Annual Report **2013**

Citrus Growers' Association
OF SOUTHERN AFRICA

Citrus Growers' Association
OF SOUTHERN AFRICA

Supporting citrus growers to be globally competitive

Our **Mission**

The Citrus Growers' Association will maximise the longterm profitability of its members

Strategic **Objectives**

- Administer, fund and resource the CGA Group
- Gain, retain and optimise 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

Citrus Growers' Association
of Southern Africa

Reg. No, 2000/010147/08

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Pieter Nortje
Chairman

Ons kyk terug na die jaar
1 April 2012 tot Maart 2013

Gee my asb die geleentheid om 'n sake - en etiese wysheid te deel soos deur wyle Dr. Anton Rupert verwoord is. Persoonlik probeer ek dit navolg en my wens is dat hierdie resep die SA Sitrus bedryf selfs tot groter hoogtes sal neem:

- **Eerlikheid:** Omdat eerlikheid altyd die langste duur.
- **Korrektheid:** Want daardeur word vertroue by vriend en vyand geskep
- **Hoflikheid:** Wat beteken waardigheid sonder hoogmoed en vriendelikheid sonderom te kruip.
- **Diens:** En dit in elke opsig - aan jou klant, jou naaste, jou land.
- **Onderlinge steun:** Sodat jy ander kan opstoot terwyl sy self klim, want as jy ander aftrek, val jy saam.
- **Geloof:** Dat alles ten goede geskied as elkeen sy plig doen.

Hierin is die mantra van die doelstellings van die CGA vasgevat en die suksesse spreek vanself.

At every grower meeting, Board meeting or even a telephone call, the requests from growers for the CGA to tackle more issues at hand silently testifies to the successes already achieved. Remember that the CGA was originally formed in 1997 only to salvage and maintain our research division. Today, the world class CRI still receives about 62% of our levies and all the other activities are financed by the remaining 38%, including staff costs.

During 2012/13 these activities are still guided by the Strategic Objectives reviewed and accepted in 2010:

- Administer, fund and resource the CGA group.
- Gain, retain and optimise 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
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Chairman's Report

Continued

Oor die naweek van 26 Mei 2012 het die Uitvoerende Bestuur 'n strategiese werkswinkel gehou om bg. doelwitte te evalueer en te bepaal hoe die CGA moet aanpas om dit selfs beter te bereik. In kort: Hoe kan die CGA beter dividende lewer op groeiers se heffings.

Die resultat hiervan het die sterkpunte en tekortkominge uitgewys. Daar is ook besluit om die volle strategiese sessie met die volle CGA direksie en ander rolspelers te hou om die Sitrus 2030 padkaart te bepaal.

During 2012 the CGACC (Cultivar Company) headed by Jonathan Roberts continued to gather momentum in its first full year of existence. Exciting new cultivars have already been procured and even better ones are in the pipeline. Well done.

A possible "Industry Ending Event" was launched at us in October 2012 with a letter from DG SANCO threatening the SA Citrus Industry with European Market Closure if CBS interceptions in Europe exceed the new limit of 5.

Ek wil elke Sitrus produsent die volle versekering gee dat elke rat in die CGA draai om 'n oplossing en uitkoms te vind. Die planne sal nie opraak nie. Ons moet 2 berge bymekaar uitbring - die EU se posisie aan die een kant en die politieke wil aan ons kant. Elke sitrus gesprek word oorheers deur hierdie onderwerp en met die kundigheid, ondervinding, deursettings vermoë en leierskap in ons bedryf sal ons hierdie probleem oorkom.

It was my desire for every grower to get to know everyone who works for them in all the CGA Structures. This was implemented via a "one-pager" once a month with contributions from all staff members. If you do not receive the "Grower Levies Working for You" one-pager by email please contact the CGA office.

A special word of appreciation to the CGA Board, Boards of all CGA Structures, all staff members inside the engine room and all the stakeholders of the Citrus Industry for the hard work, leadership and unseen work that drives the Southern African Citrus industry forward.

Aan die Sitrus produsente: Dis 'n moeilike, maar spesiale en pragtige boerdery. Kom ons evalueer die sake en etiese wysheid hierbo en ondersteun mekaar en die CGA van SA.

Ons is gerat vir vooruitgang.

Groete

Pieter Nortje

Voorsitter

CEO's Report

2012 was a year of highs and lows. The year started off with the good news that Thailand had opened it's doors to South African citrus, and that South Korea had extended access to lemons and grapefruit. The year ended with the news that the EU was considering additional measures for South African citrus imports which could result in virtual market closure.

The Thai market access application has been under consideration for almost twelve years, with draft protocols in place on two previous occasions; only to be withdrawn before finalisation due to regime change. The finalisation of this process speaks to the perseverance of both government and industry. Although there were some initial problems, citrus fruit did get exported to Thailand in 2012.

The EU dropped a bombshell on the industry when, in October 2012, they communicated that Citrus Black Spot (CBS) measures would be reassessed should South Africa exceed a five interception threshold. Although the actual additional measures have not yet been formulated, at the extreme this could lead to market closure. Given the importance of the EU market (absorbing 40% of South African citrus) this threat sent shockwaves through the industry.

What is most frustrating about the EU position is that we have been (since 1992) requesting from all with influence that the technical justification for the EU's measures be assessed. The starting point was the imposition of the measure in 1992. Contrary to WTO principles the measures were maintained throughout with no pest risk assessment taking place. In 2000, at the EU's request, South Africa completed a PRA that concluded that there was no risk of CBS establishing in the EU as the climate was unsuitable and the fruit is not a pathway. This was confirmed by a USA PRA in 2010. The EU's own scientific body (EFSA) also concluded that the possibility of CBS establishing in the EU is highly unlikely.

With all this uncertainty around the risk, South Africa asked the IPPC secretariat to use its technical dispute resolution mechanism to bring about some clarity - that was in 2010!!!!! If the IPPC had intervened at that time we may never be where we are now. Unfortunately they did nothing - until the crisis arising from the EU's October 2012 letter. Finally the IPPC process has started. However, as expected, the first facilitated bilateral consultation did not advance the process in terms of getting an independent technical assessment as the EU did not agree to the formation of an expert panel.

So as we ended the 2012/13 season uncertainty prevailed. The scene is set for considerable resources being allocated to bring about a satisfactory conclusion in 2013.

Following the positive feedback regarding the next levy cycle (the present levy cycle concluded in December 2012) a referendum was carried out to determine support for the next levy cycle. The new levy included the addition of enhanced services, mostly for research and market access. Grower support for the CGA administered levy was overwhelming, resulting in an application to the Minister of Agriculture, Forestry and Fisheries. This application was approved and the new levy introduced from January 2013.

Justin Chadwick
Chief Executive Officer

Administration

Gloria Weare
Executive Assistant to CEO

Governance

The Citrus Growers Association of Southern Africa (CGA) is run by a Board of 21 Directors - 18 who represent citrus growing regions in South Africa, Swaziland and Zimbabwe, 2 who represent emerging citrus farmers in the north and south, and a financial director. The National Agricultural Marketing Council (NAMC) has observer status on the CGA Board.

Meetings

During the year under review the following CGA Directors Board Meetings were held:

20 August 2012: Champagne Sports Resort, Drakensberg. *Apologies:* DC Mathewson, JR Spangenberg, JE Danckwerts

20 November 2012: Intercontinental Hotel, OR Tambo, Johannesburg. *Apologies:* JD Nel, MR Woodburn; DJ Nel, PS Noddeboe

13 March 2013: Intercontinental Hotel, OR Tambo, Johannesburg. *Apologies:* P Smit, MI Nemaorani, WA Dillman

Changes to the Board of Directors between April 2012 and March 2013:

Limpopo:
DJ (Hannes) Nel - up to November 2012
WA (Bertus) Dillman - from November 2012

The Executive Committee comprises:

Pieter Nortje (Chairman), Piet Smit (vice-Chairman), Hoppie Nel (Executive), Graham Piner (Executive) and George Hall (Executive). During the period 1 April 2012 to 31 March 2013, the Executive dealt with decisions and information via tele-conferencing on 18 July 2012 and 7 March 2013

Representation

The CGA has representation on various Boards and Committees:

Citrus Research International (CRI): Hoppie Nel, Piet Smit (Letsitele), Deon Joubert, Louis von Broembsen, Fanie Meyer, Mike Woodburn

Citrus Academy: Shane Dellis, Phillip Dempsey and Johannes Hobbs

River Bioscience: George Hall, Paul Marais, Hoppie Nel

XSIT: Piet Smit

Citrus Industry Trust (CIT): Mark Fry

Agri SA: Antoine Rouillard, Charles Rossouw

Citrus Improvement Scheme: Fanie Meyer (Paul Hardman CGA staff representative)

Citrus Marketing Forum: Hoppie Nel, Gabrie van Eeden, Peter Nicholson

Fruit South Africa: Justin Chadwick

Fruit South Africa Logistics Committee: Mitchell Brooke

Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE): Justin Chadwick

CGA Cultivar Company (CGA CC): Barend Vorster, Hoppie Nel, Hannes Joubert, Francois Joubert

Perishable Products Export Control Board (PPECB): Tini Engelbrecht

Agricultural Trade Forum (ATF): Justin Chadwick

Market Access Committee: Elma Carstens

SPS/CLAM: Vaughan Hattingh (Paul Hardman - secundus)

Carbon Footprint Steering Committee: Paul Hardman (Vaughan Hattingh - secundus)

MRL/SHAFFE/MRL Work Group/Food Safety Forum/IFPS/FSA Harmonisation: Paul Hardman

BI (Bactrocera Invadens) Steering Committee: Vaughan Hattingh (Justin Chadwick - secundus)

CBS Disaster Management Committee: Justin Chadwick, Vaughan Hattingh, Charles Rossouw, Pieter Nortje, Ben Vorster, Paul Hardman, Lambert Botha

Audit Committee: Flip Smit, Graham Piner, Antoine Rouillard

The directors have now also been included in the various CGA staff portfolios:

Representation Committee: Ben Vorster, Piet Smit, Israel Nemaorani, Hannes Hobbs

Market Access Committee: Graham Piner, Jannie Spangenberg, Charles Rossouw, Piet Smit

Logistics Committee: Shane Dellis, Per Noddeboe, Paul Bristow, Hannes Nel

Consumer Assurance Committee: Fanie Meyer, Danie Mathewson, Phillip Dempsey

Finance Committee: Antoine Rouillard, Mike Woodburn

Information Committee: Shane Dellis, Phillip Dempsey, Mike Woodburn

Company Secretary: Robert Miller, CGA Financial and Business Administrative Manager has also been appointed Company Secretary for CGA, Citrus Academy and CGA CC.

Variety **Focus Groups**

The variety focus groups met regularly during the 2012/13 season, with the main business being updating crop predictions, giving opinion on dispensation requests referred to them by DAFF and discussing market conditions and monitoring packed and shipped information. The CGA Information Manager is tasked with convening the meetings and acting as secretariat.

During 2012/13 the various focus groups held 29 meetings in all, as follows:

Grapefruit FG:	May (1), June (1), July 2012 (1), March 2013 (1): (Total 4)
Lemon FG:	May (1), June(1), July (1), August (1), September 2012(1), March 2013(1):(Total 6)
Navel FG:	April (1), May (1), June (1), July (1), August 2012 (1), March 2013 (1): (Total 6)
Soft Citrus FG:	April (2), May (1), July (1), August 2012 (2), March 2013 (2): (Total 8)
Valencia FG:	June (1), July (1), August 2012 (2), March 2013 (1): (Total 5)

Members of the variety focus groups were elected during the February/March CGA road shows in 2012:

Region	Valencia	Navel	Lemon	Grapefruit	Soft Citrus
Boland			R. Allen		S. Bruwer
Western Cape	S. Engelbrecht	G. van Eeden**	R. Groenewald*		G. vd Merwe
Patensie	T. Meyer	P. Dempsey	P. Dempsey		M. Odendaal**
Sundays River	D. Joubert**	H. de Waal *	H. Joubert**	F. Joubert	C. Tibshreany
E. Cape Midlands		L. Roberts	D. de Villiers		J. Danckwerts*
Hartswater	D. Mathewson	D. Mathewson	D. Mathewson		
KZN Midlands	A. Austin	A. Austin	P. Button		
Pongola	A. Barnard		A. Barnard	A Rouillard	
Nkwalini	S. Dellis			M. Wafer	
Onderberg	C. vd Merwe			C.van Veyeren*	
Nelspruit	A. Muller	G. Piner	G. Turner*		A.J. Esser
Swaziland	G. Brown			S.Geldenhuys	
Letsitele	B. Vorster	B. Vorster	J. Nel	P. Smit**	A.Cooper
Hoedspruit	F. Meyer		G.Bezuidenhout	K. van Staden	
Orange River	A.Spangenberg			J.Spangenberg	
Limpopo River	P. Nicholson*		P. Nicholson	D. Erasmus	
Senwes	M. vd Heever	H. Schoeman	P. Pullinger		I. Upton

*** Chairman * Vice Chairman*

Before the advent of the new season all regions reviewed their representation, with the following changes being made in March 2013:

Region	Variety	Outgoing	Incoming
Oranje Rivier	Grapefruit	K. van Zyl	A.Spangenberg
Sunday's River	Lemons	H. Joubert	H.de Waal
Letsitele	Navels	B. Vorster	N. Gubitz

The Citrus Growers Development Chamber (CGDC) also elected their representatives on the variety focus groups as follows:

Valencia	Navel	Lemon	Grapefruit	Soft Citrus
S. Qomondi	E. Nohamba	P. Shiba	M.Makhanya	L. Mgadle

Communication

By Gloria Weare

The CGA are continuously updating the database (CGA Comms Tool) with details of growers so as to be able to communicate with all their members. In this day and age everyone should have an email address but if the address or phone number has changed and we have not been informed we obviously lose contact with those growers. Any change in information can be sent to info@cga.co.za. If there are existing growers who have knowledge of new citrus farmers in their regions, kindly ask them to contact the CGA so they can be included in the communications.

Roadshows

Commencing in mid- February 2013, two groups from CGA headed to all 18 regions where citrus is produced. Justin Chadwick and his team, including staff from, CGA, CGA CC, CA, CRI and RB visited Nkwalini, Pongola, Swaziland, Nelspruit and Onderberg. At the same time Paul Hardman with members of CA, CRI and RB headed for Zimbabwe, Limpopo, Letsitele, Hoedspruit and Senwes.

In the last week of February Paul's team gave presentations in W Cape, Stellenbosch (Boland roadshow), Oranje Rivier and Vaalharts. The other team which visited Patensie, Sundays River and E Cape Midlands had to do without Justin Chadwick who had been called overseas on urgent business. This is still the best way to meet with citrus growers in their own areas who may otherwise not have the time to spend on websites and attending industry meetings during the year. Growers are urged to use this opportunity to communicate their own questions and concerns and to get up to date information on just what CGA is involved in and what the priorities are for the forthcoming season.

Weekly Newsletter

From the Desk of the CEO is a weekly one-pager that informs the growers, export agents and stakeholders of current issues and dates of upcoming meetings. The newsletter is available in both English and Afrikaans, and anyone can request to be included on the distribution list. The newsletters are also to be found on the homepage of the CGA website.

Other Reports

The Information Manager compiles a weekly Global Citrus Scan and the Logistics Development Manager prepares Logistics reports throughout the season. These are sent out on request as well as being available on the CGA website.

CGA Website www.cga.co.za

The CGA website received a 'new look' during the period under review, incorporating the CGA colours and format to ensure it ties in with CGA publications and banners. The website is user-friendly with many sections of interest to anyone who requires information on the citrus industry in Southern Africa. There is also a password protected section for growers and exporters which contains more sensitive and confidential information. All registered growers of export citrus as well as members of the Fresh Produce Exporters Forum (FPEF) are entitled to access to this section. To gain access, email gloria@cga.co.za, supplying your PUC or confirmation of FPEF membership. This section is under the heading Citrus Marketing Forum (CMF) on the website. All the above companies and individuals are automatically members of the CMF, which allows attendance to CMF Meetings. They also receive CMF news through the CGA Communication Tool. Any South African stakeholder requiring CMF membership can apply. This membership has an annual subscription.

SA Fruit Journal

This colourful and informative journal is produced bi-monthly and distributed to all growers of citrus, deciduous fruits and table grapes. Each fruit sector contributes articles for publication. All CGA staff are responsible for preparing an article on their particular portfolio, such as transformation, food safety, logistics, information, new appointments and , introduced during 2012, a page on Lest the Industry Forgets, where a different individual of the citrus industry is remembered in each edition.

The Citrus Academy and Citrus Research International also compile and submit articles relevant to their own organisations.

Finance

Levy Collection

The Citrus Growers Association invoices for and collects the statutory levy due on all citrus exported. This levy is used for research, market access, consumer assurance, information, logistics, transformation, market development and administration.

In terms of the Marketing of Agricultural Products Act, the statutory levy is gazetted for a period of four years, after which a new application must be lodged. The current levy period expired in December 2012 and at the request of growers, a new four year levy application was lodged and approved for the period January 2013 to December 2016.

This new levy was published in Government Gazette Number 36050 on the 4 January 2013.

The statutory CGA levies for the newly approved collection period are as follows:

2013 - 47 cents per 15kg carton
2014 - 50 cents per 15kg carton
2015 - 53 cents per 15kg carton
2016 - 56 cents per 15kg carton

The levy for the next four years includes certain enhanced services requested by the growers. These include additional funding for the Citrus Cold Chain forum, extension services, disease management, alliance partners, horticulture and improving regional capacity.

During the last four year levy period the CGA collected R150.6 million. This represents over 99% of the total levies invoiced in this period.

Audit Committee

The members of the CGA Audit Committee for the 2012 / 2013 financial year were Flip Smit (Audit Committee Chairman), Antoine Rouillard (CGA Director Pongola) and Graham Piner (CGA Director Nelspruit).

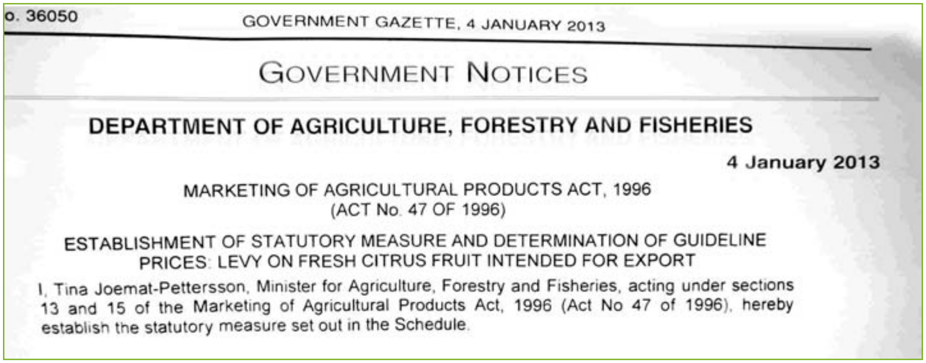
The main function of the CGA Audit Committee is to identify any risks to the CGA group of companies and to assist the various boards with the management of these risks.

The CGA Audit Committee also assists with the financial management and internal controls of the CGA group and ensures compliance with the various legal and regulatory requirements.

The Audit Committee held two meetings during the financial year on the 9 July 2012 and the 11 February 2013.

Robert Miller
Financial and Business Administration Manager

Liane Esch
Bookkeeper



o. 36050 GOVERNMENT GAZETTE, 4 JANUARY 2013

GOVERNMENT NOTICES

DEPARTMENT OF AGRICULTURE, FORESTRY AND FISHERIES

4 January 2013

MARKETING OF AGRICULTURAL PRODUCTS ACT, 1996
(ACT No. 47 OF 1996)

ESTABLISHMENT OF STATUTORY MEASURE AND DETERMINATION OF GUIDELINE PRICES: LEVY ON FRESH CITRUS FRUIT INTENDED FOR EXPORT

I, Tina Joemat-Pettersson, Minister for Agriculture, Forestry and Fisheries, acting under sections 13 and 15 of the Marketing of Agricultural Products Act, 1996 (Act No 47 of 1996), hereby establish the statutory measure set out in the Schedule.

Information

John Edmonds
Information Manager

Citrus information is supplied to the industry in terms of an agreement with PPECB and is funded by CGA and the Fresh Produce Exporters Forum (FPEF). This information is supplied on a regular basis during the export season to all members of the Citrus marketing Forum (CMF) and published on the password-protected page of the CGA web site.

Tree Census

A web page is available for growers to update their orchard information on an annual basis. The CGA would like to thank the growers who made the effort to update their data on the site. The results of this tree census are included in the annual Citrus Statistics booklet.

Citrus Statistics Booklet

The statistics booklet contains information on exports, inspections, crop distribution to the markets supplied by PPECB, local market and processing data and trends in revenue supplied by DAFF as well as information gleaned from the annual tree census data provided by growers. The 2012 citrus statistics booklet was published and sent to all grower members of the CGA.

Variety Focus Groups

Representatives from the important growing areas of each of the main commodities met regularly during the season to analyze the progress of the year's crop, discuss markets and when requested, give DAFF guidance on dispensations requested by growers when they could not meet the standards set by the industry. No requests for any changes to quality standards were received from growers or exporters in 2012 and thus no standards workshop or grading meeting was convened. The variety focus groups also benefitted from Dr. Graham Barry's participation in the variety focus group's teleconferences during the year.

During the 2012/13 year, PPECB and DAFF representatives attended the United Nations Economic Commission for Europe (UNECE) and Organization for Economic Co-operation and Development (OECD) meetings to represent the interests of the South African citrus industry.

After the initial physical meeting in March 2012 where chairpersons and vice-chairpersons of the respective commodities were elected and estimates set, the variety focus groups had twenty-nine further teleconferences in 2012/13. The variety focus groups' crop projections were reviewed at each meeting and this information passed on to the industry via the

Type	2012 Estimate (CGA)	2012 Actual	Difference (Actual vs. Estimate)	2013 Estimate
Valencia	46 110 000	47 289 084	2.6%	47 687 700
Navels	22 872 700	24 554 517	7.4%	24 857 390
Grapefruit	15 168 873	13 038 968	-14.0%	14 952 138
Lemons	11 099 530	10 504 127	-5.4%	11 140 405
Soft citrus	7 619 282	7 635 313	0.2%	8 177 105
Total	**102 870 385**	**103 022 009**	**0.1%**	**106 814 738**

CEO's weekly newsletter. This regular update of the prevailing production environment and expected crop volume keeps interested parties abreast of the development of the season and gives the earliest signal as what may transpire later in the season. The table above shows the original 2012 estimates, the actual volumes achieved, and the estimates for the 2013 season. All figures are in 15 kilogram equivalents. The variety focus groups aim to estimate within 10% of final volumes inspected and passed for export by PPECB inspectors. This was achieved by all but the Grapefruit Focus Group who undershot the estimate by fourteen percent. The Soft Citrus Focus Group achieved an impressive ninety-eight percent accuracy.

Packed and Shipped Figures

Reports on volumes packed and shipped were supplied by PPECB on a weekly basis. These figures were placed on the CGA website (www.cga.co.za) and mailed to the variety focus group representatives. The reports reflected the current volumes weekly and cumulatively compared to previous years. An unfortunate development was the suspension of PPECB's EDiN project in early 2013 on which the citrus and other fruit industries had pinned their hopes for improved shipping data. In the interim, the major fresh fruit commodity industries have collaborated with information service providers to create Agrihub, an information hub which relies on the cooperation of exporters, cold stores, terminals and the like to provide electronic data flows into a central repository from which reports can be drawn on a weekly basis.

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. In the 2012/13 year the CMF met three times; on 7 August 2012, 31 October 2012 and 14 March 2013. The input to the CMF from the variety focus groups was facilitated by the CGA. Preceding the October CMF, a market access workshop was held with the intention of identifying priority markets for South African citrus. A summary of research by Promar on prioritizing international citrus markets for South African exports was also presented. Similarly a session focusing on information needs was convened prior to the March 2013 CMF.

International Information Exchange

Mediterranean Citrus Industry: The CLAM organization represents interests of citrus industries in the Mediterranean region, representing about sixty-six percent of the world trade in fresh citrus fruit. CGA is an associate member of CLAM, and was represented at meetings held during 2012/13. CLAM supplied CGA with information pertaining to production and exports from their members. CGA reciprocated by sending similar information to CLAM.

Southern Hemisphere Association of Fresh Fruit Exporters (SHAFFE): The major southern hemisphere fresh citrus exporting countries individually supplied information of exports by volume and destination to the SHAFFE secretariat that collated and supplied this information to the participating SHAFFE members. The weekly information was published on the CGA website. CGA members attended a SHAFFE meeting on 7 February 2013 in Berlin. Minutes are published on the CGA web site.

Global Citrus Meetings

The CGA participated in three Global Citrus Teleconferences during the course of 2012. The teleconferences are convened by Freshfel (European Fresh Produce Association) and SHAFFE and included representatives from the major northern and southern hemisphere citrus exporters. CGA was also represented at a joint meeting between Freshfel and SHAFFE in February during the Fruit Logistica in Berlin.

Logistics

Mitchell Brooke
Logistics Development Manager

It was a productive year as far as logistics interventions was concerned. Overall the northern territories (KwaZulu-Natal, Swaziland, Mpumalanga, Limpopo and Zimbabwe) continued to battle on the logistics front. The territories in the Eastern and Western Cape received better efficiencies and reduced costs, being located closer to the region's exit ports, allowing the areas to focus on packing citrus into containers at packhouses directly or at cold stores which are located in the production areas. The northern territories in comparison are an average of 900 km's from Durban. The volume of citrus moving through the Durban port (now 100% by road) leads to congestion and bottlenecks within the port system.

Key strategies that the CGA should be focusing on in the short term is the need to focus on viable alternatives to divert citrus from the Durban port; ensuring Maputo continues to be a viable option and that rail utilization from the northern territories increases.

Amongst other initiatives, the CGA logistics portfolio engaged primarily in the following areas during the 2012/13 season:

Durban Port Project

Engagements with industry role players in terms of bottlenecks and congestion in the Durban port. The CGA noted that port stakeholders will have to cooperate to develop a system that facilitates the movement of citrus into and out of the ports cold storage facilities. A project was enacted in 2011 for the purpose of identifying a systems approach to the management of cargo inbound to the port of Durban. In 2012, the CGA employed an independent consultant to engage with various stakeholders and role players the purpose being to identify the basis for a framework conducive to the environment in which it would operate.

Utilization of Maputo Port

Due to the switch from break-bulk loading to containerized loading, the volume of citrus exiting the Maputo port has subsided substantially in recent years. Since most of the container shipping lines offer direct services calling at Durban, shippers of citrus are forced to route cargo out of Durban diverted away from Maputo. Maputo Port Development Company (MPDC) indicated that due to the lower volume of citrus the port facility was to be demolished. The CGA engaged with industry stakeholders to determine how citrus volumes through the port could be revitalized. In 2012 up to 70% of break-bulk cargo sent to Northern Europe was loaded from Maputo with the balance being loaded from Durban. There were also up to 1,000 citrus containers routed out of Maputo. The sad truth is that the Maputo port has evolved to become a transit port for bulk minerals and is gearing to service these needs. At the end of 2012 the citrus terminal at the port was decommissioned from service. The CGA will continue engagements with stakeholders to identify how Maputo can be best utilized in future.

Rail Utilization

Unfortunately rail utilization by citrus growers in 2012 diminished extensively, with only the reefer container train from Letsitele transporting

a total sum of 411 containers (8,220 pallets) of citrus to Cape Town and Durban. The CGA engaged with industry stakeholders with hopes of increasing the use of the reefer train in Limpopo. It was identified that apart from Letsitele, Polokwane could provide a practical means to rail citrus in Limpopo, being a central point to consolidate citrus produced in Marble Hall, Zebediela and northwards to Zimbabwe. CGA would continue to engage with high level officials within Transnet to consider subsidizing the citrus industry by moving reefer containers between the Cape Town port and Limpopo. This would be more beneficial if additional train sets were to be established over and above the Letsitele operations.

TNPA port tariffs

The CGA engaged with the Ports Regulator in terms of the high cargo dues levied on container shipments exiting the ports. In 2012, the ports regulator announced a R1bn rebate structure for export containers. The rebate was offered from the 1st April 2012 and expired 31st March 2013. The rebate equated to a reduction of the cargo dues tariff by R1, 820.00 per container, the equivalent of R1.14 per 15kg carton.

On the 26th of March 2013, the Ports Regulator announced a reduction of 43.2% for export container cargo dues. This amounted to a reduction of R1, 400.00 per 12m container and the equivalent of R0.88c per 15kg carton. The TNPA has devised a port tariff pricing strategy proposed to be implemented on 1st April 2014.

The consequences of such a pricing strategy could be very significant on the citrus industry if implemented in the present form. The CGA is due to complete a submission to the Ports Regulator on the significance of such a pricing strategy.

Ports and Shipping Line Engagements

In terms of the modal switch to container shipping, the CGA logistics portfolio engaged extensively with the ports and shipping lines with regard to container volume increases. Additional reefer plug-in points are needed in Durban and stack times need to be adjusted to the high demands for reefer containers at the ports. In terms of engagements with shipping lines, vessel capacity and equipment provisions must be in place to ensure the demand for container shipping is in line with anticipated demand.

Citrus Product Packaging and Palletizing

The CGA employed a consultant in the Durban port to audit products transported and delivered to the Durban cold stores. The reports indicated that much improvement was needed in the packaging and palletizing of citrus. It was found that the product arrived in the ports in very poor condition, having deteriorated extensively due to handling. Feedback was given to the CRI Packaging Forum who relayed the information to packhouses for corrective action. By the end of the 2012 season most of the recurring problems were rectified as packhouses adjusted the palletizing to ensure minimal damage during transit.

The CGA hosted a Citrus Logistics Forum meeting in Durban in July 2012. This was attended by major citrus transporters who noted the damage being incurred during transportation - mostly due to poor strapping applied by drivers.

The CGA logistics portfolio will continue to pursue ways of improving the effectiveness and efficiency of the citrus supply chain.

Market **Access**

By Justin Chadwick - Chief Executive Officer

Thailand

South Africa's access to Thailand for all citrus products was finalised in May 2012. The first application for access was made in 1998 - a long road to success!! The CGA would like to thank all those who have worked on this issue through the years - in particular officials at DAFF Plant Health and CRI. The CGA assisted DAFF in finalising the registration requirements at short notice, allowing citrus exports to start in 2012. Although there were some teething problems, exporters did successfully export to Thailand during the year.

China

During October 2012 an official response was received from China with respect to the systems approach for citrus imports from South Africa. A number of concerns have been raised, which will be considered by DAFF and CRI. CGA held meetings with South African exporters and Chinese importers to determine the way forward. As a member of BRICS CGA has been exploring what benefits South African citrus may gain. This has been raised at the Agricultural Trade Forum (ATF) meetings.

United States of America

All attempts to get the USA to reconsider the treatment period for South African exports have failed. It seems that staff turnover and a lack of willingness to bring about the necessary changes has lead to this issue being ignored by USDA APHIS. On the request of industry CGA has asked DAFF to take forward certain changes to the US Work Plan, including cutting of fruit on arrival and the running average arrangements.

In addition, protocol issues around pre-cooling of fruit on the ship, and the ports of discharge are under discussion.

Tariffs

The African Growth and Opportunity Act (AGOA) allows duty free access for South African citrus to the US. This Act continues through to 2015. The South African Ambassador in Washington (Ambassador Rasool) is advocating a proactive position in ensuring continuation of AGOA. Along with the WCCPF, CGA has met with the Ambassador, US Chamber of Commerce and others to assist in this process.

India

Remains an attractive market for South African citrus, with high tariffs the biggest trade inhibiting factor. Through the ATF, CGA is encouraging the government to progress free trade talks with India.

The EU- Economic Partnership Agreement (EPA)

Remains in limbo as the two governments grapple with some issues of principle. CGA attended an EU-EPA meeting aimed at unlocking these positions. CGA also met with DG Trade in Brussels to discuss industry concerns with regard to EU tariffs.

South Korea

During May 2012 South Korea extended the entry requirement to also include grapefruit and lemons (previously only sweet oranges were allowed entry). Unfortunately due to difficulties in registration formalities little advantage was gained in 2012.

Indonesia

Revision of Indonesian import requirements were introduced late in 2012. Although these did not impact heavily on the 2012 citrus season, the likelihood is that they would impact in 2013. As a result this issue has been discussed within a stakeholders' forum consisting of representatives from government and industry.

Biosecurity

Bactrocera Invadens (BI) was once again eradicated from within South Africa. The BI Steering Committee continues to meet on a regular basis to monitor the pest and implement the BI Action Plan. Trapping for BI continues throughout South Africa as both an early warning system and as a survey to confirm pest freedom. CGA assisted Zimbabwe members in meeting DAFF BI requirements for transiting South Africa.

European Union

During July 2012 DAFF introduced compulsory field inspections for all those orchards being harvested for the EU. Introducing such a requirement mid-season lead to a number of operational difficulties - CGA and DAFF worked together to overcome these challenges.

In 2010 South Africa had requested IPPC intervention in the ongoing dispute with the EU regarding CBS. In July 2012 DAFF once again reminded the IPPC secretariat that this matter had not been addressed. During September 2012 DAFF was reminded once more to follow up with the EU regarding the recognition of additional CBS pest free areas in the Northern Cape.

The CBS RMS was reviewed in September 2012 by the drafting team made up of representatives from DAFF, CGA, CRI, PPECB, FPEF and packhouses. A follow up meeting was held in December 2012. DAFF and industry also discussed plans regarding early field inspections in 2013.

In October South Africa received a letter from the EU Plant Health authorities (DG SANCO) indicating dissatisfaction with CBS controls and threatening additional measures should interceptions exceed a threshold of five. This was an untenable situation, as the uncertainty around what measures would be introduced and the likelihood of the threshold being exceeded had an immediate effect on trading arrangements for 2013. Since this was a technical matter - reminders were sent to the IPPC with regard to South Africa's 2010 intervention request. Finally the IPPC secretariat responded, and a facilitated bilateral consultation was scheduled for February 2013.

In November CGA sent out two advisory's to industry with regard to CBS, with more following in December, January, February and March. The CBS Steering Committee was reactivated in November, and met on a monthly basis thereafter. The CGA Board established a CBS Disaster Management Committee that met regularly since inception in November 2012.

During November DAFF responded to the letter from DG SANCO - expressing concern regarding their intensification of measures while the CBS risk was still being evaluated. This was followed up with additional correspondence in January 2013.

Initial meetings with trade lawyers were held in November 2012 in order to look at all trade dispute resolution options. This was followed up with meetings with DTI in November and March 2013. BFAP were contracted to do an economic and social impact assessment of a trade ban for citrus to the EU - as requested by DTI. DAFF was also requested to lodge a Trade Concern at the WTO SPS meeting in March 2013 (a request that was unfortunately denied).

From January 2013 considerable efforts were made to ensure that all stakeholders were aware of the CBS-EU issue, and the possible disruption to trade should the matter not be addressed. This included communicating with importers - at Fruit Logistica in Berlin, with an incoming delegation in Cape Town, through trade meetings in the Netherlands, France and the UK and through ongoing correspondence. The good offices of Freshfel and FPC were used to ensure that the information was spread as widely as possible. In addition, South African representatives abroad were briefed on the situation - this included South African Embassies in Belgium, Netherlands, Germany, France, Spain, Geneva and the UK. Within South Africa the relevant Ministers and Deputy Ministers (DSC, DAFF and DTI) were also briefed. Plant Health authorities across the EU were all briefed on the issue and dedicated meetings were held with the Belgian, Dutch, German, Irish, Spanish and UK authorities. In order to determine support for a trade dispute, the Missions of Brazil, Argentina, Uruguay, Australia and USA in Brussels were briefed. Within the European Commission industry visited with DG SANCO, DG Trade and DG Agriculture. Within South Africa, AgriSa and the CEO Forum were also briefed on the issue.

Representatives Abroad

The CGA has representatives in USA, Russia and European Union. In the US considerable attention has been given to treatment revision, opening up of new areas and AGOA. In Russia the representative assisted with publicity regarding the first South African fruit arrival in the market, a donation from CGA to flood victims and ongoing market information. The EU representative's contract has been increased as the CBS issue is likely to take up a considerable amount of his time in 2013.

Paul Hardman
Industry Affairs Manager

Engagement with EU Retailers: Sustainability Workshop

The southern African citrus supply chain to the EU is currently unsustainable due to problematic retailer demands around pesticide residues, particularly those requirements that cause deviations from the registered pesticide use. CGA/CRI in association with SHAFFE and the Argentinean citrus industry organized a meeting in Brussels on the 2nd October 2012 to discuss this problem with importers and retailers. While there was robust debate in the workshop the outcome was not positive in that importers and retailers did not seem to understand the technicalities of the arguments being placed before them, or were unwilling to take up these issues with their respective supply chain partners. This lack of obvious progress raised the question around the required level of CGA/CRI involvement to providing consumer assurance services on behalf of the SA citrus industry given limited resources within these organizations.

At the CGA Board meeting on the 20th November 2012 five options were discussed for the future direction of CGA/CRI consumer assurance activities and the underlying principles around the options considered. It was agreed that it was strategically significant for CGA/CRI to continue engaging with the trade, and to in fact intensify this engagement. It was further agreed that the nature of the involvement should not interfere with commercial agreements but support them, giving attention to problems triggered by the following:

- deviations from the legal framework governing plant protection product use,
- impact on the ability of a producer to follow Good Agricultural Practice and Integrated Pest Management
- measures that interfere with SA citrus producers ability to comply with phytosanitary and sanitary requirements, and
- where gains can be captured (efficiency and cost savings) when reacting to measures as a collective rather than separately.

To implement this strategy CGA/CRI has been working hard to improve links with EU buyers and importers, strengthen grower groupings and provide them with appropriate information, and continuing to be abreast of changes in international food laws impacting upon citrus trade. CGA were also called upon to engage with the plant protection product suppliers to work together to ensure growers will have the right "tools" for the "job" for future years.

Sustainability Initiative of South Africa (SIZA)

Labour unrest and strike action between June 2012 and February 2013 in some parts of the country focused governments', civil society's and the industry attention on worker welfare concerns. One outcome of this process was an increase in the minimum wage to R105 per day. The following questions could be asked: How does the new wage level compare to what was actually being paid on farm before? How many cases are there of workers getting less than the minimum wage? Are workers getting what the law requires? How does government measure the performance of farmers? Fortunately the fruit industries ethical trade programme, SIZA, was able to provide positive answers for these and similar questions, and is now critically positioned to play an important role as a measurement tool for public and private interests in worker welfare. The hard work to get SIZA off the ground is paying off. Growers are urged to sign up and demonstrate just how much good is happening on SA citrus farms. Looking back over the last 12 months the following elements of SIZA were strengthened: 1) Greater integration with international data systems to allow greater transparency and to reduce or eliminate administrative duplication. The link into SEDEX for UK retailers was seen as a major breakthrough and step towards simpler and easier consumer assurance for SA citrus producers. UK retailers are thanked for their contributions towards helping Fruit South Africa obtain membership of SEDEX. 2) Completion of the SIZA data platform: This is a marvellous tool helping producers move through the stages of awareness raising, registration, self-assessment, undertaking third-party assessment, closing out corrective actions and finally making improvements to their business systems. Growers going through a SIZA ethical trade audit will see just how much more value they will get out of the process compared to traditional third-party audits. 3) Greater awareness has been created among trading partners regarding SIZA. This element has begun but much more is required as the programme rolls out into 2013/2014. Registrations for SIZA started as a trickle but once the SIZA-SEDEX link was established many growers began signing up for SIZA. The estimate is that by the end of 2013 over 500 growers will be members. Colleen Chennells has continued in her efforts to keep the programme moving forward and is thanked for her hard work.

Confronting Climate Change

It has been very pleasing to see an increasing number of growers take up the appeal to begin measuring their carbon footprint using the Confronting Climate Change: A Fruit and Wine Initiative Carbon Calculator. The South African citrus industry was able to receive a baseline assessment of the citrus industry's carbon emissions covering the 2012 year period. While the obvious problem of using electricity derived from burning coal drives up carbon emissions, what has been clearly demonstrated by those involved in the project is the great opportunities to cut both emissions and electricity usage using tactical interventions. Investments are required but these are typically paid off in three years or less. This Climate Change project has been strategically supported by CGA over the last four years to reduce the potential for duplication with other carbon calculators, which would have otherwise emerged and burdened the grower with time and financial resource demands. Phase II of this project will continue to be rolled out until the end of 2013. For the future the question is whether water footprint will become a requirement by retailers and whether or not this climate change project should be developing this tool now?

National Food Safety Control Framework

CGA and Hortgro sponsored the development of a National Food Safety Control Framework, which is essentially a single document explaining the food safety system in operation in South Africa applicable to export products of plant origin. Such a framework has been lacking since 2005 when the then Department of Agriculture was first called upon to generate a "control plan" to comply with EU food safety requirements. Given a number of other countries requesting similar evidence, particularly countries falling into the South East Asia region, this document has already proved valuable in being able to respond to such requests quickly. It is a concern that technical barriers are being used to limit trade to countries like Indonesia, and this Framework has already helped in ongoing negotiations with this country. CGA continues to work with DAFF to try to reduce the impact of technical barriers on the SA citrus export trade.

Vaughan Hattingh
CEO, Citrus Research International

Since inception, the CRI mission has been: "To maximise the long term global competitiveness of the southern Africa citrus growers through the development, support, co-ordination and provision of Research and Technical services, by combining the strengths of all CRI Group partners".

The crisis with the European Regulations pertaining to Citrus Black Spot was a strong reminder of the critical importance of a strong research base to sustain the industry's viability. The recent development also highlighted the necessity for strong alignment of both the science and political engagement in the ever intensifying battle to retain access to markets and avert potentially industry-ending market access disruptions. The close association between CRI, providing for appropriately directed scientific research and the Citrus Growers Association of Southern Africa, with its broader mandate, provides an excellent platform to effect such strategic alignment and bodes well for the industry's sustained success.

Governance and funding

The levy on fresh citrus exports as administered by the CGA remained the primary source of funding for the Research and Technical support services, as provided and coordinated by CRI. There was a strong financial contribution derived from contractual research collaboration, both local and international. By conducting a portfolio of research at Universities through the CRI Group model, access was gained to valuable additional funds from Government support programmes. The renewal of the levy, with provision for an increase to support enhanced research capacity, will result in a valuable strengthening of research in the future. The growers' ongoing visionary support is commendable.

Board of Directors of CRI as at 31 March 2013

Name	*Nominated by*	*Position*
Dr DJ Nel	Growers	Chairman and Executive Committee
Mr P J Smit	Growers	Vice Chairman, Executive Committee & Chairman: Horticulture Research Committee
Mr D Joubert	Growers	Executive Committee & Chairman: Cultivar Evaluation Research Committee
Mr SR Meyer	Growers	Chairman: CIS & Chairman: IPM Research Committee
Mr L von Broembsen	Growers	
Mr MR Woodburn	Growers	
Mr C Kellerman	SASCON	Chairman: Disease Management Research Committee
Prof A Ströh	Pretoria University	
Prof KI Theron	Stellenbosch University	
Dr VN Phehane	ARC	
Mr SB Turner	FPEF	

Programmes

Within the Integrated Pest Management (IPM) research programme the main focus areas continued to be False Codling Moth (FCM) and Fruit Flies. The expansion of the Sterile Insect Technique (SIT) from the Western Cape, into the Eastern Cape, proved to be very successful. The potential use of irradiation as a post-harvest phytosanitary treatment reached a point of breakthrough. Several years of painstakingly meticulous research demonstrated that the combination of a low level of irradiation and a reduced duration cold treatment meets the international standards for a disinfestation treatment. An industry wide trial was initiated to evaluate the efficacy of a FCM systems approach as an alternative to a full duration post-harvest cold treatment. An effective field control strategy for Bactrocera invadens was established through research conducted in other African countries where B. invadens occurs. Field trials demonstrated that mealybugs can be effectively controlled by releasing the insectary reared insect parasitoid Anagyrus sp.

Within the Disease Management, there were three scientific publications of CRI research that will be very valuable in the battle to get the EU's CBS phytosanitary regulations amended to be less restrictive. Strong support to the Citrus Improvement Scheme (CIS) made it possible to successfully complete implementation of improved disease diagnostic procedures and complete screening of all cultivar lines in the scheme. The cost saving potential of reduced volume spray technology has been demonstrated and is now moving to semi-commercial field validation. Studies on the optimisation of postharvest fungicide application have yielded tangible results that are being taken to implementation through the CRI Post-harvest Technical Forum. With a new diagnostician in place, the Diagnostic Centre has experienced a dramatic increase in the number of samples received from the industry for analysis, reflecting the quality of the service offered.

In the Horticulture research programme, a major contract was concluded with the Water Research Commission for a four year study on citrus water use. This will assist growers with optimal water allocations. The long standing grower request for objective research on humates and silicon is receiving attention under the guidance of the CRI soil scientist at University of Pretoria. Whereas silicon has not shown many benefits to date, humic and fulvic acids resulted in an increase in the culturable fraction of the soil microbial community (bacteria and fungi) and further research will quantify the resultant nutritional benefits. The use of 2,4-D in reducing fruit splitting was determined. The influence of preharvest factors on postharvest rind condition has been further elucidated and Ethephon treatments have been shown to reduce peteca spot in lemons. The loss of fruit moisture under conditions of high vapour pressure deficit, between harvest and packing, has been shown to result in a higher incidence of pitting.

Citrus Improvement Scheme (CIS)

There was a considerable increase in the resource allocation to the CIS in the past year. The CGA made funds available for infrastructure expansion at the Citrus Foundation Block (CFB) and the South African Citrus Nurseryman's Association made a valuable financial contribution towards a quarantine growth tunnel in Nelspruit. The scheme was given a strong boost by the appointment of Dr Paul Fourie to the position of Manager CIS and the industry is privileged that Thys du Toit has been prepared to continue making his wealth of expertise available as manager of the CFB. Expansion of the infrastructure at the CFB and the implementation of revised operating procedures bodes well for the scheme's future improved ability to supply unexpected increases in demand for specific cultivar budwood. The process of implementation of improved disease diagnostic was completed. Whereas this process caused unfortunate temporary disruption in supply of a few cultivar lines, it was essential to take this step to ensure that the phytosanitary status of the scheme remains at a world class level. Fortunately that process has now been completed and the industry can go forward with a greatly enhanced level of assurance around the plant health status of the material available in the scheme.

Extension

The Citrus Cold Chain Forum (CCCF) was renamed the CRI Post-harvest Technical Forum (CRI PTF) and continued to grow in stature with the appointment of Dawid Groenewald as the coordinator and Keith Lesar as the postharvest extension specialist. The funding for these appointments was provided by CGA to bridge the gap to the sustainable funding becoming available from the renewed levy. The re-instatement of standards, "Packing Material Specifications and Palletisation Protocols" that will be updated annually, is of great benefit to the industry. The 7th CRI Citrus Research Symposium in 2012 was a great success with 500 delegates attending and the presentation of 50 papers and 30 posters. There were two rounds of CRI Regional Workshops. The Spring Complex and Disease Management Workshops were held in September and the Postharvest Workshops in February. These Postharvest Workshops are a great success and were attended by 650 delegates. The Transformation Extension officers are making a positive impact in both the Limpopo and Eastern Cape provinces. Transformation Workshops, held in both the Limpopo and Eastern Cape provinces, were attended by more than a 100 producers each.

Transformation

Lukhanyo Nkombisa
Transformation Manager

During the year under review, the Citrus Growers' Development Chamber (CGDC) has made a great deal of progress seeing the maturation of the structure in respect of issues discussed and resolutions taken. It continued considering citrus grower support from different stakeholders and reviewed Memorandums of Understanding (MoU's) that CGA proposed entering into, taking into account the practicality and actual need for the MoU's. The Chamber agreed that there is a need to undertake a baseline survey to establish what support developing citrus growers actually require. Having this information would enable meaningful interventions to be made.

CGA paid for two upcoming growers to attended the Berlin Fruit Logistica. The Trade Exhibition is important in that it enables the industry to engage with global markets to gain an understanding of what is expected for the coming season in respect of standards and possible new markets.

The CGA, together with the Limpopo Department of Agriculture also supported a grower to represent CGA and accompany the Limpopo MEC to Dubai to attend the Gulf Food Expo.

Government Relations

The CGA's Transformation Desk continued with one of it's main priorities - ensuring that the industry builds and nurtures productive relationships with national and provincial government departments which are involved in agriculture, rural development and land reform. The promotion of relationships also applies to state owned business enterprise and development agencies. It is important that the industry and government are aligned in their interventions.

Recapitalization Programme

The Department of Rural Development introduced the recapitalization programme to support agricultural business enterprises that have potential to achieve sustainability and that can create jobs and feed the nation. The programme focuses on funding agricultural infrastructure and operational costs as well as on skills development and mentorship.

CGA ascertained that many developing citrus growers were not benefiting from the recapitalization programme. A meeting was held with the office of the Minister of Rural Development to address this problem. It was subsequently agreed that CGA would enter into a MoU with the Department to provide assistance with implementing the programme. This will continue into the next year.

Mentorship programme

The mentorship programme was initially implemented by DAFF and was transferred in 2009 to provinces to be funded by their respective CASP programmes. Unfortunately this transfer has not been very successful and very little mentorship has been funded. CGA has continued to interact with the respective provinces to reinstitute mentorship funding.

The CGA is in the process of developing a new mentorship model to improve mentorship's impact on citrus growers' businesses.

Extension Service

CRI's extension services continue to make an impact on assisting growers. Study group meetings linked to each phase of the citrus production cycle and field/information days were held during the year. With regard to Limpopo the linkage between CRI and government extension officers has proved productive in improving the knowledge of government officers.

National and Provincial MoU's

CGA has been negotiating the adoption of MoU's with provincial departments of agriculture for a co-ordinated approach to the provision of support services. To-date MoU's have been signed with the National, Eastern Cape and Mpumalanga Departments of Rural Development and Land Reform. The Limpopo MoU is being reviewed on the basis of improving its scope. The CGA believes that by working together with government in providing support to citrus growers an improvement in support outcomes can be achieved.

AgriSETA Farmer Support

AgriSETA approached CGA to work with it in developing a turnaround strategy of two citrus projects in Limpopo. A situational analysis to, firstly, understand what was happening on the projects and, secondly, to provide advice to AgriSETA has been undertaken.

DAFF-CGA

CGA has engaged with DAFF to establish ways of working co-operatively in the provision of support to growers. The following matters have been addressed:

- AgriBEE fund: CGA is contributing to the implementation of the AgriBEE fund. The fund is aimed at supporting farmers by providing part grant and part loan funding for agricultural activities. CGA recommended that a committee comprising DAFF, the Land Bank and respective commodity organisations be involved in the fund's management.
- CASP Review: CGA attended the DAFF quarterly review meeting of CASP. CGA presented an overview of the industry and its commodity approach model. The meeting proved constructive as provinces gained an insight into the information available from CGA/CRI/CA to support citrus growers. Provinces were encouraged to utilise the funding they had to provide support to growers.
- Rebirth of New Markets: DAFF hosted a workshop on the rebirth of new markets. The purpose of the workshop was to give an overview of fresh produce markets and how they can be of benefit to the domestic market. In a presentation on the status of provincial fresh produce markets it was indicated that, in the case of some provinces all was not well. A task group, comprising representatives of most commodity organisations and co-operatives, was established to consider appropriate interventions to assist fresh produce markets exhibiting problems.

NAMC SIP 11

NAMC, which has been mandated to undertake and oversee the implementation of the Strategic Integrated Project 11 (SIP11), conducted a workshop to present an introduction to aspects focusing on agriculture. SIP 11 is focusing on improving investment in agriculture and rural infrastructure that will support the expansion of production and employment in small scale farming and rural development.

The workshop explored how anchor projects could respond to the areas of focus and addressed the infrastructure that is being proposed for rural communities for agricultural purposes. NAMC indicated that it would provide a template for business plans that can be used for identified anchor projects.

BEE Database

CGA continues to ensure that it has a comprehensive database that can be used for analysis and information dissemination. During 2013 It is proposed that a situational analysis be carried out on an estimated 130 citrus farms in the country to update their information.

The following Board Meetings were held during the year under review:

2012/8/21
Apologies: Joy van Biljon, Santa de Jager
2013/3/12
Apologies: Israel Nemaorani, Santa de Jager

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 fifth annual general meeting of the Citrus Academy was held at Champagne Sports Resort, Drakensberg on Monday, the 20th of August 2012.

Financial Results

Funding received from the CGA, as approved by the CGA board of directors, is used for overheads, salaries, and funding of on-going projects. Additional funding is secured and appropriated for specific projects.

In the 2012/2013 financial year, the Citrus Academy achieved a surplus of R53,845 in comparison with a surplus of R300,587 in the previous year.

Citrus Academy Bursary Fund

It would appear that the Citrus Academy Bursary Fund has achieved its optimum levels for the current format, both in terms of size and value. The following allocations were made in the period under review:

Description	*2012*	*2013*
Value of Bursary Fund	R1,450,652	R1,462,033
Number of Students	61	65

The BEE Bursary Support programme was expanded in 2012, with the allocations set out below made in the period under review. Please note that these figures are included in the table above.

Description	*2012*	*2013*
Value of Support to BEEBS students	R296,380	R250,840
Number of BEEBS Students	21	20

Twenty Citrus Academy Bursary Fund students graduated at the end of 2012, of which nine were employed in the citrus industry in permanent positions and a further three in the wider agricultural sector. Two graduates continued their studies in 2013 towards further qualifications with alternative funding. Forty-one students were carried forward to 2013 and twenty-three new students entered the fund at the start of 2013, bringing the total number of students on the Bursary Fund in 2012 to sixty-four.

The Citrus Industry Trust and the AgriSETA were once again the major funders of the Bursary Fund. A sincere thank you goes to these organisations for their continued support.

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

Category	*Students: 04-12/2012*	*01-03/2013*
Vacation Work	9	
Internships	9	5
Workplace Experience Grants	3	0
Industry Exposure Program	29	

We would like to thank the following companies for providing experiential learning opportunities to Citrus Academy Bursary Fund students: CRI, DFR Engineering, Golden Frontiers Citrus, Indigo Fruit Farming, Mouton Citrus, Naudeshoek Citrus, Neos Estates, Penhill Farm, Riverside Citrus, Rosle Boerdery, Sundays River Citrus Company and Stellenbosch University

As part of the Industry Exposure Programme, twenty-one Citrus Academy Bursary Fund students attended the 7th Citrus Research Symposium that was held at the Champagne Sport Resort in the Drakensberg from the 19th to the 22nd of August 2012. In addition, seven students were given the opportunity to attend allFresh! 2012 at CSIR Conference Centre, Pretoria on the 1st and 2nd of October 2012. One student attended the International Citrus Conference in Valencia, Spain.

Industry Promotion

The Citrus Academy participated in two PMA Career and Bursary Fairs, held on the 12th of April at Stellenbosch University and on the 22nd to 23rd of August at the University of Pretoria. The purpose of these events was to expose undergraduate students to agriculture as a career choice. The Academy's stand was manned by Citrus Academy staff and Bursary Fund students, and it was considered a great success.

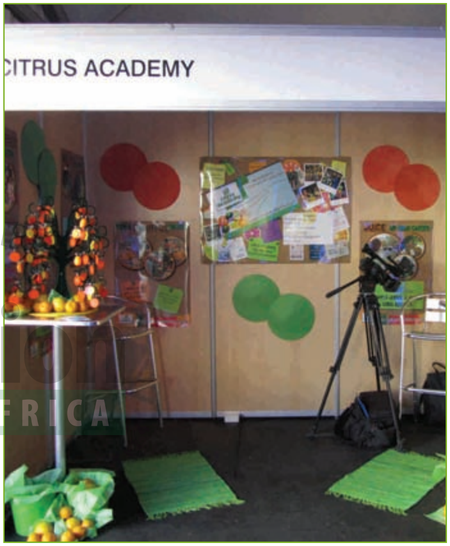
Learning Programme Development

The Citrus Academy continued work on the Citrus Secondary programme and the Citrus Short Course during the year under review. The Citrus Secondary programme was piloted at three sites around the country, with encouraging results.

As far as audio-visual learning media is concerned, the Citrus Academy repackaged modules from the Citrus Postharvest Series that deal particularly with citrus packing and distributed these DVDs to growers at no cost before the start of the 2013 citrus season.

Learning Material

Learning material remains available on the Citrus Academy to be downloaded at no cost. During the year under review, a planned review of learning material was initiated, to be completed in 2013. The review will involve a review and updating of material content, and the reformatting of assessment documentation.



Citrus Academy Board of Directors

Representation	*Name*	*Date of Appointment*	*Date of Resignation*
CGA	Shane Dellis (chairperson)	2009/04/01	
CGA	Mike Woodburn	2009/04/01	2012/11/19
CGA	Graham Piner	2009/04/01	2012/11/19
CGA	Phillip Dempsey	2012/11/19	
CGA - Emergent farmer representative	Israel Nemaorani	2007/04/01	
CGA - Emergent farmer representative	Hannes Hobbs	2012/11/19	
Donors (Citrus Industry Trust)	Arend Venter	2011/11/15	
Service providers	Joy van Biljon	2009/01/26	
Skills development specialist	Santa van Niekerk (de Jager)	2009/01/26	

Jonathan Roberts
General Manager
CGA Cultivar Company

Since the first year of its inception CGACC has continued with its targeted activities with roughly the following division of time:

Identify Cultivar Requirements and Opportunities, (+-10%)

We have engaged with growers and offshore companies in the past year during meetings, workshops and study group field trips. It has been difficult to gauge from growers what the requirements are as this tends to lean towards cultivars that are easier to produce in many cases. As a result we have complemented this feedback by engaging with exporting companies as well as off shore marketing companies, Super Markets and via our own CGA Stats. and trend analyses, thanks to John Edmonds.

As reported last year in these workshops and CGA road shows, the trend of interest still leans towards Soft Citrus with emphasis on Late Mandarins. This emphasis is much the same for other industries that we have been in contact with. It was also quite evident at the International Citrus Congress in Valencia that the emphasis of breeding is heavily in favour of Mandarins at present.

In meetings with Growers, there are however the first signs of concerns of a possible over supply of Late Mandarins in the near future, as further hectares of Late Mandarins are made available and new cultivars are released. It would appear, (Table below) that total Late Mandarin plantings in the Southern Hemisphere could come close to 4 000 hectares, (the max area considered to sustain current high prices), by 2017.

A counter argument is that as the popular Mandarins become more available they could eat further into the sweet orange market share. Oranges could become the victim of Mandarin consumption. There are however good signs in trends seen in Russia, Ukraine, and in parts of the East where growth is not only in soft citrus but also oranges.

Late Mandarins		*2008*	*2009*	*2010*	*2011*	*2012*	*2013*	*2014*	*2015*	*2016*	*2017*
Budwood Sales	buds	175 310	321 530	324 190	50 000	50 000	50 000	50 000	50 000	50 000	50 000
New Ha	ha	250	440	170	270	273	42	1 000	1 000	1 000	500
Total Ha	ha	837	1 277	1 447	1 717	1 990	2 032	3 032	4 032	5 032	5 532
Bearing Ha	ha	481	541	562	1 044	1 444	1 334	1 547	1 764	2 750	3 750
Total Cartons	crtns	731 120	822 320	854 240	1 586 880	2 194 880	2 027 680	2 351 440	2 681 280	4 180 000	5 700 000

Undertake International and Local Sourcing, (50%)

CGACC has continued to sign a further 9 agreements for spontaneous mutations found around South Africa, bringing the amount of cultivars managed by CGACC to 35. At present 15 of the 35 are through Shoot Tip Grafting (STG) and are now going out into trials. Growers will be informed of the progress of these cultivars as more evaluation information becomes available.

CGACC has signed agreements and is involved in further negotiations with parties in North America and Europe regarding cultivars suitable for both the warmer northern areas and the cooler South.

Other areas of activity this past year are rootstocks, some of which are now in quarantine. This will continue to be a focus wrt:

- Rootstocks showing improved tolerance to calcitic, saline and water stress conditions.
- Resistance to strategically important diseases and pests, (phytopthera, eelworm etc.)
- Improved production and quality.
- Dwarfing to reduce harvest costs.

Cultivar Management Organisations, CMO's (10%)

As above, CGACC is developing relationships with partners off shore who could become partners in managing our cultivars off shore, in both protecting them and exposing our cultivar owners to an off shore income stream. These relationships would further assist our industry by developing agreements with non-competitive northern hemisphere CMO's and giving us access to their cultivars in exchange for ours.

Manage All CGACC Processes and Procedures, (30%)

Initially this activity has not demanded as much time as the other items, but as varieties come through the CIS Pipeline it is has increased dramatically. As a result we will be increasing capacity in the above management processes of the cultivars we manage for Owners. These would be tracking the progress of cultivars through Quarantine, the CIS pipeline, evaluation and propriety issues. Thereafter as the varieties become available for release, administration of royalties and movement of plant material movement will demand increased capacity.

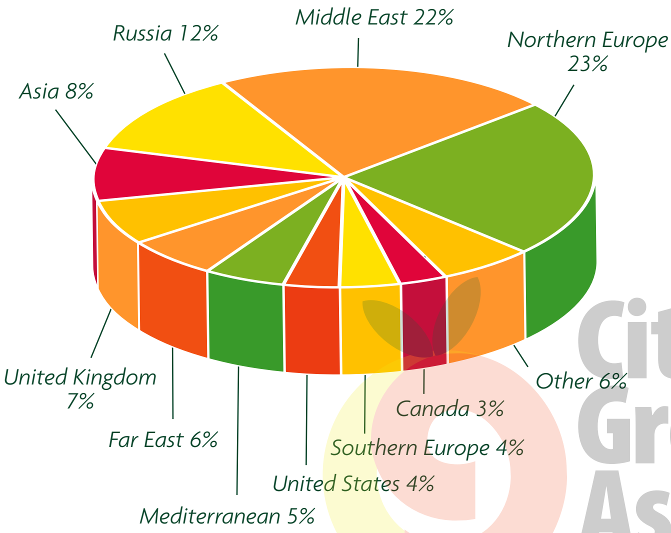
Future Trends

An ever increasing area of interest is the health aspect associated with Citrus and other fruits. The International Citrus Congress in Valencia (that I was fortunate to attend) had numerous lectures on the subject. Large corporations are looking into the future of these health benefits. These could be the anti-oxidants, Anthocyanin, and Lycopene found in Blood fruit and red citrus. The large juice companies are increasingly interested in the market acceptance of orange juice as a healthy source of vitamin C, carotenoids and polyphenols, such as Hesperidin and Naranginen. This is borne out by Coca-Cola becoming the world's biggest juice company in recent years. Furthermore Lipitorsafe, (cholesterol medication), low Furancoumarin grapefruit could bring grapefruit back into favour. The health benefits of grapefruit could be aided by increased consumption by the younger generation in sweeter varieties with a less bitter flavour. This appears to be a space to watch in the future.

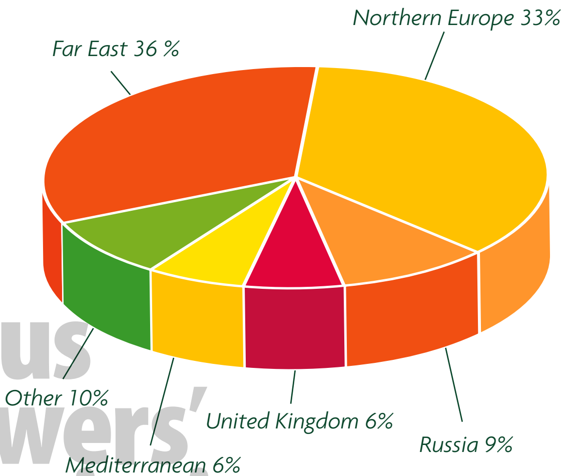
Source: PPECB

Exports 2012

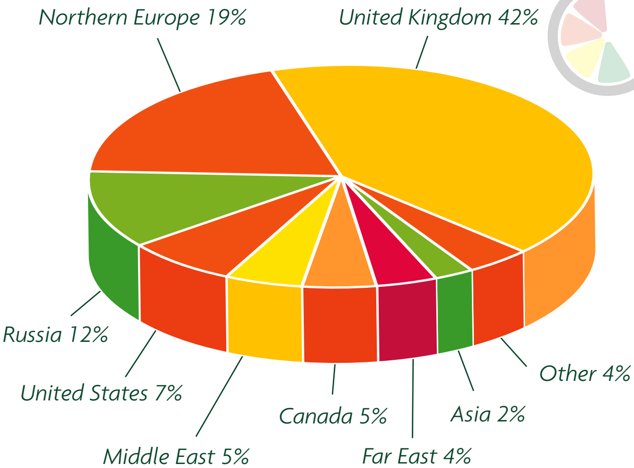
Oranges



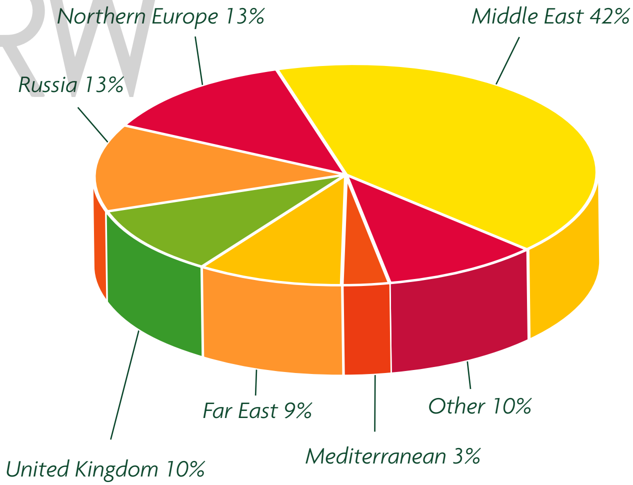
Grapefruit



Soft Citrus

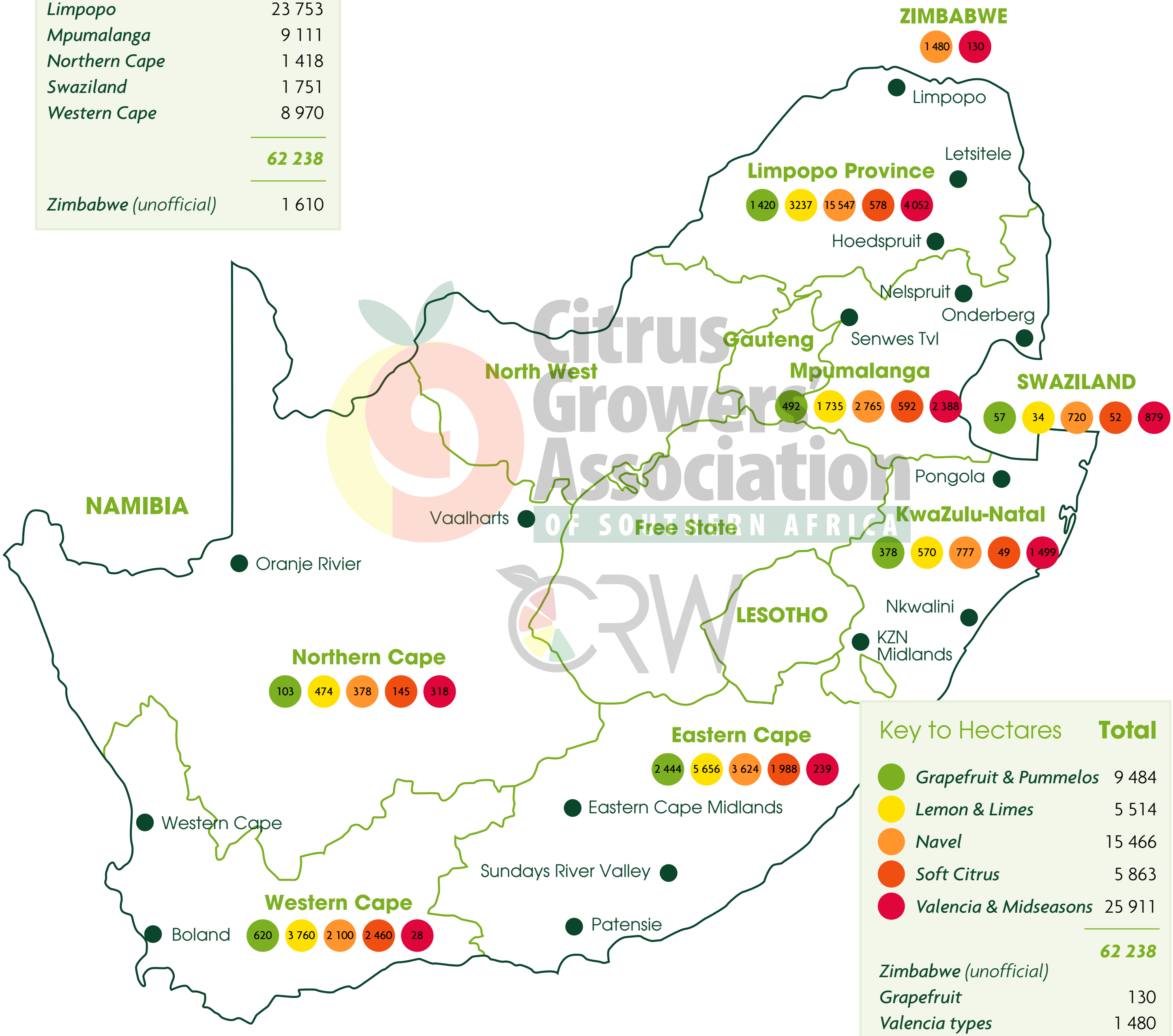


Lemons



Citrus Producing Regions

Total Hectares	Total
Eastern Cape	13 951
Kwa Zulu Natal	3 284
Limpopo	23 753
Mpumalanga	9 111
Northern Cape	1 418
Swaziland	1 751
Western Cape	8 970
	62 238
Zimbabwe (unofficial)	1 610



Key to Hectares	Total
Grapefruit & Pummelos	9 484
Lemon & Limes	5 514
Navel	15 466
Soft Citrus	5 863
Valencia & Midseasons	25 911
	62 238
Zimbabwe (unofficial)	
Grapefruit	130
Valencia types	1 480

Board of **Directors**

Back Row

Mike Woodburn, Flip Smit, Antoine Rouillard, Charles Rossouw, Israel Nemaorani, Shane Dellis, Paul Bristow.

Front Row

Phillip Dempsey, Hannes Nel, Ben Vorster, Hoppie Nel, Graham Piner, Pieter Nortje *(chairman)*, Piet Smit *(vice chairman)*, George Hall, Per Noddeboe, Fanie Meyer, Hannes Hobbs.

Absent

Jock Danckwerts, Danie Mathewson, Jannie Spangenberg

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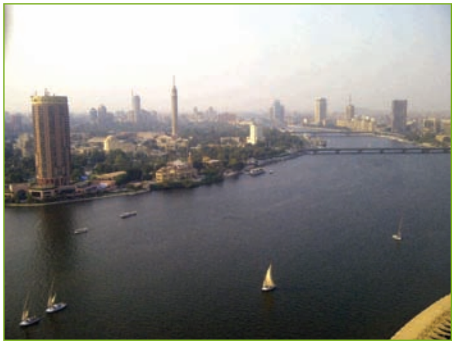
Mr P (Flip) Smit	Chairman	Audit Committee	flip@atterbury.co.za




City
Citrus Power
FOOD LOVER'S MARKET
CITRUS FESTIVAL


Light Meals
Take Aways
Lemon Tree

	Actual 2011/12	Budget 2012/13	Actual 2012/13	Budget 2013/14
Income	**46 206 329**	**44 440 000**	**44 869 944**	**52 720 000**
RSA Levy	36 754 684	37 720 000	39 910 509	44 180 000
Swaziland / Zimbabwe Levy	705 541	720 000	907 883	840 000
Grapefruit Promotion Levy	5 761 619			
Draw from Reserves		4 200 000	1 128 804	2 100 000
CBS Provision				4 000 000
Interest	1 595 367	1 500 000	1 300 937	1 300 000
Dividends Received - River Bioscience	300 042	300 000	300 042	300 000
Other Income	1 089 076		1 321 769	
Expenditure	**44 689 140**	**44 411 339**	**44 869 944**	**52 765 483**
Staff Costs	3 303 244	3 496 200	3 554 677	3 692 841
Travel & Accomodation	313 040	206 000	300 749	319 500
Office - Rent & Equipment	312 181	332 000	326 250	294 000
Office Expenses	341 518	376 000	386 934	398 000
Board Expenses	431 977	562 750	432 222	575 550
Services (Accounting & Legal)	113 656	200 000	98 388	200 000
Suscriptions	217 928	245 000	230 893	249 000
Communication	103 684	197 000	118 157	202 000
Market Access	2 073 580	3 130 000	3 324 229	4 618 000
CBS Provision				4 000 000
Reseach Programmes - Citrus Research International	22 440 040	24 101 012	24 101 012	31 000 000
Reseach Programmes - Citrus Research Trust		2 917 817	3 093 256	
Transformation - Grower Development	3 577 477	2 295 560	3 237 987	2 714 651
Transformation - Citrus Academy	1 792 000	1 925 000	1 925 000	2 100 000
Depreciation	24 224	32 000	29 639	32 000
Information	252 620	395 000	395 156	640 000
Provision for doubtful debts / Bad Debts	364 442		(748 537)	
Leave Pay Provision	(41 514)		(10 221)	
Infrastructure & Logistics	782 933	1 050 000	1 029 018	1 179 941
Market Development	232 167	400 000	545 094	400 000
Fruit Industry Social Compact				100 000
Grapefruit Promotions	5 553 943			
Citrus Cultivar Management Company	2 500 000	2 500 000	2 500 000	
General		50 000	41	50 000
Net Surplus/(Loss) for Year	**1 517 189**	**28 661**		**(45 483)**

Citrus Growers' Association
OF SOUTHERN AFRICA

CRW

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