541,882**	**-1,113,245**	**7,682,810**	**-**

Subject to final audit

Directors

Dr Hoppie Nel – Chairman: Onderberg: *nelh@tsb.co.za*

Born (and bred) in January 1952 in Vanderbijlpark.

Trained as a Soil Scientist at O F S and Potchefstroom universities.
Involved in soil surveys and then lectured in Soil Physics at Potch university.

Has been involved in citrus industry for 25 years, firstly as a researcher at CSFRI in Nelspruit, then at Zebedelia and now at Golden Frontiers (aka TSB).

Is on various industry forums.

Currently running a 2300 ha enterprise of citrus, banana and litchi plantations.

Gabrie van Eeden - Executive: W Cape: *gve@ghs.com*

Born in September 1965 in Ceres where he spent his early childhood.
He went to Stellenbosch University and received a B Agric, and a B Com (Hons) through Unisa.
Started in technical and agricultural advisory services for Ceres Fruit Growers, through marketing and procurement to general management to Managing Director at Goede Hoop Citrus Limited.

Gabrie is on numerous boards and is chairperson of Goede Hoop Cooling, Goede Hoop Vrugte, Goede Hoop Citrus Ltd Empowerment Trust and Xsit.

He is married to Sunell and has two sons.

Antoine Rouillard – Executive: Pongola: *roulie@telkomsa.net*

Born (and bred) in March 1961 in Pongola. The Rouillard family have been farming since 1932 when his grandfather planted the first citrus trees, purchased from Amanzi Estates in the Eastern Cape.

Received his Honours at Stellenbosch University in Agric and Business Economics. Has been farming sugar cane and citrus since 1986 with his brother. He sees a great future for citrus as long as all citrus growers work together.

He is married to Lien and has two sons and a daughter.
When he finds the time, Antoine loves a good game of golf.

Tini Engelbrecht – Executive Director: Senwes: *tini@dpet.co.za*

Born and brought up in Groblersdal – on the same farm she is still farming with her family. After matriculating she got her National Diploma in Internal Auditing and Management Accounting at Pretoria Technicon. Tini has been involved full-time in the day to day operations of their farm, Piet Engelbrecht Trust, which has been in the family since 1945.
Apart from her position on the CGA Board, Tini is also on the Board of the PPECB as their citrus representative.

Tini enjoys playing tennis and golf in her spare time.

George Hall – Director: Boland: *ghall@unipack.co.za*

George was born in November, 1961 in Fort Beaufort. His schooling at St Andrews College in Grahamstown was followed by studying at the Royal Agricultural College in Cirencester , England. He worked on farms in the USA for a year before settling down to farming in the Swellendam area of the Cape.

He forecasts a bright future taking into account the quality of S A citrus fruit and our position on the world map. The support of the CGA/CRI help make SA a formidable global competitor.

George is a keen MTN biker, and loves paddling and golf.

Gerhard Uys – Director: Patensie: *gerhardu@gamnet.co.za*

Born in 1959, Gerhard studied his B Comp (Hon) through UNISA while doing his Articles. He qualified as a Chartered Accountant and after working in Gauteng for a few years he moved to the Eastern Cape. Practiced accounting and auditing for 17 years gaining valuable experience and understanding of agri business.

Began with Patensie Citrus as auditor, then as their financial and strategic consultant. In 2006 he was appointed MD and took on the huge challenge that faced the citrus industry after the disastrous 2005 season.

Gerhard is married and has four children. He enjoys what he does for a living so sometimes has to find the time to balance his job with enjoying his family, sport and outdoor experiences.

Shane Dellis – Director: Nkwalini: ***valfam@corpdial.co.za***

Born in KZN in 1964 Shane later attended Weston Agricultural College, going on to Cedara to complete his studies in 1986.

He managed sugar estates for Tongaat-Hulett Sugar, until 1994 when he moved to citrus joining the Balcomb Group in Hectorspruit. In 1996 he moved to Nkwalini where he has a citrus and cane farm. He is involved with the production and packing of grapefruit, oranges and lemons.
He hopes to contribute to meeting the challenges and visions of the citrus industry.

Shane is married to Kim and they have two sons, Matthew and Andrew.

Michael Woodburn – Director: S KZN: ***woodburn@futurenet.co.za***

Michael was born in 1968 and educated at Maritzburg College and University. He qualified with a MSc Agric Economics degree.

He managed a citrus packhouse for two years before moving to the family farm in Ixopo where he manages the farm with his father and two brothers. He is also a director on the Carisbrooke Valley Citrus and NCT Forestry Co-op Boards.

Michael played provincial cricket and hockey and still enjoys playing country cricket and social hockey, golf and tennis. For relaxation he reads, fishes and spends time with his wife and children.

Pieter Nortjé – Director: Sundays River Valley: ***sitrusrand@srvalley.co.za***

Born in October 1972 in Kirkwood, Pieter went on to earn a degree in Accounting at Stellenbosch University. In 1995 he began farming on the family citrus farm Sitrusrand in Kirkwood.

In 2006 he was voted Absa/Herald NMMU Entrepreneur of the Year, and Agri SA National Young Farmer of the Year. He is chairman of the Navel Focus Group, and a member of the Pomelo focus group as well as the National Citrus Information Committee.

Per Noddeboe – Director: Swaziland: ***noddeboe@africaonline.co.sz***

Born in Swaziland of Danish extraction. Attended Agricultural College in Denmark, attained his Agricultural degree from Pietermaritzburg University as well as irrigation engineering diploma at Volcani Institute in Israel. MDP from Unisa SBL followed. Worked in engineering for a number of years, before returning to citrus in Swaziland. He is now MD of United Plantations, as well as director on the Swaziland Citrus Board. He is also the Danish and Norwegian Consular in Swaziland.

He is married to Amanda, and they have 4 boys, three of them six year old triplets! Per's main relaxation is fly fishing but also enjoys sailing, hiking, skiing and running. Ultimate dream is to fly-fish stealhead in Alaska and go trout fishing in New Zealand.

Chris Maggs – Director: Zimbabwe: ***technical@citrus.interfresh.co.zw***

Chris was born in Mutare, Southern Rhodesia, in 1958.

He has a MSc Agric (Hort). His citrus experience began with 4 years at Tambuti Estate in Swaziland, followed by a couple of years for Tekwane Estate, Karino SA. He then moved back to Zimbabwe as a horticulturist with Highveld Horticulture and is now with Interfresh Harare. He is a Citrus Consultant and Citrus Production executive

Graham Piner – Director: Nelspruit: ***crocval@mweb.co.za***

Graham was born in 1954 and completed his schooling in Gauteng. He attended Natal University attaining a Masters Degree in Agric *Cum Laude* with Animal Science and Horticulture majors. He moved to Outspan as a Hort. Researcher. Graham managed an avocado farm in New Zealand and worked for a sub-trop consultancy in Queensland, Aus.. He did a year in Extension Services before joining Crocodile Valley Citrus Co where he is currently Technical Manager.
He has served on numerous citrus technical committees and is currently chairman of the Nelspruit Citrus Study Group and an area representative on the Navel Focus Group committee.
Interests include travel, wildlife and photography.

Graham has a 15 year old son Brandon.

Graham thinks the medium term outlook is pretty tough for the citrus industry but long term should be bright for astute businessmen/farmers in optimal production areas.

Michael van Niekerk – Director: N Cape: *vskh@vharts.co.za*

Was born in December 1966 in Hartswater near Kimberley. Schooled locally before attaining his B Sc Agric from the University of the Orange Free State.

Michael's father established Vaalharts Citrus Nursery in 1984. The family citrus farm expanded as well, with Michael farming 40 ha of navels. In 2000 they erected Lemoenkop Citrus Packhouse to export citrus mainly to the USA. Michael enjoys fishing, hunting and hiking. He is married to Rachelle and they have two sons aged 13 and 11.

Fanie Viljoen – Executive: Letsitele: *sjvil@mweb.co.za*

Born in Welkom in April 1958, Fanie moved to Letsitele two years later. He started farming in 1980 with his father, and has been around citrus most of his life. Fanie sees the future of citrus in South Africa as bright. New markets are opening and new areas are coming under citrus.

He is married to Ina and has two daughters, Mariny who is married and Delana who is still completing her studies.

Israel Nemaorani – Director: N PDI: *easyfarm@telkomsa.net*

Israel was born in June 1946 and brought up in Thohoyandou, Venda. He spent some of his earlier years in Kempton Park as a policeman and then businessman with his own trading store and butchery. Decided to return to his homeland with his wife and start farming. He established Easy Farm in 1990.

With help from the Dept of Agriculture and a local citrus farmer, Frans Prinsloo, Israel's farm has grown from strength to strength. His aim is to produce between 300 and 500 000 cartons of export oranges.

Phindi Kema – Director: S PDI: *phindikema@yahoo.com*

Born in 1971, Phindi went on to attain a B.Juris at the University of Fort Hare in 1993. After working in Gauteng for some years, she moved to the Eastern Cape to farm in 2006. She is involved in an agribusiness incorporating citrus, lucerne and a stud farm. Apart from being on the CGA Board of directors since 2007, she is also a director of the Citrus Academy, P Holdings and Spescom Telecommunications (Pty) Ltd.

Peter Nicholson – Director: Limpopo: *peternic@lantic.net*

Born in January 1958 and brought up in Pietersburg, Peter was Head Boy at Kuchke High School and attained his Degree in Civil Engineering at Pretoria University. He started farming Alicedale in 1984, with 450ha under citrus and a 6000ha game farm, He is also very involved in conservancy and the revival of a citrus farm in Mozambique. A past Chairman of CGA and a director of Granor Passi, he says farming is his hobby. He is married to Lynette and has three children, Peter-John, Laura and Christie.

Jock Danckwerts – Director: E Cape Midlands: *saxfold@katco.co.za*

Jock was born in 1953 on the Saxfold farm which he now runs. It has been in the family since the 1830's. He attended Natal University, attaining his BSc Agric., Ph D Philosophy and Applied Environmental Ecology. He spent 20 years doing environmental research and has published extensively in local and international Peer Review Journals. He returned to the farm in 1990 to begin farming mainly soft citrus.

He is married to Sandy and they have three children.

Flip Smit – Director: Hoedspruit: *fsmit@blydecitrus.co.za*

Born on 9 June in 1967 in Pretoria, Flip went on to attain his B Com (Hons) and CTA at Pretoria University. He is a qualified Chartered Accountant. Flip spent many years holding partner roles at PriceWaterhouse Coopers in SA and Europe and was based in far flung places such as Latvia and the Baltic. He is now the Managing Director of the Blyde Citrus Group in Hoedspruit.

Flip has two children, 11 and 7 years old and his hobby is golf.

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