

ANNUAL REPORT 2014



SUPPORTING CITRUS GROWERS TO BE **GLOBALLY** COMPETITIVE

OUR MISSION

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 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

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CONTENTS

Chairman's Report	3
CEO's Report	5
Administration	6
Variety Focus Groups	7
Communication	8
CGA Directors & Staff	9
Finance	10
Risk Management	11
Information	12
Logistics	14
Market Access	16
• China	
• United States of America	
• EU	
• Alternative Markets	
Consumer Assurance	18
Research and Technical	20
Transformation	22
Citrus Academy	24
CGA Cultivar Company	26
Exports	28
Citrus Producing Regions	29
Abridged Financial Statements	30

We look back on the year 1 April 2013 to 31 March 2014.

This year will go down in history as probably the closest we came to an industry collapsing. Citrus Black Spot has overshadowed our industry with a black cloud as Europe threatened, and in the end closed, its ports of entry to our excellent fruit for the remainder of 2013.

But as a wise Irishman of the 1700's said "Bad things only happen when good people stop doing good things."

Ek kan vandag, na maande se struwelinge en onderhandelinge, onomwonde getuig dat ons bedryf gelaai is met sulke goeie mense - sterk, briljant, innoverend en taai soos net ons Suid-Afrikaanse produsente en mense kan wees. Die SA Sitrus gemeenskap het verseker dat ons die bes georganiseerde landbouvertakking in SA is, en verseker die leier in die Internasionale sitrus arena.

Ek het onlangs in die Sondagsrivier genoem dat ek 'n studie van al die sitrusbedrywe oor die wêreld gemaak het en tot die slots om gekom het dat letterlik almal swaarkry. Finansiële en struktureel, sommige moreel. Teen hierdie agtergrond moet ons teenoor mekaar erken dat die sitrusbedryf in SuiderAfrika juis die teenoorgestelde simptome toon: 'n produksie groei van 7% jaar op jaar, 'n vernuwende produksie tegnieke, wêreldleiers op navorsing, 'n geraamde R8 biljoen bedryf, die grootste werkverskaffer en 'n deelnemende, gedereguleerde bemarking strategie. As die tweede grootste uitvoerder

van sitrus in die wêreld, kan ons net droom van wat moontlik sal wees met meer politieke wil en ondersteuning.

Preceded by an Executive Committee Think Tank in 2012, an Industry Strategic Session with the CGA Board, young growers, emerging growers and CGA staff was held in June 2013. Guided by the expert facilitation of Louis von Broembsen, some of the best and most experienced minds in the citrus industry were challenged to identify the building blocks of "Citrus 2030". On one hand, the core, initial Strategic Objectives of the CGA were positively confirmed:

- 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.

And new Strategic Priorities were identified:

- Government Relations
- Structure of the CGA Board
- Fruit South Africa
- Transformation
- CGA - Grower alignment
- Market Access
- Logistics.



PIETER NORTJE
CHAIRMAN



Ek ontvang gereeld briewe, oproepe en versoeke van produsente om aan sekere sake aandag te gee. Dit is dus verblydend dat hierdie strategiese prioriteite alle versoeke en vrese omvat en aanspreek. Die blote feit dat ons so uitstekende vordering kon maak op baie vlakke in die laaste jaar, is juis testament dat hierdie prioriteite reeds in aksie is en ons Missie volkome aanspreek: "Om die langtermyn winsgewendheid van ons lede te optimaliseer."

In terms of Government Relations, Transformation Strategies and Market Access, the appointment of Dr Mono Mashaba has proved to be a masterstroke.

Ons het ook vir Mnr Deon Joubert (voorheen van Capespan) aangestel as spesiale gesant vir die EU om die swartvlek krisis te hanteer. Die

resultaat is dat ons weer na die EU kan uitvoer, verhoudinge op 'n diplomatieke vlak herstel is en sekerlik op die beste vlak is sedert deregulering. In my vorige jaarverslag het ek u die versekering gegee "dat elke rat in die CGA sal draai om 'n oplossing en uitkoms te vind". Wel, ons het dit bereik en wil glo dat ons heffing 'n klein prys is om te betaal vir wat daarmee bereik is.

Our Industry is not without its challenges, mistakes and inefficiencies. Logistics via our port operations, ailing road infrastructure, untapped potential market opportunities, to name a few. Mostly the solution lies beyond our direct involvement and needs the political will of Government to help address them to unlock the immense potential to the benefit of all in our Industry, our country and its people. We

still need to see any benefit of being a BRICS member as import tariffs to huge potential markets like India are still unaddressed and the Chinese protocol remains difficult.

That being said, the positive interaction with Government, DAFF and its officials over the past year are immensely appreciated. The results just prove what can be achieved through positive assistance in order to facilitate exports. This achieves the goals of the National Development Plan which we as an Industry can strive towards.

As produsente wil ons graag ons personeel in elke afdeling hartlik bedank vir die fantastiese werk die afgelope jaar. Ons kan nie als sien nie, maar die resultate spreek boekdele en is beslis 'n suksesverhaal. Sonder elkeen se bydrae in hierdie moeilike jaar, sou ons nie ons doelwitte kon bereik nie. Please maintain and exceed your every effort as we build an Industry that leads by example. We are proud to be served by all of you.

Baie dankie vir die positiewe kritiek, elke woord van ondersteuning en vriendskap in die bedryf. Ek is trots om so 'n dinamiese bedryfte kan dien. Mag 2014 vir elkeen Sitrus seëninge inhou en die Groot Landbouer u lei.

Groete

Pieter Nortje



According to my diary I spent over 200 days on market access activities during the past year. The vast majority of this time was spent on citrus black spot (CBS) as the uncertainty reported on in the 2012/13 Annual Report spilt over into this year. Spare a thought for the officials of the Department Agriculture, Forestry and Fisheries, and particularly plant health and inspection services personnel who have to deal with a whole array of commodities and associated pests and diseases - not just citrus and CBS.

The main goal for the 2013 season was to comply with the requirements of the European Union with regard to CBS - and by doing so cause least disruption for exports. A great deal of time was spent developing a robust risk management system; testing and reconsidering elements of the system; communicating these system elements to growers, export agents and other stakeholders; communicating these systems and getting approval from EU Plant Health officials; highlighting the importance of the EU citrus trade to politicians and responding to the media. With the threat of further restrictions to trade hanging over the industry it was imperative that CBS interceptions in the EU were kept to a minimum. South Africa fared extremely well in this regard with the best record of interceptions per 1 000 tons of citrus exported to the EU when compared to other supplier countries. Nevertheless the EU introduced a symbolic "ban" on South Africa effective for the month of December 2013 - in and of itself not particularly material but, importantly, a veiled threat of potential future sanctions. This action by the EU means that we once again enter into a new season with uncertainty and trade disruptions - traders hate uncertainty. CGA has

employed additional resources in 2014 to once again manage the season and reduce the likelihood of additional disruptions.

The second goal in 2013 was to get the dispute with regard to the risk status of CBS resolved. It is disheartening to report that little progress has been made in this regard. It seems that the dispute resolution mechanisms within the International Plant Protection Convention have served us poorly - and the lengthy internal EU process delayed any hope of getting resolution before the 2014 season. Ultimately, the EU scientific assessment was questionable at best with scant consideration of the international CBS experts' submission. While we are prepared to respect the EU's rights to plant protection under the IPPC, we would expect similar respect to honouring the dispute resolution procedure. It is clear that other dispute resolution mechanisms will now have to be deployed.

The Board of Directors reviewed the strategic priorities of the CGA in June 2013. Market access was confirmed as the main focus area for CGA - which justified the time spent on market access in 2013. The Board stressed that transformation and government relations should receive greater attention in the future. It is pleasing to note that the Citrus Growers' Development Chamber is operating well under the Chairmanship of Mzo Makhanya and guidance of CGA Transformation Manager Lukhanyo Nkombisa. The CBS issue also meant a closer relationship was forged between CGA and the relevant government departments: Agriculture, Forestry and Fisheries (DAFF); Trade and Industry (DTI) and International Relations and Cooperation (DIRCO). The CBS



JUSTIN CHADWICK
CHIEF EXECUTIVE OFFICER

issues were addressed by the State President himself when he met with the President of the EU.

In reviewing the strategic priorities the Board confirmed that CGA would continue to fund, control and implement research and technology development as a means of ensuring the supply of good quality fruit as well as gaining, maintaining and optimising market access. Logistics remains a challenge and CGA would continue to facilitate solutions to improve efficiency. The Board also agreed to look at the structure of the CGA Board, and to ensure alignment of CGA activities with grower requirements.

Collaboration with the other fruit sectors (table grapes, deciduous and subtropical) continues under the Fruit South Africa structure. This took a stride forward in 2013 with the formation of a legal entity and recruitment process for a Chief Executive Officer. This will add momentum to the recently formed Fruit Industry Value Chain Round Table and the Fruit Industry Social Compact.

ADMINISTRATION



GLORIA WEARE
EXECUTIVE ASSISTANT
TO CEO

GOVERNANCE

The Citrus Growers Association of Southern Africa (CGA) has a Board of 21 Directors - 18 of whom represent citrus growing regions across South Africa, Zimbabwe and Swaziland. Two directors represent the emerging growers in the north and south, and financial expertise is provided by the chairman of the Audit Committee. The National Agricultural Marketing Council (NAMC) has observer status on the CGA Board.

Grateful thanks to the directors who do not receive any financial benefit from giving of their time and experience.

MEETINGS

During the year under review there were the following changes to the Board of Directors

Resigned: Hoppie Nel - Onderberg;

Danie Mathewson - Vaalharts

Appointed: Cornel van der Merwe - Onderberg

Meetings of the Board of Directors

10th September 2013

The Beach Hotel, Summerstrand, Port Elizabeth

Apologies: D Mathewson

28th January 2014

The Intercontinental Hotel,

ORT Airport, Johannesburg

Apologies: B Dillman

Executive Committee

Pieter Nortje - Chairman

Piet Smit - Vice Chairman

Graham Piner

George Hall

Hoppie Nel up to April 2013

Ben Vorster from September 2013

Meetings/Telecons of Executive Committee

8th August 2013 - Telecon

13th November - Telecon



REPRESENTATION

The CGA has representation on various Boards and Committees

Citrus Research International (CRI)

Hoppie Nel, Piet Smit, Deon Joubert,

Fanie Meyer, Louis von Broembsen,

Mike Woodburn

Citrus Marketing Forum (CMF):

Peter Nicholson, Gabrie van Eeden,

Cornel van der Merwe

XSIT: Piet Smit

RiverBioscience (RB): George Hall, Paul Marais

CGA Cultivar Company (CGACC):

Barend Vorster, George Hall

Citrus Improvement Scheme (CIS):

Jock Danckwerts, Paul Hardman

Citrus Academy (CA): Phillip Dempsey,

Shane Dellis, Hannes Hobbs, Graham Piner

Citrus Industry Trust (CIT): Mark Fry

Agri SA: Antoine Rouillard, Charles Rossouw

Perishable Products Export Control Board

(PPECB): Tini Engelbrecht, Luyanda Kutta

Fruit South Africa: Justin Chadwick

Southern Hemisphere Association of Fresh

Fruit Exporters (SHAFPE): Justin Chadwick

Agricultural Trade Forum (ATF):

Justin Chadwick

SPS/CLAM/CFSC: Vaughan Hattingh,

Paul Hardman (secundus)

MRL/SHAFPE/MRL Workgroup/FSF/IPPS/

FSA Harmonisation: Paul Hardman

BI Steering Committee: Vaughan Hattingh,

Justin Chadwick (secundus)

Market Access Committee: Elma Carstens

AgriHUB: John Edmonds

CBS Disaster Management Committee:

Pieter Nortje, Charles Rossouw, Ben Vorster, Jock Danckwerts, Cornel van der Merwe, Piet Smit, Peter Nicholson, (Deon Joubert, Justin Chadwick, Vaughan Hattingh in attendance)

FCM Disaster Management Committee:

Pieter Nortje, Fanie Meyer, Piet Smit, Jock Danckwerts, Charles Rossouw, (Deon Joubert, Justin Chadwick, Vaughan Hattingh in attendance)

Audit Committee: Flip Smit, Antoine Rouillard, Mike Woodburn

CGDC: Israel Nemaorani, Hannes Hobbs

The CGA Directors have 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, Bertus Dillman

Consumer Assurance Committee:

Fanie Meyer, Phillip Dempsey,

Finance Committee: Antoine Rouillard, Mike Woodburn

Information Committee: Shane Dellis, Phillip Dempsey, Mike Woodburn

Transformation Sub Committee:

Jannie Spangenberg, Flip Smit, Israel Nemaorani, Hannes Hobbs

VARIETY FOCUS GROUPS

The variety focus groups met regularly during the season 2013/14 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. Members of the variety focus groups as elected during the February/March CGA road shows in 2014 were as follows:

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. de Waal**	H.de Waal	C. Tibshreany
E. Cape Midlands		B. Mildenhall	D. de Villiers		J. Danckwerts*
Hartswater	D. Mathewson	D. Mathewson	D. Mathewson		
KZN Midlands			P. Button		
Pongola	A. Barnard		A. Barnard	A Rouillard	
Nkwadini	B. Snyman			M. Wafer	
Onderberg	C. vd Merwe			M. Neethling	
Nelspruit	A. Muller	G. Piner	G. Turner*		A.J. Esser
Swaziland	G. Brown			S.Geldenhuis	
Letsitele	B. Vorster	N. Gubitz	J. Nel	P. Smit**	A.Cooper
Hoedspruit	F. Meyer		G.Bezuidenhout	K. van Staden*	
Oranje Rivier	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 for the 2013/14 season:

Region	Variety	Outgoing	Incoming
Nkwadini	Valencia	S. Dellis	B. Snyman
Onderberg	Grapefruit	C. van Veyeren	M. Neethling
Sunday's River	Grapefruit	F. Joubert	H. de Waal
E. Cape Midlands	Navels	L. Roberts	B. Mildenhall

The Citrus Development Chamber also elected their representatives on the variety focus groups:

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

ROAD SHOWS

February 2014 again saw Justin Chadwick and Paul Hardman and their teams visiting all the citrus growing regions on the annual roadshows. Justin, along with Hennie le Roux (CRI), Jon Roberts (CGA CC), Keith Danckwerts (RB), Jacomien de Klerk (CA) and Mitchell Brooke (CGA) visited Limpopo, Zimbabwe, Letsitele, Hoedspruit and Senwes areas in one week. In the same week Paul, accompanied by Jacques Fouche (RB), Vaughan Hattingh (CRI), Sam Louw (CA) and Lukhanyo Nkombisa (CGA), held roadshows in Fort Beaufort, Sundays River and Patensie.

The following week saw Justin's group heading to Stellenbosch (for the Boland meeting), Citrusdal and Oranje Rivier, while Paul and company covered Nelspruit, Onderberg, Swaziland and Pongola combined, and Nkwadini. The main focus of the roadshows was the Citrus Blackspot (CBS) issue with the EU.



Justin Chadwick has kept the growers informed of the situation by sending out regular Grower Advisory notices.

FROM THE DESK OF THE CEO

This weekly one pager reaches an increasingly wide sector of the citrus industry's stakeholders as well as all growers on the CGA database. The CEO's newsletter covers matters of interest and concern to the sector, advises on forthcoming events and gives a weekly update on the packed and shipped figures during the citrus season. Apart from the English version which is also sent to overseas stakeholders and interested parties, there is an Afrikaans translation. Anyone wishing to be added to this list can email a request to info@cga.co.za. Once it has been distributed through the Comms Tool, the newsletters are available on the Home Page of the CGA website.

OTHER REPORTS

Other regular reports are the Global Citrus Scan, Transformation Newsletter and Logistics Reports and updates. If you are not receiving any of these reports and would like to do so, kindly email info@cga.co.za.

CGA WEBSITE

The monthly printouts received from the website provider shows the number of hits to the CGA website plus the pages visited. This has increased greatly over the years. The website is a useful and user-friendly tool for

growers and stakeholders alike. Important notices from Department of Agriculture, Forestry and Fisheries (DAFF) are also posted on the website under the password protected section. This section is accessible to registered growers of export citrus as well as export agents who are registered with the Fresh Produce Exporters Forum (FPEF). The Citrus Marketing Forum (CMF) is also a grower/exporters forum. Other South African stakeholders may apply for membership for an annual fee. Contact gloria@cga.co.za. The CMF is covered more fully under INFORMATION in this report.

SA FRUIT JOURNAL

A bi-monthly Fruit Journal is distributed not only to citrus growers but also to Stone Fruit, Apple and Pear, Table Grape growers and FPEF members.

The articles in this magazine tend to be of a more technical nature with articles sent in from the researchers and technical staff of each of the fruit categories. The CGA submits articles covering portfolios pertaining to the citrus industry such as transformation, food safety, logistics, cultivar development, (under CGA CC), skills development and bursaries (under Citrus Academy), as well as articles on new appointments and happenings within the industry.

An additional mailing list is being compiled for those who are not citrus growers but would benefit from being included in the distribution of this fruit journal.



DIRECTORS CONTACT DETAILS

Mr P J Nortje
Mr P J Smit
Mr G L Hall
Mr G F Piner
Mr B J Vorster
Mr P A Bristow
Dr J E Danckwerts
Mr S R Dellis
Mr P Dempsey
Mr W A Dillman
Mr S R Meyer
Mr P S Noddeboe
Mr C Rossouw
Mr R A Rouillard
Mr J R Spangenberg
Mr C van der Merwe
Mr M R Woodburn
Mr J Hobbs
Mr M I Nemaorani
Mr P Smit

Chairman
V-Chairman
Executive
Executive
Executive
Director
Director
Director
Director
Director
Director
Director
Director
Director
Director
Director
Director
Director
Chairman

Sunday's River Valley
Western Cape
Boland
Nelspruit
Letsitele
Zimbabwe
Eastern Cape Midlands
Nkweleni
Patensie
Limpopo
Hoedspruit
Swaziland
Senwes
Pongola
Oranje Rivier
Onderberg
South KwaZulu-Natal
South PDI
North PDI
Audit Committee

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CGA STAFF

Front Row

Robert Miller
Justin Chadwick
Mitchell Brooke

Back Row

Liane Esch
Paul Hardman
John Edmonds
Gloria Weare

Absent

Lukhanyo Nkombisa





ROBERT MILLER
FINANCIAL & BUSINESS
ADMINISTRATION MANAGER



LIANE ESCH
BOOKKEEPER

CGA LEVY

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.

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

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

2014 - 50 cents per 15kg carton

2015 - 53 cents per 15kg carton

2016 - 56 cents per 15kg carton

The CGA collected R51.8 million in levies for the 2013 season. This represents over 99% of the total levy due for the year.

AUDIT COMMITTEE

The members of the CGA Audit Committee for the 2013 / 2014 financial year were Flip Smit (Audit Committee Chairman) and Antoine Rouillard (CGA Director Pongola). Graham Piner (CGA Director Nelspruit) was replaced by Mike Woodburn (CGA Director South KZN) during the year.

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

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 various legal and regulatory requirements.

Some of the main risks to the CGA that were identified are as follows:

Risk: Phytosanitary, mainly CBS, FCM and Bactrocera Invadens (BI) - Constraints on export volumes and levy income to fund activities.

Response

- **CBS Matters** - Disaster Management Committee has been formed. Special Envoy has been employed. Government is being engaged. Communications with the various role players in the EU is ongoing. New export markets are being explored.
- **FCM Matters** - FCM Disaster Management Committee is in place to assess, monitor and manage this risk. Expansion of the XSIT programme to new regions to reduce risk.
- **Bactrocera Invadens (BI)** - BI Steering Committee formed between CGA and CRI. Action plan is in place and being managed by the committee. Other fruit groups have provided contributions towards the management of this risk.

Risk: Logistical - Constraints on export volumes and levy income.

Response

- Logistics Manager is employed to address this risk. Currently working on decreasing supply chain costs, monitoring and advising on reducing congestion and improving efficiency at ports. Increasing exports through alternative ports such as Maputo.

Risk: Socio-political - Constraints on export volumes and associated levy income

Response

- Proposal for restructure of the transformation plan is being considered by CGA board. Consultant engaged to develop relationships with DAFF and other government departments. Development Chamber has been formed to advise and work on various transformation matters.

Risk: Buy in from producers - Constraints this may have on future levy approval and income

Response

- CGA conducts annual roadshows to each citrus producing area. Communicates regularly with growers through a weekly newsletter and various other publications. Informs growers through a communication database.

Risk: Mismanagement of company expenditure and corruption - Company assets and funds at risk.

Response

- Two person release system in place on banking system. All payments are checked and authorised by Finance Manager and CEO. Payments are also checked that they are in line with the approved budget. Regular financial reporting is provided to the Audit Committee, CGA Board and Executive. Annual audit is conducted.

Risk: IT Systems failure - Industry data at risk and company unable to operate.

Response

- Information Manager is employed to address this risk. Regular backup of data takes place. Offsite backup and storage of company data is in place and constantly monitored.





JOHN EDMONDS
INFORMATION MANAGER

The Citrus Growers' Association (CGA) and Fresh Produce Exporters' Forum (FPEF) jointly fund the citrus information supplied in terms of an agreement with the Perishable Products Export Control Board (PPECB). This information is made available to all members of the Citrus Marketing Forum (CMF).

TREE CENSUS

Citrus growers are requested to update their orchard information annually on a purpose built web page on the Internet. The CGA would like to thank the growers who took the trouble to update their data on the site. The results of the tree census are used for information and forecasting and are included in the Citrus Statistics booklet.

CITRUS STATISTICS BOOKLET

Using the export related data supplied by PPECB in terms of our contract; local market, industrial data and trends in revenue supplied by the Department of Agriculture Forestry and Fisheries (DAFF) as well as the information from the annual

tree census, the annual Citrus Statistics booklet provides high level information on exports, crop distribution and growth trends of the different citrus commodities. The 2013 citrus statistics booklet was published and sent to all grower members of the CGA.

VARIETY FOCUS GROUPS

Regional representatives for each of the main commodities are elected during the CGA road shows held in the beginning of each year. These Variety focus groups met initially in March in Johannesburg to set the crop estimate and give feedback to the CMF. The Focus Groups then utilized teleconferences regularly during the season to update the crop projections, discuss markets and give DAFF guidance on dispensation requests when called on to do so. The variety focus groups had thirty teleconferences in 2013/14. Their updated crop projections are communicated to the industry via the CEO's weekly newsletter and via minutes published on the CGA web site. The variety focus groups aim to estimate within 10% of final volumes inspected and passed for export by PPECB inspectors. This was achieved overall with the actual being 6.5% above the estimate as well as four out of five of the individual variety focus group being within the 10% target. The Navel Focus Group proved the most accurate being only 2.3 % out.

Another role of the variety focus groups is to review the industry quality standards with other industry role players and make recommendations to guide DAFF in making any amendments to the existing standard. After a hiatus of two years

where no such reviews were necessitated, a workshop was held in Stellenbosch on 31 October 2013. Minor changes were recommended and subsequently incorporated in the current standard by DAFF. PPECB and DAFF representatives attended the United Nations Economic Commission for Europe (UNECE) and Organisation for Economic Co-operation and Development (OECD) meetings to represent the interests of the South African citrus industry with regard to export standards. The CGA would like to express its thanks to PPECB, DAFF, variety focus group representatives, CMF members and Dr. Graham Barry for their contributions in both these activities.

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 show per variety, per week what has been shipped into the different markets compared to the previous year. Early 2013 saw the termination of PPECB's EDiN project and subsequent launch of project Titan which uses the latest tablet technology to enable inspectors to electronically capture and verify inspection data. The target launch to coincide with the 2014 citrus season was not realized

Table showing estimates in 15kg equivalent cartons

Type	2013 Estimate (CGA)	2013 Actual	Difference (Actual vs. Estimate)	2014 Estimate
Valencia	47 687 700	51 407 688	+7.8%	49 530 000
Navels	24 857 390	25 418 888	+2.3%	25 813 680
Grapefruit	14 957 659	17 849 159	+19.3%	16 755 244
Lemons	11 160 405	10 626 934	-4.8%	12 134 692
Soft citrus	8 141 105	8 442 205	+3.7%	9 069 354
Total	106 804 258	113 744 874	+6.5%	113 302 970

and has been revised to October 2014. Parallel to this, the major fresh fruit commodity industries collaborated with information service providers to create Agrihub, an information hub which relies on the cooperation of exporters, cold stores and terminals to provide electronic data flows into a central repository from which reports can be drawn on a weekly basis. The potential of this initiative was not realized in 2013 due to reliance of written permission from each of the exporters to utilize their data flows. Agrihub has applied to the National Agricultural Marketing Council (NAMC) for statutory compliance and this is at an advanced stage.

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. The CGA and FPEF jointly employ the services of the PPECB to provide shipping and inspection information which is supplied weekly to exporters and growers via e-mail and publications on the members' section of the CGA web site. In the 2013/14 year the CMF met twice; on 1 November 2013 and 17 March 2014. The input to the CMF from the variety focus groups with respect to estimates, projections

and growers' feedback was facilitated by the CGA. Preceding the November CMF meeting a market access workshop was held with the intention of identifying priority markets for South African citrus. Comparisons were drawn between South Africa and SHAFTE rivals in key markets as well as comparing northern hemisphere exports to the same countries to identify possible focus areas to improve trade. A follow up exercise in similar vein by Dr. Hoppie Nel at the March 2014 CMF meeting was well received by all who attended.

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. CLAM supplies CGA with information pertaining to production and exports from their members. CGA reciprocates by sending similar information to CLAM. CGA is a member of CLAM and was represented at a CLAM meeting on 4 February 2014 in Berlin.

Southern Hemisphere Association of Fresh Fruit Exporters (SHAFTE): The major southern hemisphere fresh citrus exporting countries participate in a joint initiative whereby members

supplied information of shipped by volume and destination to the SHAFTE secretariat that collated and supplied this information to the participating SHAFTE members. The weekly information was published on the CGA website. CGA members were in attendance at the AGM in New Orleans on 17 October 2013 and also at a SHAFTE meeting on 6 February 2014 in Berlin. Minutes are published on the CGA web site.

GLOBAL CITRUS TELECONS

The CGA participated in Global Citrus Teleconferences during the course of the year. The teleconferences are convened by Freshfel (European Fresh Produce Association) and SHAFTE and typically includes representatives from Spain, Italy, Israel, Turkey, USA, Morocco, Greece, Cyprus, Australia, Argentina, Uruguay and South Africa. The minutes were published on the CGA website. CGA was also represented at a Freshfel meeting on 4 February 2014 during the Fruit Logistica in Berlin where the emphasis was on the transition from the northern Hemisphere citrus season to the southern Hemisphere export season.

RUSSIAN INFORMATION

The overlap of northern hemisphere, particularly Egyptian and Moroccan exporters and southern hemisphere suppliers into the Russian market has highlighted the need for information on volumes entering this market during this sensitive period. Earlier attempts to glean information from Egypt in particular were frustrated. During the course of Fruit Logistica Berlin in February, CGA were able to facilitate the purchase of key citrus import data from Russian Customs. Regular insights into the Russian citrus market were also provided during the course of the year by commentator, Mikhail Fateev and this information disseminated to relevant growers and exporters.



MITCHELL BROOKE
LOGISTICS DEVELOPMENT
MANAGER



MAPUTO PORT

The strategy behind the use of Maputo port for citrus exports is twofold, 1) to potentially reduce the cost of exporting citrus for the Maputo Citrus Corridor, and 2) to alleviate congestion in the Durban port. During 2013 there was a significantly reduced volume of citrus exports routed via Maputo. Producers chose to rather deliver citrus into Durban; most of whom switched to containerization rather than the break-bulk option. The ramification was that Durban became severely congested and there were various problems relating to container exports. In order to capitalize on the full potential of the Maputo port, the introduction of a 'dedicated' break-bulk service to Northern Europe and Russia in 2014 was seen to be the most practical solution. By way of implementing this service from Maputo (without additional calls to Durban, PE and Cape Town) there may be an opportunity to achieve reduced port handling fees and shipping freight rates.

RAIL TRANSPORT

The reefer container train continues to operate a weekly service solely from the Tzaneen station to Durban. Dole South Africa are the major users of the Tzaneen train, they implemented a container depot in Letsitele which is DAFF-approved for inspections to Spain. The train operated principally without fault although a derailment on the Tzaneen line meant the rail head had to be diverted to Polokwane. The potential for reefer trains to transport citrus

from Limpopo is still very much untapped. It has been identified that 6 reefer train units could operate successfully from Limpopo, moving up to 250 containers a week and 2,800 containers (56,000 pallets) in a season, reducing 2,200 road trucks entering Durban. Potential sites to implement [citrus] reefer train services are Hoedspruit, Letsitele, Marble Hall, Polokwane and Messina.

DURBAN PORT SYMPTOMATIC PROBLEMS

In 2013 the Durban port was fraught with logistical problems, mainly due to the fact that roughly 100,000 additional pallets of citrus were routed through Durban during the citrus season. Cold storage capacity in Durban had reduced by 10,000 pallet slots over the last 3 years, containerization increased dramatically in 2013 and accounted for 85% of total exports through Durban. Inspections by DAFF personnel increased dramatically causing major bottlenecks. Another particular problem was continuous operational challenges at the Durban Container Terminals causing frequent bottlenecks for containers to be packed and delivered to the port terminals. Discussions were held between the CGA Board and senior management of Transnet Port Terminals and it was concluded to implement the Durban Reefer Container Operations Forum (DRCOF) as a platform for logistics stakeholders to engage and address shortcomings in reefer container operations in the port.



REGULATORY ASPECTS OF (CITRUS) REEFER CONTAINER TRANSPORT

The CGA undertook to complete a study in terms of addressing transport regulations on two fronts, 1) how the industry can conform to the maximum permissible height restriction of 4.3m, and 2) how the industry can comply with the maximum permissible axle weights to avoid overloading.

The first problem stems from the fact that when transporting a high cube container of height 2.9m on trailer beds with a deck height higher than 1.4m, this transgresses the traffic act permitting a maximum height of 4.3m. At present there is a moratorium in place until 1st January 2019 which permits high cube containers to be transported whilst exceeding the regulation. Most high cube reefer containers are being transported on flat deck trailers with a deck height of 1.55m - 1.65m. If the moratorium expires without an extension or an amendment of the traffic act the only trailers that would be able to comply with the regulation is that of low-deck skeletal trailers with deck height of 1.4m.

The second issue concerns that of transporting heavy citrus pallets where the maximum permissible axle weights are exceeding the regulation. The CGA has been promoting the packing of citrus container directly at packhouses as far as possible (to reduce costs, reduce the operational impact in the Durban port and mitigate the demand of cold store capacity due to an expected 15% increase in citrus production)

and this can only be done if regulation on axle mass limitations is adhered to. The report concluded that by using light weight skeletal trailers (which comply with the height regulation) a safe payload mass of 28,000kg's (average pallet mass of 1,400 kg's) is achievable through correct weight distribution of the pallets. Many producers are packing a vast number of containers at packhouses and this should be promoted as far as practically possible.

FIVE KEY LOGISTICS STRATEGIES

The CGA has identified the following key logistics strategies which meet the challenges relating to rising logistics costs, increase of 15% in citrus production by 2017 and achieving logistics efficiencies:

1. Promote the packing of citrus into reefer containers at inland facilities or directly at packhouse as far as possible.
2. Implement six reefer container train units in Limpopo operating between Hoedspruit, Letsitele, Marble Hall, Polokwane and Messina to Durban and Cape Town.
3. Implementation of a 'Dedicated' breakbulk service from Maputo to Northern Europe and Russia.
4. Development of additional functional cold store facilities in Durban meeting demands of steri shipments and containerization.
5. Implement and convene Reefer Container Operations Forums in SA ports.

CHINA

Exporters to China were frustrated by a delay in export initiation due to the registration list not having been approved by the Chinese authorities. What added to the frustration was that markets were short supplied with citrus (mostly due to the Chinese banning product from California). The registered list was finally approved at the beginning of May 2013. In order to improve communication and relationships with China the CGA joined a Fruit South Africa delegation to China in September 2013; and a follow up meeting coinciding with the Beijing Fruit and Vegetable Show in November 2013. On both these occasions meetings were held with senior officials from AQSIQ (China Plant Health). The Agricultural Attaché from Beijing (Washiela Williams) accompanied the delegation. The 2014 registered list for China was approved in February 2014.

The closer working relationship with AQSIQ will facilitate discussions regarding alternatives to cold treatment.

UNITED STATES OF AMERICA

After many years of trying South Africa has finally got USDA APHIS to agree on a pilot project aimed at reviewing the cold treatment period - from 24 to 22 days. This is the end result of a lot of work from Department Agriculture, Fisheries and Forestry (DAFF), the Ambassador and Agricultural Attaché in Washington (Ambassador Rasool and Vangile Titi), the previous (Ron Campbell) and present (Bruce McEvoy) CGA representatives in the USA, Citrus Research International, US Embassy staff in Pretoria (FAS and USDA APHIS), CGA staff,

Western Cape Citrus Producers Forum (WCCPF) and USDA staff in the US. The announcement of the pilot project received rapturous applause at the annual WCCPF gathering in Citrusdal.

During the bilateral discussions between DAFF and USDA APHIS access for areas of low pest prevalence and access for the rest of South Africa were also discussed, as was the use of a port in southern USA.

After many years as CGA representative in Washington Ron Campbell has resigned - we thank Ron for his perseverance and guidance. Bruce McEvoy has taken on this role and has built on Ron's firm foundation.

EUROPEAN UNION

In order to address the CBS concerns of the EU, DAFF and industry developed a robust risk management system (RMS). The RMS was further strengthened in 2013 to include additional elements. A CBS RMS drafting team spent considerable time debating enhancements and the practical implementation thereof. This RMS was translated and shared with EU Plant Health (DG SANCO) and plant health authorities in the member states. In addition importers, export agents, growers and others in the supply chain were briefed on roles and responsibilities in the strengthened RMS.

In order to keep growers up to date with the latest information and requirements with regard to CBS, Grower Advisories were prepared and distributed on a regular basis (a total of twenty were dispatched during the year). In addition grower meetings were held in the major citrus producing regions. The CGA formed a CBS Disaster Management Committee with wide

representation to assist in guiding the CBS strategy and as a conduit for keeping growers informed.

DAFF convened CBS Stakeholder Forum meetings on a monthly basis. The Stakeholders Forum included representation from DAFF, DTI, DIRCO, CGA, CRI, PPECB and FPEF. This Forum guided CBS decision making. In addition to these meetings CGA briefed Minister Joematt Petersen, DG's of Agriculture, DIRCO and DTI and South African Ambassadors and Embassy staff in Paris, Geneva, Brussels, Den Hague, Berlin, Madrid and London. The issue made it onto the agenda of the EU-RSA Summit in July - and was mentioned during question time when President Zuma and President Barossa met. Minister Davies and Trade Commissioner de Gucht also discussed the issue - and assured the CGA that a solution would be found.

CGA also kept stakeholders in the EU informed. CGA has a representative in Brussels who ensures that the South African citrus issues are addressed. This included meetings with citrus industry representatives from Spain and Italy, importers and their associations (special mention must be made of the considerable interest and assistance from Frugi Venta, Freshfel and the Fresh Produce Consortium) and two briefing sessions with the EU Ambassador to South Africa. Briefings were also held with the Ambassadors from Spain, Italy and Netherlands. A delegation led by CGA Chairman Pieter Nortje, including leading growers met with DG SANCO and other role-players in Netherlands and Belgium in December 2013. To assist in understanding the South African commitment to compliance CBS Bulletins were prepared and circulated on a regular basis.

After the IPPC facilitated bilateral consultation in February 2013, this dispute resolution mechanism stalled as both parties awaited the outcome of the European Food Safety Authority (EFSA) pest risk assessment (PRA) on CBS. Initially the PRA was to be completed by July 2013; however, EFSA decided to open up the draft PRA for comments - with a new deadline December 2013. An international panel (including South Africa) considered the draft PRA - which was found wanting in many respects. This international panel then made a submission to assist EFSA to overcome the PRA's shortcomings. After further delaying the release of the PRA to January 2014, and then February 2014, the final PRA ignored most of the international panels' submission - and came to the same conclusion as the draft in July.

In June 2013 DAFF registered a trade concern with regard to CBS and the EU at the World Trade Organisations (WTO) Sanitary and Phytosanitary (SPS) meeting. The trade concern remains unresolved.

Given the additional measures imposed by the EU, the aggressive stance taken by EU citrus industry associations and the failure of the IPPC process the South African citrus industry is left with limited long term solutions - WTO Dispute Resolution is probably the most likely to yield results. CGA has contracted trade lawyers to assist in drafting the necessary documents for consideration by DAFF and DTI.

There was considerable media interest in the CBS-EU story. CGA appeared on TV interviews aired on eCNA, SABC News, VNS and Dagbreek. Radio interviews were held with Jacaranda FM, East Coast Radio, Algoa FM, SAFM, Eye Witness News, Radio 702, Power FM and Cosmos Radio Namibia. Written articles appeared in Business Day, Business Report, Reuters, PE Herald, New Age, Freight Trading Weekly, Farmers Weekly,

Landbou Weekblad, Fresh Plaza, The Packer, Australian Citrus News and Eurofruit. The CGA has started the process of selecting a communications company to assist with this aspect in 2014.

There was considerable demand for South African citrus in European Union markets in 2013 - resulting in considerable volumes (670 000 tons) being imported from South Africa. Despite this huge volume the work carried out by DAFF, industry and other stakeholders resulted in only 35 consignments being intercepted for CBS in the EU. Given that the 670 000 tons were covered by 15 000 consignment notes - this means 0.23% of consignments failed. Despite this excellent result the EU took the aggressive move of banning South African citrus in November 2013 - for the balance of the 2013 season. Although this did not directly affect any citrus exports - the symbolic threat did not go unnoticed. The industry and DAFF are hard at work preparing for the 2014 season, once again looking at intensification of the RMS. Role-players in the industry are attending compulsory CBS training - this includes export agents, Packhouse and cold store personnel.

ALTERNATIVE MARKETS

The tough stance taken by the EU means that South Africa will need to look at gaining new markets and optimising access to existing markets. To this end CGA travelled to Indonesia, Thailand, China, USA, Vietnam, Japan and South Korea during 2013.

Indonesia: although open for South African citrus, we do not have mutual country recognition. This means that South African citrus cannot enter through the port of Jakarta, and additional certification and declarations are required. This is a disadvantage as some

competitors have recognition. South Africa has submitted all the necessary information and hopes for a verification visit during 2014.

South Korea: during 2013 grapefruit from South Africa was exported to South Korea for the first time (in addition to sweet oranges). South Koreans enjoyed the taste of South African grapefruit and future market opportunities look good. South Africa was invited to the Pre World Expo on the beautiful Jeju Island. CGA is discussing an earlier arrival of the South Korean inspector so that grapefruit can get an early start in 2014.

Vietnam: presently South African citrus is not allowed entry into Vietnam. The officials have received the pest information packages for all citrus varieties, which are now under consideration.

Japan: is open for South African citrus. At present South Africa are negotiating with Japan for wider access for soft citrus (only clementines' permitted at present) and a change to the cold treatment conditions.

India: is open for South African citrus but import tariffs make it an unattractive market. Bilateral discussions between India and South Africa continue.

Ukraine: is open to South African citrus - and the Ambassador in Ukraine has indicated considerable interest for South African citrus.

Philippines: presently closed to South African citrus but considerable interest has been shown. The process for access has been initiated.

Russia: presently open to South African citrus and is the biggest individual importing country (12% of volume). CGA has a representative in Russia who has energetically gone about promoting South African citrus fruits while providing trade information and alerting CGA to any trade problems.



PAUL HARDMAN
INDUSTRY AFFAIRS
MANAGER



CONSUMING CITRUS FOR BETTER HEALTH

The updated CGA literature review of the benefits of eating citrus (November 2013) and findings of a similar study by the University of KwaZulu-Natal dietetics department conclude citrus has some wonderful health effects. When combined with the high level of general consumer assurance within the southern African citrus industry, these producers have a great product to sell.

SUSTAINABILITY INITIATIVE OF SOUTH AFRICA (SIZA)

By financial year-end 606 producers, 55 pack-houses and 23 exporters had joined SIZA, illustrating rising stakeholder commitment towards ethical and sustainable fruit supply. This interest brought with it challenges in the form of needing additional SIZA administrative and management support, with the programme manager's position (Colleen Chennells) then being made permanent and administrative support contracted in. With future growth expected, the positive support for the Programme was reciprocated by UK and mainland Europe retailers, and it was pleasing to see actual data exchange between SIZA and the UK-based SEDEX. Visits to the UK and EU by CGA and SIZA representatives allowed buyers to better understand the aims and inner workings of SIZA, and how cooperation in this sector is far better than duplicating efforts and cost. Looking ahead, there is considerable room for improvement on the SIZA interface with grower members and how the audit functionality integrates into the

SIZA data platform, which will be rolled out in the next year. Using tablet technology for audits will make the audit process robust, simple and supportive of the overall objective of building trust in the fruit industry's commitment to producing fruit ethically.

COMMITMENT TO SUSTAINABLE PRODUCTION

It is exciting to report that work on voluntary environmental standards began in 2013 in collaboration between Fruit South Africa and WWF. This initiative is designed to fill a current "environmental" gap in the overall consumer assurance space. Without a home-grown solution this space will otherwise be filled by costly or cumbersome international standards. Pilot studies in three citrus growing regions were initiated during 2013, with a first draft of the Standard expected in mid-2014. This work ties in well with the continuing Confronting Climate Change: A fruit and wine initiative. Citrus growers have embraced the call to have their carbon footprint measured. Participating producers are seeing the benefits of undertaking this exercise (particularly through reduced energy bills).

MONITORING FOOD SAFETY REGULATIONS ACROSS THE GLOBE

CGA monitors export and import regulations with well over 1000 changes across the globe each year. Typically new or proposed rules are published in the World Trade Organization (WTO) notification procedure, but such notifications provide only the basic detail. CGA therefore gather information from a network of

official and expert sources to understand and interpret the implication for citrus exports to these countries, sources that include: DG SANCO (EU), Chemical Safety Directorate (UK), CODEX Joint Committee on Pesticide Residues, International Fresh Produce Standards, SHAFTE Technical Working Committee, Homologa (MRL monitor), exporters, growers and the SA Department of Agriculture, Fisheries and Forestry (DAFF). A visit to Indonesia, Thailand, Vietnam, China and Hong Kong in September 2013 was an opportunity to engage directly with these regulators and expand CGA knowledge of consumer assurance rules in South East Asia in general, a region highlighted for growth potential and prioritised for CGA market access resources. However, both traditional and new markets pose various consumer assurance challenges that were communicated to growers mainly via Cutting Edge releases, some of which are highlighted here.

CGA ADDRESSING ISSUES

Over the year CGA have tackled the following issues:

- **Carton Labelling:** DAFF raised concerns about markings and indications on cartons that they believed were misleading, and in August 2013 made a ruling effectively prohibiting exports of cartons carrying any such slogans. The problem with this ruling was that it went well beyond what trading partners require, placed SA exports at a competitive disadvantage, added significant costs onto the supply chain and interfering with global brand indications. DAFF delayed the implementation of the ruling after a workshop coordinated by CGA in September 2013, but further engagement is required to provide certainty about the future marking rules.

- **Maximum Residue Level Standard Operating Procedure (MRL SOP):** During the course of the year DAFF initiated a process to revise the MRL SOP. CGA provided comments on the MRL SOP and particularly highlighted the fact that any measures introduced by DAFF should reflect the true risk of the situation and also consider any potential trade disruption.
- **Indonesia:** CGA and DAFF have engaged Indonesian authorities to consider the SA application for food safety system recognition. Official recognition would permit a reduced and less costly regime for pesticide residue testing, and significantly improve the prospects of importing directly via the Jakarta port. Negotiation and data exchange is ongoing. The matter of issuing import licences was also discussed but this has not proved to be a prohibiting factor for trade.
- **Retention of MRL for fungicides used to control Citrus Blackspot (CBS):** Given the likelihood and significance of revised measures around CBS for the EU market, it was critical that growers have the “tools” to control CBS where possible. In this regard CGA and CRI were active in ensuring the retention of MRLs for Benomyl (to some UK retailers) and support of the Mancozeb MRL in the EU.
- **Retention of the use of Imidacloprid:** The use of Imidacloprid has been under pressure globally with some regions withdrawing authorization for use. CGA engaged with the Registrar on Act 36 of 1947 to highlight the significant importance of Imidacloprid to control African Greening, which can otherwise be devastating to citrus production. While the Registrar will evaluate any new data on the subject the use of

Imidacloprid is permitted for now as a soil drench (the impact on bees is expected to be low). CGA and CRI will also be participating in a Pollinator Forum to address any issues around bees.

- **Use of waxes in the citrus industry:** Wax suppliers to the citrus industry were invited to make appropriate undertakings regarding the suitability of product for export markets which were published on the CGA website for growers to select a suitable wax. However, the different rules between markets about declarations on cartons (for post-harvest treatments) continues to provide a challenge for exporters seeking to simplify the export process. CGA continues to engage with DAFF on how to address this problem.

REGIONAL FOOD SAFETY & SUSTAINABILITY INITIATIVES

In the next 12 months CGA will be looking to expand the regional food safety sustainability initiatives that began in the Senwes and Hoedspruit areas in 2013. These initiatives seek to coordinate and promote regional approaches to manage pests and diseases and thus provide international buyers with comfort that sustainable practices are being pursued at the farm level. These regional initiatives promote Integrated Pest Management (IPM) and thus select pesticides on the basis of their most effective use (both for the target pest and taking consideration of the non-target organisms) rather than aiming for a residue result. It is hoped a balance is achieved between providing fruit compliant to maximum residue levels, fruit that meets phytosanitary requirements, an IPM approach to pests and diseases management, and ecological and economical sustainability at the farm level.



VAUGHAN HATTINGH
CEO, CITRUS RESEARCH
INTERNATIONAL



The 2013 year was dominated by the crisis presented by the European Union's (EU) phytosanitary regulations for Citrus Black Spot (CBS). Huge demands were placed on CRI staff directly involved in CBS, with many having little time for their other duties. This had a serious knock on effect throughout the organisation as others had to stand in for those who had to focus attention onto the CBS issue. CRI needs to be congratulated for continuing to take on the ever increasing load emanating from the EU CBS crisis and keep the rest of its portfolio of industry research and technical support services on track to ensure that the industry remains viable beyond the current EU CBS crisis.

BOARD OF DIRECTORS OF CRI AS AT 31 MARCH 2014

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	
Prof MP Hill	Rhodes University	Co-opted

GOVERNANCE & FUNDING

The levy on fresh citrus fruit exports as administered by the CGA continued to be the primary source of CRI funding. An important financial contribution was also derived from CRI contractual research collaboration, both local and international. Additional government funding (THRIP) was accessed through research at Universities within the CRI Group model. The levy on exports made provision for the filling of a number of additional technical posts in 2013. All these and the long-vacant horticulturist post were successfully filled.

MARKET ACCESS

The gaining, retaining and optimising of access to export markets has always been and continues to direct CRI's research and technical support portfolio. Details of market access technical engagements can be found in the CRI Group

Annual Research Report and an overview of market access developments can be found under the Market Access section of this CGA report. However, given the crisis to which the EU CBS situation developed in 2013, a brief synopsis of developments to date is provided here. CBS was first regulated as a quarantine organism in the EU in 1992. South Africa and other countries objected to this as being in conflict with scientific information relevant to the phytosanitary risk of CBS. In 2000, on invitation from the EU, South African scientists conducted a CBS Pest Risk Assessment (PRA) and concluded that fruit is not a pathway for the spread of CBS and the climate in the EU is unsuitable for the establishment of CBS. The EU contested the assessment and there were several further technical exchanges and additional research conducted in the period 2001-2007. In 2008 the EU called upon the European Food Safety

Authority (EFSA) to provide their scientific opinion on the CBS situation. EFSA expressed an opinion contrary to that of the 2000 CBS PRA conducted by SA scientists and indicated that EFSA was of the opinion that the EU CBS Regulations were appropriate. South Africa challenged this opinion and in 2010 called upon the International Plant Protection Convention (IPPC) for dispute settlement. The USA conducted an independent CBS PRA in 2010 and also concluded that fruit is not a pathway for the spread of CBS. An IPPC facilitated bilateral engagement was held between representatives from EU and SA in Rome in 2013. SA requested the IPPC to proceed to the step where an international panel of experts is convened to assess the dispute. EU declined to consent, indicating that they were requesting EFSA to conduct a revised CBS PRA. The IPPC process was accordingly placed on hold pending the outcome of the EFSA CBS PRA. In July 2013 EFSA published a draft PRA and called for public comment. An international panel of scientists with CBS expertise compiled a detailed commentary on the draft PRA and provided it to EFSA. The international panel indicated that it disagreed with the draft EFSA PRA. The international scientific CBS panel agreed with earlier PRAs which had concluded that fruit is not a pathway for CBS and the EU is not climatically suitable for establishment of CBS. EFSA published its finalised CBS PRA in February 2014. It was evident that EFSA had largely disregarded the input provided by the international scientific panel and EFSA reached conclusions that were strongly divergent from the conclusions of the international scientific panel and previous PRAs. EFSA maintained its opinion that citrus fruit imports could be a risk to parts of the EU and that the current regulations are necessary. DG SANCO indicated that it would move to strengthen its CBS regulations in 2014.

RESEARCH PORTFOLIOS

The details of progress made with research in the disciplines of Entomology, Plant Pathology and Horticulture can be found in the CRI Group Annual Research Report. The Disease Management Research portfolio was heavily focussed on CBS. CRI Group researchers formed an important part of the international scientific CBS panel that was convened to assess and provide detailed inputs on the draft EFSA CBS PRA. CRI researchers also formed part of an international research group convened by the USA to generate additional scientific CBS risk assessment and mitigation data. Within the IPM portfolio, resources remained strongly focussed on FCM and fruit flies. The fruit fly *Bactrocera invadens* became established in some northern areas. Control strategies that CRI had previously developed in anticipation of this were made available to growers for implementation. The sustained provision of research and technical information in support of the efficacy of a 22 day cold treatment for FCM, culminated in the USA agreeing to revert from the 24 day treatment to a 22 day treatment. CRI deserves recognition for its perseverance in providing the USA with the appropriate scientific risk mitigation assurance and achieving this long standing goal. The horticulture portfolio received a boost when the long existing horticulture researcher vacancy was finally filled. In addition to further progress in providing practical management solutions to post-harvest rind disorders, the horticulture portfolio was engaged in a major SA study on water utilisation and the evaluation of shipping containers to apply phytosanitary cold treatment protocols.

CITRUS IMPROVEMENT SCHEME

Infrastructure at the Citrus Foundation Block (CFB) was further expanded and new operational

procedures implemented to accelerate budwood production to better supply the fluctuating budwood demands. An investigation into a problem that was encountered with the B17 cultivar indicated that an erroneous mix up of budwood lines prior to the material being supplied to CFB for multiplication was the most probable explanation. Additional procedures were implemented by the CIS to reduce the risk of recurrence, but CRI as operator of a voluntary participation non-statutory CIS (the current system), remains constrained in the extent of its control of the budwood supply pipeline. Preparations were made to progress the transformation of the CIS to a statutory, compulsory scheme in the future. A problem was encountered with the viability of citrus seed supplied in 2013, but quick response from CRI with financial support from CGA ensured that appropriate procedures were implemented to minimise resultant future shortages of trees available to growers for planting.

EXTENSION

The model used by Extension as the primary technology transfer platform underwent modification with a successful shift in focus to a series of regional technical workshops. This was an expansion of the extremely successful Packhouse Workshops which attracted over 900 participants in 2013. This is a great success story that the CRI Extension Division needs to be congratulated on. The extension capacity was enhanced with the appointment of an additional regional extension manager to be able to provide growers in all regions with stronger coordinated technical support. The CRI Post-harvest Technical Forum (CRI PTF) made excellent progress in mitigating the potentially highly costly consequences of recent developments in the packaging industry.



LUKHANYO NKOMBISA
TRANSFORMATION
MANAGER



Socio-transformation is the buzzword in our democratic society and country, and is being implemented in all sectors and organisations. Since its inception, the CGA has been promoting transformation within the South African citrus industry. The introduction of the new AgriBEE codes made CGA and its transformation desk review some of its activities to ensure that it is in line with the latest requirements.

CITRUS GROWERS DEVELOPMENT CHAMBER

The Citrus Grower Development Chamber (CGDC) is the supporting structure of the transformation portfolio. The CGDC has continued to make progress in ensuring that transformation is practically and meaningfully implemented. During the year under review the CGDC met twice and the executive committee of the Chamber also had two meetings. During the first chamber meeting of the year, the need for an accurate survey of the current status of emergent citrus growers was identified. The Chamber requested the CGA to conduct a situational analysis to take stock of what has

been achieved, what still needs to be achieved and how can it be done.

SITUATIONAL ANALYSIS

The CGA transformation desk engaged the Citrus Academy to undertake this project in conjunction with Lima Rural Development. The situational analysis involved a detailed survey of 118 emergent citrus enterprises, conducted through site visits to each individual farm.

The survey was conducted by province, starting in August 2013 in KwaZulu-Natal, followed by the Eastern Cape and Limpopo Province in September and October. The survey in the Western Cape, Mpumalanga, the North-West Province, Gauteng and the Northern Cape was conducted early in 2014. In March 2014 a workshop was held with the Citrus Grower Development Chamber during which the outcomes of the survey were presented and discussed.

The survey was divided into sections, or topics, being: landholding, land acquisition, citrus business form, land utilisation, tree census,

Province	Enterprises	Citrus Planting	Ave Enterprise Size
KwaZulu-Natal	17	1 337ha	79ha
Eastern Cape	36	1 927ha	54ha
Limpopo Province	42	2 339ha	56ha
Mpumalanga	11	749ha	68ha
Gauteng/North-West	2	66ha	33ha
Western Cape	7	216ha	31ha
Northern Cape	3	577ha	192ha
Total	118	7 211ha	61ha

resource utilisation, equipment and machinery, infrastructure, marketing, management and employment profile, support and services, business plans, and compliance.

A large amount of detailed, verifiable and extremely useful data was gathered in this process. This information will be used to develop targeted interventions which will be implemented by the CGA's transformation personnel and the Citrus Academy. In addition, some information may be made available to other stakeholders in order to better inform their programmes.

On page 22 the table shows the number of enterprises surveyed per province, the total area planted with citrus, and the average enterprise size.

The CGA grower database and tree census will be updated with the information gathered during the situational analysis.

LEADERSHIP

The CGA transformation manager was privileged to be invited by the US Embassy and DAFF to participate in the Cochran Fellowship programme, held over two weeks in the USA and conducted by University of Missouri, Columbia.

US Embassy and DAFF sponsored the transformation manager and one citrus farmer from the EC to attend this training programme of agribusiness development. This was an eye-opening short training course focusing on sustainable agriculture and zero hunger policy.

GOVERNMENT & STAKEHOLDERS RELATIONS

Working Committees for Implementation

of MoU's

After the CGA signed MoU's with three provincial Departments of Agriculture for farmers support, working committees were established to facilitate the implementation of the MoU's.

The core responsibility of the working committees is to work closely with the CGA transformation desk to ensure that we coordinate support required by the growers and complement each other. Working committees are made up of representatives from the relevant provincial department, district and local municipalities in citrus growing areas, development agencies in the province, and any other stakeholder that can have an impact on providing support to the growers.

Department of Agriculture, Forestry and Fisheries Smallholder Consultative Workshop

The CGA transformation manager participated in a workshop conducted by DAFF on smallholder support. The CGA gave input during the workshop and raised concerns around the slow pace of providing support to producers, as well as concerns about DAFF and provincial Departments of Agriculture not working together effectively in providing such support.

Department of Rural Development and Land Reform Recapitalisation Programme

The recapitalisation programme has had a positive impact in the citrus industry, especially in the Eastern Cape where a number of growers have benefitted from these grants. Most of the growers have used the funding to establish infrastructure and to procure implements and vehicles for operational purposes. Most importantly, some growers have made use of

grant funding to expand their citrus plantings. We commend the national Department of Rural Development and Land Reform and the provincial office in the Eastern Cape for their efforts in getting assistance to the growers. Unfortunately, in other areas and provinces the implementation of the recapitalisation programme is not progressing as well.

AgriSETA Support

AgriSETA approached the CGA to work together in conducting assessments on two citrus farms in the Limpopo province, namely Sunningdale Farmers Trust and Limberg Farming Enterprises. The CGA contracted Lima Rural Development to assist with the assessment of the projects and subsequent social facilitation. Unfortunately, although the project went well at the beginning the challenges that followed led to Lima and the CGA withdrawing from the process.

AgriSA Integrated Farmers Forum (IFF)

The CGA transformation manager continued to participate in the Integrated Farmers Forum at AgriSA. The IFF provides a platform for policy and support debate under the AgriSA umbrella. There has been great progress in terms of stakeholder engagement and commodity organisation being given the opportunity to support government planning through these forums, allowing room for such conversations to take place before implementation.

NAMC Review of Transformation Guidelines

The transformation manager participated in consultative workshops conducted by NAMC to review the transformation guidelines. A written submission was also made to NAMC on the approach CGA would prefer in future.



JACOMIEN DE KLERK
GENERAL MANAGER

The Chief Executive Officer of the CGA, the company secretary 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 year under review:

2013/09/09, Apologies: Arend Venter

2014/03/26

The sixth annual general meeting of the Citrus Academy was held at The Beach Hotel, Summerstrand, Port Elizabeth on Tuesday, 10th September 2013.

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.

For the 2013/2014 financial year, the Citrus Academy reported a surplus of R471,419 in comparison with a surplus of R53,845 for the previous financial year.

CA BURSARY FUND

The Citrus Academy Bursary Fund maintained its high level of performance, in terms of student numbers, bursary value and overall success. In 2014, a far greater number of postgraduate bursaries were awarded, resulting in an increase in the average value per bursary. The following allocations were made in the period under review:

Description	2013	2014
Total value of bursaries	R1,372,711	R1,911,222
Number of bursaries	62	67
Ave value per bursary	R22,141	R28,526

Through the Black Economic Empowerment (BEE) section of the Bursary Fund, the Citrus Academy continues to provide direct support to emergent citrus growers. Allocations made in the period under review are set out below.

Description	2013	2014
Total value of BEEBS bursaries	R241,789	R205,280
Number of bursaries	20	16
Ave value per bursary	R12,089	R12,830

At the end of 2013, thirty-five Citrus Academy Bursary Fund students successfully finished the qualification they had been studying towards. Twelve of those students decided to continue their studies toward further qualifications with further assistance from the Bursary Fund, while eleven continued their studies by other means. Four graduates were employed in the citrus industry, four more were employed in positions closely related to the industry, and four are currently still seeking employment.

The Citrus Industry Trust and the AgriSETA were the major sources of bursary funding. We sincerely appreciated their continued support.

CITRUS ACADEMY BOARD OF DIRECTORS

Representation	Name	Date of Appointment	Date of Resignation
CGA	Shane Dellis (chairperson)	2009/04/01	
CGA - Emergent grower representative	Hannes Hobbs (vice-chairperson)	2012/11/19	
CGA	Graham Piner	2014/01/28	
CGA	Phillip Dempsey	2012/11/19	
CGA - Emergent grower representative	Israel Nemaorani	2007/04/01	2014/01/28
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	2013/05/28

CA BURSARY FUND EXPERIENTIAL LEARNING PROGRAMMES

In the year under review, participation in the various experiential learning programmes were as follows:

Category	Students	2013	2014
Vacation work		16	12
Internships		5	5
Graduate placements		0	1
Industry exposure programme		35	33

We would like to thank the following companies for providing experiential learning opportunities to Citrus Academy Bursary Fund students: Indigo Packhouse, Du Roi Nursery, Penhill Farm, Sundays River Citrus Company, Citrus Research International, Golden Frontiers Citrus, Neos Estates, Bavaria Estates, Letaba Estates, Croc Valley, Champagne Citrus and Citrus Growers' Association

Through the Industry Exposure Programme, twenty Citrus Academy Bursary Fund students attended various CRI Workshops, dealing with postharvest practices, production practices and the pest spring complex. Three students were furthermore given the opportunity to attend PMA Fresh Connections, while students also attended the IOCV Conference, the Netafim Citrus Seminar, the VI International Conference on Managing Quality in Chains and the 2013 American Phytopathological Society Conference. Lastly, the Citrus Academy funded SAIGAS Global Gap Training for two students through the programme.

In 2013 the Citrus Academy addressed the need for preparing graduates for the workplace in order to enable career development. The inaugural Ready-Steady-Work programme was

held at Camp Discovery close to Pretoria in September 2013, with twenty-six students participating. The programme was hailed a success by all involved, and will be continued in the future.

INDUSTRY PROMOTION

Citrus Academy staff and Bursary Fund students promoted the citrus industry as an attractive career option at the PMA Agri-Food Career Fair at Stellenbosch University in April 2013, and at the UKZN Agricultural Career Fair and PMA Agri-Food Career Fair at Pretoria University, both held in August 2013. In addition, the Citrus Academy was asked to review the Career Awareness Strategy of the Department of Agriculture, Forestry and Fisheries, through which they made a positive impact on the promotion of careers in agriculture on a wider front.

LEARNING PROGRAMMES

The Citrus Academy initiated the development of a Citrus Business Management learnership programme in 2013, which will be piloted amongst a group of selected emergent growers in 2014. The need for business management

skills was identified by the Citrus Grower Development Chamber, and reiterated by the situational analysis conducted amongst emergent growers. The programme constitutes a full learnership with a credit value of 162, and will be implemented over a period of twelve months. It covers entrepreneurial skills, business planning, financial and administrative management, human resource management, sales and marketing, and strategic management, along with basic life and team management skills.

LEARNING EVENTS

In 2013 the new B-BBEE codes were published and the Citrus Academy took the initiative to inform citrus growers about the requirements for BEE compliance and certification against the sectoral AgriBEE codes. From this process the need was identified for more targeted workshops to enable citrus growers to implement this process in their businesses. A series of AgriBEE Champions workshops were held in October and November 2013, in Addo, Patensie, Citrusdal, Groblersdal, Letsitele, Nelspruit and Nkweleni. Positive feedback was received from all those who attended. As B-BBEE compliance becomes a more and more important requirement for participation in the economy, we are certain that the need will arise for further events. The Citrus Academy will arrange further workshops on request.

The Citrus Academy also assisted the Limpopo Department of Agriculture to develop the skills of their citrus extension officers by arranging a workshop in Letsitele on Citrus Safety. Drs. Hennie le Roux and Arno Erasmus of the CRI kindly agreed to present the workshop, and facilitate site visits. The workshop was coordinated by the Citrus Academy and facilitated by Rapid Skills Warehouse.



Ready-Steady-Workers



JONATHAN ROBERTS
GENERAL MANAGER
CGA CULTIVAR COMPANY



The past year has seen a shift in our activities, as we move from a start-up cultivar Company establishing itself in the industry to one that is now preparing to manage the release, evaluation and commercialisation of cultivars that have come through the CIS ‘Clean-up’ pipeline.

Identification of cultivar requirements and opportunities however, remains a key focus. Budwood Sales over the last five years in the recently published CGA’s “Key Statistics” Booklet makes interesting reading.

The process of identifying requirements of the market and the opportunities they present to farmers is constantly changing. In the last five years, Mandarins and Navels have taken first and second place from Grapefruit and Valencia’s in the five years before. (See table below). From a low base, Mandarins have been on a steep upward curve in the last two years; this has largely been driven by the availability of new Cultivars in place of the Late Mandarins that were not available to all growers.

Surprisingly Navels in second place have remained steady over the five years, despite all the negative talk of Oranges becoming a commodity fruit. This steady demand has

probably been sustained by the strong market demand for Late Navels in recent years, as well as being the only option on offer for growers who had little access to Mandarins. We have several Late Navel and Mandarins that are soon to be released.

Valencias in third place might have maintained its high placing had there been more promising new varieties. This remains one of our focus areas, including disease tolerant varieties.

Lemons in fourth place, although not having any new options, have maintained a high sale rate and Eureka Lemon, an Open Variety, at 508 460 buds last year, remains the single largest supplied cultivar in the industry by about 50% clear of the next cultivar in second place. Potential disease tolerance of CBS hybrids is another focus area. Star Ruby enjoyed this Number One position six years ago and if the market becomes oversupplied in five years’ time the same could apply to lemons, Late Mandarins and Late Navels. Five years is the time it takes for the buds supplied last year to come into bearing! Do not get into a comfort zone with any cultivar going forward, lateral thinking is required.

**Accumulative
Bud Sales over
last five years,
2009-2013**

(descending order)	Bud Sales	Est. Ha’s	Est. tree/Ha’s
Mandarins	3 919141	5885	666
Navels	3 324687	5990	555
Lemons &limes	3 106229	5597	555
Valencia’s	3 055662	5506	555
Grapefruit & Pommelo’s	891520	1606	555
Satsuma	518017	778	666
Clementine	402976	605	666

FUTURE TRENDS, LEFT FIELD THINKING

With this in mind the crystal ball is probably the most polished item in our office and probably in every industry players mind as well. During this year's CGA road shows, I concluded my presentations with the question: "any answers", instead of the normal, "any questions". Inputs from growers and industry players are appreciated and key to the success of our industry, (CGACC is a CGA, grower-owned company).

Going against prevailing wisdom and norms can be risky. However, it is necessary in this industry in order to come out ahead. I was recently asked by a respected grower what was the most unpopular variety available. I asked why he wanted to know; he responded that he wanted to plant that variety to be sure that he was planting varieties nobody else was planting and less likely to be oversupplied. With that same kind of thinking we are evaluating varieties that are out of favour, as well as the current popular varieties. The long period of clean up and evaluation could mean that something that was popular at the beginning of its evaluation and development is out of fashion when ready for release six years later. We need to cover all bases.

It is difficult to read the markets five and ten years ahead let alone one season ahead. As difficult as the grapefruit market is at present, given the changes displayed in the table above, it is possible that new cultivars or new markets might bring it back into play. The health benefits, improved flavour, sweetness and colour of new Grapefruit hybrids could help increased consumption by the younger generation and the health conscious. As a result, included with evaluation of popular new soft citrus and Late navels, we are continuing focus on grapefruit,

Valencias and lemons with new characteristics as well as potential disease tolerance.

OPEN VARIETIES & ROOTSTOCKS

One of our mandates from CGA is to act as spokesman on cultivars on behalf of growers. Little promotion is carried out of open Cultivars that perform well against Protected (Royalty) Cultivars. It is interesting to note that an Open cultivar, (no royalty), such as Lane Late, came second in an accumulated production trial over ten years. It outperformed eight 'Royalty' varieties. These days it is unlikely that this fact would be highlighted by Cultivar Management companies, it is a competitor. It will be a focus of ours to highlight and promote Open varieties that perform well on our web site and in our newsletters. The same focus will be applied to root stocks that display the required improved tolerance to tougher environmental conditions and disease tolerance that can be expected going forward.

SOURCING INTERNATIONALLY & LOCALLY

This continues to be our main activity.

Locally: CGACC currently has over 60 varieties at various stages of selection, 'Clean Up', evaluation and interim release. Varieties that have come through Clean-up still require sufficient evaluation in order to prevent costly mistakes to Nurserymen and growers who might plant a variety not proven true to type. There have been several cases of this in recent years. The first promising Cultivars for release will be displayed on our Web Site that will be completed shortly.

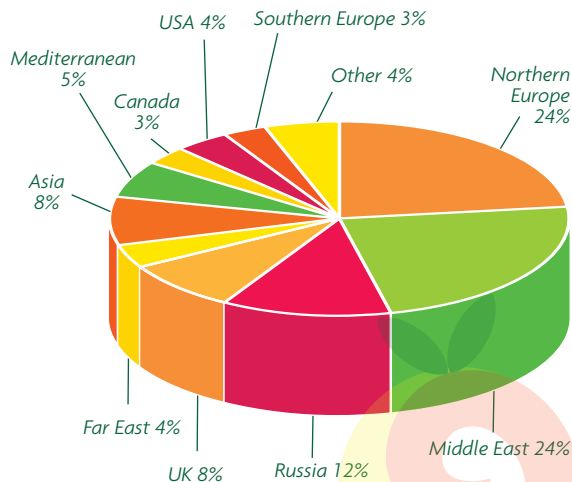
Internationally: CGACC has successfully negotiated agreements to evaluate the following:

- Seven new cultivars with NVDMC in Florida. NVDMC, similar to CGACC, is a Florida grower based Cultivar Management Company, The varieties they represent are from the University of Florida breeding programme at CREC Lake Alfred. The CREC breeding Programme is a key focus due to their cultivars that are bred in a climate similar to the warmer humid climate in the northern regions of our industry. Our warmer northern regions have not had new alternatives to Cultivars that made an impact such as Star Ruby for several decades now. Our focus therefore has been to source cultivars, especially soft citrus that have the potential to provide new options to growers in these regions.
- We have also signed agreements with two Spanish companies for varieties that could provide earlier and mid-season soft citrus options.
- We continue with negotiations for new rootstock alternatives, and some of these are now through quarantine and clean up and due to go into evaluation.

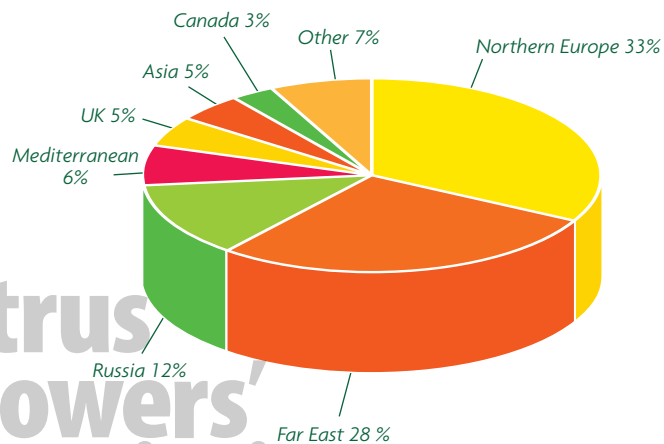
MANAGING THE PROCESSES & PROCEDURES FROM QUARANTINE TO RELEASE

One of the frustrations of cultivar management is the extremely long development phase of Clean-up and evaluation after one has procured new cultivars. However recent mishaps in releasing cultivars, not proven true to type, have caused serious losses to growers and nurseries, as mentioned. This, along with the danger of introducing diseases, sometimes not entirely eliminated in 'Clean-up' requires patience through the phases of development. This is a long term business!

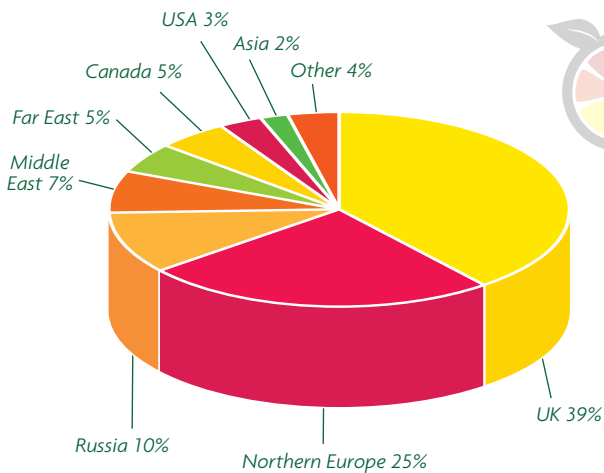
ORANGES



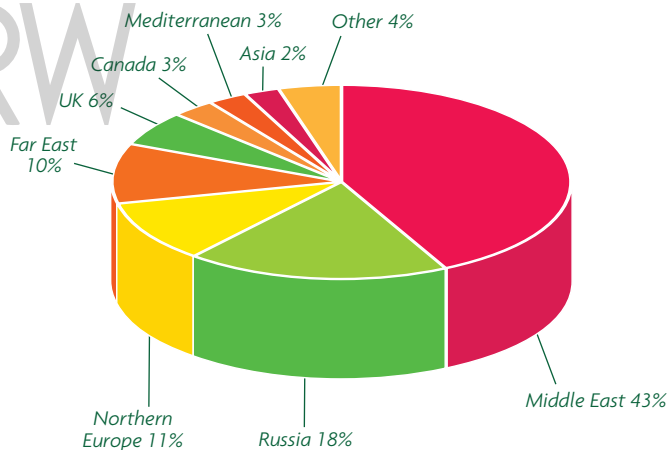
GRAPEFRUIT



SOFT CITRUS



Citrus Growers' Association
OF SOUTHERN AFRICA



Key to Hectares

Total

● Grapefruit & Pummelos	9 404
● Lemon & Limes	5 904
● Navel	15 624
● Soft Citrus	6 401
● Valencia & Midseasons	26 869

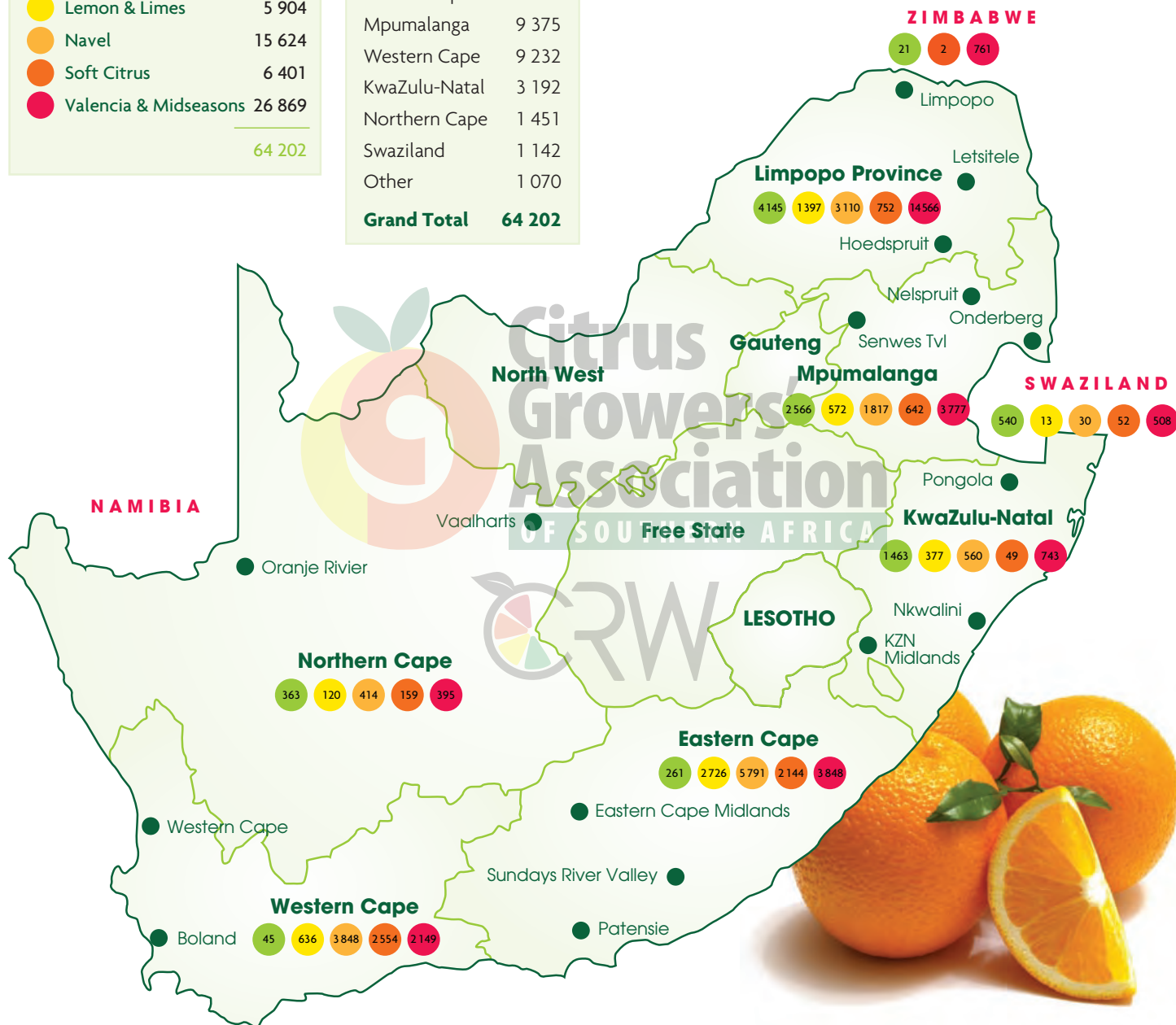
64 202

Province Area (Ha)

Limpopo	23 970
Eastern Cape	14 770
Mpumalanga	9 375
Western Cape	9 232
KwaZulu-Natal	3 192
Northern Cape	1 451
Swaziland	1 142
Other	1 070

Grand Total 64 202

CITRUS PRODUCING REGIONS





Top: Mikhail Fateev, CGA Representative, Russia;

2nd row: Bruce McAvoy, CGA Representative, USA; Rocco Renaldi, CGA Representative, EU;

3rd row: Mono Mashaba, Government Relations and International Market Development;

Deon Joubert, CGA Special Envoy - Market Access; Graham Barry, Consultant;

4th row: Faisal Asmal, Japan Special Exports Co-ordinator; Hoppie Nel, Consultant;

5th row: Andrew Mbedzi, Extension Officer, North; Melton Mulaudzi, Extension Officer, South

6th row: Rauff Dawood, South Korea Special Exports Co-ordinator



ABRIDGED FINANCIAL STATEMENTS

	ACTUAL	BUDGET	ACTUAL	BUDGET
	2012/13	2013/14	2013/14	2014/15
Income	44 869 944	52 720 000	53 422 562	58 300 000
RSA Levy	39 910 509	44 180 000	50 313 887	49 000 000
Swaziland / Zimbabwe Levy	907 883	840 000	1 321 752	1 050 000
Draw from Reserves	1 128 804	2 100 000		2 750 000
CBS Provision (Drawn from reserves)		4 000 000		4 000 000
Interest	1 300 937	1 300 000	1 042 368	1 200 000
Dividends Received - River Bioscience	300 042	300 000	300 042	300 000
Other Income	1 321 769		444 513	
Expenditure	44 869 944	52 765 483	49 334 329	58 271 800
Staff Costs	3 554 677	3 692 841	3 786 852	4 088 300
Travel & Accommodation	300 749	319 500	309 065	309 500
Office - Rent & Equipment	326 250	294 000	290 326	214 000
Office Expenses	386 934	398 000	329 397	376 000
Board Expenses	432 222	575 550	543 347	612 000
Services (Accounting, Legal & Insurance)	98 388	200 000	326 288	340 000
Suscriptions	230 893	249 000	244 584	256 000
Communication	118 157	202 000	132 224	202 000
Market Access	3 324 229	4 618 000	2 978 147	3 180 000
Market Access - CBS		4 000 000	1 146 075	7 100 000
Research Programmes - Citrus Research International	24 101 012	31 000 000	32 001 680	33 587 000
Research Programmes - Citrus Research Trust	3 093 256			
Transformation & Grower Development	3 237 987	2 714 651	3 128 208	3 095 000
Transformation - Citrus Academy	1 925 000	2 100 000	2 100 000	2 300 000
Depreciation	296 39	32 000	23 301	32 000
Information	395 156	640 000	592 312	680 000
Provision for doubtful debts	(748 537)		23 219	
Leave Pay Provision	(10 221)		45 558	
Infrastructure & Logistics	1 029 018	1 179 941	915 514	1 250 000
Market Development	545 094	400 000	349 971	400 000
Fruit Industry Social Compact		100 000	68 261	200 000
Citrus Cultivar Management Company	2 500 000			
General	41	50 000		50 000
Net Surplus/(Loss) for Year	-	(45 483)	4 088 233	28 200



Conceptualised by Gloria Weare

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