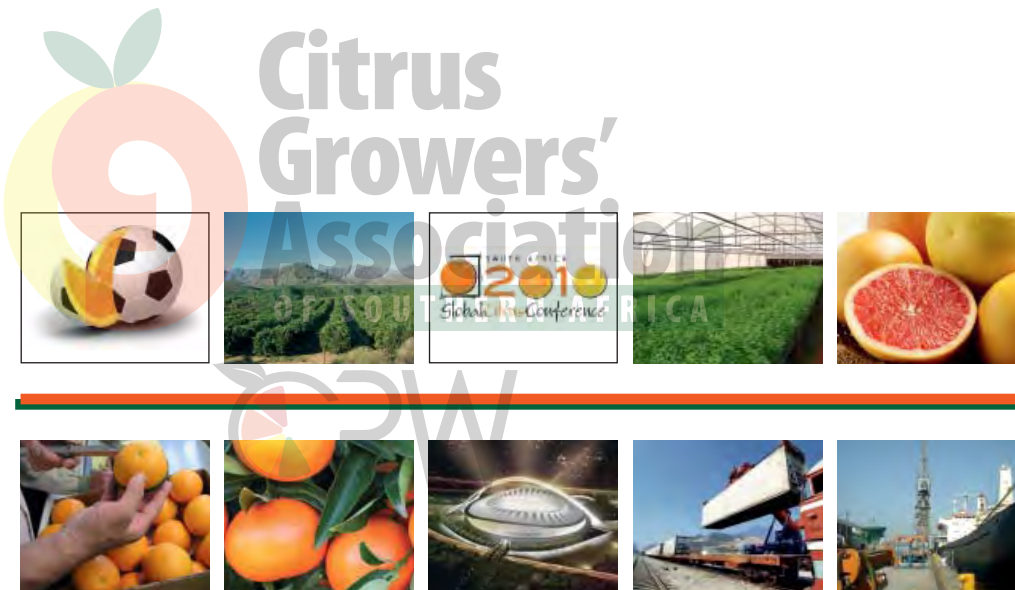




Annual Report 2010



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

PO Box 461, Hillcrest 3650
23 Plantation Road, Hillcrest 3650
KwaZulu-Natal, RSA

Tel: +27 31 765 2514
Fax: +27 31 765 8029

E-mail: info@cga.co.za
Website: www.cga.co.za

Vision

Supporting citrus growers to be globally competitive

Mission

Statement

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

Strategic Objectives

- 🍊 Administer, fund and resource the CGA Group
- 🍊 Gain, retain and optimize market access
- 🍊 Fund, control and implement research and development
- 🍊 Provide product and quality assurance
- 🍊 Engage with government stakeholders
- 🍊 Assist grower profitability and sustainability
- 🍊 Drive industry transformation
- 🍊 Facilitate efficient logistics

Contents

Chairman's Report	1
CEO's Report	3
Administration	4
Governance	4
Strategic Planning	5
Communication	6
Finance	7
Information	8
Logistics	10
Market Access	14
European Union (EU)	14
Japan	15
Citrus Producing Regions of Southern Africa	16
Directors	16
South Korea	18
United States of America	18
Market Development	20
Exports 2009	21
Consumer Assurance	22
Research and Technical	25
Transformation	28
Citrus Academy	30
Abridged Financial Statements	32



Fanie Viljoen
Chairman

Chairman's Report



2009 - What a year!!!! Privileged are those of us who survived it. Some of our members were not so fortunate. Some reckon the downturn was a blessing, where would the prices of input costs have risen to? Would earnings keep pace with the rapid increasing costs or would the impact be greater than the decline had been? We can only speculate. Experience is a great teacher.

Die CGA van Suider Afrika met sy span knap bestuurders het van hulle kant af die lewe draaglik gemaak vir ons as sitrus produsente.

The Citrus Growers Association of southern Africa applied for the renewal of the statutory levy in 2008 which confirmed the mandate from our growers to manage the existing areas of Research, Market Access, Administration, Quality Assurance, Information and Transformation as well as the new portfolios of Logistics and Market Development from 2009/2010.

The CRI has once again shown their ability to foresee stumbling blocks that could influence production and marketing of our produce. The threat of *Bactrocera Invadens* on our border to the north of our country poses a real threat to our industry. Contingency plans have been drawn up and a stock pile of chemicals has been accumulated at CRI Nelspruit (jointly funded by all fruit sectors).

In a trying financial year, the subsidiary managing Sterile Insect Technique roll out (XSIT) is greatly relieved that it could maintain treated areas, with a small increase in the amount of hectares covered - from 3000 hectares in 2008/09 to 3250 hectares in 2009/10.

Excellent results were obtained in the past two seasons, the general consensus being that implementation of the Sterile Insect Technique (SIT) has proved itself as the best available control mechanism for FCM currently commercially available to Western Cape citrus growers.

In the current season fruit drop in the SIT area has been reduced by 93% compared to untreated areas. The average number of wild FCM caught in the SIT area represent 8% of the average amount of wild FCM caught in the control area, where normal methods of FCM control are done. The

commercial sustainability of the programme requires support on an area-wide basis and therefore enlarging the amount of hectares covered by SIT is vital. An urgent request is therefore made by the management of XSIT to all producers who are able to make use of the technology, to support it. Please note that the XSIT website is up and running and may be viewed at www.xsit.co.za.

In die afgelope jaar het die Raad van Direkteure van die CGA besluit om die Sitrus Swartvlek beperkings in die EU tot 'n punt te dryf. Die besluit om bemiddeling by die IPPC (International Plant Protection Convention) te soek is met die Departement van Landbou, Bosbou en Visserie (DAFF) bespreek. Die Minister van Landbou het toegestem tot hierdie proses en kennis is deur gegee aan die EU en IPPC oor hierdie versoek. Tot op hede wag ons op 'n antwoord vanaf die EU en IPPC.

It is vital that growers are kept up to date on the latest Consumer Assurance requirements in trading partner countries so that they can adapt to the many challenges these requirements bring. In this respect CGA continued to engage with authorities and buyers, building on cooperative relationships formed over the years.

Some progress towards the harmonization of GAP standards has been observed but this needs to gain momentum. The registration of new plant protection products (e.g. Dichlorprop-P) demonstrates that the pressure put on the Registrar (Act 36) is paying off, although resources and capacity in DAFF is stretched and depends heavily on CGA assistance. The detection of QAC residues in Japan could have potentially collapsed that market but the crisis was averted with CGA/CRI intervention via DAFF. The resultant restriction on QAC as a sanitizer in packhouses is a blow to maintaining the right conditions for packing quality fruit. An unfortunate consequence of this incident was litigation to overturn a court order brought by a chemical supplier preventing CGA and CRI from communicating to growers about possible risks of using certain sanitizers in packhouses. Growers are encouraged to make use of the tools made available to them in 2009 regarding Climate Change (Carbon Calculator) and Ethical Trade (Training material etc). Both these Consumer



Assurance requirements remain important considerations in consumer buying patterns and the sooner growers embrace these new requirements the better off they will be.

Die Audit komitee en die Raad van Direkteure van die CGA pas nougesette kontroles toe oor die statutêre heffings fondse wat ingevorder word. Ek kan met trots meld dat die invordering van die 2007 en 2008 oesjare suksesvol afgehandel is. Dit raak egter by die dag moeiliker om al die heffings ingevorder te kry. Daar is in 2009 'n verandering aangebring van waar die heffing verhaal word. Die heffing word nou verhaal vanaf die eerste punt van inspeksie en hierdie verandering bring mee dat heffings baie vinniger en meer suksesvol ingevorder word. Onthou u heffing werk vir u.

The CGA logistics focus commenced from April 2009 with the appointment of a Logistics Co-ordinator whose portfolio will concentrate on building up and dispensing information on fruit movement from packhouses, to the port, within the port and finally onto the ship. This information assists



in highlighting potential inefficiencies and improvements. Together with Fresh Produce Exporters Forum (FPEF), CGA engaged with Transnet Freight Rail (TFR) in promoting the greater use of rail. This is tied in with the initiative to increase the use of Maputo port – in order to reduce costs and alleviate some of the congestion in Durban.

In die jaar onder oënskou, het die sitrusbedryf se toewyding tot menslike hulpbronnontwikkeling verder vrugte afgewerp. Sitrus het die eerste landboubedryf geword om 'n omvattende reeks oudiovisuele opleidingsmodules tot sy beskikking

te hê, ontwikkel deur die Sitrus Akademie in samewerking met die CRI en Media World. Dit sal produsente, pakhuisse en ander diensverskaffers daartoe in staat stel om 'n beter begrip te ontwikkel van die sitrus waardeketting, en om die vaardighede van permanente en seisoenale werkers te ontwikkel vir take soos boordsanitasie, plukwerk, verpakking, vrugte gradering, palletisering en vragmotor lading. Hierdie opleidingshulpmiddel is uniek en belowe om die mededingendheid van die Suid-Afrikaanse sitrusbedryf te ondersteun tot ver in die toekoms.

Die Sitrus Akademie het ook hulle werk op ander gebiede voortgesit. In 2009 is vyftig studente ondersteun deur die Sitrus Akademie beursfonds by verskeie akademiese instellings, wat vermeerder het na sewe-en-vyftig in 2010. Ontwikkeling van die Sitrus Kwekerywerkersopleidingsprogram is afgehandel en die program is in Afrikaans en Engels verprei onder lede van SACNA. Daarmee saam is die ontwikkeling van die Sitrus Akademie se produksie opleidingsmateriaal afgehandel in hierdie jaar, en die Akademie het die Limpopo Departement van Landbou bygestaan met die ontwikkeling van hulle voorligtingsbeamptes, deur middel van 'n kapasiteitsbou werkswinkel.

Since the CGA Transformation Manager resigned in 2008, there has been an urgent need for CGA to find a replacement for this position. In August 2009 a Transformation Administrator was appointed to oversee the various core activities under this portfolio, namely mentorship, extension, training and institutional development.

CGA has in the past four years distributed two publication under the Transformation portfolio - namely 'Citrus Transforms' and 'Women in Citrus'. CGA has now during 2009/2010, published 'Youth in Citrus' which highlights the importance played by the youth in the citrus sector and also motivating them to become involved in agriculture in general and in the citrus industry in particular.

From 2006 to 2009 CGA has been rolling out the mentorship programme funded by DAFF. The role of the mentor is to supply timely advice and to coach the mentee on issues of importance in his/her citrus production. The CGA has two

extension personnel dedicated to assisting all the emerging growers from the North (Mpumalanga, Limpopo and KZN) and South region (Eastern Cape, Western Cape and KZN). CGA has requested the provincial Departments of Agriculture, Forestry and Fisheries and Rural Development and Land Affairs to provide government extension personnel who will be trained to be Citrus specialists to provide support to all growers in these regions.

Hierdie jaar word die sokker wêreldbeker hier in Suid-Afrika aangebied. Die CGA het dit goed deurdink en besluit om 'n Global Citrus Conference aan te bied oor hierdie tydperk. Die GCC sal plaasvind op 8 en 9 Julie 2010 te Bay Hotel Kaapstad. Hierdie sal moontlik 'n eenmalige gebeurtenis wees dat so 'n Internasionale Konferensie deur die CGA aangebied sal word. Ek vertrou u sal hierdie konferensie nuttig, leersaam en interessant vind.

In mid 2010 the long-anticipated Soccer World Cup is to take place in South Africa. It was decided that this would be the



perfect time for the Citrus Growers Association to organize the first ever Global Citrus Conference. This takes place at the Bay Hotel Camps Bay, Cape Town on the 8th and 9th July.

The line-up of speakers is formidable with experts on citrus from all around the world.

It is hoped that bonds will be forged and strengthened with international citrus stakeholders and that useful networking and exchanges of information will take place.



Justin Chadwick
Chief Executive Officer

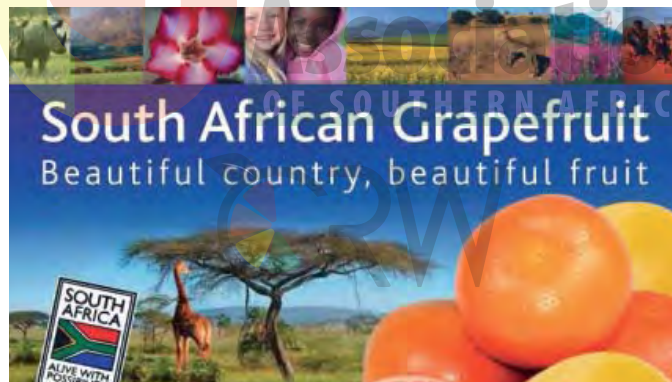
CEO's Report



The tough global economic conditions that started to make their presence felt at the back end of the 2008 season impacted heavily on the 2009 citrus season. Most major southern African citrus markets experienced difficult trading conditions, resulting in "recession economics" of low supply experiencing poor prices. As a result less citrus was exported with shipped volumes showing a 9 percent decline compared to the previous year. This is not to say that the fruit was not available for export – the sensible choice was not to put it onto the export market. The jury is still out as to the extent

of recovery in the global economy, but most pundits expect tough trading conditions to continue. Initial 2010 estimates indicate that once again a crop of 90 million cartons is expected, whether this all finds its way abroad will depend on how attractive the markets look.

CGA took on two new challenges in 2009 – logistics and market development. With the appointment of a Logistics Co-ordinator CGA was able to hit the ground running, and make an impact in this field. It has always been argued that grower interests in the logistics chain are not adequately protected – the activities of CGA in 2009 have corrected this to a large extent. Market development has been a more difficult nettle to grasp. The actual role that CGA is to play is less clear and has developed over the year. Grapefruit growers have for some time been flirting with the idea of stemming lacklustre demand for their product through promotions, and have been forerunners in getting activities initiated. Other variety groupings are still considering their options.



The transformation portfolio experienced some staff turnover, but is now geared for delivery. From central government's side there is a willingness to engage with commodity organisations, which is filtering through to some provinces. There is still a concern that the other provinces lack the capacity to drive through economic transformation of new growers to the industry. The Citrus Academy goes from strength to strength, providing the industry with fantastic training tools and new blood into the industry. This new blood is highlighted in the "Youth in Citrus" publication released in 2009.

During its strategic session in March 2010 the CGA Board confirmed the fact that research and market access remain the bedrock of CGA activities. To this end Citrus Research International (CRI) continues to provide the industry with the necessary research and technical output to remain globally competitive in an environment that is becoming more and more complex and protective than in the past.

Delivery of services to growers in the southern African citrus industry depends on the ability of those who work for CGA and its subsidiaries. It is said that organisations go through three phases – "forming, norming and storming". Initially the organisation goes through a process of formation – setting principles, policies, goals, structures etc. It then gets into a normalisation phase where it gets operations going, learns by doing and ensures that all the basics are working well. And then it gets into the storming phase – delivering services above expectations. I believe that the CGA family is now storming, and we plan to continue doing so.



Administration

GOVERNANCE

DIRECTORS

The Citrus Growers Association (CGA) is governed by a twenty member Board of Directors representing eighteen regions across South Africa, Swaziland and Zimbabwe. Two directors represent emerging growers in the north and south of South Africa.

Flip Smit has been retained as an additional Director to assist with special skills in terms of financial management, and to Chair the Audit Committee.

The National Agricultural Marketing Council (NAMC) also has a seat on the Board as observer.

The CGA thanks the directors for giving their time and expertise so willingly to benefit the citrus growers of southern Africa.

The CGA has an Executive Committee which hold monthly telecons – this Committee comprises:

Chairman of CGA: Fanie Viljoen

Vice Chairman: Gabriele van Eeden to December 2009

Vice Chairman: Hoppie Nel since January 2010

Executive:

Tini Engelbrecht, Gerhard Uys to February 2010, George Hall since February 2010, Graham Piner since February 2010



During the year under review there were the following changes to the Board:-

Region	Outgoing Director	New Director
Hoedspruit	Flip Smit	Fanie Meyer
Patensie	Gerhard Uys	Phillip Dempsey
W Cape	Gabrie van Eeden	Piet Smit
South – PDI	Vacant	Hannes Hobbs

MEETINGS

Meetings of the CGA Board:

18th August 2009 – *Apologies:* PS Noddeboe

18th November 2009 – *Apologies:* DJ Nel, JD Nel, J van Zyl, J Hobbs, PS Noddeboe

24th February 2010 – *Apologies:* G Uys, G van Eeden, S Dellis, J Smit

Meetings of the Executive Committee:

21 April 2009, 24 June 2009, 5 August 2009, 31 March 2010 – *no apologies*

22 October 2009 and 20 January 2010 – *Apologies:* G van Eeden.

REPRESENTATION

The CGA is represented as follows:

Citrus Research International (CRI):

Jock Danckwerts, Mark Fry, Kobus de Kok, Louis von Broembsen, Hoppie Nel, Gerhard Scheepers

Citrus Industry Trust:

Mark Fry

Citrus Academy Board:

Mark Fry, Israel Nemaorani, Michael Woodburn, Graham Piner, Shane Dellis

Fruit South Africa:

Justin Chadwick

Dept of Agriculture (DAFF)

Market Access Committee:

Elma Carstens

• SPS – Vaughan Hattingh

• Carbon Footprint – Vaughan Hattingh
(Paul Hardman – secundus)

Agricultural Trade Forum(ATF):

Justin Chadwick

Logistics Work Group:

George Hall, Tini Engelbrecht

Citrus Marketing Forum:

Peter Nicholson, Hoppie Nel, Gabriele van Eeden, Variety Focus Group Chairpersons

Standards Work Group:

Variety Focus Group Chairpersons, Andrew Lee, John Edmonds

River Bioscience Board:

George Hall, Flip Smit

XSIT:

Gabrie van Eeden, Fanie Viljoen

Agri SA:

Antoine Rouillard, Tini Engelbrecht

Southern Hemisphere Association of Fresh Fruit Exporters

(SHAFPE): Justin Chadwick

Mediterranean Citrus Industry

(CLAM): Vaughan Hattingh

MRL Task Group/Food Safety Forum and IFPS:

Paul Hardman

EDI Focus Group:

John Edmonds

PPECB:

Tini Engelbrecht

Strategic Planning

A Strategic Planning Meeting was held on 23rd February 2010 to re-affirm the objectives of the CGA and the way forward.

Outcomes of the Strategic Planning session:

VISION

Supporting citrus growers to be globally competitive

MISSION STATEMENT

- 🍊 Administer, fund and resource the CGA Group
- 🍊 Gain, retain and optimize market access
- 🍊 Fund, control and implement research and development
- 🍊 Provide product and quality assurance
- 🍊 Engage with government and other stakeholders
- 🍊 Assist grower profitability and sustainability
- 🍊 Drive industry transformation
- 🍊 Facilitate efficient logistics

STRATEGIC OBJECTIVES

The Citrus Growers Association aims to:

- 🍊 **Administer, fund and resource the CGA Group by ensuring;**
 - Effective Corporate Governance
 - The promotion of CGA to growers
 - Optimal resource allocation
 - Commercialisation of relevant technologies
- 🍊 **Gain, retain and optimize market access by addressing;**
 - Phytosanitary Barriers
 - Import tariffs
- 🍊 **Fund, control and implement research and development by concentrating on;**
 - Optimizing structures and systems that deliver a good research product to the industry
 - Aligning research to technical market access issues (sanitary and phytosanitary)
 - Providing effective cultivar development functions
 - Conducting relevant pest and disease research
 - Conducting relevant horticultural research
 - Operating the Citrus Improvement Scheme
 - Enhancing the Citrus Cold Chain Forum
 - Providing technology transfer
- 🍊 **Provide product and quality assurance by focusing on;**
 - Fruit quality
 - Food safety
 - Ethical production of citrus
 - Environmental conservation
 - Packing quality
 - Good agricultural practices (and harmonization of standards)
 - Convening and supporting variety focus groups
- 🍊 **Engage with government and other stakeholders regarding;**
 - Sanitary and phytosanitary barriers
 - Issues impacting on growers
 - Terms of trade

- 🍊 **Assist grower profitability and sustainability by;**
 - Providing relevant and accurate packed and shipped information to growers and exporters (weekly)
 - Providing short term and long term industry statistics
 - Coordinating collection and distribution of formal annual crop estimates
 - Facilitating market development via Variety Focus Groups
 - Facilitating assistance to new growers who lack economies of scale
 - Providing logistic and supply chain cost information
 - Pursuing harmonization of certification scheme requirements
- 🍊 **Drive industry transformation through;**
 - Human capital development
 - Addressing the impact of BEE on fruit supply and quality
 - Establishment and support of mentorships
- 🍊 **Facilitating efficient logistics by addressing;**
 - Awareness about long term problems constraining efficient logistics
 - Short term bottlenecks and constraints
 - Increase in the use of rail.



Communication

An on-going challenge within the CGA is to keep all growers and stakeholders up to date with important, interesting and relevant information. With citrus growers distributed so widely around southern Africa it is difficult to meet with growers and grower groups as often as the CGA would like. We have however been endeavouring to use all means of communication available and have found that the following tools seem to be working well:



From the Desk of the CEO (prepared by Justin Chadwick) is an informative weekly newsletter distributed by means of the CGA internal database in electronic format to everyone for whom the CGA has an email address.

It also appears on the Stop Press section of the CGA website.

FROM THE DESK OF THE CEO



Global Citrus Scan (prepared by John Edmonds) is also sent out weekly in the same way giving growers and stakeholder's news on citrus related articles locally and internationally.

A Logistics Update (prepared by Mitchell Brooke) on shipping information and port stocks is also distributed on a weekly basis and is available on the website.

Roadshows: In February and March 2010 members of the CGA, CRI and CA staff visited all regions in South Africa and Swaziland to meet with as many growers as possible. On these Roadshows the staff put on presentations covering all aspects of the CGA's activities and the growers had the opportunity to ask questions and make suggestions.

Regions visited: Nkwalini, Patensie, Sundays River, East Cape Midlands, Southern KZN, Nelspruit, Onderberg, Swaziland, Senwes, Limpopo River, Letsitele, Hoedspruit, W Cape, Oranje Rivier, Hartswater.



It has been noticed however that there are still citrus growers who are not on our database and so do not receive information on topics of importance to their business. We are constantly updating our database from attendance registers kept for all meetings countrywide.

If you or one of your citrus-growing neighbours does not receive communication from the CGA, please contact our offices so we can update our records accordingly.

Gloria@cga.co.za or Tel. 031-7652514

SA Fruit Journal: All growers for whom we have postal details, receive a copy of the S A Fruit Journal every two months. This is a joint publication with other fruit industries and has articles of interest to a wide sector of the fruit farming community. The CGA sends in articles on food safety, market access, logistics, transformation and interesting features on various regions as well as information on director and staff changes. CRI (Citrus Research International) sends in articles on extension and research while CA (Citrus Academy) posts regular updates on Bursary students and other success stories involved in skills development.

CGA Website: The website is a convenient and user-friendly medium for passing on information to growers and stakeholders. It is updated on at least a weekly basis ensuring that growers can find the latest information on a variety of topics of importance to the industry. There is a password protected section for the inclusive use of CGA and CMF members. On completion of a registration form and payment



of an annual fee, stakeholders can become members of the Citrus Marketing Forum (CMF) which will also allow them access to this section. Fresh Produce Exporters Forum (FPEF) members are all members of the CMF.



Website: www.cga.co.za

Finance

LEVY COLLECTION

The Citrus Growers Association collects a statutory levy which is used for research, consumer assurance, market access, information, market development, logistics, transformation and administration.

During the past two seasons the statutory CGA levy has been invoiced in house from the CGA offices.

This has resulted in a simpler, smoother and more effective levy collection process.



The levy for the 2009 season was 38 cents per 15 kg carton.

The CGA has collected over R32 million in levies for the 2009 season which represents 98% of total levies due for the year. The remaining two percent will be collected early in the 2010/2011 financial year.

TAX DEDUCTION

On the 23 September 2009 SARS issued a binding class ruling that relates to section 11D of the income tax act. Based on this ruling and after consulting with our auditors (PWC), it was ascertained that citrus growers who pay their CGA levies can claim a 150% deduction from their taxable income on the portion of the CGA Levy that is used to fund research and development. This 150% deduction is limited to the R & D element of the levy only and may be claimed retrospectively to the 2 November 2006.

Please refer to the CGA website: www.cga.co.za.



The statutory CGA levies for the remainder of the approved levy collection period are as follows:

2010 - 39 cents per 15kg carton
2011 – 40 cents per 15kg carton
2012 – 41 cents per 15kg carton

AUDIT COMMITTEE

The members of the CGA Audit Committee for the 2009 / 2010 financial year were Flip Smit (Chairman & CGA Director Hoedspruit), Antoine Rouillard (CGA Director Pongola) and Gerhard Uys (CGA Director Patensie).

The main functions of the CGA Audit Committee are to ensure the effective risk management of the CGA, CRT and their subsidiaries, to assist with the financial management and internal controls of the CGA, CRT and their subsidiaries and to ensure they comply with various legal and regulatory requirements.

The Audit Committee held three meetings during the financial year on the 6 July 2009, 18 November 2009 and the 10 February 2010.



Information

Citrus information supplied in terms of an agreement with PPECB is funded by CGA and the Fresh Produce Exporters Forum (FPEF). The Information Manager distributes this to all members of the Citrus Marketing Forum (CMF) on a regular basis.

TREE CENSUS

The implementation of a web page designed to enable growers to update their tree census information in the current database was a success and growers are thanked for taking the trouble to update their data on the site. The results of this tree census are included in the Citrus Statistics booklet.



CITRUS STATISTICS BOOKLET

The statistics booklet contains information on exports, inspections, crop distribution to the markets, volumes exported per port, and trends in revenue generated by exports as well as information gleaned from the tree census.

The citrus statistics booklet is published annually and sent to all members of CGA, FPEF and other interested stakeholders. The booklet is available to the public from the CGA offices for a nominal fee.

PACKED FIGURES

Information on volumes packed was supplied by PPECB on a weekly basis. These figures were placed on the CGA website www.cga.co.za.

The packed figures reflected the actual volumes packed to date, previous years 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. The estimated crop and previous years shipping was also reflected.

LONG TERM CROP PROJECTIONS

The CGA has employed a consultant in the past to create and update a model of future trends in terms of volumes exported. This model is updated every two years.

According to the last projection the total South African crop is predicted to increase to a figure of 110 million cartons by the year 2022. Details are available from CGA.

ELECTRONIC DATA INTERCHANGE

In September 2008 a project was launched with the objective of finding an ideal, long term solution looking at the latest technology and processes. PPECB is the custodian of the project. This solution would address issues such as phytosanitary security, food safety, integrity of the export certificate and accurate information and traceability. This project has a focus group lead by the MIS Manager of PPECB and represented by information service providers, export companies, logistical service providers, DFPT, CGA, SATGI and FPEF.

Having concluded and signed off the first phase of the project namely Code Standardization, the standardized codes were implemented on 1 March 2010.

INTERNATIONAL INFORMATION EXCHANGE

Mediterranean Citrus Industry: The CLAM organization represents interests of citrus industries in the Mediterranean region, the largest citrus trading block in the world, representing about sixty-six percent of the world trade in fresh citrus fruit. CGA is a member of CLAM, and was represented by Vaughan Hattingh and Justin Chadwick at meetings held during 2009/10. 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 2009/10 SHAFFE members supplied information of shipped by volume 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.

This weekly information is published on the CGA website.



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 three times on 18 June 2009, 16 September 2009 and 24 March 2010. The chairmanship alternates between the CEOs of the CGA and FPEF.

VARIETY FOCUS GROUPS

The establishment of variety focus groups has been a positive development for the industry. The groups, with representatives from the important growing areas of each of the main commodities, meet regularly during the season to consider the prospects for and progress of the years' crops, discuss markets and give Department Agriculture, Forestry and Fisheries (DAFF) guidance on dispensation requests when growers cannot meet the standards set by the industry. In 2009, eighteen dispensations were granted compared to twenty in 2008. One of the functions performed by the variety focus groups is to compile estimates at the beginning of the season for the industry to get an idea of the growers' expectation of the crop size. These estimates are presented to exporters and other affected parties at the first Citrus Marketing Forum (CMF) meeting of the season. With their input the estimate is then released as an official CMF estimate. These estimates are regularly reviewed and new projections made as the season unfolds. The variety focus

groups had thirty-nine meetings in 2009/10. Reflecting on the previous season, the Valencia Focus Group in particular felt that the timely communication of accurate information about the estimates and quality of the total SA citrus crop in 2009 had helped to create a true understanding of the prevailing production conditions which in turn helped build trust with receivers in markets in trying economic conditions. The table (right) shows the original 2009 estimates, the actual volumes achieved, and the estimates for the 2010 season. All figures are in 15 kilogram equivalents.

The goal of the variety focus groups is for estimates to be within 10% of final volumes inspected and passed for export. This was just achieved overall with the actual being 9% below the estimate. The volumes realized were understandably down on initial estimates due to the tough global economic conditions. The Lemon, Grapefruit and Soft Citrus variety focus groups were still close at about ninety-three percent accuracy. Oranges were on the limit with both Navels and Valencias ten percent below estimate.

From the estimates presented at the first CMF meeting in March 2010, there is an expectation that all citrus varieties, with the exception of grapefruit, will experience an increase in volumes packed for export. The total volume is estimated to be five percent more than 2009.

Type	2009 Estimate (CGA)	2009 Actual vs. Estimate)	Diff. (Actual (CGA)	2010 Estimate vs.	% Diff Actual 2009 Estimate 2010
Grapefruit	5 072 692	14 012 369	-7%	12 601 244	-10%
Lemons	9 366 157	8 661 996	-8%	8 990 033	4%
Soft citrus	7 394 518	6 781 746	-8%	7 506 565	11%
Navel	21 602 797	19 402 276	-10%	21 514 810	11%
Valencia	42 969 959	38 499 132	-10%	41 338 341	7%
Total	96 406 123	87 357 519	-9%	91 950 994	5%

During 2009/10 the following meetings were held by the Variety Focus Groups: Grapefruit –12; Valencia – 8; Navels – 6; Soft Citrus – 6; Lemons – 7.

Members of the variety focus groups as elected in February/March 2009 were as follows:

Region	Valencia	Navel	Lemon	Grapefruit	Soft Citrus
Boland			R Allen		S Bruwer
Western Cape	S Engelbrecht	G van Eeden*	R Groenewald*		M Slabber**
Patensie	W Blignaut	P Ferreira	P Dempsey		M Odendaal
Sundays River	D Joubert**	P Nortjé**	J Alberts** (replaced by H Joubert)		J Ferreira
Eastern Cape Midlands		C Painter (replaced by L Roberts)	D de Villiers		J Danckwerts*
Hartswater		D Mathewson			
KZN Midlands	L Claassen	R Crausaz	P Button		
Pongola			A Rouillard	A Rouillard	
Nkwalini	S Dellis			T Wafer*	
Onderberg	C vd Merwe			C van Veyeren	
Nelspruit	A Muller	G Piner	P Kieviet		A J Esser
Swaziland	P Noddeboe			P Noddeboe	
Letsitele	B Vorster*	B Vorster	J Nel	P Smit**	B Offer
Hoedspruit	F Meyer		G Bezuidenhout	K van Staden	
Orange River	K van Zyl			K van Zyl	
Limpopo River	P Nicholson		P Nicholson	D Erasmus	
Senwes	I Upton	K Schoeman	T Engelbrecht		G Dickson

** Chairman * Vice Chairman



Before the advent of the new season all regions reviewed their representation, with the following changes for the 2010/11 season;

Region	Variety	Outgoing	Incoming
Patensie	Valencia	W Blignaut	T Meyer
Patensie	Navels	P Ferreira	P Dempsey
KZN Midlands	Navels	R Crausaz	L Claassens
Senwes	Soft Citrus	(Vacant)	I Upton
Senwes	Valencia	I Upton	A Barker
Nelspruit	Lemons	P Kieviet	G Turner

Logistics

When the statutory levy came up for review in 2008, the growers requested that the CGA include what they had decided was a very important new function, that of Logistics. The CGA's Logistics Co-ordinator was appointed in April 2009, and had to hit the ground running!

MAPUTO PORT

The activities of the CGA with regards to Maputo port were firstly to understand the dynamics of the environment, and then to develop a base plan to bring the port back to a state of effective utilization. It was evident that the trend to load more containers to Europe, Middle East and Mediterranean markets was affecting the flow of citrus through Maputo.



From 2007 the trend to container loading was more evident, where citrus that would normally be loaded from Maputo was now being sent to Durban. The result of this is that more fruit is being sent to Durban, causing congestion and bottlenecks, especially during peak season. The Maputo port has been identified as a strategic port for citrus growers in the northern production areas on two levels. Firstly the cost of transporting citrus to Durban is expensive, the cost to transport citrus to Maputo could result in savings for growers. Secondly, Maputo port should be utilized to decrease the volume of fruit sent

to Durban to avoid congestion. We recognized that there are limitations and restrictions for citrus growers to use Maputo which will need to be overcome.

1. Transportation costs to Maputo are not related to the geographical position of the port in relation to production areas. The main reason is that delays at the border post between South Africa and Mozambique result in transporters adding a surcharge. Two issues that can resolve this is a 24 hour border post to allow trucks to enter Mozambique, and reduced delays at the border post. Rail utilization to Maputo can also be used to reduce transport costs to Maputo where rail rates are seen to be more competitive, although longer transit times are experienced.

2. There are limitations to accessing key citrus markets from Maputo due to fewer shipping lines servicing the port. Durban port, being the largest and busiest port on the continent, has shipping access to all key citrus markets, be it by conventional break-bulk or containerized shipping modes.

Currently the only markets that are serviced from Maputo on a dedicated shipping schedule are Europe and Mediterranean markets by conventional mode. In order to increase the throughput of Maputo, shipping access to other key markets, such as Russia and Middle East, will need to be serviced on a dedicated schedule. A key element for the use of Maputo by citrus shippers will be for a scheduled and direct service to Middle East by containerization and a scheduled call of ships destined to Russia. Sales of citrus to the Middle East and Russia are FOB based where buyers dictate the shipping

mode and port used for loading.

The CGA held a workgroup session in May 2009 with various exporters and agents for the purpose of identifying the main constraints of shipping from Maputo. A reporting mechanism was introduced to distribute to growers the activities and development of the Maputo port. This report was distributed on a weekly basis during the peak season and was well received. The CGA enrolled as a member of the Maputo Corridor Logistics Initiative (MCLI). Through MCLI directorship the challenges of the Maputo port citrus activities are being addressed – more especially the implementation of a 24 hour border post.

CITRUS RAIL - TONNAGE OFF TAR:

Merely a few years back rail was utilized to the extent that road haulage comprised of a minority of trucks that would normally be sent to port. Spoornet changed their strategy and only focused on profitable routes. Most industries had no choice but to make the transition to road haulage. During this transition phase the reduction in commodities transported by rail began to seriously affect Spoornet's ability to offer a reliable and efficient service. Due to this, wagons routed on the rail network experienced unacceptable delays and the citrus industry moved to truck fruit by road where the time to port was significantly reduced. The repercussion was that a vast majority of Packhouses replaced rail sidings with truck loading facilities and growers converted to road haulage completely. The trend of packing high cube pallets at the packhouse also negated the use of rail where rail wagons were restricted to transporting standard height pallets. Citrus rail has reduced significantly and only 38,000 pallets were transported in 2009 by rail from Letsitele, Hoedspruit and Sundays River areas. There are two methods that are used to transport citrus by rail, the conventional method of using 'O' type wagons to transport to port cold stores, or by packing reefer containers at the packhouse and transporting to container terminals. Spoornet later became known as Transnet Freight Rail (TFR). TFR is focused on re-establishing commodity usage by rail, fruit transportation is a top priority. Fresh Produce Exporters Forum (FPEF) and the Post Harvest

Innovation fund established the 'Tonnage off Tar' initiative to retain and regain volume of fruit transported by rail. CGA is represented on this platform where rail activity and developments are discussed with industry role players. It was identified that in order to increase the use of rail, and to implement rail operations in the greater Mpumalanga and Limpopo regions, the production areas of Letsitele and Hoedspruit are keys to the process. These areas produce 25% of citrus production. CGA, along with TFR, identified that the implementation of rail workgroups in these two areas should be the focus point to increase the use of rail, whereafter economies of scale can be extended to the greater region. Efforts will be stepped up in this area during the coming 2010 citrus season, where relations with growers and packhouses will be pursued. Shipping costs can be reduced by packing Reefer containers at the packhouse and railing to port, also relieving port congestion by moving 40% of weekly production by rail from this region to port facilities. The CGA was invited by Sundays River Citrus Company to evaluate the decreased use of rail from the area; discussions with Packhouses in the area were conducted to understand the constraints and developments in the region negating the use of rail transportation. The outcome was that due to the short distance to the port, road transportation was considerably cheaper than rail transportation.

Another factor was that new infrastructure developed in the region was not accessible by rail, only two facilities in the port can handle rail at present, which constrains its use. Rail usage can be seen as a priority for the citrus industry - the concept of combined inland rail hubs will be explored and these practices can be consolidated at central points where economies of scale can be achieved.

CITRUS TRANSPORTATION FORUM

CGA presented logistics matters during the CRI road shows conducted in February 2010. Motivation from various representatives indicated that there was a need to research transportation related issues of which three areas required evaluation. The development of a transportation forum was enacted which will create the platform to bring key

stakeholders together to research and propose resolutions for the issues:

1. Transportation of high cube pallets:

The weight restriction of a truck only permits 26 high cube pallets of citrus to be transported on a 34 ton truck load bed. High cube pallets are placed on the centre of the load deck to distribute the weight evenly across the axles, in so doing pallets are not loaded against the load bed. High cube citrus pallets are not secured in the normal manner and in so doing cartons are able to shift and even collapse during transportation.

A cost comparison of handling high cube pallets compared to standard pallets was undertaken, the benefit of this practice can be seen in the savings achieved.

Unfortunately the ramifications of such practices is the increasing number of damages received in port during transport. CGA have been directed to analyse best practice to



overcome the resultant damages of high cube pallets during transportation and port handling process. The research project was implemented and will continue through to the next year.

2. Durban port congestion:

Increased citrus production relative to development of infrastructure, the increase use of containerization and the move from road to rail has resulted in port congestion and bottlenecks in recent years. The CGA has been motivated to

evaluate the continuous congestion experienced which is negatively affecting the entire region's supply chain.

A consultancy firm has been identified and the project scope will be evaluated during the 2010 citrus season.

3. Weight restrictions of High Cube Reefer Containers:

Reefer containers transported over long distances require a Genset trailer unit to be used to provide power to the container during transportation. The combined weight of the container loaded with citrus and the Genset trailer is in most cases exceeding the maximum permissible axle load mass of 9 tons per axle.

Trucks that are transporting these units are being caught at various weigh bridges and the result is that pallets are being removed from these containers permitting the container to be transported.

A consultancy firm has been sourced to research this practice which will continue through to the next year.



2010 FIFA WORLD CUP IMPACT ON CITRUS EXPORTS

The soccer world cup will be taking place during the 2010 peak citrus season months of June and July. The CGA became alerted to the constraints of logistics during the event. Particular concern was raised in the host port cities of Durban, Port Elizabeth and Cape Town. In a collaborated effort with FPEF, meetings were conducted with city and port officials to identify possible road closures and



restriction to trucks transporting citrus within host cities and ports. In anticipation of a high volume of supporters visiting these cities during the event it was identified that the use of transport routes and systems would increase. Based on the various discussions and publications, a document was drafted pertaining to the foreseeable restrictions to trucks transporting citrus between packhouse and port facilities. The document was concluded and can be found on the CGA website www.cga.co.za. A recommendation to packhouse managers in the Limpopo and Mpumalanga region is to transport the majority of citrus by rail during the 2010 season months of June and July, where permissible.

CGA WEEKLY LOGISTICS REPORTS

Communication is an essential element in creating an environment of increased awareness; logistics information is one such area that required increased awareness. Between growers, packhouse managers, exporters, grower agents, port facilities, shipping lines and logistical role players



there was a need to inform the industry of drastic changes in the logistics model.

The CGA Weekly Logistics Report was formatted to include data pertaining to production volume, shipping volume, stock volume and shipping trends as they unfold during the season. The importance of this information, which is circulated to the industry on a weekly basis, is that it identifies port constraints where the industry can react to overcome congestion issues. The shipping information provided in this report is received

from PPECB as well as port stock levels. However there is more invaluable data that can be made available on these reports pertaining to port target market stock levels and shipping and stock dwell time information. The benefit of this information is that specific constraints can be identified relating to market stock data, which can be evaluated against shipping schedules to determine and forecast possible congestion periods. The CGA have consulted with Paltrack to gain access to the Integration Master where 80% - 90% of the industries stock information is routed. The level of detail available from this network would assist to get a snap shot of stock information within the port environment. Paltrack have ascertained that the CGA would require permission from the respective representatives or shippers before being granted access to the Integration Master. The process and discussions with Paltrack commenced during the 2009 year and will progress to the 2010 year when we hope to have the required permissions from industry representatives to enable this process.



INFRASTRUCTURE OVERVIEW

Infrastructure refers to the available cold storage space and the internal layout of these facilities being designed to achieve better facilitation of citrus exports. During the industry's regulated environment, Outspan International facilitated the logistics aspects of citrus exports. During those days citrus was by and large exported by Specialized Reefer Ships to global markets, while to smaller markets port hole containers were used. The fruit terminals (Cape Town, Port Elizabeth, Durban and Maputo) built in the 1980's continued

to handle all citrus export volume until the late 1990's. Volume growth increased and terminal capacity was insufficient, this saw the development of independent cold stores being built around the ports. While the break-bulk conventional mode was still dominant, these cold stores were developed to supply break-bulk ships by way of trucking the fruit to the port fruit terminals. The internal infrastructure of these independent cold stores suited this practice while break-bulk was used. The development of the modern Integral Reefer Container has changed the way citrus is exported; the use of these containers developed and progressed in the last three citrus seasons. During the 2009 citrus season 67% of citrus exports were done by way of containers of which 40% of this volume went to Europe. The use of containerized shipping changed the modus operandi by way of loading containers at packhouse or at independent cold stores located around the ports or located closer to production areas, the latter more evident in Western and Eastern Cape regions. The internal infrastructure of newly developed cold stores was designed



with containerized shipping in mind, the racking systems were suited to cargo retrieval and extra container loading bays were installed. The Western and Eastern Cape regions are mostly using containerized shipping, 80% of volume is loaded in containers in these areas. The Durban port is where there has been a slow response to develop cold store infrastructure suited to load containerized shipments. The northern regions production continues to be transported to port where citrus is either shipped in Specialized Reefer Ships (40%) or by Containerization (60%). The volume of containers

that are packed in the Durban port far exceeds the volume of containers packed in other ports. There are considerable restrictions to infrastructure throughput efficiency where a high volume of citrus products are packed in containers, this fact along with volume growth through the Durban port has created logistics instability in the region.

During the 2009 year, the CGA hosted workshops with logistics stakeholders in the Durban port. The purpose of these workshops was to create awareness of the logistical problems faced by the region. The demands of containerization was conveyed with the message that infrastructure adaption to containerization is paramount to achieving the level of throughput efficiency required to maintain logistics stability. There has already been development taking place where some of these facilities have managed to change the internal layout of the facilities to be better suited to container shipping. The CGA will continue to work alongside logistics stakeholders in the various ports to ensure that infrastructure is adapted to maintain logistics stability in the ports.



LOGISTICS COMMUNICATION

During the earlier part of 2010, CGA presented on logistics at the CRI Packhouse Workshops, the CGA Grower Road Shows and at the PPECB Pre-season Workshops. The message that was conveyed at these sessions was about creating awareness in terms of volume growth through each region, the change of the logistics modus operandi (containerization), the strategic value of rail and Maputo port. A very strong message was delivered to the industry regarding the increased use of containerization where citrus represented

a small portion of total container volume handled at port container terminals. The industry's dependence on container lines and the parastatal Transnet was considered a high risk factor that could destabilize the citrus logistics environment - considering if the port container terminal facilities became congested (considering macro factors), or if there was insufficient capacity available from container lines to service the citrus industry at any point.

Various communications were conducted through television interviews regarding the development of infrastructure and the importance of rail usage by the citrus industry. A case study presentation was conducted during the MCLI Annual Maputo Corridor Logistics Campaign held in Nelspruit in October 2009.

The citrus logistics environment is seen as inefficient, the fragmentation of logistics activities post deregulation is currently facilitated by a multitude of exporters and agents.



Logistics activities are conducted in silos where there is little or no existence of centralized functions and activities sought to increase efficiency and decrease the cost of exporting citrus.

Unless the citrus industry seeks to centralize certain logistics activities, the industry will continue to operate in an inefficient manner the cost of such continuing to burden the industry's ability to create a sustainable environment.



Market Access

TARIFFS

There are ongoing discussions between South Africa and India with respect to a free trade agreement. Citrus products are included in the list of products requesting tariff relief.

QUALITY STANDARDS

The procedure for setting of standards was followed again in 2009, with a meeting by industry (held in September 2009) with Department of Agriculture, Fisheries and Forestry (DAFF) in attendance; and an official DAFF standards workshop (held November 2009).



During the season the variety focus groups (VFG's) once again assisted DAFF by making recommendations on the different dispensation requests.

BIOSECURITY

South Africa continued to monitor the movement of *Bactrocera Invadens* (BI) to the north. Traps have been set up along all northern borders, and are being continuously monitored. To date no BI have been found. A focussed BI Steering Committee has been established consisting of

government and fruit industry representatives. The stockpile of chemicals has been renewed and is available for eradication purposes should BI be found.

CRI representatives sampled trees in Angola that originated from Brazil. The concern was that diseases from South America could be introduced into Africa. Fortunately the initial surveys indicated that the trees were disease free.

SOUTHERN HEMISPHERE ASSOCIATION OF FRESH FRUIT EXPORTERS (SHAFFE)

The Global Citrus Network, under the auspices of SHAFFE and Freshfel, continued to operate in 2009. The group has now met on many occasions and discussions are more focussed. During the year under review the group met in Berlin, and held teleconferences on two occasions.

Information sharing between SHAFFE citrus producing members continued in 2009 – with shipping figures shared on a weekly basis.



CITRUS COORDINATING MEETING

The annual meeting convened by DAFF was held in September 2009.

This meeting was an opportunity to look back critically at the 2009 season, and plan for the 2010 season.

As usual this meeting was well attended, and there was good discussion and debate. Growers are encouraged to attend these annual meetings to share their ideas.

EUROPEAN UNION (EU) CITRUS BLACK SPOT (CBS)

Interceptions of fruit with CBS reduced considerably in 2009, dropping by 75%. This shows the southern African citrus industry's commitment to the International Plant Protection Convention (IPPC), despite the fact that all CBS experts in the world are in agreement that CBS cannot establish in the EU.

During 2009 a delegation from the Food and Veterinary Office (FVO) of the EU paid a visit to South Africa as a follow up to the European Food Safety Authorities (EFSA) report (which itself raised more questions than answers, and missed the point that it was meant to give an opinion on the CBS Pest Risk analysis – not do more research; the EFSA panel was sadly lacking in expertise in the CBS field and should have stuck to their mandate). The FVO delegation found that the South African citrus industry was largely compliant with all requirements, raising some minor points to be rectified.



Unfortunately the FVO delegation's assumptions in terms of the definition of production units meant that some measures in South Africa were changed – at a cost to growers. Fortunately this has been rectified, and the measures to be implemented in 2010 will balance the EU requirements with the associated risks. A special work group comprising representatives from CGA, DAFF, PPECB and FPEF met on a number of occasions to finalise arrangements for 2010.

The South African citrus industry has had to consider how to deal with the EU CBS issue going forward. Present measures

are onerous, adding costs to the grower and reducing (unnecessarily) the ability to trade. The PRA prepared by CBS experts is clear in its conclusion that the present measures are not aligned to the risk. Unfortunately the EFSA panel (with a noticeable lack of CBS expertise) concluded differently. This matter has now been ongoing for over ten years – and needs to be concluded.

It would seem that the most appropriate avenue for bringing this to a conclusion would be to ask the IPPC to assist by forming an independent panel to mediate between the parties. Preparations for this process are underway.

CGA REPRESENTATIVE IN BRUSSELS

Landmark Europe continues to represent the CGA in Brussels. During the year under review the representative assisted in monitoring the CBS issue, keeping the CGA abreast of developments, and keeping EU officials informed of developments from a South African point of view.



JAPAN

Total volumes to Japan increased by 7%, led by an increase in grapefruit volumes of 14%. Volumes of oranges (down 22%) and lemons (down by 45%) both decreased. No Clementines were exported to Japan in 2009.

Cultivar	Cartons Presented	Cartons Approved	Cartons Rejected	% Approved
Grapefruit	4 962 435	4 555 840	406 595	92%
Lemons	89 480	88 780	700	99%
Oranges	568 220	506 227	61 993	89%
TOTALS	5 620 135	5 150 847	469 288	92%

As in the previous years, the cartons passed at inspection points were excellent.

- Lemons 99% (2008 - 100%)
- Oranges 89% (2008 - 87%)
- Grapefruit 92% (2008 - 92%).



By year end it was established that Japan was satisfied that South Africa could manage the inspection of fruit at port of discharge. As a result in 2010 a Japanese inspector would be in South Africa at the start of the season to ensure that exports got going to their satisfaction. Once that inspector was satisfied, no additional inspectors would come to South Africa – bringing an end to the pre-clearance programme.

The Grapefruit Focus Group (GFG) decided to continue with coordination of shipments of grapefruit into Japan. Coordinators were employed in both South Africa and Japan.



Shipments were monitored and adjusted to ensure rateable delivery to Japan and to keep stocks at acceptable levels (three weeks of sales). Weekly newsletters kept role-players in South Africa and Japan aware of how the Japan programme was going.

During 2009 grapefruit growers - through the Grapefruit Focus Group (GFG) - requested CGA to test grower support for a statutory levy to fund a promotion campaign in Japan. This is covered in the Market Development section of this report.



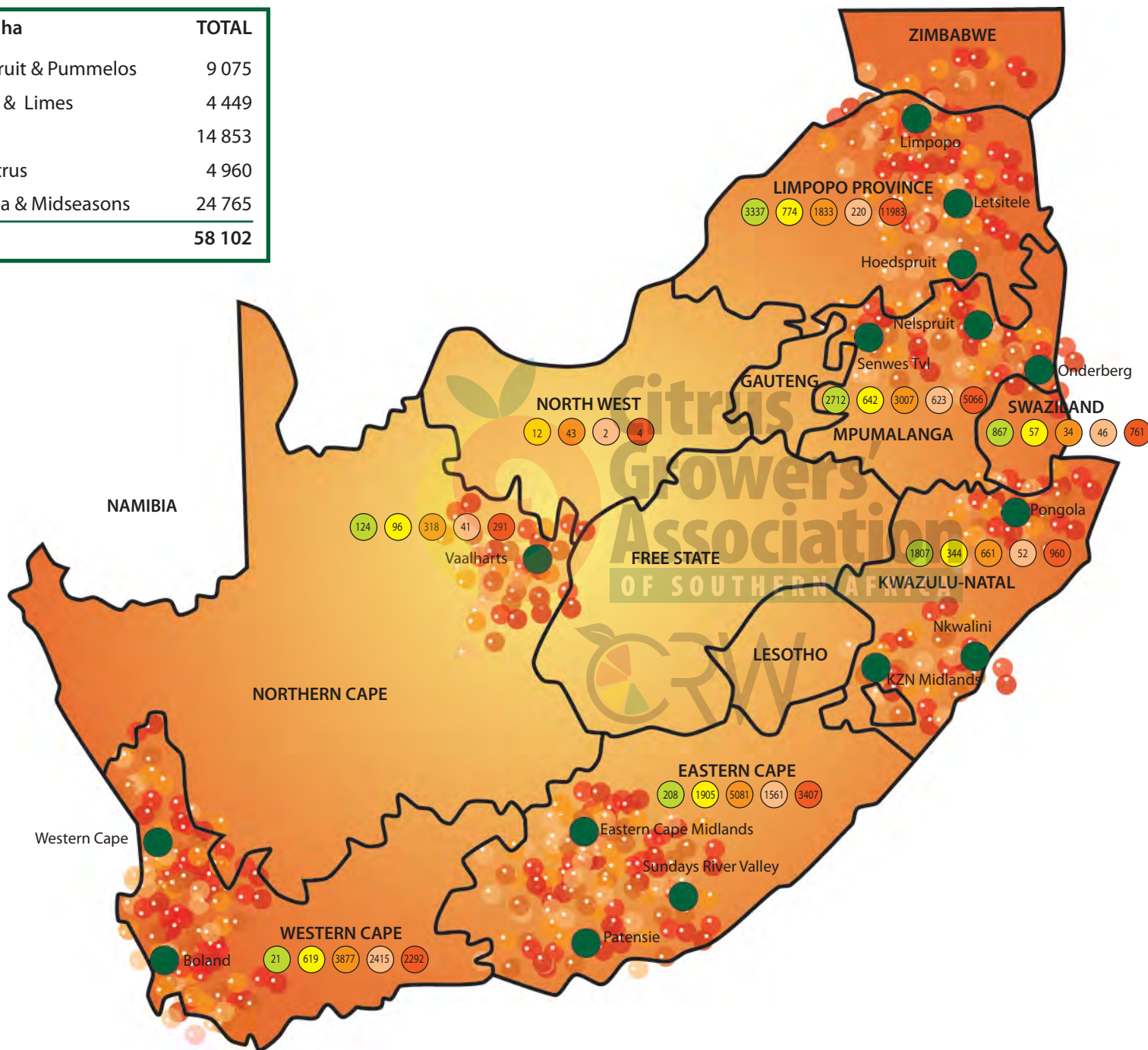
Citrus Producing Regions of Southern Africa

DIRECTORS

S J Viljoen - <i>Chairman</i>	Letsitele	sjvil@xnets.co.za
D J Nel (Hoppie) - <i>Vice Chairman</i>	Onderberg	nelh@tsb.co.za
C H Engelbrecht - <i>Executive</i>	Senwes TvI	tini@dpet.co.za
G L Hall - <i>Executive</i>	Boland	ghall@unipack.co.za
G F Piner - <i>Executive</i>	Nelspruit	office@crocvalley.co.za
R A Rouillard	Pongola	roulie@telkomsa.net
P S Noddeboe	Swaziland	pnoddeboe@upswazi.com
P du Plessis	S R Valley	pduplessis@srcc.co.za
J D Nel (Hannes)	Limpopo	maroi@lantic.net
C W Maggs	Zimbabwe	chrismaggs@zol.co.zw
S R Dellis	Nkweleni	valfam@corpdial.co.za
J Smit	Vaalharts, NC	jannie.kdp@lantic.net
K van Zyl	Oranje Rivier, NC	osk@vodamail.co.za
J E Danckwerts	E Cape Mid	saxfold@katco.co.za
M R Woodburn	S-KZN	woodburn@futurenet.co.za
S R Meyer (Fanie)	Hoedspruit	meyerf@mweb.co.za
P Smit (Flip) - Finance		smit.f@vodamail.co.za
J (Hannes) Hobbs	S - PDI	hannesh@executivemail.co.za
M I Nemaorani	N - PDI	easyfarm@telkomsa.net
P Smit	W Cape	piet@cedarpack.com
P Dempsey	Patensie	phillipdempsey@southernfruit.co.za

TOTAL ha	58 102
Eastern Cape	12 162
KZN	3 824
Limpopo	18 146
Mpumalanga	12 050
Northern Cape	871
North West	61
Swaziland	1 764
Western Cape	9224

KEY to ha	TOTAL
 Grapefruit & Pummelos	9 075
 Lemon & Limes	4 449
 Navel	14 853
 Soft Citrus	4 960
 Valencia & Midseasons	24 765
	58 102



SOUTH KOREA

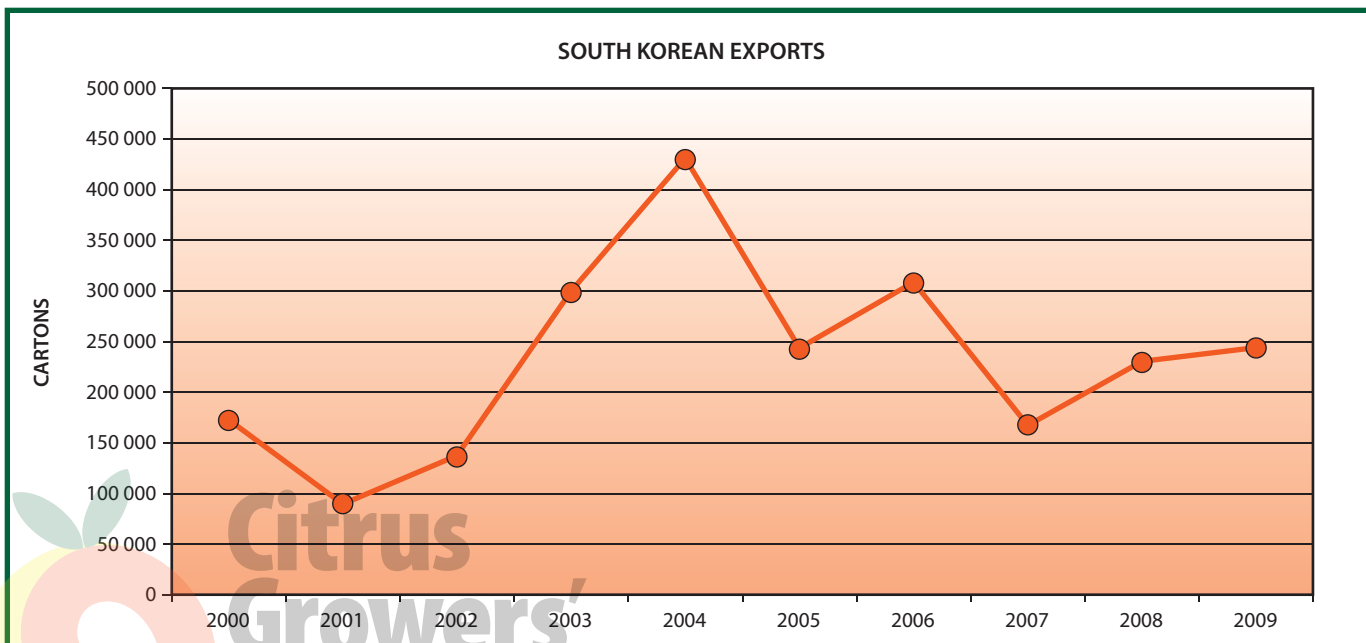
Exports to South Korea once again showed an upward trend when compared to the two previous years, and are once again touching the 250 000 carton level of 2005.

As for 2008/09, approval levels were excellent with 99% of cartons presented for inspection being passed.

During the 2009/10 season all South Korean exports took place through Fresh Produce Terminals (FPT) in Durban.

Only sweet oranges have access to South Korea at present.

Cultivar	Cartons Presented	Cartons Approved	Cartons Rejected	% Approved
Midnight	83 020	81 690	1 330	97%
Navel	6 860	6 860		100%
Valencia	62 460	62 180	280	99%
Total	247 860	244 570	3 290	99%



UNITED STATES OF AMERICA

Wider Access: During February 2010 the US finalised the rule making process for the inclusion of 16 new magisterial districts to export to the USA.

This means that these magisterial districts situated in the Northern Cape, Free State and North West can export to the USA in 2010. Given that this region is suitable for grapefruit production, it could mean that the full citrus basket is now offered from South Africa to the US.

"We are advising the public that we are recognizing 16 additional magisterial districts in 3 provinces in the Republic of South Africa as pest-free areas for citrus black spot.

Based on our site visit to the area and our review of the documentation submitted by South Africa's National Plant Protection Organization, which we made available to the public for review and comment through a previous notice, the Administrator has determined that those districts meet the criteria in our regulations for recognition as pest-free areas for citrus black spot."

	Cartons Presented	Cartons Approved	Cartons Rejected	Percentage 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%
2008	237 845	230 220	7 625	3%
2009	247 860	244 570	3 290	1%

Researchers from the US also visited citrus growing regions in the northern Limpopo province to assess an application on the basis of pest free places of production in an area of low pest prevalence.

By year end the researchers had received all the relevant information and were studying the material.

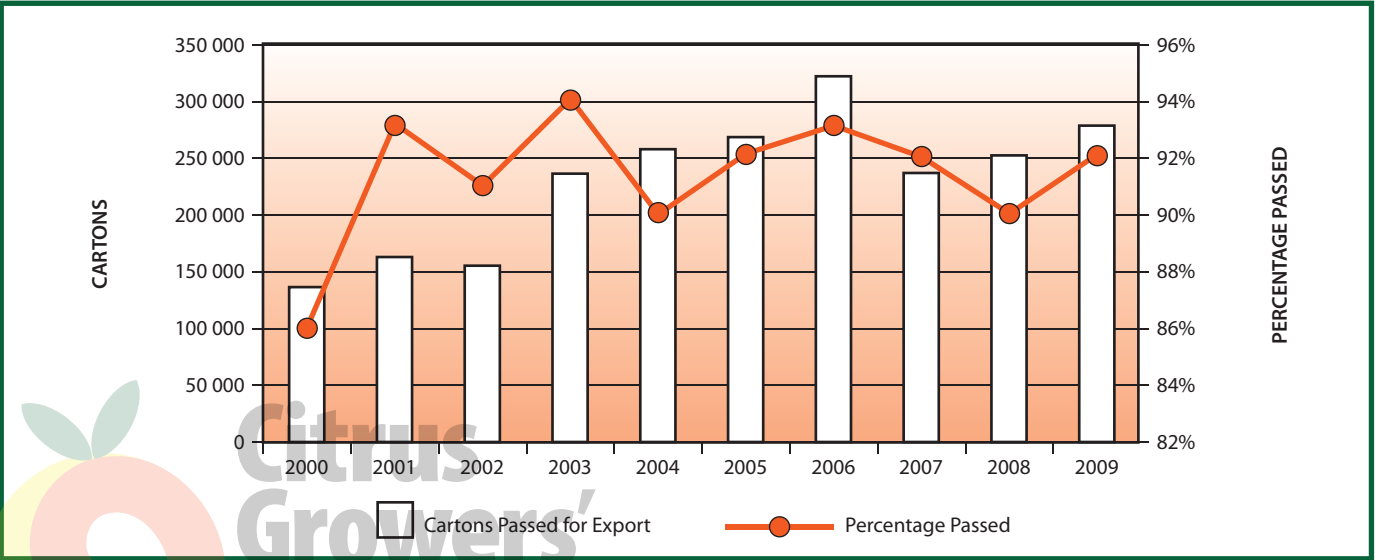
Cold Treatment for FCM: Despite assurances from the US authorities that they would revise the cold sterilisation treatment back to its original period once the standard operating procedures (SOP) at packhouses had been implemented, there was still no movement by year end. US DA officials had visited South Africa and confirmed that they were happy with the implementation of the SOP's, and yet reneged on an agreement to revert back to the shorter treatment period.

GOVERNMENT RELATIONS CONSULTANT

CGA continued to engage a consultant in Washington. During 2009 he assisted with bringing the application for the 16 magisterial districts to a favourable conclusion, continued to put pressure on authorities in terms of the proposed roll back of the treatment period, and assisted in sourcing funding for the Sterile Insect Technology (SIT) programme 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.

Exports to the USA increased once again after disappointing seasons in 2007 and 2008. The percentage approved at inspection improved from 90% to 92%.



Cultivar	Cartons Presented	Cartons Approved	Cartons Rejected	% Approved
Cara-Cara	44 650	43 880	770	98%
Clementines	1 109 774	994 618	115 156	88%
Mandarins	16 546	15 996	550	97%
Midknights	55 369	51 669	3 700	93%
Minneolas	7 480	7 480	0	100%
Navels	1 707 915	1 585 479	122 436	93%
Novas	52 455	51 575	880	98%
Total	2 994 189	2 750 697	243 492	92%



Market Development

GRAPEFRUIT PROMOTIONS

In 2006 grapefruit growers through the Grapefruit Focus Group (GFG) initiated a study on the Japanese market for South African grapefruit. This study highlighted the decline in grapefruit consumption in Japan, and a promotion campaign was recommended. Since that report there has been much discussion on the issue of promotion, and the Japanese grapefruit market has continued to decline. During 2009 the GFG decided to test grower support for a statutory levy supported promotion campaign. The GFG further decided that the campaign should be aimed at both



the Japanese (80%) and United Kingdom (20%) markets. All growers were given an opportunity to vote for or against the levy. Driven by the CGA the voting percentage was excellent (74%), with an overwhelming majority voting in favour of the initiative. On the strength of this referendum an application was made to the Minister of Agriculture in November 2009. By year end it had been learnt that the National Agricultural Marketing Council (NAMC) had decided to recommend approval to the Minister, and that the process was in its final stages.

The CEO's of CGA, FPEF and NAMC visited Japan in October 2009. The purpose of the visit was to determine the importer's support for the initiative, and to brief South African Embassy officials on this initiative. Importers expressed their support and Embassy officials (including the Ambassador) promised to throw their full weight behind the programme.

In anticipation of the Minister's approval, an agency in Tokyo, Market Makers, has been contracted to implement the promotion campaign in Japan. The main thrust of the initiative will be at the point of sale – with grapefruit tastings and point of sale material taking most of the budget.

In terms of the UK programme, CGA was able to link in with a deciduous fruit campaign put in place by RED Communications. This means that grapefruit can leverage off the initial investment from deciduous, allowing for a bigger overall budget. The launch event took place at the upmarket Dorchester Hotel, and since then RED has been hard at work getting grapefruit fully integrated into the programme.



Consumer surveys have been completed, as have briefing meetings with the retailers involved. Once again in store activities will take the bulk of the budget. Some really fantastic promotion material has been developed.

SOFT CITRUS PROMOTIONS

The Soft Citrus Focus Group also requested CGA to test soft citrus growers support for joining the deciduous and grapefruit growers' promotion campaign in the UK. Unfortunately the level of support was insufficient to take the initiative further.

ASIAFRUIT LOGISTICA

South Africa announced its arrival at Asiafruit Logistica Trade Show in style with an impressive and sizable stand. Many citrus growers attended the show and the conference held at the same time. CGA prepared and distributed a pamphlet with contact details of all those exporting citrus in the Far East. The dti funded costs for the stand, and FPEF provided manpower to run the stand – which they performed in their usual professional manner.

FRUIT LOGISTICA

The Trade Show in Europe was once again well attended by southern African citrus growers. The South African stand gets better each year and dti must be applauded for their support for the fruit industry in South Africa. Fruit South Africa personnel (including CGA) were on hand to assist with trade queries.

INDIA – Together with other Fruit South Africa partners, and with part funding from National Agricultural Marketing



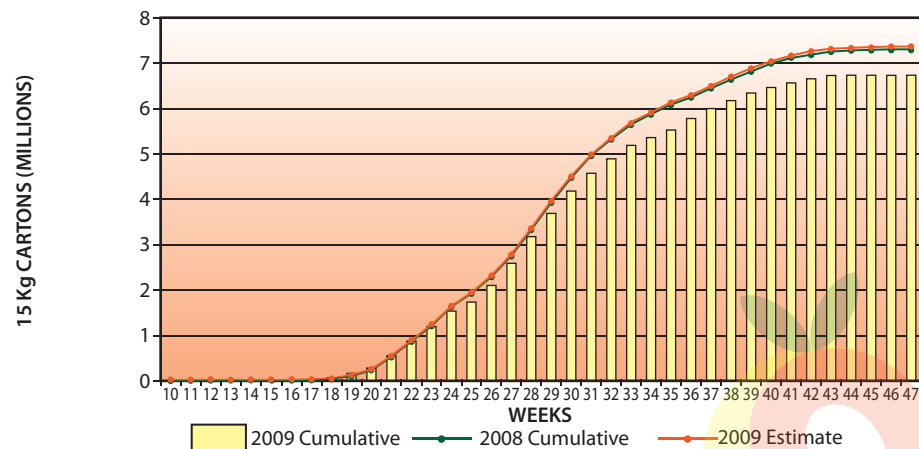
Council (NAMC), CGA funded a study on the market for imported fruit from South Africa into India. A copy is available for CGA members on request.

GROWING DEMAND FOR SUMMER CITRUS - USA

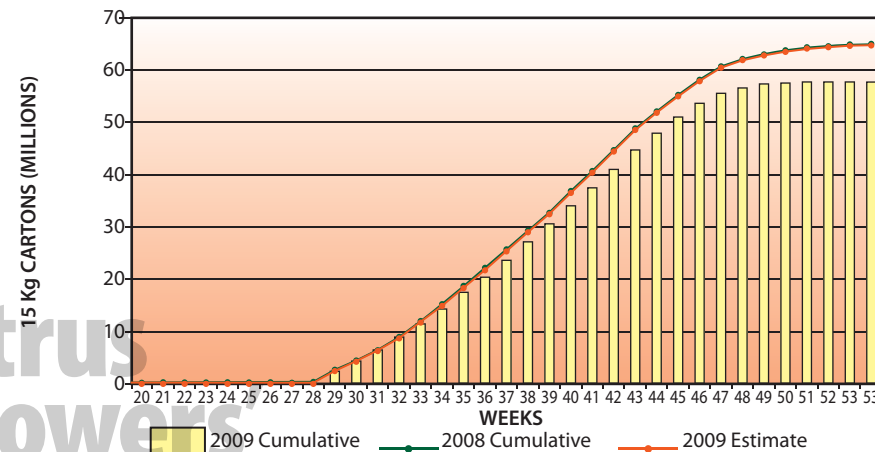
A joint project to establish market potential and growth opportunities for summer citrus in the USA has been instigated under the umbrella of SHAFTE. The study was commissioned in February 2010 and will be completed during 2010. South Africa (CGA), Chile, Peru and Australia are all providing funds for the study.

Exports 2009

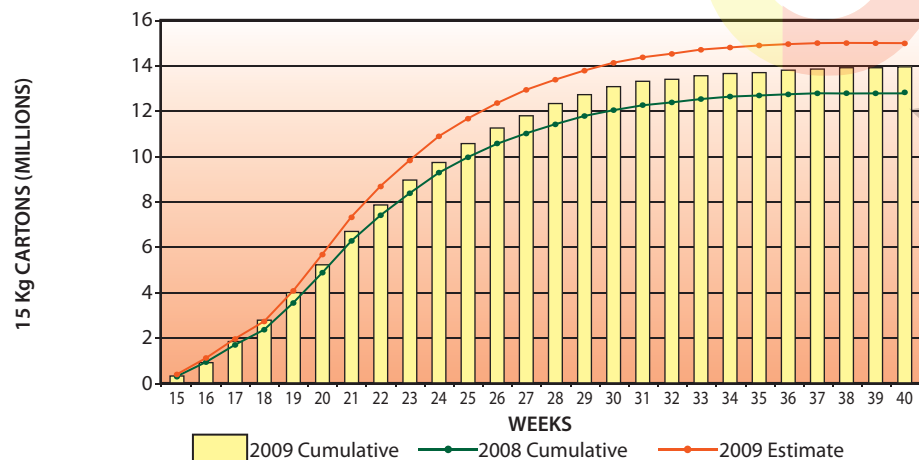
SOFT CITRUS PASSED FOR EXPORT



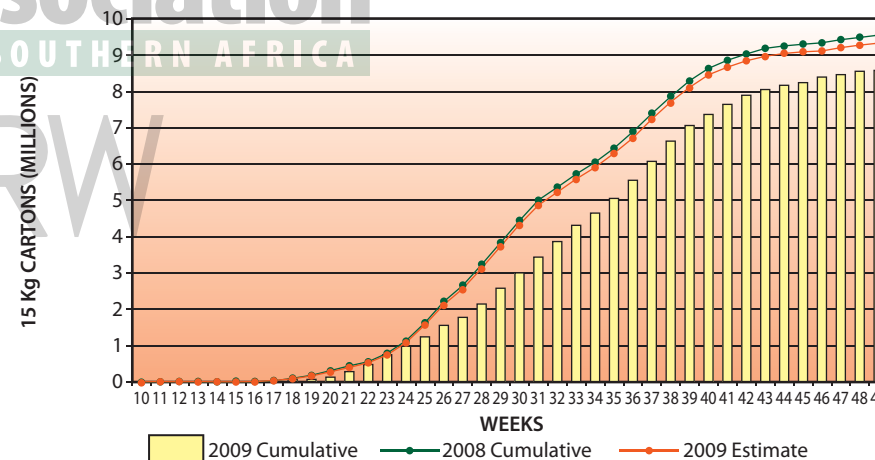
ORANGES PASSED FOR EXPORT



GRAPEFRUIT PASSED FOR EXPORT



LEMONS PASSED FOR EXPORT



Citrus
Growers
Association
OF SOUTH AFRICA



Consumer Assurance

2009/2010 highlighted, again, the true challenges to sustainable exports of citrus are often far away from supplying safe, healthy and ethically produced food off a sustainable production base (which happens on a daily basis to millions of citrus consumers) but rather are found in the systems, schemes and bureaucratic processes that dictate the terms under which markets can be accessed. Put differently, citrus businesses are vulnerable to shifts in governments' policies, changing retailer strategy and tactics, lack of performance and red tape (poor service delivery), poor information and communication and the dearth of expert capacity within private and public sector implementing bodies.



Consider the outcomes of a plant protection product (PPP) risk assessment conducted by CGA/CRI in May 2009 which reviewed the importance and threats (at farm and industry level) of each PPP used in the citrus industry. The aim was to focus CGA/CRI resources to ensure long-term sustainability of the supply base.

RETAILER PPP REQUIREMENTS

The exercise showed how often supply chain participants do not appreciate the gravity of the WTO SPS agreement which

requires phytosanitary pests and diseases to be controlled, the failure to do so resulting in the loss of an entire market. This lack of understanding is evident when restrictions beyond the legal requirements are placed on PPPs use. The absence of suitable and effective alternatives PPPs remain a major component of pest management strategies in SA. In trying to reconcile retail requirements with SPS mandates obscure consequences were observed. For example producers compelled to reduce the number of residues on an item of fruit reverted to older and broader ("harsh") chemistry rather than newer and specific ("soft") chemistry. This is counter intuitive and works against IPM principles. CGA/CRI continues to engage with NGO's, buyers and retailers via the CGA MRL HELP DESK to draw their attention to the problems associated with problematic PPP restrictions. This engagement included a visit to the EU in August 2009, followed up with an engagement in February 2010. The unwillingness of the German retailers to engage with CGA/CRI is disappointing and requires another focussed effort in 2010/11.



RUSSIAN MARKET

There is still uncertainty about the status of some of the PPPs potentially used on fruit destined for Russia, while the Food Safety Memorandum of Understanding with Russia remains unsigned. DAFF have advised they are still establishing who the appropriate designated person should be to sign the MOU. The MOU will be extremely difficult to implement when signed given its administrative burden. Nevertheless fruit from SA was marketed in Russia with no reports of Food Safety violations in 2009.

SUPPORTING APPLICATIONS FOR MRLs

MRLs for PPPs are reviewed on an ongoing basis in the EU. Having recognized the implications for the loss of some PPP tolerances CGA and CRI proactively provided lobby and technical support for the establishment and/or retention of numerous active ingredients. Residue breakdown trials have also been initiated by CRI in cases where there would otherwise be no support for the retention of an MRL. These projects must anticipate the likely direction of regulators to prevent disruption in the use of an active substance. Close contact with EU authorities has proved extremely valuable.

DETECTION OF QAC RESIDUES IN JAPAN

During July 2009 Quaternary Ammonium Product (QAC) residues on grapefruit were detected in Japan. This was surprising in that the conclusion of the risk assessment (based on scientific evidence) was that the manner in which these products were used was unlikely to result in detectable residues. The detection of residues was a result of a new



method being developed able to detect residues at lower concentrations, an unforeseen development. Significant engagement with Japan followed with the chief objective being ensuring the approximate 1.5 million grapefruit cartons in Japan, plus fruit already on route to Japan, could be released onto the market. Detectable residues triggered discussions around whether sanitizers would be defined as Food Additives or Agricultural Chemicals under Japanese law. This led to many rounds of information exchange, by end-March 2010 the Japanese authorities had still not decided

on how to define sanitizers with the implication that they advised growers not to use them during the 2010 export season (defaulting back to Food Additive requirements). The 2009 crisis had been averted with grapefruit trade largely undisrupted. Until a clear indication regarding the status of QACs from Japan and a positive maximum residue level has been set, growers will not be able to use QACs to this market. CGA would like to express its appreciation to DAFF, Mr Yamamoto at the SA Embassy in Tokyo, and the Japanese Importers Association for assistance in addressing this matter. At financial year end CGA were involved in litigation to overturn a court order brought by a chemical supplier preventing CGA and CRI from communicating to growers about possible risks of using certain sanitizers in packhouses. This case demonstrates the new lengths CGA have had to go to to ensure grower interests are defended and their rights upheld. It is vital that growers are kept up to date on the latest requirements and developments in trading partner countries so that they can adapt to the many challenges they face.



PROVIDING ASSURANCE

GLOBALGAP Integrated Farm Management Version 4 is due for release in 2011. Over the last year CGA/CRI made various inputs into the revision of next GLOBALGAP standard. Comments and inputs were also channelled from the GLOBALGAP National Technical Workgroup which met twice during the period under review. Ongoing cooperation between GLOBALGAP and the Global Food Safety Initiative to reduce the costs and duplication of on-farm audits is building momentum and is hoped to yield results over the next three years.

CGA's Industry Affairs Manager attended the International Federation of Produce Standards (IFPS) AGM in Anaheim (US) during October 2009. IFPS promotes uniform standards within the produce industry (harmonization). Originally the focus was on electronic data standards (Product Look Up (PLUs)) but has broadened its scope over time and now includes promoting harmonizing Food Safety standards under the recently formed Food Safety Working Group. CGA sit on this working group and have already raised concerns about the slow pace of harmonization and the trend towards retailers setting their own MRLs.

ENGAGEMENT WITH DEPARTMENT OF AGRICULTURE, FISHERIES AND FORESTRY (DAFF)

It remains very concerning that DAFF and Department of Health have not finalized a Food Safety Control Plan, essentially an over-arching document describing how the various strings of current legislation come together to form the system used in SA to regulate and manage food



safety. Without a comprehensive overview of the SA food safety system confidence and ultimately market access is undermined. Such a document would have enabled DAFF to engage far more proactively and swiftly with Indonesian authorities to eliminate disruption to trade when new Food Safety legislation was adopted in 2009. A drive by the citrus and deciduous industry has meant some progress was made but a clumsy and costly Interim Standard Operating Procedure (SOP) remains in place until South Africa is recognized to have equivalent status by Indonesia.

On a more positive note, quarterly meetings with the Registrar of Act 36 have helped close the gap between production needs and the priorities of the Registrar's office. It is pleasing to report that many of the PPPs that were waiting Act 36 registration (some for 18 months) have been evaluated. Most notable of these was the approval of Corasil-P (Dichlorprop-P) in time for the Valencia crop. CGA had played an active role in seeing this product reintroduced into the industry. Separately, the Registrar is concerned about the dependence of fruit industries on "Class I" substances and engagement with CRI has begun to determine what alternatives are available to these compounds or/and how some of the specific concerns can be addressed. CGA looks forward to engagement with the Registrar in the coming year to further align priorities.

CLIMATE CHANGE

A landmark step was taken with the launching of the Climate Change: A Fruit and Wine Initiative Carbon Calculator in September 2009.



Besides helping growers estimate their Carbon footprint the website carries useful information about how to save energy (and associated costs). Preliminary data shows the application of Agrochemicals (59% - largely application of nitrogen-based fertilizers) and Electricity (24%) are the main contributors to carbon emissions on citrus farms.

The transporting of citrus beyond the farm gate is also a significant source of carbon emissions. Interestingly CRI began conducting trials on how high volume/low pressure sprays may



reduce the energy requirements for agrochemical sprays back in 2008/09. The value of this tool will surely increase as more growers make use of it and see the reduction in carbon emissions as practices improve over time. Looking ahead the question is to what extent water footprinting will become a requirement and how the Climate Change project will respond to this new challenge.

ETHICAL TRADE

The appointment of a CGA representative as the Ethical Trade Co-ordinator for Fruit South Africa in 2009 helped to keep the momentum up on the various initiatives falling into the Ethical Trade portfolio. Working with the Industry Affairs Manager as the CGA link to FSA, notable developments over the last 12 months were:

The successful application by FSA to National Agricultural Marketing Council (NAMC) for the establishment of a Section 7 Committee to investigate how best Ethical Trade programmes should be taken forward.



The benefit of this approach is the robust engagement with all stakeholders using a neutral platform created by NAMC.

The Committee would address questions such as:

What ET codes should be adopted, what audit methodology would be acceptable, who should conduct audits, how could information be gathered to measure industry progress over time, how does the SA fruit industry effectively communicate with local and international stakeholders, what is the best vehicle to manage ET functions, and how are non-conformance against the code addressed?

CGA has maintained the view that the SA labour law is well aligned to the International Labour Convention guidelines and should be the basis for Ethical Trade initiatives (effectively these are similar to other codes used in the UK and EU), and the outcome of this Section 7 process must lead to a simplification of Ethical Trade programmes (not duplication). A final report is expected by end of June 2010.

Increase in the number of ET programme participants:

Over 200 audits have been completed over the last 18 months with many more growers joining awareness and training programmes, undertaking self-assessments many more audits are expected in 2010.

Engagement with SEDEX:

Growers supplying the UK market must capture their ET data on the SEDEX database. Unresolved concerns about SEDEX, such as the slow pace of the website, questions that do not relate to an agricultural context, no off-line version to address upload speeds, etc where again

brought to the attention of SEDEX management. While some of these issues are being addressed the SEDEX online tool remains user unfriendly and requires a disproportional amount of a manager's time to complete. These concerns were presented again in February 2010 at the SEDEX conference.

Distribution of an Information Pack:

Consolidated packs of information about ET were created and distributed to citrus growers. This will be followed in 2010 with more detailed training material whose creation has been partly funded by buyers in the UK.

Formation of an Ethical Trade Auditors working group:

This has been formed to promote the harmonization of quality and standard of the ET audit function in SA.



Research and Technical

The CRI Group approach to provision of industry research and technical support was maintained through the 2009/10 report period by continued utilization of an array of standard processes and procedures as fine tuned over the years. The levy on export citrus fruit, as administered by the CGA, continued to provide the primary source of funds. At financial year end, the net Research and Technical financial activity for the period closely approximated budget,



giving rise to a small cash flow surplus of less than 1.5% of allocated levy funds. Priorities were revised through a process of combining consultative inputs derived by the CRI Extension Division from the Regional Technology Transfer Groups, the Exporters' Technical Forum and the Citrus Cold Chain Forum. These priorities again formed the foundation for the Research Portfolio, recommended by the Advisory Committees, approved by the CRI Board of Directors and endorsed by the CGA Board of Directors, for execution in the forthcoming 2010/11 period.

Market Access technical inputs focused on preparing for international mediation in the dispute between SA and the EU pertaining the EU's CBS phytosanitary regulations. Many years' of persistence culminated in the Northern Cape gaining access to the USA market as a CBS-free region. Reversion of the cold treatment back to the technically justified period for exports to USA remained unresolved. Technical inputs were made to gain (or formalize) access to many new smaller markets.

The **Research and technical** work programme executed over the 2009/10 period was largely in accordance with the planned portfolio for this period. Unbudgeted additional work was undertaken to: prepare for the risk posed by the exotic fruit fly *Bactrocera invadens*; to evaluate the potential for wider geographic application of the Sterile Insect Technique for the control of False Codling Moth; to ameliorate the biosecurity risks associated with the new development of citrus plantings in Angola; to generate data



required to counter the increasingly restrictive application of phytosanitary trade regulations by the European Union with regard to Citrus Black Spot; and to enhance the phytosanitary security of the Citrus Improvement Scheme.

The **Extension Division** continued to operate a vibrant network of regional Technology Transfer Groups. The Extension Division continued to provide strong support to the CGA's Industry Transformation Programme through the extension staff in the northern regions and Eastern Cape.

Industry support for the annual series of regional Packhouse Study Group meetings continued to grow very strongly with record participation in the 2010 series of pre-season meetings.

The Extension Division continued to sustain excellent development of the Citrus Cold Chain Forum to the point that this Forum has begun to play an indispensable role in the sustained profitability of the southern African citrus industry. In recognition of these developments, the CRI Board agreed that CRI should continue to co-ordinate the functioning of the Forum. Funding of the Forum remains problematic and whereas it is envisaged to propose inclusion of the Forum in future levy renewals, funding in the interim remains unsecured.

CRI's **Cultivar Development** function was increasingly subjected to intensified scrutiny in response to growing concern by CGA members about the state of cultivar



development in the industry. The CGA Board provided CRI with a clear mandate to intensify various aspects of cultivar development as a matter of priority. The situation was communicated to all CGA regions at the 2010 regional CGA roadshow meetings, with several follow up workshops.

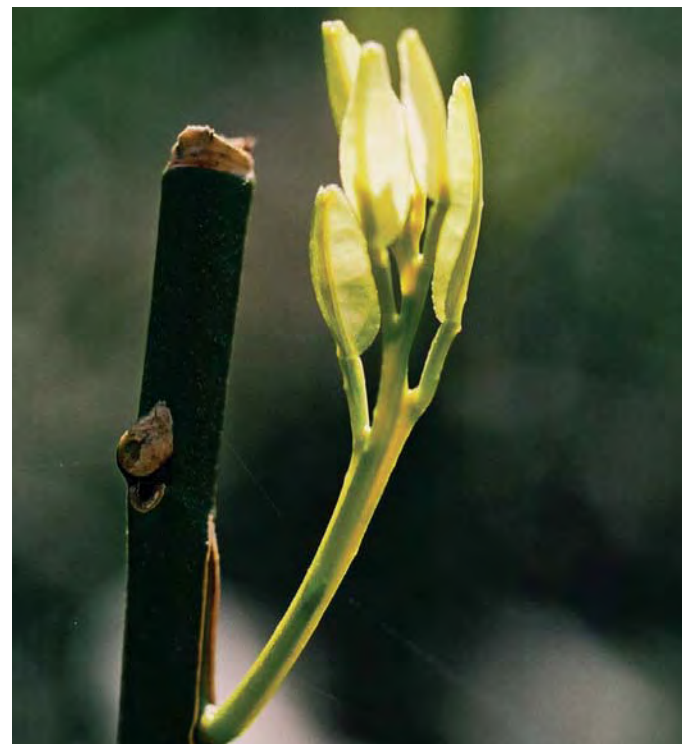
The **Citrus Improvement Scheme** continued to operate on a voluntary participation basis. Engagement with the Department of Agriculture was renewed in pursuit of having the CIS adopted as a statutory scheme in



the future. As implied by the name, improvements made to the technologies utilized within the scheme to detect the presence of unwanted diseases, led to the discovery of viroids in a few important varieties.

Phytosanitary risk assessments were conducted and appropriate procedures were deployed under the guidance of the CIS Advisory Committee. Consequently the availability of material for a few cultivars has temporarily been disrupted in pursuit of the long term phytosanitary security of the industry, but this interruption will be short term and the provision of secure replacement lines of propagation material is already far advanced.

A series of regional roadshows was undertaken to inform growers and nurserymen of the facts and make sure they understand that these actions are taken in the interest of the industry's long term wellbeing.



Composition of CRI Advisory Committees 2009 - 2010

CRI Board of Directors

Jock Danckwerts	<i>Chairman & Executive Committee – grower nominee</i>
Hoppie Nel	<i>Vice Chairman & Executive Committee – grower nominee</i>
Piet Smit	<i>Grower nominee</i>
Kobus de Kock	<i>Grower nominee</i>
Louis von Broembsen	<i>Grower nominee</i>
Mark Fry	<i>Grower nominee</i>
Chris Kellerman	<i>Consultants Association nominee</i>
Steve Turner	<i>Exporters Forum nominee</i>
Anton Ströh	<i>University of Pretoria nominee</i>
Karen Theron	<i>Stellenbosch University nominee</i>
Org van Rensburg	<i>ARC nominee</i>
CEO:	Vaughan Hattingh
Routinely invited:	CGA Chairman & Justin Chadwick - CEO CGA



River Bioscience Board of Directors

Jock Danckwerts	<i>Chairman - CRI nominee</i>
George Hall	<i>Vice Chairman - CGA nominee</i>
Mark Fry	<i>CRI nominee - replacing Gerhard Scheepers (resigned)</i>
Paul Marais	<i>Independent</i>
Sean Moore	<i>Technical</i>
Vaughan Hattingh	<i>Ex-officio CRI CEO</i>
Flip Smit	<i>Co-opted – CGA audit committee</i>

Xsit Board of Directors

Piet Smit	<i>Vice Chairman, Acting Chairman - CGA nominee</i>
Gerhard Scheepers	<i>RB nominee</i>
Siyabulela Ntutela	<i>PlantBio/TIA</i>
Fidzani Nduna	<i>PlantBio/TIA</i>
Kobus de Kock	<i>CRI nominee</i>
Vaughan Hattingh	<i>(CRI CEO)</i>
Gabrie van Eeden	<i>Grower nominee – Citrusdal region</i>
Fanie Viljoen	<i>Grower nominee – other regions</i>



Crop and Fruit Quality Management

Gerhard Scheepers	<i>Chairman</i>
Piet van Rensburg	<i>Graham Barry</i>
Ballie Wahl	<i>John Bower</i>
Steve Turner	<i>Mark Fry</i>
Malcolm Dodd	
Routinely invited:	V Hattingh, T Grout, H le Roux, H Bester, T Vahrmeijer, P Cronje & S Verreyne

Disease Management

Chris Kellerman *Chairman*
 John Mildenhall
 Altus Viljoen
 Barry Manicom
 Lise Korsten
 Mark Laing

Routinely invited: V Hattingh, T Grout,
 P Fourie & H le Roux

Integrated Pest Management

Kobus de Kock *Chairman*
 Deon Begemann
 Martin Gilbert
 Dave Gerber
 Riaan Maartens *Resigned*
 Ken Pringle

Routinely invited: V Hattingh, T Grout,
 S Moore & H le Roux

CIP Advisory Committee

Standing committee:

Chairperson	M Fry
Manager CIS (convenor)	T du Toit
CGA	G Hall
SACNA	P Kingston
CRI	V Hattingh
Post Entry Quarantine	B Manicom
Industry Pathologist	H le Roux / P Fourie
Industry Virologist	F van Vuuren / G Cook
Industry Manager	A Lee
Cultivar Development	
Cultivar Management Companies	P Turner

Routinely invited / co-opted:

DAFF Directorate Agricultural Products Inspection Services	M Holtzhausen
DAFF Directorate Plant Health	M Rambauli
DAFF Directorate Genetic Resources	J Jaftha
DAFF Registrar Plant Improvement Act	J Sadie
DAFF Registrar Plant Breeders Rights Act	N Netnou-Nkoana
DAFF Registrar Agricultural Pests Act	M Holtzhausen
South African Nurseries Association (SANA)	N Stodels
CEO CGA	
CEO CRI	
Industry Manager Research & Technical	
Industry Manager Extension Services	
Horticultural Specialist	



Cultivar & Rootstock Evaluation Committee

Mark Fry *Chairman*
 Hennie le Roux
 Ballie Wahl
 Andrew Lee
 Graham Barry

Routinely invited: V Hattingh, T du Toit,
 T Grout, H Bester & F Veldman

Cultivar Development Committee

CRI Executive Committee
 CRI CEO



Transformation

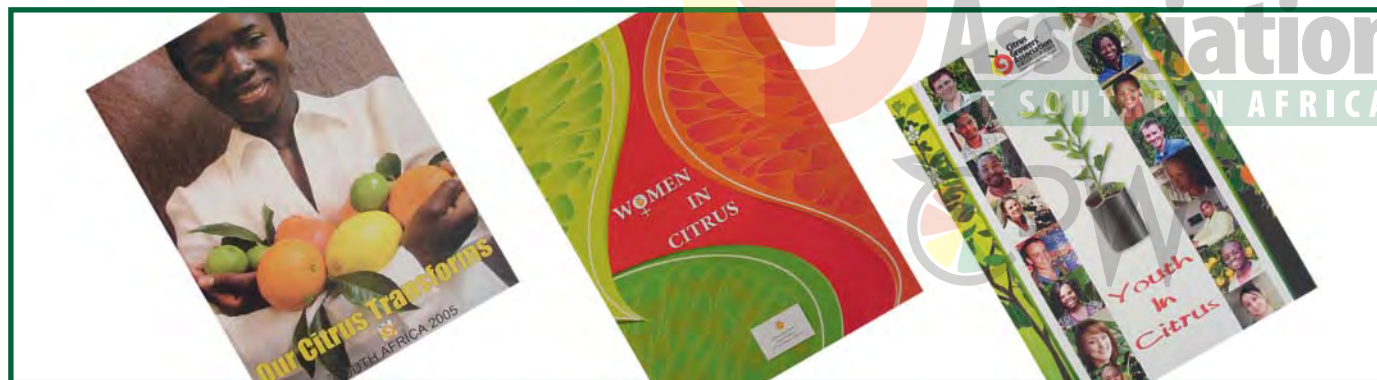
TRANSFORMATION ADMINISTRATOR

As the CGA Transformation Manager resigned in June 2008, there has been an urgent need for CGA to find a replacement for this position. During August 2009 CGA appointed a Transformation Administrator to oversee the various core activities under this portfolio, namely mentorship, extension, training and institutional development.

YOUTH IN CITRUS

CGA in the past few years has published two publications under the Transformation portfolio. Following on from those publications of 'Our Citrus Transforms' and 'Women in Citrus', CGA published 'Youth in Citrus' which highlighted the importance of the youth in the citrus sector.

The publication also aims to motivate the youth to be involved in agriculture in general and in the citrus industry in particular.



MENTORSHIP

From 2006 through to 2009 CGA has been rolling out the mentorship programme funded by Department Agriculture, Forestry and Fisheries (DAFF).

The role of the mentor is to supply timely advice and to coach the mentee on issues of importance in his/her citrus production. Last year CGA was informed by DAFF that mentorship will be funded by Provinces from the CASP fund and not from DAFF.

ENGAGEMENT WITH PROVINCES

CGA is currently implementing mentorship programmes in four provinces namely, Eastern Cape, Kwa-Zulu Natal, Limpopo and Mpumalanga. CGA has currently engaged with three provinces out of the four.

Eastern Cape: The Eastern Cape Province had a meeting with commodity organisations. The purpose of the meeting was to discuss the roll out plan, and the Eastern Cape decided that they will follow the same trend that DAFF used in implementing the previous programme. Commodity organisations were requested to submit their proposals with the projects that will be mentored. CGA submitted a proposal. A response is awaited.

Kwa-Zulu Natal: KZN has another approach in implementing mentorship, through a new entity called the Special Purpose Vehicle-Agribusiness Development Agency (SPV-ADA). This entity will oversee all activities of CASP, and CGA has been invited to numerous meetings with SPV-ADA to try and



develop a plan for the coordination of these activities. CGA has been requested to develop a Funding Model by this entity which is currently underway.

Limpopo: In Limpopo the decision was made to appoint a service provider to implement the mentorship programme and commodity organisations will work under this service provider. CGA requested the Department to review the decision as there is no distinction between the duties of the commodity organisations and service provider. A response is awaited.

Mpumalanga: The Mpumalanga Provincial Department has not yet called on commodity organisations to discuss their rollout plan of mentorship.

CGA managed to source funding so as to continue with the present programmes up until the end of the next financial year (March 2011).

EXTENSION

CGA has two extension personnel (seconded to CRI) dedicated to assist emerging growers from the North (Mpumalanga, Limpopo and KZN) and South region (Eastern Cape, Western Cape and KZN). CGA has requested the provincial Departments of Agriculture, Forestry and Fisheries and Rural Development and Land Affairs to provide government extension personnel who will be trained as Citrus specialists to provide support to all growers in these regions.

CGA has already signed a Memorandum of Understanding (MoU) with Limpopo Department, and is now in the process



of signing other MoU's with Eastern Cape and KZN, as we have engaged with these provinces.

SOCIAL FACILITATION BY CGA IN KZN

The Department of Agriculture, Rural Development and Land Affairs and economic development in KZN, have come together and formed an entity called SPV-ADA (Special Purpose Vehicle-Agribusiness Development Agency). One of the purposes of forming this entity was to look at what can be done to support emerging farmers from collapsing and

to rescue failed land reform farms. The findings were that most of these projects that collapsed are community-owned projects. CGA in partnership with this entity joined hands to look at possible solutions to the problem. The focus was especially on ten citrus projects in the Province.

CGA conducted a social facilitation process (contracted to Lima Rural Development company) to try and find out the root cause of the problem. The social facilitation process has two phases: an initial investigation to determine what intervention is necessary, and a second phase to address the identified issues.

ELECTION IN THE SOUTH REGION

For some time the South regions did not have a director representing emerging growers. CGA supervised an election process to remedy this situation during 2009. Johannes Hobbs from Kirkwood won the election and was duly appointed as director for the South region's PDI's.



TOYOTA NEW HARVEST FARMER OF THE YEAR COMPETITION

Israel Nemaorani was chosen as one of the finalists for the prestigious Toyota New Harvest Farmer of the Year award.

This award recognises the role played by emerging farmers and was hotly contested.

The CGA is very proud of this recognition for Israel's hard work and congratulates him on getting to the finals.



DATABASE

CGA maintains a database of all emerging growers so that their special needs can be identified and addressed, and so that communication on important industry issues is received.



Citrus Academy

CITRUS ACADEMY BOARD OF DIRECTORS

Representation	Name	Date of Appointment
CGA	Mike Woodburn <i>Vice Chairperson</i>	2009/04/01
CGA	Graham Piner	2009/04/01
CGA	Shane Dellis	2009/04/01
CGA – Emergent Farmer Representative	Israel Nemaorani	2007/04/01
Donors - Citrus Industry Trust	Mark Fry <i>Chairperson</i>	2007/04/01
Service Providers	Joy van Biljon	2009/01/26
Skills Development Specialist	Santa de Jager	2009/01/26



The Chief Executive Officer of the CGA and a representative of the CGA Audit Committee are invited to attend Citrus Academy board meetings as observers.

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

Date	Meeting	Apologies
2009/05/11	Board Meeting	Israel Nemaorani
2009/08/19	Board Meeting	None
2010/02/04	Board Meeting (Telcon)	Joy van Biljon Santa de Jager



The Annual General Meeting of the Citrus Academy was held on the 18th of August 2009 at the Willow Park Conference Centre, Kempton Park.

CITRUS ACADEMY BURSARY FUND

The implementation and selection policies for the Citrus Academy Bursary Fund remained the same and were applied consistently.

The following allocations were made in the period under review:

Description	2009	2010
Value of Bursary Fund	R1,004,034	R1,228,889
Number of Students	50	57

A new category was added to the Bursary Fund in 2010, namely for BEE Bursary Support (BEEBS). This entails the subsidisation of the study costs of individuals who are connected to BEE citrus enterprises. In 2010, ten students (included above) are supported in the BEEBS category.

The following numbers of students took part in experiential learning programmes in the year under review.



Category	Total Students in 2009	Total Students in 2010
Vacation Work	12	
Internships	6	6
Workplace Experience Grants	2	4
Industry Exposure Programme	18	

Twelve Bursary Fund students graduated at the end of 2009, of which eight were successfully placed with organisations linked to the citrus industry.

AUDIOVISUAL LEARNING TOOLS – CITRUS POSTHARVEST SERIES

The Citrus Academy completed the development of the Citrus Postharvest Series during the year under review. The series consist of 50 visual modules, covering the postharvest supply chain, with each module being accompanied by a written learner guide. The modules are made available on DVD and can be obtained from the Citrus Academy.

LEARNING MATERIAL

The development of production learning material was brought to a close in the year under review. Learning material can be downloaded at no charge from the website of the Citrus Academy or purchased in hardcopy from the Academy.

The Subtropical Growers' Association (SUBTROP) and SA Table Grapes Industry (SATI) continued with the adaptation of Citrus Academy production learning material for their fruit types.



LEARNING PROGRAMME DEVELOPMENT

The Citrus Nursery Workers Programme was distributed in Afrikaans and English to all members of the South African Nurserymen's Association during the year under review.

In addition, a project to develop a learning programme aimed at extension officers were launched during the year under review.

CAPACITY BUILDING WORKSHOPS

One capacity building workshop was held during the year under review in collaboration with the Limpopo Department of Agriculture.

The workshop was aimed at developing the skills of LDA extension officers and addressed the subject of Plant Nutrition and Soil Management.



For further information contact jacomien@citrusacademy.org.za or look on www.citrusacademy.org.za



Abridged Financial Statements

	Actual 2008/09	Budget 2009/10	Actual 2009/10	Budget 2010/11
Income	31,352,639	31,200,000	35,649,305	32,840,000
RSA Levy	28,601,796	29,640,000	32,482,223	31,200,000
Swaziland / Zimbabwe Levy	793,783	660,000	673,259	340,000
Interest	1,055,401	600,000	889,976	1,000,000
Dividends Received - River Bioscience	300,042		300,042	
Other Income	601,617	300,000	1,303,805	300,000
Expenditure	33,701,580	31,201,210	31,014,332	33,129,135
Staff Costs	2,411,821	2,608,383	2,799,384	2,919,533
Travel & Accommodation	183,740	260,000	228,252	179,000
Office - Rent & Equipment	216,101	250,077	241,574	320,352
Office Expenses (Stationery, tel, copies)	236,712	332,000	315,935	339,000
Board Expenses	264,951	446,750	291,322	483,250
Services (Accounting & Legal)	63,612	110,000	237,872	350,000
Suscriptions	181,575	236,000	156,420	232,000
Communication	239,929	206,000	151,615	167,000
Industry Statistics		20,000		
Market Access	1,722,459	1,780,000	1,084,822	1,360,000
Research Programmes - Citrus Research International	19,050,000	19,870,000	19,870,000	20,972,000
Research - Reserve Transfer - CRT	5,896,993			
Research Programmes - Citrus Research Trust		(260,000)		
Transformation	2,082,458	1,800,000	2,397,687	2,033,000
Transformation - Citrus Academy	1,177,000	1,400,000	1,441,190	1,620,000
Levy Collection - PPECB	6,128			
Depreciation	21,351	32,000	19,022	32,000
Information	264,224	450,000	330,021	302,000
Provision for doubtful debts / Bad Debts	(367,651)		(963,783)	
Leave Pay Provision			332,156	
Infrastructure & Logistics	8,127	800,000	509,211	880,000
Market Development		800,000	1,359,751	880,000
General	42,050.00	60,000	211,881.00	60,000
NET SURPLUS / (LOSS) FOR YEAR	(2,348,941)	(1,210)	4,634,973	(289,135)





"South African Stadia for the 2010 FIFA Soccer World Cup"
2010 Winning team – Spain