

annual report **2017**



1997- 2017

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

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1997 - 2017

Citrus Growers' Association of Southern Africa

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As we look at the scoreboard for the year 1 April 2016 until 31 March 2017, the South African Citrus Industry has yet again emerged as the world's leader in citrus exports in terms of quality, reliability, diversity of products and earnings. This is without a doubt testament to the producers and packers in Southern Africa who must now be regarded as some of the best in the world. We should also recognise the contribution of the huge labour force - about 125 000 people - who pick, pack and transport the crop. It is estimated that the Citrus Industry paid about R1.6 billion in salaries and wages.

To plan far ahead is part of the DNA of any good citrus grower. In light of this, I need to raise three red flags that would impact our future:

1. New regulations for False Codling Moth into Europe

I have made the controversial statement before that the winning of the CBS battle with the EU might start the FCM war. Unfortunately new regulations were put into motion in the EU that would severely impact on our ability to trade fairly with European markets from 2018.

Fortunately we have learned so much from our CBS crisis that the people, systems, relationships and ability to work together will certainly empower us to mitigate and overcome this threat too. However, it will be critically important to use every tool at our disposal to make a systems approach work for 2018.

2. Overproduction or new Markets?

From the CGA's database it is evident that new plantings of lemons and soft citrus are of huge concern. In the past 2 years 4 million lemon buds and 4,5 million soft citrus buds were sold from the Citrus Foundation Block. Studies show that would raise our cartons available for export to 38 million lemons and 25 million soft citrus. Currently markets and market access for those volumes simply don't exist! Strategies are currently being formulated to

attain easier market access to certain markets, but growers should realize that more financial contributions would be needed to facilitate marketing campaigns and stimulate consumption to be able to sell these volumes at viable returns.

3. Input Costs, Water and Labour.

During the Board's bi-annual Strategic Workshop held this year, these factors were elevated to strategic risks.

Considering that the Citrus Industry employs $\pm$ 125 000 of the 870 000 in Agriculture (without upstream and downstream jobs) and can create a permanent employment for every R400 000 investment, Government would earn a great dividend in a small investment in capacity to grow exports and facilitate better access.

As an industry and through the CGA, we will address these red flags. I would like to invite input from our growers in order for us to overcome these possible obstacles.

During March we hosted our second bi-annual Grower Summit in Port Elizabeth. Feedback tells us it was a resounding success and the standard was of the highest quality. I trust it provided a platform for the growers to receive information and also to give input to the direction and future of our Industry.

Ek wil graag elke individu in die diens van die CGA, CRI, RB-XSIT, CGAGDC, CA, CGACC en ander gekontrakteerde navorsers en mede-werkers opreg bedank vir jul reuse bydrae om die Suider Afrikaanse Sitrus Industrie 'n wereldeier te maak. Ook die verskaffers en dienste sektor vir jul insette wat help om ons Producente aan die voorpunt van tegnologie en produksie te hou.

I thank our Heavenly Father for the guidance and the Blessings we received. May the Great Gardener bless you in 2017.



CGA: Celebrating 20 Years 1997-2017

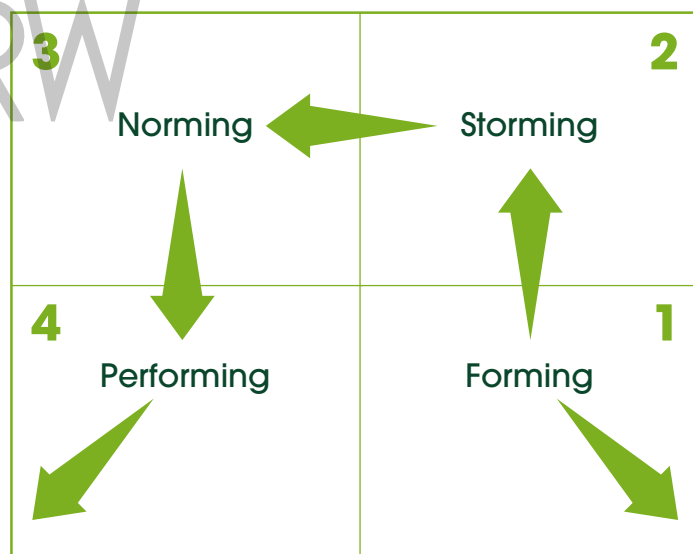
"The more things change the more they stay the same".

The inaugural meeting of the Citrus Growers Association of Southern Africa was held on 19 November 1997. Many directors at that first meeting continued to serve growers for many years - the longest serving being Antione Rouillard who represented Pongola until 2014 (at which time Pongola joined with Swaziland) - eighteen unbroken years' service on the Board including a stint as Chairman. Hoppie Nel represented Onderberg for sixteen years, also serving as Chairman. Apart from the above, those at the inaugural meeting who served for ten years include Herman Malan (Patensie), Eddie Ueckermann (KZN Midlands) and Peter Nicholson (Limpopo River - who also served as Chairman). Other Directors have sacrificed time in serving for ten years or more on the CGA Board - George Hall (Boland) for fifteen years, Per Noddeboe (Swaziland) and Jock Danckwerts (East Cape Midlands) both fourteen years, Fanie Viljoen (Letsitele and also Chairman for a period) and Graham Piner (Nelspruit) both eleven years, and Mike Woodburn (KZN Midlands) serving ten years. A number of these veterans are still serving on the CGA Board - to them and all those present and past Board members, the growers of citrus in South Africa, Zimbabwe and Swaziland owe you tons of appreciation in guiding the Association through the last twenty years.

Looking back at the minutes of the first few Board meetings is enlightening. The forming, storming, norming and performing model of group development was first proposed by Bruce Tuckman in 1965, who said that these phases are all necessary and inevitable in order for the team/association to grow, face up to challenges, tackle problems, find solutions, plan work and

deliver results.

The **forming phase** involves the team meeting and learning about the opportunities and challenges, and then agreeing on goals and beginning to tackle the tasks. Team members tend to behave quite independently. They may be motivated but are usually relatively uninformed of the issues and objectives of the team. Team members are usually on their best behaviour but very focused on themselves. Mature team members begin to model appropriate behaviour even in this early phase. The first few year's minutes reveal this "forming" phase in the CGA - and due to some extremely patient growers and mature team members the CGA was put on a sustainable path. Interestingly the issues identified at that first meeting were; development of emerging growers; granting of bursaries; Citrus Journal; nursery tree certification, accreditation and shoot tip granting; tree census; citrus industry research; market development; market access





and market coordination - sound familiar? Early meetings also show the Board grappling with the setting of quality standards, local market issues and affiliation to organised agriculture. In these early days a number of different structures were mooted and established - the Greater Citrus Growers Federation, the Citrus Exporters Coordinating Council, the Independent Fruit Growers Association, the Development Trust and the Citrus Industry Forum. In the forming stage the CGA survived and became the single grower representative body.

In the **storming phase** participants form opinions about the character and integrity of the other participants and feel compelled to voice these opinions if they find someone shirking responsibility or attempting to dominate. Sometimes participants question the actions or decision of the leader as the expedition grows harder. During this stage CGA relied on voluntary levies which proved to be a challenge. Loans were sought from the Liquidation Committee of the Citrus Board, and it was agreed that a number of issues could not be addressed (including the Citrus Journal, tree census, nursery tree certification and accreditation, market development and accreditation). The CGA Board was forced to focus on a few key issues, essential to the long term sustainability of the citrus industry. These focus areas remain the key activities of the CGA.

During the **norming phase** there is resolution of disagreements and personality clashes which results in greater intimacy, and a spirit of co-operation emerges. The successful application for a statutory levy resulted in assured income and allowed the Board to resource the Association in order to meet member's expectations and industry requirements.

The CGA is now in the **performing phase**, with group norms and roles established, group members focus on achieving common goals, often reaching an unexpectedly high level of success.

All of this has been made possible by the dedication of governance structures and staff of CGA and the CGA Group of companies, the support and encouragement of grower members and collaboration and cooperation of government and other stakeholders.

ega staff



Back: Belinda Goosen,
Faisal Asmal, Dean Pillay,
Mitchell Brooke, Keziah Naidoo,
Robert Miller, Liane Esch,
Rauff Dawood

Front: John Edmonds,
Thembeka Meyiwa,
Justin Chadwick, Gloria Weare,
Paul Hardman, Portia Gasa

Absent: Deon Joubert

board of directors



Back: Phillip Dempsey,
Andrew Muller, Bertus Dillman,
Jannie Spangenberg,
George Hall

Middle: Per Noddeboe,
Samson Qomondi, Ben Vorster,
Eric Nohamba, Fanie Meyer

Front: Charles Rossouw,
Mike Woodburn,
Pieter Nortje (Chairman),
Piet Smit (vice Chairman),
Cornel van der Merwe,
Paul Bristow

Absent: Tim Wafer,
Jock Danckwerts

Governance

The Citrus Growers Association of Southern Africa is governed by a Board of Directors nominated by its members - growers of export citrus. These directors represent their constituents at Board level, keeping them informed on all matters pertaining to the export of citrus to a worldwide market, and relating their concerns, issues or suggestions to the Board.

Each director is expected to fill a two year term, after which time the growers nominate for the next period, either for the re-election of the same representative, or a new one if a director resigns.

During 2016/17 some of the regions amalgamated due to smaller numbers of citrus farms. KZN Midlands and Nkwalini have now formed one region, KZN, under the directorship of Mike Woodburn. Pongola, which amalgamated with Swaziland during 2015, has joined KZN Midlands and Nkwalini as KZN.

There are therefore now 15 directors, as well as two Directors representing the Previously Disadvantaged Individuals (PDI's) for the North and South. There is also a non-regional director who heads up the Group Finance and Risk Review Committee whose responsibility is to provide oversight and guidance on risk, financial and internal control management.

The National Agricultural Marketing Council (NAMC) is the body which approves the statutory citrus levy every four years. A representative from the NAMC attends the CGA Directors Board Meetings and AGM's.

CGA Board of Directors - April 2016 - March 2017

Resignations: Johannes Hobbs (PDI South); Jannie Spangenberg (NCape); Tim Wafer (Nkwalini); Piet Smit (WCape); Samson Qomondi (PDI North)

Appointments: Eric Nohamba (PDI South); Marius Bester (NCape); Gerrit van der Merwe Jnr (WCape). The PDI North chair had not been filled by the end of March 2017.

At the Board Meeting held on 9th March 2017 it was agreed that two vice chairs would be elected to assist towards continuity.

Dates of Board Meetings

31 August 2016 - Intercontinental Hotel, ORT, Johannesburg.
Apologies - T Wafer, J Danckwerts.

9 March 2017 - Beach Hotel, Summerstrand, PE. No apologies.

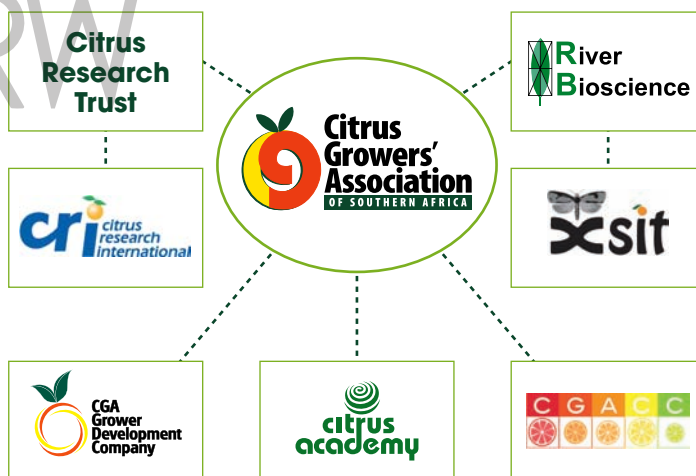
Executive Committee

Pieter Nortje - Chairman; Ben Vorster - vice Chairman; Cornel van der Merwe - vice Chairman; George Hall, Fanie Meyer.

The Directors do not receive remuneration for the time they spend on CGA business so are thanked very sincerely for giving of their time and expertise for the good of the industry.



Group Structure



representation | Gloria Weare

The CGA has representation on various Boards and Committees

Citrus Research International (CRI) | Grower representatives:

Hoppie Nel, Piet Smit, Fanie Meyer, Deon Joubert (SRV),
Louis von Broembsen, Mike Woodburn

Citrus Marketing Forum (CMF) | Peter Nicholson,
Gabrie van Eeden, Cornel van der Merwe

Citrus Industry Trust (CIT) | Mark Fry

Xsit/River Bioscience | Piet Smit (Citrusdal), Paul Marais,
Jan Louis Pretorius from July 2016, George Hall to Dec 2016

CGA Cultivar Company (CGA CC) | Barend Vorster, George Hall

Citrus Improvement Scheme | Jock Danckwerts, Paul Hardman

Citrus Academy | Cornel van der Merwe, Phillip Dempsey,
Andrew Muller, Tim Wafer to end 2016, Hannes Hobbs to mid 2016.
Samson Qomondi to end 2016, Marius Bester from March 2017

Finance and Risk Review Committee (FRRC) | Andrew Muller,
Flip Smit, Mike Woodburn

SPS/CLAM/CFSC/BI Steering Committee | Vaughan Hattingh

SHAFTE, MRL, FSF, IFPS, FSA Harmonisation | Paul Hardman

BI Steering Committee | Vaughan Hattingh

FSA, SAFJ, SHAFTE, ATF | Justin Chadwick

Market Access | Elma Carstens

AgriHub | John Edmonds

CBS Disaster Management | Deon Joubert (CGA), Pieter Nortje,
Ben Vorster, Charles Rossouw, Cornel vd Merwe, Hannes de Waal,
Justin Chadwick, Peter Nicholson, Jock Danckwerts,
Vaughan Hattingh

FCM Disaster Management | Deon Joubert (CGA), Pieter Nortje,
Hoppie Nel, Fanie Meyer, Francois Dillman, Hannes de Waal,
Per Noddeboe, Justin Chadwick, Piet Smit (W Cape),
Jock Danckwerts, Vaughan Hattingh

AgBiz | Justin Chadwick, Charles Rossouw, Cornel van der Merwe

PPECB | Khaya Katoo, Martli Slabber

Citrus Growers Development Chamber | Eric Nohamba

CGA Grower Development Company (CGA GDC)

Juliette du Preez

communication | Gloria Weare

The CGA Citrus Summit



During 2017 (8-9th March) the CGA held its second Citrus Summit instead of the Roadshows which are now held bi-annually. This Summit was held in Port Elizabeth - as a convenience for growers in the southern regions. In 2015 the first Summit was held in Phalaborwa for the growers in the north. The word is definitely spreading that the CGA Citrus Summit is the place to be for updates on everything pertaining to the citrus market, trends, the future of the citrus industry and more.

The theme of this Summit was *Plan to Succeed, Lead to Inspire*. Standard Bank was the main sponsor once again with The Co-op being gold, Villa Crop and Sunkist being silver. The Bronze sponsors were PPECB, River Bioscience/Xsit, Mpact, Capespan, JB Technologies and Nelson Mandela Bay.

In 2015 the Summit was aimed at Growers only, whereas the 2017 Summit was open to everyone in the industry. There were 550 seats in the 5-star venue at the Boardwalk Hotel, and all 550 were booked up by the week before the Summit.

The various speakers presented very topical and relevant talks which were very well received by the delegates. These presentations can be found on the CGA and Citrus Resource Warehouse websites. www.cga.co.za and www.crw.org.za

The next Summit will be held in the north in March 2019.

Great Fruit Adventure

The CGA had the opportunity to help spread the word about the health benefits of eating fresh fruit during January/February 2017. This visit was partly sponsored by Fruit South Africa, of which Citrus Growers Association is a member. Max MacGillivray, from London, UK, decided to undertake a mammoth overland journey by motor

bike - from London to Cape Town. He and his associate Gareth Jones travelled through Africa visiting farms and taking photographs of where fruit and vegetables come from. A large percentage of pupils in London schools are unaware of the origins of fruit! CGA assisted by arranging an itinerary of visits to citrus farms from Beit Bridge through to the Sundays River Valley. The bikers, apart from meeting with farmers, workers and fellow bikers, visited not only the orchards, but also had the opportunity to meet with children who attend schools on the various farms. The stories and experiences they gathered have been taken back to England and are being spread through their Facebook page. Max's next step is to visit the schools around London and share his first hand experiences, along with an array of photographs of the adventure, hoping to increase children's interest in the origins of fruit and encourage them to eat more healthily.



Gareth Jones and Max MacGillvray outside the CGA offices

SA Fruit Journal

The SAFJ is owned by SA Table Grapes, SA Stone Fruit, SA Apple and Pear, Fresh Produce Exporters Forum and Citrus Growers Association. Each association submits articles on research, technical, transformation, awards and newsworthy items on a bi-monthly basis. All paying members of these associations receive a free copy in the post. Advertising in this Journal therefore reaches all growers of the various fruit types country-wide. Contact Ignatius on sales@safj.co.za.

CGA Website

The CGA website www.cga.co.za keeps growers up to date on relevant information pertaining to the citrus industry. It is divided into two sections; the home pages are open to everyone, whereas the Member section needs a password for access. All growers of export citrus with a Production Unit Code (PUC) and members of the Fresh Produce Exporters Forum are able to request access. There is one other group who can gain access through paying an annual Membership fee of R3 000 to the Citrus Marketing Forum (CMF), which is managed by the CGA. These applications are vetted by the CEO of CGA and/or FPEF prior to being approved.

CGA Communication Tool

A very effective in-house Tool for communicating with many different groups is the CGA Comms Tool. All growers in possession of a PUC are on this database, which is kept highly confidential. We have their farms details, PUC codes, managers' names, email and telephone as well as postal addresses. However in order for us to be able to reach everyone, it is up to the growers to ensure that they keep us updated with their latest information regarding their farms and contact details. Here growers can request to be added to any number of different groups such as Market Access, Logistics, Consumer Assurance, market reports, global scans, etc. The relevant CGA staff send out regular reports and updates on information through this means. Any grower who does not receive emails from CGA is asked to kindly contact gloria@cga.co.za for their information to be added to the database.

From the Desk of the CEO

Last but certainly not least, is the weekly one page newsletter compiled by the CEO. This newsletter summarises items of interest and importance within the citrus industry and has a wide following both locally and overseas. Growers, Export Agents, Shipping and Logistics, the Press and any other interested parties are welcome to receive this every Friday. If not already on the list email as per the email address above. The CEO can also be followed on his Twitter handle [justchad_cga](https://twitter.com/justchad_cga).

CGA levy

The Citrus Growers Association invoices for and collects the statutory levy due on all citrus exported. This levy is allocated to fund research and technical support, market access, market development, consumer assurance, information, logistics, transformation and administration services for the benefit of citrus growers in Southern Africa.

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 2016 and at the request of growers, a new four year levy application was lodged and approved for the period January 2017 to December 2020.

This new levy was published in Gazette number 40460 on the 2 December 2016.

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

2017 - 68 cents per 15kg carton

2018 - 70 cents per 15kg carton

2019 - 72 cents per 15kg carton

2020 - 74 cents per 15kg carton

The levy for the next four years includes additional services requested by the growers, such as further funding for the Citrus Cold Chain, Environmentally Friendly Citrus Production, Provision of Market Intelligence Information and increased funding to industry Transformation Services.

During the last four year levy period the CGA collected R227.4 million. This represents over 99% of the total levies invoiced in this period.

CGA BEE Status

During 2016 the CGA appointed Research Economist Portia Gasa, previously an Intern, onto the permanent staff of the CGA. One of her tasks has been preparing the CGA for a Broad Based Black Economic Empowerment (B-BBEE) verification audit. This process resulted in the CGA receiving a compliant status and level 6 score based on the Generic Scorecard under the AgriBEE sector. The B-BBEE certificate is available to growers on the CGA website.

Group Finance And Risk Review Committee (FRRC)

The members of this committee for the 2016 / 2017 financial year were Flip Smit (FRRC Chairman), Mike Woodburn (CGA Director KZN) and Andrew Muller (CGA Director Nelspruit).

The main function of the FRRC is to provide oversight and guidance to the various CGA group companies' boards on risk, financial and internal control management. The FRRC also ensures compliance with various corporate governance and company regulations and requirements.

The FRRC held two meetings during the financial year on the 7 July 2016 and the 23 February 2017.



Portia Gasa
Research Economist



Belinda Goosen
Financial Administrator



Liane Esch
Bookkeeper

Risk Management

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

Risk	Status / Mitigation
Effect of phytosanitary constraints on export volumes and associated levy income:	
Citrus Black Spot (CBS)	Disaster management committee in place. Special Envoy is engaged with various role players on this matter. Government is being engaged. New export markets are being developed. Additional funds allocated to CRI for research on CBS.
False Codling Moth (FCM)	FCM management committee is in place to assess, monitor and manage this risk. Expansion of XSIT programme to new regions. Discussions have been initiated with government
Bactrocera Dorsalis	Is established in some regions in South Africa. Movement of fruit out of these areas is controlled. CGA and CRI steering committee action plan is in place and being managed by the committee. Other fruit groups have provided contributions towards the management of this risk.
Biosecurity - HLB	Biosecurity Manager position has been created at CRI to manage this risk. Disease management department at CRI is also mitigating this risk.
Logistical constraints on export volumes and levy income	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. Shipping cost escalations and national roads legislation is being addressed.
Socio-political constraints on export volumes and associated levy income	CGA Grower Development company has been formed to focus on transformation and develop relationships with DAFF and other government departments. Fruit Industry Value Chain Round Table - a partnership between the fruit industry and government- has been formed.
Effect of BEE status on future levy approvals	CGA has obtained a level 6 BBEE certificate. New AgriBEE codes will be gazetted shortly. Implications and requirements of the new codes are being analysed to ensure CGA remains compliant.
Buy in from producers - constraints this may have on future levy approval and income	CGA holds a Citrus Summit every two years and conducts roadshows to each citrus producing area in alternate years. Regular communication with growers through a weekly newsletter and various other publications. Growers are also informed through a communication database.
Mismanagement of company expenditure and corruption putting company assets and funds at risk	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 FRRC, CGA Board and Executive. Annual audit is conducted.
IT Systems failure putting industry data at risk and resulting in the company being unable to operate	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. Finance and accounting data is backed up to off-site location daily.



Durban Reefer Container Operations Forum (DRCOF)

The CGA has continued with the joint operations forum in Durban in collaboration with Transnet Port Terminals (TPT) and PPECB. The aim of the forum is to identify where the major constraints are in terms of ensuring (citrus) reefer containers are handled efficiently and effectively. The CGA appointed a consultant to chair the forums and to communicate on behalf of the citrus industry. The 3 main areas of focus of the DRCOF were -

1. Ensure stakeholders are effectively kept up to date on DCT planning,
2. Ensure reefer containers are effectively managed at DCT,
3. Consult with DCT and stakeholders to identify effective methods to increase the throughput of reefer containers in Durban.

Citrus Rail Transportation

There was an increase in the number of containers transported by rail during the 2016 season. The two areas which transported containers to Durban and Cape Town were Letsitele from the Tzaneen station and Marble Hall from the Pretcon (Pretoria) station. There were roughly 2,250 reefer containers that transported citrus from Limpopo to Durban and Cape Town. The CGA, through Fruit South Africa, submitted a Fruit Rail Transport Strategy to Transnet. The strategy identified all areas of fruit production that could viably rail containers to ports for export. Transnet has formulated a fruit working group to oversee the case study. Fruit South Africa is actively participating in the working group. The final draft of the business plan will be available in mid 2017.

Assessment of Containerised Cold Treatment Shipments to China

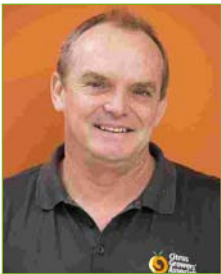
Due to a vast number of circumstances whereby containerised cold treatment shipments failed to achieve set protocols prior to

export or failed the set protocol upon export, a forensic audit on containerised cold treatment shipments was undertaken. The assessment identified the key areas which require some stricter management as well as additional measures to effectively pre-cool and maintain the protocol temperature after packing the container. The CGA along with PPECB held workshops in Durban and Cape Town with shipping lines and cold stores to present the findings of the assessment. Furthermore, a submission was made to PPECB to implement and amend certain procedures to rectify the rate of cold treatment failures.

Logistics Communication

Various media were used as platforms to present logistics initiatives to the citrus industry. This was done at the CRI Packhouse Workshops, the PPECB pre-season meetings, The South African Shippers, Transport and Logistics Council (SASTaLC) business briefing sessions and Transnet Workshops. Logistics reports are communicated to the industry on a weekly basis to identify volume flows through the main ports.





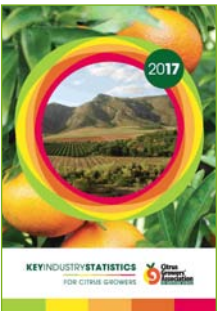
The CGA and Fresh Produce Exporters' Forum (FPEF) jointly fund the procurement of citrus information. Shipping information and reports are made available in terms of our shareholding in AgriHub whilst inspection data is procured from the Perishable Products Export Control Board (PPECB). This information is made available to all members of the Citrus Marketing Forum (CMF).

Tree Census

The annual tree census was compiled from data collected during DAFF's orchard registration process for exports. Additional information was also provided by our neighbouring states (Zimbabwe and Swaziland) to make the data complete. The tree census data is used in compiling the Citrus Statistics booklet as well as being used for updating the long term production model.

Citrus Statistics Booklet

The annual Citrus Statistics booklet provides an overview of exports, crop distribution and growth trends of the different citrus commodities and was published and sent to all grower members of the CGA. Export-related data was supplied by Agrihub and PPECB. Data on local market sales, processing volumes and revenue were obtained from DAFF. Bud-wood sales data supplied by CRI together with the tree census data was also published in the booklet.



Variety Focus Groups

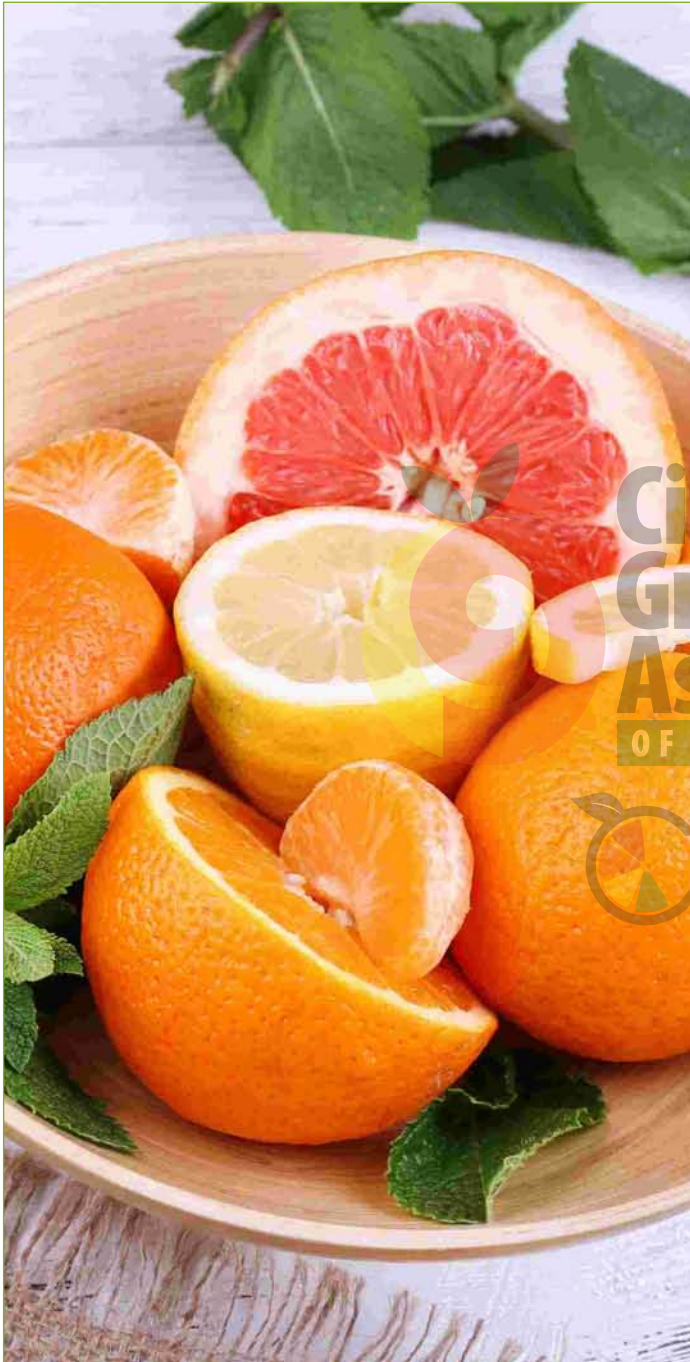
The regional variety focus group representatives elected during the CGA road shows held in the beginning of 2016, met initially in March to set the export crop estimate and give feedback to the Citrus Marketing Forum. Teleconferences were subsequently held during the season to update the crop projection, discuss markets and give DAFF guidance on dispensation requests when called on to do so. The variety focus groups had nineteen teleconferences in 2016/17. The variety focus groups' updated crop projections were communicated to the industry via the CEO's weekly newsletter and via minutes published on the CGA web site.

The table below shows the original 2016 estimates, the actual volumes achieved, and the estimates for the 2017 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. Overall the estimate was 98% accurate with only the Grapefruit Focus Group narrowly missing this target.

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

Type	2016 Estimate (CGA)	2016 Actual	% Difference (Actual vs. Est.)	2017 Estimate
Valencia	46 448 678	42 066 556	-9%	50 056 049
Navels	25 115 626	26 172 745	4%	26 325 830
Grapefruit	12 366 606	13 766 951	11%	15 669 918
Lemons	16 105 900	15 057 211	-7%	17 530 714
Soft citrus	11 156 821	12 179 202	9%	13 222 340
Total	111 193 631	109 242 665	-2%	122 804 850



the existing standard. No substantive issues were raised in 2016 and thus a meeting was not warranted.

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 Agrihub in 2016. PPECB reports were posted on the website on a weekly basis. These figures show per variety, per week what had been shipped into the different markets compared to the previous year.

The provision of electronic data flows from growers, exporters, cold stores and terminals to Agrihub together with the cooperation of the growers, exporters, cold stores, terminals and service providers has made more accurate, detailed and up-to-date shipping information available in 2016. A variety of reports can be drawn at any time directly from the Agrihub website and a selection are posted on the CGA website weekly.

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.

With the CGA and FPEF both being shareholders of Agrihub, they received weekly shipping summary reports via email. These reports were published on the CGA website. In the 2016/17 year the CMF met twice; in October 2016 and March 2017. The input to the CMF from the variety focus groups with respect to estimates, projections and growers' feedback was facilitated by the CGA.

variety focus groups | John Edmonds - Information Manager

The main functions of the variety focus groups are setting the initial season estimate for exports, monitoring the packed and shipped information provided by the service providers, appraising ruling market conditions and updating the export predictions during the course of the season. The information is then distributed at CMF meetings, in meeting minutes made available on the CGA website and in the CEO's weekly newsletter. They are also responsible for giving opinions on dispensation requests referred to them by DAFF. The variety focus groups met regularly during the 2016/17 season with the CGA Information Manager convening the meetings and acting as secretariat. The CGA is indebted to the variety focus group regional representatives for giving their time to serve their fellow growers. The regional representatives of the variety focus groups for the 2017 season are as follows:

Region	Valencia	Navel	Lemon	Grapefruit	Soft Citrus
Boland			R. Allen		S. Bruwer
Western Cape	S. Engelbrecht	G. van Eeden**	B. Mouton		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. Tibshraeny
E. Cape Mid.		B. Mildenhall	D. de Villiers		J. Danckwerts*
KZN Midlands		P. Button	P. Button		
Pongola	A Rouillard			A Rouillard	
Nkwalini	M. Wafer			M. Wafer	
Onderberg	C. vd Merwe			M. Neethling	
Nelspruit	A. Muller	G. Piner	G. Turner*		A.J. Esser
Swaziland	G. Brown			S. Geldenhuys	
Letsitele	B. Vorster			Jan-Louis Pretorius**	A.Cooper
Hoedspruit	F. Meyer		G.Bezuidenhout	K. van Staden*	
Orange River	A.Spangenberg			J.Spangenberg	Marius Bester
Limpopo River	P. Nicholson*		P. Nicholson	D. Erasmus	
Senwes	M. vd Heever	H. Schoeman	P. Pullinger		I. Upton

** Chairman * Vice Chairman

During 2016/17 the following meetings were held by the focus groups:

Month	Grapefruit	Oranges	Navel	Lemon	Soft Citrus	Total
January					1	1
March	1	1	1	1	1	5
April					1	1
May	2		1		1	4
June	1	1		1	1	4
July	1	1		1	1	4
August		1		1	1	3
September		1		1		2
Total	5	5	2	5	7	24

The CGA Grower Development Chamber representatives on the variety focus groups in 2016 were as follows:

Valencia: S. Qomondi

Navel: E. Nohamba

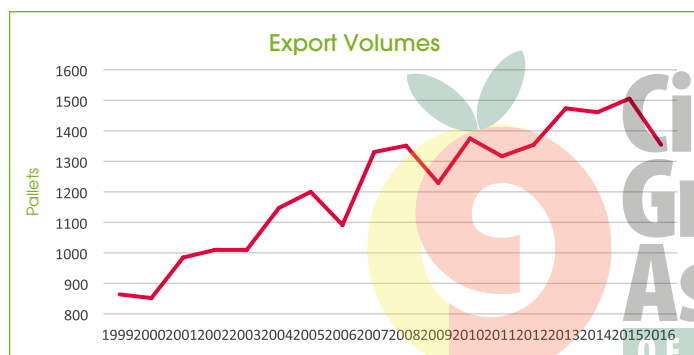
Lemon: P. Shiba

Grapefruit: M. Makhanya

Soft Citrus: L. Mgadle

Statistics

Citrus exports out of southern Africa dropped to their lowest level since 2012. This was caused by a sharp drop in both orange (Valencia) and grapefruit export volumes as a result of hot and dry conditions experienced during fruit set in the northern provinces. Fortunately prices achieved in export markets were favorable - resulting in record gross export returns for the citrus industry.



Institutions

Over the years a number of institutions have been developed to foster closer working relations with all citrus export industry stakeholders, and to ensure an appropriate response to opportunities and challenges that present themselves during the year. These institutions include:

The Trade Work Group of the Fruit Industry Value Chain Round Table (FIVCRT) - the FIVCRT concept was introduced by Department Agriculture, Forestry and Fisheries (DAFF) in order to bring all value chain members together to discuss issues of common importance. The Trade Work Group (TWG) is chaired by Fruit SA and is one of five work groups of the FIVCRT convened to focus on priority areas. During the year under review the TWG met on four occasions including a workshop to develop an African Trade Development strategy for fruit. The TWG includes

government representatives from DAFF, Department International Relations and Cooperation, Department Trade and Industry, PPECB, NAMC, industry, academics and support services. This group has made good progress with priority projects.

Market Access Technical Work Group (MATWG) - the MATWG meets regularly to discuss market access issues of a technical nature. This group is chaired by DAFF, and has made good progress in addressing a number of fruit related issues.

Agricultural Trade Forum (ATF) - The ATF is chaired by DAFF and brings together all agricultural and government sectors to discuss broader agricultural trade issues.

Citrus Black Spot Stakeholders Forum (CBS SF) - The CBS SF is chaired by DAFF and has been active for a number of years. All issues relating directly to CBS and the European Union's unnecessary measures are discussed at the SF.

False Codling Moth Stakeholders Forum (FCM SF) - The FCM SF is chaired by DAFF and met for the first time in July 2016. This SF includes government representation as well as representatives from the affected fruit sectors.

Disaster Management Committees (DMC) - In order to enhance communication and get input from affected growers the CGA created both a CBS and FCM DMC. These committees meet (by teleconference) when necessary to discuss issues pertaining to market access and risk management.

Citrus Marketing Forum (CMF) - The CMF is co-chaired by the Fresh Produce Exporters Forum (FPEF) and CGA. During the year under review the CMF met on two occasions - in October 2016 the meeting concentrated on looking back at the previous season (in particular at logistics), while the March 2017 meeting focused on estimates and plans for 2017.

DAFF Annual Coordinating Meeting - In October each year DAFF bring all industry role-players together to discuss regulatory requirements for citrus exports.

Philippines

In March 2016, DAFF provided technical/scientific information to the Philippines to reconsider the quarantine status of 19 pests that they retained on the quarantine list. This information provided proof that the pests are either not associated with the pathway (fresh citrus fruit) or are not recorded as pests of citrus in South Africa.

CGA accompanied a Fruit South Africa delegation visiting Manila from 1 to 3 May 2016. The main objectives of this visit were to follow up on the 2014 and 2015 visits regarding market access for South African fruit, to strengthen working relationships between SA and the Philippines and to gain a better understanding of the Philippine market and consumers - regarding fresh fruit. The South African Embassy staff in Manila arranged a well-structured programme which consisted of meetings with senior officials of the Philippines Bureau of Plant Industry (BPI), the president of the Philippine Chamber of Commerce and Industry (PCCI); the Director for Agriculture of the PCCI; and fresh fruit importers.

The Fruit SA delegation also hosted a cocktail function for importers and the delegation visited the Divisoria fresh produce market (at night).

The fruit industry is receiving considerable support from Ambassador Martin Slabber and the staff at the South African Embassy in Manila, Counsellor Kau and Ms. Ellen Vega. The Agricultural Attaché in Japan, who is responsible for the Philippines, also formed part of the delegation.

In July 2016, SA-DAFF received feedback from the Philippines that they had removed 9 of the pests from the quarantine pest list, but still retained 10 of the pests on the list. In September 2016 CRI again provided scientific evidence to SA-DAFF to support SA's request to remove these 10 pests from the quarantine list. Industry also suggested that SA-DAFF again invite officials (who are responsible for the decision-making in the PRA process) to visit South Africa to obtain first-hand information about any remaining issues of concern by engaging directly with relevant scientists.

Further meetings were held between CRI and SA-DAFF in November 2016 to prepare the information for submission to the Philippines to convince them that the remaining pests on the quarantine list are not associated with fresh citrus fruit from South

Africa. This information was submitted to the Philippines on 25 November 2016. An invitation to visit SA was not included in the feedback. The decision was taken that if the Philippines did not remove the pests from the quarantine list, an invitation will be sent for a technical meeting.

In January 2017, SA-DAFF received feedback from the BPI of the Philippines. Although the BPI removed five of the pests, they still retain five of the ten pests despite the fact that SA-DAFF has repeatedly provided them with the latest scientific/technical information to prove that fresh citrus fruit from South Africa is not a pathway for spreading these pests. The BPI however referred to old scientific evidence for keeping these five pests on the list. Further meetings were held with SA-DAFF to discuss feedback to BPI and at the MATWG meeting (16 March) the decision was taken that SA-DAFF will extend an invitation to the BPI to visit SA. This will provide an opportunity for officials within the BPI, who are responsible for decision making in the PRA process, to have discussions with relevant SA officials and scientists to obtain first-hand information about these five pests/diseases and their association with South African citrus fruit.

There were no exports to the Philippines during 2016/17.

Vietnam

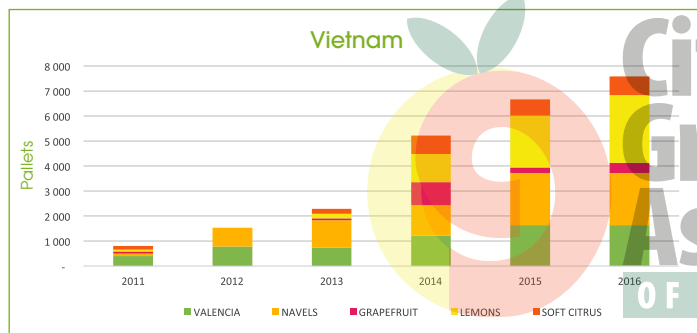
In July 2016 feedback was received from Vietnam that they had removed certain pests from their risk assessment list. They also provided a draft of the phytosanitary import requirements for fresh oranges and requested a visit to South Africa to inspect and monitor orchards, packhouses and pest control programmes. In September CRI provided further information to support the removal of additional pests from the quarantine list. Concerns about requirements for pre and post-harvest management procedures in the draft phytosanitary import requirements were highlighted and SA-DAFF was advised on the appropriate response. SA-DAFF submitted the information to Vietnam in September 2016.

A Fruit South Africa delegation visited Vietnam from 13 to 16 September 2016. The Agricultural Attaché for the region (based in Beijing), joined the Fruit SA delegation. During the visit the Vietnam Plant Protection Division indicated that they were ready

to do a site visit, and were available to come as early as October 2016. Since navel orange harvesting and packing would already be completed by October, it was agreed that the visit would take place as soon as harvesting began in 2017.

Since that meeting, no feedback was received from the Vietnamese Authorities, SA-DAFF agreed to send a communication to Vietnam to indicate that if an agreement can be reached on the protocol for export of fresh sweet oranges from SA to Vietnam, the first two weeks in May 2017 will be a good time for an on-site visit to the SA citrus industry.

Notwithstanding these problems, export volumes to Vietnam increased again in 2016.



China

SA-DAFF received the following feedback from AQSIQ in March 2016. 1) AQSIQ agreed in principle with the request to allow bulk shipping but requested further technical information on temperature probes. CRI obtained this information from PPECB and provided it to SA-DAFF. SA-DAFF submitted this to AQSIQ in March 2016. 2) AQSIQ was not supportive of the proposal to exempt lemons from the current cold treatment requirement and requested more information. CRI assessed the reasons offered by AQSIQ for its unsupportive position, but these were found to be without technical justification and not aligned with the scientific evidence supplied.

Exemption of lemons from the current cold treatment requirement (24 days) on the basis of non-host status of lemons for FCM and fruit flies - On 31 May 2016 CRI provided a technical analysis and

a proposal to SA-DAFF with regard to the feedback received from AQSIQ on SA's request to accept the non-host status of lemons for fruit flies and FCM. On 7 October SA-DAFF provided a draft letter to CRI for further inputs and comments. CRI provided inputs to SA-DAFF on 17 October 2016. SA-DAFF submitted the requested information to AQSIQ in November 2016.

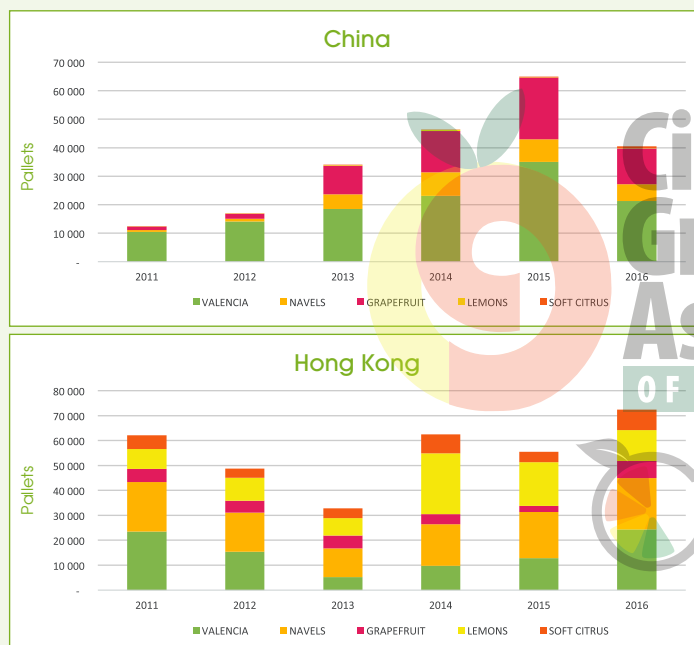
Acceptance of break bulk shipments - SA-DAFF received feedback on the request to accept break bulk shipments from AQSIQ in September 2016. AQSIQ again requested further technical information on temperature probes and information on registration, supervision and accreditation processes for reefer vessels. They also requested information on the air circulation systems. CRI obtained this information from PPECB and submitted the information to SA-DAFF in October 2016. SA-DAFF submitted the requested information to AQSIQ on 25 November 2016. SA-DAFF received feedback from AQSIQ on 22 March 2017. AQSIQ again requested further information on the standard and relationship of the number of temperature sensors used in different cargo spaces with different cargo loading volume

Fruit South Africa visit to Beijing - A fruit South Africa delegation (including CGA) visited China in early November 2016. The objective of the visit was to follow up on market access related matters with the relevant government authorities, participate in the China Fruit and Vegetable Fair 2016, meet with importers to share market related information about fruit availability and also report on progress in regard to market access. Lastly, engage our Embassy on current challenges experienced in regard to market access and also get inputs from them on how the industry's objective could be achieved.

Fruit SA used the opportunity of participating in the China FVF 2016 and to conclude and sign a MoU for cooperation with China Inspection and Quarantine Association (CIQA). The aim of the MoU is to share technical information in regard to market access in order to influence speedy resolution of PRA related matters during negotiations between the DAFF and AQSIQ. Also to undertake joint promotional activities with a view to raising awareness about the benefit of eating fruit. An action plan in regard to the implementation of the MoU will be developed by both Fruit SA and CIQA.

Bilateral workshop/meeting between SA-DAFF and AQSIQ - In meetings between Fruit SA and AQSIQ there was an indication that AQSIQ would like to meet with SA-DAFF to discuss the outstanding matters. There was also a meeting between Plant Health (SA-DAFF) and Fruit SA to discuss the outcomes of the meeting between Fruit SA and AQSIQ. SA-DAFF indicated that they will handle this request according to their procedures and it will be discussed on the appropriate levels.

Volumes into China decreased considerably in 2016, while volumes through Hong Kong increased.



Japan

Access for soft citrus (mandarins) - A request was submitted to MAFF in November 2009, to allow access for all mandarins (except Satsumas), under the current protocol for Clementine's. Japan responded in 2013, calling for separate disinfestation treatment data for each of the 32 mandarin cultivars. CRI provided SA-DAFF with scientific information and SA-DAFF submitted a response to Japan-MAFF in September 2014. Despite several follow up queries by SA-DAFF and Industry, a response is still pending from

Japan-MAFF. The request for inclusion of all mandarin cultivars remains outstanding, now pending a technically justifiable response from Japan-MAFF for 7 years in total and 2 years without a response to SA's re-submission of data. SA-DAFF sent a request to the newly appointed Attaché in Japan to follow up with Japan-MAFF on all the long outstanding citrus matters. SA-DAFF also re-sent all the information to Japan-MAFF (November 2016).

Adoption of a revised cold treatment condition for the export of fruit of all citrus types - SA-DAFF submitted the final data package, compiled by CRI in accordance with Japan-MAFF requirements in September 2014. Despite several follow up queries by SA-DAFF and Industry, a response is still pending from Japan-MAFF. Adoption of an improved cold treatment for all citrus types, has been ongoing between SA and Japan since 2009 and the latest response from Japan-MAFF has now been outstanding for 2 years.

Amend current bilateral protocol to include all Navel oranges from SA - In 2015 cartons of SA Navels, labelled as Navelates, were rejected in Japan by Japan-MAFF for not being compliant with the current protocol which only specifies Washington and Cara Cara Navel cultivars. Meetings were held with SA-DAFF and it was agreed to submit a request to MAFF to amend the current protocol to include all navel oranges. In March 2016, CRI provided SA-DAFF with scientific information supporting the proposal. SA-DAFF submitted the information to Japan-MAFF in September 2016.

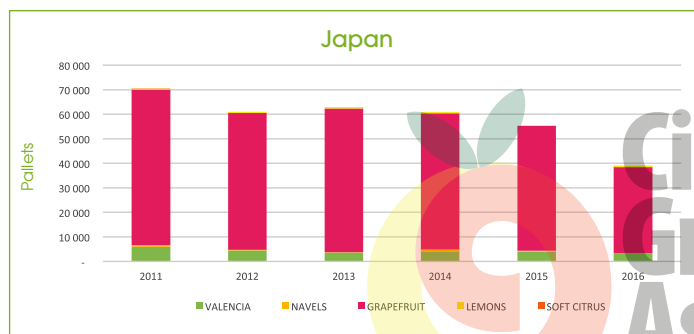
Fruit South Africa delegation visit to Tokyo - A fruit South Africa delegation (including CGA) visited Japan during late September 2016. The delegation met with Japan MAFF. It was agreed that a workshop needed to be arranged between experts from Yokohama Plant Protection Station and SA to engage on mutually acceptable mitigation measures for pests that are of concern to Japan. MAFF was ready to facilitate the above process with Yokohama Plant Protection Station.

Twenty four import companies attended a seminar hosted by Fruit SA with the support of the South African Embassy in Japan. Ambassador Sisulu opened the seminar. Presentations about the SA fruit industry were made by all the associations including the PPECB. Importers appreciated the information shared and also expressed a need for the SA fruit basket to Japan to include more varieties especially of table grapes, citrus and avocado.

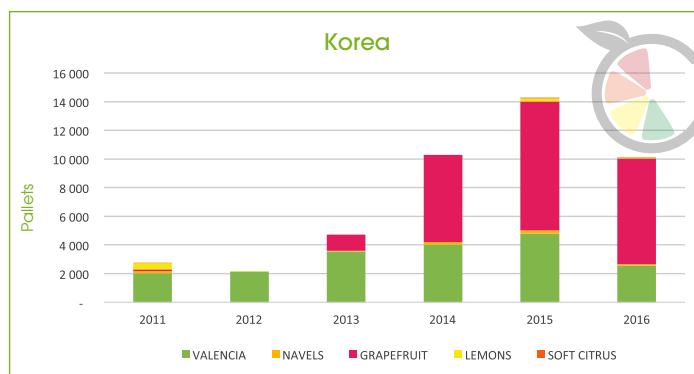
Bilateral workshop/meeting between SA-DAFF and Japan-MAFF

- Arising from meetings between Fruit SA and Japan-MAFF there was a suggestion of a bilateral meeting between Japan-MAFF and SA-DAFF to discuss the long outstanding matters. There was a meeting between Plant Health (SA-DAFF) and Fruit SA to discuss the outcomes of the meeting between Fruit SA and Japan-MAFF. SA-DAFF indicated that they will handle this request according to their procedures and it will be discussed on the appropriate levels.

Volumes to Japan declined further in 2016 (mostly as a result of lower grapefruit availability).



South Korea



During late October a Fruit SA delegation (including CGA) visited South Korea. Importers expressed their interest to access South African fruits and expressed concern about the difficulties experienced during the last citrus season in regard to availability of fruits.

South Korea is an orange and grapefruit market - with the reduced supply of these two sectors it is not surprising that volumes decreased for the first time in four years.

Indonesia

A Fruit SA and PPECB delegation (including CGA) visited Jakarta on 4 and 5 May 2016 in order to strengthen relationships with Embassy officials, government authorities and importers, find out what challenges and opportunities are experienced in Indonesia, and to determine specifically how volumes can be increased. The primary objective was to obtain clarity on certain issues with regards to the fact SA was awarded "Mutual Country Recognition" (MCR) status. The primary benefits of such status are that the Port of Tanjung Priok (Jakarta) can be used and that laboratory tests are not needed for every consignment of fruit approved/listed in the official Decree of the Indonesian Government.

During the meeting with the Indonesian authorities on 4 May in Jakarta these matters were clarified:

Mutual Country of Recognition status - the following facts were ascertained;

- All citrus species/varieties, as per SA's application, form part of the MCR agreement.
- SA can use the Port of Tanjung Priok as of 11 April 2016;
- The status is granted for two years (as from 11 April 2016). South Africa must apply for extension of the status six months before the expiry date (11 April 2018);
- Such an application will require a verification visit to South Africa by Indonesian officials;
- A renewed agreement can be valid for three years;
- The current status can be revoked by Indonesia when three non-compliances to the rules occur. After each occurrence, South Africa will be notified and must take corrective action.

The status was awarded due to the fact that the Indonesian authorities trust the South African systems, following the results of the verification visit to South Africa in 2015.

South Africa's random sampling, as currently being done by the

PPECB, will continue in order to have data available for the renewal application.

South Africa is one of seven countries which now has this status.

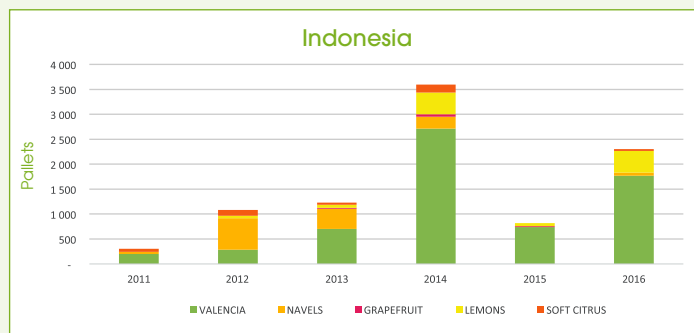
Laboratory test requirements - SA has access for 15 products, of which eight are on the commodities list (which form part of the MCR agreement). For these eight products, no sampling is needed in South Africa. The other seven products, which are on the approved list for access to Indonesia, but are not included in the MCR agreement must be tested in South Africa before shipping. These tests will be done per PUC and per variety and the results will be valid for two months.

The visit has re-confirmed the importance of face-to-face meetings. We also need to give recognition to Mr. Willem Geerlings of the SA Embassy in Jakarta. Without his tireless efforts, these results would not have been achieved.

Meetings with representatives of the Indonesian Fresh Produce Importers' Association - again re-confirmed the demand for South African fresh fruit, as well as the need to enhance awareness of our fruit amongst importers and, interestingly enough, competitor countries. These actions are included in the Three Year Generic promotional plan for the Far East.

Import permits - During the visit it was learnt that Indonesia would once again not issue permits for oranges and soft citrus for the April to September period in 2016. Permits for lemons are being issued (as was the case in 2015).

The improved trading environment resulted in greater volumes being shipped to Indonesia in 2016.



United States of America

The regulatory freeze coupled with normal delays as a result of administration transition means that most access issues in the USA are "on hold". Fortunately for exporters to the US from South Africa the necessary changes to revise the cold treatment requirements was completed prior to the elections. This will impact favourably on future exports, as will the change in "fruit cutting" requirements. After years of cutting hundreds of thousands of fruit with no pest interceptions, the US has decided that practice is no longer required. In addition - exports into Houston have been allowed on a pilot basis, opening up additional marketing opportunities in the USA. These changes are due to the hard work by DAFF, CRI, CGA and our representative in the USA (Bruce MCEvoy), and with the cooperation of USDA APHIS.

Updated Work Plan for citrus fruit exports - CRI provided information to SA-DAFF in May 2016. SA-DAFF submitted the document on 23 May 2016. Once access is obtained, fruit from CBS areas will need to be subjected to specific packhouse treatments. To make provision for the import of fruit from CBS areas in the current work plan, CRI provided a packhouse operational manual to SA-DAFF in September 2016, to be included in the work plan as an annexure. SA-DAFF submitted the packhouse operational manual to USDA-APHIS in November 2016, with a request that this information be included in the work plan as an annexure.

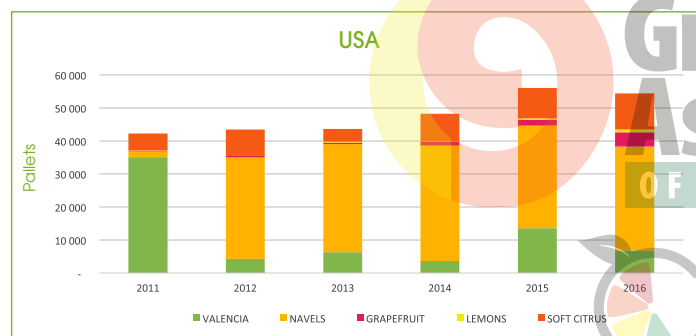
Recognition and access for CBS pest free places of production in an area of low pest prevalence and inclusion of other Western Cape magisterial districts in the export programme - These two issues were discussed in a bilateral meeting between SA-DAFF and USDA-APHIS in November 2013. SA-DAFF has made several follow ups. This was again discussed in a bilateral meeting between SA-DAFF and USDA-APHIS in August 2016 and SA-DAFF informed USDA-APHIS that SA still wants to pursue these requests.

Equivalence between USA domestic CBS regulations and USA import regulations - access for fruit from the rest of South Africa - USA published a proposed rule for import of citrus fruit from SA from CBS affected areas on 28 August 2014. Public comments closed on 27 October 2014. APHIS publication of its responses to

the comments received, remains pending. During the bilateral meeting (August 2016) the import of citrus fruit from CBS areas had been discussed. Fruit from CBS areas will need to be subjected to specific packhouse treatments. SA-DAFF requested information from CRI pertaining to these packhouse treatments and CRI provided the information in September 2016. SA-DAFF submitted the information to USDA-APHIS in November 2016.

Updated list of actionable pests for citrus fruit exports -Information was provided to SA-DAFF. Further information was requested by USDA-APHIS during the bilateral meeting (August 2016). CRI provided further information to SA-DAFF about the listed pests (October 2016) and SA-DAFF submitted the information to USDA-APHIS in November 2016.

Volumes to the USA continued to be around the 50 to 60 000 pallet level.



India

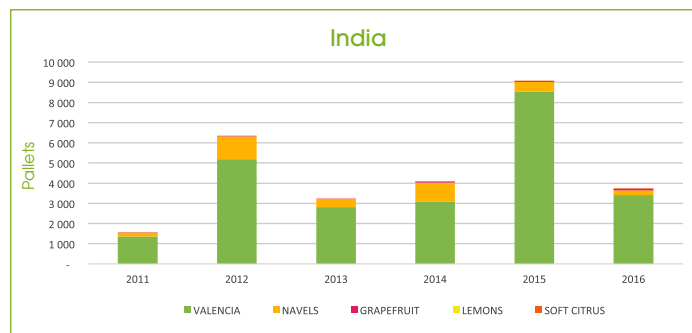
After a run of good growth the volumes to India subsided in 2016, mostly because uncertainty had crept in around the enforcement of food safety requirements and more attractive pricing in alternative markets. CGA continues to work with DAFF locally and with the Agricultural attaché in Delhi to provide growers and exporters with updates on Food Safety policy developments. Consultants contracted via Fruit South Africa delivered an intelligence report of the key import regulations and status of implementation by Indian agencies and authorities.

India trade remains valencia-based although some exporters

are exploring opportunities for lemons and grapefruit. This is in line with ongoing structural shifts in the way Indians buy and consume fresh fruit. The younger generation buyers are keener for imported fruit (especially if it has health benefits), typically will buy this online and often eat it "on-the-go". At least two SA exporters formed joint-ventures with Indian buyers to capitalize on growth opportunities and to share risk.

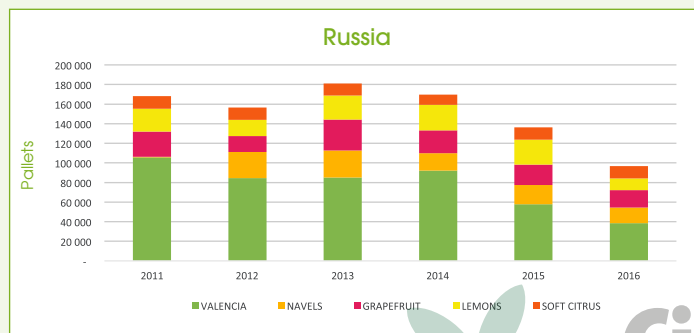
CGA will again participate in Fresh Produce India in order to raise awareness of southern African citrus and build on the relationships with buyers and partners in India. This event is due to take place at the end of April 2017.

Meetings took place in January and February between SA-DAFF, PPECB, Deciduous fruit exporters, HORTGRO, CRI and Mr Mkhululi Mankazana (Minister Counsellor: Agricultural Affairs, India) to discuss the inclusion of in-transit cold treatment as an option to mitigate fruit flies in all crops imported from SA. A decision was taken to send a trial consignment of pears to India in February 2017 with an in-transit cold treatment. The understanding was that if the shipment was successful SA will ask the Indian authorities to accept in-transit cold treatment as an effective treatment to mitigate fruit flies in all crops exported from SA to India. The shipment of pears arrived in India and all the containers were cleared and released. In March 2017, SA Directorate - International Relations sent a letter to India to request a formal report on the trial pear shipments. SA-DAFF is currently awaiting the report from India and upon receipt of the report, SA-DAFF will request the Indian authorities to include in-transit cold treatment as an option to mitigate fruit flies in crops imported from South Africa.



Russia

Export volumes into Russia continue to decline. This is mostly as a result of the Russian economy, but is also affected by Russian labelling requirements that add to the risk of exporting to Russia.



Africa

Exports of citrus from South Africa, Swaziland and Zimbabwe into the African continent are extremely low. In 2014, 766 000 cartons were exported into Africa, by 2016 this had doubled to 1.5 million cartons but this represents only 1% of total exports. This is in stark contrast to the apple industry where 28% of the 2016 crop was destined for Africa. Although one should not compare oranges with apples it is interesting to see the spectacular growth of South African apples into Africa. The leading destination is Nigeria which imports 34% of African volumes - although this has decreased of late as falling oil prices batter the economy. Second largest by volume is Kenya - as the gateway into Eastern Africa (accounting for 15%). Senegal is next at 10%, followed by Togo (9%) and then a number of countries between 4 and 5% (Ghana, Cameroon, Angola and Ivory Coast).

There is not much consistency in the small amount of citrus supplied into Africa - whereas in 2014 and 2015 Angola (20%), Gabon (16%), Kenya (27%) and Senegal (20%) were the main importers, in 2016 Mauritius (27%), Reunion (14%), Togo (11%) and Kenya (10%) were the main importers. In 2016 there was also a greater spread of countries.

As the southern African citrus volumes grow so will the need to explore new export destinations. It makes a lot of sense to divert

some of this exploration into ways of expanding citrus exports into Africa. The apple industry has played a pioneering role and have learnt through trial and error, and hard work, how best to supply these markets. The citrus industry can learn from this and build on these experiences to grow volumes into these markets.

The apple industry list a number of challenges in growing their footprint in Africa. Logistics is a hurdle in growing volumes and ensuring good returns. Getting the fruit to and through the ports is both expensive and in many cases inefficient; poorly developed cold chain infrastructure and intermittent power supply adds to the risks involved. By all accounts the situation is improving and the fact that 120 000 tons of apples moves from South Africa to these markets means that it is possible.

Apple exporters also emphasise the need to establish strong networks and partners in these markets. Shortage of foreign currency and lack of credit guarantees means that shipping the fruit may be the least problem; getting paid can be a big problem. The South African banking sector is making big inroads into Africa - there may be opportunities to design services that could reduce this risk.

The Trade Work Group (TWG) of the Fruit Industry Value Chain Round Table (FIVCRT) met to develop a strategy to expand fruit trade into Africa. Government was well represented at the workshop - with Directorate International Relations and Cooperation (DIRCO), Department Agriculture, Fisheries and Forestry (DAFF) and Department Trade and Industry (DTI) all in attendance. It is important to understand the developmental and political aspects of targeted African countries - not just the trade aspects. The fruit industries were all represented, as were the PPECB, NAMC, BFAP and AGBIZ. The workshop was addressed by apple exporters who shared their experiences, as well as hearing about research done by Fruit SA, NAMC, and DAFF. From these presentations and the discussion that followed it was evident that West Africa (Nigeria, Ghana and Ivory Coast), East Africa (Kenya, Uganda and Tanzania) and Southern Africa hold the most promise (given the latest citrus figures one would need to add the Indian Ocean Islands of Mauritius and Reunion).

The TWG will now build on this first meeting to develop a public private strategy to expand fruit trade into Africa.

European Union

Deon Joubert: Special CGA Envoy: Market Access & EU Matters

Citrus Black Spot (CBS)

It is impossible to single out a reason for the excellent 2016 EU Citrus Black Spot (CBS) results (4 SA interceptions). It could have easily been just 2 as the last 2 interceptions resulted from one production unit virtually after the season end. This is almost an eerie low score, compared to the preceding 35 (in 2013), 28 (in 2014), and 15 (in 2015) interceptions.

This particular SA citrus growing season was dry and unfavourable for the development of CBS, but the well imbedded CBS Risk Management System (with growers, Department Agriculture Forestry and Fisheries (DAFF) and Perishable Products Export Control Board) rehearsed and comfortable in its implementation, surely made a huge contribution. Then the landmark 2015 Citrus Summit decision to avoid direct shipments to Spanish ports in order to avoid an immoral official protocol that had targeted South Africa, put the 10 Spanish interceptions of 2014 on 3% of the EU volumes into perspective. But there must be no underestimation of the immense value that the early SA Citrus Industry founding fathers' made by their insistence on building and funding the research capacity in CRI. It's now countless output of probably the best industry specific scientific information in the world keeps underscoring the visionary value of this strategy.

On this invaluable information the Citrus Industry based its successful CBS strategy, and going forward this will provide the bulwark of hopefully putting CBS to bed once and for all. The Food And Veterinary Office (FVO) of the EU visited South Africa in June 2016 to review and audit the South African Risk Management System for CBS. At the wrap up meeting the leader of the delegation confirmed that the CBS RMS is the most comprehensive in the world.

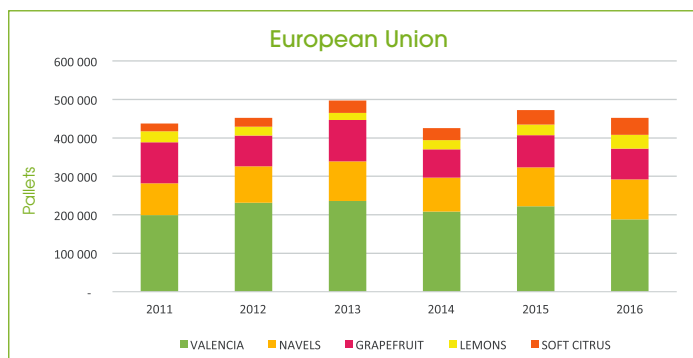
This also was and is the base to address the new challenge of False Codling Moth (FCM) now being legislated in Europe. The CGA strategy during the building phase of the EU legislative

process in 2016 was hugely dependant on the CRI knowledge of the vector and assisted in successfully countering technically unfounded alternative suggestions, which isolated only South African citrus regarding FCM and singled it out for special treatment and measures. This was comprehensively defeated but again the value of comprehensive knowledge about the pest and the technical facts to back up risk mitigation measures was underscored.

So in essence the declared CGA strategy to retain EU market access while building and developing market access elsewhere for southern Africa citrus is more than alive and well. This is proven by the statistics for the EU in 2016 which shows that the southern African citrus exports have grown their market access in the EU from 38 to 44% of our marketed citrus.

So the future on EU market access seems reasonably "in hand" (not ideal or necessarily supportive) now when assessing current measures, but we must not be fooled that we have overcome all the issues. This scenario can change in a week and it is likely that we will encounter more protective measures or policies as "fortress" Europe solidifies its inter member state interests. Without elevating the future potential challenges we can expect the work in the EU to remain complex and fraught with politics.

CGA will continue to engage with each of the member states National Plant Protection Organisations, and especially those involved in plant health issues on imports. These engagements have proved to be extremely important in shaping risk mitigation measures in the past.



Organic Lemons

Following internal analysis, studies and reflection on the 2015 interceptions on organic citrus, the responsible group of organic citrus growers of SA (in the non CBS free areas), after consultation with the CGA, voluntarily decided to suspend exports of organic lemons to the EU for the 2016 season.

This allowed them to further work on risk mitigating measures of CBS in their product range, while significantly reducing the risk of SA CBS interceptions in Europe during 2016. This will have huge financial consequences on these growers, and is a sign of their resolve for the long term welfare of the citrus industry in SA. This decision was strongly supported by all stakeholders in SA and applauded for its long term sustainability drive and focus of the SA citrus industry at large.

Misleading Media Reports

South African citrus exporters were puzzled by reports in the media that Spanish supermarkets were still stocking South African oranges in December 2016, that the quality was very poor and that this was influencing retail prices. The South African 2016 citrus season ended very early, meaning that the retailer would have had to store the fruit for an inordinate period. It has now been established that the fruit was in fact mislabeled - and did not originate from South Africa (it was in fact Spanish fruit). CGA asked the South African government to get the Spanish to investigate this issue so as to get an apology and set the facts straight in order to undo the reputational damage caused by this media coverage.

Economic Partnership Agreement (EPA)

The EPA's concession for sweet oranges, fresh (08051020) applies over two periods 1 June - 15 October and 16 October - 30 November of each year. South Africa already enjoys duty free market access under the TDCA for the period 1 June - 15 October. The EPA therefore provides an extension of this concession for the period 16 October - 30 November; Date of provisional entry into force: 10 October 2016 - for all products listed in the EU list of concessions, except for those agricultural (and fisheries) products denoted as such in the schedule.

The denoted agricultural products will only enjoy the market access concessions when two requirements have been fulfilled: all of SACU have ratified the EPA (Article 113 (5)) and when both the EU and South Africa have notified their respective GI protection measures in place to provide protection to each other's GI (Article 113(6)). This was complied with during October 2016. According to Article 16 of Protocol 3 of the EPA, once the GI protection notifications had been communicated, market access for those denoted agricultural products would commence on the first day of the month following compliance on the GI requirement - hence the 1 November 2016.

The EPA market access concession (for the period 16 October - 30 November) only applied to fresh sweet oranges from 1 November 2016.

From 1 November 2016 to 30 November 2016 the customs duty on sweet oranges under this staging category was reduced to 91% of the basic duty (16%) = 14,56%

As from 2017: Sweet oranges under this staging category will enter the EU during the time period: 1 June - 15 October = duty free; and during the period 16 October - 30 November subject to the duties as indicated below (assuming the base rate will be 16%):

- **2017:** the customs duty is to be reduced to 82% of the basic duty = 13,12%;
- **2018:** the customs duty is to be reduced to 73% of the basic duty = 11,68%;
- **2019:** the customs duty is to be reduced to 64% of the basic duty = 10,24%;
- **2020:** the customs duty is to be reduced to 55% of the basic duty = 8,8%;
- **2021:** the customs duty is to be reduced to 45% of the basic duty = 7,2%; **2022:** the customs duty is to be reduced to 36% of the basic duty = 5,76%;

- **2023:** the customs duty is to be reduced to 27% of the basic duty = 4,32%;
- **2024:** the customs duty is to be reduced to 18% of the basic duty = 2,88%;
- **2025:** the customs duty is to be reduced to 9% of the basic duty = 1,44%; **2026:** the remaining customs duty is to be reduced to 0% of the basic duty = 0%

Brexit

The impact of the decision by the UK to exit the European Union is still to be completely played out and consequences (good and bad) will surface for many years - making it a very complex situation. According to the EU briefing paper on Article 50, the process of exiting the Union could take up to two years, in the short term there is likely to be little change. Brexit has shaken many out of their comfort zones and has got people questioning the world as we know it. Political analysts predict a shake up throughout the EU.

In the longer term the impact from a purely South African citrus trade perspective will include the following;

- At present UK plant health regulations are the same as those of the EU, since these were harmonized in 1992. Entry requirements for citrus shipped from southern Africa to UK are the same as entry requirements for citrus shipped to mainland European member states of the EU.
- An independent UK could introduce its own plant health regulations - or at least remove or rescind those regulations that have no impact on the UK. Since the UK does not have any citrus, plant health regulations on citrus imports could be easier to comply with than present EU regulations. This alone, would be a significant boost for the Southern African citrus industry. We would hope that these changes would happen sooner rather than later.
- The UK will also need to enter into new trade negotiations with southern African countries with regard to trade

preferences and duties. Present trade between the EU and South Africa is governed by the Trade and Development Cooperation Agreement (TDCA) and the recently concluded Economic Partnership Agreement (EPA). Since citrus would not be a sensitive product with regard to protecting domestic producers it could be anticipated that the UK would have reduced duty levels for southern African citrus. This would mean that UK citizens could potentially enjoy excellent quality southern African citrus at even lower prices.

- The UK would no longer have to rely on EU advisory bodies and scientific institutions in making decisions on plant health and food safety regulations. The UK would depend on their own scientists to assess risk and give advice on regulations.
- The devaluation of the British Pound against the US\$ following the "Brexit" decision will mean that imported products are more expensive in the UK - this could reduce demand for these products.

Statistics recently released by Freshfel show that South African fruit and vegetables hold the third spot in terms of imports by the UK in value terms (510 million Euro's) - behind Spain (1.6 million Euro's) and Netherlands (886 million Euro). The citrus basket imported by the UK also relies heavily on southern Africa - supplying 36% of imported grapefruit, 27% of imported orange, 19% of imported soft citrus and 11% of lemons. South Africa holds a dominant position amongst southern hemisphere suppliers to the UK.

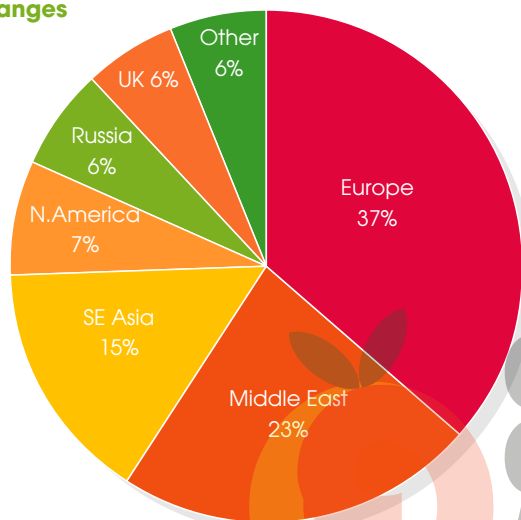
When looking at EU imports - 22% of southern African exports go directly into the UK; with 78% entering through mainland European ports.

Over the past hundred plus years, the UK has been the biggest importer of southern African citrus (taking about 10% of total citrus exports). Brexit should see a normalization of citrus trade between southern Africa and the UK, unencumbered by protectionism, tariffs and technical barriers to trade.

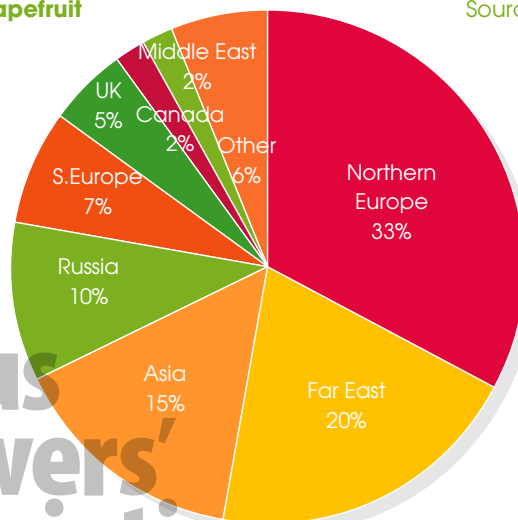
exports 2016

Source: Agrihub

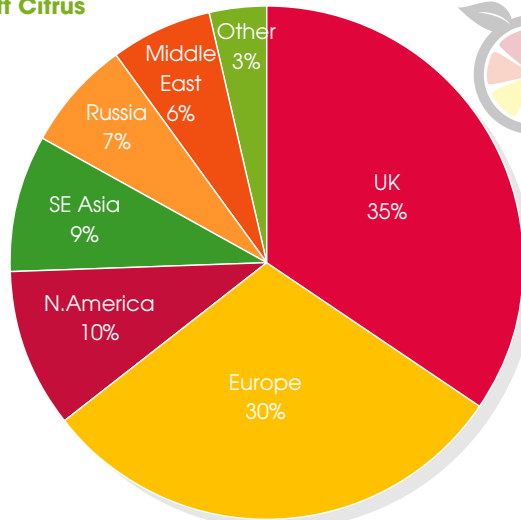
Oranges



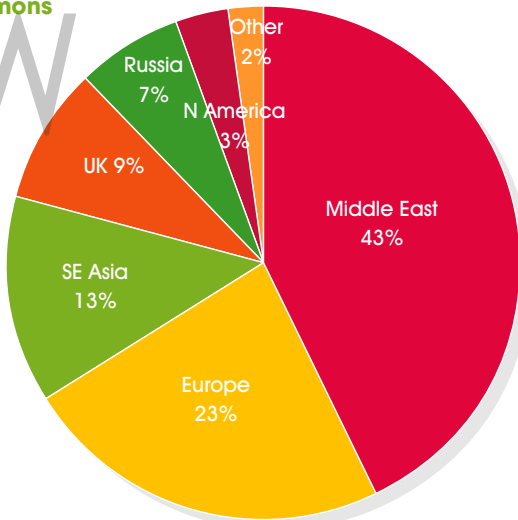
Grapefruit



Soft Citrus



Lemons



Citrus Growers' Association
OF SOUTHERN AFRICA

cga citrus summit 2017 | Plan to Succeed, Lead to Inspire

The second Citrus Growers Association Citrus Summit was held on 8th and 9th March 2017 at the stunning five star Boardwalk Hotel, in Summerstrand, Port Elizabeth.

We thank our sponsors most sincerely as without them the Summit could not have happened. Once again our Platinum sponsor was Standard Bank. Thanks to Keneilwe and her team. Gold Sponsor (and Gala Dinner) was The Co-op, with Villa Crop, (Welcome Dinner) Silver sponsor and Sunkist, also Silver, sponsoring the Study Tour. PPECB, Mpact, Capespan, JB Technologies, River Bioscience/Xsit and Nelson Mandela Bay Municipality made up the Bronze sponsors.

PWC, Felco and Ethekweni Cold Stores contributed towards the contents of the Delegate Bags, and Seven Seas, SRCC and Sitrusrand sponsored Citrus Academy Students. Jannie Spangenberg, former CGA Director for Oranje Rivier, sponsored 90 bottles of wine from Orange River Cellars. Thank you all for your generous funding of this event.

550 delegates registered for the Summit, 49 delegates enjoyed the very informative pre-Summit Study Tour and 450 delegates attended the Gala Dinner. There were many late enquiries but by that time the seating in the venue was filled to capacity.

The range of speakers covered all angles of the citrus industry along the theme for the Summit - *Plan to Succeed; Lead to Inspire*. We are very grateful to these speakers who accepted the invitation to speak and gave of their time and tremendous wealth of knowledge in their own fields.

The next Citrus Summit will be held in March 2019 in the north of the country.

The presentations are available on the CGA website, www.cga.co.za, on the Events Page.

Photos of the Gala Dinner were supplied by Donna van der Watt Photography, with other photos being taken by Christa Haasbroek (SA Fruit Journal), and Gloria Weare.



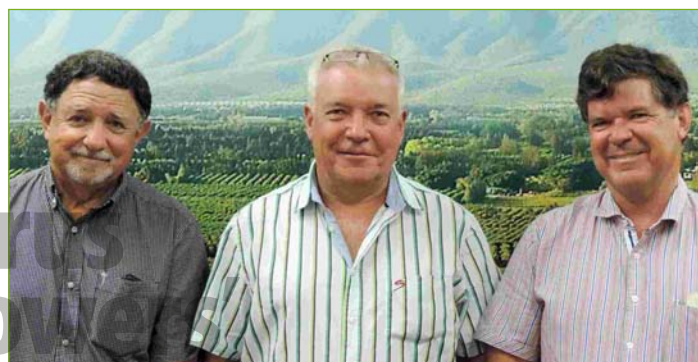




The 2015 Citrus Legends, Dr Hoppie Nel, Dr Jock Danckwerts and Peter Nicholson were given the task of choosing individuals from the entire citrus industry who they thought were deserving of the 2017 Citrus Legend accolade. Their decisions were kept very hush-hush, until the Award Ceremony on the night of the Gala Dinner at the CGA Citrus Summit.

It came as no surprise however, that the late Dr Hennie le Roux, who passed away on 4th October 2016 after losing the battle against cancer, would receive a posthumous award for his contribution to the industry. Hennie's wife, Mariana, and daughter, Hesti, proudly received the award on his behalf to deafening applause from the 450 dinner guests who all stood as a sign of respect for this great man. Edward Vorster was chosen for his leadership skills over the years within the citrus industry. He was unable to attend the ceremony so his son, Barend, collected the award on his father's behalf. Freek Dreyer was decided on as someone who has assisted in transforming the way citrus is marketed globally.

Edward Vorster, Freek Dreyer and Hennie le Roux were chosen as the three 2017 Citrus Legends as individuals who contributed in various ways towards making a difference to the citrus industry in southern Africa.



The 2015 Citrus Legends

Dr Hoppie Nel, Dr Jock Danckwerts and Peter Nicholson

The 2017 Citrus Legends



Hennie le Roux

Hennie will always be remembered not only for transforming the citrus nursery industry in South Africa to produce world class

disease free trees and being a top class research scientist benefiting the citrus industry with his knowledge on food safety and bio-security, but for his kindness, his passion for people and his open-door approach to everyone. Messages received from other citrus producing countries on his passing show that he was the most beloved person in the citrus industry.



Freek Dreyer

Since 1997, Freek has been instrumental in transforming and leading the way in which South African citrus is marketed

globally. He has played a major role in developing direct exports to eastern Europe and Russia, a bold decision at the time. Since 2005 he has been running an independent global export and marketing operation which has grown into a major exporters of citrus and continues to retain and develop new markets for the benefit of the South African citrus industry.



Edward Vorster

Scenario planners look at the factors that will play a role in the future. This person stands out as a leader, convincing others to follow and

produces the high road result in spite of the other contributing factors. Edward Vorster has been involved in citrus farming since a young age. He was a Director on the SA Citrus Exchange, represented Citrus growers on the SA Agricultural Union and was a founding member and director of the Citrus Growers Association. He is a Mega Farmer and a Citrus Legend.



Review of key Maximum Residue Levels (MRLs)

On a weekly basis CGA monitors the official WTO notifications sent out by countries about their intentions to apply revised or new MRLs for citrus. While this is an excellent source of official information sometimes gaps in communication exist which open up the possibility that the SA citrus industry is working on the incorrect tolerances for a specific market. CGA undertook an extensive exercise in 2016 to verify the MRLs for important markets. This is in fact a huge undertaking given the large number of markets and the complexity and challenge of obtaining the source information - often in a foreign language! However the process was made easier by using partners and connecting into global initiatives that hold some of the MRL information or have local contacts in specific countries. The exercise was completed and revisions reflected in the December 2016 *Recommended Usage Restrictions for Plant Protection Products on Southern African Export Citrus (RUR)*. Fortunately the number of changes was not that large or material in relation to previous communication to the SA citrus industry.

Plant protection product issues and progress

Other matters in progress or emerging between April 2016 and March 2017 were:

Canadian Dithiocarbamate MRL SOP: This Standing Operating Procedure (SOP) in place since 2015 was reviewed and then suspended by DAFF with the onus falling on the growers and exporters to comply with the requirements for Canada going forward. Separately, there has been no progress regarding the US and Canadian Mancozeb MRL as hoped as Mancozeb is still under review. Under President Trump it is unclear if the reviews will now be stalled or fast-tracked.

Dichlorprop EU MRL: Currently a positive European Union MRL is in existence for oranges only. This proved problematic in 2016

with erratic detections of Dichlorprop residues on other citrus products. CGA and CRI communicated via Cutting Edge information around alternative crop management strategies when Dichlorprop was not an option. An application to the European Commission to have the oranges tolerance extended to cover other citrus products is in play and it is hoped that this will come through before the next production cycle starts in 2017.

Fosetyl-Al Phosphorous Acid and Phosphanates: The EU reviewed and consolidated the definition of Fosetyl-Al Phosphorous Acid and Phosphanates. Fortunately for citrus products the MRL was simplified and raised to a level enabling the use of such products as required here in SA. It is hoped a similar approach is used for the RSA MRL currently under review.

Sulfoxaflor EU MRL: CGA supported the application for revised Sulfoxaflor citrus MRLs through communication with the European Commission and via the SA Embassy in Brussels. These MRLs had been held back on political rather than any technical grounds. Eventually the MRLs were published in March 2017.

Recommended Usage Restrictions: Three updates to the RUR were released in 2016 (May and December) and 2017 (February) to reflect key changes in maximum residue levels in key import countries.

Department of Agriculture, Forestry and Fisheries (DAFF) MRLs: DAFF maintain a list of MRLs that reflect the official import requirements of trading partners and which feeds into the applicable tolerances used by PPECB to monitor compliance. This theoretically mirrors the MRLs used by CGA/CRI to make recommended usage restrictions. However in March and April 2016 CGA and DAFF had a robust discussion to align the two lists to optimize trade opportunities while also managing the risk of

non-compliance. Again changes were incorporated into the RUR document accordingly.

Guazatine EU MRL reduced: Changes to the EU MRL for Guazatine came into effect during May 2016 placing the industry on the back foot regarding the ability to manage Sour Rot. Fortunately alternatives were registered to fill this gap but concerns have been raised that these alternatives with a strong chance of resistance will build up in other key post-harvest treatments.

Use and declarations of waxes: Despite the release of recommendations around the appropriate declarations for various markets for post-harvest treatments early in 2016, countries are continually rolling out policies that have specific declaration requirements. CGA were required to clarify the requirements in such markets like South Korea regarding wax uses and declarations.

Scope of residue monitoring by officially recognized laboratories: DAFF has proactively pursued the ability to demonstrate to trading partners that a wider scope of actives can be tested for within the official residue monitoring scheme. The outcome has included more data sharing between officially recognized laboratories, inter-laboratory ring testing (proficiency testing), investment in new equipment and the appointment of official reference laboratories.

Agricultural Products Standards (APS) Act Amendment Bill

The APS Act regulates fresh produce exports and local market trade and provides a framework for the official activities around exports and imports. This Act has been under review since 2014 with an amendment bill coming forward for consideration by Parliament in March 2017. The drafting processes addressed some specific concerns, the two most relevant to citrus are: 1) More recognition of audit-based inspections (management control systems) rather than end-point inspections (although no exact change to the Act was required for this), and 2) Making provision for more inspection assignees. This is most relevant in the local market situation where assignees were appointed for fresh produce inspections. This triggered further engagement with DAFF by CGA around the scope of their duties and the costs involved.

Retailer Engagement

During September 2016 Paul Hardman visited mainland Europe and the UK to engage with retailers around percolating consumer assurance matters. It became evident that most retailers are maintaining their positions on residue tolerances and little relaxation can be expected here. Retailers are also now actively working on strategies around environmental protection and standards. Paul was able to indicate to them the progress under SIZA to develop a home-grown, local relevant Standard that could address their main questions and concerns.

Sustainability Initiative of South Africa (SIZA)

Significant changes in the structure of SIZA were implemented during the last 12 months with the establishment of a not-for-profit SIZA company and the sitting of an independent SIZA Board. Nigel Mudge was elected Chair of the Board and under his leadership Retha Louw has been able to make important and incremental gains. Highlights include recognition of SIZA by GlobalG.A.P (i.e. no need for the GlobalG.A.P GRASP audits), and more recognition among EU mainland retailers, and the SIZA data platform stabilizing. Costs of audits remain a concern but is getting attention by SIZA management. Working with the World Wildlife Fund (WWF) and Fruit South Africa the environmental standards were refined. The focus over the next year will be to integrate these environmental standards into the existing SIZA offering.

Independently CGA has been engaging experts to identify potential key environmental risks that may impact on the citrus industry. "Water" as a theme, probably as a result of the drought, has emerged as a board area where immediate focus is required. Inge Kotze (WWF) highlighted this in the Market Access segment of the CGA Summit in March 2017 and CGA will pick this up under the Consumer Assurance activities. The Confronting Climate Change project is maturing with a stable number of citrus participants on that platform. This service has been supported by Fruit South Africa members since 2008 but is more likely to evolve into a user-pay service going forward.



CRI's model of co-operative, multi-institutional research has continued to provide the citrus industry with the research depth and technical support required to address the industry's current needs, and hopefully those expected in the future. By funding projects at Universities, and co-supervising students, CRI endeavours to provide a continual stream of future researchers in all disciplines with a passion for citrus. Detailed research results can be found in the CRI Group Annual Report.

Governance and funding

The only change to the Board of Directors of CRI was the resignation of Dr V N Phehane, the Agricultural Research Council nominee, who was replaced by Dr N Motete from the same organisation. At the Board Meeting in November 2016, M R Woodburn was co-opted to EXCO.



The industry's research continued to benefit from some Government funding by way of Sector Innovation Funds from the Department of Science and Technology. This was the last year for the Post-harvest Innovation programme, but the Research for Citrus Exports programme will continue for at least one more year. Co-funding of research at universities through the Technology and Human Resources for Industry (THRIP) fund continued for previously approved projects, but changes to the application process administered by the Department of Trade and Industry have slowed the acceptance of funding for new projects. The majority of citrus research funding continued to come from the levy as administered by the CGA and some additional funds were received from royalties, grants and contracts. The CRI Board continued to oversee structured procedures to ensure that research funds are appropriately directed at addressing the immediate and future needs of the industry.

CRI Board of Directors

Director

Dr D J Nel
P J Smit
D Joubert
S R Meyer
L von Broembsen
M R Woodburn
C Kellerman
Prof N Barker
Prof K I Theron
Dr N Motete
S B Turner

Nominated by

Growers
Growers
Growers
Growers
Growers
Growers
SASCCON
Pretoria University
Stellenbosch University
ARC
FPEF

Position

Chairman and Exec Committee
Vice Chairman, Exec Comm and Chairman Horticulture Research Committee
Exec Comm & Chairman Cultivar Evaluation Research Committee
Chairman CIS Advisory Committee & Chair IPM Research Committee

Chairman; Disease Management Research Committee

Market Access

The drafting of regulations by the EU for FCM dominated the market access environment. The industry can be proud of the exceptional foresight and dedication that CRI showed over the past decade and more, by developing and validating a composite set of FCM management practices and controls that provided technical justification for the adoption of a flexible risk mitigation approach within the drafted EU regulations. Included in this, was the successful demonstration of non-host status of lemons for FCM, culminating in the exclusion of lemons from the measures prescribed in the drafted EU regulations.

The FCM market access research and development work was strongly augmented by CRI strategically managing a process by which the relevant scientific information was communicated and engagements were undertaken with key role players, that was instrumental in effecting a favourable outcome to the FCM regulation drafting process. Furthermore, various non-statutory risk mitigation measures have been recommended for implementation in the current season's exports to the EU market, towards facilitating transition to statutory compliance measures for the next season.

Furthermore, CRI's attention remained strongly focussed on also addressing the multiple other technical challenges and opportunities inherent in gaining, retaining and optimising access to export markets. Further scientific publications from CRI group researchers working on citrus black spot have highlighted the excessively restrictive nature of the EU CBS regulations relative to phytosanitary risk. New draft EU legislation released in February 2017 for WTO comment will enable future use of SA's own demarcation of CBS pest free areas. CRI recently published on numerous improved cold treatments for false codling moth that will support greatly improved export protocols to many of the industry's export markets.

CRI has been successful in ensuring that the scientific input requirements for all of the industry's current market access drives have been met and are up to date.



False Codling Moth

been successfully undertaken on the practicality of irradiating fruit as a phytosanitary pest treatment, and the improvement of temperature management during shipping in containers towards mitigating risk of phytosanitary pests has progressed very strongly. The latter is of great strategic importance in enabling the industry to feasibly meet the challenges of future export regulations.

CBS continued to be a key focus area for the Disease Management Research Portfolio, and the CRI-PhytRisk tool that assists growers in deciding when to spray for optimal CBS control was launched in August 2016. Dr Tian Schutte who was programme coordinator for fruit and foliar diseases and CBS resigned and was replaced by Dr Providence Moyo. Research on CBS spray trials is being led by Charl Kotze. Research on propiconazole as a replacement for guazatine as a post-harvest fungicide has continued and optimal practices for dips and drenches were fine-tuned. An increasing proportion of Graft transmissible disease research is addressing biosecurity requirements in the form of HLB, and servicing the CIS to ensure that trees remain free of viruses and viroids. Soilborne disease research continued to address the need for alternative approaches to nematode control, control of Phytophthora in nurseries and root rot on calcareous soils in the Eastern Cape. The diagnostic centre in Nelspruit continues to process an increasing number of samples from citrus nurseries and growers.

FCM and fruit flies continued to receive the majority of the research attention and funding within the IPM research portfolio.

Research Portfolios

Research to address specific phytosanitary market access challenges and opportunities remained an important focus that extended through all research disciplines. For example, within the Citriculture portfolio, extensive research has

Many papers on effective management of FCM were published in 2016, some of which should lead to less damaging postharvest cold treatments. More research is being conducted on alternative hosts and control methods for *Bactrocera dorsalis*. Research on the control of *Diaphorina citri* is being conducted on citrus in Mauritius in preparation for when it reaches South Africa.

Research in the Citriculture portfolio incorporates the evaluation of an increasing number of cultivars and rootstocks. Cultivar evaluator Stephen Meeding resigned and was replaced by Werner Swiegers. Fruit production research has been split into two programmes of flowering and fruit set, and nutrition and water management. Long-term research continues in both these programmes and comes together in two projects where research is being conducted on mandarins under nets. Rind condition research has shown that all cultivars except Nova and Turkey Valencia can tolerate 300 Gy irradiation, but lower dosages followed by short cold treatments would probably be safer. Within the Cold Chain research programme, an important handbook on optimal precooling of fruit for in-transit cold treatment was compiled by John McGlashan, Dr Paul Cronje and Dr Thijs Defraeye.

Citrus Improvement Scheme

In 2016, the CIS had an international review. The results were extremely good but one point the interviewers emphasised was the need for the scheme to become compulsory in order to best cope with the growing biosecurity threats that the industry faces. The strong demand for budwood of lemons and mandarins continued in 2016 and the Citrus Foundation Block has had to increase production to provide more than 10 million buds per annum and carry 385 cultivars. Production of certified trees by nurseries increased from 2.2 million in 2015/16 to 4.1 million in 2016/17, of which approximately 1.5 million each were lemons and mandarin hybrids.

Extension

The 9th CRI Citrus Research Symposium was held in August 2016

and once again provided an excellent overview of the latest research results for the industry. Some international speakers were included which helped to demonstrate the world-class standard of South African citrus research. Attendance at the CRI regional workshops has continued to grow. The themes of the three workshop series are Postharvest, Production, and Pest and disease management but the latter workshop series was not held in 2016 due to it coinciding with the International Citrus Congress in Brazil. The vacancy for Area Extension Manager in the Northern region was filled by Wayne Mommsen early in 2017 and he is based in Letsitele. MC Pretorius now oversees the Central region and Hannes Bester, who heads up the whole Extension division, remains based in the Eastern Cape. Extension also continued to efficiently coordinate the Post-harvest Technical Forum and the Packaging Working Working Group and to provide valuable Packhouse extension services.

Biosecurity

The post of Industry Biosecurity Manager was filled by Dr Hennie le Roux from 2015. Regrettably he passed away in October 2016. Much of the work that he started has been carried by other CRI staff while looking for a replacement. Leaf samples taken in two East African surveys have shown that publications stating that HLB was present in Uganda and Tanzania were incorrect and that it was a subspecies of African greening that was giving false positive results in PCR tests. However, the Asian vector of HLB *Diaphorina citri* is indeed present in Tanzania and moving both northwards and southwards.





The first year of the Company's operation was mainly focussed on the establishment of the Company to ensure that it was fully functional.

The main priorities were the following:

- Setting up the offices at the Agri-hub office park
- Filling vacancies to ensure that the full staff complement is reached and staff with the requisite skills are appointed
- Establishing procedures in order to establish a culture of compliance and maintain regulatory process
- Establish partnerships and creating visibility of the Company
- Commitment to good governance. The company is committed to the principles of King III, hence its Board of Directors have continued to provide strategic direction to ensure compliance to all applicable laws and regulations.

Over and above this, the Company undertook the following initiatives:

Business Plan Development

Research has shown that some enterprises do not have business plans or have outdated plans, hence the Company prioritized the development of business plans for enterprises. Twenty business plans (Limpopo 7, Eastern Cape 4, North West 4, KwaZulu Natal 2, Gauteng 2 and Mpumalanga 1) were developed. Ten of these business plans were funded by the ARC. During the data collection, it was also established that there are a number of issues that need further attention such as:

- The viability of farms with lesser land or nothing under production pose a risk unless grant funding is obtained.
- The need for hydrological assessment to determine and quantify water availability and quality.
- The need for irrigation system designs for some farms
- The need for mentors from a preferably central service provider to the CGA-GDC
- The need for the establishment driven by CGA-GDC of central/cooperative pack-houses



Eastern Cape Agricultural Economic Transformation Strategy

The Eastern Cape Department of Rural Development and Agrarian Reform committed to allocate funds to the CGA-GDC as part of contributing to the implementation of its Agricultural Economic Transformation Strategy. This was done through a Memorandum of Agreement (MoA) which sets out the development objectives, terms of engagement and qualitative deliverables. The MOA serves as an over-arching agreement under which a Service Level Agreements (SLA) was also entered into setting out measurable budget and resource commitments to achieve quantified targets for set time periods. The term of contract for the MoA is three years whereas the SLA is one year.

Subsequently, a steering committee was established to guide the implementation of the targets set out in the SLA. The committee is constituted by representatives from the Company, District Directors of the two participating municipalities (Amathole and Sarah Baartman) and representatives of growers from the regions. The identified targets for the 2017/18 financial year are expansion, whereby each district identified five projects for development (5ha each), and ten projects to be assisted with production inputs for the first year post planting during the pre-bearing phase. For subsequent years, the allocation committee will sit, evaluate the progress and identify projects for further support.

ABSA/SIZA Project

The Company received funds from ABSA for fifty farmers toward the Sustainable Initiative for South Africa (SIZA) project. The farms would be audited and the farmers advised on what they need to do in order to be fully compliant with ethical trade. They would register onto the SIZA platform and complete a self-assessment questionnaire, which will enable them to identify their gaps. The farmers would be allowed 12-18 months to correct their shortfalls and have their farms audited for full compliance with the SIZA programme by a third party. Concomitant with assistance to comply to ethical trade regulations, CGAGDC will provide the farmers with business support, which will enable them to be aware of the available markets and their requirements; produce products that are acceptable to these markets (e.g. in terms of pest management, ripeness at harvest, cold chain management and any other topical issues), and access these markets. Subsequently, CGAGDC entered into a Service Level Agreement with SIZA for the implementation of the project. The fifty identified farmers were grouped according to the study group areas and training commenced in March.

Study Groups and Information Days

Study Groups: The study group can be one of the best places to get your questions answered about confusing or difficult issues in the farming set up. The study group allows for a good review of issues in the farm. The members of the study group can improve their problem-solving abilities by working together to solve difficult challenges and if the group does this on a regular basis, all members will learn the skill set required to solve any type of challenges on their farms.

During the year under review, twenty citrus study group sessions were hosted in Limpopo, KZN, Eastern Cape and North West provinces. The NW province saw the birth of a new study group called Bojanala Platinum Citrus Study Group. Different topics were presented at the sessions covering various technical aspects of citrus production and in some instances they are used as a platform to communicate feedback from Chamber to Company.

Information Days: The aim of these events is to encourage the developing citrus growers, agricultural officers and other

stakeholders in the citrus industry to come together and share citrus production and marketing information. These events are held annually.

Limpopo Citrus Field Days: This has become a traditional event for the citrus growers in the Limpopo Province. The event rotates around the five districts namely; Vhembe, Mopani, Waterberg, Capricorn and Sekhukhune. The district that is going to host the Citrus Field Day chooses the theme. This time it was held in Mopani under the theme, "Optimising Citrus Production Systems and Marketing under the Diverse Conditions". The event attracted speakers from the following stakeholders: Provincial Department of Agriculture, Citrus Academy, Fresh Producers Export Council, Granorpassi and Growers.

The Eastern Cape Transformation Grower Day: This is an event that was started in the Eastern Cape Province in 2012 and has become an annual event that rotates amongst the two main districts of Amathole and Cacadu. The main aim of the event is to address challenges facing BEE citrus growers. This time the event was hosted at Cape College Fort Beaufort (KAT River Area). The event attracted speakers from the following stakeholders: Provincial Department of Agriculture, Dohne Research Institute, Eastern Cape Rural Development Agency, Citrus Academy, Fresh Producers Export Council, Humansdorp Coop, Real IPM, Stargrow and Growers.



CGA GDC Staff: Lukhanyo Nkombisa, Melton Mulaudzi, Andrew Mbedzi, Yolanda Ntlakaza and Camille Khoza



Citrus Academy Board of Directors

The following served on the board of directors in the year under review:

Representation	Name	Date of Appointment	Date of Resignation
CGA - Emergent grower representative	Hannes Hobbs (chairperson)	2012/11/20	2016/05/06
CGA	Phillip Dempsey (chairperson)	2012/11/20	
Donors (Citrus Industry Trust)	Alex Sithole (vice-chairperson)	2015/05/06	
CGA	Tim Wafer	2015/04/01	2016/08/31
CGA - Emergent grower representative	Sam Qomondi	2016/08/31	2017/03/09
CGA	Cornel van der Merwe	2015/03/12	
CGA	Andrew Muller	2017/03/09	
CGA	Marius Bester	2017/03/09	
Service providers	Vacant		
Additional seat	Vacant		

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:

2016/08/30, Board Meeting, Apologies: None

2017/04/19, Board Meeting, Apologies: Cornél van der Merwe

The ninth annual general meeting of the Citrus Academy was held at The Intercontinental Hotel, OR Tambo Airport, Johannesburg on Thursday, the 31st of August 2016.

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 2016/2017 financial year, the Citrus Academy reported a shortfall of R518,663 compared to a shortfall of R57,628 for the previous financial year.

Citrus Academy Bursary Fund

Over the last four years, the Bursary Fund has plateaued, both in terms of student numbers and the amount allocated to bursaries. Within the current profile, this level is more or less in line with the apparent ability of the industry to absorb new graduates. However, underfunding of the Bursary Fund remains the biggest cause of this stagnation, and is currently preventing the Citrus Academy from extending the range of bursaries on offer, and from providing a higher level of support for postgraduate students involved in research. Efforts will be made in the new financial year to secure a more sustainable source for bursary funding.

Bursary Fund allocations are separated into three categories, namely Postgraduate Bursary Support, Undergraduate Bursary Support, and BEE Bursary Support. The BEE Bursary Support section of the Bursary Fund supports black-owned citrus enterprises to build their internal capacity and empower self-management.

The table below shows historical allocations per category and in total.



Members of the Parliamentary Oversight committee for Higher Education visiting the Citrus Academy, along with Thami ka Plaatjie and Jerry Madiba of the AgriSETA

Year	Postgraduate Support		Undergraduate Support		BEE Bursary Support		Total	
	Number	Value	Number	Value	Number	Value	Number	Value
2006	6	132 000	22	222 100	6	60 000	34	414 100
2007	7	195 000	29	416 710	9	125 240	45	736 950
2008	10	248 000	33	385 477	9	41 226	52	674 703
2009	9	347 237	27	569 114			36	916 351
2010	8	277 528	40	818 543	8	121 433	56	1 217 504
2011	11	479 467	30	718 919	10	147 789	51	1 346 175
2012	13	580 340	27	569 676	21	296 380	61	1 446 396
2013	12	505 500	30	625 423	20	241 788	62	1 372 711
2014	18	822 034	31	805 213	15	156 031	64	1 783 278
2015	22	1 206 400	24	487 602	23	317 864	69	2 011 866
2016	19	822 930	25	630 494	20	307 597	64	1 761 021
2017	17	909 100	16	409 986	27	528 800	60	1 847 886
Total	152	6 525 536	334	6 659 257	168	2 344 148	654	15 528 941

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

Citrus Academy Bursary Fund Experiential Learning Programmes

The Citrus Academy creates opportunities for Bursary Fund students to gain exposure and experience while they are still studying, and after they have graduated. Vacation work is arranged for all B-degree and diploma students, at workplaces where they can gain experience relevant to their field of study. The internship and graduate placement programmes assist Bursary Fund students to find placements at citrus enterprises where they can gain work experience. Through the industry exposure programme, current and former students are assisted to attend conference, symposia and other events that are relevant to their field of study.

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

Category	Students:	2016	2017
Vacation work		9	-
Internships		1	6
Graduate placements		3	1
Industry exposure programme		20	-

Career Fairs

The Citrus Academy strives to promote agriculture as a whole, and the citrus industry in particular to young people over the country. To this end, we participate in career fairs around the country, usually in collaboration with the other fruit industries.

In May 2016, we celebrated the 10th anniversary of the Citrus Academy Bursary Fund during the PMA Career and Bursary Fair at the University of Pretoria. The Citrus Academy had a separate area at the career fair, and invited all former and current Citrus Academy Bursary Fund beneficiaries. This gave great exposure to the Citrus Academy, and allowed us to promote the industry to many students at the university.

Learning Programmes

In January 2017 the Citrus Academy started a new Citrus Business Management programme in Letsitele, with emergent growers and employees of other citrus enterprises in the area amongst the learners. The programme will finish in September 2017.

E-learning development is continuing, with the Citrus Secondary Programme the first to be transferred to this platform. Provided that funding can be secured, the development of the Citrus Business Management, Citrus Production Management, and Citrus Production Practices programmes will be undertaken in the next two years, followed by programmes aimed at packhouses.

Learning Media

In the year under review, the development of three audio-visual series was initiated. The series focus on Citrus Pruning, Citrus Propagation and Plant Structures and Functions. The DVDs are expected to be available by the middle of 2017.



The bright Citrus Academy Bursary Fund students attending PMA Fresh Connections, with Margi Prueitt of PMA's Centre for Growing Talent



Citrus Academy Bursary Fund students at the CGA Citrus Summit



It is now approximately one year since X Sterile Insect Technique (Pty) Ltd (Xsit) became a wholly owned subsidiary of River Bioscience (Pty) Ltd (RB) following RB's acquisition of the Technology Innovation Agency's (TIA) 49% shareholding in Xsit. This is also the first year during which the synergies between RB and Xsit could realistically be exploited to the benefit of the RB/Xsit Group (RBX).

It has been a year of frenetic pace and a great many activities, which included:

- The reconstitution of the RB and Xsit, previously separate Boards of Directors, into a single, unified RBX Board.
- The activation of a number of important Board committees to provide clear direction on actions to ensure the RBX Board's agreed new strategy on the way forward is properly executed.
- Establishing and implementing new corporate governance and reporting structures.
- Strengthening internal financial controls.
- Re-focussing the RBX Group into two distinct areas of operation, being the RB division and the Xsit division, but ensuring operations are conducted without developing a silo mentality.
- Managing the implementation of the RBX Board's agreed new strategies.
- Exploiting the synergy benefits between RB and Xsit to the maximum extent possible.
- Determining the requirements for our new CEO, interviewing candidates and making a final appointment.

RB Division

The RB division of the RBX Group has had a very successful 2016/17 financial year (FY17). The financial success of this division is evident from the performance summary in the unabridged report.

The key strategies for this division during the year under review were to sell more of its products, register more new products and to expand its product range. This strategy has worked well and RB was able to lift itself to a new level with significantly improved reported profits and cash flows from which it must now grow further.

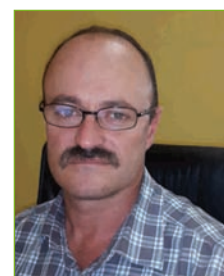
Xsit Division

Unlike the success of the RB Division, the Xsit Division of the RBX Group has had a very difficult year to put it mildly. It has been marred by sterile moth production issues, like high in plant CO2 levels; larval contamination; a colony collapse; diet problems; maize and diet quality issues etc. This resulted in Xsit not reaching its production (and sterile moth release) targets for the entire FY17 and hence, most of the 2016/17 fruit season. Unfortunately, this also coincided with probably the worst citrus season in decades concerning citrus fruit splitting, unusually low night temperatures, large disparities between day and night temperatures at critical times during the season, and a persistent on-going drought in the Eastern and Western Cape regions. These areas comprise the key citrus producing regions currently under SIT treatment.

Needless to say, our customer relations have taken a serious pounding during FY17, to such an extent that a number of our



Keith Danckwerts
River Bioscience
General Manager



Sample Groenewald
Xsit
General Manager

customers are threatening to leave the SIT treatment programme for FCM altogether. This at a time when the South African citrus industry can least afford it, given the new FCM protocols being implemented for citrus fruit exported to the European Union (EU). The abovementioned season and SIT production related issues have had the effect of creating an unusually high wild FCM population during the 2016/2017 citrus season, necessitating growers to apply costly additional measures to control the wild FCM population.

Xsit came to the party by offering a low cost (company subsidised) cryptogran virus promotion to its customers at the commencement of the 2016/2017 season in the SIT areas of the Eastern and Western Cape. It also offered free mating disruption applications (Splat FCM) as well as cryptogran (at Xsit's cost) to FCM hotspot areas during the course of the season in an attempt to help getting the wild FCM population under control.

Obviously the RBX Group cannot afford to not resolve the customer related issues and the current level of dissatisfaction with the SIT system must be addressed.

Despite all the above mentioned negatives for the FY17 year, Xsit still managed to show a modest reported net profit. There is, however, only a very small consolation from this as all these profits (and more), plus fresh fixed capital are going to have to be invested in the coming season to get the SIT programme back onto a long-term sustainable level.

Board Composition and new CEO

As already mentioned, the two separate RB and Xsit Boards were combined into one single unified RBX Board with effect from 1 April 2016. During FY17 we have had to say goodbye to Mark Fry and George Hall following their respective resignations.

We were sad to see them go and wish to express our sincere gratitude to them for their valuable contributions to our Board over many years.

We were also pleased to welcome Jan-Louis Pretorius as director

to the RBX Board, representing the CGA's Northern Region as well as Dave Gerber from the Sundays River Valley as alternate director to Paul Marais who is the CGA's Eastern Cape representative on our Board.

Financial Performance

The RBX Group shows an increase in net profit after tax of 17% compared to the prior year, resulting in a 32% higher royalty payable to CRI compared to the prior year.

Some of the major accounting policy changes and entries were as follows:

- The change in accounting policy by RB for the capitalisation of product registration costs according to the applicable International Accounting Standard (IAS38) has been accepted and affected in the 2015/16 and 2016/17 financial results of RB.
- Xsit impaired the gyrocopters on hand at year end, in line with market value, by an amount of R500 000 and also had to account for donations income in the form of security equipment donated by the International Atomic Energy Agency (IAEA) to the value of R795 000.

Overall the 2016/17 audit of RB and Xsit went very well with no material matters raised for management attention.

Closure

Sincere appreciation to the RBX Board for their continued dedication and commitment in serving the RBX Group. The Chairpersons of the various Board committees also deserve special recognition for the diligent way in which they performed their duties.

Thanks also go to the relatively small management team and staff for their hard work and dedication during this past, very trying and difficult financial year.

For a more detailed understanding, the unabridged version of this report should be read. Contact andre@riverbio.com



Travel

This last year we have started to give exposure of our first cultivars coming through the system. This has been mainly through meetings with CGA growers and study groups around the country. As a result, the first orders for cultivars have been received and some of the cultivars mentioned have been planted. Grower groups are welcome to contact me if they would like me to present the cultivars mentioned here in more detail.

- July Gamtoos growers
- 24th October, Boland growers
- 15th November, SRCC growers
- 2nd Decemebr, Ohrigstad study group
- 24th Januray 2017, Kat River growers
- 28th March, Nelspruit, Karino growers
- 30-31st March, Hoedspruit, Burgersfort and Ohrigstad.
- Various field visits

Promising Cultivars



Tanor Late Mandarin, ZA 20176318, has received Plant Breeders Right certification. The first commercial orchards were planted this year after an initial shortage of budwood. The first semi commercial plantings are bearing, (yr.3) and production and quality looks very promising.

Tanor is seedless and can be planted near pollinators. It is an ultra-late Mandarin, ripening after Nadorcott. It is a large firm

mandarin with high brix and should do well in Far East/Chinese markets. The first trials have shown that it withstands Cold steri treatments.



Red Lina: As the red pigmented sector of Citrus Varieties gains traction, a cultivar, Red Lina, managed by CGACC is coming into the spotlight. This cultivar ripens 3-4 weeks before Cara-Cara, and will extend the Pigmented navel programmes. Added to this, most fruit have a pink blushed rind and oil cells are pink, whereas Cara-Cara's external appearance is like an ordinary Navel. This will assist the consumer in associating it with red pigmented fruit such as Star Ruby. There is no fruit evaluated from Clean material, but from early observations of the mother tree, it appears that the fruit is rounder than the parent. More closed Navel ends have been noticed. Productivity appears good like the parent cultivar but it is possible that it will be one size smaller on average. The first evaluations from the cleaned material might improve size however. As seen in picture, the juice is a deep red colour, whereas Cara-Cara is only a dark orange.



While on the topic of Red Pigmented Cultivars. CGACC has imported a range of red sweet Pomelo and Grapefruit hybrids. As reported previously some of these have significantly lower Furanocoumarin, (this compound adversely affects Statin medication for Cholesterol, it has been the source of a lot of bad publicity in the past. One of these cultivars has Furanocoumarin levels below some Mandarins and this together with the very high Brix, 13-15, and anti-Oxidants, should go a long way to rebuilding the Pomelo/Grapefruit line to one of the fruit of the future. The first of these cultivars is 'finally' through Post Quarantine and is now at the Foundation block.

Clemensoon: Clemensoon, managed by CGACC, is one of the earliest ripening Clementine's, ripening in the same week as Early Satsuma cultivars. After a long Post Quarantine period, this cultivar will be arriving at the Foundation Block shortly. Cultivar companies have had a frustrating time in recent years with the slow pace of 'Clean-Up' in Post Quarantine. Staffing shortages and equipment resourcing have been issues at this important facility, but the appointment of Elize Jooste to head up the facility and the resourcing assistance of CRI are welcomed in improving throughput of new imported cultivars. We wish Elize and her dedicated team well in reducing the backlogs.

DeWet Navel: As you are all aware, Industry has had very difficult Navel seasons in the last two 2 years. This appears to be caused largely by drought and extreme heat during flowering. 2016 was a high creasing year. The 2017 season has seen a marked incidence in large Navel ends and splitting. Some growers have reported up to 50% lower yields as a result of fruit drop caused by splitting. A cultivar, DeWet Navel discovered in the Gamtoos region, has as a result come into the spotlight. DeWet has a virtual closed Navel end. A small trial orchard planted alongside same age Palmer navels has shown little to no waste, even in this year the Navel ends are completely closed, the only waste being from the odd stung fruit. The result of this season is 50% less Palmer Navel. DeWet last year had a record crop and it looks set to equal or do better than last year. Ripening is normally two weeks after Palmer Navel. Fruit is clean externally and size is uniform, peaking on 64 with very little small or extra-large fruit. This makes for very high percentage pack outs. Rind seems to be softer than Palmer, which will be a problem for China, however the fact that there is little to no waste will make it a good option to compete with mainstream Navels in other markets.

First Florida mandarins through post quarantine 'Clean-Up': Early seedless Mandarin, Sweet red Pomelo Hybrids are through Quarantine and will be going into evaluation shortly. The Seedless Mandarin looks to mature before Nova Mandarin which has the potential to spread Mandarin offerings across the season.

Open Cultivars introduced: Iwasaki first maturing satsuma was introduced by industry and is available at the CFB for growers to plant. Other cultivars CGACC has imported and for which there

has been a lot of enquiry are Pink Lemon and Finger Lime. CGACC has also imported some Mandarins, one of which is also seedless and early.

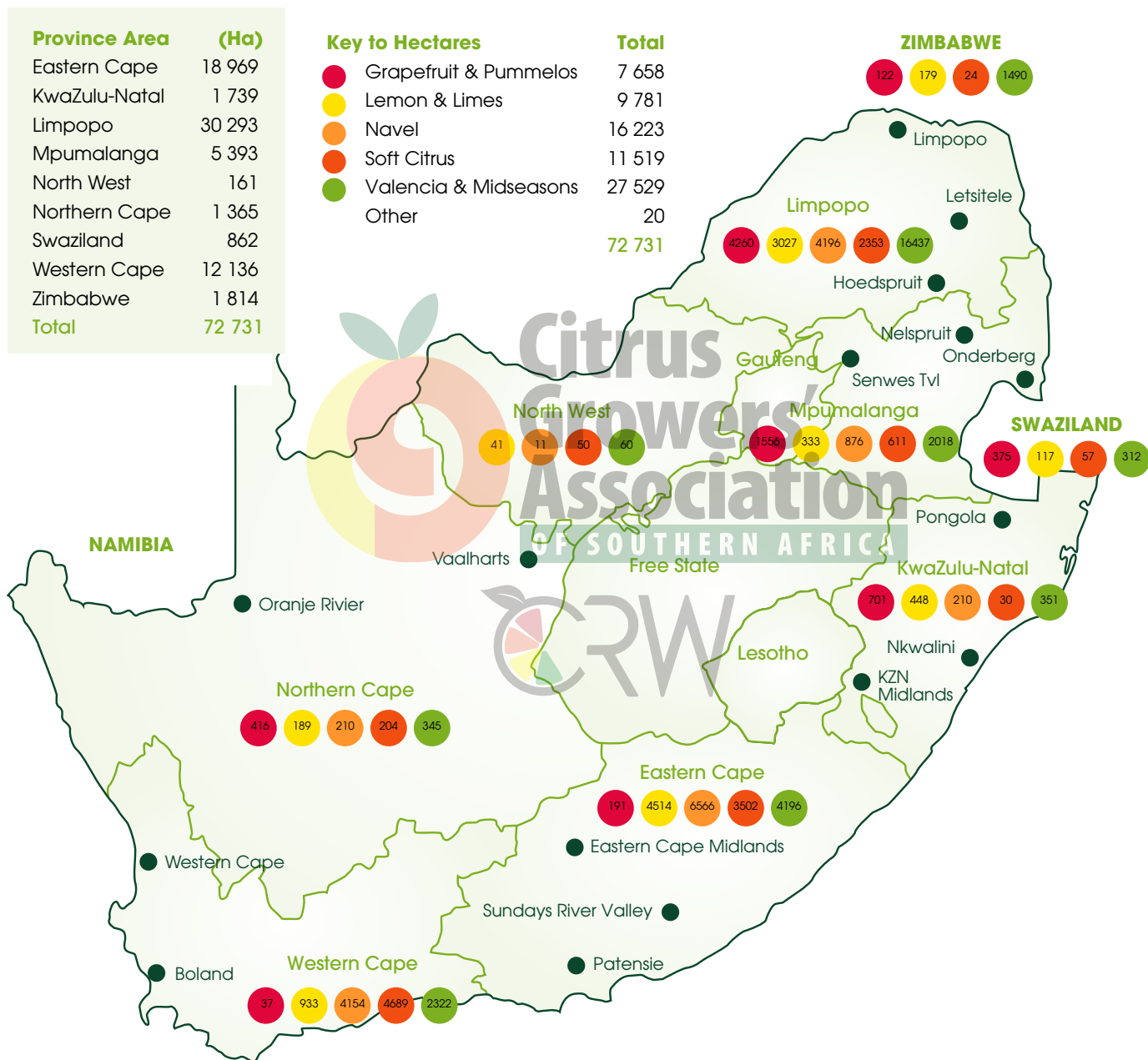
Local Cultivars



- **Bruce Mandarin** - (Tasty 1) has been awarded PBR at time of writing. The cultivar is in a very good ripening window, between Nova and Nadorcott. However, like Nova, Clementine and Nadorcott it has seed if planted near other pollinators.
- **Addo Early** - is now available. A large fruit peaking at 56, unlike other early cultivars, it is round and colours uniformly, earlier than Lina. In picture, Addo, Palmer centre, Fukumoto right. It ripens a darker orange than current early Navels.
- **Sunrise Early** - another early discovery that looks promising and complements Addo Early, smaller and high internal. Together these Navels look to be productive early navels and good contenders to compete with the current early Navel cultivars.
- CGACC manages the following commercial Oranges; Powell Late Navel, Turkey and McLean SL Valencia, (co-managed with Citrogold) and Bennie Valencia. Limpopo Seedless, an ultra-early Valencia from Weipe, is showing good potential to begin the Valencia campaign in May.
- A new collection of Valencia's coming through the pipe line, Beli, Maxi, ABSL, GE early and Malinda are all promising mutations of Old clone selections. T. Early (Midnight), Ngonini Early (Delta) are promising earlier mutations of these cultivars.

Any growers interested in the above mentioned cultivars are welcome to contact me; jon@cgacc.co.za or 082 412 8269.

citrus producing regions



abridged financial statements

	Actual 2015/16	Budget 2016/17	Actual 2016/17	Budget 2017/18
Income	63 686 214	72 600 000	70 117 634	82 490 000
RSA Levy	59 660 770	61 600 000	59 197 963	77 180 000
Swaziland / Zimbabwe Levy	1 157 770	2 000 000	1 133 747	810 000
Draw from Reserves	936 068			
CBS Provision (Drawn from reserves)		7 500 000	6 858 219	2 900 000
Net Property Income	161 283		151 834	
Interest	1 367 834	1 200 000	521 636	600 000
Dividends Received - River Bioscience / XSIT	300 042	300 000	300 042	1 000 000
Citrus Summit Income			1 863 773	
Other Income	102 447		90 420	
Expenditure	63 686 214	72 497 069	70 117 634	82 430 312
Staff Costs	4 711 816	5 055 233	5 182 217	5 427 481
Travel & Accomodation	422 198	280 000	278 157	300 000
Office - Rent & Equipment	215 640	61 000	52 889	215 000
Office Expenses	681 469	522 000	702 716	565 000
Board Expenses	317 983	599 750	311 572	488 750
Services (Accounting, Legal & Insurance)	459 550	490 000	526 480	510 000
Subscriptions	225 327	258 000	204 786	235 000
Communication	78 053	207 000	(125 617)	197 000
Market Access	2 797 831	4 650 000	3 005 879	3 660 000
Market Access - CBS	4 581 251	7 600 000	3 840 038	7 650 000
Research Programmes - Citrus Research International	38 891 360	42 502 086	42 502 086	45 895 08
Transformation - CGA			241 104	500 000
Transformation - CGA Grower Development Company	3 714 640	4 200 000	4 200 000	9 000 000
Transformation - Citrus Academy	2 699 996	2 800 000	2 800 000	4 000 000
Depreciation	96 128	32 000	108 879	32 000
Information	680 757	805 000	733 214	1 305 000
Citrus Summit Expenses			1 863 773	
Land Reform		50 000		
Regional Capacity	335 863	500 000	347 933	200 000
Profit / Loss on Asset Disposal	(5 526)			
Provision for doubtful debts	(303 392)		379 187	
Leave Pay Provision	10 256		108 446	
Impairment of Loan - CGA Cultivar Company (Pty) Ltd	1 681 405		1 084 845	
Impairment of Loan - Citrus Academy			532 787	
Infrastructure & Logistics	1 015 271	1 235 000	924 692	1 800 000
Market Development	378 338	400 000	311 571	400 000
Fruit Industry Social Compact		200 000		
General		50 000		50 000
NET Surplus/(Loss) for Year	-	102 931	-	59 688



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